S. HRG. 106–33

# LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2000

## HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

ONE HUNDRED SIXTH CONGRESS

FIRST SESSION

**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**
**Nondepartmental witnesses**
**Office of Compliance**
**U.S. Capitol Police Board**
**U.S. Senate**

Printed for the use of the Committee on Appropriations

Available via the World Wide Web: http://www.access.gpo.gov/congress/senate

U.S. GOVERNMENT PRINTING OFFICE

54–224 cc WASHINGTON : 1999

For sale by the U.S. Government Printing Office
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402
ISBN 0–16–058458–2

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# LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2000

**WEDNESDAY, MARCH 3, 1999**

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

The subcommittee met at 10:03 a.m., in room SD–116, Dirksen Senate Office Building, Hon. Robert F. Bennett (chairman) presiding.

Present: Senators Bennett and Feinstein.

## U.S. CAPITOL POLICE BOARD

**STATEMENTS OF:**

**HON. JAMES W. ZIGLAR, SERGEANT AT ARMS, U.S. SENATE, CHAIRMAN, CAPITOL POLICE BOARD**

**HON. WILSON LIVINGOOD, SERGEANT AT ARMS, U.S. HOUSE OF REPRESENTATIVES, MEMBER, CAPITOL POLICE BOARD**

**HON. ALAN M. HANTMAN, ARCHITECT OF THE CAPITOL, MEMBER, CAPITOL POLICE BOARD**

**GARY L. ABRECHT, CHIEF, U.S. CAPITOL POLICE**

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

Senator BENNETT. The subcommittee will come to order.

We want to welcome our new ranking member, Senator Feinstein from California. She has come back onto the Appropriations Committee and we are delighted to have her assigned to this subcommittee and have her serving as the ranking member.

We also have another new member of the subcommittee, Senator Durbin, and look forward to working with him as well.

One of the nice things about Senator Feinstein, along with all the other nice things she automatically brings to any assignment, is the fact that she is a member of the Rules Committee. There is an overlap in the Rules Committee area of jurisdiction and our area of responsibility. So we will have a coordination here between the Rules Committee function and this subcommittee's function that will be very welcome and I think very useful.

Now, I cannot let the opening opportunity pass without talking about my current obsession, which is Y2K. As we noticed, yesterday was Y2K Day in the Senate and we passed two pieces of legislation on the floor of the Senate with respect to Y2K. I think we are making fairly good progress in a variety of areas.

I will not revisit all of that, except to share with you the comment of my chief of staff for the Y2K committee. When we first got

into this issue in the Banking Committee, he was my Banking Committee staffer and he quoted his grandmother, who said: "Always sweep in front of your own stoop first." We are out sweeping in front of everybody else's stoop and we have to ask the question, is the legislative branch of government going to be Y2K-compliant?

Now, those of you who testified before this subcommittee before know that I always raise it. I am putting you on notice that I will raise it again this morning and that the subcommittee is prepared to have another hearing on this issue later this year if in fact the Y2K preparedness warrants it. I can think of nothing more personally embarrassing to me than to have other parts of the economy all work and the legislative branch fail to work and have people say, well, he was out sweeping in front of everybody else's stoop, but he did not bother to look at the dust and debris that had accumulated in front of his own.

So I am putting you on notice. I know that comes as no surprise because that is an issue that I have been so outspoken on for the last 3 years, but I wanted to make that clear.

It is worth noting that OMB has set the 31st of March as the deadline for every executive agency to have things done so that the testing can start. We already know that there are executive agencies that will not meet that deadline. We think that is a decent deadline. It gives you 9 months for testing, which in some instances will be plenty. In others, like the Defense Department, it will probably not be, because the testing is in many ways the most time-consuming part of the Y2K challenge.

If the agencies we hear from this morning are not ready by the 31st of March, then we plan to have some kind of additional hearing in April to have you outline when you plan to be ready and exactly where you are with respect to remediation.

Now, Senator Feinstein, we appreciate again your being here, your joining us, and happy to have whatever opening statement you may care to make.

Senator FEINSTEIN. Thank you very much, Mr. Chairman. I want to say that it is a great pleasure for me to work with you. I find you very open and willing to discuss and share, and I want you to know that, in the best bipartisan spirit, I really appreciate that very, very much.

For me, some of the numbers that I see on the Legislative Branch have been a surprise, and as we begin the process of this detailed review of the fiscal year 2000 battlefield I note that the Legislative Branch Subcommittee's total is $2,621,321,000, which is an increase of $269,521,000, or an 11.5 percent increase from fiscal year 1999 enacted levels. For the Senate items only, the amount requested for fiscal year 2000 totals $517,460,000, which is an increase of over $42 million, or approximately 9 percent over last year's enacted level.

Those are for me, who has only done city and county budgets really, a substantial amount. I expect that, because the budgetary constraints on the domestic discretionary budget will be tight again this year, the 302(b) allocation to this particular subcommittee will also be tight.

I note that members of the Capitol Police Board are scheduled to testify first. As you know, the fiscal year 1999 Omnibus Appro-

priations Act provided emergency funding of $106,782,000 to the Capitol Police Board to enhance security for the Capitol complex and the Library of Congress buildings and grounds. I have been privileged to hear the Chief's presentation at the Rules Committee. This includes additional police staffing of 260 to be brought on over a 2-year period to assist in implementing these security upgrades, which incidentally I support.

It is my hope, Chief, that you will take some time during your opening remarks to outline for this subcommittee the impact these additional staff will have on an annualized basis to your budget request beginning with fiscal year 2001.

I would like to thank the chairman for scheduling these witnesses to appear before us today, and I thank you very much, Mr. Chairman.

Senator BENNETT. Thank you.

Our first panel is the U.S. Capitol Police Board, James Ziglar, and we welcome you, sir. This is your first experience before the subcommittee. I hope we will not continue to see the musical chairs phenomenon with respect to the Sergeant at Arms. Since I have been on this subcommittee, I have heard testimony from Howard Green, Greg Casey, and now you. We hope you are here for certainly as long as you want to be and for a good long time. We welcome you and welcome your expertise to this assignment.

Along with Mr. Ziglar are some more familiar faces: Mr. Livingood, Mr. Hantman, and Chief Abrecht.

BUDGET REQUEST

The budget request for the police is $90.2 million, $81.2 million for salaries and $9 million for general expenses. This is an 8.6 percent increase over the fiscal 1999 level. It supports the current FTE level of 1,251 civilian and uniformed officers.

Before we begin with the testimony, I want to formally and publicly thank the Police Board and the police staff for your openness and your willingness to share with us the specifics of many of the challenges you are facing. Too often we have people who when they have problems try to hide them and hope that in hiding them they can make them go away.

But you have been very open and candid with this subcommittee and I appreciate our relationship. I think this relationship makes it easier for us to help you. We know that sometimes you would rather not share some of your problems, but your willingness to do so I think is admirable and much appreciated.

We want to work together with the police to help you get the infrastructure that you need. We recognize that the police provide an absolutely vital and, as was dramatically demonstrated last summer, life-threatening service for all of us. We sometimes take that protection for granted. It was a tragic incident that reminded us just how professional our Capitol Police force really is. I would be remiss if I did not publicly, through you, Chief Abrecht, thank you for all of the work that all of the men and women on the police force do to take care of us.

So we will, I assume, begin with you, Mr. Ziglar as the Chairman of the Board.

Mr. ZIGLAR. Thank you, Mr. Chairman and Senator Feinstein.

With respect to the musical chairs comment you made, I hope that I do not contribute to that. But in keeping with your comment about Y2K, the Leader has explained to me that I will contribute to that if I do not get it fixed right. So if I am not here for next year's hearing, it is because we failed on Y2K and the Leader did not think kindly of it. But hopefully that will not occur.

As you mentioned, this is my first occasion to be here and I am very pleased to be here. I am also very honored to be Sergeant at Arms of the Senate and I am looking forward to working with you.

As you know, Senator, I worked here when your dad was a Senator, and so it is like coming home for me 35 years later.

INTRODUCTION OF ASSOCIATES

I would like to introduce—well, you have already introduced them, Bill Livingood and Alan Hantman, the other two members of the Capitol Police Board, and make one comment, and that is in a very short period of time we have had an extraordinarily good working relationship. In addition to working together well, we have actually become friends and are enjoying each other.

In fact, today is the first time that consolidated testimony among the Architect and the House and the Senate has been presented on a budget request, and we think that this demonstrates our unity.

I would like to also introduce to you two other folks in the audience here, Doyle Frederick and Ozzie Girard. Doyle is the Chief of Staff of the Sergeant at Arms and Ozzie Girard is here working on security and police liaison issues for me. I did a little bit of reorganization in order to focus on those things.

We have prepared a written statement which has been submitted for the record. In addition, I would like to just make a few comments.

Senator BENNETT. Your statement will appear in the record in full.

SUMMARY STATEMENT

Mr. ZIGLAR. Thank you. I would like to just make a few comments, if I could, summarizing and somewhat expanding on it.

Since I became Sergeant at Arms of the Senate, and particularly since I became Capitol Police Board Chairman, I have developed a very strong respect for the Capitol Police Department, the Chief and all of those folks that run it. It is a very professional and very capable organization. I have to tell you, having arrived right at the beginning of the impeachment process, which does not happen that often, with all sorts of incredible security problems and challenges, the Capitol Police performed superbly.

There were very, very few glitches. It was a seamless performance in terms of security. I want to especially thank the Chief and officers for their performance in that.

I think we all should be very thankful for and proud of the service that we get from the Capitol Police Department. Now, that is not to say, however, that over the next few years that we do not have some challenges that we are going to have to meet in terms of the security around here.

During the next few years we are going to do a number of things. As you pointed out, we are going to add roughly 260 new officers

to the police force, which is a massive infusion of new personnel, and that will create some transition challenges.

We are going to upgrade the personal equipment for officers and we are going to upgrade the training for our officers. We are going to be implementing the massive physical security upgrades that are part of the omnibus authorization from last year, and that is Capitol Complex-wide.

We are going to be developing or are developing a master plan to address some of the deficiencies in the Capitol Police infrastructure. And we are going to implement many of the recommendations of the recently released Booz-Allen and Hamilton report, having to do primarily with the administration and strategic planning part of the Capitol Police.

The Congress has been very supportive of the Capitol Police and of the security issues around the Capitol. Just in the last few weeks literally, we have had a number of very important developments that have occurred. In the House, both the Appropriations and the authorizing committees have now approved the $106 million implementation plan, and we are hoping very soon to get approval on the Senate side so that we can begin to move ahead.

Second, the appropriate House and Senate committees have approved the hiring of our 260 new personnel. With respect to the House, there are about 15 positions that they want us to provide additional justification for. We are in the process of recruiting and also developing a training program.

Obviously, to bring that many personnel on board we are going to have to double the size of the training program and bring a little more efficiency into it in order to get them up to the professional level that we have for the rest of our officers.

Third, the perimeter security program has now been approved by all parties and the Architect of the Capitol is doing a terrific job of getting it moving. I suspect Alan will talk more about that, either now or in his testimony later on today.

So these three very critical elements of our security plan are now in place or just about in place and operating. We are very proud of the way the police have handled this and how quickly it has gone, and particularly for the support from the Congress on both sides.

Another significant recent event was the release of the Booz-Allen and Hamilton study on the Police Department which particularly focused on administrative activities. They have recommended some changes in both the human resources, information technology, and financial management areas. One of the overarching recommendations was that the Police Department needs to have a strategic plan in this area. We had—actually, before that recommendation was final started the process of working with the Police Department on creating a strategic plan, and also moving quickly to take some action on a reorganization that is obvious, I think, to everyone that we need to do.

In fact, when we leave here today we are going to a 2-day offsite Board workshop. We are not going to any luxurious place. We are just going outside the Capitol complex so that our telephones do not ring all the time. We will look at the Booz-Allen report in depth and come up with our recommendations; the master planning docu-

ment on the facilities side; as well as some other implementation issues with regard to the omnibus authorization.

Let us talk about Y2K.

Senator BENNETT. OK.

Y2K

Mr. ZIGLAR. I was keeping you in suspense by putting it further down, not that it is not the number one priority.

In my role as Sergeant at Arms of the Senate, I obviously have more than just the police part of the Y2K. I have been, particularly since the impeachment trial was over and I had a little bit more time, very involved in it. I was very involved in it when I first got here.

I am feeling very comfortable, Senator, that we are doing the right things. I have reached beyond just our in-house people to have some outside folks take a look at it on an informal basis, just to make sure that there was nothing that seemed to be OK but was not. I am feeling good that we are—although we may not have all things done by March 31 we are doing very well, and I suspect that you and I and Senator Feinstein will be talking about those issues in another budget hearing on March the 24th.

But with respect to the Police Department, we identified 19 critical missions systems. I have gone through each one of them with the police. We are now at the implementation stage, beyond validation, on at least ten of them, as I recall. I do not have that right in front of me. We are at validation on 14 of the 19, and we are doing quite well on the renovation of the rest of them.

There is only one system that at this point I think we are not exactly sure what we are going to do with, and that is the Motorola radio console system. The issue there, quite frankly, having looked at this thing in some detail, is not so much Y2K compliance, because we can get there. The issue is whether or not we are going to spend between $600,000 and $900,000 to replace that console system or we are going to do a patch.

Now, without regard to Y2K the fact is that that system is very old, it is outdated, it is at the low end of the technological curve, and, more importantly, it has no redundancy in the system. From a police security point of view, it is not a very attractive situation. So to be quite honest with you, we are tending now, as a result of an additional technical meeting yesterday, toward replacement of the console system through an RFP process. Because there is a lot of good technology out there, we are not limited to the original supplier.

PREPARED STATEMENTS

I think that is probably what we will recommend and we are very close to making that decision. It really has to do with upgrading our technology as much as with Y2K.

[The statements follow:]

PREPARED STATEMENT OF JAMES W. ZIGLAR

Mr. Chairman and members of the Committee, I am pleased to appear before you to present the fiscal year 2000 Budget Request for the United States Capitol Police.

Although I have been a member of the U.S. Capitol Police Board for a relatively short period of time, and Chairman for only two months, I have developed a strong respect for the capabilities and professionalism of the men and women of the United States Capitol Police. In particular, I would like to express my appreciation to Bill Livingood and Alan Hantman for their outstanding contributions as members of the Board and for their wise counsel during this learning period I am traversing. We have developed an excellent working relationship in a short period of time and this spirit of cooperation and unity is evident today in our testimony before this Subcommittee. For the first time, the members of the U.S. Capitol Police Board have submitted a single joint statement regarding the U.S. Capitol Police budget request.

Mr. Chairman, the next few years will be a challenging time for the United States Capitol Police. The Department plans to add 260 police personnel to its ranks over a two year period; we will provide officers with upgraded personal equipment and training; we will make significant changes to the Department's administrative and operational capabilities; we will upgrade physical security equipment; and, under the direction of the Architect, we will make much needed improvements to the physical security barriers which protect the Capitol Complex. The challenge for the members of the Capitol Police Board will be to manage this change and to continue to meet the unique security needs of Congress during the transition.

In accordance with the provisions of Public Law 105–277, the U.S. Capitol Police Board recently submitted to the authorizing and appropriations committees an integrated implementation plan detailing the needed police equipment upgrades and outlining the first phase of the security enhancements to the Capitol Complex and Library of Congress buildings and grounds. The segment of the implementation plan which addresses the personnel increase has been approved by all committees and we have initiated an aggressive recruitment agenda to fill the approved positions. Just last week, the House oversight and appropriation committees approved the remaining parts of the Security Enhancement Implementation Plan. We would very much appreciate your early consideration and approval of the remaining parts of the plan which will allow us to move ahead with the upgrade of police equipment and physical security technology. In an unprecedented fashion, the USCP, Architect of the Capitol, Library of Congress Police, and even the U.S. Supreme Court Police are working closely to coordinate the efficient execution of the Plan upon final approval.

With regard to physical security upgrades, we have just received final approval for the Capitol Square Perimeter Security Plan. As you know, this plan addresses the need to upgrade the physical barriers that will surround the Capitol Square and the Senate office buildings. The new barriers will provide a higher level of security and will also be more aesthetically pleasing than the current structures. These initiatives, implemented under the guidance of the Architect, will provide long-term security for the Capitol Complex and meet current industry standards to protect against vehicular terrorist attacks. For your information, the security perimeter upgrades along Delaware Avenue and C Street on the Senate side are currently under design and we will be requesting approval to release funds to proceed with construction shortly.

Last year, the Chairmen of the Legislative Branch appropriations and oversight committees tasked the General Accounting Office (GAO) to contract and oversee an evaluation of selected administrative operations of the U.S. Capitol Police (USCP) to identify opportunities to improve efficiency and cost effectiveness. The GAO selected Booz-Allen & Hamilton to perform the evaluation and to conduct a management review of selected USCP administrative operations. Specifically, the review addressed the management of the financial services, human resources, and information technology operations. The members of the Board have been briefed by the staff of the General Accounting office and last week we were provided with the final report of Booz-Allen & Hamilton. Areas highlighted for emphasis during the briefing process included the need to establish an administrative structure to support the core mission; the need to develop a strategic plan; and the need to establish policies and procedures for all support activities. The Board is in general agreement with the findings and recommendations of the report.

The Board and the USCP have begun addressing the issues raised in the report. Actions to be taken include preparing a draft reorganization plan; acquiring the resources for preparing the Department's strategic plan; and rectifying staffing deficiencies in the areas of financial management, information technology management, and human resources management. Many of the staffing issues were addressed in the staffing proposal which has now been approved by this Committee. In addition, the creation of an improved policy review and personnel evaluation process is under way.

Once the Board has had the opportunity to fully review and discuss the information contained in the final report, we will make additional decisions on how to insti-

tute measures to improve the Department's administrative infrastructure to reflect best business practices. As a matter of fact, immediately following this hearing, the Board has scheduled a two and a half day workshop to discuss USCP activities and operations, with the Booz-Allen report being one of the agenda items for discussion. We will keep the Committees advised as we make progress toward implementing the recommendations contained in the report.

Another important issue is the status of the U.S. Capitol Police Year 2000 computer compliance project. The police have identified nineteen mission critical systems which must become Y2K compliant. Thus far, we have renovated fourteen systems and have validated ten. The validation of two other systems is 98 percent complete. Currently, the U.S. Capitol Police have ten of their nineteen systems Y2K compliant and in operation. Of the remaining nine systems, two are 98 percent complete and one is 50 percent complete. The remaining six are being renovated in conjunction with the Office of the Senate Sergeant at Arms, the Metropolitan Police, or are otherwise the sole responsibility of the USCP. We project that we will have achieved full Year 2000 computer compliance for all U.S. Capitol Police systems by September, 1999.

The increase reflected in the U.S. Capitol Police fiscal year 2000 budget request is primarily a result of funds needed to sustain the revised longevity rates and differentials for Sunday, holiday, and evening shifts that were approved by the authorizing and appropriations committees for fiscal year 1999. It also includes the cost of the anticipated COLA and comparability pay increases, as well as personnel benefits.

Also, it should be noted that the USCP fiscal year 2000 budget request includes an increase in funding to cover the Department's computer and telecommunications expenses. Additional funds are necessary to cover the needed improvements in the information technology area based on our own analysis and as recommended in the Booz-Allen report. We are proposing to include this funding in the USCP budget rather than continue to use resources from the budget of the Office of the Senate Sergeant at Arms. The Senate has provided the U.S. Capitol Police with extensive equipment and technical support over the past several years. The Board feels that the Chief and the Command staff, under the supervision of the Board, should have direct control over and accountability for the funds required to purchase and operate these systems. Therefore, we have proposed that these items be included in the U.S. Capitol Police Budget.

The Capitol Police Board has approved security related projects that are included in the Architect of the Capitol's budget request for fiscal year 2000. These include such items as: Infrastructure for Security Installations which provides the infrastructure accommodations to support the continued installation by the Capitol Police of door controls, alarms, cameras and other security devices throughout the Capitol Complex; Security Project Support that will provide the AOC with technical staffing resources to coordinate, oversee, and implement the design and construction of capital improvements that were funded in the Omnibus Consolidated and Emergency Supplemental and Appropriations Act, 1999, Public Law 105–277; and, Secure Attic and Basement Areas for Senate Office Buildings, that will provide for the construction of physical barriers in various storage areas of the Senate. The Board also concurred with the AOC and LOC Book Conveyor System Security Plan that will provide for access control to the Library of Congress book conveyor system; and Collections Security that will provide for the continued installation of card readers and other security sensors and devices to protect the Library's collections.

The U.S. Capitol Police Board is grateful for your efforts to pass and fund the pay parity and benefits package for our personnel last year. The greatest asset of any organization, whether public or private, is its personnel. The U.S. Capitol Police relies on the ability, dedication, and contribution of its personnel at all levels in order to meet its mission. Thanks to these pay and benefit initiatives, we believe that we are now in a better position to retain our experienced officers while attracting highly-qualified candidates.

The members of the U.S. Capitol Police Board and I would like to express special thanks to this Committee for the strong support you provided to the U.S. Capitol Police in the aftermath of the tragic deaths of Officer Jacob Chestnut and Detective John Gibson. The outpouring of concern and support from members of Congress, the Congressional community, and the public helped to sustain the families of our fallen heroes and the men and women who continue to serve. We are pleased to report that pursuant to Public Law 105–223, the Board has made a substantial distribution from the Capitol Police Memorial Fund. This contribution was equally divided between the Chestnut and Gibson families.

We look forward to working with the Committee as we strive to meet the challenges and demands of protecting the Capitol Complex and those who work and visit

here. A detailed budget has been previously submitted to the Committee. Thank you for this opportunity to appear before you and we will be pleased to answer any questions you may have.

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PREPARED STATEMENT OF GARY L. ABRECHT

Mr. Chairman and members of the Committee, I am honored to appear before you today to discuss the fiscal year 2000 Budget Request for the United States Capitol Police.

As you are aware, 1998 proved to be a difficult and challenging year. On July 24th, Officer Jacob J. Chestnut and Detective John M. Gibson were killed in the line of duty inside the United States Capitol. The service and sacrifice of these fine officers reminds us all of the inherently dangerous and unpredictable nature of our mission. The ability of Congress to safely and freely perform its legislative function is inextricably tied to the ability of the U.S. Capitol Police to perform its law enforcement, security, and protective function. The July 24th attack on the Capitol underscored that bond. So did the response from the Congress and the Congressional community to our loss. It was clear that the deaths of J.J. and John also struck a chord with the American people and individuals around the world because the Department was overwhelmed with expressions of sympathy and support. The kinds words of support and the donations of flowers, food, cards and letters helped us through this trying time. Likewise, people generously contributed to the Memorial Fund which Congress graciously established to aid the families of our fallen heroes. On behalf of the men and women of the U.S. Capitol Police, I would also like to thank Congress for granting the unprecedented honor of holding a Congressional Tribute for Officer Chestnut and Detective Gibson in the Rotunda of the Capitol.

As difficult as it was, the mission of the Department proceeded. Shortly after the shootings, security was again heightened in the wake of the terrorist attack on the American embassies in east Africa. The recent military action in Iraq also raised the specter of terrorism. Through it all, the men and women of the U.S. Capitol Police rose to the challenge and performed their duty in a professional and effective manner. I am proud to be associated with such an outstanding group of individuals.

In the aftermath of the shootings and the other incidents which affected security, a comprehensive security survey of the Capitol Complex was conducted at the direction of the Capitol Police Board. The security task force, which was comprised of security experts from federal law enforcement agencies and the private sector, used the 1995 U.S. Capitol Police/U.S. Secret Service study as a base-line. The preliminary results of the study were transmitted to the committees of jurisdiction for their consideration and funding was provided for the recommended security upgrades through Public Law 105–277.

In accordance with the provisions of Public Law 105–277, an integrated implementation plan was submitted to the authorizing and appropriations committees detailing the first phase of the security enhancements to the Capitol Complex and the Library of Congress buildings and grounds. The plan includes adding an additional 260 police personnel to the Department, providing upgraded equipment to our officers, and obtaining state-of-the-art physical security equipment. The segment of the plan which addresses the personnel increase has been approved by all committees and we have begun an aggressive recruitment and training agenda to fill these positions and deploy additional officers in the field. Just last week, the House Administration Committee and Appropriation Committee approved the remaining parts of the Security Enhancement Implementation Plan. Your prompt consideration and approval of the remaining parts of the plan will allow us to move ahead expeditiously with these very important security issues.

With the addition of 260 police personnel over a two-year period, my concern regarding the inadequacy of several of our facilities to meet the mission of the Department has deepened. Several facilities currently used by the U.S. Capitol Police can no longer adequately support the mission of the Department. Others are in need of repair and expansion or relocation to another site. In addition, our training facilities, which consist of three converted offices in the Ford House Office Building, are woefully inadequate to support our diverse training needs. The Committee has approved funding to the Architect to develop a comprehensive facilities needs assessment and space plan for the Department and other congressional entities. This study, known as the Capitol Complex Integrated Security Facilities Program, is currently underway. It will examine the long-term facilities requirements of the U.S. Capitol Police in the areas of training, administrative and security operations, and personnel support. We look forward to working with the Committee to address this critical issue once the final report has been submitted. In the short term, the Archi-

tect is addressing several issues relating to the condition and functionality of numerous facilities currently used by the police. Your favorable consideration of the Architect's repair and improvement requests will ensure that our personnel can be provided with clean, safe, and functional working environments until such time as the long-term police facilities issues are resolved.

As you are aware, last year the General Accounting Office (GAO) was tasked with conducting an evaluation of U.S. Capitol Police administrative operations in the areas of financial management, human resource management, and information technology management. I have been briefed by the GAO staff and last week was provided with the final report by their consultant, Booz-Allen & Hamilton. At the direction and supervision of the Board, we have begun addressing issues raised in the report. These actions include preparing a draft reorganization plan; acquiring the resources for preparing a strategic plan; and rectifying staffing deficiencies in the areas of financial management, information technology, and human resources management. In addition, the creation of an improved policy review and personnel evaluation process is under way. This report was issued at a propitious time for the U.S. Capitol Police. Our administrative infrastructure is being strained by the functions related to the expansion of the Department and associated security projects. This report will provide us with a blueprint to make needed adjustments to our administrative functions so they can effectively and efficiently support the core mission of the Department.

Another issue which is critical to the core mission of the Department is the Year 2000 computer conversion. We have identified nineteen mission critical computer systems which must become Y2K compliant. Currently, we have renovated fourteen of these systems and validated ten. The validation of two additional systems is 98 percent complete. Currently, we have ten systems Y2K compliant and in operation. Of the remaining nine systems, two are 98 percent complete and one is 50 percent complete. The remaining six systems are being renovated in conjunction with the Office of the Senate Sergeant at Arms, the Metropolitan Police, or are otherwise the sole responsibility of the USCP. We project full Year 2000 computer compliance for all nineteen U.S. Capitol Police systems by September, 1999. It should be noted that, as a precaution, we have begun continency planning to ensure that our core life-safety, security, protective, and law enforcement operations can proceed unhindered in the event of significant, unanticipated Y2K disruptions affecting our critical computer functions.

On a related matter, the USCP fiscal year 2000 budget request also includes funds to cover the Department's computer and telecommunications expenses. These funds were previously taken from the budget of the Office of the Senate Sergeant at Arms. If approved, the Department will 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 2000 budget.

The majority of the increase contained in the U.S. Capitol Police fiscal year 2000 Budget Request is the result of funding needed to sustain the revised longevity rates and the differentials for Sunday, holiday, and evening shifts that were approved by the authorizing and appropriations committees in fiscal year 1999. In addition, funding is included to cover the anticipated COLA and pay comparability increases and associated personnel benefits.

The final significant increase in the fiscal year 2000 budget is in the category of life-cycle replacement costs. It is essential to the operation of the Department that our officers utilize equipment which is up-to-date and able to meet the demands of police and security work. Therefore, we have requested funding to methodically replace physical security systems, vehicles, and police equipment. The life-cycle replacement of such items will ensure that we have ready access to modern, safe and fully functional equipment. The Department has been unable to adhere to the life-cycle replacement program, particularly with regard to fleet vehicle replacement, due to reprogramming and other funding restrictions in previous budget cycles.

In closing, I would like to thank the Committee for your efforts to provide our personnel with salary adjustments during in fiscal year 1999. In doing so, you helped us achieve pay parity with other similar federal law enforcement agencies. This action has resulted in improved morale, better retention, and an increase in the number of qualified applicants.

I am proud of the level and quality of service the men and women of the U.S. Capitol Police provide on a daily basis. As we saw last year, securing the Capitol Complex is a daunting and dangerous task. With your continued support and guidance, I am confident that we will be prepared to meet the challenges and demands of the coming year.

I will be pleased to answer any questions you may have.

Senator BENNETT. Do you have the money in your proposed budget for that replacement or would that be additional funds?

Mr. ZIGLAR. No, sir, we have that money in the budget.

Senator BENNETT. OK. Thank you.

Mr. ZIGLAR. With respect to the budget, you have outlined pretty much the numbers, the $9,187,000, which is a $7,106,000 increase over the 1999 budget. I might also add that, Senator Feinstein, I think you noted that only $9 million of that $90 million is for non-salary items. So it is quite clear that most of our dollars go to personnel, as it should be. I mean, that is what we are here to do, to provide that kind of security.

Let me tell you a little bit about the breakdown of the two significant pieces of the $7 million above last year; $4,353,000 of that is salary-related or personnel cost-related, the COLA and some merit increases and things like that. So the biggest part of that $7 million is actually related to the salary item.

The other large part is $1,761,000 for computer and telecom. There is a little history here I would like to tell you about, which I am sure you know. In the past the Sergeant at Arms budget has provided a large chunk of the money for computer and telecom support, that was not in the Capitol Police budget. We have on average over the last few years spent between $500,000 and $600,000 for computer-telecom, which has been unfortunately only at a bare maintenance level. It has not provided for any upgrade in the technology. So we have really fallen behind technologically in the Police Department.

We are proposing, as the Appropriations Committee suggested that those telecom-computer items go into the Capitol Police budget and we not have them in the Sergeant at Arms budget. I think the House is inclined to go along with that now. At least I got that feeling from our discussions with them. And our $1,761,000, which of course is higher than the $500,000 or $600,000 that we have had in the past, represents technology upgrades, not just the maintenance level that we had been supplying.

The other thing that I think is important is that in doing this in the Capitol Police budget, they will have the responsibility and flexibilities to manage their IT programs. Quite frankly they have in the past been forced to accept what the Sergeant at Arms technical people have said they are going to buy or they are going to use, as opposed to being able to independently evaluate what would be best in terms of technology for the police. So I think having it in the police budget, subject to oversight of this committee and obviously the House committee and the Capitol Police Board, is a good idea for making sure that we are at the cutting edge of technology.

COMPATIBILITY WITH OTHER POLICE FORCES

Senator BENNETT. Let me interrupt you with a question. It may be more appropriate later on, but while I am thinking about it let me just ask you now. As you move to replace some of this technology and communications equipment, what about making it compatible with other police forces on the Hill?

You have the Library of Congress police force.

Mr. ABRECHT. I raised that issue yesterday actually at the meeting that we were discussing earlier, that we did want to achieve interoperability with the Library and the Supreme Court as a result of this.

Senator BENNETT. Right.

Mr. ABRECHT. And to the extent feasible with the Metropolitan Police Force as well, who surround us on every side.

Senator BENNETT. It has been my experience that every police department loves its own toys and they want to have their version. I do not mean to refer to these things as "toys" because they are clearly not. But that kind of mentality does sometimes get in the way, and somebody who is going to disturb activities on Capitol Hill is not going to observe the niceties of, gee, I am now in the Supreme Court precinct, and now I am crossing over to the Library of Congress, and the Capitol Police and, as you say, Chief Abrecht, the Metropolitan Police as well.

So I am willing to support the funding for the increase in the technology and an increased level, but I wanted to put that caveat in your conversation.

Mr. ZIGLAR. Senator, if you will indulge me in a little anecdote from the impeachment trial. I had the good fortune to have known the Chief Justice for some 30 years, having clerked up at the Court when he was there and also worked with him at the Justice Department before then. During the course of the impeachment trial there were some pauses where he was sitting around and I was talking to him, and I raised this issue with him about compatibility of the technology between our police forces, and we chatted about it.

He is very much supportive of it, in fact to the point that he had his communications chief over there give me a call. So we are very much committed to the idea that we ought to be able to talk to each other through all this technology.

Well, let me close by thanking the committee and the entire Congress for the support that you have given the police, particularly during the last year when we suffered the tragic loss of Officers Chestnut and Gibson. The concern that was expressed by everyone I think gave great strength to those families, as well as to the entire Police Department.

On a happier note, I am also pleased to report that just within the last couple of weeks we have made a sizable distribution to those families from the Police Memorial Fund, which was made possible by the generous contributions from lots of people both up here and around the country.

So we thank you very much. We thank you for this opportunity, and my colleagues and I would be very happy to answer any questions you have.

Senator BENNETT. Thank you.

### Y2K PROGRAM

I appreciate your comments about Y2K. It is my understanding that you still do not have your Y2K plan on paper, have not committed it to a formal document. Is that true?

Mr. ABRECHT. I do not think that is totally fair. I think we have done a tremendous amount of work with the GAO and we have

submitted draft plans to them, and by the end of this month we will have a formal plan that they have agreed to.

Senator BENNETT. OK.

Mr. ZIGLAR. Senator, if I could comment on that.

Senator BENNETT. Sure.

Mr. ZIGLAR. I had a meeting separate from the Police Department with GAO to review the Police Department Y2K program. And while it is not on paper in the formal sense, GAO was quite comfortable with the progress that has been made there and the approach that has been taken, and brought a number of pieces of paper for me to review on that.

Senator BENNETT. Fine.

MANAGEMENT REVIEW

Now let us go to the management review and recommendations. You are having a retreat this week to talk about that. Who is responsible for implementing the recommendations? Will that be hammered out in the retreat, the specific names?

Mr. ZIGLAR. Yes, sir. In fact, Booz-Allen folks are coming. The people who actually worked on it are going to be spending Friday, I believe it is Friday morning with us. We will then iron out how exactly how we are going to approach it.

The House has asked for us to give some feedback on the report, our reaction to it, by March 31 and a final plan on the implementation strategy by April 30. So we are on a time line from the House side and, frankly, I am hoping that we will be ahead of that time line and in process before those deadlines.

Senator BENNETT. Tell us about your efforts to cross-service your accounting functions?

Mr. ZIGLAR. Do you want to?

Mr. ABRECHT. I will be glad to.

This is one of the three areas that we had asked for this evaluation to consider, because it is one of the areas where we knew we had difficulties. Our financial management system is very, very old. It runs on the Senate mainframe. It has serious problems. We have been looking for a solution to that problem.

One of the things that Booz-Allen recommended is that we ought to get some other agency to cross-service that function. So I had my director of financial management, through the Legislative Branch Financial Managers Council look for a cross-servicing option. The option that seems to be best suited to us is the General Accounting Office. They have offered to cross-service that function for us. They have done some testing. It shows that it can be accomplished. We are very excited that that is probably the very best solution for us. They are planning to charge a very modest fee for this and it seems like the ideal solution for us. We are very excited and hopeful that the budget that you are considering today will be administered through their accounting system.

Senator BENNETT. You say they will charge you a modest fee. Do you experience concomitant savings by virtue of having that now done out, where the net cost stays the same? Or are we looking at increased costs?

Mr. ABRECHT. It is hard to tell, because the system that we are currently running on is essentially the Sergeant at Arms main-

frame. So if there is any savings, it would be in the operating costs of the Sergeant at Arms mainframe. I expect that would be the only savings that would be involved. There may even be some additional staffing involved.

It is a much better system. It requires, unfortunately, that we keep much better records than we currently do, so there are some additional personnel that will probably be required to make this work. They are provided for in the security enhancement plan.

Senator BENNETT. Are they provided for in this budget?

Mr. ABRECHT. No, they are provided for in the security enhancement plan. We anticipated that bringing on the additional officers and increasing the complexity of our physical security would ultimately have an additional impact on our infrastructure. So as part of the 260 additional personnel, we have a small number in there for administrative support. There are five for the Office of Financial Management to bring that operation up to snuff.

PAYROLL INCREASES

Senator BENNETT. Do I understand correctly that, back to your point, Mr. Ziglar, about the payroll portion of the increase, that there are no increases in FTE's, that this is entirely COLA's and merit pay for your existing FTE's?

Mr. ZIGLAR. Correct. The new FTE's that will come on through the enhancement plan are being funded through that enhancement plan through fiscal year 2000. In 2001 our budget, the Capitol Police budget, will reflect those additional hires. We estimate that cost to be about $12 million.

Senator BENNETT. How big a number do you use in the COLA, what percentage?

Mr. ABRECHT. We asked the Congressional Budget Office to provide us what they expect the COLA to be.

Senator BENNETT. I do not think it is going to be as high. Instinctively, I am saying that is an awful lot of merit increases to get the total.

Mr. ABRECHT. There are no merit increases actually at all. That was a misstatement. We have never been authorized to do merit increases, Mr. Chairman.

In addition to the COLA's, there is $1.3 million in there which is the result of underfunding in the past. We have not been funded at our funded level in fact.

Senator BENNETT. I see.

Mr. ABRECHT. There is some attrition that has always been counted on and fortunately, thanks to the support of the committee in providing pay parity for our people in this last year, our attrition has gotten very, very low. We do not anticipate that we are going to lose nearly as many people.

So the float that you get while you are replacing somebody who attrites is not going to be there this year.

Senator BENNETT. I see, OK.

Mr. ABRECHT. So in order to fund the budget at the 1,251 level we are going to need more money than we had in the past year, because we really were underfunded.

Senator BENNETT. I see, OK.

Mr. ZIGLAR. Mr. Chairman, Bruce Holmberg just handed me a note that the assumptions that we use is a 4.3 percent COLA and a half percent comparability pay, the assumptions that went into this budget.

Senator BENNETT. I will not argue with whoever does the numbers, but that strikes me as a pretty high COLA in an age when, according to Alan Greenspan, inflation is dead and we are nonetheless adjusting for it at the rate of 4 percent. That is fairly high.

Mr. ZIGLAR. We may have some money to give back to you.

Senator BENNETT. Well, I will not hold my breath for that. [Laughter.]

Mr. ABRECHT. My only hope there, Mr. Chairman, is that—and this is my mantra that you have heard for many years—that we remain comparable with the executive branch.

Senator BENNETT. Right.

Mr. ABRECHT. Whatever you give, whatever the government ultimately gives to the executive branch, that we remain there.

Senator BENNETT. I think that is legitimate, and that is not an issue that we can address.

You made reference to the rest of the increases coming out of a shifting of responsibility from the Sergeant at Arms to the police.

Mr. ZIGLAR. A large part of it, not the entire amount.

Senator BENNETT. And of course that raises the question, is the Sergeant at Arms budget going to reflect a decrease by virtue of that shift? I have asked that question before and they have been unable to find the decrease. They just find the increase somehow.

Are we going to see that again this year?

Mr. ZIGLAR. It is a $500,000 number. This year, as you know, the Sergeant at Arms is asking for a relatively sizable increase that is reflective largely of technology and those sorts of things. So the answer is we are not going to plan to give $500,000 or $600,000 to the police this year, but we will try to parse it and respond to you when we come back on March 24th.

SECURITY UPGRADE PROJECT

Senator BENNETT. Can you talk to us about your security upgrade project?

Mr. ABRECHT. Absolutely. You will recall the context here was that in 1995 a substantial survey of the Capitol grounds, a security survey of the whole complex, was accomplished jointly with United States Secret Service. We had planned to do a review of that study in 1998, and after the tragedy on July 24th we moved that up. We planned to do it in the fall and we started working on it right away.

We brought in experts from several of the large executive branch agencies. The United States Marshals were very helpful, the Secret Service, people who have done this for the executive branch.

From that we developed a number of recommendations, which ultimately were pared down some in the meetings with various committees and $106 million was included in the omnibus supplemental, including $25 million for personnel, which we have already discussed. The rest of it was primarily physical security upgrades, although there is some money in there to support the new officers,

for equipment for them, for vests, for new weapons. But the bulk of it goes to physical security in a number of areas.

Most of them I think have some law enforcement sensitivity, so I would rather not go into——

Senator BENNETT. Right.

Mr. ABRECHT (continuing). The nitty-gritty details. But obviously we are looking to protect the Congress against terrorists, terrorism fundamentally, in all the different ways that the Congress could be assaulted from a terrorist standpoint. We tried to address every one of them in this study.

Senator BENNETT. Senator Feinstein.

Senator FEINSTEIN. Thanks very much, Mr. Chairman.

BOOZ-ALLEN AND HAMILTON REPORT

I wanted to go and just speak for a moment about some of the Booz-Allen and Hamilton recommendations. It is my understanding that the report contains some specific recommendations on how you can improve operations in administrative areas. The chairman referred to certain cross-cutting issues. I think the report also found that the current organizational structure neither facilitates communications between the operations and the administrative support functions nor integrates administrative support functions into the management process.

It went on to say that as an organization the Capitol Police does not utilize formal strategic planning to help plan and direct changes in current administrative support activities which are needed to support future operational demands, and that your support operations lack current and complete operating policies and procedures.

The report goes on to recommend that you create an assistant chief for administration, who would report directly to the police chief. In making this recommendation, they note that potential candidates should have operational and administrative experience. In addition, they say this individual should possess strong managerial skills, have a vision and an understanding of how an effective and efficient administrative structure can support police operations.

They also say that this individual should institute a formal strategic planning process for administrative operations and that the objective should be a mission and vision for operations within the department. They identify key administrative functions that need to be developed and maintained with formalized policies and procedures that need to be followed to carry out the functions.

My questions are: Do you agree with those recommendations and are you going to establish the position?

Mr. ABRECHT. I think that is one of the subjects that the Board will clearly be discussing on Friday. We have drafted a reorganization plan that follows Booz-Allen's recommendations almost to the letter, with some very minor tweaks based on things that we know that they perhaps do not know about our organization, and we are going to be discussing that with the Board. At least that is my—chairman?

Mr. ZIGLAR. Senator, at an intellectual level, if the facts as presented in the report are accurate—and I have not had the oppor-

tunity, quite frankly, to do that level of due diligence on the Police Department. If the facts as presented are correct in terms of lack of integration of administrative functions and that sort of thing, then I think those recommendations are completely legitimate.

I want to—and I come from a management background—do due diligence, and that is one of the reasons we are going to have six or seven people from Booz-Allen there on Friday morning, to ask a lot of questions and to put them to the proof that that is in fact the case. And if it is the case, absolutely I agree that that is what we need to do.

Senator FEINSTEIN. I am sort of familiar in my past life with police departments. It was my highest priority as mayor.

Senator BENNETT. I think that is an understatement.

Senator FEINSTEIN. And I brought the department up to its fully authorized strength and really pushed to bring it into the modern age. That is one of the most difficult things for police to do. I recognize that, and I do not want to be overly critical.

I do, just from what I have read, sense that there is a deficit here and that that has to be recognized and it has to be met in some way. I guess what I want you to know is I am going to be watching to see if it happens.

Mr. ZIGLAR. Would you mind being a consultant? [Laughter.]

Mr. ABRECHT. I assure you it is going to happen, Senator.

Senator FEINSTEIN. Because for some reason this always seems to threaten people and it should not. It really should not. And particularly here, because some of the concerns that you mentioned, Chief, are really very valid concerns, you know, and I think you need the most up to date and the best structure here.

Well, let me ask, put the question this way. With respect to the absence of strategic planning for your administrative functions, do you agree with the conclusion of the report that you need to anticipate, anticipate modifying existing administrative capabilities to support your operations?

Mr. ABRECHT. Absolutely. I think—I hope the Congress will remember that we asked for this study. We determined that these weaknesses existed long before I ever heard of the name Booz-Allen. We determined that we need to strengthen these three areas of our operation, that we had devoted perhaps too much of our resources to making sure that we got the job done and not enough to making sure that our infrastructure was in place.

We asked that there be a study to give us some guidance on this, and that is exactly what this is and we intend to implement this aggressively and get it done in the immediate future.

Senator FEINSTEIN. Good.

Mr. ABRECHT. I assure you, I am not threatened by this study.

Senator FEINSTEIN. Well, no, I did not say you. I just said my experience has been that people are threatened by it.

Mr. ABRECHT. We want to get these problems behind us. I think a lot of them are a result of things outside, that have happened outside of our control. We took over the personnel functions of this Police Department, which used to be split between the Senate Disbursing Office and the House Finance Office, and we became our own personnel enterprise and we underresourced that when we

took it over and we did not take the time and put enough effort into getting it up to speed.

Senator FEINSTEIN. Well, let me ask another question. Do you currently have the resources, both in terms of technical skills and available staff, to initiate the kind of review that is necessary to really look at this?

Mr. ZIGLAR. The answer is that by and large I believe we do, but we will be reaching outside for some help. The form of that help is yet to be determined. But I feel like it is good to have somebody on the outside looking in and helping you with that.

Senator FEINSTEIN. And you have the budget to do that? I mean, it is budgeted?

Mr. ZIGLAR. Yes.

Mr. ABRECHT. The security enhancement plan contains a contingency item where there is some money for studies, and we intend to use, with the committee's approval, some very small portion of that to assist us to facilitate these management studies and improvements.

Senator FEINSTEIN. All right.

ADDITIONAL COMMITTEE QUESTIONS

Mr. Chairman, I have some questions on the financial system itself. May I submit them for the record and ask them to answer them?

Senator BENNETT. Absolutely.

Senator FEINSTEIN. Thank you.

Senator BENNETT. Thank you very much. We appreciate your being here.

Again, we appreciate the openness with which the Capitol Police has addressed these problems. It is very refreshing. We want to be as helpful as we can.

Mr. ZIGLAR. We look forward, Mr. Chairman, to coming back and telling you of the progress that we have made.

Senator BENNETT. Very good.

[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 DIANNE FEINSTEIN

*Question.* With respect to the lack of an efficient financial management system, Booz-Allen, & Hamilton felt that a needs assessment would be the first step in determining the future financial needs of the USCP. Has the USCP conducted a comprehensive needs assessment to determine your future system capabilities?

Answer. Over a year ago, the USCP Office of Financial Management began a preliminary needs assessment by investigating the Federal Financial Management Systems used by other federal agencies and cross-servicing options. The General Accounting Office (GAO) was cooperative and anxious to provide assistance in the solution of the USCP's financial management system deficiencies. The financial management system used by GAO was also widely used and accepted throughout the federal financial community.

The General Accounting Office (GAO) Financial Management System (FMS) is American Management Systems (AMS) software available on the GSA Financial Management System Software (FMSS) schedule. As a contractor on this schedule, the system is certified by the Operations Compatibility Verification Team consisting of representatives from the Office of Management and Budget, Department of Treasury, and the General Services Administration as being compliant with the Joint Financial Managers Improvement Program (JFMIP) Core Financial System requirements which includes the Federal Managers' Financial Improvement Act (FMFIA), CFO Act, and OMB Circulars A–127 and A–130 related to federal financial systems.

The AMS FMS is currently used by 38 federal agencies including the Internal Revenue Service, U.S. Customs Service, U.S. Marshals Service, and the Federal Law Enforcement Training Center.

The remaining internal requirements relative to proprietary managerial reporting within the USCP will be developed as part of the strategic planning process. The FMS System has the capability to provide for such reporting.

Currently, the USCP is in the process of procuring a facilitator to develop a strategic plan, using the guidelines of the Government Performance and Results Act, and organizational information from key USCP staff. The strategic plan will include a comprehensive needs assessment to determine the future financial system requirements for the USCP.

*Question.* What were the results of the assessment?

The results of the assessment will be available at the completion of the USCP's strategic plan which is projected to be awarded and completed within six months.

*Question.* BAH also indicated that they thought that a cross-servicing arrangement would be the most efficient way to proceed, rather than the purchase by the Capitol Police of a new system outright. Do you agree and are you currently pursuing a cross-servicing agreement?

Answer. If an existing federal financial system meets the future financial management needs of the USCP, to be determined in the USCP strategic plan, a cross-servicing agreement would be the most efficient way to proceed. The General Accounting Office completed a cost comparison analysis based upon current USCP operations. The GAO paper showed that significant savings would be achieved in salaries, contractor support services, licensing fees, and computer time through cross-servicing. Further, this arrangement is consistent with the strategies contained in the Legislative Branch Financial Managers' Council which promotes cross-servicing wherever possible to achieve cost savings.

*Question.* What analysis was done to support such an arrangement?

Answer. An analysis was done by GAO based upon the current operation of the USCP including the volume of USCP transactions. Cost estimates for two alternative cross-servicing arrangements were completed. An analysis of purchasing a system for the USCP was not completed, however, the licensing fee for a cross-serviced USCP is $55,000 which is based on 25 percent of GAO's licensing fee. A final analysis will be completed with the USCP strategic plan.

*Question.* If the USCP enters into a cross-servicing arrangement, does the USCP currently have the staffing both in terms of numbers and skills to effectively utilize the enhanced capabilities?

Answer. The USCP does not have the staffing in terms of numbers or skills to effectively implement and utilize the enhanced capabilities of a new financial management system. A reorganization plan has been proposed based upon the structure of other small federal agencies, which includes establishing several key positions with specific financial management skill sets. The plan includes positions to accommodate the additional workload to implement the recommendations of the Booz-Allen and Hamilton Review and additional continuing financial management accountability, control, and planning duties. Although a cross-servicing arrangement will provide the required hardware and software for a financial management system, the Capitol Police must have professionally trained staff to implement, operate, and maintain the USCP financial information in the system. A reevaluation of the reorganization plan will be completed with the development of the USCP strategic plan.

## ARCHITECT OF THE CAPITOL

**STATEMENT OF HON. ALAN M. HANTMAN, AIA, ARCHITECT OF THE CAPITOL**

**ACCOMPANIED BY:**

**MICHAEL G. TURNBULL, ASSISTANT ARCHITECT OF THE CAPITOL**
**LYNNE THEISS, EXECUTIVE OFFICER**
**AMITA POOLE, SUPERVISING ENGINEER, CAPITOL BUILDING**
**STUART PREGNALL, BUDGET OFFICER**

### OPENING REMARKS

Senator BENNETT. All right, we will now hear from Mr. Hantman.

Mr. HANTMAN. Change chairs?

Senator BENNETT. Change chairs.

[Pause.]

Mr. HANTMAN. Thank you very much, Mr. Chairman.

Senator BENNETT. All right. Mr. Hantman, you were mercifully ignored in the questions in the last panel, but I gather that will not happen this time.

The Architect has requested $287.3 million and, excluding the funds that Congress provided last year for the visitors center, this is a 43 percent increase over the fiscal 1999 level, and we will obviously want to hear about that.

Now, you are joined by the new Assistant Architect of the Capitol, Mr. Turnbull, who joined the office last June. Mr. Turnbull, we welcome you to your first hearing.

Mr. Pregnall, we welcome you as well.

Now, in addition to the Y2K issue, the committee's top priority for the Architect of the Capitol is the implementation of a financial management system that meets Federal accounting standards. The system that is chosen must be designed and utilized to provide the financial information required by the authorization and appropriations committees. It is critical, given the increase in funds and projects that the Architect is engaged in.

Mr. Hantman is a very ambitious Architect and has undertaken a number of projects, some of which are long overdue, and we congratulate you, sir, on your initiative in doing that. The Capitol visitors center of course is one of those, but it is also a project that clearly needs a good accounting system so that we can understand where we are and what we are getting for that.

We have received your testimony, sir. We will include it in the record in its entirety.

Senator Feinstein, do you have any comments before we go to the witness?

Senator FEINSTEIN. No, please go ahead.

Senator BENNETT. All right. Mr. Hantman, we are here to hear what you have to tell us.

OPENING STATEMENT

Mr. HANTMAN. Thank you, Mr. Chairman. Of course I am pleased to appear here. This is the third time I have appeared before this committee and I certainly look forward to continuing to work with you and with Senator Feinstein. I think the links between the Rules Committee and this committee are very important, and I look forward to working with you in making sure that we have that tie-in.

As you mentioned, Mr. Chairman, the body of our written statement pretty well focuses on the fiscal year 2000 appropriation request and we certainly intend to talk about that today. But there are also several appendices to the statement that really deal with issues that are fundamental to how we are restructuring this agency. A lot of changes have occurred.

I have been here 2 years now as of last month and a lot of new criteria, Congressional responsibilities, have been placed upon this agency that did not exist before—the Congressional Accountability Act, the AOC Human Resources Act. All of these things—the advent of unionization on the Hill, the issues of life safety, of security, are things that really have come to the fore much more so than they had in the past. All of these things are touched upon in specific appendices related to the financial analysis.

But what I would like to do is give you kind of an overview on some of these issues, talk about them, and then come back to some of the clear, fundamental building blocks we need to address—obviously, Y2K, the FMS system, and several of the other issues.

BOTANIC GARDEN RECONSTRUCTION

First, on the Capitol side, you joined us, Mr. Chairman, to celebrate the groundbreaking for the Botanic Garden Conservatory some months ago. I would like to report that that project was awarded under budget. At this point in time we have Clark Construction out there, as you know. We met some of their officers at the groundbreaking. They are proceeding very well.

Our goal is to have the construction completed by September of the year 2000. Concurrently with that, the National Fund for the U.S. Botanic Garden, which is a $10 million privately raised component of funding, to complete that block area, to have outdoor facilities such as interpretive learning centers and a first ladies garden and butterfly gardens, and things that work contiguously with the Botanic Garden. That is scheduled to be constructed and completed concurrently with the Botanic Garden. In fact, the new chairman, Theresa Heinz, we just met earlier this week on that and she is very excited about this and hopefully raising some additional private funding, which we would have to change the legislation to be able to accept more funding from the private sector for educational programs and things of this nature.

PREPARED STATEMENT

So we are excited about that. We think that project is moving forward well.

[The statement follows:]

## PREPARED STATEMENT OF ALAN M. HANTMAN

### GENERAL INTRODUCTION AND EXECUTIVE SUMMARY

Mr. Chairman, I am pleased to appear before this Subcommittee to present the budget for the Architect of the Capitol. I look forward to continuing to work closely with this Subcommittee under your leadership in an open, professional and constructive manner.

The body of this written statement focuses, of course, on this Agency's fiscal year 2000 appropriation request. Some things, however, are not quantifiable even at a budget hearing, but they are important to know. This is so because the framework of our request, the foundation it is built upon, is fundamentally influenced by the new direction this Agency is taking in response to Congress' mandate to provide cost effective quality service in support of its day to day activities.

We have, therefore, provided appendices to this statement that address issues that are basic to how we are now doing business, and form part of the rationale for various aspects of our operating costs and the capital budget. These appendices also report on how the Agency is working to accomplish the legislative imperatives that the Congress has directed us to conform to, including:

The AOC Human Resources Act, approved in 1994 which directs the Agency to establish and maintain a personnel management system incorporating fundamental principles found in modern personnel systems.

The Congressional Accountability Act which created the Office of Compliance and the Compliance Board. The Accountability Act, among other initiatives, permitted Capitol Hill employees to unionize for the first time and placed the AOC under obligations to meet occupational safety and health standards.

(a) Labor Management Relations

(b) Occupational Safety and Health (Life Safety)

(c) Civil Rights Laws

Security issues have continued to be a high priority. Funding has been provided to this agency and the Capitol Police Board for a wide range of security initiatives.

These appendices therefore discuss these issues as well as providing overviews of the issues of life safety, security, Agency re-engineering efforts, etc. as follows:

*Appendix A—Life Safety*

*Appendix B—Security*

*Appendix C—AOC Human Resources Act*

*Appendix D—Congressional Accountability Act*

*Appendix E—Labor Relations*

*Appendix F—Re-engineering*.—The first year of a three year buy out program approved in the Fiscal Year 1999 Legislative Branch Appropriations Act to facilitate our re-engineering efforts has been defined in detail. Approval to proceed has been received from the Senate and we are withholding implementation pending Committee on House Administration action, in accordance with the legislation.

*Appendix G—Capital Projects*

*Appendix H—Year 2000 System Status*

*Appendix I—Financial Management System*

All of the initiatives above are supported by our Vision Statement and Core Values developed through our strategic planning process:

*Vision Statement*.—We will be an innovative and efficient team dedicated to service excellence and to preserving, maintaining, and enhancing the national treasures entrusted to our care.

*Core Values*.—Service Excellence; Stewardship; Integrity; Professionalism; Creativity; Loyalty; Respect and Diversity; and Teamwork.

The detailed actions described in the appendices are focused on rebuilding this Agency into a unified, yet flexible, responsive and quality oriented instrument of the Congress. A brief summary of actions to date includes:

*Capital Projects*.—Initiating the planning, drawings, contracts and construction for work on the $148.8 million of capital projects funded in fiscal year 1999 such as:

—Renovation of Dirksen Senate Office Building.

—Replacement of East Plant Chillers.

—Rayburn Building Telecommunications and Fire Sprinklers.

—Replacement of Roof, Longworth House Office Building 6th and 7th Floors.

—Design of Upgrade to the Cable Television System.

—Capitol Visitors Center—Note: We are defining the scope for the first increment of planning and validation work, as required by legislation, so that the authorization of funds can be sought from the committees having overview authority.

Also, a contract for renovation of the U.S. Botanic Garden Conservatory has been awarded within budget and is now under construction. The contiguous privately funded National Garden will follow shortly. Another significant project is the rehabilitation of the U.S. Capitol Dome. Initial portions of the study for necessary renovations of the Dome have been completed and a contract has been awarded within the emergency appropriations budget allocation to perform the complex task of removing lead-based paint in the interstitial space between the inner and outer domes, and, after study, repainting the metal. This will permit the necessary detailed inspection of all cast iron elements to clearly define the scope of work for subsequent phases. Actual work on the site is anticipated to commence in March, upon approval to close the Rotunda for two to three weeks to erect the protective netting.

*Operations, Personnel Policies and Procedures*.—On the operations side we have initiated programs to:

—Install the computer aided facility management system (CAFM) selected to track, coordinate, record and evaluate work management cost and staffing data throughout the campus, as well as to provide enhanced space management capabilities.
—Improve communications between the agency and our oversight entities, our clients, and other instrumentalities of Congress.
—Upgrade internal administrative systems to achieve a Year 2000 fix for our procurement, financial and inventory operations while working with the GAO and other Legislative branch agencies to procure and implement a modern financial management system.
—Continue to evaluate and make recommendations on necessary steps to provide business continuity for Congressional operations in regards to internal and external items possibly affected by the year 2000 problem.
—Initiate an agency wide strategic planning process and implement the first segments of the re-engineering program developed through that process.
—Facilitate initiatives with Senate Rules and Administration, the Senate Sergeant at Arms, as well as their counterparts on the House side, and the Capitol Police, to coordinate services, and eliminate overlapping functions.
—Reorganize Central Staff to better support the work of all of our jurisdictions.
—Rebuild our Human Resources Management Division.
—Develop standardized policies and procedures for use by all AOC jurisdictions across the campus.
—Provide management training programs for managers at all levels, as well as developing training opportunities to further enhance skills of our employees.

*Vision and Goals*

I believe, Mr. Chairman, that it is important for the Congress to know the philosophical underpinnings of these efforts, the foundation we are building upon, because there is no "quick fix" solution to what is required to rebuild and re-engineer business practices in this agency. Through our strategic planning process, we are building an organization that will be able not only to support the day to day workings of both houses of the Congress in an equitable and professional manner, but one that will be fully capable of performing its duties long after all of us have left Capitol Hill. It is important for us to build not only for today but also for the future—not only in our capital and maintenance projects, but also to build the proper team to perform the necessary day to day functions and services of this agency. This effort requires flexibility, including developing the proper mix of in-house staff, contractors, (both private and public sector), and temporary employees to be called upon as work load necessitates.

*Congressionally Mandated Changes*

Change is necessary to assure that this agency makes its values and its vision part of our "corporate culture" so that all staff members truly make them the foundation of our work, the basis for how we do business. Many issues were identified and mandated for change in the Architect of the Capitol Human Resources Act, and in the Congressional Accountability Act. These include the requirement to develop human resources management programs consistent with the practices common among other federal and private sector organizations. In response, this agency has begun initiatives to: more clearly define job descriptions and job expectations so that everyone will know the requirements to successfully perform their jobs; create a viable job performance and evaluation system so that constructive feedback can be given to improve performance where necessary, and to recognize and acknowledge those who provide quality service and work towards the achievement of our vision and goals; assure that uniform and fair standards are developed, implemented and used throughout the Agency to the greatest extent possible with respect to working

conditions, job postings, upward mobility, etc.; create a viable equal employment and conciliatory programs function that can fairly and efficiently address employee concerns in line with the Congressional Accountability Act; provide training opportunities to further enhance the trade and professional skills of our employees, including helping supervisors better communicate with, and monitor the work of, those who report to them.

These initiatives are all in process and are part of the foundation upon which this Agency is being rebuilt. The Congressional Accountability Act created the Office of Compliance with the powers to monitor compliance with the Act, and granted the employees of this agency, among others on Capitol Hill, the right to form unions. As you are aware, AFSCME Local 26 has been designated to represent over 600 of our custodial and labor employees, and we are in the process of working with the union on a range of issues. Also, at this time, our Botanic Garden employees and a group of our temporary plumbers have formed collective bargaining units and are now represented by unions.

*Review and Evaluation Methodology*

In order to address these realities and comply with these laws, this Agency has been undergoing an intensive review of all of its operations with the goal of continuously refining and improving the quality of our services to Congress and our visitors to Capitol Hill, while at the same time responding to the requirements of the laws addressed to our employees. As part of this review we are investigating how to minimize costs and maximize the efficient delivery of our services in fulfillment of our fiduciary responsibilities to the American Taxpayer.

This is in line with recommendations regarding future restructuring of the Office of the Architect of the Capitol, which included investigating sensible ways to streamline the Architect's operation and logical areas in which to involve the private sector. Specifically, consideration of the private sector was suggested for routine maintenance and remedial work, in addition to the major AOC projects which are generally competitively awarded to private sector firms. Our on-going investigation therefore includes in-depth evaluations of: Logical areas in which to involve the private sector; Internal opportunities to re-engineer and consolidate existing staff and Opportunities to eliminate duplication of services with other instrumentalities of the House and Senate.

To carry out this re-engineering process, this Agency has been authorized, subject to approval by our oversight committees, to implement early out and buy out programs.

*Fiscal Year 2000 Budget Overview*

I would like to briefly address our fiscal year 2000 budget request. The Operating Budget requested for fiscal year 2000, $168,366,000, represents a 10.7 percent increase in operating costs. Thirty eight percent is due to mandated pay and benefits costs, thirty three percent is related to utility increases (mainly related to a 40 percent water and sewer increase), and 17 percent is related to information resources management. It is hoped that future operating budget cost savings will be achieved through a three (3) year re-engineering effort starting in fiscal year 1999 and continuing in fiscal years 2000 and 2001. Savings will be reflected in subsequent budgets. As stated earlier, House approval to implement the first year of the program is currently pending.

The request in the Capital Projects portion of the budget is significant, $118,907,000. The magnitude of the fiscal year 2000 total for cyclical maintenance projects is very much in line with what we had projected in the benchmark analysis discussed in my last year's budget presentations. That analysis indicated that a "campus-like" complex of this age, monumental quality and magnitude could expect to expend an annual average of approximately 1.7 percent of the replacement value of the buildings and infrastructure. Based upon an estimated replacement value of $3.6 billion, 1.7 percent would equate to an average target reinvestment level of $61.0 million. Because of under investments in past years, we are now faced with an above average balloon payment of $102.6 million for cyclical maintenance projects. Each project must of course stand on its own, and we stand ready to discuss the validity of each of the 139 fiscal year 2000 projects at your convenience. They have been categorized and prioritized into Life Safety, Security, etc., for the purpose of analysis and decision making.

Significant project costs included in this request are the Renovation of the Dirksen Building, and on the House side, the Cannon Garage renovation and the House Chamber Sound System. As I stated at last year's hearing, the ongoing study of the necessary repairs and repainting of the Capitol Dome would most likely lead to identification of increased complexity, and scope of the project, and therefore, cost.

This project accounts for $28 million of the fiscal year 2000 budget request. The overall budget request is discussed in detail below. Several graphs follow which provide summary information on the budget request. The "Fiscal Year 2000 Operating and Capital Budget by Categories" breaks out the operating and capital request by significant categories. The "Fiscal Year 2000 Operating and Capital Budget" reflects the history of the Architect of the Capitol's budget since fiscal year 1993. The "Fiscal Year 2000 Capital Requests by Category" reflects the capital project categories and number of projects and funding requested in each.

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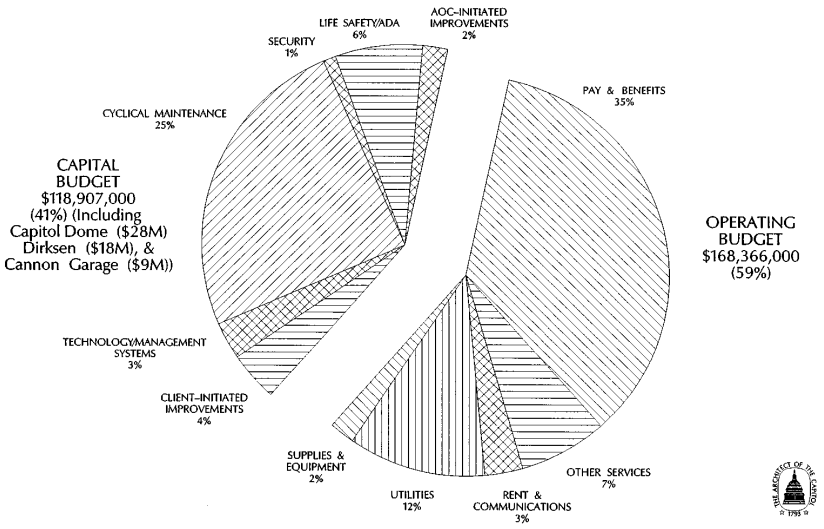
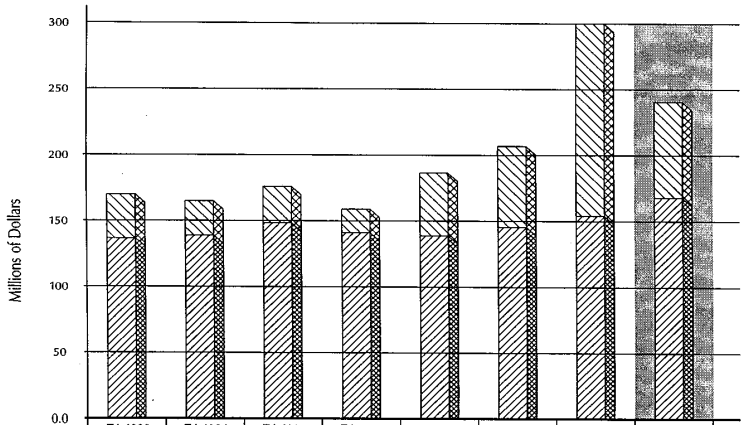
FY 2000 OPERATING & CAPITAL BUDGET BY CATEGORIES



ARCHITECT OF THE CAPITOL

## FY 2000 OPERATING AND CAPITAL BUDGET

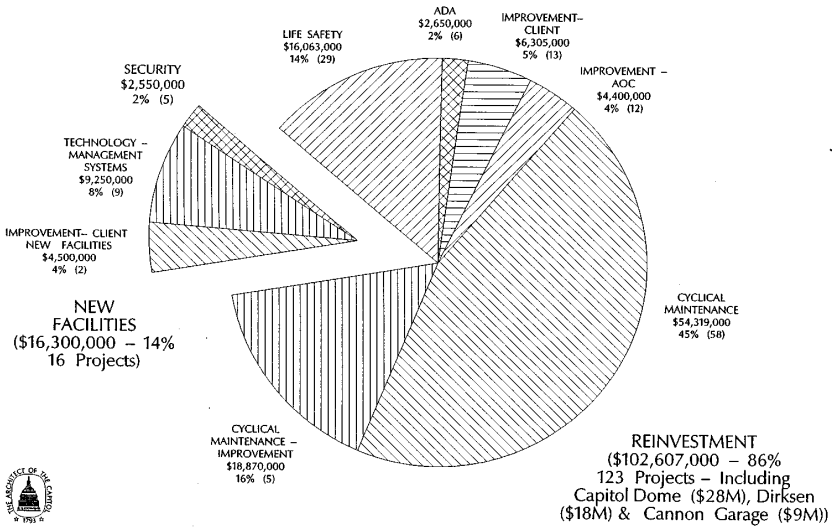



| | FY 1993 | FY 1994 | FY 1995 | FY 1996 | FY 1997 | FY 1998 | FY 1999 | FY 2000 |
|---|---|---|---|---|---|---|---|---|
| CAPITAL | 32.8 | 23.6 | 27.9 | 17.3 | 47.9 | 61.3 | 148.8* | 118.9** |
| OPERATING | 137.0 | 141.3 | 148.3 | 141.1 | 139.0 | 145.4 | 152.1 | 168.4 |
| TOTAL | 169.8 | 164.9 | 176.2 | 158.4 | 186.9 | 206.7 | 300.9 | 287.3 |

* Includes Capitol Visitors Center – $100M, Dirksen Renov. – $8.5M, Power Plant Chillers – $5M, & Longworth Roof – $3.2M.
** Includes Capitol Dome – $28.M, Dirksen Renov. – $18M, Cannon Garage – $9M, Russell Subway – $6M, & Power Plant Chillers – $5M.

ARCHITECT OF THE CAPITOL

## FY 2000 CAPITAL REQUESTS BY CATEGORY




In closing this introductory section Mr. Chairman, I believe that we are creating a foundation of communication and commitment to efficient quality service that has already begun to show positive results. I look forward to working with you and this Subcommittee in the coming year.

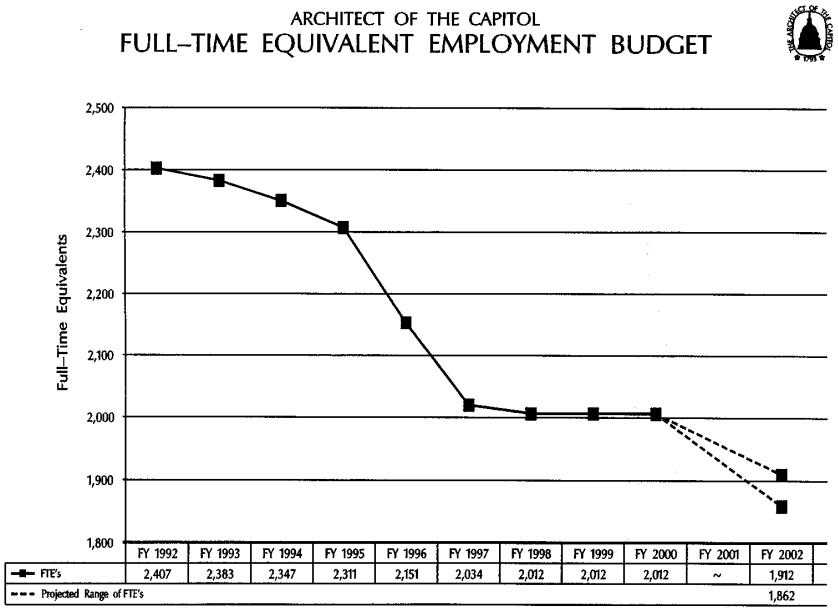
ROLE OF THE OFFICE OF THE ARCHITECT OF THE CAPITOL

Mr. Chairman, I would like to take a brief moment to describe broadly the role of the agency before I describe our fiscal year 2000 budget request and the changes that I see on the horizon. By law, the Office of the Architect of the Capitol (AOC) is the agency responsible for the structural and mechanical care, maintenance, cleaning, and operation of the buildings and facilities supporting the Congress, including the Capitol Power Plant. This responsibility extends to the Botanic Garden, the structural and mechanical care and maintenance of the Library of Congress Buildings and Grounds, as well as the Supreme Court Building and grounds which is funded in a different appropriation bill. The office also undertakes the design and construction of new facilities and the alteration of existing facilities.

This Agency has focused significant energy on its first strategic planning process. The initial steps of this process involved seeking and considering guidance from this Committee as well as our other oversight bodies, and have led to the development of a vision of how we should proceed to structure our organization to deliver quality services to the Congress. The next steps in this process include developing specific action plans to achieve our stated goals. A guiding philosophy in this strategic planning process includes the need to be responsive to our oversight bodies.

In performing our role, the AOC utilizes staff and private consultant expertise to provide the Congress with professional, timely and cost effective recommendations. The AOC also manages trade and service personnel who are charged with ensuring that the building systems operate efficiently and reliably in support of Congressional activities. The AOC also administers a wide variety of contracts for facility maintenance, professional design, technical and other services.

Critical to achieving this role is the institutional knowledge that has accrued in the agency. The value of the long term role of the Architect as a neutral and professional advocate for the physical environment of the Capitol Complex has been historically recognized by the Congress, most recently when it established a ten year renewable term for the Architect. Such an advocacy role is no less appropriate for the core professional and trades staff. The merit of maintaining a long-term view for preserving and protecting the historical environment is self-evident. To the credit of the agency, Congressional activities have never been interrupted by failure of any major building system. I might add parenthetically at this time that since taking office I have come to appreciate the value of the institutional knowledge that permeates this agency. Considering the responsibilities of our Agency, those who provide the services are our greatest asset in carrying out our mission to the Congress. All re-engineering efforts we undertake recognize the devotion and service of our employees to the agency and to the Congress over many years and that they are to be treated, in a considered, caring and humane manner. The attached graph "Full-Time Equivalent Employment Budget" reflects the actual and projected reductions in the Architect of the Capitol's employment.




It goes without saying that many of the Congressional buildings are national treasures and require intimate knowledge and significant planning for their preservation. The U.S. Capitol, which is "the people's building," for example, is a unique combination of National Capitol, museum, office building, meeting center, ceremonial site, and tourist attraction. The building's systems are required to support all of these activities while maintaining a secure and safe environment, and its architectural design, decorative arts and historical significance must all be carefully considered before undertaking any work or implementing any changes to the building.

Another benefit of the neutral, bicameral role of the AOC is the ability to provide technical and professional coordination of "joint" activities. Over the years, the role of the office has broadened as a result. There are now functions and activities, such as the shuttle service and telecommunications, as well as Inaugural and Rotunda ceremonies, conducted or supported by the AOC, that are often not recognized as being within the scope of the office's professional, architectural and engineering roles, yet the Congress has acknowledged the merit of the AOC's neutral, bicameral coordination capacity.

For over 200 years, an officer discharging the role of the Architect of the Capitol has provided to the Congress credible, professional expertise on these matters. During this time, the institution of the Congress has been served by an agency that has responded to changing Congressional needs, and will continue to do so.

FISCAL YEAR 2000 OPERATING BUDGET

The past two years' appropriations requests were based on a comprehensive agency-wide planning and coordination process including all cyclical maintenance projects and building system enhancements. The thorough, systematic and programmed analysis led to a proposed five-year capital budget based on that planning. The current request is prioritized into the categories of Life Safety, Security, Cyclical Maintenance, Technology and Management Systems, etc. I will now discuss our fiscal year 2000 budget request in detail. There are two major components to this budget request: an Operating Budget and a Capital Budget, as described below. The total budget that I bring to this Committee today amounts to $287,273,000, comprised of $168,366,000 for operating costs and $118,907,000 for capital costs. That amount, adjusted to reduce the House items, totals $233,884,000, of which $136,759,000 is for operating costs and $97,125,000 is for capital costs.

Increases in the costs that comprise the operating budget totaling $168,366,000—that is, those costs that support operations and maintenance, including salaries, have risen by 10.7 percent. Most of this increase is attributed to increases in per-

sonal services, $6,162,000, utilities, $5,418,000, (which is mainly due to the 40 percent increase in water and sewer rates) and $2,765,000 for information resource management. Increases for the maintenance of fire and life safety systems and other workload and price level changes have also been requested.

There are opportunities for future savings within our operations budget, some of which will require modest investments to achieve, and others which we are proceeding with at this time. Under the overall category of "utilities," we are confident that investing in modern automated control systems at the Power Plant will lead to more efficient use of fuels, and reduce the need for staff that presently manually monitor the heating and cooling equipment. We are presently evaluating two dozen proposals from firms to design these systems. Additionally, we recently completed the installation of energy efficient lighting fixtures across the campus. These lighting fixtures are already saving electrical energy. But the true savings will not be realized until after the contractor is reimbursed for the installation cost over an eight year period. As required by the Fiscal Year 1999 Legislative Branch Appropriations Act, fiscal year 2000 funds have been requested to perform an energy survey of all Congressional buildings to identify energy conservation measures to achieve a 20 percent energy reduction by 2005. Further, although funds are not requested in this budget, we are proposing to our authorizing committees that a public/private partnership be created to build a co-generation plant to assure an inexpensive and constant electrical source for the future.

The following table indicates these increases by appropriation.

| | Fiscal Year 1999 Budget | | Fiscal Year 2000 Request | | Change | |
|---|---|---|---|---|---|---|
| | FTE | Dollars | FTE | Dollars | FTE | Dollars |
| Capitol Buildings Operating Budget | 388 | 32,938,000 | 388 | 39,391,000 | ..... | +6,453,000 |
| Capitol Grounds Operating Budget | 75 | 5,126,000 | 75 | 5,378,000 | ..... | +252,000 |
| Senate Office Buildings Operating Budget | 609 | 37,884,000 | 609 | 39,828,000 | ..... | +1,944,000 |
| House Office Buildings Operating Budget | 649 | 30,115,000 | 649 | 31,607,000 | ..... | +1,492,000 |
| Capitol Power Plant Operating Budget | 97 | 32,529,000 | 97 | 38,318,000 | ..... | +5,789,000 |
| Library Buildings & Grounds Operating Budget | 144 | 9,505,000 | 144 | 10,466,000 | ..... | +961,000 |
| Botanic Garden Operating Budget | 50 | 3,052,000 | 50 | 3,378,000 | ..... | +326,000 |
| Total | 2,012 | 151,149,000 | 2,012 | 168,366, 000 | ..... | +17,217,000 |

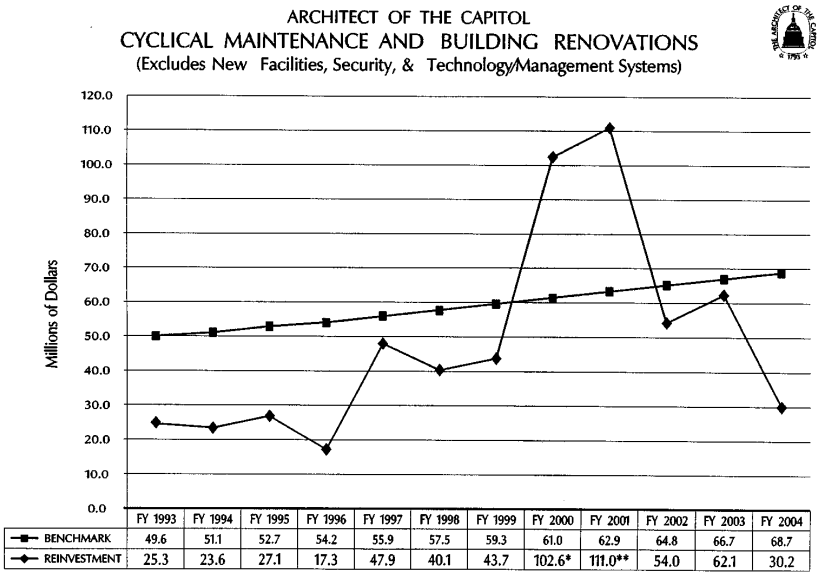
FISCAL YEAR 2000 FIVE YEAR CAPITAL BUDGET

The fiscal year 2000 capital budget request I present to you today flows from the five-year capital budget presented by this 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 Senate side we included the Sergeant at Arms and the Secretary of the Senate. On the House side, we included the Sergeant at Arms, the Chief Administrative Officer and the Clerk of the House. The U.S. Capitol Police provided a detailed outline of their needs, and the Librarian of Congress was also extensively involved. A total of 209 capital projects have been identified for the five year period.

There is a need to provide the Congress with such a five-year capital improvement budget to assist the Congress in making the wisest and best informed financial judgments based on a formal evaluation of future cost implications and with the assurance that we have undertaken a rigorous examination of related needs.

The projects included in this budget, therefore, reflect all the needs that have been identified to date. We reviewed all of the projects that were requested and not funded last fiscal year to determine if they should be included in this year's request. We also closely examined all those projects that, based on last year's plan, had been projected for this fiscal year's request to make sure that their inclusion was also still valid. As stated above, also included are several significant new projects that were not envisioned last year for this budget. These are primarily in the fire and life safety areas and also include several client initiatives. We have adjusted the out years accordingly and I will continue to evaluate these needs and to update them to ensure that the capital budget is responsive to budgetary issues, programmatic changes, the condition of the buildings and their systems, and any other needs that may arise.

At prior hearings, we discussed the potential of a future "balloon payment" that might result from the accumulated costs of deferred maintenance. I indicated that based on several infrastructure re-investment models we were targeting an average annual reinvestment rate of approximately 1.7 percent of the replacement value as an order of magnitude funding level for the Capitol complex. Last year that figure amounted to roughly $59.3 million, which was in line with the $60,500,000 that we had requested for reinvestment. The actual funding that was approved totaled $43,700,000, thus leaving a one year reinvestment funding gap of $16,800,000. Based on the 1.7 percent benchmark, the reinvestment gap for fiscal years 1993 through 1999 totals more than $155 million. For this reason we are requesting funds in fiscal year 2000 and projecting requirements in fiscal year 2001 that exceed the average reinvestment benchmark. The attached graph "Cyclical Maintenance and Building Renovations" charts the 1.7 percent benchmark and the actual projected reinvestment in the Capitol complex. Also attached is a table on reinvestment "Benchmark Data".




*Architect of the Capitol benchmark data*

[Fiscal year 2000 funding levels]

| | |
|---|---|
| Current Facility Replacement Value | $3,600,000,000 |
| | *Annual renewal percentage* |
| 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 2000 Capital Request (Request $118,900,000, Less $16,300,000 Related to Technology/Management Systems, Security, and New Facilities) | 2.8 |

The capital budget that is being presented today is part of a multi-year funding plan that provides the Congress a clear view of what it will cost to maintain the Legislative Branch infrastructure in proper operating condition. The capital budget also identifies improvements that respond to new legally imposed standards and guidelines, such as improvements to meet the requirements of the Americans with Disabilities Act and the occupational safety and health standards especially as they relate to life safety issues. There are also several projects that will enhance the operations of the Congress, as well as new projects requested by our clients to serve their programmatic needs. Balancing the needs of maintaining the existing infrastructure while keeping pace with technological enhancements and program needs is clearly costly and it is sometimes difficult to spread these costs out over time in order to avoid significant peaks in the budgeting process. But I firmly believe that deferring these infrastructure reinvestment costs in the short to mid term can ultimately lead to far greater costs in the future. We are all also aware of the effect

that technological pressures can have on aging building systems, especially from the perspective of being capable of delivering new telecommunications technologies.

As discussed above, these projects have been categorized into similar types of projects that reflect various initiatives that we are now faced with. These include categories such as Life Safety, ADA, Security, Cyclical Maintenance, Technology—Management Systems and Improvement. The Improvement category has been broken out to reflect "Client" requests and AOC initiatives. There are several client requests included in the Security and Life Safety categories.

The following table "Fiscal Year 2000 Budget Request by Category" reflects the fiscal year 2000 capital request and the number of projects in each category along with the corresponding percentages. The same data is also reflected less the House Office Buildings.

ARCHITECT OF THE CAPITOL FISCAL YEAR 2000 BUDGET REQUEST BY CATEGORY

| Category | Fiscal year 2000 request | Percent | No. of projects | Percent | Excluding House office buildings | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Fiscal year 2000 request | Percent | No. of projects | Percent |
| Life safety | $16,063,000 | 13.5 | 29 | 20.9 | $9,556,000 | 9.9 | 18 | 15.9 |
| ADA | 2,650,000 | 2.2 | 6 | 4.3 | 2,650,000 | 2.7 | 6 | 5.3 |
| Security | 2,550,000 | 2.1 | 5 | 3.6 | 2,550,000 | 2.6 | 5 | 4.4 |
| Cyclical maintenance/improvement | 18,870,000 | 15.9 | 5 | 3.6 | 18,420,000 | 19.0 | 4 | 3.6 |
| Cyclical maintenance | 54,319,000 | 45.7 | 58 | 41.7 | 43,739,000 | 45.0 | 51 | 45.1 |
| Technology/management systems | 9,250,000 | 7.8 | 9 | 6.5 | 9,250,000 | 9.5 | 9 | 8.0 |
| Improvement: | | | | | | | | |
| AOC | 4,400,000 | 3.7 | 12 | 8.6 | 4,340,000 | 4.5 | 11 | 9.7 |
| Client | 10,805,000 | 9.1 | 15 | 10.8 | 6,620,000 | 6.8 | 9 | 8.0 |
| Total | 118,907,000 | 100.0 | 139 | 100.0 | 97,125,000 | 100.0 | 113 | 100.0 |

A more detailed explanation of these categories follows.

*Life Safety*—These are programs essential for complying with occupational safety and health standards, environmental and hazardous material protection, fire code compliance, and other regulatory matters affecting the general health and welfare of building occupants. The Congressional Accountability Act has placed significant emphasis on ensuring that the Capitol complex is free of hazards to the Members, Senators, staff and visitors.

*ADA*—These are programs essential for complying with the Americans with Disabilities Act of 1990. Passage of the Congressional Accountability Act has reinforced the resolve to ensure that the Capitol complex is free of barriers to the Members, Senators, staff and visitors.

*Security*—These are programs to meet the needs created by increased terrorist activity throughout the world. As a result there is a heightened sensitivity toward threats to security at the Capitol complex. In addition there are security needs to protect property such as the collections at the Library of Congress.

*Cyclical Maintenance*—Several of the buildings in the Capitol complex are reaching an age and condition that necessitate major renovation or replacement of building systems. Various improvements are recommended to assure that these building systems continue to provide service to occupants.

*Technology—Management Systems*—These are programs that reflect the internal (AOC) use of computer applications and telecommunications systems to improve the efficiency and effectiveness of operations.

*Improvement*—Technology is changing far more rapidly than our existing building infrastructures can support and adapt to. This is especially true in the rapidly expanding area of telecommunications, but there is a corollary effect that is felt in any building system that uses any sort of electronic technology for operation or support. These are programs that reflect either the replacement of existing building systems to generate a significant operational improvement or benefit, or the installation of a new type of technology or system to create such an improvement or benefit.

It is important to note that over $12.5 million of the $118.9 million requested in fiscal year 2000 is for capital projects related directly to client requests, i.e., $6,350,000 for the Library of Congress, $5,380,000 for the House Chief Administra-

tive Officer and the $785,000 balance by various Senate and House offices. I should point out that 6 major projects account for over 55 percent of the capital budget request: the Capitol Dome Project ($28 million), which is based on the parts of the ongoing project studies that have been completed to date, the Dirksen Building Renovation ($18 million), the Cannon Garage Renovation ($9 million), the Russell Subway Renovation ($6 million), and the replacement of Chillers at the Capitol Power Plant ($5 million).

The fiscal year 2000 budget request for the Architect of the Capitol also has been prioritized as directed by the House and Senate Committees on Appropriations. I have sub-divided the former three-tiered system further to give greater detail to the Committees for their decision-making. The requested items now are identified by the following priority levels: 1–A, 1–B, 1–C, and 2–A, 2–B, and so on through 3–C at the lowest end of the priority scale.

Both the categories and priorities will assist the Committee in its decision-making process. Clearly this request is large, and I am aware of the overall budgetary constraints and the realities of providing funding for all these requests. I want to assure the Committee that we will work with you and provide our best recommendations as the budget review process proceeds.

It is also important to recognize that these requirements do not simply disappear if deferred. If projects requested for fiscal year 2000 are deferred, the costs to accomplish them will rise due to added deterioration, increased maintenance costs to sustain the systems in the interim, inflation, and fluctuations in market conditions. The deferred projects also will then add to the fiscal year 2001 funding need.

In past testimony, I detailed many of the reasons that there was such a large increase in the funding level required for the maintenance of our campus infrastructure. Rather than repeat those reasons verbatim, I will highlight them here:

—*Replacement of Aging Building Systems*.—Several of the buildings in the Capitol complex are reaching an age and condition that require major renovation or replacement of building systems.

—*Technological Advances*.—Technology, especially in telecommunications, is changing far more rapidly than our existing building infrastructures can support and adapt to.

—*Regulatory Compliance Requirements*.—Programs essential for complying with the Americans with Disabilities Act, the occupational safety and health standards, security, life/safety, and environmental and hazardous material protection have received very high priority in terms of advancing the timetables for completion due largely to passage of the Congressional Accountability Act.

—*Security*.—Terrorist activity throughout the world has increased, and as a result there is a heightened sensitivity toward threats to security at the Capitol complex.

—*Infrastructure Reinvestment*.—Replacement Value—We have developed an annual investment rate of 1.7 percent of the replacement value of the Capitol complex (exclusive of new construction) as an order of magnitude guide for capital funding levels. In comparison, the fiscal year 2000 request related to existing facilities of $102.6 million is above this target due to the funding gaps discussed earlier.

The following table summarizes the funding levels presented in the five-year capital budget by category. Again, these categories include Life Safety, ADA, Security, Cyclical Maintenance requirements, Technology and Management Systems, and infrastructure Improvements. These five year projections will be reviewed, modified and updated each year as new information becomes available through detailed studies and evolving needs and priorities.

FIVE YEAR CAPITAL PROJECTIONS

| Category | Fiscal Year 2000 | Fiscal Year 2001 | Fiscal Year 2002 | Fiscal Year 2003 | Fiscal Year 2004 | Five Year Total |
|---|---|---|---|---|---|---|
| Life Safety | $16,063,000 | $19,910,000 | $2,369,000 | $800,000 | $600,000 | $39,742,000 |
| ADA | 2,650,000 | 3,050,000 | 1,850,000 | 1,850,000 | 300,000 | 9,700,000 |
| Security | 2,550,000 | 19,312,000 | 1,850,000 | 13,550,000 | 550,000 | 37,812,000 |
| Cyclical Maintenance—Improvement | 18,870,000 | 25,059,000 | 1,950,000 | 5,575,000 | 5,350,000 | 56,804,000 |
| Cyclical Maintenance | 54,319,000 | 38,437,000 | 23,664,000 | 30,324,000 | 17,336,000 | 164,080,000 |
| Technology/Management Systems | 9,250,000 | 3,560,000 | 2,480,000 | 2,210,000 | 1,340,000 | 18,840,000 |
| Improvement: | | | | | | |
| AOC | 4,400,000 | 17,026,000 | 3,894,000 | 4,150,000 | 2,100,000 | 31,570,000 |
| Client | 10,805,000 | 23,155,000 | 28,200,000 | 56,050,000 | 13,800,000 | 132,010,000 |
| Total | 118,907,000 | 149,509,000 | 66,257,000 | 114,509,000 | 41,376,000 | 490,558,000 |

Mr. Chairman, I also wish to point out that this budget was prepared with the intent of requesting planning and design funding well in advance of large renovation and construction projects such as replacing the legislative call system and clocks, upgrading air-conditioning—East Front Capitol, replacing high voltage switch gear and cables, House Chamber improvements, Senate Garage renovations, thermal storage and upgrading the book conveyor system in the Jefferson and Adams Buildings. Only design funding is requested for these large capital projects in fiscal year 2000 in order to prepare detailed designs and firm cost estimates for justifying appropriations requests for construction in later years.

The following table indicates the capital budget increases for fiscal year 2000.

| Capital Projects | Fiscal Year 1999 Budget | Fiscal Year 2000 Request | Change | Major Projects |
|---|---|---|---|---|
| Capitol Buildings: Capital Budget—39 projects. | $10,745,000 | $48,190,000 | +$37,455,000 | Rehabilitate Dome—$28,000,000; HRMD Systems Development—$3,600,000; Financial Management System—$3,300,000; Energy Survey of Capitol Complex—$2,000,000. |
| Capitol Grounds: Capital Budget—5 projects. | 920,000 | 615,000 | –305,000 | ADA Requirements—$330,000; Renovation of Former DC Streetlights—$100,000. |
| Senate Office Buildings: Capital Budget—28 projects. | 16,260,000 | 31,564,000 | +15,304,000 | Renovate Mechanical, Telecom & Restrooms, DSOB—$18,000,000; Upgrade Russell-Capitol Subway—$6,000,000. |
| House Office Buildings: Capital Budget—26 projects. | 12,024,000 | 21,782,000 | +9,758,000 | N/A. |
| Capitol Power Plant: Capital Budget—10 projects. | 5,645,000 | 6,757,000 | +1,112,000 | East Plant Chiller Replacement—$5,000,000; Optimization of CPP Operations—$500,000; Thermal Storage Facility—$500,000. |
| Library Buildings & Grounds: Capital Budget—25 projects. | 3,167,000 | 9,405,000 | +6,238,000 | Construct Book Storage Modules 2,3, & 4 Ft. Meade—$4,000,000; Collections Security—$1,000,000. |
| Botanic Garden: Capital Budget—6 projects. | ..... | 594,000 | +594,000 | N/A. |
| Total ..... | 48,761,000 | 118,907,000 | +70,146,0 00 | |

I assure you that I will continue to work closely with you and the Committee to review these requests to achieve a rational and adequate funding level to support the needs of Congress.

STRATEGIC BUSINESS PLANNING EFFORT: GOALS AND PROCESSES FOR SENSIBLE AGENCY RE-ENGINEERING

Clearly one of the greatest changes facing this agency has been to respond to the question of how to determine the appropriate resource levels necessary to meet our customers' needs. Recognizing that over the past seven years this agency has reduced FTE's by over 16 percent, we began a thorough re-examination of our agency through a management-wide strategic planning process. With the core values defined, and focusing on service excellence, we evaluated alternatives to see what would be required to fulfill our congressional support role: including employing technology and best business practices, and the realignment of resources to fulfill our role. A second major aspect of this process has been to strengthen lines of clear and open communications between this agency and other support agencies as well as key

Committees and staff. We have begun the implementation of necessary modern and efficient business procedures and systems to bring this agency into the 21st century.

We have addressed these concerns at every level in this initiative, and I would like to describe in some detail the results of our efforts thus far. In order to make reasoned and balanced recommendations to Congress I initiated a review and evaluation of three basic sources of information, each of which is required in order to develop a balanced profile of how the agency should be constituted and what policies and recommendations should be formulated. The first source of information was to speak with every individual within the agency. Soon after I took office I met personally with every key manager, and scheduled "town hall" type of meetings with all other members of the agency. I sought to hear what every AOC person thought about the present status of the agency and what the future direction of the agency should be. I encouraged communication, in private if necessary, on areas where staff were aware or suspicious of fraudulent, wasteful or abusive actions, and I also encouraged open expression of their views of how the agency's policies, procedures and management level respected employee rights and promoted a productive and positive workplace.

The second source of information was through meeting with Senators and their staffs to see how well we were performing in terms of customer satisfaction. I also opened dialogues with my fellow House and Senate officers, including the Senate Sergeant at Arms and the Secretary of the Senate, seeking areas where we might together improve service delivery, or align our missions and structures more logically to eliminate duplicative efforts.

Finally, the third source of information was to continue obtaining, reviewing and analyzing outside impartial resource information. I have broadened the scope of our preliminary peer group benchmarking analyses to include virtually all maintenance and technical functions. To carry out this peer group benchmarking, we embarked on a series of interviews with major corporations, building management and trade research organizations, and government agencies to see how we compare in terms of organizational philosophy, the relative mix of in-house and outsourced functions, the use of computerized facility management systems, and the types of maintenance and operations standards and performance metrics they use. Benchmarking and information gathering efforts will continue and be constantly updated.

I have been reviewing and evaluating our operations, especially as they relate to quality service delivery, efficiency and who delivers each service. The process has involved a task force composed of the Superintendents of the House and Senate Office Buildings, and the Capitol Building, as well as the other jurisdictional areas within the agency. What I found was that significant re-engineering has already occurred throughout many areas of our jurisdiction. Some general examples include:

—Changing tours of duties to accommodate reduced FTE's and still respond to Congressional needs
—A consolidation of shops within both the House and Senate office buildings allowed for a reduced number of supervisors
—Use of Job Order Contracts to perform small renovation projects where it is more advantageous to have private sector involvement rather than using our in house forces
—Outsourcing of many areas of technical expertise, using private sector contractors for design, estimating, legal and dispute resolution services
—Increased use of private sector vendors for custodial services, having contracted out the Ford Building on the House side and Webster Hall and Postal Square on the Senate side
—Use of temporary staff for seasonal, short term, and renovation work rather than staffing with long term FTE

These new processes have been tested and implemented, best business practices confirmed with other facility managers, economic savings verified, and will be used as models as we continue our evaluations.

I believe that the final configuration of this agency will maintain continuity of services by using a balanced mix of core staff with their institutional knowledge, quality assurance and dedication of service, as well as a flexible mix of outside vendors, private and public sector contractors, and temporary staff to provide cost effective, quality service to the Congress.

HUMAN FACTOR

At my request in 1997 the Senate authorized a limited two year buy out and early retirement program for the Senate Restaurants. The goal was to quickly re-engineer the functions of the Restaurant since the operation was losing money. That process was sensitively handled in conjunction with OPM, and some 40 employees opted to

take early outs and buy outs. As a result we were able to re-engineer the Restaurant functions and we are now greatly reducing costs. We learned through this experience that with proper planning and implementation these are effective tools for re-engineering, and in fiscal year 1998 I proposed using this program as a model for additional efficiency initiatives. Both the House and the Senate agreed to a three year buy out-early out authority for selected areas of the agency with approval necessary for the initiatives for each of the three years. A plan was prepared and presented for the first years re-engineering program utilizing this authority. To date we have received approval from the Senate and are awaiting the Committee on House Administration's approval.

As with the Restaurant program, funding for early out and buy out packages will be derived from the existing staff's budgeted costs for that fiscal year. The following fiscal year would be the point where any significant cost savings would begin to accrue as a result of such re-engineering.

This type of program has been successfully used by the Library of Congress, the Government Printing Office, and especially by the General Accounting Office, which has given us much valuable information on their re-engineering efforts. The success already experienced in these several areas demonstrates that such programs are a valid way to achieve re-engineering and staffing mix adjustments. Significant re-engineering must take into account succession planning to retain skills and knowledge lost when senior and long term staff leave. Some of that succession planning requires retraining existing staff to become multi-skilled workers to take on a multitude of tasks. Some retraining is also needed to respond to new technologies that are advancing, especially in the areas of computer aided facilities management.

### CONCLUSION

The task of completing the assessment of the agency's strengths and weaknesses, viewing them from a fresh perspective and striving to implement sensible and realistic conclusions is complex, but much progress has been made. I will continue with this rigorous examination of our services, how they compare with the private sector, and how the delivery of those services is viewed by our clients. This is an ongoing process.

In conclusion, with respect to the capital budget, I readily acknowledge that the amount requested is large, and understand the pressures to achieve a balanced Federal budget in fiscal year 2000. The nature of our aging facilities, security and technology improvement needs, life safety and other mandated issues, all weigh in favor of funding the recommended projects. I know that this Committee and the Congress realize, that many of these projects are clearly necessary to properly conserve the "peoples building" and supporting structures for future generations.

With respect to the operations budget as it relates to our mission and services, I am committed to continuing the process of re-engineering the agency to develop an organization that will deliver efficient and cost effective services in a professional, equitable and bicameral manner. I will continue to report periodically on our progress as we examine these issues. I believe that we can become more effective and more cost-efficient and while fulfilling the core mission of the agency. With respect to our dedicated employees, I believe that we must be sensitive to their needs and humane as we proceed. The Office of the Architect of the Capitol will continue to be professional and effective in meeting the challenges ahead.

Mr. Chairman, that concludes my statement and I shall be pleased to respond to any questions that you and the Committee may have.

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## APPENDIX A

### ARCHITECT OF THE CAPITOL INITIATIVES IN LIFE SAFETY, FISCAL YEAR 2000 APPROPRIATIONS HEARINGS

### INTRODUCTION

Over the past several years, the agency has undertaken a host of life safety initiatives. In the past year, however, due to an unprecedented series of small fires within the House office buildings, focus has been brought to bear on fire safety programs. Although no serious damage or personal injury was caused by the fires, the agency undertook a systematic and total review of the fire safety program. The agency found a general lack of consistency with the manner in which fire safety systems had been planned and carried out in the past. Further, maintenance and certification of fire safety systems were found to be inadequate. Significant steps have since been taken to correct these findings.

FIRE SAFETY PROGRAM OVERVIEW

The agency is in the process of developing and implementing a plan that is comprised of (a) restructuring and augmenting a newly centralized Life Safety Division to assure more thorough oversight over all AOC life safety plans and projects; (b) preparing to install upgraded fire protection systems in all the buildings that will facilitate appropriate enhancements as they become technologically possible, and (c) enhancing training to assure the proper inspection, testing and maintenance of installed systems. The potential acceleration of full implementation of this plan will require support from the House leadership and the House Administration Committee in the development of a plan for interim displacement of Members and Committees to enable concentrated work in certain areas of the House side of the Capitol and the House Office Buildings. The overarching goal is to provide the Capitol complex with fire protection systems that are state of the art insofar as possible in these historic structures.

The ongoing program is a work in progress and is subject to comments, changes and creative input. Progress to date and current design initiatives are described to establish a basis of understanding of where we are and what remains to be done. The program addresses three critical areas—Standards of Operation—Planning, specification and internal controls for program development; Projects—Procedures, technical support and impact analysis; Maintenance—Inspection, testing and maintenance protocols.

CONSULTANT SUPPORT FOR FIRE SAFETY PROGRAMS

In the preparation and presentation of fiscal 1998 and 1999 budget requests, life safety projects were placed in their own project category, and were given the highest priority. As each project was put forth for consideration, the agency established design/build criteria to meet current life safety standards while carefully integrating these systems into the Capitol complex's historic surroundings. Starting in March 1997 the agency procured the services of three firms to provide the technical expertise and the much needed resource support required within the Life Safety Division to address program requirements.

In August 1997, the consulting firm of KCCT was hired to study exit doors throughout the complex and prescribe a plan of correction to permit proper egress in an emergency and facilitate the integrated installation of security devices as required by the U. S. Capitol Police. This work has included redefining the direction doors swing open, replacement of revolving doors, frame modifications to house security hardware and redesigning vestibules to accommodate egress requirements, all while maintaining a design that is compatible with the architectural surroundings.

At the present time, 40 doors in the Capitol, House and Senate Office Buildings have been reconfigured to fully meet life safety requirements. Eighteen additional doors are under construction and 23 more are being designed with construction to begin in a phased manner as soon as funds become available. Doors under design include the replacement of revolving and monumental doors throughout the Capitol complex.

In October 1997, James Posey Associates was placed under contract to provide professional services, material and equipment necessary to provide construction documents for sprinkler protection (and other services) within the Rayburn House Office Building. The agency is currently reviewing design drawings and will be going for bid. This project will be tied in with the upgraded alarm system currently being installed.

The firm of Gage-Babcock was placed under contract in September, 1998, to respond to task orders as listed:

—General Fire Protection Description of all facilities and complex wide fire and emergency management systems; Omega Sprinkler recall Count; Building Fire Protection System Survey and Descriptions and Design interconnectivity of various life safety systems and emergency master control centers

—Design the replacement for existing fire pumps in the U.S. Capitol, Russell Senate Office Building, and Longworth and Cannon House Office Buildings.

—Upgrade fire pump electrical feeds—Ford House Office Building.

—Emergency signs and lighting and egress study to establish way finding and directional/exit signage needs for each building's fire protection and life safety and occupancy loads throughout the complex.

—Prepare requirements for a fire alarm system upgrade for ADA compliance and identify areas of refuge for each building and the requirements to meet National Fire Protection Association standards in these areas.

—Design sprinkler systems for Capitol Power Plant administration building.

—Review and develop emergency operation/emergency preparedness plan for each building, using initial work completed by the AOC, Sergeants at Arms and U.S. Capitol Police.
—Provide sprinkler system design for the Longworth carry-out and adjacent sundry area.

At this time the agency has also entered into a Memorandum of Understanding with the U.S. Army Corps of Engineers to provide architectural, engineering and construction support services as required. The agency will be using their services while commissioning life safety systems in the field, after all the software programming has been done to the annunciator panels for the alarms and the transponders that are attached. The agency will also be using their services to execute the Maintenance of Fire Protection Systems Statement of Work. The Corps of Engineers, after taking the information gathered by Gage-Babcock, will finalize the task order document so that these services can be procured to maintain the existing systems throughout the complex as well as those systems that are currently being installed.

While these are positive steps to remedy some of our concerns, there is much more to be done. Projects need to be completed and/or current conditions within existing systems need to be corrected. Many timelines to complete projects currently remain extended so as not to unduly inconvenience Members, but the agency looks forward to working with the oversight committees, the Capitol Police Board, and other involved parties to develop methods of accelerating their completion. The agency is engaging systems once each zone is fully programmed, commissioned and ready to go on-line without affecting the integrity of the rest of the system.

STANDARDS OF OPERATION

In July 1998, the agency moved the Fire Protection Engineering Design reporting lines to the Executive Officer. This was done to strengthen their role in the organization so that the highest priority on such issues will be effectively implemented. With this move, the agency's program began to take a more cohesive shape and accelerate. The three critical success areas as outlined earlier were defined to meet our mission needs, provide the services required from the division as well as give the division performance measures for accountability. The Standards of Operation created by this program provide the specifications for design, materials and installation of systems. It answers the questions such as, "What impact does a change in code have on what is installed, what we are planning to install and what is under design?" and, "What upgrades will it take for us to meet the new code; how long would it take; what physical changes are required; and, what resource implications are there?" It creates the commissioning plan, the field testing plan as well as the records requirements to demonstrate that prescribed procedures were followed. (These are currently being formulated for review by senior staff early in February.)

The Standards of Operation are the education portion of the program. As of this fiscal year, the Grinnell Fire Protection System training program has been offered for initial certification as well as a refresher course. Training courses are also being offered to support Life Safety programs, the Emergency Preparedness Planning process, etc for this fiscal year. This is the first time that such extensive training has been offered in this area. As an example, each person installing a system will be taught to know the cause and effect of not completing an entire zone or not installing all the elements required to make a system fully operational and ready to be tested, programmed and commissioned rather than waiting to the end of the job.

The Standards of Operation are also being developed for the communication portion of the program. They will provide information on changes in technology, changes in codes, etc. and what it may or may not mean to the effectiveness of existing systems.

MAINTENANCE

Under the agency's program, there are two types of maintenance programs required to have a successful life safety program. Under the Standards of Operation, records need be available and information will be provided by the Computer Assisted Facility Management (CAFM) system once it is fully installed and implemented. Preventive maintenance is the key to the longevity of the operating systems throughout the complex as well as the life safety systems in place and being installed at the present time.

The agency's program utilizes National Fire Protection Association maintenance standards as a tool for the superintendents to schedule the necessary maintenance and documentation. In addition, the Life Safety Division will be doing inspections of maintenance work being performed as well as the relevant record keeping.

Finally, the agency is working with the other support offices to coordinate work areas to keep egress paths clear and safe as part of an overall safety maintenance program.

PROJECTS

There continue to be areas in the buildings that are unsprinklered. Funding has been requested to design and complete areas in O'Neill, and Rayburn House Office Buildings, and James Madison Building. Areas that have completed sprinkler designs in the Cannon Building are scheduled for completion by the end of this fiscal year. The Rotunda in the Cannon Building and large Committee rooms in the Longworth and Cannon Buildings require an assessment of today's fire protection technology to best meet the size of the space. Funding for areas of the Capitol that are currently not sprinklered is being requested in the future; alternative locations and methods of suppression must be found so that realistic time lines can be established to enable Members to continue to function within the building.

Upgrades to the fire suppression systems for the food service areas that address today's cooking oils is requested in fiscal year 2000. A study to determine the need to replace the exhaust hoods in the Capitol is requested for fiscal year 2000 with the actual work to be accomplished in fiscal year 2002 (if required).

Smoke detectors are being placed in rooms within the Capitol as they are being renovated. Unfortunately, to activate the detectors—even to the existing alarm system, requires that an entire zone be completed. Due to access problems (requiring displacement of Members while work is occurring) there is not one completed zone on the House side (four of them are three or fewer suites short of a complete zone).

A project impact analysis report procedure has been developed pertaining to the life safety system impacts on renovation/improvement projects. This is a newly implemented process, part of the project planning portion of our program, and indicates typical areas of consideration that will be reviewed with each project involving life safety elements. This tool will also be used when systems that support life safety are being modified such as water main replacements, room partitions installation, and electrical system work.

It is believed that the work of KCCT and in-house design teams will remedy those doors identified as requiring modifications to meet as many egress path corrections as possible. (Historic preservation considerations are part of the assessment that is being made, and where there may be a physical impact on the building the change will be implemented to meet the standards while keeping the integrity of the building to the degree possible.) Funding is being requested in fiscal year 2000 to accomplish the installation and modifications as required. Gage-Babcock will be using this information (on door solutions) as well as their own campus-wide survey to compile signage requirements for exits and wayfinding for egress routes. The actual design of the signs will be done by another firm currently under contract with this agency for ADA signage needs.

The agency has assembled a Task Force to address emergency preparedness within the complex. Each Superintendent is represented and actively participating. The first draft of the manual created with the U.S. Capitol Police and the Sergeants at Arms is currently out for review and comment to update changes in programs, plans and team members. The task assigned to Gage-Babcock, once comments are received on this global plan, is to assist each operating unit within the AOC in tailoring a manual to their operations.

SUMMARY

To meet the life safety goal set for this agency, alternative work processes have been requested to be presented to accelerate the rate of life safety system upgrades and implementation. Several major elements have been identified as currently impeding this process:

—Relocation space has not been identified to facilitate temporarily moving a group of Members and/or Committees to provide access to their suites and meeting rooms. This applies throughout the House Office Buildings as well as the Capitol;

—Design funding needs of a magnitude to be determined must be sought to complete all systems—alarms, smoke detectors, sprinklers, egress, etc, which needs are currently being addressed;

—Manpower resources are not available in-house to install, commission and maintain systems in an acceptable manner while continuing to meet our day-to-day operational requirements. External resources and the funds to support them need to be provided as requested in the fiscal year 2000 budget.

## APPENDIX B

### ARCHITECT OF THE CAPITOL SECURITY UPDATE, FISCAL YEAR 2000 APPROPRIATIONS REQUEST

The past year was a seminal year for security in the Capitol Complex. From the terrorist attacks both domestic and abroad, to the tragic deaths of Officers Chestnut and Gibson, to the ever increasing threats to our facilities and the Leadership, a heightened awareness and emphasis on planning and implementing appropriate security measures dominates the focus of the Capitol Police Board, the U.S. Capitol Police and the AOC. The AOC concentrated on supporting the efforts of the Capitol Police and the other law enforcement entities to improve the security within the Capitol Complex.

The Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, (Public Law 105–277), provided additional funding in the amount of $106 million for the implementation of the proposed security improvements. Plans are being developed for the utilization of these funds which will be submitted to the appropriate committees for approval. Upon approval of the plans, a complete obligation plan, which is also being developed, will be submitted to the House and Senate Committees on Appropriations for review and approval. In anticipation of moving forward with these plans in an expeditious manner, we are continuing to work closely with U.S. Capitol Police, Library of Congress Police, and even the U.S. Supreme Court Police, to coordinate these significant efforts that are unprecedented in the history of the Capitol Complex.

Other proposed short and long term projects include the Capitol Visitor Center which is a key component of the systematic modernization and strengthening of the integrated security infrastructure program which has been presented to the Committee. In that regard, we received a substantial portion of the funding to construct the Capitol Visitor Center and are preparing to seek approval for the review and validation of the existing design and programmatic needs and modify them as necessary. The finalization of construction plans and specifications would follow after approval is received.

A Memorandum of Understanding (MOU) was executed with the Capitol Police that established the division of responsibilities, and the processes and procedures to be followed when developing and implementing security projects. This memorandum continues to be an excellent matrix defining the processes and procedures important to the close working relationship between the two organizations.

Briefly, the MOU assigns the responsibility for design, procurement, installation and maintenance of physical security barriers and other structures to the Architect of the Capitol while the Capitol Police's Physical Security Division is in charge of design, procurement, installation of other security systems, including intrusion and duress alarms, x-ray, scanning and other security systems for facilities. My office continues to provide infrastructure support for the implementation of these systems. This has resulted in a strong working relationship between the two organizations.

The Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 also transferred the responsibility for design, installation, and maintenance of security systems to protect the physical security of the buildings and grounds of the Library of Congress from the Architect of the Capitol to the Capitol Police Board to be carried out under the direction of the Committee on House Oversight of the House of Representatives and Committee on Rules and Administration of the Senate. In response to this change an additional MOU that will outline the process, procedures and responsibilities for the improved security programs of the Library of Congress is in the process of being finalizing by this Office, the Capitol Police and the Library of Congress. It is anticipate that this MOU will be forwarded to the appropriate committees for approval shortly.

In addition to the planning for the programmatic, personnel and physical security needs provided for in the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, funding was provided in fiscal year 1999 to conduct a comprehensive Master Plan that will present the options for providing the current and future facility needs of the Capitol Police and the participating law enforcement entities operating within the Capitol Complex. These include a new shared offsite delivery center where all deliveries to the Capitol Complex can be properly screened, a shared training facility that would support the collective training requirements of the police, a modern command and communications center that is capable of monitoring and administering the existing and proposed security systems in a centralized and coordinated manner, as well as other support facilities not currently or adequately provided. The Master Plan is currently being finalized and will be submitted to the appropriate committees for review and approval as part of the planning ap-

proval process to support the development of the proposed new security and police facilities.

The 1998 Supplemental Appropriations and Rescissions Act, (Public Law 105–174) provided $20 million to improved perimeter security for Capitol Square, as well as the streets surrounding the Senate Office Buildings. The Capitol Police Board has been directed to develop a specific plan for this project. The challenge is to sensitively integrate a sophisticated security program into the historic landscape of the Capitol Grounds and the fabric of the incomparable complex of buildings that grace Capitol Hill. The solution has been strongly influenced by the fact that the Capitol is the "Peoples' Building" and visitors must perceive it as such with reasonable access being provided. Perimeter fencing and other overly intrusive security measures have, therefore, been avoided.

To meet this challenge, the Board organized a Task Force made up of key staff from the Architect's office, the House and Senate Sergeants at Arms, the Capitol Police, and nationally recognized architectural and security consultants. The Task Force reviewed the previous work done by various groups, including the schematic designs developed in the late 1980s that became known as the "Whip's Plan", and the 1995 security evaluation requested by the Board and performed by the U.S. Secret Service and Capitol Police. The Task Force has completed this effort.

The primary elements of the plan include improved security at all entrances to Capitol Square through the use of a combination of high impact vehicle barriers that are police activated at the most critical locations, or card activated egress from parking related areas. These are to be used in conjunction with a continuous string of security bollards similar to those designed for and installed at the White House. These bollards would replace the concrete planters and sewer pipes that had been temporarily put in place in the 1980s. Together with new high impact stone planter areas consistent with the Frederick Law Olmsted walls and the integration of electronic and other security systems at each entrance, a continuously secure perimeter would be created largely internal to the original Olmsted walls which, in many areas, are too low to meet security height requirements and are not of reinforced construction.

At each of the Capitol Square access points, the incorporation of modern electronic and other security systems would be integrated with new barrier structures in the form of planters mentioned above and the replacement of the existing concrete sewer pipes and planters with security bollards of a design consistent with that being deployed at other government properties. The end result of the proposed changes would be significant improvements to both the security needs and appearance of Capitol Square.

Subsequent to the submittal of this comprehensive plan for improved perimeter security for Capitol Square, approval was received by the Senate Committee on Rules and Administration, and is anticipated by the Committee on House Administration.

The Senate Committee on Rules and Administration also specifically approved the Board's plan to improve the physical security elements protecting the Senate grounds and office buildings. Although this matter relates solely to the Senate, funding is included under our "Perimeter Security" project in the "Capitol Grounds" appropriation for this purpose. To resolve the security concerns, the Board recommended that landscape elements and bollards similar to those recommended for Capitol Square be used to replace the existing "Jersey" barriers, concrete planters and pipe sections. This solution maintains the necessary levels of security while softening the visual impact of these measures. The detailed construction plans and specifications are currently being completed and construction is scheduled to begin this summer.

The Capitol Police Board approved five security related projects that are included in the Architect of the Capitol's request for fiscal year 2000. Infrastructure for Security Installations ($500,000), which as reduced by $250,000 from the fiscal year 1999 level, provides the infrastructure accommodations to support the continued installation by the Capitol Police of door controls, alarms, cameras and other security devices throughout the Capitol Complex. Security Project Support ($550,000) will provide this Office with technical staffing resources to coordinate and oversee the design and construction of capital improvements to be implemented by this Office that were funded in the Omnibus Consolidated and Emergency Supplemental and Appropriations Act, 1999. Book Conveyor System Security (Internal LOC Collections) ($400,000) will provide for access control of the Library of Congress book conveyor system. Collections Security, LOC ($1,000,000) will provide for the continued installation of card readers and other security sensors and devices to protect the Library's collections. Secure Attic and Basement Areas, SOB ($100,000) will provide for the construction of physical barriers in various storage areas of the Senate.

## APPENDIX C

## ARCHITECT OF THE CAPITOL AOC HUMAN RESOURCES ACT OF 1995 ACHIEVEMENTS, FISCAL YEAR 2000 APPROPRIATIONS HEARINGS

### INTRODUCTION

The 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.

### CURRENT HUMAN RESOURCES PROGRAM FOCUS

Since April of 1997, the Human Resources Management Division (HRMD), under a new Director, has made the following areas a priority: Customer service delivery; program/policy development; service delivery systems re-engineering; 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 so far and identifies new directions for the coming year.

*Program Guidance Completed*

The following program guidance was developed, distributed, and briefings provided to all Agency Supervisors:

*Training Program*.—The training program was significantly revitalized and expanded to meet management and employee training needs. Specifically, we have:

—Administered a wide range of training courses for AOC employees at all organizational levels and of varied disciplines (copy attached).

—Published a new training guidance handbook which has been provided to managers, supervisors and foremen during scheduled informational meetings. The handbook addresses the overall process for handling training requests and provides the following information: a detailed listing of training videos that are available for check-out or for viewing in the HRMD learning resources center by AOC staff; guidance on staff cross-training and job and non-job related training; instructions for completing on-site as well as off-site training requests; sample curricula and on-the-job training suggestions for a wide variety of trade occupations; and a copy of the General Services Administration's Facilities Management Training Center Catalogue.

—Implemented an automated training system to capture all training activity and funds allocation.

*Hazard Pay/Environmental Differential*—Guidance has been developed and provided for supervisors to use in requesting hazardous duty pay for appropriate work situations. The guidance provides for a number of steps to be taken by the supervisor prior to instructing employees to work in conditions that may be considered as hazardous duty. The guidelines provide for a health and safety review of the proposed working conditions, the applicable safety equipment, and other health/safety considerations. Once this review is completed, the supervisor will follow the procedures outlined to request from HRMD the authority to grant hazardous duty pay to employees involved in that specific work assignment.

*Temporary Limited Duty Assignments*.—Guidance was developed and provided for use by supervisors when considering requests from employees for limited duty assignments, on a short-term basis, while recovering from a non-work related injury or illness. This information identifies the initial steps employees must follow and the documentation necessary to clearly substantiate a medical limitation. With specific medical documentation, the supervisor can make a determination whether or not a limited duty assignment is possible based on the employee's medical limitations and mission needs.

*Reissuance of Policy on the Administrative Work Week*.—Based on numerous questions about what constitutes the work week and inconsistent application of policies in different segments of the agency, we reissued the AOC policy and standardized procedures to all employees.

*Programs and Policies That Are Completed And Ready For Union Negotiations*

HRMD has completed the following program and policy guidance, which is awaiting negotiations with the Union. AFSCME Local 626 was elected by AOC employees earlier this year, representing laborer and custodial employees. As negotiations are completed for each policy, we will implement each of these initiatives. Our work on

Program and Policy development is carried out in coordination and collaboration with Chief Employment Counsel and Chief Labor Relations Counsel. This ensures compliance with applicable laws and regulations including provisions of the Human Resources Act and the Congressional Accountability Act.

*Architect's Mobility Program (AMP)*.—With the assistance of a workgroup, we have revised the program guidelines. The program is designed to provide career growth opportunities for employees in lower-graded, career-limiting positions. Anticipate beginning the program with 8 to 12 vacancies initially. This is to ensure that we are able to provide the necessary one-on-one assistance to the selecting official and the selected employee to develop a tailored training development plan. Once negotiations are complete we will provide informational sessions for employees and supervisors with detailed information about the Program, and operating procedures. Specific assistance will be given to employees on the application process, on completing the necessary forms, etc.

*Temporary Promotion Policy*.—Completed the policy and procedures for supervisors to follow in proposing temporary promotions for employees. The policy provides for a uniform way of proposing, documenting, competing when necessary, and approving temporary promotions for AOC staff. Through this policy, Agency supervisors will be able to make a time-limited change of an employee's assignment, with corresponding time-limited increase in pay.

*Work Detail Policy*.—Completed the policy and procedures for supervisors to follow in proposing details (temporary work assignments) for their employees. The policy provides for a uniform way of proposing, documenting and approving details for AOC staff. Through this policy Agency supervisors will be able to temporarily assign an employee to a different position or set of duties, without a change in pay. The employee that is temporarily assigned to a different position or duties continues to officially occupy his/her position of record.

*Classification Appeals Policy*.—Completed development of a classification appeal process for employees to use when the classification of their position (job title, series and/or grade) is in question. The process ensures that a thorough review and analysis of the position is completed; a specific report of findings is provided; and that HR staff meet to discuss the findings with the employee and the supervisor. The policy also provides for a third party (a neutral reviewer) to conduct the review in cases where this may be more appropriate.

ADDITIONAL HUMAN RESOURCES ACCOMPLISHMENTS

*Delegations of Authority*.—In June 1997, the Human Resources office was granted full delegated authority to carry out the wide range of personnel actions necessary to support and carry out the mission of the Agency.

*Informational Briefings*.—The Human Resource staff has been conducting informational briefings for groups of supervisors and managers in each jurisdiction. The briefings cover temporary limited duty assignments, hazardous duty pay/environmental differential, updates to the disciplinary process, the Architect's Mobility Program, the recently developed Training Handbook and other Human Resource program areas. The briefings are one method HRMD is using to develop an ongoing, cyclical dialogue with Agency supervisors to assure they understand the policies of the Agency and our intent to create standardized policies and procedures across all of our jurisdictions.

*Earlyout and Buyout Program for the Senate Restaurants*.—Based on Congressional authorization, developed program guidance, operating procedures, informational materials and facilitated counseling sessions to help employees decide if they were interested in applying for a buyout and/or earlyout during November/December 1997. The overall process, which required about three months of staff effort, resulted in 23 employees accepting the separation incentive. Through a second buyout program, in fiscal year 1998, an additional 17 employees accepted a buyout. These efforts have resulted in an estimated saving of $1 million per year for the Senate Restaurants.

In developing the guidance and procedures to administer this authority, we benchmarked similar activities at other agencies and completed a successful programmatic review conducted by General Accounting Office (GAO) staff. Our experience with this authority is that it is an effective tool that holds much promise as a component for re-engineering other areas of the Agency.

*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 super-

visory 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.

*Streamlining the Discipline Process*.—In an effort to improve the timely and fair handling of disciplinary cases, we examined AOC's current process and procedure to identify areas where processing time for these actions could be reduced, without changing the existing policy. A number of areas were identified where supervisors, HRMD, and the Hearing Officers could be more time efficient. To help reduce the time it takes to resolve a disciplinary case, we developed processing time standards. A decision was also made to obtain the services of independent contractors, skilled in handling hearings, to assume the duties that have been carried out by AOC managers. In doing this, we have added an additional degree of independent objectivity and consistency to the review of cases in addition to improving overall timeliness of handling a disciplinary action.

*Contract Administration Training Initiative*.—In collaboration with the Procurement Division, HRMD led an initiative to promote the training of contract project officers. A comprehensive program plan and schedule was developed to facilitate a contract project officer and a contract administration course. The first phase of this training program is underway. This initiative will enable the agency to more efficiently and professionally handle the administration of contracts for services that will be performed for AOC.

*Position Management Review*.—In coordination with the Budget Office, HRMD implemented an Agency-wide process that ensures completion of a budget analysis and a position management review prior to a position being approved for recruitment. The position management review, completed by this office, focuses on: the need for the position; duplication of effort or overlapping of functions; the appropriate supervisory span of control; and staffing alternatives to ensure the position is filled at the lowest possible grade (salary) level.

*Position Classification Studies*.—Efforts in this area have resulted in:

—Completion of a number of position classification review studies including: raising the career ladder to the GS–13 level for Architect positions in the Architectural Division; developing GS–13 program manager positions in Engineering; developing GS–13 level positions in the Information Management Division.

—Completion of a preliminary review of a random sample of Laborer positions in the House, Capitol and Senate Office Buildings. The review was completed in response to employee complaints that their positions should be paid at a higher level. We found that the majority of the positions were either properly graded or were over graded. A broader study will be necessary to better address this issue.

A review of all the positions in the Botanic Gardens is currently underway to determine the proper titles, series and grades of these positions.

*Organizational Studies*.—An organizational management review was completed for the Superintendent of the Capitol, resulting in a reorganization with consolidation of a number of shops. An organizational realignment, to consolidate the grounds staffs at the Supreme Court and the Library of Congress under the AOC Landscape Architect, was also completed. Currently, we are working with the Superintendent of the Senate Office Buildings, the Director of Engineering, and the Immediate Office of the Architect on a number of organizational issues.

These efforts are part of our Strategic Planning and Organization Management efforts to develop sound, efficient, cost-effective staffing patterns for the Agency. This work will result in streamlined organizations with appropriate supervisor-to-employee staffing ratios. We also assess options that will facilitate the identification and development of centralized operations, and opportunities for multi-tasked job assignments and upward mobility positions.

*AOC Electronic Job Announcements*.—A procedure to "post" all AOC job vacancies on the Office of Personnel Management Job Information Home Page (www.usajobs.opm.gov) was developed and implemented. AOC vacancies can now be found by any interested applicant "surfing" the net. In addition, to foster increased opportunities for all AOC staff, we implemented a policy of advertising jobs Agency-wide. This replaced the existing practice of advertising jobs primarily at the jurisdiction level. This will not only provide more opportunities for current AOC staff, but ensures consideration of a broader pool of candidates. Should we anticipate that there would not be a broad cross section of available internal candidates, the vacancies would be advertised to all sources (both within the AOC and to outside sources).

Our goal is to ensure that vacancies are filled using a fair and open competitive procedure.

*Human Resources Newsletter*.—Developed and have been publishing a monthly Human Resources Newsletter, Employee Matters as part of the AOC Shoptalk. The newsletter provides AOC employees with current Human Resource information, program initiatives, upcoming events, training information, etc.

Human Resources Web HomePage—A new resource for AOC employees who have access to the AOC intranet has been developed. Employees can now find out about Human Resources-related information and policies on-line. Since this is just the beginning of our venture into the website design, we will continue to modify and enhance the HomePage based on feedback. Currently, the HomePage contains: Employee-wide notices issued by HRMD; A complete HR staff roster with contact numbers and service areas; The Uniform Policy and related documents; Issues of Employee Matters; Links to other sites such as TSP, Social Security and Federal Job Opportunities including AOC jobs A feedback link to E-Mail a message to HRMD-Link.

In the near future, the site will be expanded to include: Every current AOC human resources policy; Mission-related information about HRMD and its branches, including each of the services and programs we provide.

HUMAN RESOURCES INITIATIVES UNDERWAY

This is a brief summary of additional HRMD initiatives underway:

*CSRS to FERS Conversion*.—AOC had over 900 employees who are eligible to convert from CSRS to the FERS Retirement System during the open season that continues through December 31, 1998. We had a comprehensive strategy in place to inform eligible employees of the process, considerations, financial implications, etc. HRMD provided one-on-one counseling and retirement comparisons to any interested employee who considered making the change. In addition, 79 employees participated in either FERS Transfer briefings and/or individual retirement transfer counseling sessions provided by HRMD.

*Awards Program*.—An awards policy/program to establish a comprehensive incentives and recognition program, including provisions to pilot monetary and time off awards is being developed. Providing an incentive system, that recognizes performance, productivity and exceptional employee contributions toward fulfilling our mission, will serve to reinforce service excellence, professionalism, creativity, and teamwork AOC-wide.

*Performance Evaluation System (PES)*.—A plan has been developed to review and make necessary program and policy changes to revamp the AOC PES. Focus groups comprised of supervisors, foremen, employees and managers will be conducted to assist us in the initial phase of the review. A workgroup of AOC staff will be used to help develop proposals for necessary changes to revamp the system.

*Human Resources Process/Systems Re-engineering*.—In the same fashion that the discipline process was streamlined to reduce processing time, we are systematically reviewing and revamping other HR processes and procedures so they are more responsive to management and employee needs. Even though this requires us to make a large investment of time, addressing these initiatives and the business of modernizing AOC's Human Resources programs are being approached with a great degree of enthusiasm by the HRMD staff. Our current focus is the re-engineering of the operating processes and procedures followed by the Employment and Services Branch. Staff workgroups will systematically analyze, modernize, simplify and implement new ways of doing business in a number of areas including: recruitment, pay and benefits processing, retirement counseling and program administration, health and life benefits administration, etc.

*Labor Management Relations and Negotiations*.—With the election of a union to represent approximately one-third of the Agency's workforce, HRMD now has additional program responsibilities to carry out in collaboration with the Labor Relations Attorney. HRMD is working with a wide variety and a significant number of day-to-day union issues as well as serving on the management negotiation team. They regularly participate in meetings with union officials to address specific issues or concerns and to provide information. The staff will be devoting a considerable amount of time to carry out negotiations with the union on a labor-management contract, as well as on specific policy issues.

*Forging New Business Relationships*.—HRMD has been working with several organizations across the campus: The Capitol Police to establish joint efforts to successfully and safely deal with potential workplace issues; The Attending Physician's Office and the Occupational Health and Safety staff to develop better program linkages with regard to workers compensation, training and other program areas; and

Participating in initial discussions with the Sergeant at Arms and the Chief Administrative Officer on potential areas for mutual cooperation.

The staff is actively participating on several executive agency forums: a member of the Small and Independent Federal Agencies Personnel Group; a member of the Office of Personnel Management's Human Resource Accountability Workgroup; participate in the Classification and Compensation Society forums; and are actively involved in the Federal Safety and Health Council.

UPCOMING HUMAN RESOURCES INITIATIVES

This is a brief summary of additional HRMD initiatives on the horizon:

*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 want to look at options for developing more 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.

*Records Management*—HRMD is reviewing the information AOC organizations currently maintain about the employment and conduct of individual employees with the goal of developing guidelines to standardize these practices. 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 will develop guidelines to govern what documentation may and may not be maintained, as well as general information on the employee's right to review it.

*Update and Revamp the AOC Conduct and Discipline Policy*.—The AOC operating process and procedures for handling conduct and discipline matters will be reviewed and updated. The existing process is rather cumbersome and can be very time intensive. The necessary procedural steps in administering the disciplinary process will be streamlined.

*A Comprehensive Wage and Pay Administration and Hours of Duty Policy*.—HRMD will look into developing a more uniform, 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.

*Workers' Compensation Program*.—HRMD has initiated a concerted effort to develop a comprehensive program to address the high workers' compensation costs being incurred by the Agency. Our goal is to address injuries, case management, and work with the Department of Labor on a very proactive basis. We will 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 return to work program and to aggressively pursue cases of potential fraudulent claims.

*Employee Safety and Protection*.—In collaboration with the AOC Health and Safety Office, HRMD will continue to address employee safety and protection in the workplace. We have already drafted and implemented (with union concurrence) an employee uniform policy to cover employees currently authorized to use them. We need to address other employee personal protection issues such as protective clothing, eye protection, safety shoes, etc., to further support AOC health, safety, and training initiatives.

*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.

*Human Resources Process/Systems Re-engineering*.—The staff will continue to re-engineer, streamline and revamp our operating processes and procedures with the goals of reducing processing time and providing more responsive customer services. Following the model we used in the conduct and discipline process (previously addressed in this report), we will complete a process to streamline and re-engineer operating processes and procedures in the Employment and Services Branch and then replicate the model in the Classification and Pay Administration Branch, the Management and Employee Relations Branch, and the Employee Development and Communications Branch.

Our bottom line is to be more responsive in meeting the needs of our AOC customers, and provide timely, cost-effective HR services. We envision the 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.

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## APPENDIX D

### ARCHITECT OF THE CAPITOL INITIATIVES REGARDING THE CONGRESSIONAL ACCOUNTABILITY ACT, FISCAL YEAR 2000 APPROPRIATIONS HEARINGS

#### INTRODUCTION

Enacted in 1996, the Congressional Accountability Act of 1995 (the CAA) affords all AOC employees a means by which to present allegations regarding employment practices in an independent office in the legislative branch.

#### EMPLOYMENT COMPLAINT PROCESS

An employee who wishes to allege violations of the CAA may request counseling and mediation from the Office of Compliance. Individuals who wish to file such requests need not put in writing, or prove, any allegations during formal counseling, mediation or before entering the formal litigation process. At mediations the Agency may be asked to respond to any employment-related matters, including discrimination, wage and hour and family leave issues, or other workplace issues. The CAA and the Office of Compliance procedural rules require that all mediation and formal hearing proceedings remain strictly confidential and requires parties to sign agreements to that effect.

If mediation does not satisfy an individual, he or she, 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 Court. (The Office of Compliance has ordered that Formal Complaint cases be kept strictly confidential.)

#### CASE STATISTICS

The Office of Compliance (OC) official figures are not yet available for Calendar Year 1998. Based on the OC reports for 1997, the first full year that the law was in effect, individuals filed 77 requests for counseling naming the AOC as the employing office. In Calendar Year 1996, the number of requests for counseling naming the AOC as the employing office was 34. (The filing of such requests is a pre-requisite to filing a Request for Mediation upon which the OC first informs the AOC of the existence of a complaint from an employee.)

#### ACCOUNTABILITY ACT AND OCCUPATIONAL SAFETY AND HEALTH PROVISIONS

Section 215 of the CAA directs the Office of Compliance General Counsel, periodically and on request, to inspect any area or activity within the jurisdiction of employing offices, including all of the buildings within the Agency's jurisdiction with respect to compliance with occupational safety and health standards. (As of January 1998, the Library of Congress is also separately covered by the these provisions.) The OC General Counsel conducts inspections of all such locations at least once every Congress, but also on the request of an employee or an employing office.

Beginning in 1997 and ending in 1998, the OC General Counsel conducted periodic inspections of all AOC locations. These inspections began in July 1997 and extended through June 1998. Also, the OC General Counsel conducted about 30 inspections of AOC facilities, based on a request by union officials or AOC employees. The Agency has been fully cooperative in this inspection process and has responded to the issues raised. The OC General Counsel issued citations on two occasions: on March 25, 1998, six (6) citations issued covering the storage of flammable substances throughout Capitol complex and two (2) concerning the trash sorting/recy-

cling activities in the House Office Buildings. The Agency did not contest these citations and the conditions were immediately abated.

In August 1998 the OC General Counsel raised concerns about the possible presence of legionella bacteria in certain locations within the West Cooling Tower of the Capitol Power Plant. AOC officials acted swiftly to ensure that employees at the plant were not adversely affected and that the conditions in the tower are regularly monitored. With the assistance of national experts in cooling tower operations and of the Attending Physician regarding employee health issues, AOC devised a plan that assured that no outbreak would occur. [Currently, the West Cooling Tower, during its scheduled shutdown for cleaning and maintenance, is also undergoing certain recommended structural changes to avoid any similar concerns in the future.]

Pursuant to a request for inspection filed in April 1998 by an AOC employee collective bargaining agent, the Office of Compliance has conducted inspections to ensure the availability of emergency fire exits throughout the day and night in all of the buildings in the Capitol Complex. The Agency has accelerated its efforts to modify all the doors to address this concern.

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## APPENDIX E

### ARCHITECT OF THE CAPITOL INITIATIVES IN LABOR-MANAGEMENT RELATIONS, FISCAL YEAR 2000 APPROPRIATIONS HEARINGS

#### INTRODUCTION

Provisions under the Congressional Accountability Act, Public Law 104–1, gave AOC employees the right to join collective bargaining units. Since the Accountability Act's passage, three different groups of AOC employees have exercised this right. The following discussion describes labor—management relations activities that have taken place over the past two years.

#### FORMATION OF UNIONS

In August, 1997, the first bargaining unit at the Architect of the Capitol (AOC) was established. Approximately 600 laborers, custodians and other occupations were organized by AFSCME Council 26. Local 626 was established as the bargaining agent for these employees.

In November, 1998, AFSCME Council 26, Local 626 was certified as the exclusive representative of a production and maintenance unit at the United States Botanic Garden.

On January 13, 1999, Plumbers Local Union No. 5, United Association of Journeyman 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.

#### UNION NEGOTIATIONS

The AOC and AFSCME Local 626 have completed negotiations on the following subjects: Uniforms for Senate Office Buildings and Capitol Building employees; Time Clocks for Capitol building employees; Official time and the Number of Designated Union Officials *[1]; Dues deduction; Architect's Mobility Program *[1] and Ground Rules for Master Contract Negotiations.

#### LABOR—RELATIONS MEETINGS

At least 15 labor-management meetings have been held during the past year to discuss various issues, including staffing, time and attendance, training opportunities, change in work assignments, discipline, health and safety.

Two receptions were hosted by the Architect for Local 626 elected officers, stewards and representatives in 1998.

#### ALLEGATIONS OF UNFAIR LABOR PRACTICES

Eight unfair labor practice charges were filed by AFSCME Local 626 during fiscal years 1998 and 1999 to date. Four were withdrawn, one was dismissed, settlement discussions are continuing on two other cases, and a most recently-filed charge is under investigation by the Office of Compliance.

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[1] Tentative agreements have been reached on these items. Memoranda of Understanding negotiated between the AOC and AFSCME will become effective subject to ratification by AFSCME and final approval by the Architect.

COLLECTIVE BARGAINING AGREEMENTS

Presently, there is no collective bargaining agreement covering any AOC employees. Bargaining for a Master Agreement with AFSCME, for both of the units that it represents, will not commence until all negotiability issues are resolved, either formally or informally.

Proposals and counter-proposals will be exchanged within 15 days following a final determination or resolution of the negotiability issues.

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## APPENDIX F

### ARCHITECT OF THE CAPITOL REENGINEERING PLAN INCLUDING BUYOUT AND EARLYOUT PROGRAMS, FISCAL YEAR 2000 APPROPRIATIONS HEARINGS

INTRODUCTION

The AOC's goal is "To be an innovative and efficient team dedicated to service excellence and to preserving, maintaining, and enhancing the national treasures entrusted to our care." As such, the AOC embarked on a strategic goal of rebuilding the Agency into a flexible, responsive, and quality oriented instrument of the Congress through reengineering. The AOC requested buyout and early out authority to increase management's flexibility for reengineering the Agency. This authority was provided in Sec. 308 of the Legislative Branch Appropriations Act, 1999, Public Law 105–275, dated October 21, 1998.

REENGINEERING PROGRAM

The AOC's reengineering program is designed as a cross-jurisdictional, multi-dimensional effort. Through this program the AOC will: reshape its business approach through reengineering and increased use of automation; create cost effective programs and services using a multi-skilled workforce; consolidate programs and services with the deployment of staff across campus; and provide for timely succession planning.

During fiscal year 1998, the general plan was presented to the Committee on Rules and Administration of the Senate and the Committee on House Oversight of the House of Representatives, as well as both Legislative Branch Subcommittees for Appropriations. The proposed Implementation Plan to reshape the Agency, as presented, will: Develop a mix of staff skills to meet mission needs; Cross-train current staff to be multi-skilled; Align and consolidate functional activities and programs to build efficiency and minimize redundant services.

The use of buyout/earlyout authority was requested to stimulate turnover and NOT downsizing, thus providing a managed restructuring process. The Agency requested a three year process so as to manage the rate of turnover to ensure that the Agency could maintain customer service levels and fill critical needs.

Based on work completed by the superintendents and other senior staff, the Agency identified the occupations and program areas for the first year of reengineering which: Have minimal interaction with congressional operations; have no security concerns; have easily defined tasks and duties; and have been evaluated against potential impact on the integrity of structural, electrical and mechanical systems.

AUTHORITY FOR BUYOUTS/EARLYOUTS

Section 308 of Public Law 105–275 authorizes The Architect of the Capitol to administer a three year voluntary separation incentive (buyout) program and voluntary early retirement (earlyout) program within the Agency. This authority does not include employees of the U.S. Senate Restaurants. The justification for this program is to facilitate reengineering and reinvesting in the Agency to meet both mission requirements and fiduciary responsibility. Prior to each annual buyout/earlyout program, the Architect must submit the Agency Reengineering Plan to the Committee on Rules and Administration of the Senate and the Committee on House Oversight of the House of Representatives for approval. The plan shall include the positions and functions to be reduced or eliminated, identified by organizational unit, occupational category, and pay or grade level; the number and amounts of voluntary separation incentive payments to be offered; and a description of how the Agency will operate without the eliminated positions and functions.

APPROACH

In preparation for implementing a reengineering effort which would utilize buyout authority to facilitate turnover, the AOC has taken the following steps: Bench-

marked with technical experts (Building Owners Management Assoc., Office of Personnel Management, facility management experts such as GSA, Coca Cola, and several universities, GAO, etc.); Consulted with Arthur Andersen Consulting, Inc.; Reaffirmed operational selection criteria with Superintendents; Performed risk assessment for operational areas—task activity based; Determined the commercial availability of services and support; Planned next steps, including required organizational and operational support.

To achieve the desired reengineering goal over the next three years, AOC's Year 1 approach for buyout and early retirement provisions ensures that the Agency, with in-house staff, will continue to perform duties that have direct impact on the integrity of structural, mechanical, and electrical facilities; and continue to perform critical services as defined by Members of Congress. This program is designed to assure that all AOC services are continued without interruption or diminution over the period.

KEY ELEMENTS OF THE PLAN

The maximum payout for a buyout will be $25,000. The cost of the buyouts will be paid from the salary savings realized through the employees' departure from the AOC payroll.

The AOC will reinvest savings realized through this program into Agency operations and projects as well as in procuring services through outside vendors as appropriate.

The Agency will reengineer positions that are vacated through this effort to provide for a complement of multi-skilled staff; positions that are restructured by filling at lower grade levels; and positions that will be used for the Architect's Mobility Program.

Program and work process consolidation will be a part of this effort to ensure that economies and better efficiencies are realized.

Union negotiations will need to be completed prior to implementation of the plan as it affects bargaining unit employees. The outcome of negotiations may affect the projections made in the plan.

The proposed announcement to employees, of the buyout opportunity, must be made as soon as possible to realize the maximum possible savings.

DETERMINATION OF OCCUPATIONAL GROUPS

The Superintendents of each jurisdiction, along with other senior staff, completed organizational reviews that resulted in the identification of occupational groups that provide the best opportunities for AOC-wide reengineering.

JURISDICTION CATEGORIES FOR BUYOUT/EARLYOUT PROGRAM

Cross-jurisdictional tasks were analyzed for their potential to incorporate best business practices and to provide more cost effective programs and services. In addition, the Agency focused on the occupational groups that provided opportunities for:

—*Multi-skilled Staff*.—Identified opportunities within the occupational groups to introduce a multi-skilled workforce. Sample position descriptions, vacancy announcements, and training be used in staffing a multi-skilled workforce have been developed and are ready for implementation.

—*Position Restructuring*.—Identified potential cost savings by restructuring the work assignments of journeyman-level positions to ensure that work which could more appropriately be performed by lower-graded staff is not a part of the day-to-day assignments for journeyman-level staff.

—*Architect's Mobility Program*.—Developed a program to provide opportunities for career limiting positions. The Program, currently being negotiated with the union, will be used to retool positions identified within the jurisdictions. In addition, it will also serve as a tool for Agency succession planning in future years.

The Reengineering Plan, using buyouts and earlyouts, will result in savings from eliminated positions and also provides additional savings and flexibilities through realigning and restructuring the Agency's organizations and its workforce.

—*Projected Reengineered Positions*.—Positions were identified for restructuring as multi-skilled jobs. Positions are projected for use in the Architect's Mobility Program, and positions will be retooled and reclassified (positions restructured to carry out work at a lower grade level). The projected savings will be reinvested for Agency operational support needs.

—Program Consolidation—Work Process Consolidation is also a part of these reengineering efforts. Examples of efforts in this area include: consolidation of the U.S. Capitol House HVAC shop and the U.S. Capitol Senate HVAC shop, which reduced the number of supervisors through attrition; alignment of preventive

maintenance functions with evening staffing requirements in the House and Senate; and consolidation of all landscaping and ground maintenance functions for the Supreme Court and the Library of Congress under the Agency's Landscape Architect.

—*Succession Planning*.—The review of vacated positions to ensure that AOC's future workforce embodies the knowledge and talents to carry on the reengineering goals identified in the plan.

BUYOUT PROGRAM ADMINISTRATION

*Year 1 Buyout/Earlyout Occupational Groups/Program Areas*

Year 1 buyouts/earlyouts opportunities apply to positions that have been identified in individual jurisdictional plans. Due to mission/program needs as specified by the Superintendents in the organizational analysis activity, some jurisdictions may not be offering buyouts in some of the occupations/program areas identified in the Year 1 Reengineering Plan. Buyouts/earlyouts in subsequent years will be for different occupational groups/program areas.

*Communications*

In order to effectively communicate buyout/earlyout information to AOC employees, the AOC will use a variety of written informational tools and in-person communications. Written communication tools will be used to convey the buyout/earlyout material (number and types of positions included in Year 1 plan, the application process, the timeframe for application and separation, etc.) Employees will have access to the information via memoranda, the employee newsletter, and the AOC intranet. Supervisors will also be provided guidance material to assist in information dissemination.

A number of general employee briefings are planned to personally explain the application and selection process, the Federal retirement programs, leave and employee benefits considerations, etc. Individual retirement and separation counseling sessions will be provided by a retirement counselor to include retirement and benefits calculations and information.

An informational hot-line will be used to provide general overview information and will provide the opportunity for employees to speak with a human resources advisor regarding a specific topic or question.

*Labor Management Considerations*

Buyout and earlyout options will be offered to some members of the AOC bargaining unit. The Agency will submit the proposed AOC Reengineering Plan to the union to satisfy legally required union negotiations as to impact and implementation. The Agency's interest is to implement and effect the buyout/earlyout process, so as to allow employees to separate in the second quarter of the fiscal year, in order to realize the maximum possible savings and pay for the buyouts. While the Agency anticipates that the union shares a common interest in making buyouts/earlyouts available to bargaining unit employees, the timing and implementation of the process, for bargaining unit employees, will be contingent on completion of any required union negotiations. The outcome of negotiations may affect the projections included in this plan as to bargaining unit positions.

*Process Information*

*Eligibility*.—Employees who agree to separate from the Agency through regular retirement, early retirement, or resignation are eligible to apply for a buyout if: they are a permanent AOC employee; they have continuously worked for the Federal government for the past 12 months; and their current job classification and title is the same as the type of job category identified for the Year 1 buyout/earlyout program. Employees are not eligible to apply for a buyout if: they are a reemployed annuitant; they are a temporary employee (appointment pay plan designated as GG, or Davis Bacon (DB); they have previously received a buyout; they are or would be eligible for disability retirement; or they are employees of the U.S. Senate Restaurants.

Application Package. Buyout/Earlyout Applications will be submitted to the Human Resources Management Division (HRMD) identifying the proposed type of separation, separation date, and appropriate employee information. The application will be included in the AOC Buyout/Earlyout Application Package.

Verification. HRMD will verify that the applicant: (1) is eligible for a buyout, (2) is ineligible for disability retirement, (3) is eligible for the type of separation indicated on the proposed separation date (regular retirement, earlyout, or resignation after at least 12 months of continuous service, (4) has been counseled by a Human Resources Advisor, (5) and any other provision negotiated with the union representing the bargaining unit to which the employee belongs.

Selection. Since more applications for buyouts may be received for some of the occupations than the number of buyouts available, the Agency will use fair and objective criteria for deciding which applications will be approved. In this circumstance, the AOC will use employees' total length of Federal service as selection the criterion. Should a tie result in length of Federal service, AOC length of service will be used to break the tie.

Payment. The amount of the buyout will be $25,000 or the amount of severance pay due on the date of separation, whichever is less. Payment is made in a lump sum, after deductions for Federal, state and local, and Medicare/FICA taxes, after the employee leaves the Agency. Buyout payments are also subject to garnishment for alimony, child support, or other debts. In addition, payment will be made to the Civil Service Retirement and Disability Fund in the amount of 15 percent of the final basic pay of each employee who is paid a buyout (as identified in Public Law 105–275).

Separation. Employees selected for a buyout must separate through regular retirement, early retirement, or resignation during the buyout window.

Delayed Separation. Superintendents of each jurisdiction may request the approval of the Architect to retain an employee, who has been selected to receive a buyout, until a specific separation date later than the separation date identified in the buyout window (but no later than June 30, 1999). The written request to the Director, Human Resources must indicate the way in which these employees' services are critical to the performance of the Agency's mission, certify that without the employees' services, the organization could not perform critical duties that have direct impact on the integrity of structural, mechanical, and electrical facilities; and/or could not perform critical services for the Congress.

Restriction on Reemployment. Employees who accept a buyout may not be reemployed by the Federal government for a period a five years, including employment under a personal services contract. If reemployed within five years, employees must repay the entire buyout payment to the AOC. (Only under extreme circumstances may this provision be waived.)

*Report Generation*

HRMD will provide each jurisdiction appropriate information to accurately track progress towards stated jurisdiction plans so that senior leadership is apprised of program progress.

ANNUAL REPORT

Following each buyout/earlyout, the AOC will compile an annual report to compare the actual results with the planned results. The Agency will forward the report to the House of Representatives Committees on House Oversight and Appropriations and the Senate Committees on Rules and Administration and Appropriations.

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## APPENDIX G

### ARCHITECT OF THE CAPITOL STATUS OF SELECTED CAPITAL IMPROVEMENT PROJECTS, FISCAL YEAR 2000 APPROPRIATIONS HEARINGS

*Dome Rehabilitation*

The 130-year-old Capitol dome is undergoing a rehabilitation to ensure its structural integrity as well as its protection and preservation into the next century. Construction phasing was determined early in 1998; several studies and pilot projects and an interim master plan associated with the first phase were also completed, paving the way for the preparation of construction documents and the issuance of an Invitation for Bid. The phase one construction contract was awarded to The Aulson Company of Methuen, Massachusetts, on January 11, 1999, and the work will proceed while the staff and consulting team continues with additional studies and the production of design documents in preparation for phase two of the construction that is anticipated to be awarded mid-year 2000. The entire project is scheduled to be completed in the second quarter of calendar 2003.

*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 passersby. 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 base renovation of the structure (including the interior landscapes) and installation of water treatment, security and environmental control systems. During 1999, the Architect may choose to award additional projects that are included in the contract as options if additional funds become available. The work is to be completed no later than September 5, 2000. Immediately thereafter, the staff of the U.S. Botanic Garden will install the plant exhibits in each house of the Conservatory.

*Rayburn House Office Building Sprinkler Protection and Telecommunication Improvements*

This project is intended to provide a sprinkler fire protection system for those areas of the building not presently covered (to supplement the existing fire protection system), a new telecommunication cable tray system to facilitate the installation of new telecommunications cabling systems throughout the building, and replacement of one emergency generator to support a new fire pump and other critical equipment in the Rayburn House Office Building. The Architect of the Capitol received 100 percent contract document drawings and specifications on January 27, 1999. The 100 percent Cost Estimate was received on January 29, 1999. Within the next two weeks, this office will review, make comments and send the comments to the consultant, James Posey Associates. The final submission is expected to be delivered to AOC by the end of February 1999. The project should be bid this spring and awarded this summer. It is anticipated that construction will take about three years.

*Chiller Replacement in the East Refrigeration Plant, Capitol Power Plant*

The existing chillers in the East Refrigeration Plant are over forty years old and utilize CFC-based refrigerants which are no longer manufactured while the replacement chillers will be considerably more efficient and will utilize an environmentally friendly refrigerant. A Commerce Business Daily announcement seeking consulting firms interested in performing the design for this project was issued last summer with proposals received from numerous highly qualified firms in the fall. Interviews for the final selection of a consultant should occur in February 1999 with award of a contract to follow. Upon award of the contract, design will proceed immediately with a study to confirm the exact configuration of the chiller replacement and development of a pre-purchase bid package for the chillers and other large equipment. This pre-purchase bid package should be bid and awarded this spring and summer. Final design of the entire project should be complete in early 2000.

*Library of Congress Book Storage Facility at Fort Meade*

Bids are due on February 12, 1999, for the construction of Storage Module #1 and an adjacent office component and for initial site preparation and development work. There has been an unusually high level of response to the Invitation for Bids. The first storage module (of an anticipated total of 13) is 8,000 square feet and the office component 5,000 square feet. Construction is expected to begin in April 1999 and be completed in July 2000. Future modules, not tied to additional office components, may be larger.

*Roof Fall Protection Program*

The objective of this complex-wide program is the design and installation of roof fall protection systems on all buildings as required. At present the 30 percent construction documents are being reviewed for the U.S. Capitol and House and Senate Office Buildings. The documents will be completed before the end of fiscal year 1999. Earlier in the design phase are systems for Library of Congress Buildings and structures at D.C. Village. Attempts will be made to accelerate the completion of construction documents for other buildings so that construction might possibly begin subject to the availability of reprogrammed funds. The designs of systems for the U.S. Capitol Police Headquarters Building and Webster Hall are being given priority for acceleration due to the need to obligate annual funds for a combination of roof replacement and fall protection system installation.

*Underground Storage Tanks*

In compliance with the December 22, 1998, EPA mandate and working under a Memorandum of Understanding with the Army Corps of Engineers, the Architect has temporarily closed all existing tanks. The Corps is working with AOC design consultants on the replacement of those tanks identified as essential in support of Congressional operations. Three diesel tanks have been designed and are with the Corps for costing. A fourth is being designed. A gas tank and gas station are being designed; conceptual plans are scheduled to be completed in early February 1999. The Corps is also involved with the design of the excavation and removal of five

other tanks that have been out of service and are no longer needed. All of this work is scheduled to be completed by the end of June 1999.

*K–9 Facility for the U.S. Capitol Police*

A facility to house twelve police dogs is under construction at D.C. Village. The facility is under roof and windows and doors have been installed. Interior work is underway including the configuration of the individual kennels. Completion is projected during February 1999.

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## APPENDIX H

### ARCHITECT OF THE CAPITOL STATUS OF ARCHITECT OF THE CAPITOL YEAR 2000 READINESS, FISCAL YEAR 2000 APPROPRIATIONS HEARINGS

The AoC developed a "Year 2000 Compliance (Y2K) Plan" in May 1997. The plan originally focused on internal systems, but now the AoC views the project in two distinct, yet sometimes overlapping arenas: internal mission critical systems; and externalities. As the Y2K industry's focus has broadened to include external systems, so too has the AoC's focus. Now, there are significant resources being assigned to the development of a contingency plan for use in the event of an external utility failure.

The status of the AoC's internal systems has been monitored by GAO in its quarterly reports to the Senate Appropriation Legislative Branch Subcommittee for four quarters now. The AoC provides input to GAO via the Mission Critical Systems inventory. This inventory was created as part of the initial AoC Y2K plan, and it is continually being updated with system progress and newly identified systems. It was created by the AoC's Y2K committee, and recently it has been reassessed through a series of meetings with each of the AoC jurisdictions. In addition, the inventory is being evaluated by Mitretek: an independent contractor. Currently, there are 36 systems on the Mission Critical inventory. These systems include building infrastructure systems: elevators; environmental control; Senate subway, as well as AoC operational systems: accounting; project scheduling; networks; etc. In the latest GAO report, the AoC identified 13 of the 36 mission critical systems as being implemented. So what is the status of the other 23 systems? Many of them are already Y2K compliant or not date-dependent, but lack the documentation to include them on the list of implemented systems. The remaining systems are being renovated and tested, or are having a work-around developed and tested. The AoC has established June 30, 1999 as the completion date for testing all systems, and is confident that this date will be met. Additional funding to support vendor testing and certification, and various system upgrades will be requested from GAO's "emergency supplemental appropriations". At this time, the AoC knows of no internal system that will result in a major disruption to operations because of its inability to properly process 2000 as a valid date. In addition, most of the building infrastructure equipment does not rely on computer-chip technology or has a manual override for contingency purposes.

These building systems are of particular interest to their occupants, so it is appropriate to describe the status of some of them here.

The Capitol Power Plant (CPP) does not generate or distribute any electrical power. It generates steam for heating the legislative buildings and chilled water for cooling, including phone rooms, computer rooms, and LoC generators. It is totally dependent on the District of Columbia water supply system for its massive consumption rate for generating steam and chilled water. The oil and coal fuel for steam generation will be stockpiled in late 1999.

All electric power for the Capitol complex is provided by PEPCO.

The fire and life safety systems have been certified compliant by the vendors. The Fire and Life Safety Office supports their claims, and additionally states that as a contingency all "UL Listed" fire alarms have manual overrides. A complex-wide vendor test and certification of all the fire alarms is being planned.

The automated environmental control system directs the heating and cooling units in most of the Capitol complex buildings. The software is currently non-Y2K compliant, but the vendor keeps providing changing cost proposals for implementing an upgrade. Engineering is evaluating the upgrade and at the same time investigating a work-around as a contingency. The heating and cooling units can be operated manually as a more extreme contingency.

There are 231 elevators throughout the Capitol complex, but only 65 of them use computer-chip technology for controls or monitoring. There are four vendors that have implemented different versions of their systems. The various versions have

been tested by AoC personnel, but the most frequently used vendor has been providing conflicting information about compliance. Only three elevators are in question, but our Elevator Engineering Division is preparing to upgrade them and is scheduling vendor tests and certifications for most of the other systems too.

The Y2K project at the AoC has benefitted from the cooperative efforts of the Senate's Y2K committee activities, the support of AoC top-level management, and the active participation of the different AoC jurisdictions. The AoC is reasonably confident that its internal systems will continue operating without major disruptions into the next century. This does not mean that the AoC will reduce its emphasis on this project. Quite the opposite, the AoC is now taking a more pro-active role in coordinating activities with outside organizations. The AoC attends meetings of the CIO Council on Y2K, the House's CAO Business Continuity & Contingency Plan meetings, and more. The AoC, under the direction of the Assistant Architect, is hosting its own weekly executive Y2K meetings, including sponsoring presentations by the major utility providers about their Y2K status and contingency plans. Representatives from the other legislative agencies are being encouraged to participant in these presentations. The briefing by PEPCO on February 16 is being followed by a March 9 meeting to formulate table-top exercises and failure simulations involving PEPCO, AoC and the U.S. Capitol Police. The other utility providers will be asked to sponsor the same testing and planning opportunities.

This leads to the second focus of the Y2K project: externalities. Safe and inhabitable Legislative buildings are dependent on external utility suppliers. We do not control these suppliers, but we are addressing the issue in two ways: (1), we are discussing our concerns and developing mutually beneficial tests; and (2), we are developing a contingency plan that can be used in the event of a utility failure. As noted above, the AoC has scheduled presentations with each of the major utilities to learn about their Y2K preparedness and contingency plans and will continue a dialogue with each of them. The dialogue will assist us in identifying existing systems that may need attention and provide direction for contingency planning. Presentations are scheduled to be given by Bell Atlantic (March 2), the D.C. Water and Sewer Administration (March 9), Washington Gas (March 23) and the legislative phone providers will be addressing their systems as well under their separate responsible entities.

The AoC's contingency planning is in the information gathering phase. The office of the Director of Engineering is conducting mechanical and electrical equipment surveys of each building. This will be used to document which equipment is necessary to maintain the building infrastructure. The Architect has directed a load capacity test of all emergency generators which primarily serve life safety functions. The Electrical Engineering Division will coordinate these tests and together with the equipment survey, the Director of Engineering's Office will develop a base-line of services. This base-line will provide a picture of what can be operational in the event of a partial or total utility failure. It will also be used to identify which equipment needs to be supported by alternative power to more comprehensively maintain the buildings infrastructures. The AoC will propose reasonable "Alternative Occupancy Plans" that will address services that can be provided during a utility failure, as well as the time and cost of providing each proposal. These proposals will be developed by March, 31, 1999 and will be presented for Congressional approval. Funding for the occupancy plan will be requested through GAO's Y2K and emergency supplemental appropriations as necessary. The contingency plan will also include a "Day-1 Plan" detailing recommendations for staffing, computer room preparation, office automation preparation, as well as identifying tasks that will be undertaken to ensure the building operations are running smoothly.

The AoC views the Year 2000 preparations as a good opportunity to develop a contingency plan that can be adapted to function as a general emergency preparedness plan. The same issues that are arising around the Y2K problems could happen any day at any time and disable one or more external utility provider. The specific Y2K contingency plan can be easily modified to be a non-specific emergency plan, and will also provide some direction for building modifications that might lead to more utility independent legislative buildings.

## APPENDIX I

### ARCHITECT OF THE CAPITOL FINANCIAL MANAGEMENT SYSTEM IMPROVEMENTS, FISCAL YEAR 2000 APPROPRIATIONS HEARINGS

#### 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, 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 adopted last year. The AoC is currently in the beginning stages of the FMS implementation.

The AoC requires a new financial system that is compliant with Federal standards, easily integrated with other systems, provides timely and accurate information and contains electronic workflow capabilities. The new core financial system must be tightly integrated with inventory, procurement and fixed assets systems. It must also interface with the other AoC systems such as the facilities management system, the human resources system, and the project tracking system.

The new Financial Management System, which will be compliant with all Federal standards, will be implemented in phases. The first phase will be the implementation of the core financial system (including the Standard General Ledger), an inventory module or system, and a payroll interface from the U.S. Department of Agriculture National Finance Center. Subsequent phases will include the implementation of a procurement system containing contract functionality, the integration of FMS with the agency's facility management system (CAFM) and the project tracking system (PS&C), the implementation of a fixed assets system, the enhancement of the labor distribution accounting, and the development of an executive information system.

The AoC has included the members of the Legislative Branch Financial Group Manager's Council (LBFMC) in our financial systems implementation efforts and will continue to coordinate future tasks with LBFMC related to financial management. Further, the General Accounting Office has provided staff assistance throughout this effort and has agreed to continue its assistance through the evaluation and implementation phases.

#### ACCOMPLISHMENTS TO DATE

*Implemented Y2K fix for accounting system*.—In October, 1997, the AoC implemented a conversion of existing systems for an interim procurement, accounting and inventory system that was Y2K compliant. An interim solution was pursued because of time constraints relative to the year 2000. The interim system is referred to as CAS (Computer Application System). Although the CAS system meets AoC's needs in the areas of purchasing, payables and inventory, it is not compliant with federal standards and has limited budgeting and general ledger functionality. CAS was chosen as an interim solution because it was already being used for purchasing at the AoC and it was more cost efficient than modifying the previous accounting system. In addition to resolving the Y2K issue, the CAS system provided online processing capabilities, and integrated procurement, receiving, payment, and inventory functionality. Existing data residing on the UNISYS mainframe from the previous accounting system was converted to CAS, and the UNISYS system was eliminated.

*Hired consultant to validate our FMS requirements*.—AoC contracted with a consultant to validate our FMS requirements and provide recommendations in the selection of a new FMS system. The consultant gathered our requirements, compared the requirements to the 11 federally compliant financial packages offered on the GSA Financial Management Software Schedule and determined that 3 packages potentially meet AoC's requirements. The consultant also recommended that AoC consider an additional vendor since that vendor was the historical market leader in federal financial systems, and had software implemented in several Legislative offices. In addition, the consultant recommended that the AoC resolve several business practice issues before going forward with the procurement of a financial package.

*Hired Project Manager to implement FMS*.—A project manager was hired in November, 1998 to implement the Financial Management System and to maintain the system upon the completion of the implementation. The new manager has recent experience managing the implementations of federal financial systems in 5 federal

agencies as a consultant working for private industry. He also has previous experience managing financial operations as a government employee for 3 federal agencies. His expert knowledge of federal financial systems implementations and federal financial management procedures will ensure a successful implementation of the FMS system. The next step is the hiring of a small project team of systems accountants and financial management analysts to assist the project manager in the implementation of the system. This process is underway.

*Developed draft Statement of Work for FMS procurement*.—The AoC is currently in the process of preparing a Request for Proposal (RFP) for the purchase of a core financial management system. The RFP will contain a Statement of Work specifying the software requirements and the implementation support required.

The draft Statement of Work (SOW) has been developed and is currently being reviewed by AoC staff and GAO representatives. The SOW includes detailed requirements for the core financial system, inventory, procurement, fixed assets, system interfaces, reporting, and general technical requirements. The SOW also contains the requirements for contractor support required for implementing the first phase of FMS (core system and inventory).

*Developed draft Project Plan for FMS implementation*.—A draft project plan has been developed that describes the project purpose, tasks, staffing and provides a risk management plan during implementation. Also provided is a detailed schedule of the implementation tasks required to be performed, and a schedule of the "pre-software selection" tasks that need to be accomplished. The draft implementation plan covers a 17 month implementation period with a "go live" date of 14 months after the purchase of the software.

The selection of a vendor and the purchase of the software is tentatively scheduled to be accomplished by the end of this calendar year. This schedule is dependent upon the appropriation of necessary funding (which is requested in fiscal year 2000), our procurement approach and the resolution of several business process issues (discussed in the next section).

UPCOMING FINANCIAL MANAGEMENT INITIATIVES

*Select FMS package*.—The AoC plans to select and purchase a financial management package by the end of this calendar year. This is an aggressive schedule when considering the tasks that need to be performed to select a financial software package and it is being reviewed by the GAO. The requirements analysis performed by a private consulting company (discussed under the accomplishments section), recommended the resolution of 3 business practice issues prior to purchasing a system. The issues that affect the financial system requirements are as follows:

—*Time Tracking*.—Time tracking is an important element in the information required to manage facilities management activities and construction projects. The consultant's report recommends that the AoC define and standardize business practices to capture detailed, real time costs for labor by project and labor category across AoC. This will provide AoC leadership adequate information for planning, estimating, and managing work, and also enhance reporting capabilities to oversight and appropriations committees.

—*Work Management*.—Standard procedures are needed for performing facilities management and construction management activities across the AoC. Currently, each jurisdiction operates differently, and there is a lack of consistent communication across AoC jurisdictions with respect to resource usage. The AoC also needs to review its segregated inventory practices and consider aligning inventory and procurement procedures with overall organizational inventory needs.

—*IRM Strategy and Infrastructure*.—The AoC needs to clearly define its business processes, organizations, business locations and functions in order to develop an IRM strategy that achieves a truly integrated business process. The information technology architecture must be aligned with, and support the organizations operation.

Prior to issuing a Request for Procurement, the three issues discussed above will be addressed. Once the effect on the financial requirements are determined, the statement of work can be adjusted and the AoC can go forward with the procurement.

Other tasks that AoC will perform prior to selecting a financial package are as follows:

—The AoC will develop the criteria for evaluating the various vendor proposals. As many as 11 proposals are expected to be received. Effective evaluation criteria will result in AoC choosing the best system to meet its requirements.

—The AoC will arrange informal demonstrations of the vendor products prior to issuing the procurement document. This will allow AoC staff to gain preliminary knowledge regarding the vendors' products prior to beginning the formal evaluation process.

—After the receipt of the formal proposals, the AoC will "downselect" the best qualified proposals and require the vendors to perform Operational Capability Demonstrations (OCD) to demonstrate how their software meets the stated requirements. This process will allow AoC to determine if the systems perform basic requirements in an efficient and user-friendly manner.

*Implement the Financial Management System (FMS)*.—The FMS project includes the implementation of a core financial system and the integration of the core system with other AoC existing and planned systems. The system will be implemented in phases as follows:

—*Phase 1*.—Implementation of the core financial system and inventor module. This will include the development of an interface with the USDA payroll system and the conversion of data from the existing financial system (CAS). The CAS system will be phased out as the data is converted to FMS. Phase 1 is expected to be complete by the end of fiscal year 2001.

—*Phase 2*.—Implementation of a procurement system that provides contractual functionality. This will include the integration of the system with the core financial system. Also occurring during Phase 2 will be the resolution of any implementation issues from Phase 1. Phase 2 is expected to be completed by the end of fiscal year 2002.

—Phase 3.—Integration of the Facilities Management System and the Project Tracking System with FMS. This may also include the integration of a new Time and Attendance system and the development of an Executive Information System. This phase is expected to be completed by the end of fiscal year 2003.

*Inventory Improvements*.—The AoC is currently in the process of improving its inventory operations to increase controls over the safeguarding of assets and provide consistency across the jurisdictions in the application of inventory procedures. A complete reconciliation of the actual "in-stock" inventory to the inventory accounting records is in process. Procedures are being enhanced to ensure the continued accuracy of the information. A regularly occurring cycle count process is also being put in place. These activities will not only enhance control over inventory operations, they will also facilitate the FMS implementation and eventual auditing of financial statements.

REMOVAL OF PARKING ON MARYLAND AVENUE

Senator BENNETT. Let me interrupt you with a very tiny item, but nonetheless, given its source, I need to pursue it. A very senior member of the United States Senate approached me and said: You are the chairman of that subcommittee, are you not? I said yes.

He said: I run every day in that area, my daily run. And I have watched the progress in the Botanic Gardens and the areas being fenced off and so on. He said: In the course of fencing it off, you have eliminated parking spaces for about 100 people who work on Capitol Hill, and I never see any construction equipment in the area of the parking spaces. Can you not restore those parking slots for the individuals who work on the Hill who are now inconvenienced?

I do not know enough about construction and safety and the rest of those things to answer his question. But given his seniority and his position over me in another circumstance, I promised him I would raise it, and I think it is something I would like to be able to go back and report to him on.

Mr. HANTMAN. First of all, Mr. Chairman, alternative parking locations have been found for the people whose spots have been dislocated from Maryland Avenue, many of whom are in my agency.

Senator BENNETT. Oh, so you hear about it directly.

Mr. HANTMAN. I do, sir.

But we have worked with the House Sergeant at Arms and their parking people to find alternative locations for these folks. What we have done essentially is in closing Maryland Avenue we have reserved the space for the contractors for the U.S. Fund, the National Fund area as well. We will have two different contractors working on two separate contiguous projects. So we appropriated half the site for the Botanic Garden and the other half for the National Fund project, which will be awarded within the next couple of months.

Senator BENNETT. OK. I have now done my duty.

CAPITOL DOME RENOVATION

Mr. HANTMAN. The second major project which everybody is very aware of is the dome project. We had gotten emergency funding to the extent of $7.5 million to essentially do research into the Dome, to find out what the real scope of the problem is. I guess the doctor has to go in and cut the patient open a little bit to find out what is in there. Hopefully, radiation therapy and things like that will not be necessary.

We have awarded that first contract, which is really for the interstitial space between the inner dome and the outer dome, to remove the lead-based paint, to do inspection on every plate and every structural member in that area, to be able to determine how many cracked pieces of cast iron need to be replaced, can we fix them in place, how are the connectors faring after 140 years.

All of this work is going to be underway. We have awarded the contract. The contractor should be coming on site this month. He will be staging his work between the central rotunda steps on the east plaza and the Senate steps, and building scaffolding to get up above the base building of the Senate to the dome itself. This is projected to be an 18-month project.

We have requested clearance from our leadership on both the Senate and the House side to be able to close the rotunda for a period of 3 weeks plus or minus in order to set up the scaffolding that we will need to protect the rotunda so that we can do that work and allow people to continue to walk through.

I am not sure, sir, if you have seen our renderings. Rather than going back to what had been done in 1959 or so, 1960, when work was last done, that required scaffolding from the floor of the rotunda all the way up to the Apotheosis, we are trying to hang our scaffolding, essentially our netting, from the upper levels of the walkways so that they will drape below the column level and you will still be able to see essentially, Apotheosis, essentially through a doughnut of draperies.

This is not a containment element relative to removal of the hazardous materials, the lead-based paint we have up above. That will be done square foot by square foot in a contained area within the interstitial space. What this is meant to do is protect against any paint or other elements from spalling off the inside surface of the rotunda.

So we will need to close the rotunda itself for several weeks to set up this netting and the scaffolding required for it, and then ultimately we would have to, I think, at the closing stage close it again to remove the scaffolding.

Part of the design for it, again, was meant to allow us to leave that scaffolding in place should we need to have a lying in state or a special activity in the rotunda itself, and this is the clearance that we are looking for from the leadership, because the two to three days we would need to take it down would not be adequate to remove scaffolding and spend several hundred thousand dollars again putting it back up should we need it at that point in time.

So the project should get underway. We think we will still be able to have dome tours for a short period of time, perhaps the last week of March and early April, before we seriously get started with the removal process itself.

We have in this year's budget a request for some $28 million, which is building on what we think the scope of work of this work will show us. We have done a lot of inspection work over there. I think this work will continue to inform us on what the real scope wants to be.

But we did not want to lose a year in the appropriations——

CAPITOL DOME RENOVATION COST

Senator FEINSTEIN. Could I interrupt, with the chairman's approval, just on that one point?

Mr. HANTMAN. Surely.

Senator FEINSTEIN. It is my understanding that a few years ago the dome project was estimated to cost $3 to $4 million. Now you just mentioned $28 million, and it is projected, I believe, to cost $35.5 million. That is a huge increase.

Is the $35.5 million figure now a firm figure?

Mr. HANTMAN. This is exactly what I was beginning to talk to, Senator.

Senator FEINSTEIN. Sorry.

Mr. HANTMAN (continuing). The issue of the first $7.5 million, which was an emergency appropriation, was meant to help us find out just those facts. Until we get in and really do the inspection, we are not going to know what the real number wants to be. It would be grabbing at air.

What we are doing right now in this first phase, the $7.5 million phase, will be looking at every plate, every structural member, all of the components that go into the dome itself, to determine what the full scope wants to be.

The $28 million that we are recommending in this budget would build on that $7.5 million, and that would include not only remedial work inside the dome, but outside the dome, inside the rotunda, all of the work. The original $3 million that had been estimated by my predecessor on this was basically a quick and dirty paint job on the outside of the dome, and even in that sense it did not take into account the EPA criteria for contained removal of lead-based paint.

Senator FEINSTEIN. So what you are saying is we actually at this stage have no idea what the total cost is going to be?

Mr. HANTMAN. We have a fairly good idea. What we will be seeing is——

Senator FEINSTEIN. And it is what?

Mr. HANTMAN. The $7.5 million is the first increment. We are requesting $28 million right now for the next phase, and we have

earmarked some $2 million in an out year if that $28 million is not adequate. So we are looking at potentially $37.5 million for the project, which is a project that—much of this work has not been touched for 140 years, from the gutters to the structural elements to repairing plates.

Back in 1959–1960 they did some minor work on this area, but the balustrades have to be totally replaced. They have rusted out. Some of those plates are being held on by rust right now. We will be doing repairing of existing plates in place, trying not to remove the shell of the dome. In fact, we had John Whitman, Christie Todd Whitman's husband, in the other day talking about the restoration project they just did in New Jersey—a much smaller dome, but learning from their experiences and working with them, as we have also in Ohio on a similar dome by the same architect on a courthouse. We have been doing that kind of investigation.

Senator FEINSTEIN. Just one last question. Are you saying, then, that the firm final figure for the work on the dome is $37 million? Or are you saying this is just an estimate of what our preliminary stuff might additional cost, it could be much more?

Mr. HANTMAN. That is our best sense of what it would cost. We do not believe it will be much more.

Senator FEINSTEIN. Thank you.

Thank you, Mr. Chairman.

Senator BENNETT. If you want, Senator Feinstein, I am sure the Architect would be happy to take you on the same tour that he took me on, where you walk through and look at some of these things.

Mr. HANTMAN. We welcome that opportunity.

Senator BENNETT. Until you actually have it pointed out to you, you do not realize——

Senator FEINSTEIN. How much needs to be done.

Senator BENNETT (continuing). How much needs to be done.

It is incredible to me that this cast iron building that was put up 150 years ago has basically had nothing done to it except paint in that period.

Mr. HANTMAN. It is virtually true.

Senator BENNETT. It is really quite an interesting tour.

Mr. HANTMAN. I think it is heartening to know that we did a structural analysis of the physical structure, the trusses that really hold up the dome, a three-dimensional computerized structural analysis to take a look at whether we are really deteriorating up there, and we found out that it was well designed, well built. We are not in trouble structurally.

It is really the skin that is the issue right now, and it looks wonderfully pristine when it is lit up at night. But we would be happy to show you the issues.

Senator BENNETT. Keep it lit. [Laughter.]

DIRKSEN SENATE OFFICE BUILDING RENOVATION

Mr. HANTMAN. The next basic project, Dirksen Senate Office Building. The design is virtually complete. We are underway with some of the swing space construction in the Russell Courtyard. You, Mr. Chairman, of course are going to be very directly impacted by this project.

Senator BENNETT. Yes, I am going to have to move out of my office.

Mr. HANTMAN. Right, into SDG–50, which is well appointed for that. It is going to be musical chairs for all of the members, as well as the committees, that are inhabitants of that building. But we are going to bring it up to the state of the art. So we do have $18 million in the fiscal year 2000 budget request for that as well.

Senator BENNETT. Remind me again how long this is going to take and how much money we are going to have each year? Is $18 million——

Mr. HANTMAN. It is one more increment of $18 million.

Senator BENNETT. That would be the following year?

Mr. HANTMAN. Correct. The total project cost as we are seeing it is $54 million. We have $8.5 million this year and we have had——

Mr. PREGNALL. $8.5 million previously.

Mr. HANTMAN. $8.5 million previously.

Senator BENNETT. So the bulk will be in fiscal year 2000 and 2001, and then it will start to taper off?

Mr. HANTMAN. That is correct, sir.

Senator FEINSTEIN. Could I? Does this include the air conditioning system as well? Are you looking at that?

Mr. HANTMAN. We are looking into the mechanical distribution system as well. One of the major issues is the flexibility to divide spaces into sub-offices or into large open offices at the discretion of the member. It is not there now. We have perimeter systems. So we will have air-diffuser light fixtures where you will be able to put up partitions and control the distribution of air much more reasonably.

Senator FEINSTEIN. Because there is a wide swing on the quality of air in this building, in particularly the hearing rooms. Some are fine, like this one. Others are just dreadful. Like for example, right now in Judiciary, every public hearing since this session the lights go out, everything goes out, and the air does not work at all right.

The Foreign Relations one is the same, very poor air quality. I just think you should know that.

Mr. HANTMAN. We are very well aware of that, Senator, and we are going to be resolving that as part of this problem.

Senator BENNETT. It is interesting to me to discover that the Russell Building technologically is probably at the highest level of any of the three buildings.

Mr. HANTMAN. That is correct.

Senator FEINSTEIN. That is interesting.

Senator BENNETT. They have gone through and upgraded Russell completely and now they are doing it to Dirksen.

Senator FEINSTEIN. I can tell you, the Hart air is terrible. It is all contained, so the bad air goes from one office to the other.

Mr. HANTMAN. That is the newest building, obviously.

Senator FEINSTEIN. Anyway.

VISITORS CENTER

Mr. HANTMAN. The last project I just wanted to surface with you because I will be coming to you fairly shortly on it is the Capitol visitors center. Obviously, $100 million was applied to my budget as of last year, basically earlier this year. What I owe you folks is

an obligation plan, and that is what I am working on and am hoping to submit to you and to the matching Legislative Branch Appropriations Committee on the House side next week.

This obligation plan is to talk about the planning phase of what needs to be done in response to the legislation that was passed along with that appropriation. That legislation called for a revalidation, a re-examination, of the 1995 plan, the components of that plan, the location of the visitors center itself.

In my cover letter to you I will be saying that I have a very high degree of comfort and sense of correctness of the 1995 plan, and I am hoping that we can short-circuit some of the criteria that is put in the legislation, specifically reporting to at least six different committees and leadership on both sides of the House. I will be submitting two schedules to you: one, a worst case schedule, assuming one committee gives us approval on what we are talking about, another one says yes, but change this, another says no, but change that, and we will never get concurrence and be able to move ahead.

There was an editorial in Roll Call not too long ago indicating that I was horrendously holding up the project. What I am trying to do is respond to what the legislation says and, concurrently with that, give you a recommendation of what an expedited schedule could be given the fact that we can have a review and approval process that we are all comfortable with.

So that should be coming to you next week in terms of the appropriations requirement and I assume, based on the legislation, it then has to go to the six committees and whatever. So I will be asking you to essentially give us a few dollars up front so we can start the process while the big considerations are being looked at, so that we can move ahead with what is essentially a security and a life safety issue. So we will be talking further on that.

OPERATIONS IMPROVEMENT

Mr. HANTMAN. Operations improvement. When I came in here, basically FMS systems were nonexistent; work management systems were nonexistent. We are trying to build a foundation here for this agency so that we can report as necessary to report, monitor all the expenditure of funds as necessary for you folks to be comfortable that we are monitoring them, for the GAO to be comfortable on that.

We have installed a CAFM system, computer-assisted facilities management system, which the Senate did fund us for, and it was used for the first time during this selection cycle. So the Senate Rules Committee was able to call up on their computer screen every suite that the Senators might have, look at the musical chairs that we were playing with the changes of suites, being able to coordinate it with the Sergeant at Arms and their needs to look at it, and make that selection process much quicker and much more coordinated.

We are also beginning to implement that on the House side. We have implemented it in the Capitol as well. Demand work orders are now being captured on that system as well, so we can take a look at how many hours, days it took to perform a function, how we are using our time much more efficiently. So we think that is

a major first step in terms of our accountability to the Senate and to the Congress as a whole.

On HRMD, the human resources management, we do have an appendix that talks about all of the issues that we looked at. Revitalization of our training program. Upward mobility programs have been signed off with the union. We are actively negotiating with them on several of these areas.

Policy standardization across the board is very important. Larry Stoffel is here from the Senate Office Buildings, does an excellent job; Amita Poole from the Capitol Building itself; and of course Bob Miley services the House Office Buildings.

Now, each one of these areas had basically been doing things their own way for many years. Now that we have unions, we have a compliance board meeting to standardize procedures and policies across the campus to make sure that we are doing things fairly, equitably, and getting the job done. This is what HRMD is striving to do and I think in the appendix on that we talk about many of those issues, and we are hoping to continue to build a strong relationship with the union and the folks that they represent as part of our agency.

RE-ENGINEERING PLAN

In terms of re-engineering, we have been talking about being able to offer selected groups within our organization buyouts where it is appropriate. We have gotten approval on the first year of the 3-year buyout program from the Senate side. We have not yet gotten approval from the House side for that same program.

Part of our goal had been to pay for the buyouts out of appropriated funds on salaries for that year. We are now past the point of return on this fiscal year where we would no longer have funds available to pay off the maximum of $25,000 that our people would be eligible for on a purely voluntary basis. So we will probably be coming back to you with a request to expand that 3-year authority to do a fourth year so that come October 1st we can do what we had planned to do this fiscal year, but we have not been able to do because we have not gotten the signoffs on that yet. So we are moving on that, however.

We are also doing training for all supervisory managers, skill enhancement programs, etcetera, trying to bring our people up to modern management methodologies.

LIFE SAFETY

Life safety focus. As you pointed out earlier, Mr. Chairman, the Russell Building is in pretty good shape. The Dirksen Building is going to be moving along as part of this project. We have some $16 million earmarked in this budget for life safety programs.

We have centralized life safety across the campus under our Executive Officer Lynne Theiss, who is here with us today.

Senator BENNETT. Pardon me. What is your definition of "life safety"?

Mr. HANTMAN. Emergency means of egress, fire detection, sprinkler alarms, separate from the security issues relative to the police.

Senator BENNETT. OK.

Mr. HANTMAN. Those are two separate but yet interconnected issues.

So we are moving ahead on that. Many egress doors that never met code before have been complied with. You will see that in the Capitol. You will also see that in the Senate office buildings. There are doors that never had emergency signs on it, panic hardware, any of that nature; they are being retrofitted. In fact, revolving doors will be replaced as well for means of egress throughout our Capitol complex. So we are moving on that very well.

PHYSICAL SECURITY MASTER PLAN

As far as security is concerned, one thing that did not come up in the hearing with the Capitol Police Board was the master plan we are doing on the physical security side. Part of our two-day retreat, we will have a report from our task force on physical security that is looking into training facilities that the police badly need, what will happen as their staff grows and they need additional locker areas, they need additional command center functions, off-site inspection for trucks, things of this nature, vehicle maintenance facilities.

All of these elements are part of the master plan and we are trying to coordinate that with the Library of Congress, with the Supreme Court as well and their need for inspection as well as training of their separate police groups as well.

So we are looking at that. We will be talking about that with the Capitol Police Board over the next couple of days and ultimately coming back with recommendations on what we think that master plan wants to be.

PERIMETER SECURITY

Relative to the perimeter security program, we just got signoff from the House of Representatives last week on the perimeter security program for Capitol Square. We had gotten signoff from the Senate on the perimeter security programs surrounding the Senate office buildings and we are proceeding on that. Our construction documents should be complete this month. We should be in the ground this summer.

We will be negotiating with the foundry that prepared the design and the castings for the White House. The bollards that are surrounding the White House right now have Secret Service clearance. They have been designed specifically for certain levels of criteria which we are going to be incorporating into the Capitol as well.

We had a kickoff meeting yesterday relative to the perimeter security program on the Capitol Square itself, now that the House has signed off on it. We are going to start a survey to take a look at where all the trees are, how the bollards can be integrated into the landscape, what kind of gates we might need for State of the Union Addresses or Inauguration Addresses, for automobiles or trucks or whatever to get in to service the grounds, and all of these issues are starting up now, now that we have gotten the clearances to move on that.

Y2K COMPUTER COMPLIANCE

Next issue is Y2K. We have taken this very seriously. We have meetings every week on Y2K within our organization, and we are very much involved with the GAO and they are looking over our shoulders as well. We have renovated and validated some 27 of our 36 mission critical systems. These are internal systems.

GAO has approved 16 of these 27 systems at this point in time and we are confident that the remaining 9 systems will be complete in time for the Y2K criteria. We can certainly go into that in much more detail. We have charts and graphs if you would like at this point, Mr. Chairman.

The other issue certainly deals with things that are relatively beyond our control. I have met personally with Chairman John Derick of PEPCO, with D.C. Water. We are talking with GSA on the steam supplies they have to the Capitol complex. Bell Atlantic, we met with them yesterday. Our fuel oil suppliers—all of these issues to find out where external suppliers are relative to their ability to support us.

As you are well aware, Mr. Chairman, I think most of these folks have attorneys on their staffs and nobody will guarantee anything. But we are fairly comfortable that PEPCO has told us that they are in excellent shape relative to this. D.C. Water we are checking into further because PEPCO is out of business if D.C. Water is not able to do what they need to do.

So those external issues are very much on our minds. We are working on that. What would happen if PEPCO did not provide us with the power or the water from D.C.? Basically, we have emergency generators that would give us emergency power, lighting, essentially to evacuate the buildings. We have over 13 million square feet up here on the Hill and we do not have the capability to have redundant systems to provide power for all of our office buildings to be operating.

We are looking into alternatives should power not be available for some elements within the Capitol building itself and the availability of additional generating capacity through DOD are things that we are looking at, as well as trying to guarantee that we will have the water to make systems work in the first place.

If you would like, sir, I could introduce Rick Kashurba, who is our Director of IRM, and his staff to talk you through where we are, what systems we have been looking at, and where we are.

Senator BENNETT. I do not think I will take the time of the subcommittee to do that. But we may very well find a time when we can go through that.

FINANCIAL MANAGEMENT SYSTEM

Mr. HANTMAN. The next issue is the financial management system. We have hired a new project manager, Russ Follin, Russ over here. Russ is our key man on this. He has implemented FMS systems for five Federal agencies on a consulting basis. He has been actively working with four other Federal agencies as an internal employee on FMS systems as well.

We have hired Arthur Andersen to validate our requirements. Our requirements are basically complete. GAO is reviewing them

right now. We are resolving our business practices issues, and our targeted completion is for April.

We have developed a statement of work, an RFP, a project plan, which GAO is also reviewing right now. They were actively involved with us in selecting both Mr. Follin and looking at our criteria as well. They are very comfortable, as we understand it, right now with it.

We expect to put the RFP out this summer, contractor award with the fiscal 2000 budget. We are asking for some $3.3 million for this project in fiscal year 2000. We expect to begin implementation the end of this calendar year.

GAO has provided staff sources to date. They have indicated a willingness to continue this, and we touch base with them at every step of the way. So we are very comfortable that what we are about to go out on the street with will meet our requirements.

Mr. Follin has again seen some horror stories with other Federal agencies, learned from that experience, and we are trying to make sure that we do not repeat some of those mistakes.

So if there are any further questions on FMS, we can talk about that here again, or again it could be a separate hearing.

Senator BENNETT. GAO recommended that this new position report directly to you and I understand you have made the decision not to have that happen. Do you want to take this opportunity to explain to us why you chose to have the reporting structure something other than the GAO recommendation?

Mr. HANTMAN. Most of my senior officers have direct access to me at all times. For a day to day reporting and coordination basis, working with Stuart Pregnall, our Budget Officer, to help coordinate all of that between his areas and other areas seemed to make sense.

This is nothing that I put on the back burner or take for granted. I am involved in the process. We have virtually constant meetings on this, both the Y2K and the FMS. But on a day to day basis, getting it up and running in this way was what I thought made the most sense.

Senator BENNETT. Well, I do not want to micromanage or second guess your management decisions, but as we got into this area and you very aggressively moved to try to make things better, this was one very firm recommendation and I wanted to give you the opportunity to explain why you have decided to do it differently.

But be aware that we are aware of where you are. We are delighted that you are on board, Mr. Follin, and that the kind of changes that needed to be made seem to be underway.

Mr. HANTMAN. I am confident that we are moving in the right direction. We certainly need to be much more accountable than this agency has ever been, and that is exactly where we are going.

OPERATING BUDGET

The last issue on the agenda, of course, is the fiscal year 2000 request. It is a very large request, as Senator Feinstein mentioned earlier on. The percentage increases are also significant. Two parts, components, of this budget.

One is the operating budget, at $168.3 million. This represents a 10.7 percent increase over last year; 38 percent of that 10.7 is

mandated pay and benefit increases, which we do not control; 33 percent is utility increases; 40 percent of that is for water and sewer increases coming to us from the District and back charges as well; 17 percent is IRM, which we are beginning to implement and move on up, technology-related types of costs. So that is basically the 10.7 percent increase. We are trying to keep it down.

Otherwise, part of our re-engineering effort was for us to be able to take a look at our staffing levels, how appropriate is it, what levels of staff do we need at key areas throughout the agency, how much of that work should be looked at for outside sources. We were committed through this 3-year re-engineering effort to cut back on our core staff as a natural function of re-engineering, not for the function of downsizing, not for the function of privatization, but for good management techniques.

We are hoping to return to you, after the 3-year program is implemented, some $4 to $5 million in operating costs. That has been our goal and that was the basis upon which we requested this 3-year buyout and it was approved. So that is where we are on that.

CAPITAL BUDGET

With respect to our capital budget, yes, it is a very large number. Over the last two presentations to you, Mr. Chairman—clearly, Senator Feinstein was not involved in that—we had gone through an exercise to take a look at benchmarking, what kind of appropriate benchmarking levels we might have as we talk about capital projects. We had come up with, as you may recall, a 1.7 percent of replacement value of the buildings that are under our care.

We had, for your information, Senator Feinstein, we were talking about basically a $3.6 billion replacement value of the buildings on Capitol Hill; 1.7 percent basically comes out to about a $60 million reinvestment on a cyclical basis each year, just to stay steady, not for new projects, not for new technology, not for special security projects. That level of investment is very appropriate throughout other governmental agencies. GSA I think is at 2 percent, the Corps of Engineers 1.75 percent is what they aim for. Federal depreciation allowance from the IRS is 40 years, as you may know, on a project, 2.5 percent annually if it converts to that.

So we think we are very conservative in terms of those numbers. Every project we bring before you clearly has to be supported in and of itself, but in terms of measuring the quantity once they start adding up we think that that $60 million, that is 1.7 percent, is not a bad benchmark for us to look at.

We had requested some $53 million in last fiscal year for capital cyclical projects. I think $46 million was approved.

Going back over the last half a dozen years, taking a look at that benchmark line—again, we have charts on it, which we may not need at this point, but we can certainly get into it in more detail later—if you look at that $60 million line going out over time and the actual appropriations that have been given for capital projects, we basically have a deficit of about $155 million over the last years that never met that line.

When I came in in 1997 there was $14 million in the capital budget, which had come down from $33 million to $30 million to

$28 million, $24 million, and we were really not reinvesting in our infrastructure the way we needed to.

I appreciate your comment earlier, Mr. Chairman, that some things are long overdue, and the comment you made last year also when we came to you on our $56 million budget was: If this is an average, if this is a mean, you are going to have to go above that mean some time to come up with the average. I think last year we had projected for this year $111 million. We are coming before you with $102 million basically for the cyclical maintenance component of that, in addition to the new projects that we are looking at.

So again, many projects here—the Capitol dome, $28 million; the Dirksen Building, $18 million; $5 million for replacement of the chiller on the east plant; $16 million total in life safety. In your backup material we break it down by category and prioritize it, starting with life safety, security, ADA, all of those going down as the highest priorities. Cyclical maintenance in there as well, technology.

So that, depending on where the budget ends up, we can take our first priorities and see what we can really afford to do. But that is the full exercise that we have gone through, and we certainly can talk about any individual project or the total scope as necessary.

CAPITAL PROJECT IMPLEMENTATION

Senator BENNETT. I have no problem with the concepts you have just outlined. I am a little concerned that there seems to be some delay in the implementation of some money we have appropriated for you that in fact has not been spent as delays have come along.

Are the delays occasioned by the committee structure you have to go through? Have you run into more problems that slow you down than you had anticipated in terms of the reactions you get back? Why do we have that kind of a backlog building up?

Mr. HANTMAN. On the projects that need approval from both the Senate and the House, it was interesting because on my first anniversary I went before the House Legislative Branch Committee and Congressman Vic Fazio asked me how I felt about the job right now, what was the biggest surprise that I had found and not expected? I spoke before that committee, which was chaired by Jim Walsh of New York, and I indicated the biggest surprise was really I had expected to be negotiating between Democrats and Republicans and that being the biggest problem, but I found the biggest problem is the difference in philosophy between the House and the Senate.

That in fact is a reality, certainly relative to the perimeter security and the time frame for approving that project and some of the other security-related issues. Our re-engineering effort was signed off on——

Senator BENNETT. Who is the most spendthrift, the Senate? [Laughter.]

Mr. HANTMAN. I think that I am actually very pleased——

Senator FEINSTEIN. He is not going to answer. [Laughter.]

Senator BENNETT. He has been around here 2 years. He has learned a few things.

Mr. HANTMAN. I am actually very pleased on both sides of the Capitol rotunda with the concept that I think people, members on both sides, are very really—very concerned with the conservation of these national landmarks of our heritage here. I have been very heartened by the fact that I come before the Senate, I come before the House, and I try as a professional to present the information, the facts, do a tour, show where the walls are falling down, what the issues are all about, and when people recognize that they say: We have to fix it.

So I think that has happened. Certainly it happened with the dome. It is happening on the visitors center as well, although it takes a little longer, and which is why I am going to be giving you two schedules in this obligation plan for the visitors center. If we can work out methodologies that make sense, we can move with alacrity. If we cannot, I have found that my expectations, whether it is on re-engineering or perimeter security, I have not been able to get the kind of approvals or reviews as I would like to get, so things have to fall back.

Unfortunately, some of these things are, just like PEPCO, beyond my control.

SENATE RESTAURANTS

Senator BENNETT. One very minor question, and you will get it on the Rules Committee from Senator Santorum. You last year predicted that the Senate restaurants would be——

Senator FEINSTEIN. Oh, yes.

Senator BENNETT. You have already gone through that?

The Senate restaurants would be $200,000 in the black in 1998 and $600,000 in the black in 1999. Would you care to take another stab at that one?

Mr. HANTMAN. Let me introduce Lynne Theiss, who is director of the restaurants, and I have promoted her to be our Executive Officer as well.

Ms. THEISS. Good morning, Senator.

Senator BENNETT. Good morning. I assume that congratulations are due.

Ms. THEISS. Yes, sir.

We had a very successful process working with the Rules Committee last year of offering two buyouts to the Senate restaurant employees. In that process, approximately 42 employees left voluntarily, some that were at retirement age, and we basically found in the review by GAO and KPMG, who are the outside auditors who come in and do the records on the Rules Committee, that one of the problems, we had too much labor, we had redundant systems.

Senator, you may recall that in the old days the Senators dining room was serviced strictly from the basement kitchen in the Capitol. We spent a great deal of money several years ago to renovate the pantry, but we still kept all the cooks. So we had double sets of cooks because the other set of cooks were doing the public dining room only several years ago.

Through attrition, we were hoping that they would naturally leave when they became eligible. So we offered a buyout and we found out that they were waiting for that opportunity, which is one of the reasons why we went forward with the AOC's re-engineering

package, understanding that there was a need, that people were waiting for the opportunity given to other Legislative Branch employees.

At this point, with the 40 employees gone, that is almost $700,000 in payroll you are looking at as a savings. We have, again with the Rules Committee's approval, made some organizational changes as far as the operations, changing where we have some services being offered, extending some hours, and starting to open up facilities that were not opened adequately.

Some of the opportunities that will be coming out very shortly in the spring for the Senators dining room will be afternoon tea on Thursday afternoon, because we know Tuesdays, Wednesdays, and Thursdays are normally late night sessions. That being the case, we are saying let us do some transition work and have afternoon tea available and then in the evening have an actual dinner being available in the dining room, versus using just the inner sanctum, which was very, very casual.

This way, if you want to have family come in, if there are other groups that want to come in, we can utilize those resources. It was basically an underutilized operation in the Capitol.

Over here in the office buildings, our current appraisal is that we are ahead of sales from last year by over $300,000 for the first quarter, and that is very heartening to see, that people are saying these are good changes, let us keep going with it.

There are some operational issues that still have to be addressed. You can only squeeze so many people into some of these facilities.

Senator FEINSTEIN. I am not familiar with the term "ahead of sales." What does that mean?

Senator BENNETT. The top line is up by $300,000.

Ms. THEISS. That is correct.

Senator FEINSTEIN. All right.

Senator BENNETT. We do not have a bottom line yet.

Senator FEINSTEIN. Oh, all right.

Ms. THEISS. At this point what we are running into, and we have had very good cooperation with the Rules Committee, is during the planning process with the Dirksen renovation, so that we can still have outside constituents who have used these facilities for catering have additional spaces to go to, so if we move somebody out we will not have lost revenue even during the Dirksen renovation process as well.

So we are looking for the black this year.

Senator BENNETT. OK. Senator Feinstein, questions?

SENATE EMPLOYEES CHILD CARE CENTER

Senator FEINSTEIN. I would like to ask about something that is not as prominent as the dome, but it is the Senate employees child care center. What I have been told concerns me greatly. That is that this was originally scheduled for groundbreaking in the fall of 1996 and to be completed in the fall of 1997. It remains incomplete.

Senator BENNETT. I do not think we will meet those dates.

Senator FEINSTEIN. I do not think so. There have been numerous delays in construction and completion of the project. There has been contamination of mold at the new site in April of 1998, and I am told that this mold contamination was preventable. Obviously,

it was not prevented. The child care board of directors has been given numerous projected completion dates by your office and none of these commitments have been met.

To date, construction remains incomplete. No work has been done at the site since August of 1998 and mold remediation has not been initiated, as projected by the Architect's staff for February to April of 1999.

Now, the questions. Can you explain the reason or reasons for the significant delay in completion? Let us start with that one.

Mr. HANTMAN. Sure. When the mold was first discovered in the building, it clearly should have been preventable. It should not have happened. The contractor has accepted responsibility for that. He had not put the flashing on top of the copings.

We have a cavity wall. It is a brick construction on the outside and block on the inside with an air space between. So, because we had very heavy wind and rain during that period of time in April and preceding that period, water got into some portions of the building that was under construction.

At that point in time it was on schedule. What happened was we were concerned about this. We had many meetings with the people at the Senate, with the board. We determined that what we needed to do was to get a mold remediation program defined, do inspections, do tests.

We hired specialists in this area of contamination. The board also hired somebody. We got the NIH, National Institute of Health, involved as well to take a look, to have the best minds involved, because clearly once you start talking about a mold which might have potentially health-related issues to it, you wanted to make sure that you got the right program to go ahead.

Once the tests were taken and in fact the mold was identified, the specification needed to be determined as to what needs to be done to remediate it, what needs to be taken out, etcetera. It was found that the sheetrock—basically, this mold grows on cellulose-based products. The sheetrock on the interior wall surfaces was contaminated up to about six or eight inches above the baseboard, and not an awful lot more than that.

The issue here was that the board had been pressing the Architect to do the work himself to remediate it, where the responsibility from our perspective and from a legal perspective basically lay with the contractor. So what we have done is to have the contractor—the contractor in fact is on the site today with three bidders who have been approved by the board's experts as well as our experts as people who are good in the field, able to do the work.

He will pay those bidders if he selects one. We are aiming to have this available and completed for the fall semester. We have lost a year, there is no doubt about that. Part of the issue here has been our expert talking to the board's expert talking to the National Institute of Health and having them coordinate what they thought the appropriate way was so that people could finally say, yes, this is the way to pursue this.

Senator FEINSTEIN. Was it possible to carry out the work concurrently? Everything had to stop?

Mr. HANTMAN. Basically, the building is not very far—Michael, maybe you want to respond to that.

Mr. TURNBULL. The building is not that far from completion, but in order not to contaminate anything else we want to do the mold remediation first before anything else is done, because we want to make sure that the building is totally clean, that our consultants and the board consultants have gone through and certified that they feel comfortable that the problem has been addressed, before we finish up.

There is really not a lot left. We are 90 percent finished with that project.

Mr. HANTMAN. So there are some windows to be installed, things of that nature. We need to pressure-test the exterior brickwork to make sure that there is no further leakage coming in. Then we will have to, once the contractor finishes his work, we will have to come in and do the interior work and things of that nature so that we are complete by August.

SENATE EMPLOYEES CHILD CARE CENTER PRIORITY

Senator FEINSTEIN. Mr. Chairman, with your permission, I would very much like to urge them to raise the priority of this project. I mean, it is something that is really important——

Senator BENNETT. It is one of the items that I was going to address myself, yes.

Senator FEINSTEIN (continuing). Employees. And it is rather disheartening to see this kind of thing happen, and everything just stops and you fall so far behind schedule. For me it is a priority and I hope it would be for you.

Senator BENNETT. Yes, yes, absolutely.

Senator FEINSTEIN. We might say, Mr. Architect, we will be watching.

Mr. HANTMAN. Yes, ma'am, fully understood.

Senator BENNETT. To put it in perspective, this will become Senator Feinstein's Y2K.

Senator FEINSTEIN. My pet project. We will see if we can get it done.

Mr. HANTMAN. If you would like a walk-through——

Senator FEINSTEIN. I would like a walk-through.

Mr. HANTMAN. Let us do that.

Senator FEINSTEIN. I figure there is enough big wheels to take care of the dome. I will concentrate on the child care center.

Mr. HANTMAN. We will arrange that.

VISITORS CENTER SITE PLAN

Senator FEINSTEIN. All right. Could I ask you with respect to the visitors center. I heard the presentation at the Rules Committee and was really impressed. Really, I sort of came to the conclusion at least that we should move ahead with the major one.

Could you just quickly indicate, is the siting firm? Where are you on the design of the center? What is the time line now? What are the estimates of funding, and when will you be releasing them?

Mr. HANTMAN. As I indicated earlier, Senator, I will be sending to you next week, it is called an obligation plan, as required by the legislation. The Senate in negotiations with the House put some language in there that indicated that everything that had been done before that formed the foundation for the 1995 plan basically

needed to be revisited and validated, which is why I talk about a worst case schedule.

We have had some people talk to us about: Is it in the right place? Maybe we should do it on the west front? Maybe it should be at Postal Square. Maybe it should not be here at all. If that kind of direction is given to us during this first phase, I do not know how long the process will take.

Senator FEINSTEIN. Let me just quickly ask you: Architecturally, do you think the siting is correct?

Mr. HANTMAN. Absolutely, I think it is in the right place.

VISITORS CENTER SECURITY

Senator FEINSTEIN. And you do not believe it presents a threat to the Capitol? Some of those questions have been raised.

Mr. HANTMAN. Relative to—we have so many doors coming in the Capitol right now. With the Capitol Police sitting here earlier today, we could have talked about the fact that visitors can come through so many entrances right now, it is a problem for the members of the police force to know who is a Senator, who is a Congressperson in the first place. But when you get 95 percent of your visitors who are unknown coming through multiple doors, the idea of how do you protect at any level of standoff from the entrances or recognize that this person is unknown to you, this is a staff door, you should not be coming here.

The concept of the visitors center is that 95 percent of the people who come to the Capitol will be coming through the visitors center, which is a standoff distance of 300 feet from the Capitol itself. That is where the magnetometers will be. That is where our restudy really does have to focus to heighten our ability to do quick and respectful clearance and prepping of people before they get into the visitors center, which would give them free access to the Capitol basically beyond there.

So from a police perspective it makes eminently good sense to do it and to give us a nice way for all of our visitors to come in to see the Capitol to be oriented to what they are going to see when they get in, what the rotunda is all about, what the history of our legislative government is all about.

I talked before about there really being two projects here. One of them is the physical facility itself. The other is what goes into it, which is why I have suggested at past hearings that what we probably want to do—and I am not sure how leadership would feel about it—is in parallel with the construction documents and the planning of the physical facility, which if the existing 1995 plan is found to be acceptable by the many committees that we are going before, we will go back and we will talk about why the west front is not the appropriate place to do it.

But I plan to do that expeditiously, because I think we are in the right location. I think the security issues are being addressed very clearly. I think it meets a lot of the needs, including circulation from one side of the Capitol to the other that this helps expedite, as well as garbage removal, which is done in the open right now. All of these issues are addressed, I think, very well in this plan.

But there are many open issues and the letter that I will give you indicates what some of those open issues are and what we plan

to do during this study phase, this planning phase which is mandated by the legislation.

Subsequent to the planning phase, once we get approval to move ahead, then we would get into, according to the legislation, again an engineering phase, a design phase, a construction phase. Quite frankly, engineering and design architecture are one phase and I am recommending that we eliminate a separate milestone which really does not make a whole lot of sense.

The question of how this is all reviewed at each step of the way is important. If we are validating the existing design and making changes as necessary for security and what other issues that leadership may determine needs to be incorporated or modified, the schedule will be a lot shorter than if we start from ground zero on the west front, which will not work, or another location yet that some folks can bring up.

So it is a question of how loose the dart-throwing gets, and I would like to have a very tight schedule so that we can move ahead with something that is very security-related.

Senator FEINSTEIN. Thank you. I was very favorably impressed in Rules when we had that presentation. I forget when it was, but it was last year some time. I thought that it is really a good start.

Of course, a lot was really, I think, learned in the killing that took place in the Capitol, because the people at the magnetometers had no chance. There was no ability to spot him coming in, no ability to see him draw his weapon.

Mr. HANTMAN. Exactly.

Senator FEINSTEIN. So those sight lines that you mentioned are so important.

VISITOR ENTRANCES

Mr. HANTMAN. They are. In fact, Senator Warner had brought that up with us while he still had his tenure as chair of that committee. One of the things we are looking at is, he had suggested investigating how, for the Senate office buildings as a start, we could take the magnetometers and move them outside the physical structure, because if something blows up inside the building what kind of structural damage would be done.

One of the things we are looking at doing is, he had tasked us with on the Russell Building doing a vestibule adjacent to the main stairs. We are looking for additional dollars on that to reprogram the funds so that we can design that as the prototype or at least the model of what we might be able to do at Dirksen and Hart to also move some of these facilities outside the building. It is more difficult there.

Senator FEINSTEIN. Particularly this building, if you notice you can come in and you are right there. If anybody is packing anything, the people at the magnetometers have no chance.

Mr. HANTMAN. Part of that problem is going to come down to an administrative decision by leadership: Are we going to direct all members—not all members, but all visitors, to a single door where they can be screened, and still have member doors, staff doors, so that our business is not interrupted? If you are willing to take that step, this makes sense. If you are not willing to take that step and

visitors can come into any door anyway, are we doing the right thing? Does it really impact us?

Senator FEINSTEIN. Thank you, Mr. Chairman.

Thank you very much.

Senator BENNETT. There was one solution which I hope does not go forward, that we simply declare Capitol Hill a national park and move.

Senator FEINSTEIN. I think you are safe on that.

Senator BENNETT. Take the Senate and the House and build a secure place for them entirely off Capitol Hill, and then just say, we turn this over to the visitors entirely.

PARKING GARAGES

Mr. HANTMAN. One other point that I did not discuss was the issue of parking garages. We had talked before about the legislative garage, the Russell Garage, and the pending improvement of it, whether or not that garage should be expanded, things of that nature.

In presenting our information again to Senator Warner at Rules Committee, I think there was agreement that what we should look at and what we are requesting is the ability to reprogram funds from that legislative garage to take a look at the first increments of a possible garage on what is called Site 724, Block 724, which is just to the east of the police building.

A 500-car garage could be created on the eastern end of that block as a first element, and if the Senate needed the spaces or we decided that we do not want parking on Capitol Square or the streets, we could ultimately build something like a 1,500-car garage 3 levels below grade on that site, with the provision that ultimately if the Senate needed more structures it could be built on top of that. So we are hoping that we will get clearance so that we can begin to look more seriously about that site as a possible garage.

There has been some discussion about possibly putting off the restoration of the Russell Garage for a couple of years until that is in place, so that we do not inconvenience the folks who are parking currently in the legislative garage.

FIRE SAFETY

Senator BENNETT. One last quick question. The status of the smoke detector installation, the Senate side of the Capitol?

Mr. HANTMAN. Amita?

Sorry. Amita Poole is our Superintendent of the Capitol.

Ms. POOLE. We have just completed putting in the backbone for the new fire alarm system and starting Monday of this coming week we will be installing the smoke detectors in areas throughout the Senate side where wiring is complete.

ADDITIONAL COMMITTEE QUESTIONS

Senator BENNETT. There will be some additional questions that will be submitted for your response.

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

## ADDITIONAL COMMITTEE QUESTIONS

### REENGINEERING IN THE HOUSE AND SENATE OFFICE BUILDINGS

*Question.* In your testimony you indicate that significant re-engineering has already occurred in your agency and cite the consolidation of shops within both the House and Senate office buildings which has reduced the number of supervisors. What shops were consolidated and how many supervisors were reduced?

Answer. In the Capitol Building separate House and Senate side Heating, Ventilation and Air Conditioning (HVAC) shops were consolidated. In both the Senate and House Office Buildings the second and third shifts of the HVAC and Plumbing operations were consolidated. Grounds maintenance activities of the Library Buildings and Grounds and Supreme Court were consolidated under the supervision of the Capitol Grounds. These and other initiatives have reduced the number of supervisory positions from 306 in January 1998 to 300 as of March 1999.

### K–9 FACILITY RENOVATION

*Question.* What is the status of the K–9 facility renovation?

Answer. The new K–9 facility is 95 percent complete. Remaining work includes the installation of the heating and air-conditioning unit, installation of ductwork, installing the ceiling in the food preparation area, completion of exterior painting, completing the installation of the kennel fencing, and site seeding. Barring any significant weather problems, the facility will be completed by April 2, 1999.

### FORT MEADE PROJECT

*Question.* When will the Ft. Meade project be completed and available for occupancy?

Answer. Anticipating the approval of the pending reprogramming request, a contract award is planned for April 1999. Based on the April award, completion of the first book storage module is scheduled for July of 2000.

### AOC FINANCIAL AND BUDGET STATUS REPORTS

*Question.* The Architect of the Capital (AOC) has yet to provide certain basic reports, such as quarterly financial and budget status reports, that the Committee has requested over the past several years. Why hasn't the AOC responded to these requests? How and when will the AOC provide better financial reports to the committee? When does the AOC plan to be fully responsive to this request for financial and budget status reports? What plans does the AOC have to provide this type of information while it is using its interim financial management system? Does the AOC plan to reconcile this information to its budget submission?

Answer. With the implementation of the new Financial Management System, the AOC expects to fully comply with the Committee's request for quarterly financial statements and budget status reports and to provide a reconciliation of the information reflected on these reports with the budget submission. We are using GAO's guidance to develop the specific requirements for the requested reports in our Request For Proposal (RFP) process and we will confirm the requirement with the Committee staff prior to issuing the RFP. With the new system we also expect to be more responsive to any new requests for information since the new system will contain modern report writing tools.

For the interim period, prior to the implementation of the new FMS, we plan to prepare the requested budget status reports and the reconciliations with the budget submission by preparing spreadsheet based reports containing data from several sources. Upon confirming the reporting requirements with GAO and the Committee over the next few weeks, we will be able to develop the spreadsheets and take steps to begin capturing any currently unavailable required information. We plan to come to closure on this issue, and have an agreed to interim solution by the end of April, 1999.

We apologize for not being as responsive as necessary on this issue and we will work hard towards meeting your reporting requests as quickly as possible. The AOC spent several months in early 1998 working with the GAO to create the requested reports based on the reports that the GAO provides the Senate. We had originally created a Budget Status Report to address this need. However, this report has been determined to be inadequate for the Committee's needs due to the combining of current and prior year financial information and the lack of project status information.

ANNUAL AND MULTI-YEAR PROJECTS

*Question.* What is the total number of annual projects funded in fiscal year 1999? What number of those projects have been started? What number have been completed?

Answer. A total of 55 annual projects were funded in fiscal year 1999. All of the projects are in various stages of either construction, design or specification development, or procurement. At this time, none of the projects are considered 100 percent complete.

*Question.* What is the total number of multi-year projects that the AOC currently has underway? How many of those projects have been started?

Answer. The AOC has 98 multi-year projects currently underway and the majority are under construction. Of the 98 projects, 21 have not had funds obligated against them. Nineteen of the 21 projects are either in design or specification development, procurement, or are awaiting client or oversight approval to proceed.

Y2K PROGRAM

*Question.* What has been spent to date on your Y2K program, and what was requested in your 2000 budget?

Answer. The AOC has spent a total of $2,537,000 on Y2K programs. The significant projects that funds have been spent on include the replacement of the accounting system, upgrading the procurement system, replacement of the work order system and replacement of noncompliant personal computers. It is anticipated that an additional $103,000 will be spent on Y2K system initiatives from currently available funds. The AOC is requesting $1,444,000 from funds appropriated to the General Accounting Office for Y2K compliance and contingency planning activities.

SENATE RESTAURANTS

*Question.* Last year you predicted that the Senate restaurants would be $200,000 in the black in 1998 and $600,000 in the black in 1999. What was the financial balance in 1998 and what do you currently project for 1999 and 2000?

Answer. The year end financial statements for fiscal year 1998 (which included appropriated funds and revolving funds) for the Senate Restaurants indicates a loss of $607,865. Included in this loss is the one time expense for the buyout of $753,282. This expense includes approximately $87,300 in terminal leave which would not have been charged as well as an increase in replacement labor (approximately $70,500) while the Restaurant was being reorganized. The net loss would have been approximately $450,100.

As we have continually noted with the Architect of the Capitol's Re-engineering Plan, the savings from the buyouts offered are not realized until the following year. Currently, the Senate Restaurants project a profit of $261,000 for 1999. Included in the operating expenses is the repayment of a contingent fund loan of $275,000 provided to cover the balance of buyout payments which occurred in fiscal year 1999.

This profit is based on the current operating configuration of the Restaurants. We are actively working with the Rules Committee to finalize the services offered within the Restaurants and only a positive impact on the financial statements is planned.

RUSSELL COURTYARD BOXWOODS

*Question.* Please explain why the English Boxwood plants in the Russell Courtyard were destroyed. What are your plans for replanting the area where the Boxwoods were removed? What are your plans for the English Boxwood's that remain in the Russell Courtyard?

Answer. The boxwoods have overgrown the walkways, impeding the passageways for pedestrians, and are in need of replacement. In fact, a project was included in the AOC's fiscal year 1998 budget request to Renovate and Restore the Russell Courtyard which included the replacement of the overgrown boxwoods with smaller ones. This project was actually funded by a fiscal year 1997 reprogramming but placed on hold because of the then proposed use of the Courtyard. While the boxwoods were removed to make way for constructing a building that will provide temporary "swing space" for various Senate committees during renovation of the Dirksen Building, they were slated for removal and replacement in any event. We have looked at the option of heavy pruning to restore pedestrian access to the walkways, but the appearance of the boxwoods would be ruined.

Accordingly, after the "swing space" facility is demolished, we plan to remove the remaining boxwoods and replace them all with appropriately-sized three to four foot

high boxwoods, placed six feet away from the edges of the walks. Appropriate annual maintenance pruning will assure that the boxwoods' growth is controlled in an aesthetic manner. This approach will restore the beauty of the courtyard's plantings while improving pedestrian access to the walkways.

FINANCIAL STATEMENTS

*Question.* What year will financial statements be available for a full audit?

Answer. FMS is scheduled to be implemented by the end of fiscal year 2001. Once FMS is implemented auditable financial statements will be available on a monthly accounting period basis. Since FMS is being implemented during the end of fiscal year 2001, the first full fiscal year for being able to produce an auditable financial statement from FMS is fiscal year 2002.

FINANCIAL MANAGEMENT SYSTEM

*Question.* Arthur Andersen has spent five months studying AOC's financial management system requirements and reviewing financial software packages available on the GSA schedule. Although not subject to the Federal Financial Management Improvement Act (FFMIA), will the AOC financial systems comply?

Answer. Yes, the financial management system that is purchased and implemented by the AOC will comply with Federal financial management systems requirements applicable to Federal accounting standards and the Standard General Ledger (SGL) at the transaction level as required by FFMIA. The AOC considers the requirement for the system to be compliant with Federal standards as the most important criteria for selecting a financial software package. The AOC is considering only the systems offered by the eleven vendors on the GSA Financial Management System Software (FMSS) schedule since all of these systems have been certified by GSA as being compliant with Federal financial standards. In addition, the AOC plans to implement the new system with no software modifications, allowing easier migrations to future federally mandated software upgrades.

*Question.* Will the purchase of your financial management system require new hardware? If so, have you done a cost benefit analysis? How much funding will be required?

Answer. The AOC's Business Process Re-engineering plan calls for the agency to move all existing applications and the planned integrated financial, procurement, human and facilities management systems to a Unix/Oracle based platform. This platform was selected because of its well documented reliability, scalability, and performance. The Information Resource Management (IRM) division has determined that the Unix/Oracle platform is a prudent investment to service all applications. Funding of the new Unix/Oracle environment is forecasted at $4.01 million over the next 5 years. The IRM fiscal year 2000 operating budget request includes the first increment of $790,000. Below are the projected costs by fiscal year:

| Fiscal year: | |
|---|---|
| 2000 | $790,000 |
| 2001 | 855,000 |
| 2002 | 785,000 |
| 2003 | 770,000 |
| 2004 | 810,000 |

*Question.* Do the financial packages recommended by Arthur Andersen also meet the AOC's operational requirements, such as facilities management, project tracking and costing?

Answer. The focus of the Arthur Andersen analysis was on the AOC's core financial management requirements, inventory requirements and procurement analysis. The requirements for facilities management and project tracking/costing was limited to the financial related requirements rather than the operational requirements. It was assumed that the operational requirements for facilities management and project tracking would be performed in a separate system or a module outside the core financial system. The analysis indicated if a vendor offered a facilities management module or a project tracking module, but there was no evaluation performed on whether these modules met AOC operational requirements in these areas.

*Question.* You are purchasing a financial management system, but your requirements also include procurement capabilities which are nonfinancial in nature. What weight do you put on your financial requirements as opposed to your miscellaneous requirements? Will you select a less desirable financial system because of these other requirements? If not, how will you distinguish and rate each requirement?

Answer. The financial requirements will carry the most weight in the selection of a financial management system for the AOC while the procurement requirements

will carry very little weight in the selection process. The actual criteria that will be used to evaluate vendor proposals is currently under development and will be completed prior to issuing the Request for Proposal. In order to ensure that we do not select a less desirable system, we will coordinate the evaluation criteria with the GAO. Additionally, the GAO is going to provide staff assistance throughout the evaluation and implementation of FMS. Although still under development, the criteria that are expected to carry the most weight in the selection of a financial package are as follows: Compliant with Federal financial standards; operates in a 3-tiered client server environment; contains inventory and project functionality; provides easy access to information; provides modern workflow capabilities; and vendor track record in implementing the software.

The AOC desires to select a modern system that is compliant with Federal financial standards, can be easily integrated with other AOC systems and will be supported by the vendor in the long term.

*Question.* Will these systems produce the reports required by the Senate Appropriations Committee?

Answer. The specifications for the reports required by the Senate Appropriations Committee will be included in the Statement of Work for the procurement and implementation of the Financial Management System. These reports will be available from FMS when FMS is implemented in late fiscal year 2001. In addition, the AOC plans to implement a user friendly reporting tool to allow easy access to information and the production of ad-hoc reports.

*Question.* Do the vendors of these systems certify that they are Y2K compliant?

Answer. The AOC is considering only the financial management systems that are certified by GSA as being compliant with the Joint Financial Management Improvement Program (JFMIP) requirements. The JFMIP technical requirements include requirements for the system to be Y2K compliant. In addition, the AOC will include a requirement in the Statement of Work that all date fields contain a four character year.

*Question.* Do these systems have good funds control over project and job costs? How will the funds control portion of your financial system work?

Answer. The AOC is considering only the financial management systems that are certified by GSA as being compliant with JFMIP requirements. The JFMIP requirements include funds control requirements to ensure the systems provide basic funding controls over commitments, obligations, and expenditures. The AOC will include additional funds control requirements in the Statement of Work to provide for the capability to establish project and sub-project budgets that are in addition to the appropriation budgets. The AOC expects to implement the Financial Management System with up to four levels of appropriation funds control with the levels differentiated by combinations of fund codes, program codes, organization codes, project codes and object codes. The AOC expects to implement two levels of project funds control to budget by project phase and the activities within a project phase.

*Question.* Did your contractor require live demonstrations from each vendor in a production environment? If not, how could your contractor determine what vendor had the best system?

Answer. The Arthur Andersen report compared the AOC's stated requirements to the software packages offered by vendors on the GSA FMSS Schedule. The purpose of the analysis was to identify the packages that potentially meet AOC's stated needs. Three vendors were recommended, based on the "down-select" criteria provided by the AOC. An additional vendor was recommended because of being the historical market leader. The analysis did not include live demonstrations from the vendors. During the proposal process, the AOC will require the vendors to perform Operational Capabilities Demonstrations (OCD's) in a technical environment similar to AOC's environment. The detailed script for the OCD will be prepared by the FMS Project Director and coordinated with GAO. The results of the OCD will weigh heavily in the selection of a vendor.

*Question.* Do these systems meet AOC business needs? If not, what amount of customization will be necessary, and what are the estimated costs?

Answer. The Arthur Andersen report indicated that all 9 vendors on the GSA FMSS Schedule met AOC's core financial management requirements. The report also indicated that 3 vendors potentially meet AOC's inventory and procurement requirements in addition to the core financial management requirements. The AOC plans to implement the core financial system with no customization. No unique AOC financial requirements have been identified that would require customization of a core financial package. Whether the software packages meet all of the AOC's inventory and procurement needs will be determined during the procurement process. If the software packages perform the typical inventory and Federal procurement functions, there should be no need to perform customization. The fiscal year 2000 budget

request for the implementation of a Financial Management System does not include any funding for customization.

*Question.* Has the AOC considered having another Legislative Branch agency cross service its financial operations instead of implementing its own financial system? Did you solicit bids from other Legislative/Executive agencies to cross service the AOC? How do you know that buying and implementing your own system is more cost beneficial than cross servicing?

Answer. The AOC considered having another Legislative Branch agency cross service its financial operations instead of implementing a new financial system. Most of the Legislative Branch agencies are currently operating their financial systems in a main-frame environment with software that is near the end of its life cycle. The AOC did not want to incur significant implementation costs migrating to an older system, and then have to incur the costs again in a few years when the cross servicing agency migrated to a more modern system.

*Question.* How many employees are devoted full time to the financial management system acquisition and implementation project? Have you budgeted for the increased financial management system staff in the current year? How much will this staff cost in the out years?

Answer. Currently, there is a project director assigned full time to the project. Six additional staff will be hired gradually over the next 4–9 months in order to have the full project team on board when the software is purchased. Two of the additional staff are planned to be hired in July 1999, with the remaining coming on board in the first 3 months of fiscal year 2000. The cost of the increase in staff for fiscal year 1999 is included in our budget. The cost of the staff in the initial out years is estimated at $400,000 per year. After the complete implementation of the system, the staff will be reduced to the resources required to maintain the system.

*Question.* How confident are you with your procurement and implementation schedule for your financial management system?

Answer. The AOC's current procurement schedule of purchasing a system by the end of calendar year 1999 is considered aggressive. Depending on the number of proposals received and "down-selected" additional time may be necessary to evaluate the vendor proposals, and to conduct Operational Capabilities Demonstrations for each package under consideration.

The AOC is confident in the implementation schedule of beginning production operations by the end of fiscal year 2001 as long as the procurement stays on schedule. A significant delay in the procurement would affect the implementation date.

*Question.* What business practices will you change as a result of implementing a new financial system? What procedures/policy changes will you implement?

Answer. The financial system that is purchased by the AOC is expected to provide the configuration flexibility to allow the AOC to continue its current business practices if desired. However, it is expected that the increase in functionality provided by the new system will lead to improvement of certain business practices. The actual changes that will occur will be determined during the configuration sessions with user groups during the beginning stages of the implementation. In order to limit the impact on users, the AOC may pursue implementing certain business process changes using a phased approach after the initial implementation. An example of a business process that will be changed is the "requisition for goods and services" process. The requisition process will be improved to transform a paper intensive process to a fully electronic process.

*Question.* What staff changes, if any, do you believe will be necessary to implement and operate your new financial management system? How much will you save in staff years once you have automated your existing procedures?

Answer. We have determined that additional staff of 6 people (plus a project director) is required to implement the Financial Management System. This level of staff assumes an implementation where considerable contractor support is utilized. The amount of staff required to maintain the system after it is implemented has not been determined, but it is expected to be less than the AOC staff required to implement the system.

The implementation of a new Financial Management System is not expected to affect current staffing requirements in the AOC except in the Accounting Division. The Accounting Division may require 1–2 additional professional staff because of the increase in workload required to maintain a standard general ledger, produce financial reports and perform reconciliations.

The implementation of a new financial management system is not expected to save staff years. Any savings realized through the automation of manual processes will be offset by additional time spent on value added processes, such as providing better customer service or performing strategic analysis.

*Question.* Have you done a skills requirement analysis to determine if existing staff will have the necessary skills to operate in a new automated environment? If so, what did that analysis reveal?

Answer. A skills analysis to determine if existing staff have the necessary skills required by the new system has been performed for the technical staff, but not for the functional staff. The analysis for the functional staff is planned to be performed during this calendar year prior to the purchasing of the financial management system. Since the initial implementation of FMS will most likely involve only the current financial system users, it is assumed that the users will have the basic skills to operate an automated system. However, the AOC does plan to evaluate the users ability to operate in a "windows and mouse" environment, and if necessary have users attend training classes in these areas. In addition, the AOC will also determine if the complexity of the new system requires higher level employees such as GS–0510 accountants rather than GS–0525 accounting technicians.

The AOC has determined that its technical staff lacks the required skills to operate in the new technical environment. In order to obtain the necessary skills, the AOC is in the process of hiring staff experienced in the new technology and is sending current staff to training. It is expected that the technical staff will have 6 months experience in the new technical environment by the time the financial management package is purchased. The AOC technical staff is then expected to receive on-the-job training from the contractor during the implementation of the system.

*Question.* We recommended that you follow GAO guidance that your financial system project director report directly to the Architect. However, he reports to the CFO. What is your rationale for not accepting the GAO recommendation?

Answer. The AOC established the organization structure for the financial system project director to report to the CFO since this is the reporting relationship typically used by Federal agencies. Although the AOC is not covered by the CFO Act of 1990, the act specifies that the agency CFO should oversee all financial management activities including the "development and maintenance of an integrated agency accounting and financial management system".

In order to partially comply with the GAO recommendation that the financial system project director report directly to the Architect, the Architect has issued a Delegation of Authority making the financial system project director directly responsible for the proper implementation of the financial management system. The financial management system project director will continue to report to the CFO, but will meet with the Architect on a weekly basis to discuss the project status and outstanding issues relative to the implementation of the new system. The financial system project director will be the primary contact of the Architect for all financial system implementation and integration matters.

*Question.* You intend to interface some of your present systems with the new financial management system. What systems will that be and how much will it cost to develop interfaces? When do you anticipate having those interfaces completed?

Answer. The new financial management system will interface with the following systems: Human Resource System (currently the USDA payroll system); Computer Assisted Facilities Management System (CAFM); and Project Tracking System.

The interface with the existing payroll system will be implemented along with the initial implementation of the financial system by the end of fiscal year 2001. A preliminary estimate of $160,000 (1,280 hours) has been developed for contractor support in the design, coding and testing of the payroll interface. This estimate assumes the interface will be similar to the current interface which updates the financial system with payroll and benefit costs on a bi-weekly basis. The estimate does not include any additional costs that may be charged to the AOC by the USDA for changes in the data format.

Estimates for the development of interfaces with the CAFM system and the Project Tracking System have not been developed. The interfaces to these systems are expected to be implemented during the latter stages of the implementation towards the end of fiscal year 2003. The CAFM system is currently in the beginning stages of implementation at the AOC and the current project tracking system may be replaced prior to the end of fiscal year 2003. The cost estimates for the CAFM and Project Tracking interfaces will be developed by the end of fiscal year 2000 and included in the fiscal year 2002 budget request.

*Question.* Will the AOC seek funding in the future to enhance existing non-financial systems? If so, how much, when, and for what systems?

Answer. The following table reflects the AOC's fiscal year 2000 budget request and future fiscal year requests for non-financial system installations. These systems include a Human Resources system, the continuation of the installation of the Computer Aided Facilities Management (CAFM) system, and the upgrade and continued expansion of the agencies computer network. The five year total is $12,282,000. The

Network Installation and Upgrade project will support all current system and e-mail applications as well as the new or expanded Financial Management, Human Resources and CAFM systems.

[In thousand of dollars]

| System | Fiscal year— | | | | |
|---|---|---|---|---|---|
| | 2000 | 2001 | 2002 | 2003 | 2004 |
| Human Resources | 3,612 | 800 | 800 | 800 | 800 |
| CAFM | 350 | 350 | 350 | ..... | ..... |
| Network Installation & Upgrade | 1,660 | 490 | 390 | 1,340 | 540 |
| Total | 5,622 | 1,640 | 1,540 | 2,140 | 1,340 |

SUBCOMMITTEE RECESS

Senator BENNETT. Thank you.

Thank you very much. It has been very informative. We appreciate your responsiveness and congratulate you on the progress that you have made.

Mr. HANTMAN. Thank you very much.

Senator FEINSTEIN. Thank you very much.

[Whereupon, at 11:50 a.m., Wednesday, March 3, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

# LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2000

**WEDNESDAY, MARCH 10, 1999**

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

The subcommittee met at 9:35 a.m., in room SD–116, Dirksen Senate Office Building, Hon. Robert F. Bennett (chairman) presiding.

Present: Senators Bennett and Feinstein.

## JOINT COMMITTEE ON TAXATION

**STATEMENT OF HON. BILL ROTH, VICE CHAIRMAN**

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

OPENING STATEMENT OF HON. ROBERT F. BENNETT

Senator BENNETT. The subcommittee will come to order.

We welcome you to our second hearing on the fiscal year 2000 budget for the legislative branch of Government. We have three panels testifying this morning: the Joint Committee on Taxation, the Joint Economic Committee, and the Office of Compliance.

Our first witness will be Senator Bill Roth on behalf of the Joint Committee on Taxation, joined by Lindy Paull, the Chief of Staff of the Joint Committee. The budget request is for $6,256,000 for fiscal year 2000. This includes a cost-of-living adjustment for staff and a slight increase of $67,000 for non-personnel expenses.

Senator Feinstein, we welcome you. You braved your way through the storm as the rest of us did, and we are honored that you are here. Do you have any opening statement?

Senator FEINSTEIN. No. Thank you, Mr. Chairman, except to welcome the distinguished Senator to our esteemed subcommittee.

Senator BENNETT. Mr. Chairman, we look forward to hearing from you.

Senator ROTH. Well, thank you, Mr. Chairman and Senator Feinstein. I greatly appreciate the opportunity to appear today before the subcommittee on behalf of the fiscal year 2000 appropriation request for the Joint Committee on Taxation.

As you well know, Bill Archer and I have submitted a written statement, and I ask that this written statement be made part of the written record.

Senator BENNETT. Without objection.

Senator ROTH. Mr. Chairman, I will just make a couple of brief points regarding this appropriation request. Actually you have touched on them already, but I will review them once more.

As you said, the Joint Committee is requesting an appropriation for fiscal year 2000 of $6,256,000. This represents a $290,600 increase over the fiscal year 1999 appropriation. This is a 4.87 percent increase. As you pointed out, Mr. Chairman, $223,000 of this amount will be allocated to cost-of-living increases for personnel expenses, and the remaining $67,000 will be allocated to proposed increases in non-personnel expenses.

Mr. Chairman, increased responsibilities have been assigned to the Joint Committee under the IRS Restructuring and Reform Act that was passed last summer. The Joint Committee estimated during consideration of the IRS Reform Act that these additional responsibilities would require approximately $290,000 of additional staff resources annually.

The Joint Committee is requesting 1.5 more FTE's for fiscal year 2000 to hire additional staff economists. These economists will work on revenue estimates so that the Joint Committee is able to respond to more Member requests. I think Lindy said we are responding roughly in the 80's.

Ms. PAULL. Right, 80 percent.

Senator ROTH. 80 percent.

In addition, the additional employees will allow the Joint Committee to devote more staff resources to the effort to develop macroeconomic estimating capability. I think that is a very important development.

Senator FEINSTEIN. You did say macro.

Senator ROTH. Yes, ma'am. And I think they are making some real progress, but they have a ways to go yet.

REPORT ON THE STATE OF THE FEDERAL TAX SYSTEM

Under the IRS Reform Act, the Joint Committee is required to report at least once each Congress to the Senate Finance Committee and the House Ways and Means Committee on the overall state of the Federal tax system and to make specific recommendations for changes to the tax laws. The IRS Reform Act provided that this report is to be done subject to amounts being specifically appropriated to the Joint Committee for this purpose.

The fiscal year 2000 appropriation request does not contain any amount for this purpose. If the subcommittee decides to fund this added responsibility, the Joint Committee estimates an additional annual appropriation of $200,000 and three additional FTE's would be required.

Mr. Chairman and Senator Feinstein, I want to thank the subcommittee for its continued recognition of the important role the Joint Committee plays in the development of revenue legislation. I hope that the subcommittee will continue to support the operation of the Joint Committee for fiscal year 2000.

PREPARED STATEMENT

I will be happy to respond to any questions that you may have. If I do not know the answer, which will probably be the case, I will call on Lindy.

[The statement follows:]

PREPARED STATEMENT OF REPRESENTATIVE BILL ARCHER AND SENATOR BILL ROTH

INTRODUCTION

Mr. Chairman, we appreciate the opportunity to submit this written testimony to the Subcommittee on Legislative Branch of the Senate Committee on Appropriations on behalf of the fiscal year 2000 appropriation request for the Joint Committee on Taxation (the "Joint Committee").

The funding we are requesting for the Joint Committee on Taxation represents the minimum amount necessary to finance the operations of the Joint Committee for fiscal year 2000. The Joint Committee provides essential services to the Congress that are not duplicated by any other Congressional or Executive Branch office. Failure to provide the requested funding will jeopardize the ability of the Joint Committee to provide these necessary services.

We want to thank the Subcommittee for its continued recognition of the important role that the Joint Committee plays in the development of revenue legislation. We are pleased that the Subcommittee has repeatedly acknowledged the needs of the Joint Committee, and we hope that the Subcommittee will continue to support the operations of the Joint Committee for fiscal year 2000.

Key points relating to the fiscal year 2000 appropriation request are as follows:

—The Joint Committee is requesting an appropriation for fiscal year 2000 of $6,256,000, an increase over the fiscal year 1999 appropriation of $290,600. This represents a 4.87 percent increase over the fiscal year 1999 appropriation. $223,000 of this amount will be allocated to cost-of-living increases for personnel expenses and the remaining $67,600 will be allocated to proposed increases in nonpersonnel expenses.

—The Joint Committee's appropriation for fiscal year 1999 of $5,965,400 is less than the $6,019,000 appropriated to the Joint Committee for fiscal year 1995. Despite this reduction in the Joint Committee's appropriation, increased responsibilities have been assigned to the Joint Committee under the Internal Revenue Service Restructuring and Reform Act of 1998 (the "IRS Reform Act"). The Joint Committee estimated during consideration of the IRS Reform Act that these additional responsibilities would require approximately $290,000 of additional staff resources annually.

—The Joint Committee is requesting an additional 1.5 FTEs for fiscal year 2000 to hire additional staff economists. These economists will assist in the preparation of revenue estimates so that the Joint Committee is able to respond to more Member requests. In addition, the additional FTEs will enable the Joint Committee to devote more staff resources to the effort to develop macroeconomic estimating capability.

—Under section 4002(a) of the IRS Reform Act, 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. We leave to the Subcommittee's discretion whether to appropriate additional amounts to the Joint Committee for this purpose for fiscal year 2000. The Joint Committee estimates that this additional responsibility would require an additional annual appropriation of $200,000 and 3 FTE's.

Additional details relating to this appropriation request are provided below.

SUMMARY OF FISCAL YEAR 2000 APPROPRIATION REQUEST

The following summarizes the Joint Committee's appropriation request for fiscal year 2000:

| | |
|---|---|
| Personnel Compensation | $5,656,000 |
| Nonpersonnel Funding: | |
| Travel | 12,000 |
| Rent, communications, and utilities | 33,000 |
| Printing | ..... |

| | |
|---|---|
| Other services | 29,000 |
| Supplies and materials | 154,000 |
| Equipment | 277,000 |
| Total fiscal year 2000 request | 6,256,000 |

DETAILS OF FISCAL YEAR 2000 APPROPRIATION REQUEST

*Personnel Expenses*

*Cost-of-living*.—A 3.3 percent cost-of-living adjustment for calendar year 1999 and a 4.4 percent cost-of-living adjustment for calendar year 2000 are requested. This request would increase the appropriation for personnel expenses for fiscal year 2000 by $223,000 over the fiscal year 1999 appropriation.

*Additional FTEs*.—An increase of 1.5 additional FTEs is requested for the Joint Committee for fiscal year 2000. These additional FTEs would be used to hire additional Joint Committee staff economists to assist in the preparation of revenue estimates to respond to Member requests. These additional FTEs would not only enable the Joint Committee to respond to more Member requests, but would also allow the Joint Committee to devote additional resources to the effort to develop the capability to incorporate macroeconomic effects in Joint Committee revenue estimates for major tax legislation.

Further, increased responsibilities have been assigned to the Joint Committee as a result of the Internal Revenue Service Restructuring and Reform Act of 1998 (the "IRS Reform Act"). Under the IRS Reform Act, the Joint Committee is required to prepare a complexity analysis of all revenue provisions of widespread applicability to individuals and small businesses. In addition, the IRS Reform Act requires the Joint Committee to provide staffing and an annual report in connection with annual joint hearings of six Congressional committees on the operations of the Internal Revenue Service. These hearings will occur during calendar years 1999 through 2003. Finally, the IRS Reform Act mandated that the Joint Committee conduct a study of the present-law protections relating to disclosure of tax returns and tax return information. This study is due January 22, 2000, which will require the Joint Committee to expend personnel resources on this effort during a portion of fiscal year 2000. These additional responsibilities will place a significant drain on the personnel resources of the Joint Committee. During consideration of the IRS Reform Act, the Joint Committee estimated that these added responsibilities would require approximately $290,000 of personnel resources per year.

No additional appropriation is requested to fund these additional FTEs. The FTEs can be funded out of the requested personnel appropriation through reclassification of certain Joint Committee positions and the replacement of departing higher paid employees with entry level professional staff.

If the Subcommittee approves these additional FTE's, the Joint Committee's staffing level of 65 FTEs would be less than the level of FTE's authorized for the Joint Committee in any fiscal year between 1980 and 1996.

*Nonpersonnel Expenses*

*In general*.—An increase of $67,600 is requested for fiscal year 2000 relative to the fiscal year 1999 appropriation. In addition, the Joint Committee's expenses in various categories have been reallocated to reflect more accurately the actual expenses that are anticipated in these categories.

*Rent, communications, and utilities*.—The Joint Committee request proposes to reallocate $55,000 from this category to other categories for fiscal year 2000. The amount requested in this category for fiscal year 2000 represents an accurate estimate of the actual expenses that the Joint Committee will incur.

*Other services*.—It is requested that $29,000 be reallocated to this category from other categories for fiscal year 2000. The increase in this category is attributable to projected increased needs of the Joint Committee to secure consulting services in connection with the efforts to develop macroeconomic estimating capabilities. This project requires substantial resources. In addition to the work of Joint Committee staff, it is necessary for the Joint Committee to contract with macroeconomic forecasting firms to assist in the development of economic models that will permit the calculation of such macroeconomic effects.

Further, 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 necessary for the preparation of revenue estimates. To perform efficiently, the Joint Committee staff has found it necessary to contract from time to time with certain private sector organizations to do work that the Joint Committee staff does not have the time or the resources to do otherwise.

Finally, the Joint Committee may find it necessary during fiscal year 2000 to contract for consultant services in connection with Joint Committee plans to update its document tracking system software and hardware; this project is discussed more fully in the equipment category below.

*Supplies and materials*.—It is requested that $24,000 be reallocated to this category from other categories for fiscal year 2000. The requested increase in this category is attributable to the cost of purchasing new on-line information resources for the use of the Joint Committee professional staff. It is essential that the Joint Committee staff have available the most sophisticated research tools available for tax professionals. This expense ensures that the Joint Committee staff has access to the same resources that private sector tax lawyers and economists utilize on a daily basis. The amount requested for fiscal year 2000 in this category reflects a relatively modest increase over the actual expenses for fiscal year 1998; the amount allocated to this category for fiscal year 1999 is below anticipated actual expenses.

*Equipment*.—An increase of $69,600 is requested for fiscal year 2000 over fiscal year 1999 for the purchases of new equipment. Anticipated expenses in this category include $60,000 for hardware and software maintenance; $50,000 for Xerox maintenance and usage costs; and $150,000 for the purchase of document scanners, CD–ROM writers, and other storage for expansions of the Joint Committee's document tracking system.

In 1994, the Joint Committee implemented a computerized data base to track Member requests. The Joint Committee hopes to begin upgrades to this data base system during fiscal 1999 that will lead to the purchase of computer hardware (such as scanners) and software during fiscal year 2000 to implement these upgrades. Once the upgrades are complete, the Joint Committee will have the capability of maintaining a complete electronic record of each request received from a Member of Congress and to determine at any time the status of such request.

The purchase of equipment represents the single largest item of nonpersonnel expenses for the Joint Committee. The large volume of documents that the Joint Committee is required to produce during the legislative process requires the use of sophisticated and technologically advanced computer and reproduction equipment. The Joint Committee staff finds it necessary to upgrade computer software, hardware, and reproduction machines frequently to ensure that Members receive adequate service.

REVIEW OF JOINT COMMITTEE ON TAXATION OPERATIONS DURING CALENDAR YEAR 1998

Attachments A through E provide a summary of the activity of the Joint Committee staff for calendar year 1998. This included work on Committee and Conference Reports (Statements of Managers) for the revenue-related legislation considered by the House Committee on Ways and Means and/or the Senate Committee on Finance and conference action on revenue-related legislation. A list of these committee and conference reports is contained in Attachment A.

*Tax legislative reports*

Tax legislative reports worked on by the Joint Committee staff relating to legislation enacted in 1998 included:

—Extension and modification of Highway Trust Fund tax provisions (revenue title in H.R. 2400, Transportation Equity Act for the 21st Century).

—Internal Revenue Service Restructuring and Reform Act of 1998 (H.R. 2676), which included major revisions of numerous IRS administration, taxpayer compliance and taxpayer rights provisions, revenue offsets, and technical corrections to recent tax legislation.

—Tax and Trade Relief Extension Act of 1998 (revenue provisions of H.R. 4328, the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999).

—Internet Tax Freedom Act (S. 442 as reported by the Finance Committee, included in the conference report for H.R. 4328).

The Joint Committee staff also worked on several other reports on tax legislation considered by the tax-writing committees in 1998 but not enacted. These included the following areas of tax legislation (also listed in Attachment A):

—H.R. 1432 (revenue-offset provision relating to the employer deduction for severance pay in the African Growth and Opportunity Act), which was passed by the House.

—H.R. 3249 (Federal Retirement Coverage Corrections Act), which was passed by the House.

—H.R. 4250 (revenue-offset provisions in the Patient Protection Act of 1998), which was passed by the House.

—H.R. 4579 (Tax Relief Act of 1998), which was passed by the House.

—H.R. 4738 (Extension of Expiring Provisions and Other Tax Relief), which was passed by the House.
—S. 1133 (Parent and Student Savings Account Plus Act), which was reported by the Finance Committee and passed by the Senate as an amendment to H.R. 2646 (see below).
—H.R. 2646 (Education Savings and School Excellence Act of 1998), the conference report for which was passed by the House and the Senate in 1998 but vetoed by the President.
—S. 1415 (Tobacco Settlement), which was reported by the Finance Committee and considered by the Senate.

*JCT staff publications*

In addition to its work on committee and conference reports, the Joint Committee staff published 82 documents during 1998, including pamphlets and other documents prepared for committee hearings and markups and conference action (see Attachment B). Included in these documents was the General Explanation of Tax Legislation Enacted in 1998, a 320-page comprehensive explanation of tax legislation enacted in 1998, and also a Summary of Revenue Provisions Contained in Legislation Enacted During the 105th Congress.

The 1998 staff publications included the Joint Committee staff's annual report on estimates of Federal tax expenditures (for fiscal years 1999–2003). Other publications included a staff study on tax amnesty proposals, analysis of proposals for restructuring of the Internal Revenue Service, analysis of individual effective marginal tax rates, proposals to reduce the marriage tax penalty, revenue provisions contained in the President's fiscal year 1999 budget, and issues relating to estate and gift taxes, the individual alternative minimum tax, capital gains, tax incentives for savings, tax provisions relating to health care and qualified pension plans, and tax complexity for small business.

*JCT staff investigations and refund review*

During 1998, the Joint Committee staff continued its investigation (started in 1997) of whether the Internal Revenue Service's ("IRS") selection of tax-exempt organizations (Code secs. 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. This investigation represents an important exercise of the Joint Committee's statutorily prescribed duty of oversight of the administration of the Federal tax system.

An on-going, 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 $1,000,000. The Joint Committee staff reviews and reports on such refund cases and makes comments or recommendations with respect to the proposal refund case to the IRS. The Joint Committee is moving from a calendar year to fiscal year reporting of refund activity. Therefore, statistics for 1998 contained in Attachment E are presented for the period January through September. During this period of 1998, the Joint Committee refund staff reviewed 439 cases involving $4.8 billion in proposed refunds. The Joint Committee staff raised concerns in 55 cases (or approximately 12.9 percent of the cases). Errors identified by the Joint Committee staff produced a net reduction in refunds of $20.4 million in 1998, as compared to $14.3 million in 1997. The average annual reduction in refunds for the last 8 years is $11.1 million.

*Revenue estimates and related analysis*

Attachments C and D show data relating to the Joint Committee's revenue estimating activity for calendar year 1998. The Joint Committee received 2,729 requests for revenue estimates during 1998, the largest number of requests ever received in a single year. These requests represent a 32 percent increase in the number of requests over 1997. The Joint Committee staff disposed of 85 percent of the requests received.

Since 1985, when data on revenue estimate requests was first compiled, the number of requests received annually has increased by 684 percent.

ANTICIPATED WORKLOAD OF THE JOINT COMMITTEE ON TAXATION FOR CALENDAR YEAR 1999

During 1999, the Joint Committee's workload will be at least equivalent to what it has been in the past several years. The Joint Committee will be extensively involved in legislative proposals to provide broad-based tax relief to the American tax-

payers, expiring tax provisions, and social security reform. 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, beginning in 1999, the Joint Committee will assume new responsibilities under the IRS Reform Act. The Joint Committee staff is now required to prepare a complexity analysis for inclusion in Committee and Conference reports for all revenue legislation. In addition, the Joint Committee staff is required under the IRS Reform Act to conduct two studies during 1999. The first study relates to the present-law system of penalties and interest and is required to be completed by July 22, 1999. The second study relates to the rules governing disclosure of tax return information and is due by January 22, 2000. Finally, the Joint Committee is required to prepare materials for the use of the Congress in connection with joint hearings relating to the operations of the Internal Revenue Service that will occur during calendar years 1999–2003. These additional responsibilities will require significant staff resources.

SUMMARY

Mr. Chairman, we hope that you will approve the appropriation request of the Joint Committee on Taxation. We believe that this request is the minimum amount necessary to fund the operations of the Joint Committee during fiscal year 2000. These resources will not only fund the day-to-day operations of the Joint Committee staff, but will also be used to continue our efforts to develop macroeconomic estimating capabilities and to perform the additional responsibilities of the Joint Committee mandated by the IRS Reform Act. If the requested funding is not provided, then difficult decisions will be required concerning what staff activities can and should be funded. We hope that this Subcommittee will not force the Joint Committee to make these decisions.

Mr. Chairman, we recognize fully the budgetary constraints that make your work so difficult. At the same time, we hope that you will appreciate the important role the Joint Committee on Taxation plays in the analysis and development of tax legislation. We firmly believe that the nonpartisan technical tax experts on the Joint Committee staff provide a service to the Congress that is not and cannot be duplicated by any other Congressional office. Their work every year proves this.

We respectfully urge the Members of the Subcommittee to respond favorably to the Joint Committee's funding request for fiscal year 2000.

## ATTACHMENT A.—1998 TAX-RELATED LEGISLATIVE REPORTS WORKED ON BY THE STAFF OF THE JOINT COMMITTEE ON TAXATION

### A. TAX COMMITTEE REPORT EXPLANATIONS

H.R. 1432 (African Growth and Opportunity Act). H. Rept. 105–423, Part 2. (House Ways and Means Committee report on revenue provision for the bill relating to employer deduction for severance pay).

H.R. 2400 (Surface Transportation Revenue Act of 1998). H. Rept. 105–467, Part 3. (House Ways and Means Committee report on extension and modification of Highway Trust Fund tax provisions).

H.R. 2676 (Internal Revenue Service Restructuring and Reform Act of 1998). S. Rept 105–174. (Senate Finance Committee report on IRS restructuring provisions and tax technical corrections).

H.R. 3249 (Federal Retirement Coverage Corrections Act). H. Rept. 105–625, Part 2. (House Ways and Means Committee report on the bill).

H.R. 4250 (Patient Protection Act of 1998). Technical explanation of tax provisions for House Floor consideration of the bill (see JCX–56–98).

H.R. 4579 (Tax Relief Act of 1998). H. Rept. 105–739. (House Ways and Means Committee report on tax reduction and tax technical corrections provisions).

H.R. 4738 (Extension of Expiring Provisions and Other Tax Relief). H. Rept. 105–817. (House Ways and Means Committee report on extension of expiring tax provisions, revenue offsets, and tax technical corrections).

S. 442 (Internet Tax Freedom Act). S. Rept. 105–276. (Finance Committee report on amendment to the bill).

S. 1133 (Parent and Student Savings Account Plus Act). S. Rept. 105–164. (Senate Finance Committee report on education savings accounts, other education-related tax provisions, and revenue offsets).

S. 1415 (Tobacco Settlement). No official report. (Technical explanation of Finance Committee amendment to the bill).

B. TAX-RELATED CONFERENCE REPORT EXPLANATIONS

H.R. 2400 (Transportation Equity Act for the 21st Century). H. Rept. 105–550. (Conference report on the revenue provisions of the bill).

H.R. 2646 (Education Savings and School Excellence Act of 1998). H. Rept. 105–577. (Conference report on the bill).

H.R. 4328 (Tax and Trade Relief Extension Act of 1998). H. Rept. 105–825 (Division J of Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999). (Conference report on revenue provisions of the bill).

## ATTACHMENT B.—1998 JOINT COMMITTEE ON TAXATION DOCUMENTS

### JCS–98 DOCUMENTS

JCS–1–98—Description And Analysis Of Proposals Relating To The Recommendations Of The National Commission On Restructuring The Internal Revenue Service, S. 1096, And H.R. 2676 As Passed By The House Scheduled for Public Hearings Before the Senate Committee on Finance Beginning on January 28, 1998. January 23, 1998

JCS–2–98—Tax Amnesty. January 30, 1998

JCS–3–98—Present Law And Analysis Relating To Individual Effective Marginal Tax Rates. Scheduled for a Public Hearing by the House Committee on Ways and Means on February 4, 1998. February 3, 1998

JCS–4–98—Description Of Revenue Provisions Contained In The President's fiscal year 1999 Budget Proposal. February 24, 1998

JCS–5–98—Comparison Of Provisions Of H.R. 2676 Relating To IRS Restructuring And Reform As Passed By The House And The Senate. May 18, 1998

JCS–6–98—General Explanation Of Tax Legislation Enacted In 1998. November 24, 1998

JCS–7–98—Estimates Of Federal Tax Expenditures For fiscal years 1999–2003. December 14, 1998

### JCX–98 DOCUMENTS

JCX–1–98—Present Law And Background Relating To Proposals To Reduce The Marriage Tax Penalty. Scheduled for a Public Hearing Before the House Committee on Ways and Means on January 28, 1998. January 27, 1998

JCX–2–98—Present Law And Background Relating To Estate And Gift Taxes. Scheduled for a Public Hearing Before the House Committee on Ways and Means on January 28, 1998. January 27, 1998

JCX–3–98—Present Law And Issues Relating To The Individual Alternative Minimum Tax ("AMT"). Scheduled for a Hearing Before the House Committee on Ways and Means on February 4, 1998. February 2, 1998

JCX–4–98—Present Law And Background Relating To Taxation Of Capital Gains. Scheduled for a Public Hearing Before the House Committee on Ways and Means on February 12, 1998. February 6, 1998

JCX–5–98—Description Of Chairman's Mark Of An Amendment To S. 1133 ("Parent And Student Savings Account Plus Act"). Scheduled for Markup by the Senate Committee on Finance on February 10, 1998. February 6, 1998

JCX–6–98—Present Law And Background Relating To Tax Treatment Of "Innocent Spouses". Scheduled for a Public Hearing Before the Senate Committee on Finance on February 11, 1998. February 9, 1998

JCX–7–98—Description Of Modifications To Chairman's Mark Of An Amendment To S. 1133 ("Parent And Student Savings Account Plus Act"). Scheduled for Markup by the Senate Committee on Finance on February 10, 1998. February 10, 1998

JCX–8–98—Estimated Revenue Effects Of Chairman's Mark With Modifications Of An Amendment In The Nature Of A Substitute To S. 1133, The "Parent And Student Savings Account Plus Act". February 10, 1998

JCX–9–98—Description Of Revised Modifications To Chairman's Mark Of An Amendment To S. 1133 ("Parent And Student Savings Account Plus Act"). Scheduled for Markup by the Senate Committee on Finance on February 10, 1998. February 10, 1998

JCX–10–98—Estimated Revenue Effects Of A Revised Chairman's Mark With Modifications Of An Amendment In The Nature Of A Substitute To S. 1133, The "Parent And Student Savings Account Plus Act". February 10, 1998

JCX–11–98—Present Law And Background Relating To Tax Incentives For Savings. Scheduled for a Public Hearing Before the House Committee on Ways and Means on February 12, 1998. February 11, 1998

JCX–12–98—Description Of Revenue Provision In Chairman's Amendment In The Nature Of A Substitute To H.R. 1432, The "African Growth And Opportunity Act". Scheduled for Markup by the House Committee on Ways and Means on February 25, 1998. February 23, 1998

JCX–13–98—Estimated Revenue Effects Of A Chairman's Amendment In The Nature Of A Substitute To H.R. 1432, The "African Growth And Opportunity Act". February 23, 1998

JCX–14–98—Estimated Budget Effects Of The Revenue Provisions Contained In The President's fiscal year 1999 Budget Proposal. February 24, 1998

JCX–15–98—Chairman's Amendment Relating To Extension Of Highway Trust Fund Excise Taxes And Related Trust Fund Provisions (Revenue Title To H.R. 2400). March 25, 1998

JCX–16–98—Estimated Budget Effects Of A Chairman's Amendment Relating To An Extension Of Highway Trust Fund Excise Taxes And Related Trust Fund Provisions (Revenue Title To H.R. 2400) On March 26, 1998. March 25, 1998

JCX–17–98—Description Of Senate Finance Committee Chairman's Mark Relating To Reform And Restructuring Of The Internal Revenue Service. Scheduled for Markup by the Senate Committee on Finance on March 31, 1998. March 26, 1998

JCX–18–98—Description Of Senate Finance Committee Chairman's Mark Of Tax Technical Corrections Provisions. Scheduled for Markup by the Senate Committee on Finance on March 31, 1998. March 26, 1998

JCX–19–98—Estimated Revenue Effects Of The Senate Finance Committee Chairman's Mark Relating To Reform And Restructuring Of The Internal Revenue Service (5-year numbers) March 27, 1998

JCX–20–98—Estimated Revenue Effects Of The Senate Finance Committee Chairman's Mark Relating To Reform And Restructuring Of The Internal Revenue Service (10-year numbers). March 27, 1998

JCX–21–98—Description Of Modifications To Senate Finance Committee Chairman's Mark Relating To Reform And Restructuring Of The Internal Revenue Service And Tax Technical Corrections Provisions. Scheduled for Markup by the Senate Committee on Fiance on March 31, 1998. March 31, 1998

JCX–22–98—Estimated Revenue Effects Of The Senate Finance Committee Chairman's Mark, With Modifications, Relating To Reform And Restructuring Of The Internal Revenue Service. March 31, 1998

JCX–23–98—Description Of Additional Modifications To Senate Finance Committee Chairman's Mark Relating To Reform And Restructuring Of The Internal Revenue Service And Tax Technical Corrections Provisions. March 31, 1998

JCX–24–98—Description Of Accepted Amendments To Senate Finance Committee Chairman's Mark Relating To Reform And Restructuring Of The Internal Revenue Service And Tax Technical Corrections Provisions, As Modified. March 31, 1998

JCX–25–98—Estimated Revenue Effects Of Reform And Restructuring Of The Internal Revenue Service As Ordered To Be Reported By The Senate Committee On Finance On March 31, 1998. April 1, 1998

JCX–26–98—Present Law And Background On Federal Tax Provisions Relating To Health Care. Scheduled for a Public Hearing Before the Subcommittee on Oversight of the House Committee on Ways and Means on April 23, 1998. April 22, 1998

JCX–27–98—Comparison Of Transportation Revenue And Related Provisions Of H.R. 2400, As Passed By The House And The Senate. April 27, 1998

JCX–28–98—Comparison Of The Estimated Budget Effects Of Transportation Revenue And Related Provisions Of H.R. 2400, As Passed By The House And The Senate. April 27, 1998

JCX–29–98—Estimated Budget Effects Of S. 1133, The Parent And Student Savings Account Plus Act," As Passed By The Senate On April 23, 1998. May 4, 1998

JCX–30–98—Overview Of Present-Law Tax Rules Relating To Qualified Pension Plans. Scheduled for a Public Hearing Before the Subcommittee on Oversight of the House Committee on Ways and Means on May 5, 1998. May 4, 1998

JCX–31–98—Description Of Roth Financing Amendment To The "Internal Revenue Service Restructuring And Reform Act Of 1998" As Reported By The Senate Committee On Finance. May 5, 1998

JCX–32–98—Estimated Revenue Effects Of H.R. 2676, The "Internal Revenue Service Restructuring And Reform Act Of 1998," As Reported By The Senate Committee On Finance And Modified By The Roth Financing Amendment. May 5, 1998

JCX–33–98—Comparison Of Revenue Provisions Of H.R. 2646 Relating To Certain Education Savings Tax Incentives As Passed By The House And The Senate. May 11, 1998

JCX–34–98—Comparison Of The Estimated Budget Effects Of The Revenue Provisions Of H.R. 2646, As Passed By The House And The Senate. May 11, 1998

JCX–35–98—Description Of Present Law And Proposals Relating To Tobacco Tax And Trust Fund And Other Provisions. Scheduled for Consideration by the Senate Committee on Finance on May 14, 1998. May 14, 1998

JCX–36–98—Estimated Revenue Effects Of A Chairman's Mark For Senate Finance Committee Markup Of S. 1415 On May 14, 1998. May 14, 1998a

JCX–37–98—Errata—"Description Of Present Law And Proposals Relating To Tobacco Tax And Trust Fund And Other Provisions. May 14, 1998

JCX–38–98—Estimated Revenue Effects Of An Amendment To S. 1415, As Agreed To By The Senate Committee On Finance On May 14, 1998. May 14, 1998

JCX–39–98—Comparison Of Tax Technical Corrections Contained In H.R. 2676 As Passed By The House And The Senate. May 18, 1998

JCX–40–98—Distributional Effects Of S. 1415, As Reported By The Senate Committee On Commerce, Science, And Transportation. May 18, 1998

JCX–41–98—Distributional Effects Of An Amendment To S. 1415 As Reported By The Senate Committee On Finance. May 18, 1998

JCX–42–98—Estimated Revenue Effects Of H.R. 2676, The "Internal Revenue Service Restructuring And Reform Act Of 1998," As Passed By The Senate On May 7, 1998. May 20, 1998

JCX–43–98—Estimated Budget Effects Of The Conference Agreement Relating To The Transportation Revenue And Trust Fund Provisions Of H.R. 2400 (Title IX). May 22, 1998

JCX–44–98—Comparison Of The Estimated Budget Effects Of H.R. 2676, The "Internal Revenue Service Restructuring And Reform Act Of 1998," As Passed By The House And The Senate. May 28, 1998

JCX–45–98—Description And Analysis Of Revenue-Related Provisions Of S. 1415 Relating To National Tobacco Policy As Modified By The Manager's Amendment. June 3, 1998

JCX–46–98—Estimated Budget Effects Of The Conference Agreement On The Revenue Provisions Of H.R. 2646. June 16, 1998

JCX–47–98—Disclosure Report For Public Inspection Pursuant To Internal Revenue Code Section 6103(p)(3)(C) For Calendar Year 1997. June 16, 1998

JCX–48–98—Description Of Possible Proposals Relating To The Individual Alternative Minimum Tax ("AMT"). Scheduled for a Public Hearing Before the Subcommittee on Oversight of the House Committee on Ways and Means on June 23, 1998. June 22, 1998

JCX–49–98—Description Of Possible Proposals To Reduce Tax Complexity For Small Business. Scheduled for a Public Hearing Before the House Committee on Ways and Means on June 23, 1998. June 22, 1998

JCX–50–98R—Summary Of The Conference Agreement On H.R. 2676, The Internal Revenue Service Restructuring And Reform Act Of 1998. June 24, 1998

JCX–51–98—Estimated Budget Effects Of Titles I–VIII Of The Conference Agreement Relating To H.R. 2676, The "Internal Revenue Service Restructuring And Reform Act Of 1998". June 24, 1998

JCX–52–98—Description Of Revenue And Social Security Provisions Included In The Chairman's Amendment In The Nature Of A Substitute To H.R. 3249, The "Federal Retirement Coverage Corrections Act". June 24, 1998

JCX–53R–98—Listing Of Expiring Tax Provisions, 1998–2007. June 30, 1998

JCX–54–98—Description Of Revenue Provisions To Be Considered In Connection With A Markup Of Trade Matters. Scheduled for Markup by the Senate Committee on Finance on July 21, 1998. July 20, 1998

JCX–55–98—Estimated Budget Effects Of Revenue And Trade Provisions To Be Considered In Connection With A Markup Of Trade Matters. Scheduled For Markup By The Senate Committee On Finance On July 21, 1998. July 21, 1998

JCX–56–98—Description Of Revenue Offsets For Medical Savings Account Provisions Contained In H.R. 4250, The "Patient Protection Act Of 1998". July 23, 1998

JCX–57–98—Estimated Budget Effects Of Medical Savings Account Provisions In H.R. 4250, The "Patient Protection Act Of 1998," And Revenue-Offset Provisions Of An Amendment To Be Offered To The Bill. July 23, 1998

JCX–58–98—Description Of S. 442, The "Internet Tax Freedom Act," And A Proposed Chairman's Amendment In The Nature Of A Substitute. Scheduled for Markup by the Senate Committee on Finance on July 28, 1998. July 24, 1998

JCX–59–98—Background And Present Law Relating To Funding Mechanisms Of The "E-Rate" Telecommunications Program. July 31, 1998

JCX–60–98—Description Of Major Provisions Contained In The "Taxpayer Relief Act Of 1998". Scheduled for a Markup by the House Committee on Ways and Means on September 17, 1998. September 15, 1998

JCX–61–98—Description Of Tax Technical Corrections In The "Taxpayer Relief Act Of 1998". Scheduled for Markup by the House Committee on Ways and Means on September 17, 1998. September 15, 1998

JCX–62–98—Estimated Budget Effects Of The "Taxpayer Relief Act Of 1998". September 15, 1998

JCX–63–98—Distributional Effects Of The "Taxpayer Relief Act Of 1998". September 15, 1998

JCX–64–98—Description Of An Amendment In The Nature Of A Substitute To The Provisions Contained In H.R. 4579, The "Taxpayer Relief Act Of 1998". Scheduled for a Markup by the House committee on Ways and Means on September 17, 1998. September 17, 1998

JCX–65–98—Estimated Budget Effects Of An Amendment In The Nature Of A Substitute To H.R. 4579, The "Taxpayer Relief Act Of 1998". September 17, 1998

JCX–66–98—Description Of Provisions In H.R. 4738. Scheduled for Markup Before the House Committee on Ways and Means on October 9, 1998. October 9, 1998

JCX–67–98—Description Of Tax Technical Corrections Contained In H.R. 4738. Scheduled for Markup Before the House Committee on Ways and Means on October 9, 1998. October 9, 1998

JCX–68–98R—Estimated Revenue Effects Of H.R. 4738. Scheduled for Markup by the Committee on Ways and Means on October 9, 1998. October 9, 1998

JCX–69–98—Description Of An Amendment In The Nature Of A Substitute To The Provisions In H.R. 4738. Scheduled for a Markup by the House Committee on Ways and Means on October 9, 1998. October 9, 1998

JCX–70R–98—Description Of Provisions In S. 2622, The Tax Relief Extension Act Of 1998. October 10, 1998

JCX–71–98R—Estimated Revenue Effects Of S. 2622, The "Tax Relief Extension Act Of 1998". October 10, 1998

JCX–72–98—Estimated Budget Effects Of H.R. 4738, As Passed By The House Of Representatives On October 12, 1998. October 13, 1998

JCX–73–98—Estimated Budget Effects Of Tax And Trade Provisions Of H.R. 4328, The "Omnibus Consolidated And Emergency Supplemental Appropriations Act, 1999". October 20, 1998

JCX–74–98—Summary Of Expiring Tax And Trade Provisions And Other Revenue Provisions Contained In H.R. 4328, The Omnibus Consolidated And Emergency Supplemental Appropriations Act, 1999. October 20, 1998

JCX–75–98—Summary Of Revenue Provisions Contained In Legislation Enacted During The 105th Congress. November 19, 1998.

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

| *Calendar year* | *No. of requests* |
|---|---|
| 1985 | 348 |
| 1986 | 474 |
| 1987 | 420 |
| 1988 | 900 |
| 1989 | 1,290 |
| 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 |

ATTACHMENT D.—105TH CONGRESS REQUEST DATA [1]

(As of January 13, 1999)

| Requestors | Requests Received | Requests Closed | Percent Closed |
|---|---|---|---|
| Ways and Means Committee: | | | |
| Republicans | 1,036 | 887 | 85.6 |
| Democrats | 368 | 318 | 86.4 |
| Senate Finance Committee: | | | |
| Republicans | 1,205 | 1,042 | 86.5 |

ATTACHMENT D.—105TH CONGRESS REQUEST DATA [1]—Continued

(As of January 13, 1999)

| Requestors | Requests Received | Requests Closed | Percent Closed |
|---|---|---|---|
| Democrats | 800 | 693 | 86.6 |
| Non-Ways and Means Committee: | | | |
| Republicans | 403 | 359 | 89.1 |
| Democrats | 182 | 152 | 83.5 |
| Non-Senate Finance Committee: | | | |
| Republicans | 462 | 387 | 83.8 |
| Democrats | 484 | 387 | 80.0 |
| Others | 50 | 48 | 96.0 |
| Total | 4,990 | 4,273 | 85.6 |

[1] Totals include both revenue and non-revenue requests.

ATTACHMENT E.—MEMORANDUM

OCTOBER 28, 1998.

To: Chief of Staff, Joint Committee on Taxation
From: Senior Refund Counsel
Subject: Refund Section—Operations Report January 1–September 30, 1998 [1]

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

SUMMARY

*Volume*.—Refund Cases—439 reports were received during this period. The total dollar amount of refunds was $4,836,746,304.

| Reports received | 1995 | 1996 | 1997 | 1998 |
|---|---|---|---|---|
| Examination Division | 425 | 375 | 457 | 334 |
| Appeals Division | 132 | 101 | 124 | 92 |
| Department of Justice | 20 | 25 | 18 | 12 |
| Chief Counsel | 2 | 5 | 3 | 1 |
| Total | 579 | 506 | 602 | 439 |
| Concerns [1] | 79 | 104 | 88 | 58 |

[1] Includes 12 post review deficiency cases for 1995, 16 for 1996, 4 for 1997, and 3 for 1998.

*Post Review*.—The Service reports 64 large deficiency cases to us on an annual basis. During this reporting period, we received 44 of these cases and wrote 3 concerns.

*Other Action*.—(1) We transmitted for consideration of legislative action 7 issues that arose in various cases.

(2) We transmitted memoranda suggesting the Service reconsider its position in two areas, and one memorandum alerting them to an issue of industry importance.

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

Errors identified by us in 1998 and prior years, and settled in 1998 produced a net reduction in refunds of $20.4 million. The average annual reduction for the last 8 years is $11.1 million. Such corrections also reduced ATNOLCF's, $46 million, AMFTC's $9 million, and regular tax credits $4.5 million. In addition, one joint committee reporter informed us of savings of $600,000 from corrections made before the case was submitted to us, that resulted from memoranda we had written in an earlier case.

[1] Pursuant to our discussions, our report will now be on a fiscal year ended September 30. This transition period will be a short nine-month period.

We hope that in spite of our decreased staffing 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 January 1, 1998 through September 30, 1998]

| Month | No. of cases received | Cumulative total | Cumulative monthly average | Dollar receipts | Cumulative dollar receipts |
|---|---|---|---|---|---|
| January | 37 | 37 | 37 | $347,022,310 | $347,022,310 |
| February | 48 | 85 | 42 | 458,508,696 | 805,531,006 |
| March | 62 | 147 | 49 | 776,532,808 | 1,582,063,814 |
| April | 43 | 190 | 47 | 305,529,092 | 1,887,592,906 |
| May | 53 | 243 | 48 | 354,459,118 | 2,242,052,024 |
| June | 54 | 297 | 49 | 1,293,518,368 | 3,535,570,392 |
| July | 62 | 359 | 51 | 766,793,099 | 4,302,363,491 |
| August | 35 | 394 | 49 | 190,355,756 | 4,492,719,247 |
| September | 45 | 439 | 48 | 344,027,057 | 4,836,746,304 |

EXHIBIT II.—JOINT COMMITTEE CASES RECEIVED IN BY TYPES OF TAXPAYER AND SOURCE

[From January 1, 1998 through September 30, 1998]

| | Amount | Percent | | Amount | Percent |
|---|---|---|---|---|---|
| TYPES OF TAXPAYERS | | | SOURCE OF REPORTS | | |
| Individuals | 23 | 5.24 | Examination | 334 | 76.08 |
| Estates | 7 | 1.59 | Appeals | 92 | 20.96 |
| Trusts | 1 | 0.23 | Justice | 12 | 2.73 |
| Corporations | 408 | 92.94 | Tax Court | 1 | 0.23 |
| Total | 439 | 100.00 | Total | 439 | 100.00 |

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

[From January 1, 1998 through September 30, 1998]

| Month | Examination | Cumulative | Appeals | Cumulative |
|---|---|---|---|---|
| January | 22 | 22 | 13 | 13 |
| February | 39 | 61 | 8 | 21 |
| March | 51 | 112 | 9 | 30 |
| April | 36 | 148 | 6 | 36 |
| May | 41 | 189 | 12 | 48 |
| June | 43 | 232 | 9 | 57 |
| July | 39 | 271 | 20 | 77 |
| August | 28 | 299 | 7 | 84 |
| September | 35 | 334 | 8 | 92 |

EXHIBIT IV.—1998 JOINT COMMITTEE ON TAXATION CONCERNS ON REFUND REPORTS FROM IRS [1]

| | Examinations | Appeals | Total No. of concerns issued |
|---|---|---|---|
| Number of concerns issued | 40 | 15 | 55 |
| Percent of total concerns issued | 73 | 27 | 100 |

EXHIBIT IV.—1998 JOINT COMMITTEE ON TAXATION CONCERNS ON REFUND REPORTS FROM IRS [1]—Continued

| | Examinations | Appeals | Total No. of concerns issued |
|---|---|---|---|
| Total reports received | 334 | 92 | 426 |

[1] Number of Concerns does not include 3 on deficiency cases.

Senator BENNETT. Thank you very much.

So, the budget does not include the $200,000 and three additional FTE's. Would you ask us to do that? That is not a lot of money.

Senator ROTH. I think my personal answer, Mr. Chairman, would be yes. I think that there is great merit in making a careful examination of the Internal Revenue Code. It would be a very, very considerable undertaking on the part of the Joint Committee, but I will have to tell you, the more I have looked into the IRS, the Tax Code, the complexity, the fact that different experts come out with different answers, it is critically important that we move ahead with reform.

Senator BENNETT. Well, I recall during the health care debate in the 103rd Congress I quoted James Madison on the floor when he said, laws must be understandable, and made the point that the 1,300 pages that were offered to us as the health care law were absolutely impenetrable. The then chairman of the Finance Committee, Senator Moynihan, took the floor and said, we have long since gone beyond the time when laws were understandable. Consider the Internal Revenue Code, which no one understands and which is three or four times as voluminous as the piece of legislation that the Senator from Utah is complaining about.

I think if we can resolve it for $200,000, we probably should do it.

Senator ROTH. I would be very supportive of that approach.

Senator BENNETT. I have to ask the standard question. You have a lot of hardware and software, a significant equipment budget, are your systems Y2K compliant? Have you dealt with that challenge?

Ms. PAULL. Yes, our systems are. We currently produce lots of tables that include the year 2000 and beyond, and so we have already had a check-out and we are in good shape.

Senator BENNETT. I wish I could say that was the case for everyone who comes before us.

Senator ROTH. I think that is where our risk is, Mr. Chairman, when we do work with outside organizations whether or not they have made the necessary changes.

Senator BENNETT. All right. Senator Feinstein, I have no further questions.

Senator FEINSTEIN. Just one, if I may, Mr. Chairman.

Senator BENNETT. Sure.

Senator FEINSTEIN. Senator, just one quick question on the additional——

Senator ROTH. Make it easy. [Laughter.]

Senator FEINSTEIN (continuing). On the additional FTE's. In your remarks, you mentioned three missions. One is the complexity analysis of the revenue provisions. I trust that means recommenda-

tions for simplification of the Tax Code. The second is the annual report in connection with the hearings of the six congressional committees, and the third is the present law protections relating to disclosure and tax reform information.

Are those the three areas, or is there more for these people to do?

Senator ROTH. There is more. For example, a study is being taken and is to be available I think in July on penalties and interest. I think this is a critically important study because the number of penalties and interest are a major concern of mine, particularly in light of the complexity and lack of understanding of the Tax Code. People can work in good faith and try to do what is right or they may have made an honest mistake, and yet they are subject to significant penalties, as well as interest. I think this is a matter that cries for further study. There may be other matters.

SIMPLIFICATION OF THE TAX CODE

Senator FEINSTEIN. Is there now no kind of oversight, review process in the sense of recommendations for change?

Ms. PAULL. Well, part of the Joint Committee's mission is to look at the Tax Code and make recommendations on how to simplify the Code. We have a project going on right now and we have done several projects in the past to make some recommendations on simplification.

But the additional appropriations would be to cover all of the Tax Code, not just single out areas where we think priority attention ought to be given. So, it would be a much more comprehensive effort than we do today in trying to identify the worst parts of the Tax Code and make recommendations to address that.

In addition, we did absorb in our budget some of the duties that were given to us under the IRS restructuring bill, the two studies that were mentioned, as well as the complexity analysis and the coordination of the joint hearings. So, it is really this big effort, looking through the entire Tax Code and making a recommendation, that would really be a much larger undertaking than we could absorb in our budget today.

Senator FEINSTEIN. You are asking for this up to the year 2003, or this is a permanent addition?

Ms. PAULL. The comprehensive report is once every Congress. What we are asking for is an annual appropriation of $200,000 and three FTE's to devote those resources to that once-a-Congress report.

Senator FEINSTEIN. On an ongoing basis.

Ms. PAULL. That is correct.

Senator FEINSTEIN. Thank you very much.

Senator BENNETT. Let me revisit that. Is there any similar effort going forward in the Library of Congress Congressional Research Service?

Ms. PAULL. I am not aware of that, but the IRS restructuring bill does ask the IRS to perform a similar function on an annual basis. Their first report will be due March of the year 2000.

Senator ROTH. I think there is great merit in duplication.

Senator BENNETT. I see a group of experts with different patrons——

Senator ROTH. Exactly.

Senator BENNETT (continuing). Gathering around the table and swapping ideas. So, I am not suggesting you do not need it if the Congressional Research Service has it, but when we get the Library of Congress before us, we may ask them if their Congressional Research Service has some experts that are working on this. So, the IRS will come and say this is how we think, the Joint Committee on Taxation comes and says this is how we think, and the Congressional Research Service says this is how we think. Maybe we will get some fertile ideas coming out of that kind of exchange.

Senator ROTH. Right. It is a major undertaking and it is extraordinarily difficult.

Senator BENNETT. It is. I was involved in Senator Dole's effort to try to come up with an idea, and we finally settled on saying it will take us 2 years. [Laughter.]

Thank you very much. We appreciate your being here and the work you do.

Ms. PAULL. Mr. Chairman, if I might also leave some background pamphlets that we did in response to your concerns and the subcommittee's concerns about access to our services by other Members than the tax-writing committees so they can understand what we do and how to use our services.

Senator BENNETT. We have some statistics on that.

Ms. PAULL. Yes, I know. We are very interested in making sure everybody uses our services and has equal access.

Senator BENNETT. Well, I noticed the one group that has the highest response. You might be interested, Senator Feinstein. We raised the issue that their staff only responds to people from the Ways and Means and the Finance Committees. You will find now that on the Ways and Means Committee, Republicans get 85.6 of their questions answered and the Democrats 86.4; the Senate Finance Committee Republicans, 86.5 and the Democrats, 86.6. But non-Ways and Means Committee Republicans are 89.1. That is the highest level, and the lowest level is non-Finance Committee Democrats. I wonder if that reflects the Speaker who would be a non-Ways and Means Committee Republican? The Speaker may be the one who has driven that number higher. [Laughter.]

Ms. PAULL. The leadership certainly usually needs information quickly when they ask for it.

Senator BENNETT. Since the Leader over here is a Finance Committee Republican——

Ms. PAULL. But if you would look at the absolute numbers in the Senate, non-Finance Committee members, it is a factor that there are a lot more amendments that get offered on the Senate floor than they do in the House. You can see the absolute numbers are high.

Senator BENNETT. Well, your overall response: 85.6 percent. You mentioned that in your testimony, which is why I did not pursue it in the questions. Your desire to get that up is recognized and we appreciate your concern.

Senator ROTH. Thank you very much.

Senator BENNETT. Thank you.

Senator FEINSTEIN. Thank you.

## JOINT ECONOMIC COMMITTEE

**STATEMENT OF HON. CONNIE MACK, CHAIRMAN**

OPENING REMARKS

Senator BENNETT. We welcome Senator Connie Mack, the Chairman of the Joint Economic Committee that has requested $3,200,000 for fiscal year 2000, which is a slight increase over fiscal year 1999 to provide accommodation for cost-of-living for staff and nondiscretionary agency contributions.

Senator, we welcome you and look forward to your testimony.

Senator MACK. You just made my statement. [Laughter.]

I do have a couple of comments that I will make.

But first of all, let me say what a pleasure it is to be back with the committee, this time sitting on this side of the desk.

Senator BENNETT. Senator Mack and I—when he was the chairman of this subcommittee—cut the Joint Economic Committee back, so he has to live with that now that he is the chairman.

Senator MACK. Well, as a matter of fact, if I remember correctly, it was about a 24 percent cut in real terms and we reduced the staff from about 50, 51 to 38, which was in 1994.

Senator BENNETT. 1995.

JOINT ECONOMIC COMMITTEE BUDGET REQUEST

Senator MACK. 1995? Yes.

We have the same number of personnel now as we did after we made the cut. We have held it steady during that period of time.

I just have a short statement that I would like to present.

The Joint Economic Committee, as you have indicated, requests $3.2 million for fiscal year 2000. This budget request reflects the anticipated cost-of-living adjustments and incremental nondiscretionary agency contributions.

The 106th Congress will confront a host of important economic issues that will have a far-reaching impact for the next 2 years and the coming millennium. It is my hope that the upcoming debates on Social Security, tax reform, and the budget, among many other economic issues, will be better informed by analyses provided by the Joint Economic Committee. I am committed to providing Congress with quality research that will help us make the best possible decisions for this country.

These are truly exciting times. A technological revolution has produced the emergence and integration of world financial markets to create a global economy. As much of the world struggles to adapt to the changes demanded by these new realities, the United States stands as a beacon to economic growth. The way in which this Congress addresses the many economic issues before it will affect the long-term economic health of our country, as well as the paths which many other nations will follow.

Producing and disseminating accurate economic research and analysis will be the hallmark of this Congress' Joint Economic Committee. Only through the use of accurate research can we promote the informed policy debates that are crucial to the formation of sound economic policy. It is my judgment that this can be accomplished within the budget request that I have made.

Again, Mr. Chairman, as I mentioned a moment ago, we have held the staff positions to the same number now, 1995, 1996, 1997, 1998, 1999, and this will be into the year 2000. At the same time that we have made those reductions, we have been able to produce quality information and information that is of benefit to the Congress. I would hope that you would be supportive of our budget request.

PREPARED STATEMENT

The increase you mentioned is to cover inflation, but there is a component over which we have no control over, the nondiscretionary agency contributions.

[The statement follows:]

PREPARED STATEMENT OF SENATOR CONNIE MACK

Mr. Chairman, and members of the Subcommittee, thank you for the opportunity to appear before you this morning as Chairman of the Joint Economic Committee. I am happy to be here. The Joint Economic Committee requests $3,200,000 for fiscal year 2000. This budget request reflects the anticipated cost of living adjustments and incremental nondiscretionary agency contributions.

The 106th Congress will confront a host of important economic issues that will have a far-reaching impact for the next two years and the coming millennium. It is my hope that the upcoming debates on Social Security, Tax Reform, and the Budget, among many other economic issues, will be better informed by analyses provided by the Joint Economic Committee. I am committed to providing Congress with quality research that will help it make the best possible decisions for this country.

These are truly exciting times. A technological revolution has produced the emergence and integration of world financial markets to create a global economy. As much of the world struggles to adapt to the changes demanded by these new realities, the United States stands as a beacon to economic growth. The way in which this Congress addresses the myriad of economic issues before it will affect the long-term economic health of our country, as well as the paths which many other nations may follow. For these reasons, this Congress must possess the ability to gather and utilize the most accurate economic data available. My staff and I are committed to providing this data in a concise and accessible manner so that we may meet the challenges that face us and make the best possible decisions for the 21st century.

Producing and disseminating accurate economic research and analysis will be the hallmark of this Congress' Joint Economic Committee. Only through the use of accurate research can we promote the informed policy debates that are crucial to the formation of sound economic policy. It is my judgment that this can be accomplished with this budget request.

I thank you and welcome your questions.

Senator BENNETT. You have covered all of the issues that I had as questions.

Do you have any questions Senator Feinstein?

Senator FEINSTEIN. No questions. A piece of cake.

Senator MACK. A piece of cake. That is right.

Senator BENNETT. Thank you very much for all you do.

Senator MACK. Thank you very much.

Senator BENNETT. Thank you. We appreciate your coming in.

## OFFICE OF COMPLIANCE

**STATEMENT OF RICKY SILBERMAN, EXECUTIVE DIRECTOR**

**ACCOMPANIED BY:**

**PAM TALKIN, DEPUTY EXECUTIVE DIRECTOR FOR THE SENATE**
**GARY GREEN, GENERAL COUNSEL**
**BETH HUGHES-BROWN, ADMINISTRATIVE AND BUDGET OFFICER**

### INTRODUCTION OF ASSOCIATES

Senator BENNETT. We recognize officially Ms. Ricky Silberman who is the Executive Director of the Office of Compliance. If you want to introduce the people who are with you.

Ms. SILBERMAN. I do indeed. Mr. Chairman and Senator Feinstein, this is the Deputy Executive Director for the Senate, Pam Talkin, who has been here before; Gary Green, General Counsel of the Office of Compliance; and Beth Hughes-Brown, our Administrative and Budget Officer. We are honored to be here today to present to you the office's fiscal year 2000 budget.

I know you will be pleased to hear that this year we are once again asking for less money than we received last year: $2.076 million for fiscal year 2000, which is a half percent decrease from our fiscal year 1999 budget. We have actually sustained a decrease of over 20 percent over the past 3 years that the office has been in existence.

The majority of our expenditures continue to be in personnel costs and personal services contracts. For example, section 215 of the CAA, which applied portions of the Occupational Safety and Health Act to the legislative branch, vests in the General Counsel the authority to conduct inspections and investigate health and safety complaints. During this past fiscal year, requests for inspections and investigations under section 215 have increased significantly. OSHA is proving to be one of the most significant responsibilities that we have under the act.

The nature of some of these requests has required expert guidance in the performance of a wide range of occupational safety and health analyses, and assistance in the preparation of technical reports. Gary Green, our General Counsel, who enforces OSHA, ADA, and the labor-management portions of the CAA, is here to address any questions that you may have in this area.

The strictly confidential alternative dispute resolution system, which Congress provided legislative branch employees in the CAA, continues to be a model of effectiveness. I think it is probably the single most important reason why our costs continue to go down. It is based on the principle that an informed regulated community and early resolution of disputes is most cost effective and best for employees and employing offices. Indeed, the process has proved so effective that the Board of Directors has recommended that Congress provide the private and Federal sectors "with the same effi-

cient and effective method of resolving disputes that the legislative branch now enjoys."

This recommendation was made in the biennial section 102(b) study recently submitted to Congress. In that study, the Board is required to review and report on the applicability to Congress of employment laws passed subsequent to the CAA, and that report also included the Board's evaluation of the comprehensiveness of coverage of the CAA laws to the three largest instrumentalities, a task that was left to the future time when the CAA was passed. Those three instrumentalities are the Library of Congress, the General Accounting Office, and the Government Printing Office. We have sent along copies of the 102(b) study to members of the committee, and we have one available if anybody would like to see it.

We have also attached with our submission for your information the section 301(h) report, and that contains the statistics which the office is required to maintain on employee use of the office.

The office is mandated to provide a comprehensive program of education and information, and that includes briefings for Senate employing offices, as well as a number of publications regarding rights and responsibilities under the Congressional Accountability Act. These education and information activities and the publication of reports and studies account for most of the printing and postage costs and much of the cost of materials requested for fiscal year 2000.

Mr. Chairman, we acknowledge and appreciate your leadership of and interest in addressing the year 2000 compliance in legislative branch agencies. We have made good use of the guidance of the GAO team working at your behest in this past year. We have assessed, tested and, when necessary, revised and replaced the mission-critical systems that could be affected at the turn of the century. We have gone into considerable detail in our written statement as to what we have done. I will go into it if you like or skip over it and you can ask questions which I will not be able to answer, but Beth Hughes-Brown will absolutely be able to answer.

When we first went into business over 3 years ago, Beth came in and said, you know, there is a real problem looming in the future, and she has been on top of this. We are very proud of the fact that we are totally compliant at this point with the exception of something that we have no control over and that is the telecommunication systems. We have a redundant system in place with cell phones just in case we need it.

So, moving right along, looking to the future of the Office of Compliance, we have conducted an analysis and evaluation of office functions and operations in terms of future needs. Our reduced workload, as I said earlier, in counseling, mediation, and hearings seems to be stabilized at really a much reduced level. However, we have had an increased demand in OSHA and other activities, and we are reorganizing and reallocating our resources. We believe we will be able to further trim our budget by reducing staff by attrition within the next year. We are already moving to do that, but of course if the Congress were to increase the office's authority and responsibility, as recommended in the 102(b) report, a reassessment is going to be necessary.

PREPARED STATEMENT

We are very proud of the work of this office, and I would like to take this opportunity to thank you and Christine Ciccone for the support which has unfailingly been afforded to us in the nearly 4 years since Congress passed the CAA and since the Office of Compliance was begun.

We will be delighted to answer any questions you may have.

[The statement follows:]

PREPARED STATEMENT OF RICKY SILBERMAN

Thank you, Mr. Chairman and Members of the Committee. As the Executive Director of the Office of Compliance, I am honored to be here to present to you the Office's year 2000 budget. With me are my colleagues the statutory officers: Deputy Executive Director for the Senate, Pam Talkin; Jim Stephens, Deputy Executive Director for the House; General Counsel, Gary Green and Beth Hughes-Brown, Administrative and Budget Officer.

This year we once again are asking for less money than last: $2.076 million for fiscal year 2000, a 0.5 percent decrease from our fiscal year 1999 budget, and a decrease of more than 20 percent over the past three years. The majority of our appropriation expenditures continue to be in personnel costs and personal services contracts. For example, Section 215 of the CAA, which applied portions of the Occupational Safety and Health Act to the legislative branch, vests in the General Counsel the authority to conduct inspections and investigate health and safety complaints. During this past fiscal year, requests for inspections and investigations under Section 215 have increased significantly. The nature of some of these requests required expert guidance in the performance of a wide range of occupational safety and health analyses, and assistance in preparation of technical reports. Gary Green, our General Counsel, who enforces the OSHA, ADA, and other sections of the CAA, is here to address any questions you may have.

The strictly confidential alternative dispute resolution system, which Congress provided legislative branch employees in the CAA, continues to be a model of effectiveness. It is based on the principle that an informed regulated community and early resolution of disputes is most cost effective and best for employees and employing offices. Indeed, the process has proved so effective that the Board of Directors has recommended that Congress provide the private and federal sectors "with the same efficient and effective method of resolving disputes that the legislative branch now enjoys."

This recommendation was made in the biennial Section 102(b) Study recently submitted to Congress in which the Board is required to review and report on the applicability to Congress of employment laws passed subsequent to the CAA. That report also included the Board's evaluation of the comprehensiveness of coverage of the CAA laws to the three largest instrumentalities—the Library of Congress, the General Accounting Office, and the Government Printing Office. I've brought copies of the 102(b) Study with me today for you and the members of the Committee. We have also attached for your information the Section 301(h) report of the statistics which the Office is required to maintain and publish on employee use of the Office.

The Office provides a comprehensive program of education and information including monthly briefings for House employing offices, quarterly newsletters which are sent to all legislative branch employees, and a comprehensive manual for employing offices on rights and responsibilities under the Congressional Accountability Act. Education and information activities, in addition to the publication of reports and studies, account for most of the printing and postage costs and much of the cost of materials requested for fiscal year 2000.

We acknowledge and appreciate your leadership, Mr. Chairman, in addressing year 2000 compliance in legislative branch agencies. We have made good use of the guidance of the GAO team working at your behest in the past year, to assess, test, and when necessary revise or replace the mission critical systems that could be affected at the turn of the next century. We have had a certain degree of advantage over some other agencies due to our small size, recent startup, and most importantly, due to the fact that our internal systems are completely PC-based. All of our personal computers are Y2K compliant, in terms of hardware, software, and networking and operating systems. All of our peripheral equipment, including printers, faxes, modems, TDD's, copiers, postage meters, scanners, and the technical equipment needed to conduct OSHA inspections, are compliant as well, and have been

tested for interoperability issues. Our e-mail system, voice mail system and recorded information line are compliant and ready.

External systems include accounting, our web page, and payroll. The Office is cross-serviced by the Library of Congress for accounting and disbursement purposes, and the Library loaded the new compliant version of the Federal Financial Systems software in production mode last June. It has passed all tests, including interface issues. Our web page is maintained on a GPO server, which has been fully tested, and we access the server by a dial-up software that is also compliant. We are cross-serviced by the National Finance Center for payroll purposes, and all newly compliant NFC systems have been in production mode since September, 1998. Direct deposit could be a problem for some employees, since NFC has no control over banks, but with such a small number of employees, the Office will generate replacement hard copy checks if necessary.

The only area where the Office has insufficient control over our vendors and their component vendors is in telecommunications. Our phone instruments are fully compliant, as are the switches we lease. We are not satisfied with the assurance we've received to date from our telecommunications vendors, and our phone system is one of our most critical systems. Therefore, we have a contingency plan in place, and will be procuring cell phones for essential staff members late this year.

Finally, Mr. Chairman, the Office of Compliance has conducted an analysis and evaluation of Office functions and needs. In light of our reduced workload in counseling, mediation and hearings and the increased demand in OSHA and other activities, we have reorganized and reallocated our resources. We believe we'll be able to further trim our budget by reducing staff by attrition within the next year or two. We're very proud of the work of the Office and I would like to take this opportunity to thank you and Christine Ciccone for the support which has been unfailingly afforded to us in the nearly four years since the passage of the CAA.

We'd be delighted to answer any questions.

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## OFFICE OF COMPLIANCE SECTION 301(H) REPORT TO CONGRESS—JANUARY 1, 1998–DECEMBER 31, 1998

### INTRODUCTION

The Congressional Accountability Act (CAA) generally applies provisions of eleven federal labor and employment laws to over 20,000 covered congressional employees and employing offices. The Office of Compliance (Office), an independent agency in the legislative branch, was established in the CAA to administer and enforce the Act and provide a process for the timely and confidential resolution of workplace disputes. Section 310(h) of the CAA requires that the Office of Compliance: * * * compile and publish statistics on the use of the Office by covered employees, including the number and type of contacts made with the Office, on the reason for such contacts, on the number of covered employees who initiated proceedings with the Office under this Act and results of such proceedings, and on the number of covered employees who file a complaint, the basis for the complaint, and the action taken on the complaint.

This third annual report, which provides information for the period from January 1, 1998 through December 31, 1998, begins with a summary of the authority and responsibilities of the Office of Compliance.

### OFFICE OF COMPLIANCE AUTHORITY AND RESPONSIBILITIES

The CAA establishes the Office of Compliance with a Board of five members, who serve on a part-time basis, and four statutory appointees: the Executive Director, Deputy Executive Director for the Senate, Deputy Executive Director for the House, and the General Counsel. The Office is charged with providing alternative dispute resolution procedures, adjudicative hearings and appeals, for covered legislative branch employees and education and information on the CAA to members of Congress, other employing offices, and employees of the legislative branch. The Board is required to adopt substantive regulations for implementation of certain provisions of the CAA and the Executive Director to adopt rules governing the procedures of the Office. The Office of the General Counsel enforces the provisions of sections 210 and 215, relating to health and safety and public access requirements, including investigation and prosecution of claims under these sections, and periodic inspections to ensure compliance. Additionally, the General Counsel investigates and prosecutes unfair labor practices under section 220 of the CAA.

The CAA applies the rights and protections of provisions of the following eleven labor and employment statutes to covered employees within the legislative branch:

title VII of the Civil Rights Act of 1964; the Age Discrimination in Employment Act of 1967; title I of the Americans with Disabilities Act of 1990; the Rehabilitation Act of 1973; 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 Act; chapter 43 of title 38 of the U.S. Code (relating to veterans' employment and reemployment); the Americans with Disabilities Act of 1990 relating to public services and accommodations; the Occupational Safety and Health Act of 1970; and chapter 71 of title 5 of the U.S. Code (relating to federal service labor-management relations).

THIRD ANNUAL REPORT—JANUARY 1, 1998–DECEMBER 31, 1998

*Number of Contacts Received by the Office of Compliance: 544*

Employees and employing offices may, at any time, seek informal advice and information on the procedures of the Office and the rights, protections, and responsibilities afforded under the CAA. The office responds to all inquiries on a confidential basis.

544 requests for information from covered employees, employing offices, the public, unions, and the press were made by phone and in person from January 1, 1998 to December 31, 1998. Contacts were as follows:

| | |
|---|---|
| Employees | 302 |
| Employing offices | 159 |
| Public | 66 |
| Unions | 14 |
| Press | 3 |
| Recorded Information line | 141 |

In addition, the Office of Compliance website proved to be a frequent and efficient means for covered employees, covered employing offices and the general public to access information on the CAA.

*Reasons for Employee Contacts*

302 covered employees contacted the Office asking questions under the following sections: (note: Aggregate numbers will not necessarily match category totals as a single contact may involve more than one section or subsection of the CAA, and/or more than one issue or alleged violation.)

| Section | Description | Contacts |
|---|---|---|
| 201 | Rights and protections under title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Rehabilitation Act of 1973, and title I of the Americans with Disabilities Act of 1990 | 74 |
| 202 | Rights and protections under the Family and Medical Leave Act of 1993 | 36 |
| 203 | Rights and protections under the Fair Labor Standards Act of 1938 | 27 |
| 204 | Rights and protections under the Employee Polygraph Protection Act of 1988 | ..... |
| 205 | Rights and protections under the Worker Adjustment and Retraining Notification Act | ..... |
| 206 | Rights and protections relating to veterans' employment and reemployment | ..... |
| 207 | Prohibition of intimidation or reprisal | 7 |
| 210 | Rights and protections under the Americans with Disabilities Act of 1990 relating to public services and accommodations; procedures for remedy of violations | 1 |
| 215 | Rights and protections under the Occupational Safety and Health Act of 1970; procedures for remedy of violations | 2 |
| 220 | Application of chapter 71 of title 5, United States Code, Relating to Federal service labor-management relations | 11 |
| NA | Questions regarding the general application of the CAA | 33 |
| NA | Questions on matters which were not cognizable under the CAA | 136 |

The 302 employee contacts were for information regarding:

| | |
|---|---|
| Assignments | 9 |
| Benefits | 1 |
| Compensatory time off | 4 |
| Compensation | 7 |
| Demotion | 2 |
| Discharge | 1 |
| Discipline | 8 |

| | |
|---|---|
| Equal pay | 2 |
| Evaluation | 6 |
| Exemptions under the Fair Labor Standards Act | 4 |
| General questions regarding statutory requirements | 39 |
| Harassment | 28 |
| Hiring | 5 |
| Hours of work | 4 |
| Leave | 37 |
| Leave eligibility | 3 |
| Overtime pay | 11 |
| Promotion | 25 |
| Reasonable accommodations | 5 |
| Reassignment | 1 |
| Recordkeeping | 2 |
| Scheduling | 4 |
| Termination | 18 |
| Terms and conditions of employment | 11 |
| Time off | 1 |
| Requests for written materials | 5 |

*Number of Proceedings Initiated by Covered Employees: 60*

Pursuant to title IV of the CAA, the Office of Compliance provides dispute resolution in the form of counseling and mediation. A proceeding under the CAA is initiated by an individual employee's request for counseling alleging a violation of the CAA.[1]

60 employees from the following employing offices filed formal requests for counseling:

| | |
|---|---|
| The Architect of the Capitol | 30 |
| Capitol Guide Service | |
| Capitol Police | 6 |
| Congressional Budget Office | |
| House of Representatives (non-member or committee offices) | 4 |
| House of Representatives (member offices) | 9 |
| House of Representatives (committee office) | 1 |
| Senate (non-Senator or committee offices) | 6 |
| Senator | 3 |
| Senate (committee office) | 1 |
| Total employee counseling requests | 60 |

These 60 requests for counseling alleged violations under the following sections of the Congressional Accountability Act: (Please see note above regarding aggregate numbers.)

| Section | Description | Cases |
|---|---|---|
| 201 | Rights and protections under title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Rehabilitation Act of 1973, and title I of the Americans with Disabilities Act of 1990 | 61 |
| 202 | Rights and protections under the Family and Medical Leave Act of 1993 | 5 |
| 203 | Rights and protections under the Fair Labor Standards Act of 1938 | 2 |
| 207 | Prohibition of intimidation or reprisal | 27 |

Workplace issues raised by employees requesting counseling under the CAA fell into the following categories: (Please see note above regarding aggregate numbers.)

| | |
|---|---|
| Assignments | 3 |
| Benefits | 1 |
| Compensation | 2 |
| Demotion | 2 |
| Discharge | 3 |
| Discipline | 2 |
| Equal pay | 1 |
| Harassment | 14 |

[1] It should be noted that the alleged unlawful application of a single policy of an employing office may involve multiple individual claims.

| | |
|---|---|
| Hiring | 3 |
| Layoff | 1 |
| Leave | 7 |
| Overtime Pay | 2 |
| Promotion | 20 |
| Reasonable accommodations | 1 |
| Reassignment | 4 |
| Scheduling | 1 |
| Selection | 3 |
| Suspension | 1 |
| Termination | 21 |
| Terms and conditions of employment | 3 |

*Results of the Proceedings*

*Counseling*.—Of the 60 counseling requests received between January 1, 1998 and December 31, 1998, and the 11 pending on January 1, 1998: 11 cases closed during or after counseling, but before mediation—0 settled and 11 sought no further action; 2 cases were pending at the end of 1998; 58 requests for mediation were filed.

*Mediation*.—58 mediation requests received between January 1, 1998 and December 31, 1998. In addition, on January 1, 1998 there were 12 cases pending in mediation, and 13 cases which had completed mediation and were in the open period for filing a complaint. Of those 83 cases:

—49 cases closed during or after mediation
  —18 cases were settled (including one case that settled after District Court suit)
  —in 28 cases, no further action was taken by the covered employee after mediation ended
  —4 civil actions were filed in District Court (one of which was settled);
—13 cases were pending in mediation on December 31, 1998;
—10 cases had completed mediation and were in the time period when a complaint could be filed;
—12 complaints were filed after mediation ended.

*Complaints*.—If the dispute remains unresolved after counseling and mediation, an employee may elect to file a civil action in the district courts of the United States or to file a complaint with the Office. If a complaint is filed with the Office, a Hearing Officer is appointed to hear the case and issue a decision.

Twelve complaints were filed with the Office between January 1, 1998 and December 31, 1998 and one complaint was pending on January 1, 1998.

*Basis of Complaints*

The complaints filed during 1998 involved the following issues: alleged discrimination in assignments based on race and gender; alleged failure to provide a reasonable accommodation for an employee with a disability (2 cases); alleged retaliatory discipline; alleged termination based on age; alleged termination based on national origin, race and color; alleged discrimination based on race and disability; alleged termination based on age and disability; alleged termination based on age and gender; alleged failure to promote based on gender; alleged failure to promote based on gender and race; alleged harassment and termination based on race and in retaliation for opposing practices made unlawful by the CAA.

*Action Taken on Complaints*

Any party aggrieved by a Hearing Officer's decision may file a petition for review of the decision by the Board of Directors of the Office.

During January 1, 1998–December 31, 1998:

*Hearings*.—2 hearing officer decisions were issued; 6 cases were settled or otherwise resolved before the hearings concluded; 5 complaints were pending either with hearings scheduled for early 1999 or awaiting Hearing Officer decisions.

*Appeals*.—No petitions for review of Hearing Officer decisions were filed with the Board; 3 petitions were pending on January 1, 1998; 2 Hearing Officer decisions were not appealed and became the final decisions of the Office.

*Board action*.—3 Board decisions were issued in 1998; No petitions for review of Hearing Officer decisions were pending on December 31, 1998.

*Judicial review*.—1 Petition for review was filed; One court decision was issued on a petition for review filed in 1997. The U.S. Court of Appeals for the Federal Circuit upheld the Board's decision.

*Labor-Management Relations*

The Office carries out the Board's investigative authorities under section 220 of the CAA, involving issues concerning the appropriateness of bargaining units for

labor organization representation, the duty to bargain, and exceptions to arbitrators' awards.

During January 1, 1998–December 31, 1998:

—2 representation petitions were filed;

—1 Board decision was issued clarifying that several newly encumbered positions were included in a previously certified unit;

—2 Board Decisions and Directions of Election were issued, one of which set aside the results of the initial election because of objectionable conduct and ordered a second election (prior to the holding of the second election, the labor organization withdrew its representation petition);

—2 election agreements were entered into by the parties and approved by the Executive Director on behalf of the Board;

—2 elections were conducted. As a result of the elections, one labor organization was certified as the bargaining representative of employees;

—2 petitions were pending on December 31, 1998: a representation petition filed by a labor organization seeking to represent a unit of approximately 19 employees, and a unit clarification petition seeking to resolve the unit status of certain employees in a bargaining unit certified in 1997.

*The Office of the General Counsel*

The Office of the General Counsel is responsible for matters arising under three sections of the CAA: section 210—Public Services and Accommodations under the Americans with Disabilities Act of 1990; section 215—Occupational Safety and Health Act of 1970; and section 220—unfair labor practices under chapter 71, of title 5, United States Code.

58 requests for Information and Technical Assistance were made from January 1998 through December 1998 under the following sections:

| | |
|---|---|
| Section 210: Public Services and Accommodations under the Americans with Disabilities Act of 1990 | 14 |
| Section 215: Occupational Safety and Health Act of 1970 | 41 |
| Section 220: Unfair Labor Practices under chapter 71, of title 5, United States Code | 3 |

From January 1998 through December 1998, the following actions occurred:

| | |
|---|---|
| Section 210: | |
| Charges filed | 1 |
| Cases closed | 1 |
| Cases pending as of December 31, 1998 | ..... |
| Section 215: | |
| Requests for inspections filed | 21 |
| Cases closed | 18 |
| Cases pending as of December 31, 1998 | 3 |
| Section 220: | |
| Unfair Labor Practice charges filed | 14 |
| Complaints issued | 1 |
| Cases closed | 9 |
| Cases pending as of December 31, 1998 | 5 |

WORKLOAD AND OSHA EXPERIENCE

Senator BENNETT. Thank you very much.

I am delighted that the demands on some of your services are going down, which shows that Congress is beginning to understand some of the things that they have to do and they do not need to come running to you for advice and counsel.

I am not surprised that the increase in OSHA is there. I remember when I was in the private sector, I walked into a company and they had a little sign hanging on the wall that said, if you think OSHA is a small town in Wisconsin, you are in real trouble. [Laughter.]

So, we are beginning to discover what business people have discovered.

At some point I would like to visit with you about what we have learned about OSHA that might be used to amend the law with re-

spect to OSHA. I remember Senator Kempthorne and others were finding horror stories of OSHA requirements that defied all common sense. Someone was fined for improperly storing a toxic substance, and it turned out it was a squeeze bottle of Joy detergent that they put under the sink. Someone said that is improper storage of a toxic substance, and it is something every one of us does in our own homes all the time. There are not very many toddlers in the congressional work place who might get it and even fewer who might drink it. I think that was a case of regulatory overkill.

One of the reasons I supported the CAA was because I wanted Congress to begin to understand those kinds of experiences. We had them routinely in the business world and legislators just kind of laughed us off. Now if we can have some examples of legislators who are really upset by some of the regulatory excesses, maybe we can change the law. You have become the repository of those kinds of examples. So, at some point I would like to come talk to you about that.

Ms. SILBERMAN. Well, we would like to talk to you about it as well. Our experiences in OSHA have been very interesting. Generally we have found that the Congress and the congressional employees are working in important ways in much safer circumstances because of the OSHA regulation. Now, we like to think that we are not unreasonable regulators, and I know that the law has been put to very good use, and particularly in the area of flammable substances. You all were working under conditions that were dangerous to you and that we have been able to correct.

Senator BENNETT. I am sure that is true. I am not in any way suggesting that OSHA should be repealed, just maybe fine tuned a little here and there.

Senator Feinstein, do you have any questions?

Senator FEINSTEIN. Thanks, Mr. Chairman.

POTENTIAL ADDITIONAL AUTHORITY

Ms. Silberman, I gather from your comment if you were to get the enhanced authority, you would need an additional budget allocation. Is that correct?

Ms. SILBERMAN. We are not sure of that, Senator. One of the experiences that we have had is that in the beginning, at least when we got the original authority, there was a front-loading, of necessity, for publications of materials, for education and information, and of course, in any new law there is a lot of activity in the beginning.

My guess is that if we were to get the Library of Congress, the GAO, and the GPO in the way that the Board has recommended, that we might need some increase from what we have now reduced ourselves to. I have been loathe to get us into a situation where we would take these reductions and then get the increased authority and not be able to do it.

But I think we are OK. So far, we are certainly OK. Everybody has been wonderful about being realistic about what the needs of this office are, and I would trust that that would continue if we were to get the increased authority.

Senator FEINSTEIN. Could I ask you, is the enhanced authority you are referring to on page 3 of your executive summary? Are those the recommendations for changes?

Ms. SILBERMAN. There are recommendations in two areas which actually interrelate. One set of recommendations has to do with those areas of the CAA laws, the 11 CAA laws, which were not made applicable by Congress when it passed the CAA.

ENFORCEMENT AUTHORITY FOR RETALIATION

Senator FEINSTEIN. Well, one of the things that intrigued me was this prohibits intimidation or reprisal for opposing any practice made unlawful by the act or for participation in any proceeding under the act. What is that all about?

Ms. SILBERMAN. Well, that is retaliation. Congressional employees are protected from retaliation under the CAA, but it is a general protection for which the Office of Compliance has no enforcement authority.

Senator FEINSTEIN. But what kind of retaliation could there be?

Ms. SILBERMAN. Well, for coming to file a claim at the Office of Compliance, people could get fired. People can be demoted. People can be intimidated. It is the one area, I have to tell you, that our experience in 3 years is that we have insufficient enforcement authority. The report goes into that. The reason for that is that——

Senator FEINSTEIN. Are you saying that a Member of Congress or a Member of the Senate would punish somebody for filing a report?

Ms. SILBERMAN. A Member of Congress or a Member of the Senate is an employer in the sense that one is an employer under the private sector. So, it is possible that that could happen.

But you also have to remember that there are 22,000 employees covered under the CAA. They include the Architect of the Capitol, the Capitol Police, and other small and larger legislative entities.

But reprisal and retaliation is the single most serious institution-threatening act that can be taken under many of these laws. It is true in the private sector. When I was Vice Chairman of the EEOC, those were the complaints that we took most seriously, and it is true in the other enforcement agencies.

But you have to remember that under the CAA, the employees of the legislative branch have access to this wonderful alternative dispute resolution system. There is no investigation, and there is no enforcement of the law other than to go to court or to go into an adjudicative hearing.

Retaliation is the one area where mediation and counseling does not seem to work as well. People are concerned about using it because they are concerned about the act itself.

We have gone into that at some length, and there is a lot more about it in the report which I commend to you. We were asked by Congress, when you passed the CAA, to every 2 years review the effectiveness of the CAA in terms of new laws that have been passed and also our recommendations as to how it has worked. This was the report that was issued on January 1st of this year that has a lot of interesting stuff in it and I do commend it to you.

Senator FEINSTEIN. Could I ask you another question?

Ms. SILBERMAN. Sure.

ADDITIONAL RECORD KEEPING

Senator FEINSTEIN. What kind of additional record keeping would be required of Members?

Ms. SILBERMAN. There is no record keeping required of Members, although there is considerable record keeping required in the private sector. That is another area of the law that Congress did not extend to itself which is part of the private sector law. This falls along the lines of what the Chairman was asking me before. The CAA does not completely apply the laws that are applied in the private sector, whether it is in OSHA—and certainly under the Fair Labor Standards Act.

The lack of record keeping requirements is another omission that the Board looked to, and we believe that it would be very helpful both to Senators and Congressmen and other employing offices, as well as to employees when employees file a claim, if there were some record keeping so that we could use that for a factual analysis. But there is no record keeping requirement. Early on our Board decided that that was not a change that they would be able to make under the standards that were established under the CAA, that it would take a legislative change to make record keeping requirements necessary.

Senator FEINSTEIN. Thank you.

Ms. SILBERMAN. Thank you.

Senator FEINSTEIN. Thanks, Mr. Chairman.

Senator BENNETT. Thank you.

I am interested in following up on Senator Feinstein's comment. The complaints that were actually filed. You say 12 complaints were filed. These are those that are unresolved.

Ms. SILBERMAN. That is right. That is correct.

Senator BENNETT. How many employees do you deal with?

Ms. SILBERMAN. There are slightly over 22,000 employees.

Senator BENNETT. So, 12 complaints out of 22,000 is really quite an amazing record of accomplishment.

Ms. SILBERMAN. Well, yes, I think so. This is not a culture of complaint we have found. On the other hand, we also think that the law has worked as a deterrent and there has been widespread compliance. That is why when we went to do this 102(b) report, the Board was very careful to try and look to those areas in which we thought that change was necessary. In general, I would like to reiterate again and again that the alternative dispute resolution system is really working and working well.

Senator BENNETT. I looked down this list of 12. There is only one that says retaliation for opposing practices made unlawful by the CAA.

Ms. SILBERMAN. I think that that is a result of the fact that retaliation claims are seldom made if there is little hope of—the nature of the complaint is such that you have to provide the kind of protection that will make it possible for those complaints to be brought.

Senator BENNETT. Well, thank you very much. This is very interesting.

Ms. SILBERMAN. Thank you and thank you all again for your unfailing support.

Senator BENNETT. We appreciate it.

I do have one last question. It appears that the Office of the Architect of the Capitol has been a source of a number of complaints. You have a Deputy Executive Director for the House and a Deputy Executive Director for the Senate. Who is responsible for complaints when they do not come from either the House or the Senate?

Ms. TALKIN. I take on the Architect as well.

Senator BENNETT. You take on the Architect as well. [Laughter.]

Ms. TALKIN. As it were, that responsibility.

Senator BENNETT. I just wanted to make sure that it was not falling between the cracks.

Ms. TALKIN. Not at all.

Ms. SILBERMAN. They represent the major number of complaints that we get in all the areas. Of course, in the OSHA area, it is particularly true because they bear responsibility for the Senate and the House and the buildings.

Thank you very much.

SUBCOMMITTEE RECESS

Senator BENNETT. Thank you very much.

The subcommittee is recessed.

[Whereupon, at 10:16 a.m., Wednesday, March 10, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

# LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2000

**WEDNESDAY, MARCH 17, 1999**

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

The subcommittee met at 10:04 a.m., in room SD–116, Dirksen Senate Office Building, Hon. Robert F. Bennett (chairman) presiding.

Present: Senators Bennett and Feinstein.

## LIBRARY OF CONGRESS

**STATEMENT OF HON. JAMES H. BILLINGTON, LIBRARIAN OF CONGRESS**

**ACCOMPANIED BY:**

**DONALD L. SCOTT, DEPUTY LIBRARIAN OF CONGRESS**
**DANIEL P. MULHOLLAN, DIRECTOR, CONGRESSIONAL RESEARCH SERVICE**
**MARYBETH PETERS, REGISTER OF COPYRIGHTS**
**WINSTON TABB, ASSOCIATE LIBRARIAN FOR LIBRARY SERVICES**
**RUBENS MEDINA, LAW LIBRARIAN**
**LINDA WASHINGTON, DIRECTOR, INTEGRATED SUPPORT SERVICES**
**KENNETH E. LOPEZ, DIRECTOR OF SECURITY**
**HERBERT S. BECKER, DIRECTOR, INFORMATION TECHNOLOGY SERVICES**
**FRANK KURT CYLKE, DIRECTOR, NATIONAL LIBRARY SERVICE FOR THE BLIND AND PHYSICALLY HANDICAPPED**
**BEN BENITEZ, ACTING DIRECTOR, OFFICE OF THE ASSOCIATE LIBRARIAN FOR HUMAN RESOURCES SERVICES**
**JOHN D. WEBSTER, DIRECTOR, FINANCIAL SERVICES**
**KATHY A. WILLIAMS, BUDGET OFFICER**

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

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

This is our third hearing on the Legislative Branch budget for the fiscal year 2000. We will have one more hearing next Wednesday.

As it comes to no surprise to anyone, because of my interest in the Y2K problem and area with respect to the Legislative Branch, we may have additional hearings in April on that issue. It would be very personally embarrassing to me if the rest of the govern-

ment were ready and the one area where I have some leverage in the Legislative Branch were not ready.

So we are reserving the right to have another hearing in April if it is necessary on that issue.

Our first panel this morning is the Library of Congress and the Congressional Research Service, both of which are of great value and importance to the Congress.

We welcome Dr. James Billington, the Librarian of Congress, Mr. Dan Mulhollan, the Director of the Congressional Research Service, and General Scott, the Deputy Librarian of Congress. We are always happy to have you as well, sir.

BUDGET REQUEST

The Library is requesting $383.7 million in appropriated funds; $33.1 million in authority to use receipts, which is a 5.5 percent increase over the fiscal year 1999 model. Of that amount, $71.2 million is for the Congressional Research Service.

So we will hear a specific defense of those numbers from this panel.

PREPARED STATEMENT

Senator Feinstein, do you have any opening comments?

Senator FEINSTEIN. I would ask to put those in the record, Mr. Chairman. I look forward to the hearing.

Senator BENNETT. Without objection, it will be in the record.

[The statement follows:]

PREPARED STATEMENT OF SENATOR DIANNE FEINSTEIN

Mr. Chairman, I join you in welcoming our witnesses here today. This is the third of our hearings on the fiscal year 2000 budget, and we have a very heavy agenda this morning starting with the distinguished Librarian of Congress, Dr. Billington, who will testify along with his colleagues, Mr. Dan Mulhollan, the Director of the Congressional Research Service, and Ms. Marybeth Peters, the Register of Copyrights. The Library of Congress performs very valuable and important functions, not only for the Legislative Branch in that it is Congress' library—a vast storehouse of materials and information that we use in the Congress—but it is also the world's largest and most comprehensive library. And, yet, the budget of the Library of Congress is very well managed. I note from materials that you provided, Dr. Billington, that the Library has experienced a decline of 13 percent in full-time equivalent positions (FTE's) since 1992. We look forward to receiving your testimony.

Following the Library, I also look forward to welcoming Mr. David Walker, the Comptroller General of the United States, who is appearing before the subcommittee for the first time since his confirmation in November of last year. I note that Mr. Walker is assuming the comptrollership from a very distinguished predecessor, Mr. Bowsher, who successfully negotiated a 25 percent, congressionally-mandated funding reduction over a two-year period, 1995–1997. I note that since 1992, the FTE level at the General Accounting Office has decreased by 39 percent. So, I also look forward to receiving the testimony of the Comptroller General.

Finally, Mr. Chairman, on this busy morning, I join you in receiving the testimony on this year's budget of the Government Printing Office from the Public Printer, Mike DiMario. GPO, as well, has been required to undertake cuts in its budget in recent years, and I welcome the testimony of Mr. DiMario in support of his budget request.

Thank you, Mr. Chairman.

Senator BENNETT. Dr. Billington, we welcome you. We are glad you are recovered from yesterday's indisposition. We are delighted to have you here.

OPENING REMARKS BY DR. JAMES H. BILLINGTON

Dr. BILLINGTON. Thank you, Mr. Chairman. Let me first present my colleagues. This is the Deputy Librarian, General Donald Scott. With me also are Winston Tabb, the Associate Librarian for Library Services; Rubens Medina, Law Librarian, Linda Washington, Director of Integrated Support Services, Kenneth Lopez, Director of Security, Herbert Becker, Director of Information Technology Services, Marybeth Peters, the Register of Copyrights, Daniel P. Mulhollan, Director of the Congressional Research Service, Frank Kurt Cylke, Director of the National Library Service for the Blind and Physically Handicapped, Ben Benitez, Acting Director of Human Resources Services, John Webster, Director of Financial Services, and Kathy Williams, Budget Officer.

Senator BENNETT. You probably should not have done that because my businessman's brain is immediately adding up the tab. [Laughter.]

We welcome you all.

Dr. BILLINGTON. Thank you, Mr. Chairman.

I appreciate having the opportunity to appear before this subcommittee and thank you for your continued support now and over the years.

Let me briefly highlight a few points from my full statement, already submitted.

LIBRARY'S MISSION

The Library of Congress is a totally unique institution with its national mission to serve the Congress and to facilitate the creative use of the world's knowledge for the good of our Nation.

Fiscal year 2000 is a milestone year for the Library, which will be 200 years old on April 24, 2000. It is the oldest Federal cultural institution and the largest and most diverse collection of knowledge ever assembled in one place.

By creating it, sustaining it, and using it, and by mandating it to serve other libraries and the Nation, as well as the Congress, the Congress of the United States has been, quite simply, the greatest patron of libraries in world history.

The world of libraries is rapidly changing in the electronic age, and the Library of Congress is both leading and embracing this change in order to sustain its central role in America's unique system of providing free public access to knowledge.

The Library is now not only offering access here on Capitol Hill to objects containing knowledge, but also has become a leading provider of free electronic information for citizens in every State—functioning 24 hours per day, receiving 3.5 million electronic transactions every working day.

We are in the midst of a dramatic transition from just receiving, processing, and serving primarily artifactual materials—this is to say, paper books and serials, films and tapes—to also receiving and serving the rapidly increasing number of materials that are available only in digital form.

This chart (indicating) illustrates this dual function, with physical objects only on this side (indicating) and digital objects that are available everywhere throughout the Nation.

LIBRARY'S CHALLENGES

We have embraced the leadership challenge of blending the rapidly emerging electronic network with the still expanding traditional book culture. The world's production of books increased more than 6 percent last year, even as this electronic explosion was occurring.

But we are also receiving and serving this material in digital form in order to better serve the Congress and the Nation.

We have two key current overriding initiatives for meeting our strategic objectives, as illustrated here (indicating): providing massive digital access to information and, at the same time, streamlining and reengineering our handling of access to books and other traditional containers of knowledge.

The three initiatives for which we are requesting added funding in this budget year are those that clearly help us meet both of these key objectives, that is to say, both the digital objective and the reengineering of traditional functions—the global legal network, the Electronic Copyright Office, and the electronic resources for storing so that we can retrieve digital collections. These contribute to both of these overriding objectives.

While we have been the national leader in digitizing major archival collections for free educational use throughout the country, now we must develop an electronic repository of hardware and software for efficient storage and retrieval of digital materials originating elsewhere so that we can answer the questions that will come from the Congress and from the Nation about materials only available in those forms.

Our ultimate goals are, again, as illustrated in this chart (indicating), are to provide usable knowledge in all formats that support the Congress and democratic government as well as memory and information resources for all Americans, especially for young people for educational purposes in their local communities, and, finally, to provide seamless one-step knowledge navigation in a secure electronic environment.

So that is our future, as we see it, and our Digital Futures Task Force is now at work to draw up a blueprint for the electronic part of the Library's future.

LIBRARY'S BICENTENNIAL

The Bicentennial Year—next year—of the Library will be a decisive time for developing integrated, automated systems and for initiating staff succession programs in order to sustain and enhance the Library's critical role as a trusted knowledge navigator for Congress and the Nation.

The proposed fiscal year 2000 budget supports the Library's mission and strategic plan which chart our course into an increasingly electronic future.

Libraries being a link in this human chain that connects what happened yesterday and what is recorded almost exclusively in book and traditional form with what might take place tomorrow, they must not only include but also bring together traditional and digitized materials.

BUDGET REQUEST

The Library's budget request totals $383.7 million in net appropriations and $33.1 million in authority to use receipts, representing a net increase of 5.5 percent, or $20 million, over fiscal year 1999.

Most of this increase—83 percent, in fact, or $16.6 million—is needed simply to fund mandatory pay raises driven largely by the January 2000 pay raise of 4.4 percent and unavoidable price level increases. The other $3.4 million of the $20 million total increase is needed to meet critical growing workload increases net of program decreases, which are also considerable this year.

The Library has 591 fewer actual FTEs than in 1992. We are doing a great deal more work. Moreover, we must hire and begin mentoring skilled professionals to replace our very large number of expected retirees. About 45 percent of our staff will be eligible to retire by the year 2004.

The Library will be severely strained in the years ahead by the need for large-scale personnel training and replacement in what are often one-of-a-kind jobs. The Library will be further stretched by its necessary commitment both to sustain traditional services and to effect our transition into the electronic world.

So we ask the committee's support so that the Library may head into the 21st Century with both expanded digital holdings and with the systems in place to maximize service for the Congress and to all Americans in their local communities.

PREPARED STATEMENTS

Mr. Chairman, each of you has a packet of materials providing further information about the Library. My colleagues and I will welcome any questions that you may ask.

[The statements follow:]

PREPARED STATEMENT OF JAMES H. BILLINGTON

Fiscal year 2000 is a milestone year for the Library of Congress—a Year of Great Celebration and Transition. On April 24, 2000, the Library will be 200 years old, the oldest Federal cultural institution in the country. By creating and sustaining the world's largest and most diverse collection of knowledge and mandating it to serve other libraries and the nation, the Congress of the United States has been quite simply the greatest patron of libraries in history.

The Congress has continued to support the Library's traditional services as well as its new leadership role in delivering free electronic information to the nation. The Library's Internet site now receives more than three million electronic transactions every working day. This phenomenal usage nearly doubles that of the previous year.

The Library's mission is to make its resources available and useful to the Congress and the American people and to sustain and preserve a universal collection of knowledge and creativity. To fulfill this mission, the Library has amassed an unparalleled collection of more than 115 million items, a superbly knowledgeable staff, and cost-effective networks for gathering the world's knowledge for the nation's good.

People and institutions in the information world are facing historic challenges. The world of librarians and libraries is rapidly changing, and the Library of Congress is both leading and embracing change to sustain its role as a trusted knowledge navigator and pathfinder for America's unique system of providing free public access to usable information. We are making the transition from a model of receiving, processing, and serving primarily artifactual materials (e.g., paper books and serials, films and tapes) to a model of also receiving, processing, and serving the rapidly increasing number of materials available only in digital form (see attachment #1). We are also making the transition from a model of primarily serving peo-

ple over age 18 who use our collections in our reading rooms in Washington, D.C., to a model of serving people electronically everywhere, regardless of age—and contributing directly to K–12 education with the American Memory/National Digital Library program.

The Bicentennial of the Library in fiscal year 2000 will be a decisive time for developing integrated automated systems and for initiating staff succession programs to sustain and enhance the Library's critical role as a trusted knowledge navigator for the Congress and the nation. The Library's proposed fiscal year 2000 budget supports the Library's mission and strategic plan, which charts our course into an increasingly electronic future. Libraries are a link in the human chain that connects what happened yesterday with what might take place tomorrow; they are the base camps for new discovery in the Information Age; they must include and integrate both traditional and digitized materials.

The Library's budget request totals $383.7 million in net appropriations and $33.1 million in authority to use receipts—a net increase of 5.5 percent ($20 million) over fiscal 1999. Most of this increase ($16.6 million) is needed simply to fund mandatory pay raises (driven largely by the January 2000 pay raise of 4.4 percent) and unavoidable price-level increases; $3.4 million (of the $20 million total increase) is needed to meet critical growing workload increases (net of program decreases).

Growing workload decreases total $8.25 million, including a $4.8 million decrease resulting from higher copyright fee receipts, a $2.25 million decrease resulting from two no-year projects (i.e., Meeting of the Frontiers and Lewis and Clark Bicentennial) that were funded in fiscal 1999, and a $1.2 million decrease resulting from a planned reduction in the Integrated Library System project costs.

Growing workload increases totaling $11.6 million are offset by the decreases of $8.25 million which result in a net increase of $3.4 million. Major increases include: $4.8 million for automation building blocks; $1.6 million for a staff succession program; $1.4 million for improved collections security; $.7 million for the Copyright registration process (funded by receipts); $.7 million for the Law Library; $1.5 million for a multi-year James Madison building workstation modernization project; and $.3 million for operational funding of the National Audio-visual Conservation Center.

EARLY HISTORY

The Library of Congress is a living monument to the remarkable wisdom of the Founding Fathers who saw access to an ever-expanding body of knowledge as essential to a dynamic democracy. The Library's three buildings are named for Thomas Jefferson, John Adams, and James Madison. With the support of these Presidents, the Congress established the Library in 1800 as soon as it moved to the new capital city of Washington and established the Joint Committee on the Library as the first Joint Committee of the Congress in 1802.

Jefferson, in particular, took a keen interest in the new institution. After the British burned the Capitol and the Library during the War of 1812, Congress accepted Jefferson's offer to "recommence" the Library and purchase his multi-lingual 6,487-volume collection (then the finest in America) at a price of $23,950. It contained volumes in many languages on everything from architecture to geography and the sciences. Anticipating the argument that his collection might seem too wide-ranging for Congress, Jefferson said that there was "no subject to which a Member of Congress might not have occasion to refer."

Jefferson's ideals of a "universal" collection and of sharing knowledge as widely as possible still guide the Library. With Congressional blessing and support, the Library has grown to serve the Congress and the nation more broadly in ways that no other library has ever done—largely as a result of four milestone laws: (1) the copyright law of 1870, which stipulated that two copies of every book, pamphlet, map, print, photograph, and piece of music registered for copyright in the United States be deposited in the Library; (2) the 1886 authorization of the first separate Library of Congress building that contained openly accessible reading rooms and exhibition space for the general public; (3) the 1902 law that authorized the Library to sell its cataloging records inexpensively to the nation's libraries and thus massively help to subsidize the entire American library system; and (4) the law in 1931 that established the program in the Library to create and supply free library materials to blind and physically handicapped readers throughout the country. Congress thus established the basis both for the continued growth of the collections and for the extension of the Library's services to citizens everywhere.

In 1914, Congress created the Legislative Reference Service (LRS) as a separate entity within the Library of Congress to provide specialized services to "Congress and committees and Members thereof." In 1946, the Congress granted LRS further

statutory status within the Library and directed it to employ specialists to cover broad subject areas. Congress renamed the LRS the Congressional Research Service (CRS) in 1970 and enhanced its analytical capabilities by defining its policy role for the Congress and emphasizing research support to the committees of Congress.

More recently, a series of Congressional statutes have created within the Library of Congress the American Folklife Center (1976), the American Television and Radio Archives (1976), the National Center for the Book (1977), the National Film Preservation Board (1988), and the National Film Preservation Foundation (1996)—further extending the Library of Congress' national role.

LIBRARY OF CONGRESS TODAY

The core of the Library is its incomparable collections—and the specialists who interpret and share them. The Library's 115 million items cover more than 530 miles of shelf space and include almost all media through which knowledge and creativity are preserved and communicated.

The Library has more than 27 million volumes, including 5,700 volumes printed before the year 1500; 12 million photographs; 4 million maps, old and new; 2 million audio recordings; 800,000 motion pictures, including the earliest movies ever made; 4 million pieces of music; 50 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. Recent acquisitions, to name a few, include: papers of Supreme Court Justice Ruth Bader Ginsburg covering her career before appointment to the Court; an addition of 2,000 items to the papers of Supreme Court Justice William J. Brennan; a collection of 500,000 items of Pamela Harriman, diplomat and political figure; the Martha Graham Archives, documenting the contribution of this pioneer in American dance; 32,000 papers of poet Edna St. Vincent Millay; additional organizational papers to collections already at the Library of the National Urban League and NAACP National and Washington Bureau; a large addition to the papers of architect I.M. Pei; sixty drawings of Pat Oliphant, the political cartoonist; text, images, and audio files representing a full "snapshot" of the public World Wide Web (some 500,000 Websites) donated by Brewster Kahle, President and Founder of Alexa Internet; three rare portraits of Georgia O'Keeffe by master photographer Alfred Stieglitz; and a Map of Philadelphia from 1752 with the first illustration of Independence Hall.

Every workday the Library's staff adds approximately 10,000 new items to the collections, after organizing and cataloging them, and finds ways to share them with the Congress and the nation—through on-line access across the nation, through in-person access in the Library's reading rooms, and through cultural programs that feature the Library's collections and reach across the country.

Major annual services include delivering more than 530,000 congressional research responses and services, processing more than 640,000 copyright claims, cataloging nearly 300,000 books and serials, and circulating more than 22 million audio and braille books and magazines to blind and physically handicapped individuals all across America. 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 of Congress programs and activities are funded by four salaries and expenses (S&E) appropriations, which support congressional services, national library services, copyright administration, library services to blind and physically handicapped people, and management support. A separate appropriation funds furniture and furnishings.

AUTOMATION BUILDING BLOCKS

The Library is putting in place automation building blocks that will ensure a solid foundation for continuing into the next century its historic leadership role of delivering information services to the Congress and the Nation, setting bibliographic standards (saving libraries hundreds of millions of dollars by supplying them with bibliographic data), and providing free electronic access to knowledge and information for life-long learners everywhere.

Key automation building blocks for the future include:

*Integrated Library System (ILS).*—The ILS is scheduled to be operational at the beginning of fiscal year 2000 and will change the work patterns for more than half the Library's staff. The fiscal year 2000 budget incorporates a planned decrease of $1,197,000 (from $3,544,000 to $2,347,000), which is $270,000 less of a decrease than projected two years ago in the original budget because of higher software maintenance costs. The ILS will coordinate and make more efficient all the Library's

basic functions, such as acquisitions, cataloging, and research and loan services but will require a major redirection of resources to implement. As a result, the Library projects a slight short-term increase in its arrearage during fiscal years 1999 and 2000. The Library expects that any major savings from the ILS would begin to accrue at the end of fiscal year 2000 and begin appearing in the Library's fiscal year 2001 budget.

*Electronic Resources Information Project*.—An important phase of the transition to an increasingly electronic future is the development of an approach to handling digital materials. The Library is requesting a fiscal 2000 increase of $964,764 for an initiative that consists of two parts: (1) a three-year project, at $520,836 per year, to develop and implement policies and procedures and the access management system necessary for incorporating into its collections and services the electronic products the Library acquires from others via copyright deposit, gift and purchase; and (2) a permanent base increase of $443,928 to fund the technical staff necessary to support the handling of electronic services in the custodial divisions. Just as the National Digital Library Program provided national leadership for the transition to a digital environment through conversion of archival materials delivered on the Internet, the Electronic Resources Information Project will provide leadership in the integration of material in electronic form into our traditional operations with books and other hard copy materials. This effort is a necessary initial step and a key part of the comprehensive plan for integrating all digital collections.

*Global Legal Information Network (GLIN)*.—GLIN is a cooperative international network in which nations are contributing electronically the full, authentic text of statutes and regulations to a database hosted by the Law Library of Congress. GLIN is the digital future of the Law Library, and an increase of $396,000 is requested to support GLIN's expanding from 12 to approximately 30 countries by the year 2004: an addition of three to four countries per year. The Library plans to use receipts provided by participants and sponsors of GLIN to help support GLIN development, but these receipts will not be sufficient to ensure success until a critical mass of countries is achieved.

*Copyright Office Electronic Registration, Recordation and Deposit System (CORDS)*.—CORDS is the electronic future of the Copyright Office and provides the public with an electronic means to submit copyright claims and documents which streamline internal processing. Development, as well as testing, will continue through successive phases with an increasing number of electronic registrations over the Internet. In the year 2004, the Library expects to receive at least 100,000 works (out of a total of more than 700,000 works) in digital form—such as census data, films, music, encyclopedias, scientific papers, and legal documents. An increase of $143,988 (funded by receipts) is requested to expand the CORDS system into new formats, provide on-line customer support, support increasing digital storage needs, and enhance technical capabilities.

*Automation Infrastructure Support*.—An increase of $3,250,000 is requested to fund automation infrastructure support items: (1) $1.9 million to upgrade the Library's digital voice switch, which has been in operation for more than a decade and will not be able to support the Library's growing telecommunications requirements in the 21st century; (2) $600,000 to increase computer server storage and capacity, which is necessary to meet the growing demand of the millions of transactions processed daily; (3) $500,000 to fund additional security and disaster recovery measures, which are becoming increasingly critical with the growth of on-line systems; and (4) $250,000 to support the first phase of a central financial management system replacement project.

The Library is undertaking an institution-wide planning effort to coordinate these building blocks and other digital initiatives in order to provide the most effective information services for the 21st century. The Library is also seeking advice and counsel from the National Academy of Sciences as part of our planning process. The overall transition to modern electronic services Library-wide will be a multi-phase, multi-year process (see attachment #2). Re-engineering traditional functions and adding digital content are critical elements of the planning (see attachment #3).

Fiscal year 2000 marks the end of the initial five-year National Digital Library (NDL) program, and the Library will present, in next year's budget, its plans for the future of our digital programs. The highly successful NDL program serves as a catalyst for institutional change, in addition to making possible access by millions of Americans to the Library's vast holdings. A recent PC Magazine review of the Top 100 Websites stated: "We've raved about The Library of Congress for years, and it just keeps getting better." We plan to build on our successful five-year NDL program to ensure public availability of additional high-quality content.

With regard to the Library's Year 2000 (Y2K) readiness for automated operations, the Library has identified 99 mission critical systems and is on-schedule for making

these systems Y2K compliant by September 30, 1999 (see attachment #4). The General Accounting Office conducts regular reviews of our progress in reaching Y2K compliant automated operations and reports quarterly to the Congress on our progress.

SUCCESSION PROGRAM

The Library's ability to serve Congress and the nation depends in large part on its expert staff, particularly those who have intimate familiarity with the special collections or fluency in foreign languages. In 1996, Library Services undertook an analysis of its vulnerability to retirements and determined that by fiscal year 2004 50 percent (1,077) of its staff would be eligible for retirement. An additional concern is the need to provide upward mobility opportunities for motivated technicians who have demonstrated their ability to move into professional positions. To respond simultaneously to both of these needs, the Library requests $1,010,016 to initiate a cost-effective Library Services Career Enhancement and Succession Plan that will give existing staff opportunities to advance to critical professional positions while also enabling the Library to recruit a new corps of junior technicians. Without the additional funding for technician positions, our newly promoted (and higher paid) curators will be forced to devote time to technician-level assignments, which would not be a cost-effective use of resources.

The Congressional Research Service faces a similar challenge. One-half of CRS' staff of analysts, attorneys and reference librarians will be eligible to retire by the year 2006. To address this challenge, CRS began a research capacity risk assessment process in 1996 and identified the specific subject areas where staff were likely to retire in the next few years. CRS foresees reduced analytic capacity in a significant number of subject areas as early as the year 2000; these losses will accelerate and affect almost every area of legislative support to the Congress by 2004. Rebuilding this capacity requires a multi-year learning period during which new staff develop the breadth and depth of knowledge of the specific issues as well as of the legislative process. To meet these challenges, CRS has developed a multi-year plan to begin hiring replacement staff. In fiscal 1999, the Congress provided $435,858 to begin this hiring process, using the Graduate Recruit Program and the Law Recruit Program. The fiscal 2000 request seeks $559,052 to continue to hire staff to ensure the continuity of services to the Congress, while remaining within the full-time equivalent level provided in the fiscal 1999 budget.

SECURITY OF LIBRARY STAFF, COLLECTIONS AND FACILITIES

During 1998, the Library's House and Senate oversight committees approved our comprehensive Security Plan, and the Congress approved supplemental appropriations totaling $16,975,000 for the Library's physical security. These two Congressional actions provide a framework for the security of the Library's collections, facilities, staff, visitors and other assets. As a result, additional security measures will be put in place during fiscal years 1999 and 2000: the recruitment of additional police, the installation of entry screening equipment at all public entrances, the design and installation of additional perimeter security enhancements, and the design and development of an improved intrusion detection system. The Library is working with the Capitol Police and the Architect of the Capitol to complete a memorandum of understanding, which will ensure proper coordination of all security efforts.

The supplemental appropriations in fiscal 1999 did not provide additional funds for collections physical security initiatives. Thus, for the fiscal year 2000 budget, the Library is requesting an increase of $1,352,201 to support three key collections security enhancements.

*Reader Registration*.—The Library's Security Plan specifies, as a minimum standard, the identification of all patrons requesting material from the collections. The Library is requesting an increase of $466,791 to implement this minimum standard in all reading rooms.

*Marking and Tagging Library Materials*.—The Library's Security Plan specifies, as a minimum standard, the marking and tagging of most material. The Congress approved and funded the marking and tagging of materials received via copyright deposit starting in fiscal 1999, and the Library requests $476,378 to expand marking and tagging to other sources of acquisitions (i.e., gifts, exchanges, purchases).

*Contract Security Monitors*.—The Library is requesting an increase of $370,188 to improve the enforcement of security standards by placing security monitors in five additional reading rooms where unique materials often of great value are used—Law, Geography and Map, Music, Prints and Photographs, and Rare Book and Special Collections. Contract security monitors are now used in the Manuscript and Main reading rooms to ensure that each patron is registered, enforce personal be-

longings restrictions, monitor the activities of visitors, and examine materials being removed. The Library asks that this successful program be expanded to these five additional important reading rooms.

LAW LIBRARY

The Law Library of Congress maintains the largest collection of legal materials in the world and also houses a unique body of foreign-trained lawyers 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, some 80 percent of the sovereign entities of the world that issue laws and regulations. The Law Library utilizes this talent to maintain and develop the breadth and depth of a demanding collection, as well as to provide reference services whenever either chamber is in session (as mandated by the Congress). These are daunting responsibilities. The U.S. Courts, the executive branch, and the legal community also depend heavily on the Law Library's collections.

The Law Library has been creative in attempting to meet its responsibilities, particularly with the development of its Global Legal Information Network, but funding for 8.5 FTE's ($548,852) is crucially required. The funding would ensure adequate staffing for research and reference services, improve the security of the rare book room collections, and improve book retrieval services. The Law Library is also requesting $188,250 for contractual services to maintain the filing of looseleaf inserts. The integrity and currency of legal publications—which contain laws, administrative rules and regulations, and legal interpretations—must be maintained to be of continuing value to the Congress.

COPYRIGHT OFFICE

The Library's Copyright Office promotes creativity and effective copyright protection—annually processing more than 650,000 claims (representing more than 850,000 copies of works transferred to the Library) of which 550,000 claims are registered for copyright. The Copyright Office also responds annually to more than 395,000 requests for information.

On July 1, 1999, the Copyright Office plans to increase its filing fees and other statutory fee services. The new schedule of proposed fees was presented to the Congress for consideration at the beginning of February. The basic filing fee for registering a claim will increase from $20 to $30, and other statutory fees, such as those for filing renewals or recording a document, will also increase. These increases, coupled with the fee changes for special services which went into effect July 1, 1998, represent increases in some cases of as much as 225 percent. We expect fee increases to boost the Office's receipts by $4.8 million in fiscal year 2000. The new fee structure should provide 70 percent cost recovery for registration, recordation and related services. The Register's statement provides a more detailed explanation of the proposed increase.

The ability of the Copyright Office to serve the nation effectively requires restructuring and streamlining operations. The Library requests approval to use part of the additional receipts ($694,212) to redesign the workflow and to bolster its core staff of examiners, which will ensure the timely processing of claims for registration. To improve public service, efficiency, security, cash management, and contain costs, the Copyright Office must redesign its workflow and hire additional examiners.

The Library also requests authority to use part of the additional receipts to fund further growth of the CORDS effort ($143,988, see automation building blocks) and to fund newly imposed storage costs ($268,204) levied by the National Archives and Records Administration.

NATIONAL LIBRARY SERVICE FOR THE BLIND AND PHYSICALLY HANDICAPPED

The Library administers a 67-year-old cooperative effort with state and local agencies and the United States Postal Service to provide free braille and recorded materials for blind and physically handicapped persons. The Library selects and produces full-length books and magazines in braille and on recorded disc and cassette and provides special playback equipment. We distribute reading materials and playback machines to a network of cooperating regional and subregional (local) libraries, who circulate those materials to eligible borrowers and returned to libraries by postage-free mail.

The fiscal year 2000 budget maintains program services by funding mandatory pay and price level increases totaling $1,209,000. The budget also supports the exploration of alternative digital technological possibilities that would provide a less costly, more efficient, internationally acceptable, user-friendly delivery system.

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 $9,405,000, an increase of $6,238,000. The AOC capital budget includes funding for six projects totaling $6,350,000 in appropriations, that were requested by the Library. Library-requested projects, as well as AOC identified projects, are prioritized based on critical need and in accordance with both the Library's Strategic and Security Plans. The six projects support four important areas: (1) the security of our collections by providing additional electronic card readers, alarm devices, and other protections ($1,400,000); (2) the preservation of the Library's collections as a result of improved environmental conditions for exhibit space ($450,000); (3) the support for and oversight of initial construction efforts at the National Audio-visual Conservation Center ($500,000); and (4) the acquisition of additional storage space by funding a second collections storage module at Fort Meade, Maryland ($4,000,000). Properly storing the Library's collections in secure, safe, and environmentally sound facilities is the most important step toward preserving our collections for future generations.

I urge the Committee to support the Architect's Library Buildings and Grounds budget and his position that reinvestment in the existing infrastructure is necessary and a prudent measure for the long-term support of legislative branch operations.

AUDIO-VISUAL CONSERVATION CENTER

The Library's House and Senate oversight committees have approved a Master Plan option for the renovation of the National Audio-visual Conservation Center in Culpeper, Virginia, which provides for the donor to retain ownership of the center through Phase I (2001). As a result, the Library requests an increase of $290,000 to fund fiscal 2000 operating costs, which are estimated to be $509,000. When ownership of the Center is transferred to the AOC, these operating costs will be reallocated between the AOC and the Library, in accordance with normal Library Buildings and Grounds budget practices. In August 1998, the Library began to store film at the center.

NATIONAL FILM PRESERVATION FOUNDATION

The Library is requesting an increase of $250,000 to fund the government's matching grant in accordance with section 209 of Public Law 104–285. To date, the National Film Preservation Foundation has received pledges totaling $1.2 million ($500,000 in actual receipts) from private persons and State and local governments. The $250,000 increase would fund the government's matching share and support the preservation of our film heritage.

JAMES MADISON BUILDING WORKSTATION MODERNIZATION PROJECT

The Library is requesting an increase of $1,528,000 to begin a five-year accelerated workstation modernization project in the James Madison building. We have replaced employee workstations in the Thomas Jefferson and John Adams buildings with modern furniture and equipment as a result of the renovation project. Furniture and equipment installed 20 years ago in the James Madison building, during an era of typewriters and long before the introduction of personal computers, must now be replaced to provide for ergonomically correct workstations in all three of the Library's Capitol Hill buildings. Poor workstation design contributes to the risk of injuries and lower staff productivity. An increase is required to complete the project within five years instead of the 16 plus years the current level of resources would require.

PROPOSED LEGISLATION

During the 105th Congress, the Library's oversight and Appropriations Committees agreed upon authorizing legislation for the American Folklife Center (AFC) and the National Audio-visual Conservation Center. The Library is moving expeditiously to secure all appointments to the AFC board and to realize the master plan for the Culpeper site approved last December. During the last Congress, we also secured legislation for a commemorative coin to be issued in April 2000 in observance of the Library's Bicentennial. In discussing the Library's plans for its Bicentennial with our oversight committees, we stressed the continuing need for the Library to have improved statutory authority for its revolving and reimbursable funds. The 105th Congress approved a revolving fund to improve the accountability and statutory basis for the Cooperative Acquisitions Program. We will be seeking similar authority during this Congress to address the business operating needs of the Federal Re-

search Division and FEDLINK, each of which serves a wide constituency within the Federal government. The bill is our top legislative priority for the 106th Congress. Passage of such legislation would address a critical element of our five-year legislative plan to improve and stabilize the Library's business operations.

OFFICE OF INSPECTOR GENERAL

The Library requests an increase of $139,343 to fund two professional auditors in the Office of the Inspector General. The two auditors would concentrate on reviews of the Library's physical security and automated systems, both areas of critical importance to our operations.

LIBRARY'S BICENTENNIAL

The Library will use its Bicentennial in the year 2000 less to celebrate our past than to leave a legacy for the future. We have crafted—almost entirely with privately raised funds—a multi-faceted Bicentennial Program "to inspire creativity in the years ahead by stimulating greater use of the Library of Congress and libraries everywhere." Bicentennial projects include: reconstituting Thomas Jefferson's original library through private donations; a "Favorite Poem" project spearheaded by the Library's Poet Laureate; a national photography contest, "Beyond Words: Celebrating America's Libraries," jointly conducted with the American Library Association; and a "Local Legacies" project to document unique local traditions from congressional districts throughout the nation for possible inclusion in the American Folklife Center's collections.

The kick-off event later this year for the Bicentennial will be a symposium on the Frontiers of the Mind in the 21st Century, which will bring together at the Library leading thinkers in various disciplines to talk about the way their field will change in the 21st century. The concept of "Gifts to the Nation" is central to the Bicentennial effort. The Library itself is a Congressional "Gift to the Nation." Sharing the Library's collections and information about the Congress with Americans in their local communities through an expanded National Digital Library is the Library's major gift to the nation.

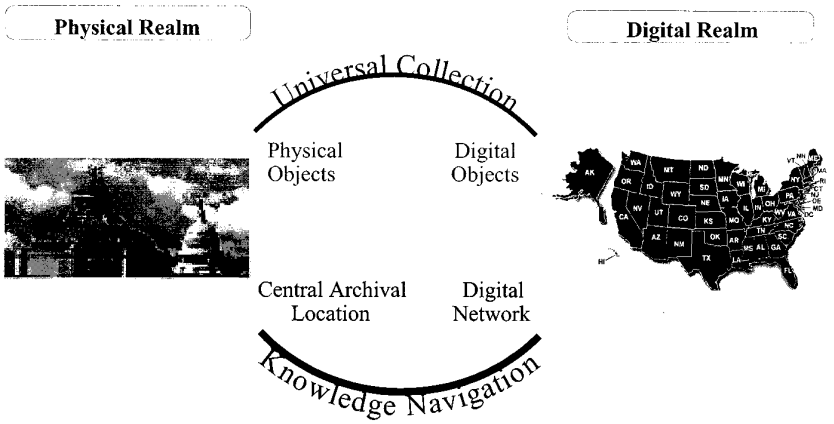
SUMMARY

The Library's budget request for fiscal year 2000—a net increase of 5.5 percent over fiscal 1999 or $20 million—supports the building blocks for realizing our strategic priorities. Most of this increase ($16.6 million) is needed to fund mandatory pay raises (driven largely by the January 2000 pay raise of 4.4 percent) and unavoidable price-level increases.

By funding the Library's fiscal year 2000 budget request, the Congress would support the major transition of staff and operations that must take place to permit the Library to head into the 21st century with the foundation in place to provide the maximum service to the Congress and to its constituents.

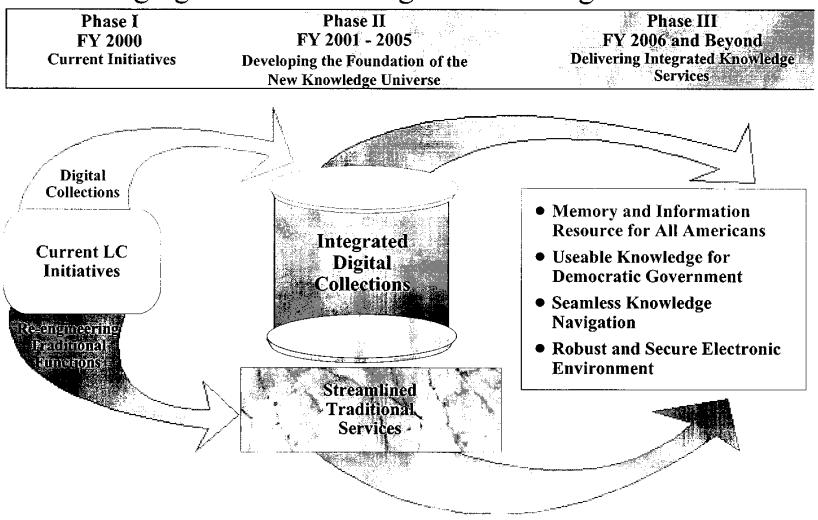
For fiscal year 2000, we submit a budget request that will enable the Library of Congress to continue to make major contributions to the work of the Congress and to the creative life of the American people.

## Library of Congress
## Building Bridges
## to Include the Future Information Environment

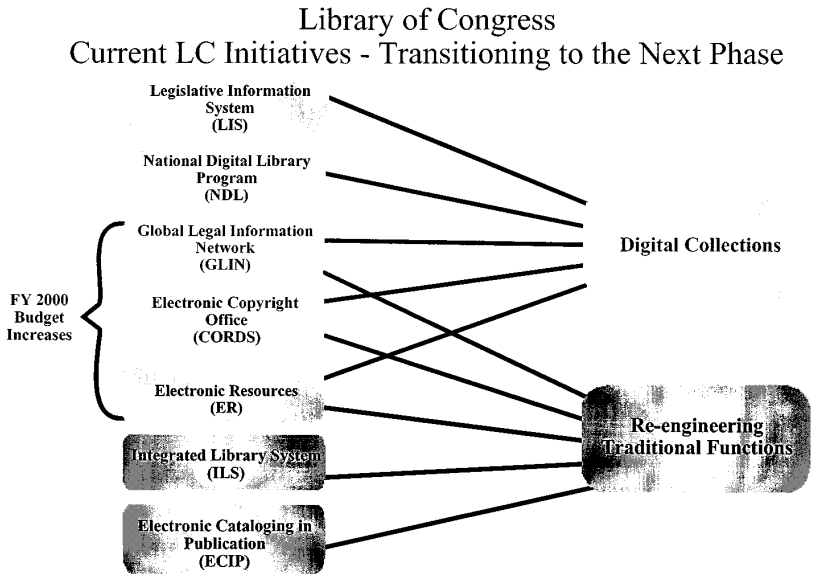



[Attachment 1]

## Library of Congress
## Bridging to the Future Digital Knowledge Network




[Attachment 2]




[Attachment 3]

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PREPARED STATEMENT OF MARYBETH PETERS

Mr. Chairman and Members of the Subcommittee: I appreciate the opportunity to present the budget request of the Copyright Office for fiscal year 2000. For more than 100 years the role of the Office has been one of leadership in the establishment of U.S. copyright policy and service to the nation. The record has been one of solid achievement, and this year is no different.

During fiscal year 1998, the Copyright Office continued to advise the Congress on national and international issues and provided valuable assistance to the United States Trade Representative and other executive branch agencies.

It also continued to create and maintain the on-line catalog of copyright and mask work registrations and recorded documents, to administer the various compulsory licenses and statutory obligations, to further the effort to create a workable automated registration, recordation and deposit system, and to offer technical, legal, and educational assistance in the international arena.

The Copyright Office's public services include, responding to copyright information and reference requests in person, over the telephone, through written correspondence, and electronically through the Web; producing and supplying Copyright Office forms, circulars, studies, regulations, and other publications in paper and digital format; maintaining a 24-hour forms hotline and fax delivery service; providing up-to-date information digitally via the Copyright Office Website and through an electronic mailing list.

In fiscal year 1998, the Office processed 644,639 claims, representing over 800,000 works, registered 558,645 claims, representing more than 700,000 works, recorded 14,368 documents, that included more than 250,000 titles, and responded to 395,456 information requests. It transferred to the Library approximately 850,000 copies of works at a value of $26,991,775. The Office collected $15,559,001 for registration, recordation and related services and approximately $217,000,000 in royalty fees for compulsory licenses.

*Fiscal Year 1999 Focus*

In fiscal year 1999, the Copyright Office will focus on five activities: Maintaining and enhancing the policy role of the Copyright Office in domestic and international copyright matters; continuing the development, testing, and implementation of the Copyright Electronic Registration, Recordation, and Deposit System (CORDS); improving the efficiency and timeliness in registration processing and in providing

copyright reference and information services; enhancing the security of copyright deposits and records through the application of anti-theft devices to the collections and the adoption of other measures; and implementing Copyright Office fee setting legislation.

*Policy Role*

The Digital Millennium Copyright Act (DMCA), enacted on October 28, 1998, supports and enhances the policy role of the Copyright Office in domestic and international copyright matters. The DMCA resulted in the most extensive changes to Copyright Law since the general revision in 1976. It was the result of nearly two years of intensive activity in the Congress, and the Copyright Office was privileged to work extensively with committees in both the House and Senate throughout the legislative process.

Not only did the Copyright Office play a significant role in advising the Congress on matters relating to the DMCA, but the Act itself ensured that the Office will continue to play a leading role in copyright policy in the future. Section 401 of the Act confirms the authority of the Copyright Office to carry out the policy and international functions that it has carried out under more general statutory language for many years.

On several of the substantive issues addressed in the DMCA the affected parties were very far apart, requiring Congress to craft a number of delicate compromises. One of these compromises establishes a new important and difficult activity for the Librarian of Congress and the Register of Copyrights—an ongoing administrative-rulemaking proceeding to evaluate the impact of the law's new prohibition on circumventing technologies that protect works from unauthorized access to determine whether users of "particular class[es] of works" would be hindered in their ability to make noninfringing uses of such works by virtue of the new anti-circumvention rules. If so, the Librarian, upon recommendation of the Register of Copyrights, will exempt such persons from the ban on acts of circumvention.

There were a number of issues that were not ripe for resolution in the DMCA. Several matters under consideration—from distance education to encryption research—required further study. All six of those studies will be carried out either under the auspices of the Copyright Office or with the Office's participation within the next two years.

*Copyright Electronic Registration, Recordation, and Deposit System (CORDS)*

In fiscal year 1999 the Office will continue the development, testing, and implementation of CORDS, which, when fully developed, will allow all Internet users to submit electronically claims to copyright, copies of copyrighted works, and documents such as assignments and licenses.

CORDS has no other prototypes available to build on; it is breaking totally new ground, and is doing so in a rapidly changing technical environment. It involves the use of many new technologies emerging with the growth of the Internet, including applying digital signature technology that authenticates the source and integrity of communications with far more depth of reliability and security built into it than basic FTP (file transfer protocol) or Email communications-based systems.

In January 1999, the Library of Congress and the Copyright Office signed a landmark cooperative agreement with UMI that enables electronic submission of applications and deposits of doctoral dissertations and master's theses. This historic agreement also makes UMI the first partner to submit large numbers of copyright claims (20,000 annually, 400 per week) electronically through CORDS, which will be processed online.

In the fiscal year 2000 budget request, the Copyright Office requests funding for (1) hiring one automation specialist (GS–13) and (2) increasing digital storage capability for CORDS. This will permit the Office to receive and process an increasing number of claims electronically at a substantial savings in staff time and physical storage space.

*Registration Operations*

The Copyright Office's goal is timely, quality service. Throughput time is a major concern to the copyright community. Despite valiant efforts by supervisors and staff, registration has gone from the norm of six to eight weeks in 1993 to six to eight months today. This is clearly unacceptable. Annually, we process approximately 650,000 claims to copyright covering more than 800,000 works and more than 1,000,000 deposit copies per year, received with a fee in most cases, to be processed and routed through many stations in a function-based operation. At the end of fiscal year 1993, the Office had an inventory of 30,000 registration claims to be processed. Normal on-hand ranges for claims to be examined have historically been 30,000 to 45,000.

Beginning in fall 1993, the examiner staff began to decline because of retirements, buyouts, budgetary constraints, and resignations. Over the next three years, the Examining division lost 26 FTE's, or 38 percent, of its examiner staff. Hiring freezes caused by the Copyright Office budget constraints, and the development of the new Library of Congress hiring system prevented the Office from replacing examiners until 1997. Today, there are 52 examiners on staff, only 80 percent of 1993 levels.

To compensate for reduced staff, the Examining Division has held facilitative sessions with staff, offered overtime, cross-trained and utilized staff from other divisions, initiated the use of email and fax correspondence with applicants, streamlined correspondence with frequent applicants, networked correspondence preparation, and initiated better use of technician staff to process uncomplicated claims.

Although these measures are effective in reducing more backsliding, they are not sufficient to recoup the losses. Sixteen new examiners have been hired and are becoming productive; however, the arrearage remains at 125,000 claims. While the division may be able to hold the arrearage at the current level when the new hires are fully trained, there are not enough examiners to reduce the backlog and achieve currency.

To build a cadre of copyright examiners sufficient to ensure the issuance of timely copyright registration certificates will require the funding to hire eight additional examiners (GS–7) which is requested in the fiscal year 2000 budget.

We are also seeking authority to reimburse the National Records Center ($268,204) for storage of Copyright Office records.

*Restructuring the Registration Process in Fiscal Year 2000*

To effectively serve the public and the copyright community in the new Millennium, the Copyright Office must restructure and streamline the registration and recordation processes. Funding for this effort is included in the fiscal year 2000 budget request. Restructuring will improve public service, enhance operational efficiency and security, contain costs, respond to the need to acquire and process works fixed in new formats, and meet the demands of the copyright community for a reduction in the claims arrearage and the speedier processing of claims.

This initiative entails: hiring eight additional copyright examiners (GS–7) to achieve and maintain currency in registration of copyright claims and one automation specialist (GS–13) and increasing digital storage capability for CORDS, as stated earlier; hiring a project manager, (GS–15) NTE 5 years, who is an expert in Copyright Office procedures, to oversee and coordinate the restructuring project throughout the planning and implementation phases, work with the contractors, head up a task force of Copyright Office staff, communicate with and collect input from management, staff, unions, and customers, and evaluate the statutory impact, if any, of restructuring; and hiring a consultant to conduct a process redesign study to develop and implement a restructuring plan for the Office's major registration processing operations and associated functions to enhance operational efficiency and reduce handling of materials.

There are numerous benefits to restructuring the registration process. The value of our records is greatest when up-to-date information on new works is expeditiously made available to the public. Increased staff and more efficient operations will maximize the timeliness of additions to and public accessibility of our records. Office restructuring and electronic filing via CORDS for a growing percentage of applicants are needed to maintain reasonable operating costs in future years and keep user fees, which are based on cost, from escalating to levels unacceptable to the Congress and beyond the means of copyright owners, particularly individual authors. Restructuring will permit better control over material and result in fewer opportunities for misplacement and pilferage. Increasing the use of electronic filing via CORDS will reduce the quantity of materials that require physical handling and storage.

*Security Program*

The Library of Congress has embarked on a major security effort with regard to its collections. The Copyright Office with the Library of Congress has developed a multi-year plan to improve security. In fiscal year 1998, the Copyright Office conducted five Risk Assessments, that identified control weaknesses and developed plans of action to reduce our vulnerability. In fiscal year 1999, the Copyright Office began implementing these plans. Additionally, the Office received fiscal year 1999 funding to install card readers, institute ownership markings and bar coding systems, and security devices for print and non-print material.

*Fee Increases*

On February 1, 1999, I submitted to Congress a proposed schedule of fees for filing copyright claims, recording documents and providing related services. These fees would replace the fees specified in section 708(a)(1)–(9) of the copyright law. Our

goal is to implement these and other new fees on July 1, 1999. Our proposal would increase the filing fee for basic (as opposed to supplementary or renewal) registrations from $20 to $30. Other statutory fees, such as those for recording a document, researching our records and providing a report of our results, will increase to levels necessary to recover costs. The new fee structure is expected to provide 70 percent cost recovery for registration and related services. In fiscal year 2000, higher fees are expected to increase the Office's receipts by $4.8 million, fund the budget initiatives and reduce the Office's net appropriation by $2,336,000.

With respect to increasing our fees, I followed the provisions of the Technical Amendments Act, effective November 13, 1997, which require the Register of Copyrights to conduct a study of costs incurred by the Office for the registration of claims, the recordation of documents, and for other related services. On the basis of the study and public policy considerations, and subject to congressional review, registration, recordation and related statutory fees may be raised to recover reasonable costs, including an adjustment for inflation. However, the new fees must be fair and equitable and support the objectives of the copyright system.

The Office worked with two consulting firms. One firm provided cost accounting expertise that produced an in-depth analysis of copyright costs; the other provided expertise in the new federal "Managerial Cost Accounting Standards." In order to address the need for fees to be fair and equitable and to give due consideration to the objectives of the copyright system, I sought information from authors, copyright owners, the general public and from the Library of Congress.

The Office published a notice of proposed fee increases that contained two alternative preliminary fee schedules, each of which would recover the costs for providing registration and other statutory services, and requested written comments on the two fee schedules and offered the public the opportunity to testify orally at a public hearing. The Office received significant input from the intended beneficiaries of the copyright system and users of Copyright Office services. Organizations representing authors and small publishers urged the Office to set fees lower than the amounts required to fully recover basic registration expenses, noting that registration is required for enforcement of a copyright, and that registration before infringement takes place is generally necessary to obtain the crucial remedies of statutory damages and attorneys' fees.

Many commenters mentioned the hardship higher fees would impose on individual authors, noting that the Internet has decreased their ability to regionalize the sale of their works—sales are now global. They urged that the fee be kept at its current level and asserted that the lower fee for individual authors proposed in the second schedule was too high and would result in decreased applications for copyright registration.

I evaluated all testimony and comments and took into account the possibility that a large increase in fees could result in a concomitant decline in registrations which would jeopardize the stability of the registration system and have a long-term effect on user fee revenues. It would also erode the Office's receipt of valuable deposits, which form the underpinning of the Library's Americana collections. The schedule of fees sent to Congress proposes increasing the basic registration fee by 50 percent; however, some other fee services would increase by as much as 225 percent.

*Justification*

Determining an exact figure for an appropriation reduction in fiscal year 2000 is an extremely difficult task because of the uncertainties related both to the precise fees to be assessed and the impact on demand for services. Further, a fee increase carries its own costs, including handling claims arriving with insufficient fees, which, during the first several months, may represent nearly half of all submissions. History demonstrates that any fee increase negatively affects demand for services for at least the first year following the increase. The Office's income projections are based on an expected 20 percent decline in demand for registrations, the fee service which provides the largest amount of revenue.

Since income in fiscal year 2000 depends on an unpredictable decline in demand and the possibility that our proposed fees might not meet with Congressional approval, and thus might not be implemented at all, the Office believes it is essential to adopt a conservative approach and request a moderate net appropriation reduction and a moderate Offsetting Collections Authority increase for fiscal year 2000. If, as is hoped, income exceeds expenditures, the Office can apply that income toward an appropriation reduction for fiscal year 2001, a year where income projections can be calculated with more certainty based on a half year's experience under the new fee structure.

*Summary*

In its fiscal year 2000 budget request, the Office is seeking authority to fund new initiatives. They include the funding to hire eight examiners (GS–7), one project manager for our restructuring efforts (GS–15) and one automation specialist (GS–13) and funding to increase our digital storage capacity ($70,000), and to conduct a process engineering study ($400,000) to restructure our processes plus equipment and software ($16,000) for the project manager. We are also seeking authority to reimburse the National Records Center ($268,204) for storage of Copyright Office records.

Funding our operational improvements, including increasing our digital storage space for claims that are submitted through CORDS, would support our efforts to become more efficient, to improve public service, and to transition to the global networked society of the 21st century. Approval of our request would still allow you to reduce the Office's net appropriation by $2,336,000.

Senator BENNETT. Thank you very much.

I have a few questions, some of which I will submit to you in writing. But first I think the thing we should do now is this.

Mr. Mulhollan, since we are also going to focus on your budget as an independent part of the overall Library budget, perhaps we ought to have you make a few comments before I get into questions. Then the questions can go back and forth.

OPENING REMARKS BY DANIEL P. MULHOLLAN

Mr. MULHOLLAN. Thank you, Mr. Chairman.

It is a pleasure to appear before you and Senator Feinstein to discuss the fiscal year 2000 budget request for CRS. I want to thank this subcommittee for the support it has given to CRS in the past, for the confidence you have shown in us, and for the close working relationship that you have made possible.

As the shared resource of Congress, I believe our request will continue to permit CRS to provide the highest level of legislative assistance both economically and efficiently.

Our budget request contains only those funds necessary to maintain services to the Congress now and into the future.

CRS REQUEST FOR FUNDING

Our request for funding has two components. The first is to cover mandatory costs of personnel, which constitute 90 percent of CRS's total operating budget. The other 10 percent of costs are allocated for the tools required to perform research and analysis.

We are also asking that the fiscal year 2000 appropriation cover cost increases due directly to the effects of inflation.

CRS SUCCESSION PLAN

A second component of the request is to fund the second year of our 3 year succession plan for maintaining research capability, one of a number of steps we have taken to preserve institutional memory and to insure continuity of service.

The plan is designed to insure this analytic expertise for Congress by enabling current staff to transfer to new staff their institutional memory, knowledge of the legislative process, and commitment to confidentiality, objectivity, timeliness, accuracy and responsiveness.

As in the past, we have made every effort to hold down costs and, at the same time, insure continued Congressional access to our expertise and high productivity. Let me assure you that we re-

main committed to work with our fiscal year 1999 budgeted full-time equivalent positions.

Mr. Chairman, Senator Feinstein, in the past year we have taken steps to insure that CRS remains a cost effective shared resource to the Congress. Our activities are designed to secure our research and analytic capacity and to facilitate access to our services.

Some examples include: a large-scale realignment of our staff resources, which entails clustering experts and their subject responsibilities around major public policy issues, thereby broadening the policy context of research units; refining the focus on the current legislative agenda of the Congress; and streamlining research management.

CRS HOME PAGE

We have also been enhancing the CRS home page to meet Congressional needs, including making all CRS products available electronically—more than 2,800—and piloting a new service, which we call electronic briefing books, as well as expanding our capacity to link CRS products to legislation.

Further, as part of our continuing efforts, we are developing and testing a more sophisticated legislative planning system and continuing our professional development details for CRS staff.

In terms of support for the research process, I would like to bring you up to date on three activities.

CRS Y2K COMPLIANT

First, as a result of early planning, all of CRS's mission critical computer systems, for which we are directly responsible, are now Y2K compliant.

A second activity, support for the Legislative Information System, is also progressing on track. In 1998, CRS, with the Library, completed the major tasks approved by the oversight committees and in 1999, our primary focus is on insuring that the requirements for Y2K are fully addressed.

The major task now is to complete the work for exchanging legislative data between the Library and each chamber.

The target date for completion of this work is the end of June.

CRS SECURITY ISSUES

Information security issues also remain a high priority because of our technical link to Congressional systems and our own confidential relationship with you. We are implementing recommendations that arose from a 1997 National Security Agency study and our own continuing review of the security of all CRS systems.

PUBLIC DISSEMINATION OF CRS PRODUCTS

Finally, as the subcommittee is aware, legislation has once again been introduced to make the entire inventory of CRS products on the CRS home page directly available to the public via the Internet.

We appreciate the sponsors' expression of the high regard for our products and the usefulness of these products in informing the public's understanding of the legislative issues. We also appreciate

that this year the sponsors have sought to address some of the concerns previously identified which would adversely affect our ability to service Congress if this proposal is implemented.

However, I consider myself obligated to call to the committee's attention certain unintended consequences still presented by the current version of these proposals. With the committee's permission, I would like to submit for the record analyses which focus on the legal issues, costs, and other implications of these bills.

Senator BENNETT. Without objection.

Mr. MULHOLLAN. Thank you.

[The statement follows:]

PREPARED STATEMENT OF DANIEL P. MULHOLLAN

Mr. Chairman and Members of the Subcommittee: It is a pleasure to appear before you today to discuss the fiscal year 2000 budget request for the Congressional Research Service. I first want to thank this Subcommittee for the support it has given to CRS in the past and to express my gratitude for the confidence you have shown in the Service and the close working relationship which you have made possible.

My testimony presents the CRS budget request for your consideration, outlines briefly how your continued support will allow us to offer improved services to the Congress, and describes ways in which CRS is meeting the changing needs of the Congress by efficient and effective use of staff and other resources.

Mr. Chairman, as we at CRS meet the challenges of the new year and take advantage of the opportunities arriving in the new millennium, we remain focused on meeting the many needs of the Congress and we remain committed to supporting your policy deliberations throughout the legislative process. We are dedicated to the values imbued in the Service's charter—namely, to provide the Congress with comprehensive research, analysis, and information services that are on-time, objective, non-partisan, and confidential. We also remain vigilant to ensure that we provide cost-effective services to the Congress. As a shared resource serving all Members and committees, I believe that CRS provides the highest level of legislative assistance economically and efficiently.

CRS BUDGET REQUEST

The budget request I submit today contains only those funds necessary to maintain CRS services to the Congress, now and into the future. Our request for fiscal 2000 is $71,255,000, an increase of $4,131,000 over fiscal 1999. This requested increase has two objectives: (1) to sustain current services and cover the increased cost of our current staff and nonpersonals, and (2) to fund the second year of our three year succession plan for maintaining research capacity, preserving the institutional memory, and ensuring continuity of service over the next few years, as half of our staff become eligible to retire.

We have made every effort to hold down costs and at the same time ensure continued congressional access to our expertise and high productivity. Our request for maintaining current services covers mandated increases in compensation, namely cost-of-living increases ($3,424,148) and price level increases in nonpersonals ($147,800).

The second part of the request will help us ensure that we can maintain our research capacity and services to the Congress at a time when many of our most expert and experienced staff will retire. The funding requested, $559,052, will permit CRS to continue to hire entry level staff in anticipation of this large number of retirements. Let me assure you that we remain committed to work within our fiscal 1999 budgeted full-time equivalents.

MAINTAINING CURRENT SERVICES

*Analytic and Information Research Expertise*

CRS is the only resource available to the Congress that is dedicated to providing balanced, nonpartisan, and confidential policy analysis to Members and congressional staff at all stages of the legislative process. We have worked hard to ensure that we offer these services in the most efficient and effective manner possible. In fiscal 1998, CRS responded to more than 560,000 congressional requests for research, analysis, and information, assisting every Member and committee of the

Congress. In fiscal 1998, responding to congressional needs, CRS created over 1,000 new reports and issues briefs, distributed over 632,000 of these documents, and our analysts prepared over 2,400 confidential memoranda for the use of individual Members and staff.

Examples of CRS research support during the second session of the 105th Congress underscore the breadth and range of assistance we provide to the Congress. CRS analysts and information specialists provided assistance to Members and staff on issues such as banking regulatory reform; biomedical research and applications; campaign finance reform; changes in clean air mandates; elementary and secondary education reform; food regulation and agricultural income support; foreign policy and regional issues; impeachment; patient protection legislation; and IRS reform.

I am also pleased to report that the bipartisan leadership asked CRS to conduct the official policy orientation for the United States Senate, held at the Library in December, and the new Member issues seminar for the House of Representatives, held in Williamsburg, Virginia in January. Both programs were well attended and by all accounts were extremely informative and useful to the new Members.

*Management Initiatives*

Recognizing the high expectations of the Congress and its standards for excellence, we have launched several initiatives designed to better tailor our services to congressional needs and to exploit rapidly evolving technology supporting research and communications. CRS strives not only to respond expeditiously, but also to deliver its products and services in the manner and form that Congress finds most useful. Illustrations of this are interdisciplinary team responses to legislative requests on particularly complex issues, such as presidential impeachment, holocaust victim compensation, terrorism, and health care financing; electronic briefing books on the CRS Home Page providing quick electronic access to information, analysis, and key documents on current issues such as social security reform, the tobacco settlement, electric utilities deregulation, and global climate control; direct fax deliveries of the weekly CRS Legislative Alert to assist in preparing for floor action each week; enhanced access to our products through more effective indicators of product contents; and the development and testing of CRS legislative planning services to provide Congress an easily accessible online source of CRS experts, products, and services for issues on the legislative agenda.

In the next year and continuing into the twenty-first century, the Congress will work in an increasingly interdependent, fast-paced environment which will generate intensified needs for readily available and reliable analysis, research, and information. The Congress likely will face several important and distinctive challenges that we have seen building in the past few years: growing complexity of legislative policy questions, polarization of policy issues, sizeable Member and staff turnover, increasing reliance on, and pressure generating from, advancements in technology, growing proliferation of information resources, and given the devolution of Federal responsibilities to the states, the difficulty in obtaining authoritative and comparable state data, and continued focus on the budget constraints, with consequent pressure for policy initiatives through appropriations or revenue changes. CRS is prepared to assist you as you face these challenges.

*Technology Initiatives*

Besides commitments to these management initiatives, CRS has made some important strides in technological improvements to our existing services. New online search capabilities make it possible for congressional users to find relevant information more quickly and predictably on the CRS Home Page. The number of accessions to the Home Page by the Congress has increased from 135,825 to 238,385 in the past year, an increase of 75 percent.

Last year, in addition to creating electronic briefing books, we developed more efficient document delivery on the CRS Home Page by providing a more complete collection of full-text CRS reports and introducing public policy literature abstracts online. We have also undertaken an effort to highlight timely CRS products that analyze current legislative issues, providing a searchable database with direct links to relevant legislation and other CRS products.

In 1997, CRS began formal planning to prepare for the digital conversion issues presented by the year 2000 (Y2K). We undertook a comprehensive examination of our systems, with necessary conversions and testing scheduled for completion well in advance of the year 2000. I can report that all of our "mission critical" systems are now compliant. We will continue to work with the Library to ensure that we meet all requirements under the GAO Year 2000 review of legislative branch entities.

Complementary efforts are under way to provide staff with efficient work stations through needed upgrades in hardware and software, network enhancement, expanded sharing of data, and improvements in communications technology. CRS has given special attention on matters related to information security—issues which we are treating as high priority, both because of our confidential relationship with you, our clients, and because of our technical links to congressional systems.

DEVELOPING AND MAINTAINING AN INFORMATION AND RESEARCH CAPABILITY

In the years since the passage of the Legislative Reorganization Act of 1970, CRS has continuously sought to fulfill its mandate "to develop and maintain an information and research capability" [2 U.S.C. 166(d)(8)] to perform its responsibilities under that act in supporting the legislative work of the Congress. It has done so by building, maintaining, and strengthening its research and information capacity which covers all the subjects of legislative work undertaken by the Congress.

*Succession Planning*

In implementing the Legislative Reorganization Act of 1970, CRS hired several hundred staff in the 1970's. Many of these staff are still in CRS, and have, over the subsequent decades, become the core experts on whom Congress relies for research and analysis. Individually and collectively they have developed in-depth knowledge of the public policy areas they cover and have accumulated valuable institutional memory about how the Congress has dealt with these subjects. Eligible retirees, many of whom have spent 30 years providing expert policy analysis and research to you and your predecessors, will be exceedingly difficult to replace.

Since many of these staff will be retiring soon, CRS will lose expertise in a significant number of areas, including public finance, social security, health, constitutional law, biomedical policy, natural resources policy, macroeconomics, and military personnel. And, by 2006, when fifty percent of all current CRS staff will have become eligible to retire, the losses will affect virtually every major legislative issue area.

The second circumstance that leads us to make this budget request is that between fiscal 1992 and 1998, CRS staffing decreased by 122 full-time equivalents (FTE's) as a result of government-wide budget reductions. Consequently, CRS was unable to fill behind many of the resignations, deaths or retirements of its professional staff, and therefore does not now have a normal distribution of senior and junior staff, which would have provided an orderly transfer of institutional knowledge when experts retire.

In response to the future wholesale loss of senior experts, we have developed an ongoing process to assess and address this heightened risk to our analytic and research capacity. We conducted a staff survey of retirement plans to gain detailed information about the scope of the problem, and undertook an assessment of the impact of individual retirement plans on overall analytic capacity, by subject area, through 2006. We also developed a number of strategies to provide more flexibility in assigning work to current staff, including details and organizational adjustments. However, such measures do not, by themselves, address the urgent problem of training replacement staff and positioning them to meet your analytic and research needs in time to avoid serious disruptions in the quality, level, breadth, and timeliness of service.

Last year, we instituted our multi-year plan designed to ensure that CRS can maintain its analytic expertise despite the retirement of significant numbers of CRS staff now and continuing in the near future. The plan provides for hiring a limited number of new staff in key issue areas before experts retire. This will enable current staff to transfer institutional memory on issues, knowledge of the legislative process, and commitment to CRS service qualities of confidentiality, objectivity, timeliness, accuracy, and responsiveness, and to assist new staff in developing trust relationships with clients. In fiscal 1999, Congress provided $435,858, which allows CRS to use the Graduate Recruit and Law Recruit Programs and begin hiring in some of the highest risk areas. For fiscal 2000, CRS is requesting $559,052 for phase two, to permit filling positions in additional high risk areas.

To work independently, entry-level staff, who are already well-trained in their disciplines, must acquire and refine skills and ability to (1) understand the legislative/budget procedures as practiced; (2) examine issues from an unbiased, nonpartisan perspective; (3) present analysis and research in a manner and form that best meets the clients' legislative needs; and (4) develop and maintain contacts with subject experts in academia, government agencies, and elsewhere.

Newly hired staff work closely with senior analysts in an apprenticeship capacity, whereby the senior staff can share their knowledge and experience in their discipline within the legislative context. CRS found during the period since the 1970 Legislative Reorganization Act that it takes a number of years for an entry level

analyst to develop subject expertise and knowledge of the legislative environment in order to handle complex issues in the thorough, confidential and timely manner of a senior analyst.

*Realignment—Deploying Resources Strategically*

In addition to our succession efforts, we have undertaken a large scale redeployment of CRS staff resources to secure the capacity of our research and analysis for future Congresses.

Planning for this effort included meeting with House and Senate leadership and with individual Members to discuss the work of the Service and how it could better meet their needs, soliciting input from CRS staff on a wide range of issues, examining CRS workload and distribution of work, assessing implications of potential loss of expertise through retirement and succession planning to deal with such losses, and identifying strategic issues and implications for CRS of the changing characteristics of the Congress. Throughout these discussions and evaluations the Service emphasized the importance of maintaining high-quality responses to congressional requests, strengthening interdisciplinary interchanges among CRS staff to improve those responses, and enhancing communications between CRS and the Congress as well as within CRS itself. Implementation of this realignment of our staff resources follows an agreement with the Congressional Research Employees Association (International Federation of Professional and Technical Engineers, Local 75), to resolve concerns about the realignment.

This initiative aligns our staff resources more closely to the legislative needs of the Congress by clustering experts and their subject responsibilities around major public policy issue areas, broadening the policy context of research units, refining the focus on the current legislative agenda of the Congress, and streamlining research management.

In addition to the succession initiative and the realignment, we are undertaking a number of important activities to build research capacity within current resources. Examples of these include: establishment of professional development details for CRS staff; institution of a visiting scholars program to bring temporarily to CRS respected experts who work in emerging issue and discipline areas; operation of professional volunteer programs using gratuitous services contracts; and use of contracts to perform tasks for the Congress requiring knowledge and skills not resident in the Service and not needed on a long-term basis.

SPECIAL CONGRESSIONAL DIRECTIVES: LEGISLATIVE INFORMATION SYSTEM (LIS)

Mr. Chairman, as you know, CRS has been tasked to coordinate the development of an online retrieval system to meet the requirements of both the Senate and the House for the most accurate, up-to-date, and complete legislative information available. The Library has been tasked to provide the technical support for the development of that system.

The initial impetus for this effort came from the Committee on Appropriations, which directed the Library to study duplication among the various bill tracking systems maintained by the House, Senate, GPO, and the Library. Subsequently, the Senate Committee on Rules and Administration and the Committee on House Administration approved a plan for each chamber to be responsible for the creation and management of its own legislative information, and for a coordinated retrieval system to be developed and maintained by CRS and the Library.

During 1998, CRS and the Library completed the major tasks approved by the oversight committees. These efforts focused on adding legislative files and much of the retrieval functionality required by new and occasional congressional users as well as by expert users. Significant work was also begun on improving system availability, response time, and security. Major collaborative efforts with the Senate and House were undertaken to begin planning for development of Y2K-compliant systems for the exchange of data.

In 1999 our primary focus will be on ensuring that the requirements for Y2K are fully addressed. The LIS retrieval software has already been successfully tested by the Library. The major task now confronting us is to complete the work begun last year on the systems for exchanging legislative data between the Senate and the Library and between the House and the Library. In the Senate, we are working closely with the Secretary of the Senate and the Sergeant At Arms to ensure that this work is completed on schedule. In the House, we are working closely with the Clerk of the House and the Chief Administrative Officer. The target date for completion of this work by the Senate, House and Library is the end of June.

During fiscal 2000, CRS will work on LIS tasks which were deferred in order to take care of immediate Y2K concerns, and others which will depend upon the satisfactory completion of the 1999 tasks, as well as any additional requirements which

emerge from the House and Senate. CRS and the Library are uniquely qualified to play this role for the Congress. While LIS development has placed a strain on CRS resources, we have to date been able to accomplish these tasks and meet evolving requirements utilizing existing staff. We expect to be able to continue to do so. Our realignment formally recognizes our long-term commitment to developing and improving the LIS by institutionalizing the LIS function within our Office of Information Resources Management.

DISTRIBUTION OF CRS WRITTEN PRODUCTS TO THE PUBLIC

Once again this year legislation has been introduced to make the entire inventory of CRS products on the CRS Home Page directly available to the general public via the Internet. We certainly appreciate this expression of the high regard of the sponsors for CRS products and their usefulness of these products in informing the public's understanding of legislative issues before the Congress. We also appreciate that this year the sponsors have sought to address some of the concerns which were identified and which would adversely affect our ability to serve Members and committees if this proposal is implemented. However, I consider myself obligated to call to the Committee's attention certain unintended consequences still presented by the current version of these proposals. With the Committee's permission I would like to submit for the record analyses which focus on the legal issues, costs, and other implications of these bills, which are attached to my testimony. In particular, you will note that the preliminary estimate by the Congressional Budget Office found that last year's proposal could cost CRS as much as $7 million each year; the current bills do not alter the assumptions on which that estimate is based.

CONCLUSION

Mr. Chairman, I fully appreciate the budgetary constraints confronting this Subcommittee as it crafts the appropriation for the Legislative Branch, and it is for that reason that our request is limited to the funds essential to sustain our current efforts. Our highest priority is to provide the Congress with efficient, cost-effective support that meets your highest standards for quality, comprehensiveness, accuracy, objectivity, and nonpartisanship.

I am committed to ensuring that CRS is a key resource to the Congress for analytic and information support for its legislative activities in the demanding years ahead. Its singular combination of expertise, its strong interdisciplinary approach to addressing complex legislation, its sensitivity to and understanding of the congressional environment, its commitment to nonpartisanship, its access to a wealth of data and sources, and its information technology environment uniquely position the Service to assist the Congress as it faces the challenges of the last days of the twentieth century and well into the twenty-first century.

Thank you for allowing me to come before you and other members of this committee today to present our budget request, share some of our recent accomplishments, and outline our plans for the upcoming years.

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## CONGRESSIONAL POLICY CONCERNING THE DISTRIBUTION OF CRS WRITTEN PRODUCTS TO THE PUBLIC—MARCH 9, 1999

The following discussion reviews congressional policy concerning distribution of CRS products to the public and addresses issues for consideration by the Congress in determining whether to alter current policy regarding public availability of various CRS products, such as Reports and Issue Briefs.

As set forth below, CRS at present is precluded by law from general public distribution of its materials without prior approval by a congressional oversight committee. The Congress has actively exercised its oversight authority regarding CRS publication practices and has developed and promulgated standards to be applied in evaluating specific proposals. Current guidelines from the Joint Committee on the Library and other congressional bodies, issued in 1980, restrict the vast majority of CRS written products to congressional use and distribution to the public on a selective basis only.

Many years of congressional consideration of this issue reveal serious concerns about the institutional and legal consequences likely to result from the wholesale direct public distribution of CRS products with a potentially large circulation (e.g., CRS Reports and Issue Briefs).

BACKGROUND ON CURRENT CONGRESSIONAL POLICY CONCERNING THE DISTRIBUTION OF CRS WRITTEN PRODUCTS TO THE PUBLIC

*Summary*

Congress has historically reserved to itself control over the dissemination of CRS products to the public on the principle that CRS, as an extension of congressional staff, works exclusively for the Congress.

To maintain congressional control over dissemination, a provision has been included in CRS annual appropriations acts since fiscal year 1952 requiring prior oversight committee approval for any CRS publication (as noted above, "publication" refers to wholesale release of CRS products directly to the public).

Congress has never authorized the wholesale public dissemination of CRS analytical products such as Reports or Issue Briefs (and has seldom authorized publication of other products), whether by CRS or the Congress, but rather has preferred to rely on congressional release of individual products on a case-by-case basis.

To further indicate the degree of congressional control over CRS products, Congress, the courts, and administrative tribunals have declared CRS communications to the Congress to be privileged under the Speech or Debate Clause of the Constitution and to be under the custody and control of the Congress. These determinations have assured the maintenance of confidentiality in CRS relationships with congressional clients, a critical element of CRS effectiveness and an expectation of those who seek its assistance.

*Current Restrictions and Guidelines*

At present, CRS is precluded by law from general public distribution of its materials without prior approval by one of its two congressional oversight committees. This restriction results from a limitation that has appeared in CRS' annual appropriations acts in each year since fiscal year 1952. This provision reads as follows: "Provided, That no part of this appropriation may be used to pay any salary or expense in connection with any publication, or preparation of material therefor (except the Digest of Public General Bills), to be issued by the Library of Congress unless such publication has obtained prior approval of either the Committee on House Oversight or the Senate Committee on Rules and Administration." [1]

The most recent policy statement from Congress regarding the publication of CRS written products came in 1980. In a communication, dated March 21, 1980, the Joint Committee on the Library reaffirmed: "Congressional policy that the circulation of CRS materials prepared specifically for congressional use be limited to the Congress, and that the long-standing policy of confidentiality in the work of CRS for individual congressional clients should be maintained. We believe that, as in the past, CRS and its oversight committees should consider the publication of only those CRS products whose release to the general public would be compatible, both in terms of cost and product content, with the CRS's obligations to the Congress."

The 1980 guidelines were developed subsequent to a 1978 proposal to CRS by the National Conference of State Legislatures (NCSL) under which CRS would have received access to the files of State research materials abstracted by the NCSL, and also would have had the opportunity to order copies of desired items for use in answering congressional inquiries. In return, CRS would have provided the NCSL with periodic listings of CRS Reports (called "multiliths" at that time) and with only one copy of those CRS Reports which the NCSL requested. Under this proposal the NCSL also would have gained access to certain files from the Library of Congress's SCORPIO system, including CRS Issue Briefs.

On September 27, 1978, the Joint Committee on the Library held a hearing to consider the CRS-NCSL exchange proposal. At the hearing, the Committee concluded that any transmission of CRS material contained in SCORPIO to non-congressional users via computer terminal would constitute a "publication" and thus, under the terms of the language contained in CRS's annual appropriations legislation (noted above) would require the prior approval of either the Committee on House Administration or the Senate Committee on Rules and Administration. Moreover, members of the Joint Committee expressed serious reservations about any activity that might divert CRS resources and priorities from its statutory responsibilities to Congress. Finally, members of the Committee expressed the view that it was appropriate for Members of Congress, rather than CRS, to determine whether and to what extent various CRS products should be publicly disseminated. As a result, no action was taken to implement the proposed CRS-NCSL exchange.

The March 21, 1980 guidelines were followed later that month (March 27, 1980) by enactment of a Senate Resolution. (S. Res. 396, 96th Congress). The Senate re-

[1] For the current version of this provision, see Pub. L. 105–55, 111 Stat. 1190 (1997).

solved: "That it is the determination of the Senate that the communications of the Congressional Research Service to the members and committees of the Congress are under the custody and control of the Congress and may be released only by the Congress, its Houses, committees and members, in accordance with the rules and privileges of each House."[2]

Senate Majority Leader Byrd, in introducing the Resolution, noted CRS' role in advising members and committees on legislative issues and that CRS "thereby provides a service to the Members and committees of Congress which is equivalent to that performed by the staffs of Members and committees."[3]

Over the years, and at the request of CRS, the Joint Committee on the Library has authorized a very limited number of CRS publications for broader distribution through depository libraries, the sales program of the Superintendent of Documents, and to the public through individual purchases. In addition, several CRS products are published as the result of specific statutory authorization: the Digest of General Public Bills and Resolutions (Bill Digest);[4] and three publications for which CRS has been given responsibility by the Librarian of Congress: the Constitution of the United States of America, Analysis and Interpretation (Constitution Annotated);[5] and the national high school and college debate topic manuals.[6]

*Current Accessibility of CRS Written Products*

With few exceptions, congressional offices are the exclusive source for distributing CRS Reports and Issue Briefs to the public. Member offices use CRS products to develop their own understanding of policy issues and options and to inform their constituents regarding these issues and options. The principles of representative government and of legislative accountability hold that representatives have an obligation to provide their constituents with the information and understanding required in order to exercise democratic citizenship; that is, the democratic idea that the authority of those who govern rests on the consent of those who are governed, calls for democratic consent to be fully informed and enlightened.

It is well known, both in Washington, D.C. and by interested parties throughout the country, that constituents may obtain copies of CRS written products through a Member or Committee of Congress. In addition, congressional offices often respond directly to constituent requests for information on particular subjects by sending copies of CRS Reports and Issue Briefs. For example, during fiscal year 1998, over 500,000 printed copies of CRS Reports and Issue Briefs were sent to congressional offices. Some percentage of these are sent on to constituents—either because constituents asked for them specifically or as a means of answering constituent requests for information.[7]

Three changes during the past year have enhanced Members' and Committees' ability to make CRS products available to constituents in electronic format through congressional home pages. First, CRS has more than doubled the number of CRS products available in the popular hypertext (HTML) World Wide Web format. Over the past year, several hundred CRS reports have now joined issue briefs in being made available in HTML format. Second, CRS has made all CRS documents available in portable document format (PDF). This special format allows Members to easily print high-quality, professional-looking copies of any CRS product from their own offices at any time.

Third, CRS has greatly simplified finding the right CRS product online. The Legislative Information System now carries a direct link to all CRS products. And, new CRS search pages and changes in the search technology applications allow Members and Committees and staff to more readily locate the CRS products they need. This upgrade makes it easier for Members and Committees to add Issue Briefs and Reports to their own home pages for their constituents to the extent such availability is deemed appropriate by Members and Committees.

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[2] 126 Cong. Rec. 6892 (March 27, 1980). This Senate Resolution directed the Senate Legal Counsel to represent the Senate and CRS in respect to a Federal Trade Commission administrative law judge's "sweeping subpoena [on behalf of oil companies involved in a FTC proceeding] to the Congressional Research Service for documents which discuss the oil industry and governmental policy in relation to it." Id. The Resolution stated that "the communications between the Congressional Research Service and the members and committees of the Congress are an integral part of the legislative process and privileged under the Speech or Debate Clause of the Constitution."

[3] Id.

[4] 2 U.S.C. 166(d)(6).

[5] 2 U.S.C. 168.

[6] 44 U.S.C. 1333.

[7] CRS has not undertaken to survey congressional offices to determine this precise percentage.

ISSUES ASSOCIATED WITH THE WHOLESALE RELEASE OF CRS PRODUCTS TO THE PUBLIC

*Institutional Issues*

The direct, wholesale dissemination by Congress of Reports and Issue Briefs would have significant effects on the policies, resources, and institutional culture that CRS utilizes in serving the Congress.

First, CRS' mission is to support the Congress exclusively. Given its limited resources, CRS can undertake services to non-congressional entities (such as the public) only at the expense of direct support of the Congress. While the direct and indirect costs associated with disseminating Reports and Issue Briefs are difficult to estimate with precision, it is clear that significant resources would have to be diverted from congressional services. For example, with wider product distribution, particularly to users of the Internet/World Wide Web, CRS is more likely to get calls, comments, and requests for additions and changes that would place a burden on CRS analysts, distracting them from their work for Congress. In particular, outside parties may judge and question CRS papers on the basis of standards other than the standards CRS has developed to meet congressional needs (e.g., timeliness, non-partisanship, balance, objectivity). It is reasonable to anticipate that the volume of communications between CRS and the public, currently manageable, would rise substantially and affect the Service's ability to meet the needs of congressional requester. Any mechanisms developed by CRS to shield analysts from these demands would of course also involve resource commitments.

Second, CRS analysts now direct their writings, focused on legislative issues, to congressional audiences. The closeness of CRS to the legislative process and the sensitivity of the Service's traditional culture of exclusively supporting Congress' legislative needs shape the nature and content of its written products. If CRS written products were routinely available on a wholesale basis to academic and other professional peers outside the Congress, CRS analysts might become more conscious of the need to address views, methods, disciplines, and expectations of non-congressional professional peers, with the result that CRS written work could shift away, or appear to shift away, from its current emphasis on the congressional audience.

With an awareness that a CRS Report would be disseminated to the public, Members may increase the number of confidential requests that they place with CRS in order to ensure that they are provided an opportunity—should they so desire—to reflect and consider questions that emerge from evolving legislative proposals before they have to respond to public inquiry about the resulting issues. This increase in confidential requests requiring more tailored responses would diminish the ability of CRS analysts to prepare reports that are generally available to Congress and that serve a broader congressional audience. With this increase in tailored analysis would come the necessity of duplicating more analysis because of the demand of those Members who request that their examination of a legislative proposal remain confidential at that point in the legislative process.

A third, related concern is potentially increased pressure from interest groups and lobbying organizations on CRS analysts concerning the content of their reports and the impact this pressure may have on serving the direct needs of the Congress for analysis and information that is non-partisan, objective, and balanced. Enhanced internal mechanisms would have to be developed to ensure that communications with interested parties did not deflect CRS analysts from producing products that are free from advocacy and bias, resulting in a further diversion of resources from direct service to Congress.

Fourth, CRS staff serve by statute as an extension of Member and committee staff. The release by Congress of CRS Reports and Issue Briefs may set a precedent leading to greater pressure to have studies prepared by congressional staff for Members' exclusive use (e.g., committee staff studies distributed to entire committee membership) to be disseminated directly to the general public. It might be difficult for Congress to articulate a convincing rationale for granting public access to the Service's work but denying equivalent access to materials prepared by other shared staff (e.g., committee staff) that are distributed to more than one Member. Thus, a policy of providing Members' constituents with the same materials that Members themselves draw upon to make legislative decisions could have serious implications for the functions of staff and their relationship with Members.

*Legal Issues*

This section considers three pertinent legal issues associated with the wholesale dissemination of CRS products to the public. The first two issues involve the speech or debate clause of the Constitution and the third deals with intellectual property questions.

1. Widespread electronic dissemination to the general public of CRS Reports and Issue Briefs would be more likely than dissemination pursuant to current policy to precipitate litigation in which speech or debate clause immunity would not be a defense.

Since its 1972 ruling in *United States* v. *Brewster*, the Supreme Court has limited the immunity afforded under the speech or debate clause[8] to "legislative acts," which were distinguished from a range of activity described as "entirely legitimate" but unprotected by the speech or debate clause because it was considered to be "political in nature."[9] In several cases relevant to the applicability of speech or debate immunity to the public distribution of CRS products, the Court has relied on the dichotomy established in *Brewster* to hold that congressional activities intended to inform the general public are outside the scope of the speech or debate clause. Notably, in *Doe* v. *McMillan*, the Court found that the clause might not protect the Public Printer and the Superintendent of Documents from liability for distribution of a committee report, which contained material alleged to have invaded individual privacy rights, beyond "the legitimate legislative needs of Congress * * *."[10]

The dissemination (by Members and/or their aides, by CRS, or by a congressionally designated entity) to the general public of CRS products would not be viewed as a legislative act but would be considered to be an exercise of Congress' representational function, for which speech or debate immunity is not available.[11] Those engaged in public distribution of CRS products, as well as CRS analysts who prepare the products, may be vulnerable to a variety of administrative and judicial proceedings. In such actions, litigants might seek, for purposes of discovery, the files of CRS analysts or litigants might ask for damages or injunctive relief barring further distribution of a particular report or issue brief. Litigants might also claim damages in suits alleging copyright infringement.

It would seem that these kinds of actions would be more likely to occur as a result of widespread electronic dissemination to the general public of CRS products than from the current practice of limited distribution (e.g., dissemination by a congressional office of a single hard copy of a particular CRS product to a constituent or incorporation of a CRS product in a committee report or hearing).

2. Widespread electronic public dissemination of CRS products would jeopardize the confidentiality of CRS files and hamper a claim of constitutional immunity by CRS.

Widespread electronic circulation of CRS products to the general public could set CRS on a course accompanied by uncertain legal consequences.[12]

An inevitable consequence of widespread distribution of CRS products to the general public would be an increase in public awareness of the research and analysis prepared by the Service for Congress, which could escalate the efforts of litigants to obtain, for purposes of discovery, CRS analysts' files. These discovery attempts might seek not only information and data used to develop CRS Reports and Issue Briefs but also related material from the Service's files.

Speech or debate immunity may provide a valid defense in such discovery proceedings if the subject of the proceedings is a protected legislative act.[13] However, it is noted that, even in those cases in which CRS succeeded in defending against discovery efforts, the litigation would place a burden on CRS and other congressional resources[14] and could put judges in the position of arbitrating disputes con-

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[8] U.S.Constitution, Art. 1, § 6, clause 1.

[9] 408 U.S. 501, 509, 512 (1972).

[10] *Doe* v. *McMillan*, 412 U.S. 306, 324 (1973). The Court remanded for a determination as to whether the extent of distribution by the Public Printer and the Superintendent of Documents had exceeded "the legitimate legislative needs of Congress, and hence the limits of immunity." Id. On the remand, the lower courts upheld the claim of immunity as to the Public Printer and Superintendent of Documents (374 F. Supp. 1313 (D.D.C. 1974), aff'd, 566 F.2d 713 (D.C.Cir. 1977), cert. denied, 435 U.S. 969 (1978)), but the court of appeals expressly reserved the question of the availability of immunity "in a case where distribution was more extensive * * *." 566 F.2d at 718. Apparently the only copies distributed outside the federal government in the events that precipitated the suit in *McMillan* were approximately 172 of 796 copies that had been distributed to various federal agencies.

[11] See, e.g., *Doe* v. *McMillan*, supra; *Hutchinson* v. *Proxmire*, 443 U.S. 111 (1979).

[12] As one legal journal has observed, in addressing the Internet and other computer-related issues, the courts are on "uncharted water." Thou Shalt Not Trespass—Even in Cyberspace, New Jersey Lawyer, Sept. 1, 1997, at p. 10.

[13] See, e.g., *Brown & Williamson Tobacco Corp.* v. *Williams*, 62 F.3d 408 (D.C.Cir. 1995) .

[14] Discovery attempts to obtain CRS file materials have often been defended by the offices of House General Counsel or Senate Legal Counsel. See, e.g., S. Res. 291, 101st Cong. (resolution directing Senate Legal Counsel to represent a CRS attorney in *Smith* v. *IRS*, No. 3778–89 (Tax Ct. 1990)).

cerning the confidentiality of communications between CRS and Congress.[15] Claims of speech or debate immunity would be subject to review by the courts, potentially including in camera inspection of material as to which a claim of privilege is made[16] and segregation of protected from non-protected material.[17] Arguably, this type of judicial sifting of legislative branch materials would impinge upon the interest in confidentiality served by the speech or debate clause.[18]

Further, for two reasons, it is uncertain whether Congress would prevail in litigating such matters. First, it is possible that a court would not precisely differentiate among the information in the superficially similar types of documents in a CRS subject file and would grant litigants access not only to publicly available information but also to confidential communications between the Service and congressional offices. Second, in previous instances in which CRS has been involved in litigation or agency proceedings, the judicial or agency decision has emphasized that CRS performs a legislative function and that its staff functions as an adjunct of Member and committee staff.[19] With wider dissemination of CRS products to the general public, this longstanding perception of the Service and the nature of its communications to the Congress could be altered, eventually putting at risk speech or debate protection for the Service's confidential work. In other words, extensive involvement by CRS in the direct public information function could lead courts and administrative agencies to reconsider their perception of CRS as playing a significant and unique support role in the legislative process, and thus some day might hamper a claim of immunity even in an instance in which CRS was fulfilling its legislative function.[20]

3. There is some risk of assertion of copyright infringement if CRS materials are made available online to members of the general public.

United States copyright protection is not available for U.S. Government works.[21] Those portions of a public document authored by the U.S. Government are in the "public domain"—freely and widely available to the public without restrictions placed on their dissemination. However, the government's inclusion of copyrighted material in a government publication does not thrust that material into the public domain or impair the rights of the copyright owner.[22]

CRS may incorporate preexisting material in its written responses to congressional requests. Although such material is often from public domain sources, in certain instances the material, appropriately credited, may be from copyrighted sources. To the extent that the material is copyrighted, CRS either: obtains permission for the use;[23] considers its information-gathering function protected by the speech or debate clause; or believes that the use falls under the "fair use" doctrine of the Copyright Act[24] as applied in the context of the legislative process.

The exclusive rights[25] of the copyright owner are qualified or limited by enumerated exceptions.[26] Unless excused by a statutory exception, the unauthorized use of a copyrighted work is considered an infringement. Fair use is one of the limitations

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[15] See In re Grand Jury Investigation, 587 F.2d 589 (3d Cir. 1978); *United States* v. *Eilberg*, 507 F. Supp. 267 (E.D.Pa. 1980).

[16] See, e.g., *Benford* v. *American Broadcasting Co.*, 98 F.R.D. 42 (D.Md. 1983), rev'd on other grounds sub nom. In Re Guthrie, 733 F.2d 634 (4th Cir. 1984).

[17] See, e.g., *United States* v. *Helstoski*, 442 U.S. 477, 488 n.7 (1979).

[18] The courts are divided on the question of whether the speech or debate clause was intended to ensure confidentiality for legislators. Compare *Brown & Williamson Tobacco Corp.*, 62 F.3d at 420 with In re Grand Jury Investigation, 587 F.2d at 597.

[19] See *Webster* v. *Sun Oil*, 731 F.2d 1 (D.C.Cir. 1984) and 790 F.2d 157 (D.C.Cir. 1986) (communications to CRS analyst are within scope of common law privilege for communications to a legislative body); In re Exxon Corporation, 95 F.T.C. 919 (1980) (FTC subpoena for CRS documents barred by speech or debate immunity and separation of powers doctrine; CRS performs an "essentially legislative function").

[20] See, *Doe* v. *McMillan*, note 9, supra.

[21] 17 U.S.C. § 105.

[22] The legislative history of the Copyright Act contains the following statement: "The committee here observes: (1) there is nothing in section 105 that would relieve the Government of its obligation to secure permission in order to publish a copyrighted work; and (2) publication or other use by the Government of a private work would not affect its copyright protection in any way." H.R. Rep. No. 1476, 94th Cong., 2d Sess. 60 (1976).

[23] Although CRS obtains permission to reproduce certain copyrighted works, the permissions are generally based on legislative use and the expectation that dissemination is limited to Members of Congress.

[24] Copyright Act of 1976, Act October 19, 1976, Pub. L. No. 94–553 (codified as amended at 17 U.S.C. §§ 101 et seq.). See 17 U.S.C. § 107.

[25] 17 U.S.C. §§ 106, 106A.

[26] 17 U.S.C. §§ 107–120.

on the copyright owner's exclusive rights and may be invoked as an affirmative defense to a claim of copyright infringement.

The copyright statute does not expressly include congressional use of copyrighted works as a fair use. However, both the House and Senate Reports on the Copyright Act of 1976 include the "reproduction of a work in legislative or judicial proceedings or reports" among examples of fair use.[27] The legislative history also contains an observation that publication of copyrighted material in Congressional documents would constitute fair use "[w]here the length of the work or excerpt published and the number of copies authorized are reasonable under the circumstances, and the work itself is directly relevant to a matter of legitimate legislative concern * * *."[28]

Thus, in an infringement action, a court might regard the publication of copyrighted material in a Congressional document for legitimate legislative purposes as a "fair use." If, however, the use is outside of such legislative purposes, it is possible that a traditional fair use analysis might result in liability for copyright infringement. Wider dissemination outside the confines of Congress would further complicate the "fair use" question.[29]

The copyright laws do not contain an exemption from copyright infringement for unauthorized use of copyrighted materials by the U.S. Government. Subsection 1498(b) of Title 28 of the U.S. Code provides that the exclusive remedy of a copyright owner for copyright infringement by the United States is an action against the United States in the U.S. Court of Federal Claims "for the recovery of * * * reasonable and entire compensation * * * including the minimum statutory damages * * *." Speech or debate clause immunity is not waived under § 1498(b); however, activities outside of the legislative sphere would not be shielded from a copyright infringement action.[30]

In summary, where permission has been granted to CRS to use copyrighted material, it has likely been based on legislative purpose and limited to selective distribution of hardcopy by Members of Congress. If access is broadened to wholesale release to members of the general public, such release may be outside the scope of "legitimate legislative purpose." If a CRS product, containing substantial copyrighted material (albeit with appropriate credit) is made available to the general public without permission and outside the confines of traditional fair use, liability is possible. In this regard, distinctions can be made between the selective distribution of hardcopy CRS products by Members and Committees and wholesale, potentially world-wide distribution of CRS products on the Internet. Violation of any of the exclusive rights of the copyright owner may give rise to an action for copyright infringement. Although the extent of copyright owners' rights in the online environment is still evolving, wholesale distribution of CRS products via the Internet—unlike the current practice—would likely implicate copyright owners' performance and public display rights,[31] as a matter of direct infringement, and may implicate rights

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[27] See H.R. Rep. No. 1476, 94th Cong., 2d Sess. 65 (1976); S. Rep. No. 473, 94th Cong., 1st Sess. 61–62 (1975) quoting REPORT OF THE REGISTER OF COPYRIGHTS ON THE GENERAL REVISION OF THE U.S. COPYRIGHT LAW, 87th Cong., 1st Sess. 24 (Comm. Print 1961) (hereafter REGISTER'S REPORT).

[28] See H.R. Rep. No. 1476, Id. at 73.

[29] Moreover, if CRS products were generally available to the public, the construction of these products may be affected, with the potential consequent loss when material, such as copyrighted maps or graphs, may be withheld in the writing of the paper with the foreknowledge that the paper could be widely disseminated and thereby subject to different "fair use" guidelines than those applicable to work for legislative use only. Therefore, public availability may perforce shape selected CRS products so that their contents no longer bring to bear the best information and analysis to assist Members in their decisionmaking.

[30] As originally enacted, § 1498 applied only to suits for patent infringement against the United States. In 1960, Congress amended § 1498 to give its consent to suits for copyright infringement against the United States; Section 2 of Pub. L. 86–726 provided: "Nothing in this Act shall be construed to in any way waive any immunity provided for Members of Congress under article I of section 6 of the Constitution of the United States."

Section 2 was added to the House bill by Senate amendment in order "to emphasize the fact that no immunities for Members of Congress under article I of section 6 of the Constitution shall be waived by the enactment of this legislation." See S. Rep. No. 1877, 86th Cong., 2d Sess. (1960) as reprinted in 1960 U.S.C.A.A.N. 3444. Presumably, speech or debate clause protection would protect Congressional use of copyrighted material that is used to further legitimate legislative activities that are part of the legislative processes (e.g., copyrighted material inserted into the Congressional Record or congressional document). See Copyright Office Memorandum of May 26, 1958 reprinted in 1960 U.S.C.A.A.N. at 3456. Congress did not waive its speech or debate clause immunity when it amended § 1498. However, insofar as activities outside of the legislative sphere (e.g., political activities or public information activities) are concerned, it would appear that § 1498(b) would not shield Congress from a copyright infringement action.

[31] 17 U.S.C. §§106(4),(5).

of reproduction and public distribution[32] either as a matter of direct, vicarious or contributory infringement. On the other hand, under a "fair use" analysis, there is likely less effect upon the potential market of the copyright owner in the case of selective hardcopy distribution than in the case of wholesale distribution on the Internet. Selective distribution of hardcopy CRS products by Members may not constitute "publication" in the copyright sense.[33]

CONCLUSION

To review, Congress has historically regarded CRS as an extension of its own Member and committee staff. CRS' relationship with Congress is confidential and exclusive; in order to preserve this relationship, Congress has determined as a matter of policy that CRS products are to be distributed to non-congressional users through congressional offices on a selective basis. Proposals to disseminate CRS products directly to the public would fundamentally change this longstanding congressional policy, with potentially significant institutional and legal consequences for CRS and current congressional operations and practices.

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## LEGAL ISSUES PRESENTED BY PROPOSALS FOR THE GENERAL RELEASE OF CRS PRODUCTS TO THE PUBLIC—FEBRUARY 24, 1998

This paper considers significant legal issues implicated by proposals involving the general release of Congressional Research Service (CRS) products such as Reports and Issue Briefs. (Issues of policy and technology posed by the general release of CRS products are beyond the scope of this analysis.) Specifically, attention is given to three pertinent legal issues, the first two involving the Speech or Debate Clause and the third dealing with intellectual property questions. This study assumes that CRS products would be published by CRS itself and identifies adverse legal consequences that would result from such publication. Publication of CRS products by the Congress would have corresponding legal consequences but these would be exacerbated in the case of direct public dissemination by CRS itself.[1]

1. Dissemination of CRS products on the Internet[2] would not be cloaked with constitutional immunity.

Members of Congress are protected by art. I, § 6, cl. 1, of the Constitution, which provides in part that "for any speech or debate in either House, [Senators and Representatives] shall not be questioned in any other place." The clause performs two related functions. First, it protects the "independence and integrity of the legislature," and second, it "reinforce[s] the separation of powers * * *."[3] The clause "applies not only to a Member but also to his aides insofar as the conduct of the latter would be a protected legislative act if performed by the Member himself."[4]

In early decisions, the Supreme Court interpreted the clause broadly and considered it as protecting activity beyond the walls of the chamber.[5] However, in recent years the Court has constricted the range of actions shielded by the constitutional provision.[6] Beginning with its decision in 1972 in *United States* v. *Brewster*, the

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[32] 17 U.S.C. §106(1), (3).

[33] 17 U.S.C. §§101,106(3).

[1] This study addresses, *inter alia*, issues relating to the speech or debate clause that were raised in the statement of Senator McCain upon introduction of S. 1578, 105th Cong. (providing that the Director of CRS is to make specified CRS products, including Reports and Issue Briefs, available on the Internet) and in a letter inserted by Senator McCain in the Congressional Record from Stanley Brand, former General Counsel to the House of Representatives (hereafter, Brand letter). 144 Cong. Rec. S123–25 (daily ed. Jan. 28, 1998).

[2] The Internet has been described by the Supreme Court as "a unique and wholly new medium of worldwide human communication." *Reno* v. *American Civil Liberties Union*, 117 S. Ct. 2329, 2334 (1997). Commentators have observed that "novel and unsettled" legal questions are raised by cyberspace (Decisions Reflect Nature of Media, National Law Journal, Aug. 11, 1997, at p. B8) and that in addressing the "Internet and computer-related issues" the courts are on "uncharted water." *Though Shalt Not Trespass—Even in Cyberspace*, New Jersey Lawyer, Sept. 1, 1997, at p. 10.

[3] *United States* v. *Johnson*, 383 U.S. 169, 178 (1966)(footnote omitted). See also *United States* v. *Brewster*, 408 U.S. 501, 507 (1972).

[4] *Gravel* v. *United States*, 408 U.S. 606, 618 (1972).

[5] See, e.g., *United States* v. *Johnson*, 383 U.S. 169, 180 (1966); *Kilbourn* v. *Thompson*, 103 U.S. 168, 203–04 (1880).

[6] For a detailed historical review of the restricted reading placed upon the clause by the courts, see Walker, *Constitutional Law: Narrowing the Scope of Speech or Debate Clause Immunity*, 68 Temple L. Rev. 377 (1995).

Court has limited the protection of the clause to "legislative acts."[7] In that case, the Court explained that "a legislative act has consistently been defined as an act generally done in Congress in relation to the business before it. In sum, the Speech or Debate Clause prohibits inquiry only into those things generally said or done in the House or the Senate in the performance of official duties and into the motivation for those acts."[8] In another frequently quoted description of the scope of the privilege, the Court declared that, in addition to actual speech or debate in either House, the clause applies only to acts which are "an integral part of the deliberative and communicative processes by which Members participate in committee and House proceedings with respect to the consideration and passage or rejection of proposed legislation or with respect to other matters which the Constitution places within the jurisdiction of either House."[9]

In *Brewster*, the Court distinguished protected legislative acts from a range of activity described as "entirely legitimate" but unprotected by speech or debate immunity because it was considered to be "political in nature."[10] In several cases of relevance to the applicability of speech or debate immunity to the general public distribution of CRS products, the Court has relied on the dichotomy established in *Brewster* to hold that congressional activities intended to inform the general public are outside the scope of the speech or debate clause.[11] Thus, the Court has held that the clause did not protect a Member from liability for allegedly defamatory remarks in newsletters and press releases based almost entirely on the Member's statement to the Senate, which had appeared in the Congressional Record.[12] The Court has further held that the clause did not preclude a grand jury from questioning a Member's aide in regard to possible criminal liability for arranging for the private publication of the Pentagon Papers, which previously had been inserted by the Member in a subcommittee hearing record.[13]

Perhaps most importantly, in *Doe* v. *McMillan*, a suit filed against, *inter alia*, various Members, their staffs and consultants, the Public Printer, and the Superintendent of Documents, seeking declaratory and injunctive relief and damages based on the publication of an official committee report that included material alleged to invade plaintiffs' privacy, in an opinion written by Justice White, the Court held that individuals "such as the Superintendent of Documents or the Public Printer or legislative personnel, who participate in distribution of [legally] actionable material beyond the reasonable bounds of the legislative task, enjoy no speech or debate clause immunity."[14] Justice Douglas, in a concurring opinion joined by Justices Brennan and Marshall, would have extended speech or debate immunity to "a legislator's function in informing the public" because that task "is essential to maintaining our representative democracy."[15]

The Court in *McMillan* remanded for a determination as to whether the extent of distribution by the Public Printer and the Superintendent of Documents had exceeded "the legitimate legislative needs of Congress, and hence the limits of immu-

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[7] 408 U.S. 501, 509 (1972).

[8] *Id*. at 512.

[9] *Gravel*, 408 U.S. at 625.

[10] 408 U.S. at 512.

[11] In *dicta* in *Brewster*, the Court indicated that newsletters to constituents, news releases, and speeches delivered outside of Congress would not be protected by speech or debate immunity. *Id*.

[12] *Hutchinson* v. *Proxmire*, 443 U.S. 111 (1979). See also *Chastain* v. *Sundquist*, 833 F.2d 311 (D.C.Cir. 1987) (Member's press release and communications to executive branch not protected by speech or debate immunity or common law official immunity), cert. denied, 487 U.S. 1240 (1988). In a recent ruling in a defamation suit based on a Member's statement in a television interview concerning the status of an appropriations bill, speech or debate immunity was not available but the Member successfully invoked a statutory mechanism (28 U.S.C. §2679 (Westfall Act)) providing for substitution of the United States as the defendant. *Williams* v. *United States*, 71 F.3d 502 (5th Cir. 1995).

[13] *Gravel*, 408 U.S. at 609–10, 622.

[14] 412 U.S. 306, 315, 324 (1973). However, the Court held that the actions of the Members, their staffs, and consultants in preparing the report and ordering that it be printed were protected by speech or debate immunity. *Id*. at 313.

[15] *Id*. at 328. Justice Blackmun, in an opinion concurring in part and dissenting in part that was joined by Chief Justice Burger, considered the informing function to be "an essential attribute of an effective Legislative Branch," and believed that the opinion of the Court effectively curtailed that function and thereby violated "the historical tradition signified textually by the speech or debate clause and underlying our doctrine of separation of powers." *Id*. at 334. The suggestion in Justice Douglas's concurrence that speech or debate immunity should protect the informing function has not been adopted by the Court in subsequent cases. In fact, in *Hutchinson* v. *Proxmire*, 443 U.S. at 130, the majority opinion approved the views expressed in Justice White's opinion for the Court in *McMillan*.

nity."[16] On the remand, after a detailed factual inquiry which revealed that there had been quite limited public distribution of the report, the lower courts upheld the claim of immunity as to the Public Printer and Superintendent of Documents.[17] The court of appeals on the remand expressly reserved the question of the availability of immunity "in a case where distribution was more extensive, was specially promoted, was made in response to specific requests rather than standing orders, or continued for a period after notice of objections was received."[18]

Under the caselaw reviewed above, the dissemination to the general public of CRS products—by CRS[19] or by Members and/or their aides[20]—would not be considered a legislative act[21] but would be viewed by the courts as an exercise of Congress' representational function, for which speech or debate immunity is not available.[22] Those engaged in public distribution of CRS products, as well as CRS analysts who prepare the products, may be vulnerable to a variety of judicial and administrative proceedings. In such actions, litigants might seek, for purposes of discovery, the files of CRS analysts or litigants might ask for damages[23] or injunctive relief barring further distribution of a particular report or issue brief.[24] Litigants might also claim damages in suits alleging copyright infringement. It would seem that these kinds of actions would be more likely to occur as a result of widespread electronic dissemination to the general public of CRS products than from limited distribution (common under current practice) by a congressional office of a single hard copy of a particular CRS Report or Issue Brief to a constituent.

It has been suggested that speech or debate clause concerns raised by legislation providing for the dissemination of certain CRS products via the Internet might be addressed by including in such legislation language stating that "nothing herein shall be deemed or considered to diminish, qualify, condition, waive, or otherwise affect applicability of the Constitution's speech or debate clause, or any other privilege available to Congress, its agencies or their employees, to any CRS product made available on the Internet under this bill."[25] The effect of the suggested language is uncertain. (1) Would the courts characterize the language as "self-serving" and disregard it? (2) Even if not disregarded, would the effect of the language be to deny immunity to the dissemination of CRS products on the Internet? The suggested language would not immunize CRS products but would simply seek to have the courts treat "any CRS product made available on the Internet" in the same way that they would treat any other information disseminated by Congress or its agents to the general public—i.e., as unprotected.[26] (3) Because the proposed language applies only to CRS products made available on the Internet, would it have any impact

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[16] 412 U.S. at 324–25.

[17] 374 F. Supp. 1313 (D.D.C. 1974), *aff'd*, 566 F.2d 713 (D.C.Cir. 1977), *cert. denied*, 435 U.S. 969 (1978). Based on affidavits submitted by the Public Printer, other material in the record, and a memorandum of the Public Printer filed upon appeal of the district court's ruling, "it was determined that in addition to 2,557 copies of the report distributed within the Congress and its staff, 796 copies were distributed to various federal government agencies based on statutory requirements and standing orders. Another 796 copies were retained in a security cage [and were not distributed because of the litigation]. * * * About 54 'extra' copies were retained by the Printer for internal use and for distribution in case of spoilage." 566 F.2d at 715. Apparently the only copies distributed outside the federal government were approximately 172 of the 796 copies that had been distributed to various federal agencies. Specifically, "about 92 copies were distributed to members of the public who maintained standing orders for all committee reports" and "about 80 copies were automatically delivered to foreign legations with standing orders for all committee reports under 44 U.S.C. § 1717 * * *." *Id*. at 716.

[18] *Id*. at 718.

[19] See *Doe* v. *McMillan*, 412 U.S. at 318 (immunity of Superintendent of Public Documents and of Public Printer was coextensive with that of Members of Congress whom they served).

[20] Under the Court's holding in *Gravel*, 408 U.S. at 618, speech or debate immunity applies to a Member's aide "insofar as the conduct of the * * * [aide] would be a protected legislative act if performed by the Member himself."

[21] In determining whether the extent of distribution exceeds the legislative needs of Congress, and thus is outside the bounds of speech or debate immunity, the courts may consider various factors relating to the distribution, including the number of copies circulated and the purposes for which they were circulated. See *Doe* v. *McMillan*, 374 F. Supp. 1313 (D.D.C. 1974), *aff'd*, 566 F. 2d 713 (D.C.Cir. 1977), *cert. denied*, 435 U.S. 969 (1978).

[22] In his remarks upon the introduction of S. 1578, Senator McCain observed that, by providing for the dissemination of CRS research products via the Internet, Members would be fulfilling their role of informing the public. Senator McCain recognized that an issue exists as to the applicability of speech or debate immunity to exercises of the informing function. 144 Cong. Rec., *supra* note 1, at S123.

[23] See *Doe* v. *McMillan*, *supra* (invasion of privacy).

[24] *Id*.

[25] The Brand letter proposes that the quoted language be included in S. 1578, 105th Cong. See note 1, *supra*.

[26] See notes 11–18 and accompanying text, *supra*.

on concerns with regard to the effect of dissemination of Service products to the general public on attempts to gain access to CRS files?[27]

2. Public dissemination of CRS products might jeopardize the confidentiality of CRS files and hamper a claim of constitutional immunity by CRS.

Extensive distribution of CRS products to the general population would increase public awareness of the research and analysis prepared by the Service for Congress and could thereby intensify efforts by litigants to obtain, for purposes of discovery, the files of CRS analysts who prepare the products. These discovery attempts might seek not only information and data used to develop CRS Reports and Issue Briefs but also related material from the files.[28]

The speech or debate clause may provide a valid defense in such discovery proceedings if the subject of the proceedings is a protected legislative act.[29] However, even in instances in which CRS succeeded in defending against such discovery efforts, such litigation would place a significant burden on congressional resources[30] and could make judges the arbiters of disputes concerning the confidentiality of communications between CRS and Congress.[31] Claims of speech or debate immunity would be subject to judicial review[32] which might include *in camera* inspection of material as to which a claim of privilege is made[33] and segregation of protected

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[27] See pp. 5–8, *infra*.

[28] See *In the Matter of Exxon Corporation, et al*., FTC Docket No. 8934, Application of November 6, 1978, at p. 18 (at request of respondents in agency proceeding, FTC administrative law judge issued subpoena seeking discovery of, *inter alia*, CRS "reports on the oil industry in connection with House and Senate subcommittee studies of the oil industry and in connection with congressional preparation of bills relating to energy matters"), *subsequent ruling, In re Exxon Corporation*, 95 F.T.C. 919 (1980); *Chapman* v. *Space Qualified Systems Corp*., 647 F. Supp. 551, 552 (N.D.Fla. 1986) (seeking discovery from GAO investigator of various materials, including "all working documents" related to a GAO investigation conducted at the request of a congressional committee, executive branch inspector general reports provided to GAO, and communications to GAO from Congress or congressional staff). See also *Smith* v. *IRS*, No. 3778–89 (Tax Ct. 1990) (litigants obtained subpoena calling for the testimony of an attorney in the American Law Division of CRS and for the production of background materials used by the attorney in preparing a memorandum for a Member of the Senate). It might be noted that, with some frequency, litigants are seeking in discovery not only documents and depositions from congressional support agencies but also from Members of Congress and congressional staff. See, e.g., *Brown & Williamson Tobacco Corp*. v. *Williams*, 62 F.3d 408 (D.C.Cir. 1995); *In the Matter of the Applications of the City of El Paso, Texas*, 887 F.2d 1103 (D.C. Cir. 1989); *Minpeco, S.A.* v. *Conticommodity Services, Inc*., 844 F.2d 856 (D.C.Cir. 1988); *Miller* v. *Transamerican Press, Inc*., 709 F.2d 524 (9th Cir. 1983); *United Transportation Union* v. *Springfield Terminal Ry*., 132 F.R.D. 4, 6 (D.Me. 1990) (litigant who had previously engaged in "sweeping discovery," including depositions from, and document production by, House and Senate aides, also sought internal congressional communications); *Common Cause* v. *Bolger*, 574 F. Supp. 672, 673–74 (D.D.C. 1982) (three-judge court), *aff'd mem*., 461 U.S. 911 (1983).

[29] See, e.g., *Brown & Williamson Tobacco Corp*., *supra* (exercise of Congress' investigative power). The speech or debate clause has been held to be a valid defense in an attempt to obtain access to CRS materials prepared to aid Congress in considering legislation. See *In Re Exxon Corporation, supra*. The role of the speech or debate clause as a defense in such litigation is discussed in the Brand letter, *supra* note 1.

[30] In actions in which litigants have sought access to its files, CRS has generally been represented by the Office of Senate Legal Counsel or the House General Counsel. For example, in *Smith* v. *IRS, supra*, the CRS employee involved was represented by the Senate Legal Counsel pursuant to S. Res. 291, 101st Cong.

[31] See *In re Grand Jury Investigation*, 587 F.2d 589 (3d Cir. 1978); *United States* v. *Eilberg*, 507 F. Supp. 267 (E.D.Pa. 1980).

[32] In *United States* v. *Nixon*, 418 U.S. 683, 703–05 (1974), the Court rejected the President's contention that the separation of powers doctrine barred judicial review of a claim of executive privilege, and in support of judicial authority in such a case the Court cited several speech or debate clause cases in which it had interpreted the immunity of Members. *Id*. at 704, citing *Doe* v. *McMillan*; *Gravel*; *Brewster*; and *Johnson*.

[33] "Courts have conducted *in camera* hearings, with participation by adverse parties, to determine whether materials subpoenaed from Members of Congress were within the speech or debate privilege." Raveson, *Unmasking the Motives of Government Decisionmakers*, 63 N.C.L.Rev. 879, 968 n.523 (1985) (citing *In Re Grand Jury Investigation*, 587 F.2d 589, 596–97 (3d Cir. 1978); *In Re Possible Violations of 18 U.S.C. 201, 371*, 491 F. Supp. 211, 213–14 (D.D.C. 1980)). The Brand letter, *supra* note 1, states that *in camera* review is not routinely used by the courts to settle disputes concerning the applicability of speech or debate immunity. If *in camera* review is employed relatively infrequently, congressional concern over the judiciary's use of this technique may be alleviated but not eliminated.

The case of *Benford* v. *American Broadcasting Co*., 98 F.R.D. 42 (D.Md. 1983), was cited in a previous CRS discussion of the possibility of *in camera* inspection of material when a claim of privilege is raised. The Brand letter comments that *in camera* inspection of House documents was not ordered by the court in that case. It is correct that the court did not order such an inspection. However, in denying a congressional committee's motion to intervene to obtain a protective order from a litigant's subpoena seeking in discovery material as to which speech or de-

from non-protected material.[34] Such judicial screening of legislative branch materials arguably impinges upon the interest in confidentiality served by the speech or debate clause.[35]

Moreover, there is no assurance that CRS would prevail in litigating such matters. Two concerns might be highlighted. The first stems from the mix in CRS files which commonly include, *inter alia*, material from research sources in the public domain, confidential CRS memoranda for Congress, and communications between Congress and the Service. Because the information contained in the different types of documents in a particular CRS subject file is superficially similar, and because the Service's work for Congress is cumulative in nature (i.e., a CRS Report often builds upon the general analysis developed in response to specific requests from Members and congressional staff),[36] there may be a risk that a court would not precisely differentiate among the types of documents and would grant litigants access not only to publicly available information but also to confidential communications between the Service and congressional offices.

The second concern arises from the fact that, in previous instances in which CRS has been involved in litigation or agency proceedings, the judicial or agency decision has emphasized that CRS performs a legislative function and that its staff functions as an adjunct of Member and committee staff.[37] With wider dissemination of CRS products to the general public, this longstanding perception of the Service and the nature of its communications to the Congress could be altered, eventually putting at risk speech or debate protection for the Service's confidential work. In other words, extensive involvement by CRS in the direct public information function could lead courts and administrative agencies to reconsider their perception of CRS as playing a significant and unique support role in the legislative process, and thus some day might hamper a claim of immunity even in an instance in which CRS was fulfilling its legislative function.

3. There is some risk of assertion of copyright infringement if CRS materials are made available on-line to members of the general public.

CRS may incorporate preexisting material in its written responses to congressional requests. Although such material is often from public domain sources,[38] in certain instances the material may be from copyrighted sources.[39] To the extent

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bate immunity was claimed, the district court stated that it "should examine the relevant documents * * * *in camera* * * *." *Id*. at 45 n.2. (The opinion in Benford is convoluted because of the procedural complexity of the lengthy litigation involved. However, the court's position with regard to *in camera* review is clarified by a subsequent ruling in the same litigation, in an opinion by the same judge. *Benford* v. *American Broadcasting Co*., 565 F. Supp. 139, 141 (D.Md. 1983), *rev'd on other grounds sub nom. In Re Guthrie*, 733 F.2d 634 (4th Cir. 1984). In that subsequent ruling, the court expressly reserved "the right to examine *in camera*" documents as to which a claim of speech or debate privilege was raised. *Id*. at 143.)

[34] The Court in Nixon upheld the authority of the district court to segregate privileged material (to be returned to the President) from material that would be admissible in the judicial proceedings for which they had been subpoenaed. 418 U.S. at 714–16. Segregation of protected from non-protected material has also been upheld in the speech or debate context. See, e.g., *United States* v. *Helstoski*, 442 U.S. 477, 488 n.7 (1979).

[35] See generally *Evidentiary Implications of the Speech or Debate Clause*, 88 Yale L.J. 1280, 1286–87 n.30 (1979). The courts are divided on the question of whether the speech or debate clause was intended to ensure confidentiality for legislators. *Compare Brown & Williamson Tobacco Corp*. v. *Williams*, 62 F.3d at 420 *with In re Grand Jury Investigation*, 587 F.2d at 597.

[36] For example, an analyst may prepare a CRS Report on the economic implications of a tax cut on the basis of, *inter alia*, academic studies on the subject and some of the general factual information and analysis that had been included in a confidential memorandum previously prepared for a Member of the Ways and Means Committee who requested an assessment of a draft bill. Of course, because of the confidential relationship of CRS with its congressional clients, none of the specific analysis of the draft bill included in that memorandum would appear in, or be reflected, in the CRS Report.

[37] See *Webster* v. *Sun Oil*, 731 F.2d 1 (D.C.Cir. 1984) and 790 F.2d 157 (D.C.Cir. 1986) (communications to CRS analyst are within scope of common law privilege for communications to a legislative body); *Smith* v. *IRS*, No. 3778–89 (Tax Ct. 1990) (protecting from compulsory process background materials used by CRS staff in preparing reports and memoranda for Members); *In re Exxon Corporation*, 95 F.T.C. 919 (1980) (FTC subpoena for CRS documents barred by speech or debate immunity and separation of powers doctrine; CRS performs an "essentially legislative function"). *Cf. Browning* v. *Clerk, U.S. House of Representatives*, 789 F.2d 923, 929 (D.C.Cir.) (personnel actions held to be protected by speech or debate immunity if the "employee's duties were *directly related to the due functioning of the legislative process*") (emphasis in the original), *cert. denied*, 479 U.S. 996 (1986).

[38] For example, prior CRS Reports; other government publications.

[39] CRS's uses of copyrighted material are appropriately credited.

that the material is copyrighted, CRS either: obtains permission for the use;[40] considers its information-gathering function protected by the speech or debate clause;[41] or believes that the intended use falls under the "fair use" doctrine of the Copyright Act.[42]

United States copyright protection is not available for U.S. Government works.[43] Those portions of a public document authored by the U.S. Government are in the "public domain"—freely and widely available to the public without restrictions placed on their dissemination. However, the government's inclusion of copyrighted material in a government publication does not thrust that material into the public domain or impair the rights of the copyright owner.[44]

The exclusive rights[45] of the copyright owner are qualified or limited by enumerated exceptions.[46] Unless excused by a statutory exception, the unauthorized use of a copyrighted work is considered an infringement. Fair use is one of the limitations on the copyright owner's exclusive rights and may be invoked as an affirmative defense to a claim of copyright infringement.[47]

The copyright statute does not expressly include congressional use of copyrighted works as a fair use. However, both the House and Senate Reports on the Copyright Act of 1976 include the "reproduction of a work in legislative or judicial proceedings or reports" among examples of fair use.[48] The legislative history also contains an observation that publication of copyrighted material in Congressional documents would constitute fair use "[w]here the length of the work or excerpt published and the number of copies authorized are reasonable under the circumstances, and the work itself is directly relevant to a matter of legitimate legislative concern * * *."[49]]

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[40] Although CRS obtains permission to reproduce certain copyrighted works, the permissions are generally based on legislative use and do not explicitly cover electronic dissemination.

[41] U.S. Const., art. 1, § 6, cl. 1. Speech or debate clause protection extends to activities within the sphere of legitimate legislative activity (generally considered to be matters that are an integral part of the deliberative process by which members participate in legislative proceedings) rather than activities that are representational or political in nature. When CRS performs a legislative function, the speech or debate clause shield provides protection from copyright infringement claims. See CRS's purposes and duties as set forth in 2 U.S.C. § 166(d); *see also Webster* v. *Sun Oil, supra* n.27.

[42] Copyright Act of 1976, Act October 19, 1976, Pub. L. No. 94–553 (*codified as amended at* 17 U.S.C. §§ 101 et seq.). Fair use is a judicial doctrine codified for the first time in the Copyright Act. See 17 U.S.C. § 107. Although the Act does not define "fair use," the Act lists four illustrative factors, based on prior case law, to be considered when determining whether a use made of a work is a fair use: (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect of the use upon the potential market for or value of the copyrighted work.

[43] 17 U.S.C. § 105. Sec. 101 defines a "work of the United States Government" as "a work prepared by an officer or employee of the United States Government as part of that person's official duties." While works of the U.S. Government are not protected under U.S. copyright laws, protection may be available under the statutes of certain other countries.

[44] The legislative history of the Copyright Act contains the following statement:

The committee here observes: (1) there is nothing in section 105 that would relieve the Government of its obligation to secure permission in order to publish a copyrighted work; and (2) publication or other use by the Government of a private work would not affect its copyright protection in any way. (H.R. Rep. No. 1476, 94th Cong., 2d Sess. 60 (1976).)

[45] 17 U.S.C. §§ 106, 106A.

[46] 17 U.S.C. §§ 107–120.

[47] A bright-line approach to fair use is difficult if not impossible; courts examine the fair use defense on a case-by-case basis.

[48] See H.R. Rep. No. 1476, 94th Cong., 2d Sess. 65 (1976); S. Rep. No. 473, 94th Cong., 1st Sess. 61–62 (1975) *quoting* REPORT OF THE REGISTER OF COPYRIGHTS ON THE GENERAL REVISION OF THE U.S. COPYRIGHT LAW, 87th Cong., 1st Sess. 24 (Comm. Print 1961) (hereafter REGISTER'S REPORT).

[49] See H.R. Rep. No. 1476, *Id.* at 73. A "matter of legitimate legislative concern" is not defined. In a speech or debate clause context, protection extends to activities within the sphere of legitimate legislative activity which is generally considered to be matters that are an integral part of the deliberative and communicative processes by which members participate in legislative proceedings. Such matters are distinguished from those activities that are political in nature and further interests distinct from legislative responsibility. See *Gravel* v. *United States*, *supra* n.2; *United States* v. *Brewster*, *supra* n.1. The republication of intra-Congressional material outside Congress has been held not to be a protected legislative activity. See *Miller* v. *Transamerican Press, Inc.*, *supra* n.21; *Hutchinson* v. *Proxmire*, *supra* n.10 at 127–28 (1979). Although obtaining information pertinent to potential legislation is one of the "things generally done in a session of the House" concerning matters within the "legitimate legislative sphere" (see *Kilbourn* v. *Thompson*, 103 U.S. 168, 204 (1881)), Congress's "informing function" protected by the speech or debate clause as part of the legislative function is that of informing itself about

In an infringement action, a court might regard the publication of copyrighted material in a Congressional document for legitimate legislative purposes as a "fair use." If, however, the use is outside of such legislative purposes, it is possible that a traditional fair use analysis might result in liability for copyright infringement. Wider dissemination outside the confine of Congress would further complicate the "fair use" question. While courts appear to be applying the same fair use analysis in infringement actions involving the electronic environment as in more traditional environments, the application of fair use in the electronic environment is still developing.

The copyright laws do not contain an exemption from copyright infringement for unauthorized use of copyrighted materials by the U.S. Government. Subsection 1498(b) of Title 28 of the U.S. Code provides that the exclusive remedy of a copyright owner for copyright infringement by the United States is an action against the United States in the U.S. Court of Federal Claims "for the recovery of * * * reasonable and entire compensation * * * including the minimum statutory damages * * *."[50] Speech or debate clause immunity is not waived under § 1498(b); however, activities outside of the legislative sphere would not be shielded from a copyright infringement action.[51] The one case interpreting § 1498(b) narrowly construed the governmental waiver—relying on general construction of such waivers and on prior interpretation of a similar provision.[52]]

The protection of intellectual property rights in the information age and the balance between copyright owners' exclusive rights to control the uses of their creative works and the public's right of fair use of and access to copyrighted works are being addressed by Congress[53] and the courts.

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subjects susceptible to legislation, not that of informing the public. See *Hutchinson* v. *Proxmire*, at 132–33.

[50] Damages are limited to "reasonable and entire compensation." The available remedies do not include the other remedies for infringement available under the Copyright Act against infringing parties such as: injunctions; impoundment and disposition of the infringing articles; recovery of full costs and attorney's fees.

The subsection provides that before such an infringement action is instituted, "the head of the appropriate department or agency of the Government, as the case may be, is authorized to enter into an agreement with the copyright owner in full settlement and compromise for the damages accruing to him by reason of such infringement and to settle the claim administratively out of available appropriations."

[51] As originally enacted, § 1498 applied only to suits for patent infringement against the United States. In 1960, Congress amended § 1498 to give its consent to suits for copyright infringement against the United States; Section 2 of Pub. L. 86–726 provided: Nothing in this Act shall be construed to in any way waive any immunity provided for Members of Congress under article I of section 6 of the Constitution of the United States.

Section 2 was added to the House bill by Senate amendment in order "to emphasize the fact that no immunities for Members of Congress under article I of section 6 of the Constitution shall be waived by the enactment of this legislation." See S. Rep. No. 1877, 86th Cong., 2d Sess. (1960) as reprinted in 1960 U.S.C.A.A.N. 3444. Presumably, speech or debate clause protection would protect Congressional use of copyrighted material that is used to further legitimate legislative activities that are part of the legislative processes (e.g., copyrighted material inserted into the Congressional Record or congressional document). See Copyright Office Memorandum of May 26, 1958 reprinted in 1960 U.S.C.A.A.N. at 3456. Congress did not waive its speech or debate clause immunity when it amended § 1498. However, insofar as activities outside of the legislative sphere (e.g., political activities) are concerned, it would appear as if § 1498(b) would not shield Congress from a copyright infringement action.

[52] *Auerbach* v. *Sverdrup Corp.*, 829 F.2d 175 (D.C. Cir. 1987) (holding that the government only waives immunity under § 1498(b) for third-party infringements that are authorized or consented to by the government rather than for any copyright infringement that a third party may choose to undertake). The *Auerbach* case, relying on the legislative history of this provision, is the sole case construing § 1498(b). Sec. 1498(a), the sister provision waiving immunity for patent infringements, has been interpreted more often—courts holding that such waiver is limited to direct governmental infringement.

[53] In December 1996, the World Intellectual Property Organization (WIPO) adopted two new intellectual property treaties—the WIPO Copyright and WIPO Performances and Phonograms Treaties. The Copyright Treaty covers copyright protection for computer programs and for databases as intellectual works, and uses of copyrighted works in digital electronic environments, including transmissions over the Internet. The Administration's treaty implementation bills (S. 1121 and H.R. 2281) were introduced at the end of July 1997. Alternative WIPO implementation bills (S. 1146 and H.R. 2180) also address additional Internet policies issues. See U.S. Library of Congress. Congressional Research Service. World Intellectual Property Organization Performances and Phonograms Treaty: An Overview (CRS Report for Congress 97–523A); and U.S. Library of Congress. Congressional Research Service. Online Service Provider Copyright Liability: Analysis and Discussion of H.R. 2180 and S. 1146 (CRS Report for Congress 97–950A). See also H.R. 3048, introduced in November 1997, which implements the WIPO treaties and updates United States copyright laws to accommodate the developments of digital technology (address-

Continued

In summary, where permission has been granted to CRS to use copyrighted material, it has likely been based on legislative purpose and limited to the print (rather than the electronic) environment.

If access is broadened to members of the general public, congressional release may be outside the scope of "legitimate legislative purpose." In such cases, a traditional fair use analysis may not provide an affirmative defense to an infringement action and liability could attach.[54]

The copyright law is intended to foster the creation and dissemination of intellectual works for the public welfare and to reward authors for their contribution to society. Striking a fair balance between the authors' exclusive rights to control the dissemination of their works and the public interest[55] is ever more challenging in the electronic environment.

Public interest in dissemination of government documents must be weighed against the legitimate governmental purposes that are served in the Government's exercise of due diligence in not infringing copyrights (e.g., restricting the public's use of proprietary information incorporated in a government document). Although it may be possible to limit liability to some extent by taking certain diligent measures,[56] some degree of liability may continue to exist. There is some risk of assertion of copyright infringement if CRS materials containing proprietary material (and intended to support congressional needs) are made available on a wholesale basis online to members of the general public.

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## ATTACHMENT A.—CONGRESSIONAL BUDGET OFFICE PRELIMINARY COST ESTIMATE, S. 1578—CRS WEBSITE FOR PUBLIC USE, PRELIMINARY WORKSHEET

### SUMMARY OF CBO PRELIMINARY WORKSHEET FOR S. 1578 [105TH CONGRESS]—CRS WEBSITE FOR PUBLIC USE [1]

| Cost elements | Lower bound estimate (includes start-up costs) | Upper bound estimate (includes costs of full phase-in) |
|---|---|---|
| Direct Costs (programmers; financial costs of increased interactions with the public) | $220,300 | $467,963 |
| Indirect Costs (start-up plus added product review procedures, tracking, legal and administrative costs) | 358,560 | 202,051 |
| Additional demand (costs of increased number of congressional and public requests) | 1,292,060 | 6,460,300 |

ing, e.g., "fair use," "first sale," and distance learning). H.R. 2652, the "Collections of Information Antipiracy Act" would create sui generis protection, distinct from copyright protection, for collections of facts, data or works of authorship. Government collections of information are excluded. Exceptions address acts such as the extraction of insubstantial parts of collections of information; independent gathering of information; non-profit educational, scientific or research uses; and extraction for news reporting. The bill responds to the Supreme Court's decision in *Feist Publications* v. *Rural Telephone Service Co*., 499 U.S. 340 (1991) which held that comprehensive collections of facts arranged in conventional formats were not protected and could not be constitutionally protected under copyright. For an overview of legislative proposals introduced in the 104th Congress, see U.S. Library of Congress. Congressional Research Service. Copyright Proposals for the National Information Infrastructure (CRS Report for Congress 95–1166A).

[54] Liability, however, would be limited by the exclusive remedies provided for in 28 U.S.C. § 1498(b). Copyright owners may not wish to assume the costs associated with § 1498(b) litigation in light of the limited damages that are available under this section.

[55] REGISTER'S REPORT, *supra* n.39 at 6:

Within reasonable limits, the interests of authors coincide with those of the public. Both will usually benefit from the widest possible dissemination of the author's works. But it is often cumbersome for would-be users to seek out the copyright owner and get his permission. There are many situations in which copyright restrictions would inhibit dissemination, with little or no benefit to the author. And the interests of authors must yield to the public welfare where they conflict. * * * While some limitations and conditions on copyright are essential in the public interest, they should not be so burdensome and strict as to deprive authors of their just reward * * *.

[56] For example, notifying the public that although there are no restrictions on the replication of CRS materials—copyrighted materials contained therein may not be used without permission of the copyright owner.

SUMMARY OF CBO PRELIMINARY WORKSHEET FOR S. 1578 [105TH CONGRESS]—CRS WEBSITE FOR PUBLIC USE [1]—Continued

| Cost elements | Lower bound estimate (includes start-up costs) | Upper bound estimate (includes costs of full phase-in) |
|---|---|---|
| Estimated Added Costs | 1,870,920 | 7,130,314 |
| Estimated Added Costs as a percent of fiscal year 1998 budget | 2.90 | 11.04 |

[1] S. 393 and H.R. 654, bills introduced in the 106th Congress, are similar to S. 1578 (105th Congress). Accordingly, the estimated costs of implementing the current bills would appear to be generally comparable to the estimated costs contained in the CBO preliminary worksheet for S. 1578.

Mr. MULHOLLAN. In particular, I would like to note that the preliminary estimate by the Congressional Budget Office found that last year's proposal could cost CRS as much as $7 million each year. The current bills do not significantly alter the assumptions on which that estimate is based.

Mr. Chairman, Senator Feinstein, I fully appreciate the budgetary constraints before this subcommittee as it crafts appropriations for the Legislative Branch. It is for that reason that our request is limited to the funds essential to sustain our current efforts.

Our top priority is to provide Congress with efficient, cost effective support that meets your highest standards for quality, comprehensiveness, accuracy, objectivity, and nonpartisanship.

Thank you.

Senator BENNETT. Thank you very much.

REPROGRAMMING FISCAL 1999 FUNDING TO EVALUATE PERSONNEL SYSTEM

The Library is requesting authority to reprogram $400,000 in fiscal year 1999 funds to evaluate the personnel system. What do you hope that evaluation will accomplish?

Will it result in savings in personnel costs or is it aimed primarily at trying to increase efficiency with costs remaining where they are? Give me a feel for this.

Senator BENNETT. I think the Deputy Librarian will address this most efficiently.

General SCOTT. Thank you, Mr. Chairman.

The Library of Congress is currently facing a unique opportunity and challenge in that 45 percent of our workforce will be eligible to retire by the year 2004.

Currently we have about 125 people that we replace every year. When we extrapolate a fraction of that 50 percent over each year between now and 2004, we could be inundated with more than twice the number that we would normally have to replace were we not to embark on a contingency that would allow us to hire and fill vacancies in a timely manner and also take advantage of this opportunity to streamline our system.

The deliverables that we would hope to accomplish, with your approval of this reprogramming process, are these:

We would develop a short-term plan that would help us to replace people in excess of the numbers that we normally have to

deal with—that's short-term. We would also be able to start an integrated plan that would see us design, examine, and implement pilots that would streamline our entire hiring process for the out-years.

For this money we would be getting immediate help in terms of a contingency plan. We would also obtain outside help with a transformation plan that we would devise and implement over the next 4 years.

Senator BENNETT. This calls on a crystal ball, but do you have any sense about available applicants? You commented, Dr. Billington, that this is a unique kind of employment with almost one-of-a-kind sort of jobs there. As the body of expertise represented by your present personnel "graduates," if you will, is there a pool of people willing to come into this kind of work behind them? Or should there be some recruiting efforts connected with your evaluation?

General SCOTT. Yes, sir, we have surveys that both CRS and Library Services have conducted which have identified the professionals who, if they left, would create a tremendous void. With that, we have developed a succession plan including recruitment to backfill the critical spaces should those staff leave next year or the year after. We do have a plan in place that would allow us to fill those critical positions.

Dr. BILLINGTON. Let me just add a word on that and then Mr. Mulhollan may want to say something more.

As General Scott pointed out, we do have not only this plan to recruit these people but a specific plan. Because these jobs are so one-of-a-kind, you cannot just hire somebody, so to speak, off the street or out of some other position because nothing is quite analogous to most of the jobs in the Library of Congress.

SUCCESSION PLANNING

So the succession planning, which is an important part of our budget submission this year, would bring in some people who could be mentored by the people who are in, in effect, mission critical positions. This is particularly important where there is collective memory in CRS, and I am sure Mr. Mulhollan will speak to this. But it is also important in Library Services, where for these immense collections there is knowledge that is in people's heads. Here we have a very small turnover; 17 to 20 years is about the average time of service. So it is very important that the knowledge in their heads be transported, transformed, be passed on, as it were, to other employees.

That is why the succession planning that we are applying for this year and that you were kind enough to begin helping us within CRS last year is so important, both to CRS and to Library Services. We want to continue to have efficient navigators through this great storehouse of information.

You may want to add to that, Mr. Mulhollan.

CRS RECRUITMENT PROGRAM

Mr. MULHOLLAN. What the Congressional Research Service did back in 1996 is survey the roughly 300 people who are eligible to retire. We had over 95 percent participation.

What we then did is an analysis of those who said they would be retiring in 2000, 2002, 2004, and 2006. Two-thirds of those eligible between now and 2006 told us that they would be retiring during that period of time.

Senator BENNETT. You do not allow them to believe in odd-numbered years, then? [Laughter.]

Mr. MULHOLLAN. We are clustering there. We think in terms of Congresses.

We then identified people in each subject area. Say that we had 6 people as a baseline for January 1, 1997. If we had 6 people in Natural Resources and 3 of those were retiring by 2002, we would say that we were at 50 percent risk.

We then established an aggressive recruitment program throughout the country, including Utah and California. We went to the public policy schools and the graduate schools, and met with the deans and the heads of the public policy schools. We told them about a program where we use law and graduate recruit programs to recruit at the law schools and graduate schools once we identify those subject areas most at risk. Then we began recruiting, trying to get the best and the brightest in the country, to serve the Congress.

Gratefully, a large number of young people are captured by serving, to help insure the continuing functioning of democracy.

In some business schools it is a little harder, to be perfectly frank. They would have to make a sacrifice. We are talking about only being able to offer a third of the salaries that they could get on the outside. There are some public policy schools where we face the same problems as well.

Notwithstanding that—we pushed for public service—we then align those subject areas to where our greatest risk is in trying to get them to come in during the summer. We have 20 grad recruits this coming summer, in 1999, in various areas. We fund them for the summer. If they like us and we like them, we can offer them a position and they will have another year to complete their Master's or their Ph.D.

That is the major recruitment program that we have revived to meet this challenge.

When we bring them on-board into CRS, it takes quite a while, even if you have a Ph.D. in economics, to be able to work in this environment. Some schools are very strong in giving students some of these skills in addition to the knowledge of their discipline our new employees need to be able to compartmentalize. This is because, as an analyst, you have to work with the Majority and Minority in one chamber and compartmentalize so that the information that you receive from one never interferes or gets shared with the other.

So it takes time to carry four compartments, as an example, to learn how you can manage serving both chambers and both sides of the aisle, as well as understanding your discipline in the context of the writing of law.

We say that it takes between 3 and 5 years to do that kind of training and, hopefully, with the people who have been here for 20-plus years, we can pass on that knowledge and skill.

Senator BENNETT. Thank you very much.

That is very helpful and it is encouraging that you are doing this kind of detail.

ILS PROJECT

The Integrated Library System originally was projected to cost $15 million over 7 years. It now is estimated that it will cost $270 more in fiscal year 2000 and $17 million over the course of the project.

Can you go over that with us, why the project is over budget, whether it is still on time, whether there will be further increases that we might look for?

Dr. BILLINGTON. Again, I would look to our Chief Operating Officer, General Scott, on this matter.

General SCOTT. Yes, sir.

As you pointed out, Senator, we estimated a figure that proved to be less than the actual contract value in two areas: the 5-year contract cost for hardware maintenance is $700,000 higher than we estimated. The 5-year contract cost for software maintenance is $1.2 million higher than we estimated.

Both of those came in higher on the final contract than what we had originally expected.

We believe that the ILS program will add the anticipated increase in equipment and maintenance costs to the Library's request for funding beginning in 2001. We think that what we are going to ask for will satisfy the maintenance and the software costs for those out-years.

Dr. BILLINGTON. Those original estimates were made by an outside company, Abacus Abacus, in 1996. So they were estimates that were professionally given to us from the outside on the basis of market conditions at that time. They were not as far-seeing as they might have been.

Senator BENNETT. Senator Feinstein.

IMPACT OF THE POTENTIAL RETIREMENTS

Senator FEINSTEIN. Mr. Chairman, let me just for a moment go back to the subject that you raised.

I am a big fan of the Library. If I were in your shoes, Dr. Billington, I just don't know, but a loss of almost 50 percent of the institutional memory of the institution in this short period of time would really concern me very greatly.

Could I ask you this question? Are most of these retirements on one level or are they spread throughout the institutional hierarchy?

Dr. BILLINGTON. I think they are spread fairly evenly throughout the institution. But they are particularly potentially devastating in terms of the curators, for instance, of our foreign and special collections.

There was a great deal of hiring in the immediate post-war period and after Sputnik. It was very big. People are now reaching retirement age throughout the system.

I can give you the exact breakdown in terms of the levels.

Senator FEINSTEIN. But a lot of them are on the level of curator?

CAREER ENHANCEMENT SUCCESSION PLAN

Dr. BILLINGTON. A lot of them are at the curatorial level, yes. This is why we think it is extremely important to have succession planning. That is particularly important.

The career enhancement succession plan that we submitted to you is designed to help insulate us largely from the retirements of the professional staff who are primarily in grades GS–12 and GS–13.

These are pretty substantial; 25 percent, actually, of Library Services staff are already eligible for retirement. There will be added another 25 percent in the following 5 years. It is a very immediate problem.

In fiscal year 1998, 40 retired. We have not had that devastating a retirement problem yet. We are talking about those who are eligible to retire. They don't have to retire. Still, it is a very serious problem. This is why we have to have some overlap with people coming in. This is why the succession planning is so important that we have presented to the committee this year.

Senator FEINSTEIN. So by "succession planning," you would essentially mean a staggering of the retirements?

Dr. BILLINGTON. Well, we cannot determine, once people are eligible to retire, when they will retire. Most employees who have served that long have a certain loyalty and dedication to their work and to see that it continues to be performed well. We expect a lot of voluntary cooperation to avoid creating a sudden rush.

But since we cannot control it, we feel it is very important to hire people, particularly in some of the areas where we are very highly dependent on individuals with an immense amount of knowledge which cannot really be written down and easily transferred.

Senator FEINSTEIN. Name some of those areas just so I can get a sense of it.

Dr. BILLINGTON. There are curators who have for instance an extraordinary knowledge of the history of American music, for which we have one curator in particular of whom I am thinking, though there are several who have extensive knowledge that is really unequalled anywhere else. Of course, we have, by far, the largest collection of American music in the world—in all forms, sheet music, recorded sound, et cetera.

The entire entertainment industry depends, in many ways, on the memory of some of these people.

Another example would be in conservation. We give 400,000 items conservation treatment—technical, chemical conservation treatment—of one kind or another every year. There are people who know the whole history of different efforts of conservation, who can tell by the feel of different materials exactly what is the appropriate thing to use. Those are all highly, highly technical skills.

Or, there are staff members who are knowledgeable in some foreign language area who are very difficult to replace. In the Law Library, we have staff who know both the language and the legal systems of Third World countries which can suddenly become important.

Senator FEINSTEIN. Let me ask you this. Take, for example, just the music aspect of it. Is it possible to ask your curators to give

you, say, a year's notice of when they might retire so that you can begin to reach out into the effective communities?

Dr. BILLINGTON. That is a very good suggestion. In fact, generally they do give us pretty good notice. Our curators are such dedicated folks that they have as much of a concern as you and I do that the continuity be maintained. So we usually get pretty good notice.

But that is a good idea and perhaps we ought to make that a standard operating procedure.

It is very important to know that one of the marvels of having the depth of such collections as we have is that the staff who work with them acquire just immense knowledge for which there is no equal. You cannot hire any professor of music in the country that will have the same knowledge.

Senator FEINSTEIN. Right. That is evident. When I came back here, why that Library was just astounding. So it really hit me when you said that you were expecting a 40 percent retirement within, essentially, a 5 year period of time. That kind of means a whole turnover in the focus of the institution.

Dr. BILLINGTON. They are eligible for retirement. But we cannot lose them all at once.

Senator FEINSTEIN. And there is not a mandatory age for retirement, either. I mean, people can stay if they wish.

Dr. BILLINGTON. That's right. Generally speaking, people can stay on.

Senator FEINSTEIN. Do you think that will be the case?

Dr. BILLINGTON. We hope so and we think so. But, again, these staff members have served a long time and we cannot dictate to them.

Senator FEINSTEIN. Yes, life changes.

Dr. BILLINGTON. With less FTEs than we had some years ago, the burdens of people are increasing. As they get older, sometimes that is difficult. For instance, our special collections normally serve a few professional scholars, but they are now producing materials that are going out on the Web for school children. We are getting tremendous usage from the Web and the National Digital Library.

Staff members have a new obligation to communicate their knowledge to a national audience. It's not just professional scholars but now it is everyone from school children to retirees. There is a big usage of our National Digital Library by people who have retired who are developing interests, intellectual interests, through the use of this material. That is a responsibility of our curators as well.

The work burden is heavy. But we can do this rationally if we receive the help that we are requesting from the committee this year.

PERSONNEL SYSTEM

Senator FEINSTEIN. Now if I understand you correctly, you are also reprogramming $400,000 to take a look at the personnel system. That is a separate reprogramming?

Dr. BILLINGTON. Yes.

Senator FEINSTEIN. And that is expected to achieve what in your view?

Dr. BILLINGTON. I will let General Scott address that.

General SCOTT. Thank you, Senator Feinstein.

Our personnel system at the Library of Congress is 53 years old and we have many provisions which prevent us from hiring in a timely manner.

On average, it takes us about 125 days to get a vacancy through the entire process. We would take advantage of this opportunity, since we have this window in which we have so many people leaving, to examine alternatives to the traditional hiring process which would give us greater flexibility in direct hire authority. It also could give us the opportunity to have pay-per-performance rather than the current system which is pay-by-tenure, so to speak.

The $400,000 that we are asking to be reprogrammed would give us the opportunity to have a contingency in the event that a fraction of the people that we are talking about choose to leave next year.

The numbers are these: if our current FTE base remains the same, about 4,600 employees, 50 percent of that number would be over 2,000. If just 10 percent of those retired next year, we would be adding over 200 vacancies on top of the normal 125. With this money, we could develop a plan for how we will get these additional people hired in the event that 10 percent decide to go next year?

The money will also help us to realize pilots to streamline the hiring process and improve the classification process, so that over the next 2 to 3 year period we could examine, improve and implement mechanisms that work, with the end result of a new hiring process for the Library of Congress that is both flexible and fair.

COPYRIGHT FEES INCREASE

Senator FEINSTEIN. Thank you very, very much.

I have just one quick question on the Copyright fee increase. You have increased your most frequent fee from $20 to $30, a 50 percent increase. Is there much objection to that from the Copyright related public?

Coming from a big intellectual property State, I am just curious here.

Dr. BILLINGTON. Ms. Peters will address that.

Ms. PETERS. We went to the Congress to seek help; it passed a law which put in place the system that we now have, which required the Copyright Office to have outside consultants do a cost analysis of all of our fee services.

The cost analysis for the basic registration fee was $45. The legislation also allows us to take into account fairness, equity, and the objectives of the system. So basic proposal was $45; we had an alternative proposal which would have given a subsidy to individual authors. Our ultimate decision, however, was $30.

So I can tell you that most people are happy with the $30, compared to the $45.

Senator FEINSTEIN. Now that's a good way of doing it. [Laughter.]

Ms. PETERS. The other thing is that I met with every author group before we even made our proposal. The reaction on the whole has been rather favorable.

So we do not expect much objection.

Senator FEINSTEIN. What you are saying, though, is even at the $30 level, that does not really cover costs?

Ms. PETERS. No.

We went to full cost recovery for all fee services except the basic registration fee. Fees will bring in 70 percent of the money that it takes to operate the Copyright Office. We have programs, such as our policy programs, public information programs and the mandatory deposit system which brings material into the Library of Congress from people who choose not to register their works, that are covered by appropriated funds.

Senator FEINSTEIN. Thank you.

Thank you, Mr. Chairman.

Senator BENNETT. Do you have any additional questions?

Senator FEINSTEIN. No. I think that completes it for me, Mr. Chairman. But I would just say that I am the biggest fan of both CRS and the Library. I think this is one of the very best things the Federal Government does.

Senator BENNETT. I agree absolutely.

I have one last question. Mr. Mulhollan, you mentioned this in your remarks, but I want to get it focused and crystallized.

CONCERNS OF PUTTING CRS PRODUCTS ONLINE

Senator McCain has introduced legislation to require posting of CRS products on the Internet. While this bill is different from the one introduced to the last Congress, I am assuming that you are still concerned about the impact that it would have and I would like to give you an opportunity to comment on the impact of the new bill so when it comes up on the floor or wherever, we will have the benefit of your specific comment on the bill issue.

Mr. MULHOLLAN. Thank you, Senator.

Again, I appreciate the compliments inherent in the measure and the proposal itself, and the changes it made, one of which is to have the CRS material on the Senate website. I do believe it intends to try to address some of the legal issues we had identified.

As you recall, speech and debate protections are focused on the legislative function, not the informing function. As a result, the concern would be that if the wholesale dissemination of the Service's products are put up, the courts would see us as having an informing function, not focused on legislation.

The Senate Legal Counsel is currently defending CRS against a discovery right now in fact. We have always won these discoveries, particularly leading with the speech and debate protections, and sustained the position that our sole client is Congress and that as our work is focused on the Congress, it is a legislative function.

The concern that I have is that the basis of most of those works that are distributed to all Members of Congress, is the research for the confidential memoranda—there were 2,400 last year—and briefings that we did on our research. The risk is that underpinning could be exposed and be on a court docket under discovery because they would go behind the report to get original, and confidential material.

So that is still a primary concern. So I am looking to those measures.

The Senate Rules and Administration Committee took seriously the concerns and sent out a Dear Colleague letter last year that urged members and committees to select those items that they deemed appropriate for use by their constituents and to place them on their Web sites.

That's fine. CRS products have always been placed in committee hearings and submitted for the record, as chosen by that Member.

The concern is not that the selection will not be there but the wholesale dissemination of the Service's products. That, I think, is a critical role. I believe, as a matter of principle, as we discussed last year, it is appropriate for a constituent to go to the Senator, whom they elect and for whom they have responsibilities, when they have a question on legislation, not to an unelected bureaucracy. We serve you and support you on those issues.

Another concern, of course, is the fact, as you very well know, that the Legislative Branch is severely constrained in funding. We anticipate, as part of the cost estimate, that those costs range between $2 million and $7 million, and that, in fact, it would represent a shift of focus of scarce resources to a public function and away from serving Congress.

To be perfectly frank, I feel that we are doing our best to help Congress with legislation. But I feel that Congress needs more help and that, anything that shifts resources away from Congress and to serving the public, will diminish our capacity to help with the legislative function.

In addition, over time it may shift our focus. The concern is that—and I am someone who pays attention and everyone tries to maintain their professional ties—if the products become more and more open as public documents, it could shift analysts' focus to their association and their professional expertise rather than the legislative work at hand and this is the focus that we are trying to get for you.

Senator BENNETT. Thank you. I appreciate that and we appreciate your frankness last year. I am glad to have an update on the legislation this year. I have decided not to co-sponsor that particular piece of legislation.

Thank you very much. We appreciate your coming and we will do our very best to give you the support you need.

## GENERAL ACCOUNTING OFFICE

**STATEMENT OF DAVID M. WALKER, COMPTROLLER GENERAL OF THE UNITED STATES**

WELCOMING REMARKS

Senator BENNETT. Our second witness is Mr. David Walker, Comptroller General of the United States.

We are delighted to welcome you sir, if for no other reason, than that I will no longer have to hear Senator Dorgan complain about the fact that the office is still vacant.

I always joined in those complaints with him. I never criticized him because I think his crusade to get that done was very well placed.

We miss Senator Dorgan on the subcommittee. But we are delighted you are here. We look forward to hearing your plans for the agency. You have been there for all of 6 months. So, naturally, you have all of the answers by now. [Laughter.]

I also want to acknowledge Jim Hinchman. His services as Acting Comptroller General during the interim period were very much appreciated. He had a difficult job to execute.

We want you to know, Mr. Hinchman, that the committee appreciates your stewardship of the agency during some difficult times. When we went through the downsizing experience the full burden fell on you.

Mr. Walker, your agency was in good hands while it was waiting for your arrival.

Mr. HINCHMAN. Thank you, Mr. Chairman.

Senator BENNETT. The GAO requests $388.9 million for fiscal year 2000. As an old retailer, I know the difference in price points and the ".9" sounds good.

This is a 9 percent increase over the fiscal year 1999 level.

I do want to make one other comment—again, my obsession with Y2K problems. The Y2K issue would not be as close to a resolution as it is if it were not for the GAO.

Of all the agencies in the government, the GAO has been the most forthcoming, has had the highest level of expertise, and the greatest amount of candor than any government agency that we have dealt with.

Wearing my other hat, as chairman of the Senate Committee on the Year 2000, I can tell you we would not have been able to function without the GAO and without the high level of professionalism and honesty that they have brought to that challenge.

So, while we were cutting you back on the one hand, we were giving you additional duties on the other, and the agency has responded magnificently well.

Senator Feinstein.

Senator FEINSTEIN. I think he ought to stop while he is so far ahead, Mr. Chairman. Those were very nice comments. [Laughter.]

Mr. WALKER. Can I get my pension today, Mr. Chairman? [Laughter.]

Senator FEINSTEIN. Mr. English just mentioned to me that this is Mr. Walker's first time here. It might be appropriate to put a biographical sketch in the record.

Senator BENNETT. I think that would be appropriate.

If you could, furnish us with what you think is appropriate for the committee. We would appreciate that.

Mr. WALKER. I would be happy to, Mr. Chairman.

[The information follows:]

BIOGRAPHICAL SKETCH OF DAVID M. WALKER

David M. Walker was sworn in on November 9, 1998 at the age of 47, as the 7th Comptroller General of the United States in the agency's 77-year history. Before coming to GAO, Mr. Walker served at Arthur Andersen & Company in Atlanta as a partner and global managing director of the firm's human capital services practice. Mr. Walker was head of the firm's work in helping organizations maximize their investments in human capital. He also was in charge of the firm's employee benefit plan audit/assurance and independent fiduciary/risk management practices, and served on the board of Arthur Andersen Financial Advisors. His work, international in scope, involved engagements in a wide range of public and private sector organizations, including government, financial services, institutional funds, insurance, transportation, manufacturing, health care, professional services, telecommunications, utilities, agriculture, defense contracting, retail, real estate, and energy. He is a co-author of the recent book "Delivering on the Promise: How to Attract, Manage, and Retain Human Capital"; and the author of "Retirement Security: Understanding and Planning Your Financial Future", published in 1997.

After graduating from Jacksonville University in Florida where he earned a B.S. degree in accounting in 1973, Mr. Walker who is a CPA and registered investment advisor, worked in auditing at Coopers & Lybrand and Price Waterhouse, and in regional operations management with Source Services Corporation, an international human resources consulting and search firm, and Coopers & Lybrand. His 12 years of federal experience—from 1983 to 1995—included service as acting head of the Pension Benefit Guaranty Corporation, as Assistant Secretary of Labor for pension and welfare benefit programs, and as a public trustee of the Social Security and Medicare trust funds. Mr. Walker has also earned an SMG certificate in public policy from Harvard's John F. Kennedy School of Government.

Mr. Walker was born on October 2, 1951 in Birmingham, Alabama, was married in 1970 to Mary Etheredge, and is the father of two grown children, Carol and Andrew.

Senator BENNETT. He comes from the private sector of consulting and accounting. I have forgotten which was your firm—Arthur Andersen?

Mr. WALKER. Arthur Andersen most recently and Price Waterhouse Coopers previously.

Senator BENNETT. We are delighted to have you here. We welcome you. We hope this will always be if not a happy at least a somewhat satisfying annual experience for you.

HIGHLIGHTS OF GAO ACTIVITIES

Mr. WALKER. Thank you, Mr. Chairman, Senator Feinstein. It is a pleasure to be here.

As you noted, Mr. Chairman, I am new in the job—4 months on the calendar but 6 months on the clock. You were probably going by the clock, I would imagine. We have had some fairly long hours lately.

I would like to add my thanks, as well, to your remarks about Jim Hinchman. He did an excellent job during the 2-year tenure under very difficult circumstances. The appointment process dragged on for about 16 months after it got started. It went from me being patient to being persistent, to persevering, to pain. But, finally, it got done.

Senator BENNETT. Not to panic, of course. [Laughter.]

Mr. WALKER. No, not to panic. I did not get to that point or else I would not be here. [Laughter.]

Mostly it was every other word beginning with "P" that I can think of, Senator. But, fortunately, it is over and I only have to go through it one time in my life. So I am looking forward to the next 14 years and 8 months.

It is truly an honor and a pleasure to be part of the GAO team. As you have probably heard me say before, I believe the GAO is one of the best, if not the best, agencies in the Federal Government and clearly one of the most important.

As you know, we are a multidisciplinary professional services organization. I have headed several multidisciplinary professional services organizations before in the private and public sectors. I have had two prior presidential appointments before taking this third one. I previously served as a public trustee of Social Security and Medicare and as Assistant Secretary of Labor for ERISA. I also ran the Pension Benefit Guaranty Corporation. I ran Arthur Andersen's Human Capital Services practice globally and now have responsibility for the GAO.

The Congress is our client. We are a service organization. This has to be first and foremost in our mind. We have to be client focused. We have a number of initiatives underway to enhance our client focus and to support the Congress even better than we have in the past.

We are your front line troops. Quite candidly, Mr. Chairman and Senator Feinstein, at a time when there has been significant downsizing and we have experienced a 39 percent head-count reduction from our peak in 1992 and at a time where Congress itself has had a significant downsizing in staff, increased staff turnover, and less average tenure on Congressional staff. GAO is going to be more important in the years ahead in order to put the Congress on a level playing field with the Executive Branch, regardless of who is in charge of the Executive Branch.

We are going to be increasingly important.

Our name is somewhat of a misnomer. We are called the "General Accounting Office," and that is a challenge because when you say "accounting," people tend to stereotype you. But the fact of the matter is less than 25 percent of what we do is about accounting and auditing.

Accountability is what we are all about. We do accounting, we do auditing, we do investigations, we do program reviews, we do policy analysis, we render legal judgments—it is all about accountability.

We are committed to three core values—which I think are important to articulate—to serve the Congress and the American people. The first is accountability. That is what we do. We help the Congress oversee the Executive Branch. We help make sure that the government works for the benefit of the American people.

The second is integrity. That is how we do what we do—professional, objective, fact based, nonpartisan, nonideological, fair and balanced.

Third, reliability, is how we want what we do to be received by the Congress—timely, accurate, useful, clear, and candid. It's just the facts. We say what we mean, we mean what we say, and we try to help the Congress do a better job for the American people.

Our objectives are generally three. First, I think it is our job to help the Congress continuously improve the economy, efficiency, and effectiveness of the Federal Government for the benefit of the American people.

Second, we want to be a world class organization that leads by example. We are the agency that reviews others. It is imperative, therefore, that we be as good or better than any other agency. Otherwise we would be hypocrites, and I don't like being a hypocrite. I won't be a hypocrite.

Third, working together in a partnership, as we have on Y2K and many other areas, we cannot only make a difference in economy, efficiency, and effectiveness, but, hopefully, we can also help to improve the people's confidence in and respect for their government, which I think we would all hope to achieve.

With regard to our budget request, I am not asking for any FTE increases. I believe it would be premature and inappropriate to do that. I am only 4 months on the job. I have done a lot of due diligence, I have done a lot of work, but I need to do more in order to be able to make a considered judgment on FTE levels.

I am asking for some targeted investments to help us improve our efficiency and effectiveness in order to increase our flexibility such that we can improve our timeliness and better serve the Congress, and to understand how best to prepare ourselves for the 21st Century. I will touch on those in a few minutes.

As far as results, I think it is important to consider the results; 96 percent of our work is Congressionally directed. That is up from about 33 percent, when Elmer Staats left in 1980. About 4 percent is self-initiated now. Our service is both to the Majority and Minority.

SELF-INITIATED WORK

Senator BENNETT. Run through those numbers again. You said 96 percent and that is up from 33 percent.

Mr. WALKER. Right.

Senator BENNETT. Do you mean 33 percent was self-directed and now it is down to 4 percent?

Mr. WALKER. Well, actually, about 66 percent was self-directed when Elmer Staats left in 1980. You are correct and I think it is good to clarify it for the record. About 66 percent was self-directed in 1980, when Elmer Staats left office, and now it is down to 4 percent.

Senator BENNETT. Now it is down to 4 percent. All right.

Mr. WALKER. This is one of the consequences of the downsizing, because our mandates are going up, and our Congressional requests are going up. But obviously we have 39 percent less staff. Something has to give. We have improved productivity, we have improved efficiency, but what gives is self-initiated work.

I think, importantly, I would like to provide for the record, if it is all right, Mr. Chairman, three "Top Ten" lists that we have put together to try to help the Congress understand the benefits of GAO.

[The information follows:]

TOP TEN SELF-INITIATED TOPICS

*Savings and Loan Crisis*

Before the savings and loan situation reached crisis proportions, GAO advised the Congress that the thrift industry's problems were not just related to a then unfavorable interest rate spread, but that a much larger asset quality problem existed. GAO's annual financial statement audits of the deposit insurance funds and additional analyses of industry and regulatory problems showed that serious internal control weaknesses and deficient corporate governance as well as weaknesses in the regulatory structure were major factors contributing to the failure of thrifts and the subsequent cost to the taxpayers. GAO's work contributed to the development of legislation to address these identified weaknesses.

*Year 2000 Computing Challenge*

In early 1997 GAO alerted the Congress, through its High Risk series, to the government's exposure to Year 2000 risks. Working closely with the Congress, GAO issued over 70 reports detailing specific findings, made over 100 recommendations to agency heads and to the President's Council on Year 2000 Conversion to improve readiness and produced a set of three essential guides to help domestic and international organizations structure programs to confront the problem.

*Information Security*

During the last 4 years, GAO has played an instrumental role in focusing attention on actions needed to mitigate an alarming and increasing array of information security risks. From national security to personal privacy, GAO has issued numerous reports identifying weaknesses and recommending corrective actions. GAO's reports have spurred congressional hearings on the topic, which have clarified the issues and set expectations for process and system reforms.

*Nuclear Cleanup*

In the early 1980's GAO began sounding the alarm about the ineffective safety oversight of the Department of Energy's nuclear facilities as well as the massive problems it faced in attempting to address the legacy of environmental contamination created by decades of nuclear weapons production. GAO also was the first to alert the Congress that the cost of cleanup would be over $100 billion—an estimate that has now grown to $235 billion.

*Medicare*

GAO reported to the Congress that excess payments were being made to Medicare home health providers and Medicare HMO's. The home health care industry was growing rapidly—from $2.7 billion in 1989 to $17.8 billion in 1997. During this growth, the government's scrutiny of contractors was decreasing. As for the Medicare HMO program, in one state alone, GAO identified over $1 billion in excess payments. The Congress spurred partially by such reports enacted the 1997 Balanced Budget Act provisions to curtail excess payments for such services.

*DOD Purchasing and Inventory*

Knowing that many of the Department of Defense's purchasing and inventory management goals were not dissimilar from private industry's, GAO devised a methodology to match DOD's practices against the best practices of industry and to demonstrate in its reports and testimonies better ways of doing business. In the inventory area the work has produced budgetary savings, legislative actions and improvements in DOD's operations. With regard to purchasing, top DOD management has incorporated GAO's recommendations into its own "acquisition reform" initiatives.

*Food Safety*

In 1992, GAO started a series of reviews that have highlighted fundamental weaknesses in government systems to ensure food safety. First, GAO pointed out that the poultry and meat inspection system which had been designed around the turn of the century to protect against health threats from diseased animals was no longer effective, hampered by inflexible legal requirements and outdated, labor in-

tensive inspection methods. GAO also reported that testing for chemicals in food products could not detect or prevent contaminated food from entering the food supply. Since then a new approach to food safety regulation has been adopted that requires a scientific monitoring system and microbial testing for overall sanitary conditions.

*Reengineering IRS*

IRS collects $1.7 trillion a year to fund the federal government and likely has more interactions with the American public than any other government agency. GAO has, over many years, expressed concerns over management weaknesses at IRS and how those weaknesses are manifested in the treatment of taxpayers. In fact, 70 GAO reports were cited in the 1997 Report of the National Commission on Restructuring the IRS that led the way for the Restructuring and Reform Act of 1998 which promises improvements in IRS' internal management and computer modernization as well as the treatment of taxpayers.

*Aviation Safety and Security*

From air traffic control to aircraft maintenance to airport security, GAO has brought the need for improvements to the Congress' attention. GAO's report and testimony in the wake of the Valujet tragedy contributed to the Federal Aviation Administration's decision to make oversight of new airlines a top priority. GAO's testimony on foreign aircraft repair stations influenced the Congress to retain FAA's ability to certify and oversee these stations. In 1996 GAO recommendations led to legislation that required new security measures and require periodic reports to the Congress from FAA on the progress and efforts to improve aviation security.

*Children's Healthcare*

Beginning in 1994, GAO began assessing the health insurance status of children and state programs aimed at expanding coverage for low-income children. GAO issued numerous reports and testified on the issues that resulted in widely quoted analyses documenting the failure to enroll almost 3.4 million eligible children into Medicaid. Subsequently, the Congress and the Administration enacted the state Children's Health Insurance Program. This is the largest health program implemented since Medicare and Medicaid and is funded at a level to reach about half the nation's estimated 9 to 11.6 million uninsured children.

TOP TEN FISCAL YEAR 1998 FINANCIAL ACCOMPLISHMENTS

*HUD Reserves*

Based on GAO's testimony, Congress rescinded $3.65 billion from HUD's assisted housing program because the large project reserves for section 8 housing far exceeded needs.

*DOE Fund Management*

GAO recommended that DOE develop a more effective methodology for analyzing its unneeded funds. As a result, DOE identified about $1.8 billion in excess funds.

*F–22 Fighter*

GAO concluded that DOD planned to begin purchasing F–22 fighters before they had demonstrated that the aircraft would operate successfully. DOD subsequently delayed its plans to begin purchasing thereby eliminating 22 F–22 fighters and reducing the program requests for fiscal years 1998 and 1999 by about $1.6 billion.

*Disability Benefits*

To ensure that only the truly disabled were receiving benefits, GAO recommended that the Social Security Administration (SSA) increase its reviews of disability cases to identify person who, because of their current health condition or work status, were no longer eligible for benefits. In response, legislation was enacted that increased the number of reviews, and these additional reviews resulted in benefit terminations that saved the government about $1.5 billion over a two-year period.

*IRS Tax Systems*

GAO recommended that IRS should restructure its Tax Systems Modernization program to address management and technical weaknesses and that the Congress limit funding until improvements are implemented. IRS is in the process of restructuring and funding was reduced by about $1.1 billion.

*F/A–18 Aircraft*

GAO's analysis showed that, for its cost, a new version of the F/A–18 aircraft offered only marginal operational improvement over existing versions. In response,

DOD reduced its plan buy from 1,000 to 548 aircraft, which reduced costs by about $1.02 billion in fiscal years 1998 and 1999.

*DOE Budget*

GAO suggested, as a result of its budget scrub work, that the Congress reduce portions of the Department of Energy's (DOE) request for its Environmental Management program; Congress reduced DOE's funding by about $773.9 million.

*Medicaid Drug Costs*

GAO recommended to the Health Care Financing Administration that drug costs in the Medicaid program could be reduced if states installed automated systems to identify, prospectively, inappropriate prescriptions as well as those that could have adverse reactions. Estimated cost savings from implementing this suggestion totaled about $668 million fiscal years 1998 and 1999.

*Superfund Contract Funds*

GAO recognized that the Environmental Protection Agency was not recovering and using funds from Superfund contracts that were no longer needed. In addition, GAO informed the Congress that EPA was not using recent and more conservative data for estimating its budget needs. Congress did not provide the requested $650 million.

*Medicare Oxygen Cost*

GAO learned that Medicare payments for home oxygen were more generous than home oxygen payments made by the Veterans Administration. As a result, Congress reduced Medicare rates for home oxygen by 25 percent in fiscal year 1998 and an additional 5 percent in fiscal year 1999, reducing costs over a two-year period by about $633 million.

TOP TEN FISCAL YEAR 1998 NON-FINANCIAL ACCOMPLISHMENTS

*Surface Transportation Act*

The Intermodal Surface Transportation Efficiency Act expired at the end of fiscal year 1997. GAO's analyses and testimony in November of 1997 showed that individual states lacked sufficient funds to continue planned highway projects. Congress acted quickly and subsequently, on December 1, 1997 the President signed the Surface Transportation Act Extension that provided the needed funding.

*Competitive Contracting*

For several years GAO had reported that despite DOE's policy to use competitive contracting procedures, limited competition actually occurred. In response, Congress—as part of the fiscal year 1998 appropriations act for DOE—precluded DOE from using appropriations for contracts that were not competed except in very limited circumstances.

*IRS Computer Security*

GAO summarized the computer security weaknesses identified at five IRS facilities that put critical federal operations and assets at risk. In response, IRS not only mitigated many of the risks associated with those facilities, but also responded to GAO's recommendations for entity-wide security management. IRS centralized the responsibility for security and privacy issues in an office charged with establishing and enforcing standards and policies for all major security programs including, but not limited to physical, data, and systems security.

*Year 2000*

To help federal agencies mitigate Year 2000 risks, GAO produced guides on business continuity and contingency planning and on testing. These guides are being used by the executive branch and are the foundation for Year 2000 business continuity and contingency planning and testing, which are critical elements to addressing this urgent computing challenge. These guides are also being widely used in the private sector and by other governments. In addition, GAO's reports and testimonies on Year 2000 readiness have included dozens of recommendations that have been adopted. For example, the President's Council on Year 2000 Conversion, in response to GAO's recommendation, adopted a sector-based focus to increase awareness and has begun developing a national assessment.

*Defective Parts*

In 1994 and again in 1998, GAO found that DOD was selling excess aircraft parts that were defective and could cause flight safety problems. In response, DOD estab-

lished a program and has identified over 20,000 such items. These defective items are now sold as scrap.

*Cooperative Threat Reduction Program*

The United States had agreed—as part of the Cooperative Threat Reduction Program—to contribute funds for the construction of facilities in Russia to destroy chemical weapons. GAO had reported that, not only was the U.S. portion of the construction costs uncertain, but, despite U.S. funding, the U.S. did not have inspection rights. In response, Congress included language in the 1998 Defense Authorization Act limiting U.S. contributions and requiring such inspection access.

*Health Care Financing*

GAO reported that DOD had incorrectly billed the Health Care Financing Administration (HCFA) for facilities' services provided to Medicare-eligible persons. The facilities are paid by the Defense Department for such services and are not supposed to bill Medicare. In response, DOD and HCFA have undertaken joint actions to preclude this from happening again.

*Employment Training*

GAO identified 163 federal employment-training programs and found that many provided similar services to similar target groups. Specific differences among the programs' funding cycles and eligibility requirements hampered officials in providing needed services. Using GAO's work, the Workforce Investment Act of 1998 overhauled the structure of these programs and established 3 target groups and funding streams: youth, adults, and dislocated workers.

*Financial Derivatives*

GAO recommended that financial regulators improve their oversight of all major over-the-counter derivative dealers. The securities and futures regulators worked with major U.S. securities firms and developed a voluntary self-regulatory framework-consistent with the intent of GAO's recommendations-for derivative activities.

*Employee Buy-outs*

GAO's analyses of the government's use of buy-outs for reducing the workforce identified areas for improvement. More specifically, GAO recommended that agencies conduct strategic and work force planning prior to receiving the buyout authority. Congress subsequently passed legislation that incorporated the intent of this recommendation.

BENEFITS OF GAO WORK

Mr. WALKER. One of those lists is our Top Ten list of self-initiated work—things like the savings and loan crisis, Y2K, and other issues that will resonate with both of you that started out as GAO self-initiated work. Fortunately, leaders like you and others picked up the ball, ran with it, and made a difference. But my concern is if we don't have some reasonable flexibility to do self-initiated work, who is going to be looking at the horizon and beyond?

Realistically, the Congress tends to be focused on more immediate concerns and for understandable reasons. But somebody has to be focused on the horizon and beyond before issues become crises, and if not GAO, then who?

So we are going to try to do what we can to improve our efficiency, but also to try to get some additional flexibility to do a little bit more self-initiated work.

On our return on investment in fiscal year 1998, we had $58 in financial benefits for every dollar invested in GAO. The average return on investment for the last 6 years has been $52 for every dollar invested.

I have had a significant amount of activity ongoing in the last 4 months—a new strategic planning process; an outreach effort with the Congress in order to understand what we are doing well, what we could do better, and how we might be able to address

those concerns; and a variety of other issues that are noted in my testimony.

I think it is important, Mr. Chairman, to note that the strategic investments that we are asking for are in several areas. One is human capital. We are a people business. We are a professional services organization; 81 percent of our expenditures relate to people.

We are experiencing similar challenges to what were mentioned by the Library of Congress and CRS. About 50 percent of our Senior Executive Service will be eligible to retire by the year 2004. About 30 percent of our evaluators and auditors and investigators will be eligible to retire by the year 2004.

We had a 5-year hiring freeze. We had to impose this hiring freeze in order to make the drastic cuts that were necessary to come in line with our reduced budget levels.

That has left a gap in the pipeline with regard to experience that we have just now started to begin filling within available resources. We have to take a hard look at recruiting and succession planning, and we are doing that.

This is because people are our intellectual capital. We provide intellectual capital for the Congress, we provide intellectual capital for the Nation. It is critical that we do that.

We are asking to be put on a level playing field with the Executive Branch for performance rewards. Both of you know that we cannot compete with the private sector for compensation. We just hope that we can continue to attract bright and dedicated people who want to serve their country and make a difference. It is getting tougher, frankly. But, fortunately, there are still those out there who will do it.

We cannot expect to compete with the private sector on money, but we need at least to be able to compete with the Executive Branch. Right now, we are in a situation where we cannot compete with the Executive Branch because our performance reward system is not adequately funded.

Therefore, we need to get at least on a level playing field with the Executive Branch because we are the best recruiting source for the Executive Branch. For example, many of the IG's and the CFO's came from GAO. It is not that we don't want to contribute, we do. But we don't want to have a fundamental disadvantage to see our people leaving because of economics within the government.

We need to undertake a strategic assessment of our human capital policies and programs to better align our performance and management reward systems with our strategic plan, to look at the issues of recruiting, succession planning, and training. Training is an area where we need additional targeted investment.

Information technology is important, Mr. Chairman. As you know, we have worked with you on the Y2K issue. We want to make sure we are not going to have a problem on Y2K. As a result, there is a small targeted amount that we are asking for in conjunction with laptops in order to help deal with that situation.

Then last, but not least, are work processes. With regard to work processes, every 5 years I believe any organization needs to take a hard look at its work processes to reengineer them, to try to

achieve a better balance between quality, economy, efficiency, and timeliness.

We need to do that, in part to try to get that 4 percent self-initiated work up to a more reasonable level of about 15 percent. But, in part, quite frankly, it is to improve our timeliness and responsiveness.

There is one last thing, Mr. Chairman, which is travel.

More and more of our work is requiring us to go overseas: the World Bank, IMF, nuclear activities in Russia—just to give you three examples. We need some supplementation to be able to meet the desires and needs of the Congress to address these issues and the changing global environment.

PREPARED STATEMENT

Mr. Chairman, Senator Feinstein, that concludes my prepared remarks and I would be most pleased to answer any questions that you might have.

[The statement follows:]

PREPARED STATEMENT OF DAVID M. WALKER

Mr. Chairman and Members of the Subcommittee: It is a great pleasure for me to appear before you today as the Comptroller General of the United States. I am delighted and honored to be a member of the General Accounting Office (GAO) team.

GAO has consistently been viewed as one of the most respected agencies in the federal government. It provides the Congress and the American people with timely, accurate, clear, candid, and useful information on current, emerging, and longer-range government operational and program issues. GAO is a multi-disciplinary, professional service organization that helps the Congress fulfill its oversight responsibilities. Compared to private sector professional service organizations, GAO's work is more diverse, more complex, and more important, because we are doing the people's work. In addition, while many organizations may assert their ability to do some of the audit evaluation and analytical work that GAO does, they cannot come close to the level of independence, diversity of skills or years of institutional knowledge of GAO. In fact, GAO is a brand name that is recognized and valued not only in the United States but also around the world.

GAO: COMMITTED TO ACCOUNTABILITY, INTEGRITY, RELIABILITY

GAO is dedicated to "good government" through its commitment to three core values: accountability, integrity, and reliability. These core values describe what we do, how we do it, and how we want it to be received.

Accountability describes the nature of GAO's work. GAO helps the Congress oversee federal programs and operations to assure accountability to the American people. GAO's evaluators, auditors, lawyers, economists, public policy analysts, information technology specialists, and other multi-disciplinary professionals seek to enhance the economy, efficiency, effectiveness, and credibility of the federal government, both in fact and in the eyes of the American public. GAO accomplishes its mission through a variety of activities that include financial audits, program reviews, investigations, legal support, and policy and program analyses.

Integrity describes the high standards that GAO sets for itself in the conduct of its work. GAO takes a professional, objective, fact-based, non-partisan, non-ideological, fair, and balanced approach to all of its activities. Integrity is the foundation of reputation, and GAO's approach to its work assures both.

Reliability describes GAO's goal for how its work is viewed by the Congress and the American public. GAO produces high quality reports, testimony, briefings, legal opinions, and other products and services that are timely, accurate, useful, clear, and candid.

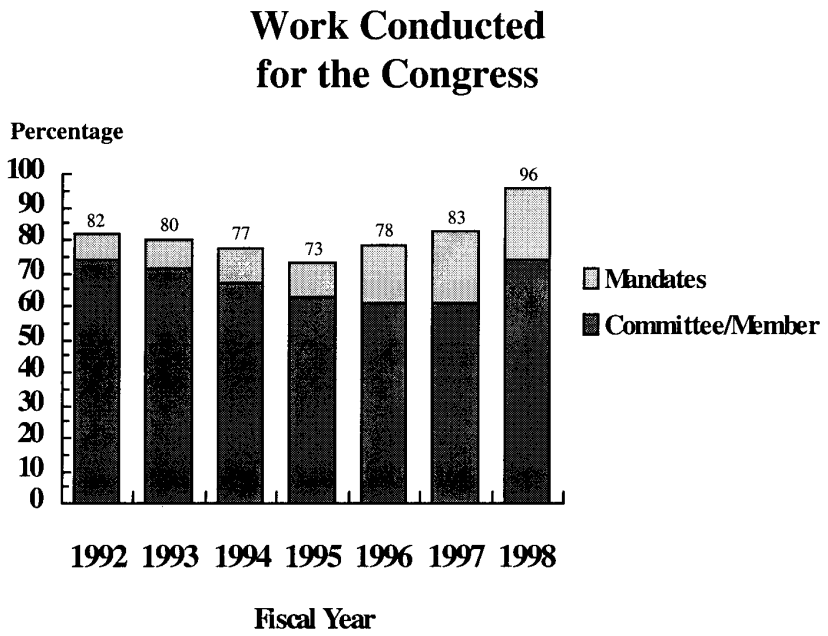
GOALS FOR GAO

I have three primary goals for GAO. First, I believe that GAO should be a world-class organization, one that leads by example. In every major operational area, from

strategic planning to financial affairs, information technology, human capital practices, and client service, GAO should be the federal government's model for best practices. We are the agency that reviews others. As a result, we must lead by example. Second, I believe that GAO is fundamentally about "good government," and that GAO should play a major role in helping to continuously improve the economy, efficiency, effectiveness, accountability, and integrity of the federal government. Third, I believe that what Americans think of their government and of their public servants is important, and that one goal of GAO's activities should be to improve the public's respect for and confidence in their government.

GAO TODAY: SERVICE TO THE CONGRESS AND AMERICAN PEOPLE

GAO provides an invaluable service to the Congress and the American people. It makes significant contributions to congressional oversight and decision making. As illustrated below, over the past 7 years, the percentage of GAO's audit work conducted at the direction of the Congress has increased.

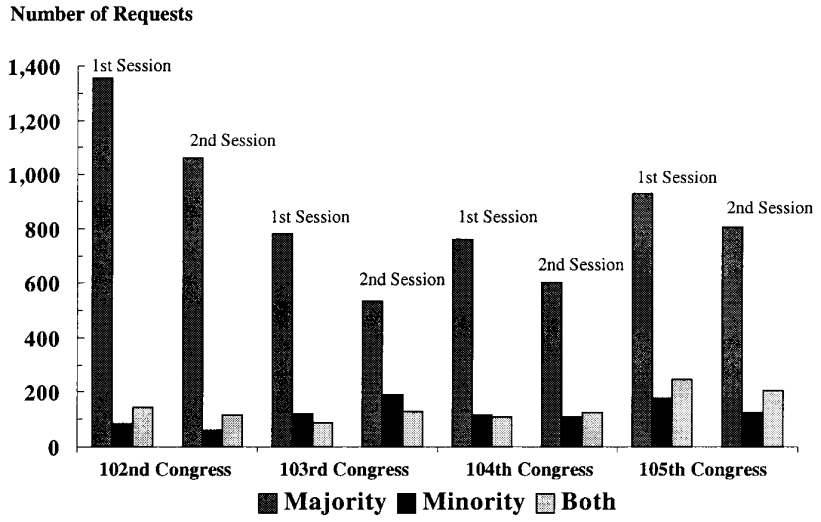



In fiscal year 1992, about 82 percent of GAO's audit work was conducted for a congressional committee, member of the Congress, or legislative mandate; the comparable figure in fiscal year 1998 was 96 percent. Of particular note during this period is the almost three-fold increase in audit time spent on congressionally mandated reviews. Having such a large proportion of GAO's work congressionally directed, however, limits our flexibility in initiating program reviews under GAO's basic legislative authority. Much of this work is frequently requested by congressional committees having jurisdiction over the issues under review. These self-initiated reviews have contributed significantly to helping the Congress identify and address important emerging and longer-term national issues. For example, in 1990, GAO began work on its biennial "High Risk" series that has helped shed light and focus attention on problems related to government operations at greatest risk of fraud, abuse, waste and mismanagement and the billions of dollars that are at stake. GAO also fulfills other important functions, such as issuing government auditing and financial management standards for all levels of government entities and legal decisions on matters involving government revenues and expenditures.

As I stated previously, GAO's work must be, among other things, non-partisan and non-ideological. As illustrated in the following graphic, GAO has continuously honored the requests of the majority and minority parties of the Congress over this 7-year period, regardless of who was in power. The American people will decide who the majority and minority parties are, but we must serve both. At the same time,

the majority party, whichever party that is, will obviously command greater resources from GAO, since with majority status comes the responsibility for setting the legislative agenda. At the same time, the minority party, whichever party that is, must have access to some GAO resources. In addition, we hope to encourage more bipartisan and bicameral requests on issues of mutual interest and concern.

## Majority and Minority Requests for GAO's Work




*Return on Investment*

GAO provides significant financial benefits in return for the dollars that the Congress and the American people invest in it. In fiscal year 1998, for every dollar invested in GAO, the American people received a financial benefit of $58. For example, the Congress rescinded $3.65 billion in funding for assisted housing programs as a result of GAO studies showing that large project reserves for Section 8 housing far exceeded needs. As illustrated in the following table, the return on the investment in GAO has averaged over $20 billion over the last 7-year period.

FINANCIAL RETURN ON INVESTMENT IN GAO (FISCAL YEAR 1992–1998)

| Fiscal year | Financial Benefits (Dollars in millions) | Benefits per Dollar Appropriated |
|---|---|---|
| 1992 | $36,191 | $82 |
| 1993 | 14,529 | 33 |
| 1994 | 19,456 | 45 |
| 1995 | 15,831 | 36 |
| 1996 | 17,265 | 46 |
| 1997 | 20,935 | 63 |
| 1998 | 19,716 | 58 |
| Average | 20,560 | 52 |

In addition to these financial benefits, GAO's work resulted in or contributed to numerous improvements in the efficiency and effectiveness of government operations and services, thereby enhancing taxpayers' confidence and trust in their government. For example, to help federal agencies mitigate Year 2000 risks—an issue

that has been of particular interest to you, Mr. Chairman—in 1998, GAO produced guides on business continuity and contingency planning and on testing. The executive branch, the private sector, and other governments both in the U.S. and around the world are using these guides, and many of GAO's recommendations on Y2K issues have been adopted.

OPPORTUNITIES TO ENHANCE GAO SERVICES TO THE CONGRESS

In the short time that I have been in office, I have discovered that GAO has done a lot of things right over the past years. But I also believe in continuous improvement and in leading by example. Based on information gathered during my nomination and confirmation process, meetings with congressional members and GAO's senior management team, and visits to GAO headquarters and field offices, I have identified a number of areas in which I believe that GAO can strengthen its services to the Congress and the American people. Let me share with you some of my preliminary observations and how I plan to go about addressing them.

*Actions Initiated Thus Far*

During this fiscal year, I am taking a number of actions to enhance GAO's operations and services to the Congress. I have already begun to implement a new strategic planning process, which will be completed before the end of the year, if not sooner. We will be taking a broader, thematic look at the issues facing the government and the nation, while employing a multi-dimensional matrix management approach for addressing these issues. My goal is to take advantage of GAO's strength as a multi-disciplinary professional services organization and build a body of work to help the Congress deal with these emerging issues in a timely fashion, before they become crises.

I am also taking steps to enhance GAO's interface with its client—the Congress. GAO must make sure it has clearly defined, transparent, and consistent guidelines governing our relations with the Congress, no matter which party is the majority and which is the minority. By the end of this year, I also plan to have a program in place for gauging, through direct contact with congressional leaders and members, the level of satisfaction with GAO's products and services. I personally will meet at least annually with the top congressional leaders, and other top GAO executives will meet with key committee leaders.

Last, I also am instituting a matrix management approach to how GAO does its work. Matrix management means taking an integrated approach to mission accomplishment, transcending the boundaries among organizational components and functions, so that the capacity of the whole will exceed that of its parts. The issues with which the Congress must contend are often multidimensional and cross-cutting, and the questions coming GAO's way will be increasingly diverse, complex, and demanding. Matrix management is a key to helping the Congress find integrated solutions to the complex issues facing the nation. Importantly, GAO is a major asset to the Congress in this regard, since it is one of the most, if not the most, diverse and experienced professional services firm on earth. In addition, all GAO professionals are dedicated public servants who put the interests of the Congress, the nation, and the American people ahead of their own personal interests.

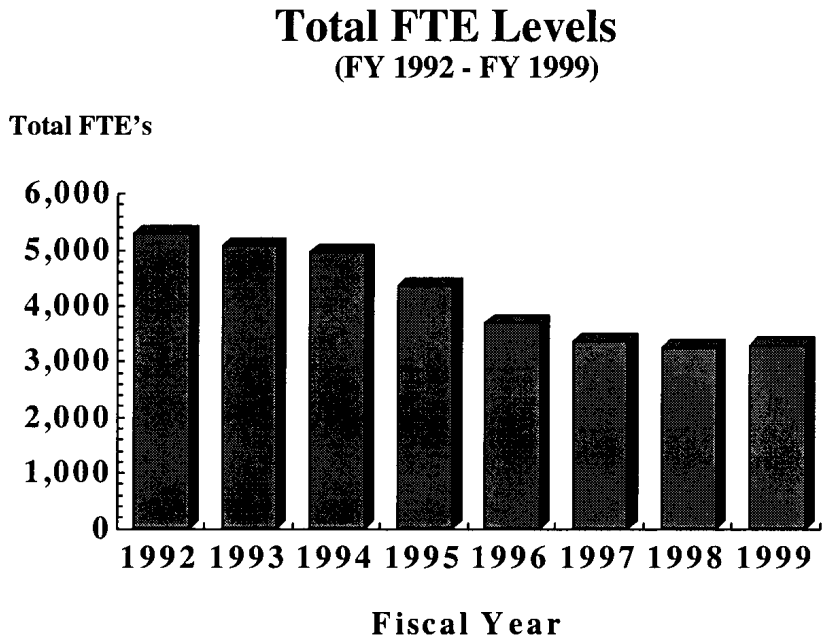
*Longer-Term Actions*

Because of the important role that it has in government, GAO needs to be a strong, well-managed organization that sets the standard for "good government" and leads by example. However, as a result of actions taken to achieve its recent downsizing, GAO is facing several immediate human capital, technology, and work process challenges that must be addressed. At the same time, each of these areas needs an in-depth study to determine the best course of action over the longer-term before any major changes or new investments are made. After all, we must make sure that we are getting the most from our current resource allocation before we ask for more.

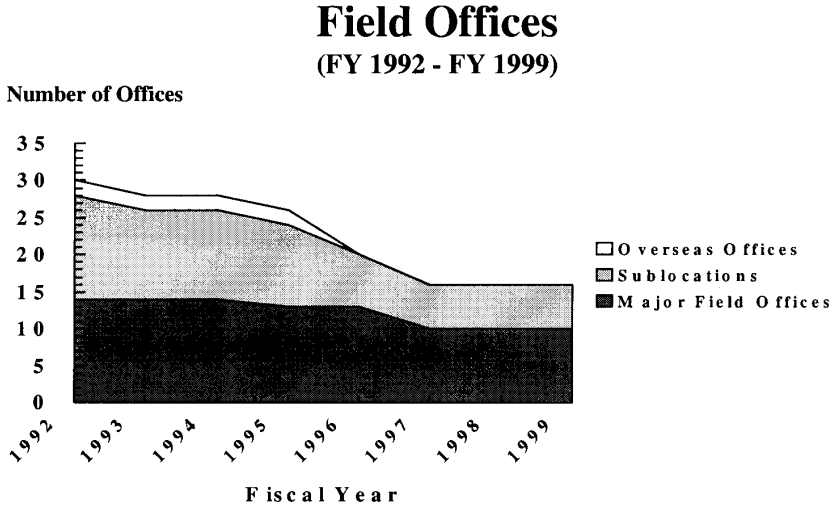
*GAO's past 7 years*.—In 1992, GAO began its downsizing efforts with the implementation of a hiring freeze. This was soon followed by a 1995, congressionally mandated, 25-percent nominal funding reduction over 2 years. This funding reduction, however, did not take into account uncontrollable inflation and mandatory pay increases, and separation costs for staff leaving GAO service. As a result, GAO had to take dramatic actions to achieve the mandated funding reduction in such a short time period, which ultimately resulted in a much larger reduction in staff than contemplated. It instituted a reduction-in-force; closed regional offices; imposed a 5-year hiring freeze; eliminated performance rewards; curtailed technology investments; and reduced travel, training, supplies, and other support costs to achieve the overall mandated reduction in spending. GAO is now facing a number of critical human

capital, information technology, and work process challenges that it needs to address.

GAO is a much smaller organization today than it was in 1992. During the 7-year downsizing period, GAO's full-time equivalent (FTE) staffing level was reduced by 39 percent. As illustrated below, GAO had a staffing level of 5,325 FTE's in fiscal year 1992. By fiscal year 1998, its staffing level was reduced to 3,245 FTE's.

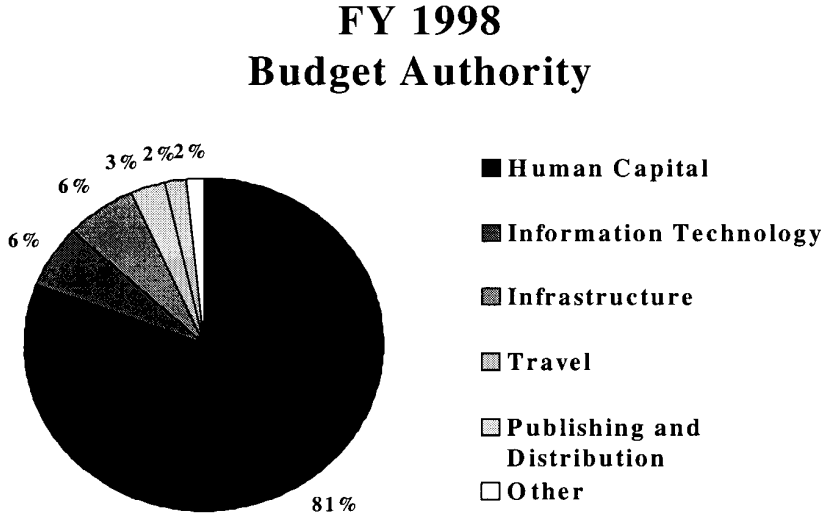



During its downsizing, GAO reduced the number of its field offices from 30 in fiscal year 1992 to 16 locations today. This reduction included closing 4 major field offices, 8 sublocations, and 2 overseas offices, as illustrated in the following graphic.



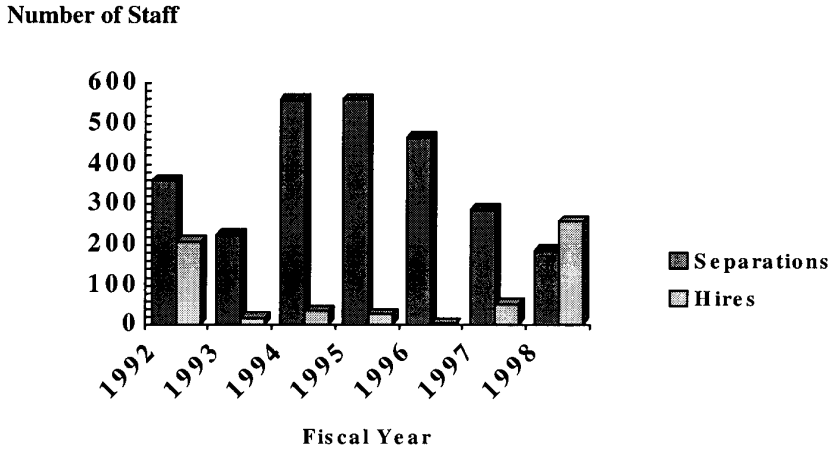
While GAO has recently begun taking steps toward reinvigorating its organization and workforce following the downsizing period, I believe a number of things need to be addressed to make GAO as strong as it needs to be to effectively and efficiently fulfill its mission and serve the needs of the Congress and the American people. The following represent some of the key human capital, technology, and work process issues that GAO faces today.

*Human capital issues.*—Human capital is GAO's most important asset. As illustrated in the following graphic, over 80 percent of its resources are devoted to its workforce in the form of compensation, benefits, rewards, and training. As outlined below, a number of GAO's human capital programs have been detrimentally affected by its past downsizing. A top priority of my tenure at GAO, as well as an area of review for GAO in the rest of government, will be human capital issues. No organization can maximize its economy, efficiency, and effectiveness without assuring the appropriateness and effectiveness of its human capital (people) strategies. This is especially true in the case of professional service organizations.



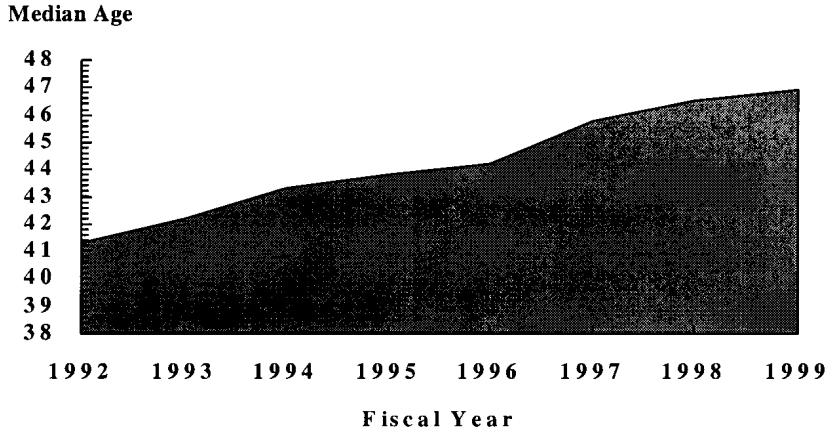

As illustrated in the following graphic, GAO's hiring freeze lasted 5 years before it was completely lifted at the beginning of fiscal year 1998. Until 1998, its separations far exceeded its new hires.

# Hiring and Separations
## (FY 1992 - FY 1998)




The 5-year hiring freeze has had several significant effects on GAO's workforce composition and its ability to recruit and retain high caliber, skilled staff. First, as illustrated in the following graphic, GAO's median age increased from 41 in fiscal year 1992 to 47 today.

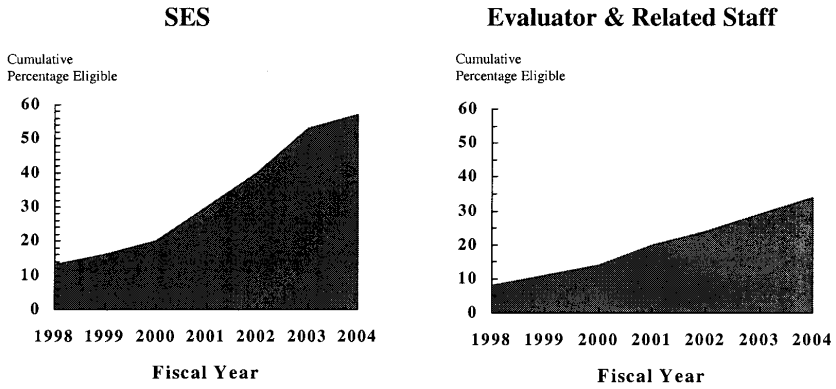
# Median Ages of GAO Staff
## (FY 1992 - FY 1999)




As a consequence, the percentage of GAO staff eligible for retirement is also steadily increasing. About 33 percent of GAO's current staff will be eligible for retirement by the end of fiscal year 2004. This represents a four-fold increase from today and poses a major challenge for the agency. As illustrated in the following graphic, almost 60 percent of GAO's current SES and more than one-third of its current evaluator and related staff will reach retirement age by the year 2004. This also represents an approximate four-fold increase from current eligibility levels.

# Staff Retirement Eligibility

**(FY 1998 - FY 2004)**

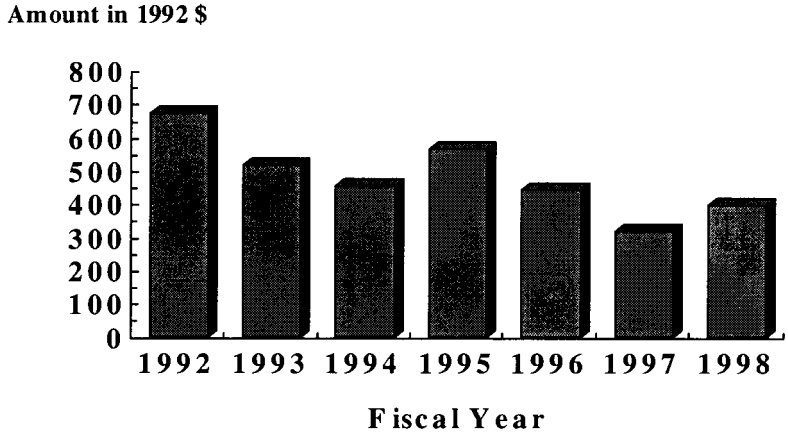



In addition to these workforce-aging issues, GAO's compensation package is not on a level comparable to that of the executive branch. To help achieve its mandated funding reduction, GAO eliminated its performance rewards and recognition programs in fiscal year 1993. As a result, GAO has been on an uneven playing field with the executive branch in its ability to recruit and retain high caliber and skilled staff. Last year, GAO lost more than 50 experienced staff to other federal agencies, 20 percent of who were management. GAO also has been losing staff to the private sector, such as CPA and other professional firms. GAO recently implemented a new performance awards program in fiscal year 1998. However, this program is only modestly funded, and we need to quickly return to a level playing field with the executive branch.

Training is another key issue that GAO and its staff have been facing. As illustrated in the following graphic, the amount of resources devoted to external training for GAO's staff has declined over the past 7 years. While GAO also conducts internal training courses, due to the diversity of the skills, knowledge, and technology needed by our workforce, we must supplement this internal training with selected external technical and specialty training. This is particularly important for individuals who need to maintain professional certifications in their chosen field.

# External Training Per Capita

## (FY 1992 - FY 1998)



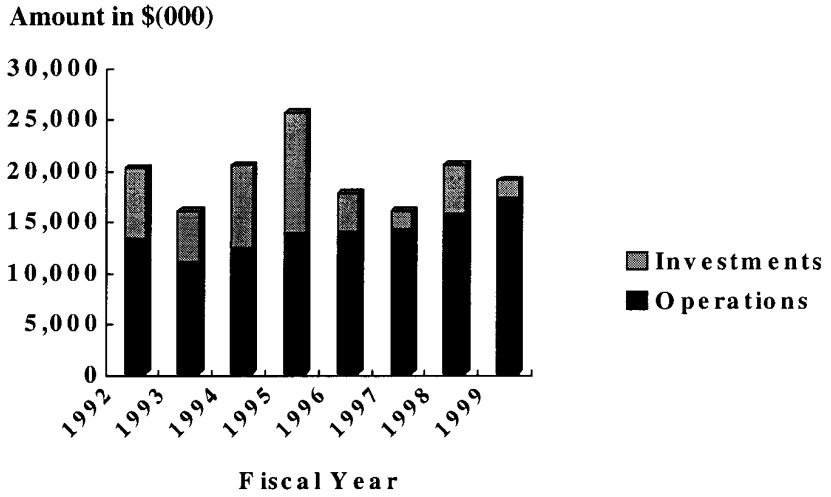

World-class professional service organizations similar to GAO's multi-discipline workforce invest nearly 6 percent of their budgets in training staff. When staff time and other overhead costs for training are included, GAO's total investment in training its staff was less than 4 percent in fiscal year 1998. For GAO to continue providing timely and high quality service to the Congress, it needs to conduct a comprehensive reassessment of its workforce skills and invest greater resources in training its staff. One specific area in which GAO needs to increase staff training is the use of the new technology and software application packages that are being implemented throughout the organization.

*Technology issues.*—GAO is on target for ensuring that its systems are Year 2000 compliant. As of December 31, 1998, GAO had completed 97 percent of the renovation—conversion, replacement, or retirement—phase of its 28 mission critical systems. GAO expects to complete the renovations and validations of these systems by the end of March 1999. GAO's recent upgrade of its desktop and network hardware and software platforms ensures that these systems are Y2K compliant as well.

As illustrated in the following graphic, from fiscal years 1992 to 1995, GAO made major technology investments to improve the efficiency and effectiveness of its mission-related operations. However, beginning in fiscal year 1996, GAO had to significantly reduce these investments to help achieve the 1995 mandated funding reduction.

# Information Technology Program

## (FY 1992 - FY 1999)




Additional resources are now needed to address some immediate and continuing critical information technology needs. One short-term priority will be to replace non-Y2K compliant laptop computers and software packages that are no longer vendor-supported. In addition, the agency needs to embark on a comprehensive review of its overall information technology strategy, with an eye toward striking a balance between wants, needs, and affordability.

*Work Processes*.—Over the past several years, GAO made substantial changes to its work processes and significantly improved the way it conducts its work. As a result, the timeliness and average costs of its reviews have improved. However, GAO must be open to continuous improvement to strike an appropriate balance between timeliness and quality and other factors in light of constrained resources and reduced flexibility. I believe that a comprehensive reassessment of such processes should be conducted every 3 to 5 years, with other enhancements being made continuously. Thus, a comprehensive review is planned after GAO's strategic planning process is completed.

FISCAL YEAR 2000 BUDGET REQUEST

Let me move on to the specifics of GAO's fiscal year 2000 budget request for $388,948,000. I am committed to making GAO as economical, efficient, and effective in its operations as possible. GAO needs to take a long-term look at what it needs to maintain its effectiveness in an environment of scarce resources. With your support, I will conduct a comprehensive review of GAO's needs and resources over the next year.

In the meantime, for fiscal year 2000, I am not seeking additional staff above our fiscal year 1999 funded level of 3,275 FTE's or funding for any major new initiatives. I am requesting funds to permit GAO to maintain its current operations, while adding a few modest increases to address several critical existing programs that have not been adequately funded over the past few years.

The funding level increase I am requesting provides for the following:

*Uncontrollable Mandatory Costs*.—$24,874,000 is needed to cover uncontrollable mandatory costs. Of this amount, $17,589,000 is needed to cover mandatory pay and benefits increases resulting primarily from federal cost-of-living and locality pay adjustments, and increased participation in the FERS retirement system. In addition, $7,285,000 is being requested to offset uncontrollable reductions in GAO's fiscal year

1999 appropriation base. This amount consists of $6,685,000 that was transferred to GAO in fiscal year 1998 to meet fiscal year 1999 needs, which will not be available in fiscal year 2000, and $600,000 for anticipated declines in reimbursements for GAO audits of government corporations.

*Uncontrollable Costs for Inflation*.—$1,081,000 is requested to cover uncontrollable price-level increases in transportation, lodging, printing, supplies, contracts, and other essential mission support services, based on OMB's 2-percent inflation index.

*Critical Needs*.—To help GAO get back on track following its downsizing, $6,825,000 is requested for several critical human capital, work process reengineering, travel, and information technology needs. Additional details about each of these follow.

—*Human capital*.—$2,500,000 is being requested to permit GAO to administer its performance awards for both SES and non-SES staff at a level comparable to that of the executive branch to help ensure our ability to attract and retain top quality staff with specialized skills. GAO also is requesting $750,000 to increase training for its staff to maximize their use of new technology and software application packages that are being implemented. In addition, during the upcoming year, we plan to begin conducting a comprehensive review of our human capital policies, practices, utilization, and needs. It is expected that this study will identify some important new initiatives, and $500,000 is being requested to provide contract and other support for the study and to develop the initiatives.

—*Work process reengineering*.—$500,000 is being requested to reengineer GAO's work processes to increase its responsiveness to and interface with the Congress and enhance the quality, timeliness, efficiency, and usefulness of its products and services.

—*Travel*.—$875,000 is being requested to meet increased demands for travel, particularly foreign travel, that is necessary as a result of recent congressionally mandated reviews and overseas office closures during GAO's downsizing. These mandates include reviews of such issues as the International Monetary Fund, international Y2K readiness, nuclear weapon arsenals, and war zone reviews in the Balkans and Middle East.

—*Information technology*.—$1.7 million is being requested to support several critical information technology needs. Of this amount, $1 million is needed to fund essential fiscal year 2000 needs, including replacing non-Y2K compliant laptop computers and printers, and upgrading outdated system software that is no longer vendor-supported. Also, $200,000 is needed to develop and implement an information technology disaster recovery process. Similar to its human capital study, GAO also plans to conduct a comprehensive review of its information technology during the next year. Thus, $500,000 is requested to provide contractor and other needed support to conduct this comprehensive review and begin developing initiatives that the review will identify.

## CONCLUDING REMARKS

Former Comptroller General Charles A. Bowsher and Acting Comptroller General James F. Hinchman did an exceptional job in leading and steering GAO through several difficult years. As I have stated previously, I have inherited one of the best agencies in the federal government. At the same time, there is always room for improvement, and improvement must be continuous in these challenging times.

GAO needs to lead by example and maximize its capacity in an environment of limited resources. To accomplish this objective, GAO needs to make several targeted and strategic investments in human capital (e.g., training, performance measurement and rewards systems) and information technology to help its employees "work smarter." The dollars that I am seeking will help GAO begin addressing some of these critical needs and remain competitive in recruiting and retaining high caliber and skilled staff. In addition, these funds will help GAO gain a better understanding of its human capital, work processes, and technology needs and identify the best and most economical and effective course of action to pursue to address them in the years ahead.

GAO needs the dollars that I am requesting to effectively transition into the 21st century and to continue providing the valuable service that we have so traditionally provided the Congress and the American people. The actions taken to achieve the mandated spending reductions have left little flexibility in our budget to make the needed enhancements that I believe are critical to maintaining GAO as a strong, effective, and viable operation into the next century. I respectfully request your support of our fiscal year 2000 budget request.

This concludes my statement. I would be pleased to answer any questions the Members of the Subcommittee may have.

TRAVEL REQUEST

Senator BENNETT. Thank you very much.

As I look over at the list of questions that we prepared, I think you covered virtually all of them in your opening statement. So I will turn to Senator Feinstein while I look for something else. [Laughter.]

Senator FEINSTEIN. You know, Mr. Chairman, when I was mayor and I did the budget every year, I would always go immediately to the department's travel budget because it always was sort of interesting to see. This is the first time since I have been Ranking on this committee that I see travel at $875,000.

Mr. WALKER. Do you mean as far as the request? Is that what you are saying?

Senator FEINSTEIN. Yes.

Why is it so high?

Mr. WALKER. The reason it is so high is, number one, we have reduced the number of field offices that we have from 40 to 16. We have closed all of our offices overseas as part of the downsizing. We used to have an office in Frankfurt to be able to deal with European issues. We used to have an office in Hawaii to deal with Asian issues. Those have all been closed. So, as a result, we have to travel more just to be able to cover the same types of issues that we otherwise would have.

Second, the nature of the requests, Senator, that we have been receiving in recent years have really been more international in scope, for example what is going on in Bosnia, changes in Europe, the financial crisis in Asia, World Bank and IMF activities among other things. What about the mass transit systems in Europe and whether they might serve as a model for what we might need to look at here?

So, as a result, to meet the needs of the Congress and, given our reduced number of offices and locations, we have to travel more.

Senator FEINSTEIN. Just for fun, can I get a breakdown of these travel plans, please, as well as last year's?

Mr. WALKER. Absolutely, Senator. We will work with you on how much detail you are looking for.

Senator FEINSTEIN. Just how it was spent.

Mr. WALKER. Sure, we would be happy to do that.

Senator FEINSTEIN. And how you plan on spending this.

Mr. WALKER. Sure.

[The information follows:]

Travel is an essential element of GAO's emphasis on the quality of its work. Audit and evaluation work must be sufficiently representative in scope and in the number and type of locations covered to assure the validity of GAO's conclusions and recommendations. For these reasons, time must be spent on-site to observe first-hand where federal dollars are being spent throughout the United States and in foreign locations.

The additional funds requested for fiscal year 2000 are needed to cover increased travel demands, particularly overseas assignments, resulting from Congressional requests, such as reviews of the International Monetary Fund, international Year 2000 readiness, the Bosnia conflict, emerging foreign markets, and safeguarding nuclear weapons arsenals. These mandates require a higher level of overseas travel than what GAO has normally experienced. Also, our travel requirements have in-

creased in recent years due to the closure of 14 field and overseas offices since fiscal year 1992.

In fiscal year 1998, 90 percent of our travel funds were used for mission essential travel. Travel for executive direction and support, training, and other administrative activities accounted for the remaining funds. About 5 percent of the trips taken by audit and evaluation staff were to overseas locations. On average, evaluators spent almost 18 days in travel status at an average per capita cost of about $3,200.

Since fiscal year 1992 there has been a steady decline in both the time and amount spent on travel. In fiscal year 1992, travel funds represented about 5 percent of GAO's appropriation, compared to 3 percent since fiscal year 1998. However, in 1992 GAO began its downsizing efforts with the implementation of a hiring freeze. The hiring freeze was soon followed by a 1995, congressionally mandated, 25-percent nominal funding reduction over 2 years. This funding reduction necessitated a reduction-in-force, closure of regional and overseas offices, and reductions in available travel funds. Travel funds used in fiscal 1998 are less than half the amount spent in fiscal year 1992.

GAO's downsizing, combined with annual increases in airline fares and per diem rates, necessitated changes in our business practices. Therefore, as early as fiscal year 1992 GAO began implementing a number of practices to reduce travel costs and maximize funds available for mission essential travel. Technology enhancements through the GAO-wide network using a data collection and analysis application, electronic mail, and videoconferencing have helped GAO improve data and communications exchanges, and reduce travel requirements between headquarters and field locations.

OFFSETTING COLLECTIONS

Senator FEINSTEIN. Thank you very much.

Thanks, Mr. Chairman.

Senator BENNETT. Thank you.

I do have one question that was not covered.

The income from receipts for audit work performed by GAO for other agencies has been consistently declining every year. I assume this is because the agencies use their IG's.

Mr. WALKER. Or external auditors.

Senator BENNETT. Or external auditors, contracted with private sector firms.

Now you are projecting an additional decrease of $600,000 in receipts and you are asking Congress to make that up.

There is a little bit of a disconnect there. If, in fact, you are not doing the work and that is why you are not getting the receipts, why should we pay for it?

Mr. WALKER. Senator, I appreciate your comment. I think the way that I would characterize it is this. We have the people. We have to pay the people. We already have backlogs with regard to our work. We are already down to only 4 percent in discretionary jobs. Therefore, we have more than enough work for these people to do. And yet, we are going to lose the revenues that otherwise we were getting.

So, we would like to keep them gainfully employed, meeting the needs of the Congress. But we have to be able to pay them to do that.

ADDITIONAL COMMITTEE QUESTIONS

Senator BENNETT. OK.

I have nothing further. Thank you very much.

Mr. WALKER. Thank you very much, Mr. Chairman and Senator Feinstein.

Senator BENNETT. We welcome you to the committee for your first appearance and look forward to seeing you regularly.

Senator FEINSTEIN. Thank you.

Mr. WALKER. Thank you.

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

ADDITIONAL COMMITTEE QUESTIONS

*Question.* During the Committee's last quarterly briefing, GAO had 2 additional mission-critical systems that need to be renovated, 9 systems which remain to be validated, and test and contingency plans which need to be finalized.

Will GAO meet the March 31 executive branch deadline and have the remaining 2 systems renovated?

Have test and contingency plans been finalized?

Answer. All mission-critical systems requiring remediation were renovated, validated, and implemented by March 31, 1999. GAO has obtained either vendor certification of Year 2000 compliance or developed test plans for all mission-critical systems. In addition, as of March 31, all interfaces between mission-critical systems were tested.

GAO also has developed plans to perform "end-to-end" testing of all systems that it directly controls and will require that "end-to-end" testing be performed by the computer centers that operate its administrative systems. GAO has already tested the movement of data among its mission-critical administrative systems. In addition, we have participated with NFC in testing the Payroll/Personnel system, and are working with NFC to test the interface from the Payroll/Personnel system into the Financial Management System.

GAO is well along in the process of developing both business continuity and contingency plans. We have analyzed our core business processes, identified their supporting systems, and are now developing the specific procedures that would allow staff to operate outside of the headquarters building. In addition, we are developing comprehensive "Zero Day" plans to focus on the critical 5-day period of the century rollover—December 30, 1999 to January 3, 2000—to ensure that January 3 is an uneventful, business-as-usual day. The contingency plans for most systems will be completed by the summer. Our contingency plans involve changes in our operating procedures, are largely manual, and are not dependent on new technology.

*Question.* The income from receipts for audit work performed by GAO for other agencies has been consistently declining every year as more agencies use their Office of Inspector General (OIG) or contract with private sector firms for their audits. This year GAO projects an additional reduction of $600,000 in receipts and asks for Congress to make up that difference in appropriated funds.

Have you looked into why agencies are no longer using GAO for their audit work?

Shouldn't there be a decrease in the FTE level if the demand for these services is reduced?

Answer. The reduction in corporate audit receipts from $2 million in fiscal year 1999 to $1.4 million in fiscal year 2000 is attributable to the audit of FDIC's financial statements. GAO has been working with the FDIC OIG to further increase OIG involvement in the audits of FDIC's financial statements. This involvement began with the 1996 audits as a long-term training effort to progressively increase the level of OIG responsibility in the financial audits so that the OIG would be qualified and experienced to take over the audits if the opportunity occurs. GAO has statutory responsibility to perform the annual financial audits under the provisions of Section 17(d) of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1827(d)).

Although GAO's FTE's for performing the reimbursable audit at FDIC have declined, other areas within GAO are experiencing increasing demands for staff resources. As noted in our response to question 3, resource demands for congressional mandates and requests continue to increase.

*Question.* In your testimony you indicate that the percentage of GAO's audit work conducted at the direction of Congress has increased from 82 percent in 1992 to 96 percent in 1998.

Do you have any rationale for that increase?

What is the significance of those figures?

Answer. In both fiscal years 1992 and 1998, requests from committees and individual members were about 74 percent of audit resources used. Resources spent on congressional mandates, however, increased from 8 percent in fiscal year 1992 to 22 percent in fiscal year 1998. This increase, coupled with the steady volume of congressional requests, limits GAO's flexibility to conduct self-initiated reviews.

*Question.* GAO has been making large investments in technology. Last year GAO estimated that by the end of fiscal year 1998, 80 percent of staff IT stations would be upgraded.

How much have you spent on IT since fiscal year 1996?

What percentage of staff remain to be upgraded?

Answer. During fiscal years 1996 and 1997, GAO significantly curtailed IT operating costs and deferred most technology investments. Because of the constrained budget environment during this period, GAO's principal focus in information resources and technology had been to upgrade existing systems to ensure they remain current and continue to operate in the year 2000. In fiscal years 1996 through 1998, GAO spent $10.4 million on IT investments, including upgrades to network components such as servers, workstations, and other peripheral equipment, Windows95 operating system, MSOffice Suites application software, and the telecommunications network. Some of these investments, such as network equipment and workstations, were obtained under lease-to-purchase agreements. These improvements have provided GAO with a fully integrated set of applications that has reduced document creation time, streamlined document production, and ensured Year 2000 compliance. As of January 1999, all staff workstations have been upgraded.

*Question.* You have indicated an increase in the volume of work requested by Congress.

How many requests did you receive in fiscal year 1998 from Committee Chairmen or Ranking Members?

How many requests did you receive from Members of Congress?

Were there any requests that you were not able to satisfy? How many?

Answer. In fiscal year 1998, GAO received 1,531 requests from the Congress for audit work. The sources of these requests were as follows: 1,081 requests (71 percent) were initiated by Committee Chairmen or Ranking Members; 334 requests (22 percent) were initiated by Members; 101 requests (7 percent) were new mandates contained in public laws or committee reports; as well as 15 requests (less than 1 percent) from a member of the congressional leadership, officer of Congress, or congressional task force.

Decisions to undertake individual assignments are influenced heavily by the source of the request. The Legislative Reorganization Act of 1970, as codified in 31 U.S.C. 717, requires the Comptroller General to respond to legislative mandates and committee requests. As a matter of policy, we interpret committee requests to include requests from both committee Chairs or Ranking Minority Members. Requests from individual Members are undertaken to the extent possible.

While scope and timing adjustments are frequently negotiated with requesters, GAO is generally able to satisfy the needs of most congressional requests. Issue area managers with a significant backlog of requests will often work with congressional staff to help prioritize the requests, respond to the earliest doable requests, might postpone a specialized request to await the availability of staff with the requisite expertise, or might postpone a small non-urgent request for a more important time-critical request. In addition, some of the requests have a future due date or require another event before GAO can begin work. Currently, there are about 400 requests for GAO assistance where we have not initiated work.

GAO is taking a number of actions to enhance its operations and services to and interface with its client—the Congress. GAO must make sure it has clearly defined, transparent, and consistent guidelines governing our relations with the Congress, no matter which party is the majority and which is the minority. By the end of this year, we plan to have a program in place for gauging, through direct contact with congressional leaders and members, the level of satisfaction with GAO's products and services. The Comptroller General will personally meet at least annually with top congressional leaders, and other top GAO executives will meet with key committee leadership.

## 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**
**WILLIAM GUY, BUDGET DIRECTOR**

### WELCOMING REMARKS

Senator BENNETT. Our next witness is Michael DiMario, the Public Printer.

Good morning, sir.

Mr. DIMARIO. Good morning, Mr. Chairman.

Senator BENNETT. The Government Printing Office requests a total of $128.5 million for Congressional printing and binding, the Superintendent of Documents, and the Revolving Fund.

It will come as no surprise to you, Mr. DiMario, that I will be listening very carefully to your comments about GPO's preparedness for the Y2K. GAO, from whom we have just heard, has expressed concern about your ability to be ready. You know my concern here.

So I look forward to going into that in some detail.

Senator Feinstein, do you have any comment?

Senator FEINSTEIN. No, I do not. Thank you, Mr. Chairman.

Senator BENNETT. Thank you.

Mr. DiMario, we welcome you.

Please proceed.

### PUBLIC PRINTER'S STATEMENT

Mr. DIMARIO. Mr. Chairman, Senator Feinstein, I am pleased to be here this morning to present GPO's appropriations request for fiscal year 2000.

With me on my left is Bob Mansker, the Deputy Public Printer. On my right is Francis Buckley, the Superintendent of Documents. Also with us is Bill Guy, GPO's Budget Officer, who is here behind me.

In the interest of time, I will summarize my prepared statement which has been submitted for the record.

Senator BENNETT. It will appear in the record.

Mr. DIMARIO. Thank you.

For fiscal year 2000, we are requesting a total of $128.5 million. The request includes $82.2 million for the Congressional Printing and Binding appropriation and $31.2 million for the Superintendent of Documents programs.

It also includes $15 million for GPO's Revolving Fund for extraordinary expenses associated with air conditioning replacement, elevator renovation, and ensuring Y2K compliance.

Most of the new funds we are requesting for Congressional printing and binding, or $5.8 million, are to cover anticipated workload increases.

After a period of reduced workload in the 105th Congress, we anticipate a return to workload levels more consistent with historical trends during the 106th Congress. A majority of the increase for the Superintendent of Documents, or $1.1 million, is for the Federal Depository Library Program planned electronic collection.

Managing and expanding this collection is crucial to the objective of transitioning the Depository Library Program to a more electronic basis.

The request of $15 million for the Revolving Fund includes $8.1 million for extraordinary expenses required to ensure Y2K compliance, $6 million for our air conditioning system, which is in critical need of replacement, and $900,000 for necessary elevator renovation.

Without a direct appropriation, financing these unusual capital expenses through the Revolving Fund will require us to reimburse the fund through rate adjustments.

Finally, we are requesting an increase in the statutory ceiling on employment of full time equivalents, or FTEs, to 3,550. We have reduced employment levels by 33 percent over the past decade and by more than 25 percent since 1993.

Our employment levels are now dangerously low. Overtime utilization has increased by 11 percent in the past year. Our ability to continue providing mission critical support to Congress is being jeopardized by continued attrition and reductions in our FTE ceiling.

PREPARED STATEMENT

Mr. Chairman, this concludes my opening remarks and I would 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 to present the appropriations request of the Government Printing Office (GPO) for fiscal year 2000.

GPO'S MISSION: KEEPING AMERICA INFORMED

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

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

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

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

—We disseminate Government information to the public in print and electronic formats through a low-priced sales program and a reimbursable program, and to Federal depository libraries nationwide where the information may be used by the public free of charge. We provide a number of ancillary dissemination services, including cataloging and indexing Government information products, distribution of Federal information under international exchange agreements, and distribution of Federal documents to recipients designated by law.

—We disseminate a massive volume of information online via the Internet with GPO Access. Between 10 million and 15 million documents are retrieved by the public every month using this system. We strongly support the increased dissemination of Government information in electronic formats, and GPO Access today is one of the leading Federal sites on the Internet. Our home page, at www.access.gpo.gov, provides free public access to more than 70 Federal databases from all three branches of the Government, a growing number of agency Government Information Locator Service (GILS) sites, and associated locator and Pathway aids. The titles currently available on GPO Access include the recent report of the Senate Special Committee on the Year 2000 Technology Problem, headed by Chairman Bennett, Investigating the Impact of the Year 2000 Problem.

*Value of GPO Services*.—GPO's value to Congress, Federal agencies, and the public is well established. Our programs reduce the need for duplicative production and procurement facilities throughout the Government. As multiple studies by the General Accounting Office, the Office of Technology Assessment, GPO's Inspector General, and others have shown, GPO achieves significant taxpayer savings through a centralized production and procurement system. Our dissemination programs represent the Government's most comprehensive and effective means for providing public access to Government information, which is increasingly valuable to all Americans in the Information Age.

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

Most importantly, GPO's skilled and dedicated employees are committed to serving Congress, Federal agencies, and the public. They demonstrated this once again during the production of the various publications associated with the report of independent counsel Kenneth Starr. These voluminous, high-profile publications were required by Congress under the very demanding circumstances of short turnaround time and tight security constraints. In each case, our employees were able to produce the documents within the required deadlines and provide public access in both print and electronic forms, all in record-breaking time, earning the praise of House Judiciary Committee Chairman Hyde. Under the close direction of the Appropriations Committees, we also produced the Omnibus Appropriations bill at the end of the 105th Congress under tight deadlines. GPO's performance demonstrated once again that our employees have the skills and the ability to provide for Congress's information needs under virtually any circumstance. They are indeed our greatest and most valuable asset.

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

FISCAL YEAR 2000 APPROPRIATIONS REQUEST

For fiscal year 2000, we are requesting a total of $128,459,000. The request includes $82,214,000 for the annual Congressional Printing and Binding Appropriation and $31,245,000 for the annual Salaries and Expenses Appropriation of the Superintendent of Documents. Our request also includes $15,000,000 for GPO's revolving fund, to remain available until expended, for extraordinary expenses associated with the replacement of our air-conditioning systems, elevator renovation, and to ensure Year 2000 (Y2K) compliance in our computer systems. As our budget submis-

sion shows on pages I–2 and I–3, GPO's appropriations have remained relatively stable over the past decade while declining substantially in real purchasing power.

The Congressional Printing and Binding Appropriation is critical to the maintenance and operation of our in-plant capacity, which is structured to serve Congress's information product needs. This appropriation covers the costs of congressional printing such as the Congressional Record, bills, reports, hearings, documents, and other products. Each year, a substantial volume of this work is requisitioned. In fiscal year 1998, more than 1.3 billion copy pages of congressional products were produced at an average cost of about 5 cents per page, inclusive of all prepress work, printing, binding, and delivery. This appropriation also covers database preparation work on congressional publications disseminated online via GPO Access.

The majority of the Superintendent of Documents Salaries and Expenses Appropriation is for the Federal Depository Library Program (FDLP). While some of the funding for this program is for salaries and benefits, most is for printing and distributing publications (including publications in CD–ROM and online formats) to depository libraries. This appropriation also covers other statutory distribution responsibilities, such as cataloging and indexing and international exchange distribution of U.S. Government publications, and provides the majority of funding for the operation of GPO Access. GPO's other major distribution functions, the sales program and agency distribution services, are funded entirely by revenues earned and receive no appropriated funds.

CONGRESSIONAL PRINTING AND BINDING APPROPRIATION

The items covered by our request of $82,214,000 for the Congressional Printing and Binding Appropriations are as follows:

[In millions of dollars]

| *Category* | *Estimated Requirement* |
|---|---|
| Congressional Record (including the online Record, the Index, and the bound Record) | 22.1 |
| Committee hearings | 18.0 |
| Miscellaneous Printing and Binding (including letterheads, envelopes, blank paper, and other products) | 13.9 |
| Bills, resolutions, amendments | 9.8 |
| Miscellaneous Publications (including the Congressional Directory, the U.S. Code, and serial sets) | 4.9 |
| Committee Reports | 3.8 |
| Business and Committee Calendars | 2.5 |
| Documents | 2.4 |
| Details to Congress | 2.0 |
| Committee Prints | 1.7 |
| Document Envelopes and Franks | 1.1 |
| Total | 82.2 |

Part of the increase in our appropriations request over the current year is due to changes in product prices. Price increases are anticipated to increase our funding requirements by $1,899,000 over the current year base, due to the increased costs of employee compensation and benefits (based on existing wage contracts), utilities, maintenance, materials, and supplies. We are continuing to work to minimize the impact of these costs.

The majority of the increase in our request, however, is due to projected workload, or volume, increases. An increase of $5,850,000 over the current year base is required due to anticipated workload increases, based on historical trend data. After a period of reduced workload in the 105th Congress, we anticipate a return to workload levels more consistent with historical trends during the 106th Congress. Most of this increase ($4,366,000) is projected for the Congressional Record program, including the daily Record, the bound Record, and the Record index. Historical data indicates an increase in Record pages in a second session year. Other increases are projected for bills, resolutions, and amendments; committee reports, miscellaneous printing and binding, business and committee calendars, documents, and committee prints. Partially offsetting workload reductions are projected for miscellaneous publications (since the Congressional Directory is printed in a first session year), details to Congress, and hearings. (We have begun work on the Congressional Directory for the 106th Congress.) While these estimates are based on historical factors and represent our best estimates as to the projected workload for the first session of the 106th Congress, actual workload may vary.

*Legislative Information Systems*.—We continue to participate with both the House and the Senate in the development of new legislative information systems that will expand the capability to create and utilize electronic information products in Congress and potentially reduce GPO's printing costs. One objective of these systems is the adoption of Standard Generalized Markup Language (SGML) to permit the submission of machine-readable keystrokes requiring less processing by GPO prior to final production. We are supporting initiatives in both Chambers to facilitate the sharing of information.

*Computer-to-Plate Technology*.—We are acquiring state-of-the-art computer-to-plate (CTP) technology that will reduce costs, improve press-ready plate quality, and expedite the processing of prepress work on many congressional products, including the Congressional Record. The new systems are already in limited operation. CTP technology makes it possible to send electronic text and image files directly to automated platemaking devices, eliminating the need for film negatives and additional labor-intensive manual processes. We are constantly monitoring industry for other technological improvements that can be used in GPO's operations.

SALARIES AND EXPENSES APPROPRIATION

The programs covered by our request of $31,245,000 for the Salaries and Expenses Appropriation of the Superintendent of Documents are as follows:

[In millions of dollars]

| *Program* | *Estimated Requirements* |
|---|---|
| Federal Depository Library Program | 26.8 |
| Cataloging and Indexing Program | 3.3 |
| By-Law Distribution Program | .6 |
| International Exchange Program | .5 |
| Total | 31.2 |

Mandatory pay increases and price level changes represent $842,000 of the requested increase of $1,981,000. Mandatory pay increases account for $358,000 of this amount. The majority of the increase, $484,000, reflects price level changes calculated at the assumed rate of inflation for the year, or 2.3 percent.

*FDLP Electronic Collection*.—A total of $1,077,000 over the current year base is requested for workload changes, primarily for expenditures associated with managing the Federal Depository Library Program (FDLP) electronic collection. The collection consists of electronic sources that are within the scope of the FDLP and with which GPO has various levels of involvement: (1) core congressional and regulatory products that reside permanently on GPO servers; (2) other remotely accessible products managed by either GPO or by other institutions with which GPO has established formal partnership agreements; (3) remotely accessible electronic Government information products that GPO identifies, describes, and links to, but which remain under the control of the originating agencies; and (4) tangible electronic Government information products distributed to Federal depository libraries. The collection also has defined responsibilities for life cycle management of electronic Government information products to ensure permanent availability, as well as responsibilities for assisting users in locating information resources.

The collection already consists of over 140,000 electronic titles, including over 85,000 titles on GPO Access itself and almost 48,000 additional titles at agency sites that we link to through our electronic locator services. We are beginning to work with agencies, depository libraries, and other partners to ensure permanent access to these products so they can continue to be used by the public well into the future. Projected expenditures associated with this plan include increased server space and connection capacity for agency originated files that GPO archives; data conversion and migratory costs to prevent technological obsolescence; software to improve searching capabilities; and software to manage data archiving for electronic collection titles. We also anticipate personnel costs associated with a collection manager and reimbursement to Production areas for collection support.

An additional $62,000 increase is required to fund depreciation arising from asset acquisitions, including the establishment of a training center for online access to Government information, new software for the Monthly Catalog of Government Publications, upgrades to our automated depository distribution system, and other improvements.

We are also requesting an increase in the statutory limitation on travel, from $150,000 to $175,000, due primarily to the increasing cost of travel. These funds cover travel by depository library inspectors to libraries around the Nation, travel

by GPO staff to attend various library association conferences and meetings, travel of members of the Depository Library Council to Council meetings to serve in an advisory capacity to the Public Printer, and travel by GPO staff nationwide to provide training in the use of GPO Access.

*FDLP Transition*.—The transition to a more electronic FDLP is continuing, as projected in 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. The development of the FDLP electronic collection concept is an important element of that transition. Approximately 34 percent of all titles disseminated to depository libraries in fiscal year 1998 were in electronic format.

REVOLVING FUND

*Fiscal Year 1998 Performance*.—After a period of net losses in the early 1990's, GPO completed a second consecutive year of positive bottom line results in fiscal year 1998, generating net income of about $1,000,000 on total revenues of approximately $723,000,000. However, losses were sustained in our procurement and sales areas, and we are reviewing options to restore each of these programs to a sound financial basis. During the year, an audit of GPO's fiscal year 1997 financial reports and systems was conducted by KPMG Peat Marwick, Inc., under contract with the General Accounting Office. The audit resulted in a clean opinion, as have previous GPO financial audits. KPMG has recently completed an audit of GPO's finances for fiscal year 1998. This audit also resulted in a clean opinion on the financial statements.

*Infrastructure Costs*.—Our appropriations request includes a request for $15,000,000 for the revolving fund, to be available until expended, to cover the cost of necessary improvements to GPO's infrastructure and systems. The request includes $8,100,000 for reimbursement of extraordinary expenses required to ensure Y2K compliance (including equipment repairs, replacement, testing, and contingency planning); $6,000,000 for our air conditioning system which is in critical need of replacement; and $900,000 for necessary elevator renovation. Without a direct appropriation, financing these extraordinary capital expenses through the revolving fund will require us to reimburse the fund through rate adjustments. As these costs are not related to the direct provision of printing and information product services, their 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 installation of our air conditioning system in 1974 was funded by a direct appropriation to the revolving fund, and we request that these extraordinary costs be funded similarly.

*FTE Level*.—We are requesting an increase in the statutory ceiling on employment of full-time equivalents (FTE's) to 3,550, the level established for fiscal year 1998. GPO is now at its lowest employment point in this century. We have reduced employment levels by 33 percent over the past decade, and by more than 25 percent since 1993. Our employment levels are now dangerously low. Overtime utilization has increased by 11 percent in the past year. While we were able to perform the demands placed on us for production of the Starr report and Omnibus Appropriations bill materials, our ability to continue providing this level of service is being jeopardized by continued attrition and reductions in our FTE ceiling.

Due to the age of our workforce, we need to replace essential skills. For example, GPO's prepress area is an area with potentially critical staff shortages. The prepress area is essential to Congress—it is where the Congressional Record, bills, reports, hearings, and all other documents essential to the legislative process are assembled for timely delivery both in print and electronic formats. Critical staffing shortages in these areas threaten GPO's ability to perform its mission. In addition, our expanding electronic mission requires an infusion of new technical skills that are not readily available in-house.

Finally, we need additional staffing to fulfill the recommendations of the Booz-Allen & Hamilton, Inc., management audit of GPO conducted last year at the request of Congress. The auditors said "[GPO's] Production [Department] must take aggressive action to adequately recruit, train, and retain staff in critical skill areas;" "GPO's information systems security program has been undermined by staff reductions and budget cuts;" GPO's Position Management Branch "lacks effective resources;" and that GPO's aging workforce "leaves the agency at risk of instability." It is becoming increasingly evident that GPO must place more emphasis on maintaining a highly skilled workforce of sufficient size to fulfill the demands placed upon it and to guard against sacrificing the future of the agency as we seek cost savings today. A restoration of our FTE ceiling to 3,550 will provide us with the flexibility we need to make important additions to our workforce.

MISCELLANEOUS LEGISLATIVE CHANGES

We are proposing to change section 3709 of the Revised Statutes (41 U.S.C. 5) by striking out "$25,000" and inserting in lieu thereof "$100,000". This would increase GPO's small purchase threshold consistent with the simplified acquisition threshold of $100,000 in operation for other Federal agencies. The change would have no material impact on our Printing Procurement Program, where we will continue to advertise procurement opportunities for jobs of all dollar values. However, it would help streamline the acquisition process we use to acquire materials and supplies for our use, including paper and equipment.

As a technical correction, we are also proposing that the last sentence of section 5595(b) of Title 5 U.S.C., as added by section 309(a)(2) the Fiscal Year Legislative Branch Appropriations Act, should be amended by striking "(a)(1)(G)" and inserting "(a)(1)(C)".

RETIREMENT INCENTIVE AUTHORITY

The Legislative Branch Appropriation Act, 1999, provides authority for a "buyout" retirement incentive program for GPO. The Act requires GPO to submit a plan to the Joint Committee on Printing (JCP), or any applicable successor committees, by January 15, 1999. We sent a letter to the Chairman of the JCP by that date, stating that GPO will not offer a retirement incentive at this time based on the services required of us and our already reduced workforce. However, the letter also stated that, should this situation change and a retirement incentive is required within the 3-year period authorized by the legislation—particularly to avoid or minimize the need for involuntary separations—we will develop the requisite plan for the approval of the JCP or any applicable successor committee.

STATUS OF Y2K PREPAREDNESS

We have been reporting to the General Accounting Office (GAO), operating under the direction of Chairman Bennett, on the preparation of our computer systems for compliance with Y2K requirements. The software used in processing the Congressional Record was repaired, tested, and verified as Y2K compliant in February 1998. The hardware utilized for Record processing was tested and found to be Y2K compliant. A live system test of the transmission of Record data from the Office of the Secretary of the Senate was successfully conducted for Y2K-specific conditions.

At this date, all 40 of our active mission-critical systems have been assessed. All 40 have been renovated. Thirty-five of the 40 systems have been validated and implemented. These 35 systems include 100 percent of the mission-critical systems used in producing congressional information products and services. Validation and implementation have yet to be completed on our new integrated processing system (sales of publications program), new general ledger package (financial), PROBE system (for reporting job costs), mainframe conversion (administrative and procurement systems), and automated depository distribution system (depository library program). A major concern remains the ongoing drain through attrition of information technology (IT) professionals from GPO who are assisting in the Y2K preparedness effort. In order to assure Y2K compliance, we are looking to acquire contracting services for independent validation and verification to supplement the stretched resources of our in-house IT areas.

STATUS REPORT ON MANAGEMENT AUDIT RECOMMENDATIONS

The conference report on the Fiscal Year 1999 Legislative Branch Appropriations Bill (H. Rpt. 105–734, p. 42) required GPO to submit an annual report, concurrent with the submission of the annual budget request, on the status of implementation actions on recommendations contained in the Booz-Allen & Hamilton report, "Management Audit of the Government Printing Office" (May 21, 1998). This report contained 95 recommendations for action affecting 7 GPO areas: Overall (3); Marketing, Sales, and Distribution (27); Procured Printing Services (8); In-Plant Production (13); Human Resources (24); Financial Management (12); and Information Technology (8). Implementation action in the various affected GPO areas has been classified according to "action planned," "action ongoing," "action completed," "action deferred," "action taken as needed," or "no action currently planned."

Of the 95 recommendations, action is being taken in a total of 71 cases: action is either planned (8 cases), ongoing (60 cases), or completed (3 cases). This means that GPO either plans to act, is currently acting, or has acted affirmatively on approximately 75 percent of the recommendations contained in the Booz-Allen & Hamilton, Inc., final report. These include recommendations on planning, program modernization, ensuring financial stability, promoting intra-agency communications, and

improving information technology capabilities as well as ensuring preparedness for Y2K. Many of the recommendations for which action is "ongoing" are essentially open-ended and would not be expected to reach a formal "completion" stage.

On the remaining recommendations, action has been deferred in 3 cases; in 15 cases action will be taken as necessary; and in 7 cases no action is currently planned (on one recommendation under Sales, Marketing, and Distribution there have been two actions). The recommendations for which no action is currently planned include those to which we objected in our formal comments [i.e., changing the statutory mission of GPO's sales program (the current program is consistent with statutory direction and longstanding Government information dissemination policy); adding an additional shipping charge to our publications prices (these costs are already included in our publications prices); implementing a just-in-time inventory system (this would reduce competition and increase costs in ordering necessary supplies); conducting a study on outsourcing the Congressional Record (language in the Legislative Branch Appropriations Act for Fiscal Year 1999 directs a joint House/Senate study on the cost-effectiveness of producing all congressional documents); implementing a pay-for-performance compensation plan (contraindicated by Office of Personnel Management studies); creating a Director of Finance position (the current structure is sufficient to GPO's needs and the creation of a new management position goes against GPO efforts to reduce managerial levels); and implementing activity-based costing (GPO's current financial operations, as evidenced by recent audits, are sound, although this could be explored in the future)].

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

Y2K COMPLIANT SYSTEMS

Senator BENNETT. Thank you. Let's talk about Y2K.

Mr. DIMARIO. Yes, sir.

Senator BENNETT. In GAO's briefing on the status of Y2K efforts, they tell us that documentation has only been provided for 2 of 40 mission critical systems, that 38 remain to be implemented. They also state that test and contingency plans need to be developed.

Now your testimony, as I understand it, says that only 5 systems remain to be validated and implemented.

This is a fairly big gap between their view and what you are telling us.

Mr. DIMARIO. Yes, sir.

Senator BENNETT. Can we talk about that?

Mr. DIMARIO. Yes, sir.

The information that I have received from our people—and we have with us Mr. Vince Arendes, whom I have named as the Y2K Program Manager in GPO, and Bob Mansker, who is our Deputy Public Printer. I have assigned Bob the specific duty of dealing with the Y2K compliance. I did that on the first day that he came to work for us. I indicated at previous hearings that he was assigned that duty.

The data that we have been given by our people, which is beyond the last reporting period to GAO, is that of the 74 systems that we have, 40 potentially are impacted by Y2K and are mission critical systems. Of those 40, all have been renovated and there are 5 that haven't been validated and implemented.

Those are the 5 that we are talking about that have not been validated and implemented. Within the 40, we have also identified 18 mission critical products and services. Those have all been validated and are implemented. These include those programs in support of the Congress.

Now I can bring Mr. Arendes to the table because he has more detail on it. But if GAO is giving you that report, it is in direct conflict with what I have been told.

Senator BENNETT. I remember when we discussed this with you in previous hearings. You were talking about new equipment that would come in and that would be the solution in many parts. You would not try to remediate your present equipment, you would simply replace it with new equipment.

Mr. DIMARIO. That is true in certain instances. The mainframe is an example. We have acquired a new mainframe. It is being installed and operational, that mainframe system.

Senator BENNETT. You say it is being installed and operational? It is one or the other.

Mr. MANSKER. It has been installed.

Senator BENNETT. It has been installed and it is operational now?

Mr. MANSKER. They are now completing the loading of all the information. It should be within a month, I think, before it is fully operational.

Senator BENNETT. What kind of software is on it? Is the software subject to a Y2K problem? Is it new software, written just for it?

Mr. MANSKER. It will be fully Y2K compliant.

Senator BENNETT. Do you have contingency plans in case it is not?

Mr. DIMARIO. Most of the operating software is proprietary for which we have the developer's Y2K certification. Part of the contingency is the continuation of the current network operating system which is run on "Banyon Vines" software, and there is a provision to make that "Banyon Vines" software Y2K compliant for the short-term as a backup. But it is not something that we can rely on in the long run.

We have included that, in fact, as part of our request for monies for Y2K compliance a small amount of money for that "Banyon Vines" provision.

Y2K COMPLIANCE COSTS

Senator BENNETT. You have $8.1 million in here for Y2K costs.

Mr. DIMARIO. Yes, sir.

Senator BENNETT. Compared to what? How much have you spent up until now on this? What percentage of your Y2K budget to get this thing fixed does $8 million represent?

Mr. DIMARIO. We project approximately $25.6 million to be spent on Y2K.

Senator BENNETT. So the $8 million would take you to $33 million?

Mr. DIMARIO. No, sir. We are asking for $8.1 million to allow us to reimburse part of the $25.6 million for Y2K expenditures that we're making, because we are pulling the money out of the Revolving Fund now.

It is the same issue as the elevators, which we have not renovated, and the air conditioning. That money is in a temporary fund. The Revolving Fund is intended to be a temporary funding mechanism created by law, 44 U.S.C. 309. That provision has certain specific language. So money is obtained through charges, charges against the benefiting appropriations, and then it is placed in the Revolving Fund.

Certain monies have been expended for Y2K that are out of pocket. They are not sunk costs, like labor costs for GPO's own employees.

When I say $25.6 million, I am including all of our costs.

Senator BENNETT. What I am trying to get at is this. Let's say your Y2K total bill is $25 million.

Mr. DIMARIO. $25.6 million. That's what we project to invest in it.

Senator BENNETT. What portion of that $25 million have you already spent and what portion remains unspent?

Mr. DIMARIO. We have spent $19.1 million up through fiscal year 1998. That is my understanding.

Senator BENNETT. How about fiscal year 1999? This is an appropriation for fiscal year 2000, of course.

Mr. DIMARIO. Right. We are including $8.1 million for 2000. In fiscal year 1999, I don't know the specific amount that we have. Bill Guy might have that.

Mr. GUY. It's about $6 million this year.

Senator BENNETT. OK. Let me understand these numbers.

You spent $19.9—let's round it up to $20 million—through fiscal year 1998.

Mr. DIMARIO. That's right.

Senator BENNETT. You're going to spend another $6 million in fiscal year 1999.

Mr. DIMARIO. Right.

Senator BENNETT. And you did not budget for any in fiscal year 2000?

Mr. DIMARIO. For fiscal year 2000, we are asking for $8.1 million.

Senator BENNETT. Yes, I understand that. My question is this: is that reimbursing some of this $26 million?

Mr. DIMARIO. Yes, it is. It is reimbursing money that was spent.

Senator BENNETT. How much of it is reimbursing and how much of it is additional spending?

Mr. DIMARIO. I believe it is all reimbursement.

Mr. GUY. It is almost all reimbursement.

Mr. MANSKER. I think it is only about $400,000 for fiscal year 2000.

Mr. DIMARIO. And it is not reimbursement for our labor, and other sunk costs. Our labor costs and all other sunk costs we are taking out of the Revolving Fund. These are employees who were on hand. That represents most of the total cost, leaving $8.1 million in out of pocket cost for which we are asking reimbursement. That is for the hardware and software that we have had to purchase specifically——

Senator BENNETT. Wait. Let me understand those numbers.

You tell me it's $19 million in labor?

Mr. DIMARIO. Principally labor costs and other sunk costs, about $17.5 million.

Senator BENNETT. And we have $26 million that we have identified here. Is that $26 million all for hardware, so that your total costs for Y2K would be adding the labor to the hardware?

Mr. DIMARIO. No, sir.

Senator BENNETT. Or is there some mixing here?

Mr. DIMARIO. I think we are asking for the difference between $17.5 million in sunk costs and the $25.6 million that we have in our Y2K program. That is our total Y2K effort.

The $19.6 million is money we have expended through fiscal year 1998.

Mr. MANSKER. Senator, approximately $25.6 million is the totality of our cost for Y2K. We estimate that about $6 million of that is in-house labor costs; $19 million of it would be the rest of it.

Mr. DIMARIO. That's correct. I am misstating it.

Mr. MANSKER. Now, about $8 million of what we are asking for comes from that $19 million, for expenses that we would not otherwise have expended had it not been for the Y2K problem.

We would not have had to change a lot of the computers and were not planning to do all of that without the Y2K problem coming along.

So what we are asking for in this budget, in the appropriations process, the $8 million, is not only reimbursement for what we have spent in that regard that we would not be planning to spend without Y2K coming along, but also for what we have to do in that regard this year as well as completing the thing.

So $8 million is what—of the $25 million total—is what we would not be planning to spend had Y2K not come along.

Senator BENNETT. OK. I understand that.

I won't beat this horse any further.

Mr. DIMARIO. I apologize. I was misreading my note with respect to the amount for sunk labor costs.

Senator BENNETT. That is no problem.

I would have a much higher comfort level if GAO's assessment of where you are and your assessment of where you are were closer. So can I ask you to sit down with GAO and show them the documentation?

Mr. MANSKER. Senator, we have been doing that on a regular basis. I, as Deputy Director of the Agency, have sat in on these meetings.

I have come away very comfortable with what our conversations with GAO have been. These figures represent what I have gotten from those meetings.

Now I would love to have GAO here, right now.

Senator BENNETT. We will contact GAO and see if we can't bring these things together.

I will leave you with one last comment. I do urge you to lay out some contingency plans.

Mr. MANSKER. We have those, sir.

Senator BENNETT. OK. Lay out some contingency plans so you know what to do in case the remediation that you are expecting in fact turns out to have some problems and difficulties.

Mr. MANSKER. Last year, sir, you were very concerned and I am sure you still are about the Congress getting its products.

Senator BENNETT. That's right.

Mr. MANSKER. We have tested from both ends, from the Senate over to GPO, and it works. We know it works. It is tested.

Mr. DIMARIO. The Senate contractor from the Sergeant at Arms Office, Mitreteck, came over to GPO. They validated. We have

transmitted back and forth. I believe that information was conveyed to staff.

Senator BENNETT. That is reassuring. Let's make sure.

Mr. DIMARIO. We are doing the same thing with the Federal Register.

Mr. MANSKER. Yes.

Mr. DIMARIO. We are completely compliant with the Federal Register and with the Executive Branch. We are attempting right now to do the same thing with the House. On the House side, I believe because of the GAO briefings on the House side, again, I think a briefing at which your staff may have been in attendance, hearing what we were doing with the Senate, the House was asked by Appropriations staff to get together with GPO and to validate the interchange between the two of us.

Senator BENNETT. Thank you.

Senator Feinstein.

EMPLOYMENT LEVELS

Senator FEINSTEIN. Thank you, Mr. Chairman.

I wanted to ask you about the increase in your Full Time Equivalents, which run from about 3,383 to 3,550. Where are these FTEs going to be utilized?

Mr. DIMARIO. Throughout GPO we are in the same situation that GAO explained and the Library of Congress explained. Our employment base has gotten older and older. We have been on a hiring freeze for 10 years.

When I came to GPO in 1971, we had 8,500 employees. We currently have 3,383. That is the current ceiling.

We have gotten down to where in every area of GPO—every area—we are losing skill and talent. We have approximately a third or greater of our employees in our Production Department, in the main areas, eligible for retirement. We have not brought new blood in anywhere in the agency to speak of. We have a limited program of hiring distinguished college graduates, if we can get them, out in the marketplace.

We are hurting in the computer field, the I-T area. It is just very difficult to get these professionals.

We are hurting in every single area in the office. So to delineate where they are would mean to name each of these groups.

But we need people and we need to bring them in and train them in systems. We, this year, because of the Starr report and issues facing the Congress, faced some monumental delivery issues. We performed, we thought, extremely well in the circumstances.

We delivered to the Congress, both the House and the Senate, products that they needed to carry on their work in the impeachment process, in the important activities that were going on, and that workforce has been challenged. It has been overloaded.

I just cannot tell you—I have the highest respect for my people.

You cannot find people who are more dedicated, more professional, more willing to do the work. And what we have done over and over and over is just to cut the activity and not replace people.

I am telling you that, in my professional judgment, we have gone too far. We need to do something and put a brake on it.

All I am asking is to put us back to the level that we were at a year ago.

Senator FEINSTEIN. So these 100-plus people go where?

Mr. DIMARIO. Some will go into the Production Department. Some will go in our Data Systems area. Some will go in our Documents area. They will go in various places throughout the organization.

It is not 100 going to one area.

Mr. MANSKER. Senator Feinstein, we could begin with a list of where certain numbers would go from time to time. But right off the top of my head I can tell you that there are 3 needed in personnel. If you want me to outline some further, I could.

We have a backlog of job descriptions that, because of vacancies not filled, are really getting to be of concern.

In our Bindery, we have positions that need to be filled because we are not being able to get certain products out in a very timely manner. We could go on like that.

Production has asked for 10 people just recently.

Mr. DIMARIO. We have already contracted out about 75 percent to 80 percent of the work under a policy initiative. The policy initiative is to contract out as much as possible. We are doing that and we continue to look at that effort.

But there are some functions that we necessarily have to be prepared to do internally with direct hires.

We have contracted out parts of the police organization. We have contracted out portions of industrial cleaning functions. We are doing those kinds of things to cut the numbers and to try to keep just the professional staff that we need to run the place.

But it is very, very difficult. After 35-plus years of service, I will tell you that it is the most difficult time to manage when you are facing manpower shortages over and over again.

In my 6-plus years in this job, I have attempted to do everything that the Congress has asked us to do and to do it in a timely fashion. But it reaches a point when you really have to say that there is just a point where we need to have some brake on it. At least allow us to regroup.

We have been examined over and over. I cannot tell you how many GAO and other audit functions have happened, how many times people are sent into the office, over and over and over again. That consumes manpower.

We have people who are just dedicated to doing nothing but answering questions.

Senator FEINSTEIN. I gather there is a small conflict. Let's just see if we can clear it up.

What is your current on-board level?

Mr. DIMARIO. My understanding of the current on-board is, I believe, 3,316. For on-board I would have to ask my personnel director. We have people leave every day. We have people who come on board every day.

Senator FEINSTEIN. I think it would be useful if we got that straightened out because I am told it is 100 less than your FTE ceiling.

Mr. DIMARIO. I believe it is.

Mr. MANSKER. You're talking about actually on-board as opposed to the FTE level?

Senator FEINSTEIN. Right. So, in other words, you have 100 fewer people than you could have and yet you are asking for more, 100 more?

Mr. DIMARIO. On any given day, your FTE level, you may not reach that level because you are hiring people and some people may decide to retire, some people may get injured, they may go on a sick/injured list.

Senator FEINSTEIN. So you are saying you are never up to your full budgeted force?

Mr. DIMARIO. You may be and you may exceed the FTE at a given point. For the year, you cannot exceed the FTE number.

We asked for that kind of specific language a couple of years ago, that it was an FTE count at the end of the year. If it was an FTE count on a daily basis, we would never be able to exceed it.

Mr. MANSKER. The on-board number drops considerably after the first of the year because there are a lot of retirements.

When the list comes through of separations as well as hiring, the separations right after January were very large because of retirements. That drops the on-board. But you immediately turn around and try to start filling them.

Mr. DIMARIO. We've got vacancy announcements out. We are trying to hire people to fill those jobs.

Mr. MANSKER. So that is going to go back up and the average will be much higher than the number of current on boards.

Senator FEINSTEIN. Are you saying you always function at 100 below your on-board level?

Mr. DIMARIO. No, no.

Mr. MANSKER. No.

Mr. DIMARIO. The number varies day by day. On-board strength—you are always hiring. People leave. It's true.

That number will change on a daily basis.

Senator FEINSTEIN. I don't doubt that. But maybe the best way to pursue this is to ask you to present it in writing to us.

Mr. DIMARIO. Sure.

Senator FEINSTEIN. In this way we would have the monthly on-board levels for the past year, in writing.

Mr. DIMARIO. Sure.

Senator FEINSTEIN. Then maybe we can take a look at that with some clarity. I would appreciate that very much.

[The information follows:]

*GPO monthly on-board employment, March 1998-February 1999*

| | |
|---|---|
| 1998: | |
| March | 3,506 |
| April | 3,489 |
| May | 3,474 |
| June | 3,455 |
| July | 3,439 |
| August | 3,445 |
| September | 3,435 |
| October | 3,409 |
| November | 3,397 |
| December | 3,387 |

*GPO monthly on-board employment, March 1998-February 1999—Continued*

| | |
|---|---|
| 1999: | |
| January | 3,330 |
| February | 3,316 |

INTEGRATED PROCESSING SYSTEM

Senator FEINSTEIN. Let me ask you one quick thing about the IPS system.

Mr. DIMARIO. Yes. Mr. Buckley can answer that.

Senator FEINSTEIN. What has been the cause of the delays?

Mr. BUCKLEY. The Integrated Processing System is to replace our order management process, the whole order management process, from taking orders, the control of the inventory, financial reporting, producing picking tickets for shipping the materials, et cetera.

It is replacing 18 old legacy systems that were not integrated previously. So it is quite a complex process.

We have received delivery from our contractor of the basic system and modifications. But there are a number of bugs in the software that we are now testing and having remediated. So the delays have been, actually, in integration of the new software that we are getting and testing it for all of the very complex functions that we do, both in terms of orders for single publications and orders for subscriptions. We operate quite a complex order fulfillment process in the sales program because we are a governmental function, and because of the variety of publications and products that we offer.

Senator FEINSTEIN. When will it be fully implemented?

Mr. BUCKLEY. August 1 is my goal.

We will be able to test and should have it, the critical systems, tested and operational, within a month. But then we will go through a process of training the staff before we actually implement it on August 1.

Mr. DIMARIO. When I brought Mr. Buckley on board, the one program I asked him to pay personal attention to and told him that he was required to be responsible for was IPS, to bring that system in because I believe it to be so critical to the system.

It's exactly the same thing that I did when I hired Mr. Mansker. I asked him to pay attention to and manage the Y2K program.

So those two programs have had the two highest level people, subordinate to me, responsible for those programs—short of managing them myself.

Senator FEINSTEIN. I think I got the answer, which is that you expect it to be fully operational August 1. That will go down in the record.

DELINQUENT PAYMENTS

Let me ask you about your procured printing services.

It is my understanding that some of the agencies are delinquent in paying you and that has some impact on your operations. Which agencies account for most of the delinquencies?

Mr. DIMARIO. In the past, the Department of Defense has been the agency that has been most delinquent. They always run behind.

Bob may have some more definitive information on it. But we have attempted to work with the Department of Defense. I have

spoken to their manager, their Defense Automated Printing Service on it. We have seen some improvements in the past on it.

But that was the most delinquent single agency.

Mr. MANSKER. That is still the agency that is most delinquent. However, we are working with them on Treasury's electronic payment system and on a new credit card system of payment which I think will greatly improve that.

Senator FEINSTEIN. Thank you very much

Thank you, Mr. Chairman.

Senator BENNETT. Thank you.

ADDITIONAL COMMITTEE QUESTIONS

We have some additional questions which we will submit to you in writing.

Mr. DIMARIO. Yes, sir.

Senator BENNETT. We thank you for being here and good luck to you on these various challenges.

Mr. DIMARIO. Thank you.

Senator BENNETT. We will work closely with you.

Thank you for being here.

Mr. DIMARIO. Thank you, Mr. Chairman.

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

ADDITIONAL COMMITTEE QUESTIONS

*Question.* GPO testified before the House Legislative Subcommittee last month that it would complete the implementation phase by the end of March. GPO's testimony today states that 5 systems remain to be implemented. Will those 5 systems be completed in the next 2 weeks?

Answer. No, the 5 systems that we addressed in our testimony before the Senate are replacement projects that for various reasons have encountered delays and now have implementation dates beyond March 1999.

*Question.* Based on GPO's assessment that it has tested 35 systems, and has 5 remaining, do you have test and contingency plans in writing for the remaining 5 systems and when do you anticipate completing testing?

Answer. The current status of the 5 replacement projects follows:

*New Integrated Processing System.*—At the present time we are reviewing and testing the contractor's modified system that has been delivered and installed. This review is identifying processing and program errors that are being submitted to the contractor for software repairs. This phase is scheduled to be completed by the end of April 1999. The next phase will be a full functional test and the final phase will be to train all Documents personnel on the new system. This training will be completed within 3 months and the implementation of the new Integrated Processing System is scheduled for August 1, 1999.

*New General Ledger Package.*—The new General Ledger database software has been installed and 11 months of data for fiscal year 1998 have been loaded. Our testing plans call for finalizing fiscal year 1998 and loading data for fiscal year 1999 through the financial reporting period of February 1999. After parallel testing the financial statements for March and April, the live implementation of the new General Ledger is planned for the end of May 1999.

*PROBE System.*—We are currently testing the new system hardware and software. Implementation of the new system devices for the first area selected for installation is planned for the beginning of May 1999. The replacement devices will continue to be installed throughout all areas of GPO with a completion date for full implementation of all collection devices (110) scheduled for September 1999.

*Mainframe Conversion Project.*—The new mainframe has been installed and the OS 390 operating system has been loaded and tested. The switch over to the new system is currently planned for the third weekend in April 1999. At that time, all of GPO's mainframe application systems will be operational in the new OS 390 environment. However, not all of the other proprietary system software components that are needed for the applications to run will be at their Y2K compliant versions. The

migration to a fully Y2K compliant platform on the mainframe will take an additional 2 months. The scheduled Y2K verification and implementation date for all existing mainframe applications on the new mainframe platform is the end of June 1999.

*Automated Depository Distribution System*.—The proposal for the replacement equipment and software changes required to upgrade the existing Lighted Bin System is ready to be submitted to the Joint Committee on Printing (JCP) for approval. The entire project is scheduled for completion within 180 days after the JCP approval is received.

*Question.* The request includes $15 million for the revolving fund for items that a business would consider capital expenses—Y2K costs, air conditioning, and elevator renovations. It is my understanding that GPO is supposed to build into its charges overhead costs which are then deposited in the revolving fund and used for these types of projects. Even if you discount for the Y2K problem, why is GPO requesting funds to pay for items that should have already been budgeted for in the pricing structure?

Answer. You are correct, in part, that the "GPO is supposed to build into its charges overhead costs which are then deposited in the revolving fund and used for these types of projects." That statement can only be implemented if the GPO is allowed to do so.

Title 44, Section 309 specifically states that "the Public Printer shall provide capital for the fund" for the Agency's necessities "except building structures and land." The air conditioning system and the elevators, as installed real property, are considered to be within the exception which requires appropriations—just as occurred in 1974 when the Congress directly appropriated $7.4 million for the current air conditioning system.

Until 1990, GPO operated on the policy of covering all of the necessary expenses of the Agency, other than building structures and land, through funds that were deposited in the revolving fund. The revolving fund maintained a reasonable balance to adequately achieve our planning objectives. We were able to keep approximately $50 million of uncommitted-unrestricted funds for that use. If the revolving fund was significantly reduced by needed expenditures, we would adjust our prices to recover to the adequate position.

In that year, however, the process was changed by the Joint Committee on Printing. By their directive, we were not permitted to raise our prices on our printing products. The directive of the Joint Committee remained in effect for four years, and the impact on the revolving fund and our operations was catastrophic. The burden of increased costs of raw materials and labor had to be borne by the funds in the revolving fund—thereby eliminating the needed funds "that should have been budgeted for in the pricing structure?"

In those years when the directive of the Joint Committee was in effect, our operating losses skyrocketed—not because of the manner in which we were operating, rather because of the restrictions that was placed on us by the Joint Committee. It was not until Chairman Thomas, after seeing the devastating effect the directive had on our operations, directed us to recover our costs of operations through our pricing structure did we begin to come out of our dilemma.

Y2K costs which we seek to recover through direct appropriation have also come from the already severely depleted revolving fund. We seek an appropriation for only $8.1 million, which does not take into account any expenditures that were already in the planning schedule prior to Y2K becoming an issue nor any labor costs of GPO employees. The appropriations request is an accounting of only those funds that would otherwise not have been spent.

And, Senator, in addition to all the above, the Congress directed us to use up to $11 million of revolving fund money to fund our own appropriation for Congressional Printing and Binding in 1998, of which $3.7 million was required.

For the past two years, we have recovered to the point of positive incomes slightly above break-even. Even with the end-of-year positive balance, our uncommitted-unrestricted money continues to be severely diminished and is impacted by congressional work schedules. We do not draw direct appropriations; we only draw from the Congressional Printing and Binding appropriation when we provide support to the Congress.

So, to recap the situation, our appropriations request includes $15 million for the revolving fund for capital expenses—Y2K costs, air conditioning, and elevator renovations for two reasons: (1) Title 44, Section 309 takes "building structures and land" out of the classifications that are designated to be funded by the revolving fund, and (2) Even if one concludes differently from (1) above, the managerial directives of the Congress since 1990 have virtually destroyed our ability to pay for these projects out of the revolving fund without severely endangering our ability to timely

recover the committed-unrestricted funds of the revolving fund that are used during lean periods of production.

*Question.* The budget requests $6 million for an air conditioning system. Last year when this issue was raised this Committee directed GPO to seek authorization from the oversight committee for a total plan for capital upgrades. Have you developed a total plan and secured approval from the authorization committee?

Answer. In 1996 and again last year, we submitted an appropriation request for $6 million for air conditioning repairs—the same amount that we are requesting this year. The need is even greater now. We are fortunate that the system prevailed during a relatively mild summer. We sought authorization from the Joint Committee on Printing and submitted "a total plan for capital upgrades".

The approval of our request was entangled in the Joint Committee's efforts to get S. 2288 through the Senate; however, we were never given any reason, other than verbal, for inaction on our request. At this time, we are hopeful that the Joint Committee will approve this project in the very near future; however, we must have the funding available to accomplish the needed repairs.

*Question.* The testimony noted that the procurement and sales areas lost revenue. How does the procurement area lose revenue when a surcharge is placed on each printing job? Does GPO have a plan to turn the procurement and sales areas around?

Answer. GPO's Printing Procurement Program seeks to fully recover its costs through a surcharge of 6 percent (with a ceiling of $15,000 per job) and historically comes very close to this goal with a slight surplus or loss at the end of each year. This program fully recovered its costs in fiscal year 1996 and had a modest under recovery in fiscal year 1997 of only .4 percent. However, the unexpected drop in paper prices to historic lows during the past year, along with a $1,000,000 cost allocation for the Booz-Allen Hamilton study combined for an under recovery of 1.5 percent, or $7 million during fiscal year 1998.

To deal with this under recovery, GPO has been actively reducing its operating costs as it implements a new LAN-based computer system throughout the Printing Procurement Department. This new system will provide both personnel savings and speed the processing of orders. Additionally, with the assistance of our customer agencies, we have undertaken a review of the surcharge system and rates, and are establishing new simplified purchasing agreements to increase work and improve services. Paper prices now appear to be recovering and experienced a modest increase last quarter. We are hopeful that these combined efforts will result in full recovery of costs for the printing procurement program during fiscal year 1999.

In fiscal year 1998, the Sales Program under recovered costs by $3.6 million on revenue of $60.6 million. This compares to net income of $1.8 million in fiscal year 1997 on revenue of $67.8 million. Revenue from key Sales Program products has been declining in recent years. Reasons for this decline include increased access to these products through competitive print and online products offered for sale by private sector entities or other Government agencies such as the National Technical Information Service (NTIS), as well as through no-fee access via GPO's web site. In addition, a decline in Government agency publishing has resulted in fewer printed information products available through the Sales Program. Sales Program management is currently conducting an intensive review to determine ways to increase revenue, decrease expenses, and introduce more print and electronic products into the program.

The Sales Program is taking a number of steps to increase the availability of its products through the use of electronic commerce. The program's online Sales Product Catalog (SPC) is accessible by the public via GPO's web site, and in the next few weeks, new encryption software will ensure secure ordering. The electronic file of the SPC can also be downloaded via FTP from GPO's Federal Bulletin Board. The program is establishing an online Government bookstore on the World Wide Web and has begun listing selected sales titles on the Amazon and Barnes and Noble booksellers web sites.

The Sales Program is also working with publishing agencies to increase the number of their salable products in GPO's sales inventory. General customer satisfaction and product-specific customer surveys are being used to understand and improve Sales Program services to the public. A new category of sales products deemed to be of historical significance has been created to ensure long-term public access to such titles.

*Question.* The testimony notes that overtime utilization has increased by 11 percent in the past year and that employment levels are dangerously low. What has GPO done to cross train current employees from areas that are under utilized to assist in areas that are busier and require overtime?

Answer. Under separate cover, we have transmitted to you the number of employees on board at GPO at this time. We have continued to cut staff in all areas of the Agency in order to reach the congressionally mandated number of FTE's—3,383—a number we feel is dangerous for the Agency's effort to timely deliver and quality product to the Congress.

We have stated this fact in testimony before the Congress for the past two years. There is only one area in the GPO where there is any hint of under utilization. In the recently acquired computer-to-plate operation, we are working to provide cross training to those individuals who will be put out of their current positions by this new technology. In the next two years, we hope to be able to assimilate all of the effected men and women into new areas.

Because of the continued congressionally mandated reductions in FTE's, there are no additional under utilized workforces at GPO. Because there is no need whatsoever for a mandated "reduction in force—RIF," we were not in a position to offer our employees the "buyout" that was authorized in the last year's appropriation legislation. Just the opposite is our need—rather than a RIF, we must have the ability to correctly and adequately staff our production and management functions to guarantee timely and quality products to Congress.

With 232 "fill actions" actively progressing toward fulfillment in GPO, it is vital that we return to the level of 3,550 FTE's authorized by Congress last year. We will continue to cut positions where it is possible. The record of our success in that field should not be ignored when considering our only request to take a "breather" from the cuts that have transformed GPO in the past two decades from a workforce of 8,500 to our current level. GPO will offer retraining opportunities to any employees that may become underutilized due to changes in technology and workload mix.

*Question.* GPO has been delivering depository library materials electronically for a number of years. How many depository libraries have no computer access?

Answer. Electronic distributions to the depository libraries consist primarily of online Government information products, typically accessible via the World Wide Web. A minor percentage of electronic distributions are CD–ROM products. Based on the results from GPO's most recent Biennial Survey of Depository Libraries, only 32 of the 1,358 responding depository libraries (2.4 percent) reported no plans to provide Internet access for the public by January 1, 1999. The same survey responses indicated that only 29 depository libraries (2.1 percent) lacked the capability to use CD–ROM's.

*Question.* At last years hearing we discussed the possibility of renting excess space at the GPO building to another government agency. Have you looked into that possibility?

Answer. We have no plans at this time to lease space in the main GPO building. As we indicated last year, the available space is limited, as are the opportunities for renting space. GPO is working with a landlord to return 25,000 square feet of leased warehouse space located in Laurel, Maryland.

## NONDEPARTMENTAL WITNESSES

**STATEMENT OF JANET S. ZAGORIN, CHAIR, AMERICAN BAR ASSOCIATION STANDING COMMITTEE ON THE LAW LIBRARY OF CONGRESS**

**ACCOMPANIED BY WILLIAM ORTON, FORMER REPRESENTATIVE IN CONGRESS FROM UTAH AND MEMBER, AMERICAN BAR ASSOCIATION STANDING COMMITTEE ON THE LAW LIBRARY OF CONGRESS**

Senator BENNETT. Our last panel is the American Bar Association, from which we have two witnesses: Ms. Janet Zagorin, who chairs the American Bar Association's Standing Committee on the Law Library of Congress. She is accompanied by one of my constituents, former Congressman Bill Orton from Utah. He is a member of the Committee on the Law Library of Congress and has testified before us previously.

I assume that the clock has run and we don't have to swear you in at this time. [Laughter.]

Mr. ORTON. I think so. Yes.

Senator BENNETT. That was one of the more interesting experiences of my new chairmanship, where I didn't know how to do it. He should have handed me a piece of paper telling me how to do that.

We welcome you both and look forward to your testimony.

Ms. ZAGORIN. Thank you very much, Mr. Chairman and Senator Feinstein. We are very honored to be able to speak to you this morning.

Senator BENNETT. We apologize for the length of your wait today.

Ms. ZAGORIN. That's fine. We are very grateful that you allowed us to speak once again. I am certainly honored that Bill is a member of our committee now and is going to participate in my testimony.

This committee has always been very supportive, the ABA is supportive of the Law Library of Congress. As I think you know, we have had a standing committee at the ABA for close to 70 years now to support the Law Library of Congress. So it is an enormous commitment on our part because we think that the Law Library, contrary to what some people may have thought, becomes a much more important part of our culture and plays a much more important role, particularly as we approach the Millennium. Technology and the need for information I think become much more powerful.

It is essentially your law library. It is the library across the street from you and for every member of Congress, and it is accessible to every member of State or Federal Governments and your staffs. I think most of you probably use it for some very, very sophisticated, confidential, timely, and critical information.

I think, as we see changes in information technology and as we see changes in just the role of government throughout the United

States, as well as throughout the world, we think that the Law Library becomes the library across the street essentially for every citizen.

I mean, you and Bill come from a State that is very far away from Washington, D.C. And yet, I think the Law Library has as much impact there as it certainly has in the State where I live, in New York, or in California, if not more.

Senator BENNETT. California is even farther away. [Laughter.]

Ms. ZAGORIN. And I learned that at the library. [Laughter.]

But it is not really farther away in certain respects.

I know that you heard testimony this morning about numbers and about dollars. Bill and I really want to summarize my written testimony and make a couple of key points.

We think that the need to have access to what is there—and you can see that from the charts I provided to you—to what is the largest legal collection in the world is an unbelievable accomplishment of this democracy. It has been accomplished over 200 years.

It contains our failings, our weaknesses, from the slave codes of every jurisdiction to our greatest triumphs.

We think that we at the ABA are committed to making sure that this access to information for students, for senior citizens, whether they need to know about Medicare information, Congressional debate, access to information on foreign jurisdictions, this collection must be both maintained and enhanced.

In addition to being that kind of library for every citizen in the United States, I think that we have an opportunity here that goes way beyond what I think are very modest dollars. This committee was very, very supportive of our request for the Law Library last year.

But I think that the opportunity is, again, as we look around our world and look around our country, it is there. We want to show what the strength of a democratic Nation is and the rule of law. We believe very fervently that there is a nonpartisan and completely I think meaningful way to show that; that Congress is willing to open its Law Library to access by anyone, anyone who can get on the Internet and look at the Web page.

I think the more people who go on-line for information, from school children to people in China, to people around the world who are looking for models for the rule of law, models for democracy, show that it speaks volumes that this Congress allows—I mean, obviously, not your confidential CRS reports—but people can get on and see the Law Library of Congress.

We provide in this country access to every statute, every decision, regulations, Congressional debate, amendments to bills, and access even to the foreign law collection of the United States as well. It becomes a very powerful tool without a lot of statement.

I mean, we no longer do at the State Department some of the publications that many of us believed were a very valuable expression of the rule of law and models.

I think that if the Law Library of Congress expands its role in GLIN, about which you probably heard this morning, the Global Legal Information Network which brings countries together, increases the digitized material that is available from our historic collections and on-line currently on the Web page, this costs some

money—to digitize and provide information. Many of the agencies that you heard from are putting their material there. It is all in the Library of Congress. It is all at the Law Library.

We would like to be able to see that immediately up on their Web page.

I think that it has a very, very deep and resonant impact on our citizenry to say that this is a democracy, this is what it means, you see the good and the bad.

I think the request of this hearing has been fairly modest for what we believe is an impact that can go well beyond the dollars.

PREPARED STATEMENT

So I think Bill might have a word or two to say. But we really would appreciate it if you would support the Law Library's request.

[The statement follows:]

PREPARED STATEMENT OF JANET S. ZAGORIN

Mr. Chairman and Members of the Subcommittee, the American Bar Association (ABA) appreciates the opportunity to speak in support of the fiscal year 2000 Legislative Appropriations budget. My name is Janet Zagorin and I am Chair of the American Bar Association Standing Committee on the Law Library of Congress. Accompanying me is Bill Orton, former Member of Congress from Utah, and a member of the ABA Standing Committee on the Law Library of Congress. We are here at the request of Philip Anderson, President of the Association. In my non-volunteer life, I am a law librarian. I am currently the Director of Practice Development at the law firm of Cadwalader, Wickersham & Taft. I appreciate the opportunity to testify on behalf of the ABA in support of the budget request of the Library of Congress and its Law Library.

The American Bar Association is the world's largest professional organization representing a large and diverse voluntary membership of over 400,000 attorneys nationwide. The ABA created the Standing Committee on the Law Library of Congress in 1932, as a measure of its dedication to preserving our nation's Law Library and its vast collection of legal literature and sources. Since its inception, the Standing Committee has consistently acted as the Association's liaison and voice of the legal profession concerning the continued development and operation of the Law Library of Congress.

On behalf of the Association, I commend the Congress for having established one of the most prestigious and comprehensive legal collections in the world. This year, the Law Library has asked for a modest increase in its funding, which we believe is the minimum appropriation required if the Law Library is to continue to provide first-rate research service to Congress, maintain its role as an innovator in the delivery of electronic information, and preserve its treasures for future generations.

I know that you are facing many difficult choices as you contemplate the Legislative Branch budget, but I hope that you will spare our nation's Library in those efforts. As in recent years, the Library has requested only the vital essentials and a reasonable increase to continue to meet the demands of its strategic plan and a rapidly changing world. The Law Library, likewise, must be able to continue to maintain its role as the ultimate legal resource center for our citizens. In spite of shrinking resources, the Law Library continues to provide service to the public at large in American law through its reading room, and on foreign and comparative law on a priority basis through legal specialists in its research directorate. An enhanced web site for the Law Library to further facilitate access to legal reference services is being developed.

The Law Library is extremely grateful for the support of the Committee on Appropriations. As you may be aware, in the past, the Library has undergone significant reductions in staffing and services. While the funding the Law Library received last year enabled the Law Library to maintain and improve certain areas, the Library is still forced to confront the considerable downsizing that took place in previous years. We ask for Congress' continued support in granting the Library the resources it needs to develop, maintain, and preserve its collection and its reference services, and to prevent further erosion of its workforce.

Faced with the necessity of developing a leading presence in the electronic age while maintaining its preeminent legal collection, the Library of Congress must

have adequate funding to remain a leader in serving the Congress and the nation. While the Library is a critical resource available to every citizen of our country, immediate access to the great resources of the Law Library should be made more available to everyone—from isolated senior citizens to urban school children—via the internet. This, however, can only be accomplished by increased funding for the Law Library's technical support team. Even with the generous funding Congress granted last year, the Law Library is unable to achieve the level of research services it believes Congress deserves and requires. For example, the Law Library must support its entire research program with a staff of seven, and the largest legal collection in the world has only two part-time staff responsible for the filing of one million loose-leaf pages annually. We believe that proper funding for the Law Library's technical support team and computer systems is vitally important to ensure the integrity of the Law Library's collections and to provide Congress with the services upon which it must depend!

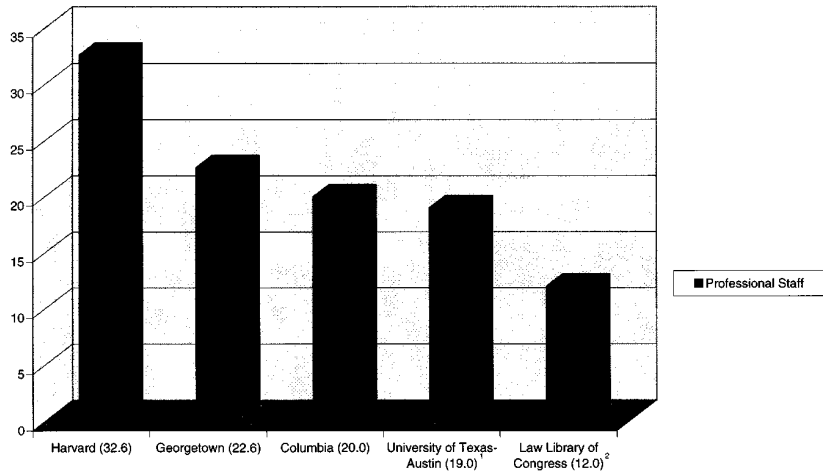
Fiscal year 2000 will be a "Year of Great Transition," for the Library of Congress. One of the Library's building blocks for this transition is the expansion of the Global Legal Information Network (GLIN). GLIN is the digital future of the Law Library. What began as a simple card file over fifty years ago has grown into an international network of the world's legislative bodies sharing via the Internet the full text of their nation's laws and regulations. The GLIN database contains information on over 70,000 laws and regulations from 46 countries, and provides Congress with a direct link to foreign, comparative, and international laws.

The Law Library is also contributing approximately 40 percent of the digital information to the Library's National Digital Library program. Through a program entitled, A Century of Lawmaking for a New Nation, the Law Library is making available through the Internet the debates and documents of the first 42 Congresses including debates on ratification of the constitution, the records of the federal convention, and the debates and laws of the Continental Congress. The ABA hopes that you will approve the budget request which will enable the Library to continue adding Congressional records to the internet. The funding requested for the Library's automation projects, including GLIN, will undoubtedly strengthen and enhance its efficiency and effectiveness internally and globally, in serving the Congress, in expanding public access to its invaluable collections, and in sustaining its role as the leader and progressive host of this vast knowledge.

Giving the Library of Congress and its Law Library the support it needs to preserve the knowledge and ideas, that sustain us as a community and a nation, would be a significant gift to our country and to the Library in its bicentennial year, which will be celebrated in 2000. It is the oldest Federal cultural institution in our country, serving Congress as its priority client, all Federal Agencies, as well as state and local governments. But it is also important to remember that the nation at large is served by the Library. As technology and the information age advance, new opportunities to serve Congress and the nation are available, but at the same time new challenges exist that make support for the Library even more crucial. At this critical time, it is imperative that we continue to support this great institution as we move into the new millennium.

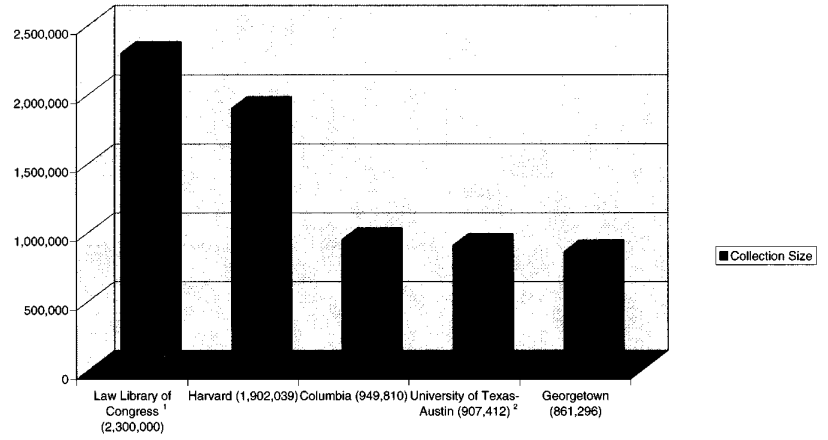
In this turbulent and challenging world, the Law Library represents a powerful reaffirmation that we are a democratic nation of laws and that access to our laws is and should remain open and free. Mr. Chairman and Members of the Subcommittee, the American Bar Association appreciates your courtesy in allowing me to appear before you today. We hope that you will look most favorably upon the budget request of the Library of Congress and its Law Library.

**Professional Staff of Top Five Law Libraries in the United States***



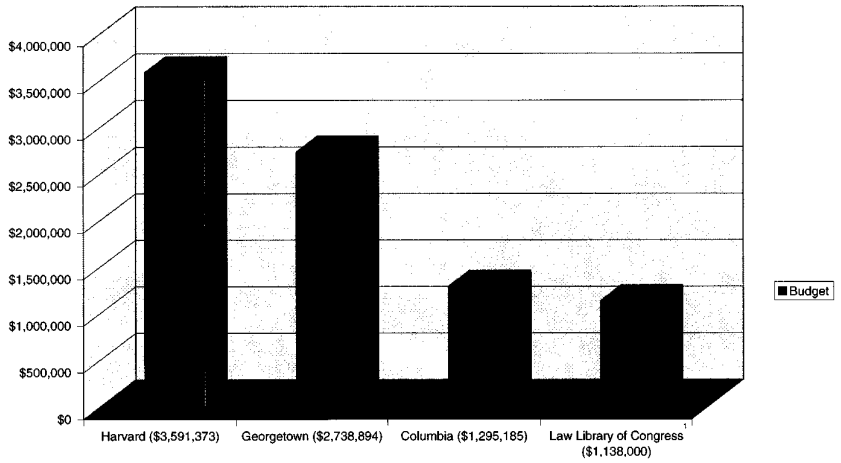

* SOURCE: ABA Fall 1996 statistics as reported in Chart 1 ("Law Library Comprehensive Statistical Table-Data From Fall 1996 Annual Questionnaire Schools with Materials Budgets Over $1M) and in Official Guide to Law Schools, 1998 ed. (newtown, PA: 1997) unless otherwise indicated.
1 SOURCE: Directory of Special Libraries and Information Centers, 20th ed., (New York; Gale, 1997) and ABA Fall 1996 statistics.
2 SOURCE: Law Library of Congress Library Services Directorate.

**Collection Size of Top Five Law Libraries in the United States***




* SOURCE: ABA Fall 1996 statistics as reported in Chart 1 ("Law Library Comprehensive Statistical Table-Data From Fall 1996 Annual Questionnaire Schools with Materials Budgets Over $1M) and in Official Guide to Law Schools, 1998 ed. (Newtown, PA: 1997) unless otherwise indicated.
1 SOURCE: Law Library of Congress Library Services Directorate.
2 SOURCE: Directory of Special Libraries and Information Centers, 20th ed., (New York; Gale, 1997) and ABA Fall 1996 statistics.

**Book Budgets of Top Four Law Libraries in the United States***




* SOURCE: ABA Fall 1996 statistics as reported in Chart 1 ("Law Library Comprehensive Statistical Table-Data From Fall 1996 Annual Questionnaire Schools with Materials Budgets Over $1M) and in Official Guide to Law Schools, 1998 ed. (newtown, PA: 1997) unless otherwise indicated.
1 SOURCE: Law Library of Congress Library Services Directorate.
The University of Texas has the fourth largest collection, but is not included here as its book budget was not available.

Senator BENNETT. Thank you.

Bill?

Mr. ORTON. Thank you, Senator Bennett and Senator Feinstein, first for the privilege of speaking with you for just a few minutes and second for your historic support of the Library of Congress and the Law Library of Congress in particular.

We thank you for the generosity that the committee has shown over the past few years.

I recall when I first came to Congress that we had an annual deficit of over $350 billion. We are now in a surplus.

To do that, to get there, the Congress had to cut budgets. There has been an impact for those budget cuts.

The Law Library of Congress, I think we all can be very proud of them for what they have been able to accomplish with the few resources that they have. But just practically speaking, if you were to grant them their entire budget request this year, it still would not put them back to the level of staffing at which they were in 1994, when we started cutting those budgets dramatically.

As a practical matter, to show you the impact of those staff reductions, the law is an ever-changing field. To keep up with the law, many services that report the various changes in statutes, cases, regulations, et cetera, issue weekly and oftentimes daily update sheets.

Those sheets come into the Library of Congress and if they are not posted, you don't have the current law.

They are, right now, millions of pages behind in posting those updates, simply because they do not have the clerical support to do it.

If you don't have a current statute before you, you cannot rely on the accuracy of the information you are getting from your own library.

So it seems to me that you have two choices: either abolish the library or fund it adequately to provide you with current, up-to-date information.

Senator BENNETT. Are you suggesting that the request we have gotten from the Library is too low and that we should increase it?

Mr. ORTON. Being out of Congress, I would even encourage you to up it, you know, give them more than they asked to let them get back to the staff levels at which they have been previously.

They have a number of things going on beyond just operating the library, as well. Janet mentioned GLIN. You heard from both Dr. Billington and Dr. Medina previously. They have adequately laid out the background for their needs.

But as the American Bar Association, as a group of this culture and country who rely on the law, we rely on the Law Library as well and we would encourage you to fully fund them, to provide the request—it is the Congress' library—so that you can rely on it and know that you are getting current, up-to-date information. Then we, as the legal community, can rely upon it and all of your constituents and our colleagues and citizens in this country all can rely upon that library.

So we thank you for what you have done in the past and urge you to meet the needs that they have submitted.

I don't know if you have any questions.

Senator BENNETT. I think you have made the case in very compelling fashion. We appreciate your interest and your time to come in here to do this.

Mr. ORTON. Thank you very much.

Ms. ZAGORIN. We thank you very much on behalf of the ABA.

Senator BENNETT. Do you have any further questions? If you do, you are presiding.

Senator FEINSTEIN. May I ask just one quick question?

Senator BENNETT. As I say, if you have further questions, then you are presiding. You can then take whatever time you want.

Mr. ORTON. And while you are presiding, you can up the request.

Senator FEINSTEIN (presiding). All right, then. I will finish and close up.

Ms. ZAGORIN. Thank you, Senator.

Senator FEINSTEIN. I have just a quick question. These other libraries, do they do the updates as well? And do they make it available to everybody?

Ms. ZAGORIN. Those are the five largest law library collections in the United States. As you see, the Law Library has the largest collection, built over 200 years, the smallest book budget and the smallest staff.

They all have the same access to materials. But they do not provide access to Congress. Nor do they provide access to citizens.

You may pay to use their libraries. If you are a wealthy law firm like mine or a corporation, you can have a subscription. They are not open to the public except for the depository part.

Senator FEINSTEIN. So does one have to pay to use the Congressional Library? No?

Ms. ZAGORIN. No. It is completely open. Any citizen anywhere, anybody, can come in.

Senator FEINSTEIN. Is it the only resource that is completely open?

Ms. ZAGORIN. Except for the public library system that you would have in each city or State.

Senator FEINSTEIN. Right.

Ms. ZAGORIN. They log on to this overall Web that the Library of Congress, the Law Library, has. But the Law Library is the only one that has complete access and has the collection that it has. You can even get reference help.

You may go to the Law Library or call up, or have your State library call, and get research—from anywhere.

Senator FEINSTEIN. I think you have made a good point. I would certainly be supportive of your request.

Ms. ZAGORIN. Thank you very much. We think it is so important.

Senator FEINSTEIN. I thank you very much for taking the time to do this.

Ms. ZAGORIN. It is important to all of us.

Thank you very much.

SUBCOMMITTEE RECESS

Senator FEINSTEIN. Thank you.

There being no further business, we will recess the meeting.

Thank you.

[Whereupon, at 11:51 a.m., Wednesday, March 17, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

# LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2000

**WEDNESDAY, MARCH 24, 1999**

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

The subcommittee met at 10 a.m., in room SD–116, Dirksen Senate Office Building, Hon. Robert F. Bennett (chairman) presiding.

Present: Senators Bennett and Stevens.

## U.S. SENATE

### OFFICE OF THE SECRETARY OF THE SENATE

**STATEMENTS OF:**
**GARY SISCO, SECRETARY OF THE SENATE**
**TIMOTHY S. WINEMAN, FINANCIAL CLERK OF THE SENATE**

OPENING STATEMENT OF HON. ROBERT F. BENNETT

Senator BENNETT. Good morning. The hearing will come to order. This is our last hearing on the Legislative Branch budget request for fiscal 2000. I am delighted that we are moving along in the pattern that we are and will have completed the Legislative Branch hearings by the end of March.

Before we begin with our witnesses, I will surprise no one by raising my favorite subject, Y2K. I have been warning all of the agencies that come before this subcommittee on how important it is and how personally embarrassing it would be, after all the noise I have made on this subject, if everybody else is compliant and the Senate is not. I understand that word has gotten out and we are going to be buried with more information than we want today, so I look forward to that.

I have a statement from Senator Craig, a member of the subcommittee who was not able to be here, and it will be placed in the record at this point.

[The statement follows:]

PREPARED STATEMENT OF SENATOR LARRY E. CRAIG

Mr. Chairman, I want to thank you for holding this hearing today. The Sergeant at Arms, the Secretary of the Senate, and the Congressional Budget Office all provide services which are vital to each of us. I would also like to take a second and welcome the new Sergeant at Arms, James Ziglar, to his first budget hearing. I look forward to many more hearings with Mr. Ziglar.

There are several important issues that this committee is addressing, and I don't want to discount them. However, the issue that I want to focus on today is the changes that are taking place with the Computer Information Services (CIS) that

the Sergeant at Arms, the Secretary of the Senate, and the Senate Rules Committee are involved with.

As the Committee is aware, last July Senate offices were notified by the Senate Rules Committee and the Sergeant at Arms that the online services which are offered to Senate offices were going to be dramatically changed. The Senate, through its Legislative Information Service (LIS), will provide the bulk of online legislative research. Services not provided by LIS may be purchased by outside vendors, either by the Senate or by individual offices. The Committee had concerns with the proposal and voiced these concerns with language in the fiscal year 1999 Legislative Branch Appropriations Conference Report.

The temporary program, valid through the end of this calendar year, works to address the temporary concerns of offices who were feared they would lose key research capabilities they rely on. However, it does not address the fundamental question of where these changes are headed and why they are taking place.

Over the last few years, my office has been pleased with the CIS offerings and has taken advantage of them, perhaps more than many offices. My staff has been pleased with what the private sector has to offer. While many of my staff also use LIS, there are many weaknesses in LIS for one simple reason—LIS does not compete with other vendors and, therefore, does not have an incentive to be bigger, better, and faster than the competitors.

This raises a key point. Several private sector companies already take legislative information and compile it into a searchable, online format. They are not simply taking information we generate and selling it back to us. They are adding value to it and we are paying for that. However, they also sell their service to private entities. Consequently, we are not covering the entire cost of their operation. We share it with all of their customers. This being the case, why is the Senate duplicating the efforts of the private sector?

I also want to address concerns about Senate offices losing services they have come to rely on. For starters, there are several services which are offered by the private sector which are not offered by LIS. From detailed summaries and analysis of bills and committee hearings to extensive databases of periodicals and legal documents, the outside services offer a wealth of information that Senate offices depend on.

I hope that as this process moves forward, the Sergeant at Arms, the Rules Committee, and the Secretary of the Senate will ensure that the Senate's staff and Members have the research tools they need while ensuring that our tax dollars are spent wisely.

Senator BENNETT. Our first witness is the Hon. Gary Sisco, Secretary of the Senate, and we want to welcome Mr. Tim Wineman, who took over the job of Financial Clerk last year after Stewart Balderson retired. Mr. Wineman, we recognize that this is your first hearing before the subcommittee in this position and we are delighted to have your willingness to serve in this position and look forward to hearing from you.

The Secretary's budget request is $15.7 million. I note that this is the third year that Mr. Sisco has asked for a level budget, with only the adjustment for the mandatory cost of living increase. I recognize that there are often times when you cannot do that, but I am delighted that when you can do it, you do do it, and we appreciate you being here.

So Mr. Sisco, we will hear from you, and you can introduce Mr. Wineman if he has information for us at the appropriate time.

STATEMENT OF GARY SISCO, SECRETARY OF THE SENATE

Mr. SISCO. Thank you, Mr. Chairman. I am pleased to be here this morning and, as you indicated, Tim is here with me. Tim is the Financial Clerk and has been since last May 1, and I would note that in his capacity as Financial Clerk he has submitted to the committee a budget for the entire Senate. My testimony this morning will be targeted just to the budget of the Secretary of the

Senate. Tim is also responsible for the financial management information system, or FMIS, that we will hear more about later.

My full statement has been filed with the committee, including the annual reports of each of the 24 departments of our office. This morning I will be brief. I will include Y2K, our budget request, and then I would like to make a comment or two on the Capitol Visitor Center.

Senator BENNETT. Please.

FISCAL YEAR 2000 BUDGET REQUEST

Mr. SISCO. First, the budget request. As you indicated, for the third year in a row we are proposing a budget that holds the line on administrative expenses and reflects an increase in the payroll area for the COLA only. In dollars, that is $15,713,000, $14,202,000 for salaries, and $1,511,000 for other expenses. It is an increase of $508,000, or 3.3 percent, over our fiscal year 1999 appropriation of $15,205,000.

From an operational standpoint, that is our request. The two major projects that are ongoing are the financial management information system, or FMIS, which I just mentioned, that Tim is responsible for, and a legislative information system, or LIS.

We will continue to be funded for those for the remainder of fiscal year 1999, and for 2000, using the existing budgets that we have, and I do not project the need to request any new money for these two projects in 1999, or 2000. The only possible request may be to reprogram some of the unused funds from the appropriations we have already been provided in the administrative area.

Y2K COMPLIANCE

Now, to Y2K and the compliance status of the computers in the Office of the Secretary. While the Sergeant at Arms ensures Y2K compliance for all the computer equipment in the Senate, the Office of the Secretary has worked closely with the Office of the Sergeant at Arms to ensure, first, that FMIS and LIS are engineered from the beginning to be Y2K-compliant, and, second, that all other computers and systems used in the Office of the Secretary are Y2K-compliant.

We are on course to replace, repair, or retire anything that is not fully compliant. Most of that work is already done, and the rest will be completed no later than the end of September.

FMIS

In terms of Y2K and the development of the FMIS, FMIS replaces a conglomeration of more than a dozen financial systems scattered throughout the Senate, none of which are Year 2000 compliant, and provides a single Y2K-compliant financial management system for both the general ledger and for purchasing.

Specifically, the KPMG Peat Marwick FAMIS 4.0 system, the financial accounting management information system, is the technology for the general ledger system, and KPMG's second package, called ADPICS 4.5, the advanced purchasing and inventory control system, is the purchasing system that we are using. These two software packages from KPMG are commercial off-the-shelf packages

already in use in the Federal Government, and they are warranted by KPMG to be Y2K-compliant. Even though KPMG has warranted that, these systems are so important to our financial operations that we are going to do independent testing and verification over the summer, and we are now preparing to select an independent contractor to help us test those two systems to double-check and make sure that they are compliant.

The new general ledger system is based on the standard general ledger of the Federal Government, and it converts the general ledger from a cash basis of accounting to an obligation and accrual-based accounting system. This is a mandate that has been there for a while. The system uses OMB object codes so that the budget authority and expenditures can be reported throughout the Senate and consistent with other Federal agencies, and FMIS will also deliver the capability to produce a consolidated audit of all financial statements for the entire Senate, beginning with fiscal year 2000. Again, that is part of our mandate.

Tim and the Disbursing Office staff will also be upgrading the payroll system to Y2K compliance by the end of September, but they are not installing a new system. The payroll system will be made compliant by a software upgrade, which is the Integral 9.5 system. It is a Year 2000 compliant version of the Integral payroll system that is already used by the Disbursing Office. It is a proven product, already in use in a number of other places, and it also is warranted by the vendor.

We have the original vendor installing the upgrade in the Disbursing Office, and it is being acceptance-tested at the present time, so we do not anticipate a problem there.

LIS

Shifting to the legislative information system, this also is a mandated system, with the objective of providing desktop access to the content and status of all Senate legislative information and supporting documents. Year 2000 compliance is being engineered, as a part of the LIS system development, by replacing the non-Y2K-compliant LEGIS system that the Senate has used for some time.

To ensure that LIS meets the needs of all the Senate users, the LIS Project Office, which is comprised of personnel from the Secretary's Office, the Sergeant at Arms, the Library of Congress, KPMG, and a representative from the Rules and Administration Committee, has established a user group to collect the needs and priorities of the Senate offices. We sent out questionnaires and got feedback from those questionnaires, and major enhancements to the system have been based on the user feedback.

For example, users can now perform detailed searches for particular amendments by amendment number, by bill number, by the date introduced, or by the Senate sponsor, and users can also now print entire amendments from their desks using their personal computers.

We have all roll call votes from the 101st Congress to date available online for access by Senate staff through their personal computers.

Our new LIS home page provides a link to a menu of the latest official committee scheduling and subcommittee scheduling reports.

This makes it easier for committees to schedule hearings at times that avoid or reduce conflicts with meetings of other committees or subcommittees that have some of the same Senators as members. We have got all that computerized comprehensively for the first time.

The new document management system, or DMS, of the LIS will replace the existing LEGIS system. The DMS will collect, manage, store, retrieve and report various types of data by tracking information in different formats from "A" to "Z", from "A", the time something is introduced into the legislative system, until "Z", when it goes to the National Archives.

The DMS implementation phase is progressing and it will be finished in August of 1999. This schedule also allows time to complete the thorough testing that we began on February 26, 1999. DMS end-to-end testing components have been identified and the LIS Project Office is actively addressing the Y2K compliance of the external interfaces.

DMS will interface with the amendment tracking system. The committee scheduling systems—the other ones that I mentioned—and these interfaces will also be Y2K-compliant.

The Office of the Secretary is providing training for the Senate clerks, systems administrators, and the end users. Since each audience has distinct needs, the training approach is highly customized. Every effort is being made to provide a comprehensive training program for the users of the new system.

The successful implementation to date of these two systems, FMIS and LIS, has depended on the outstanding cooperation and dedication and funding of this committee along with many other organizations that are involved in one of the systems, or both of the systems, including the Rules Committee and the Office of the Sergeant at Arms, the Senate Member offices, and the committee offices, the Library of Congress and the Congressional Research Service, the General Accounting Office, and last but not least, the Government Printing Office. We have all worked together to get to this point in the development of FMIS and LIS.

OTHER SYSTEMS

For other systems within the Secretary's Office, we have an information systems department that in conjunction with the Sergeant at Arms has made an assessment of the Y2K compliance of all other hardware and software within our office—that is, all non-FMIS and non-LIS systems, hardware and equipment. We have carefully thought through plans that are on course to replace or upgrade all of the noncompliant systems, systems programs and applications in a timely fashion.

We began this process in May of 1998, with a detailed assessment by Mitretek, an outside firm, to look at all computer-related activity in conjunction with the Y2K Project Office of the Sergeant at Arms. The assessment was finished in December of 1998.

During 1998, all of the personal computers within our office were updated or replaced with compliant hardware, and so from a hardware standpoint we are totally compliant.

Even more importantly, the outdated network transfer method of transmitting the text of our legislation, and all the other work that

we do in print, from the Capitol to the Government Printing Office has been replaced. Legislation is now transferred electronically to GPO via a Y2K-compliant gateway.

The last major Y2K projects include a mainframe used by our stationery room and our gift shop, which is not a part of the Senate computer center. The mainframe will be replaced by servers. The Sergeant at Arms will provide Y2K-compliant hardware and software for the Office of Printing and Document Services, and this will be the last major replacement. That is on course for completion not later than the end of September 1999.

Further details on Y2K are in the full statement, in the information systems section of the annual reports.

CAPITOL VISITOR CENTER

The last topic I want to touch on is the Capitol Visitor Center. The 105th Congress took an important step by authorizing the visitor center and appropriating $100 million for the Architect of the Capitol to use for planning, engineering, and designing and to construct the visitor center.

At that time, the best cost estimates of the Architect for building it, furnishing it, and finishing the exhibits and addressing security enhancements totaled $159 million. The legislation that was passed last year anticipated that the $100 million would be supplemented by a private fundraising plan. The Secretary and the Clerk of the House were to develop that, and recommend it back to the Congress, and we have been working on that.

We have had the Pew Charitable Trusts, which recently took the lead in giving and successfully raising funds to improve the Independence Mall region in Philadelphia, and which has contributed to many projects of major educational and cultural importance to the country, and other trusts and other individuals contact our two offices—that is, my office and the office of the Clerk of the House—and have offered on an unsolicited basis their financial support and expertise and other support to help with the Capitol Visitor Center project.

With the level of interest in the visitor center that has been apparent, a private fundraising campaign could readily raise, in my opinion, $70 million.

If you combine the $70 million and the $100 million that is appropriated, for a total of $170 million, that would cover the last best estimate of $159 million that the Architect provided last fall for the cost of the project, and would leave us an $11 million contingency.

In addition, the Capitol Preservation Commission at the present time has a balance of $26.6 million, which was raised privately, and which could be made available for the visitor center project, if the commission voted for that and it were needed. And to the extent that a fundraising campaign raises more than what is needed for the initial cost, which I believe could be done, the excess could be reserved for expanded exhibits or for an endowment for long-term maintenance and future educational programs and new visitors' services. If we got aggressive in a fundraising campaign, we could even pay back the $100 million appropriation to the extent that was the will of the Congress.

With the project being authorized for the first time, with the $100 million appropriation this past year, and with a successful fundraising campaign, the vision of the Senate for a modern visitor center to receive the public and provide accurate and complete information about the Congress and how it works, and to meet modern security requirements, is well within reach. I am committed to help fulfill this vision at the direction of the Senate, and work with the House to make a visitor center a reality.

Thank you, Mr. Chairman. I will be happy to answer any questions you might have.

[The statements follow:]

## PREPARED STATEMENT OF GARY SISCO

### FISCAL YEAR 2000 BUDGET REQUEST

As the Committee is aware, the Office of the Secretary has requested freeze-level budgets, except for (COLA's), each year since fiscal year 1997. The fiscal year 2000 request again maintains level funding, excluding inflation, even as the responsibilities and workload of the Office have become greater than ever.

I respectfully propose an operational budget for the Office of the Secretary for fiscal 2000 of $15,713,000, consisting of $14,202,000 for salaries and $1,511,000 for expenses.

The requested budget is an increase of $508,000, or 3.3 percent, over the fiscal year 1999 appropriation of $15,205,000. The entire increase is to the salaries side of the budget, and is accounted for by a projected cost of living adjustment (COLA), as follows: $104,000 for the annualization of the 1999 calendar year COLA (3.1 percent for October through December 1999); and $404,000 for the calendar year 2000 COLA estimate (3.9 percent for January through September 2000).

The amount requested for expenses is the same as the fiscal year 1999 budget of $1,511,000, and this figure has been maintained for the past three fiscal years.

While the Office of the Secretary has held the line on administrative expenses, the change in format adopted last year is carried forward and will be permanent. Before 1999, line items were based on expense categories (some for as little as $500). The fiscal year 1999 budget grouped expenses by department, using the Office of Management and Budget (OMB) object classification codes that are standard throughout the Federal Government. The new format is necessary for FMIS, and also facilitates management within the Office of the Secretary by making it easier to control the expenses incurred by the users in particular departments. There is no change from fiscal year 1999 to fiscal year 2000 in the budget figures submitted by department.

With the approval of the Committee on Appropriations, the Office of the Secretary has utilized administrative expense savings to help fund annual expenditures for the FMIS and LIS strategic planning initiatives. The Office of the Sergeant at Arms has also contributed to LIS. Utilizing existing budgetary resources has made it unnecessary to request additional funds for these mission-critical projects. FMIS and LIS will continue to be funded using existing budgetary resources to the greatest extent possible for the remainder of fiscal year 1999 and for fiscal year 2000.

### IMPLEMENTING THE MANDATED SYSTEMS OF FMIS AND LIS

With respect to both systems, two points are key: (1) No new funds were requested for fiscal year 1999 or are requested for fiscal year 2000; and (2) Year 2000 compliance is being engineered into the new systems.

*Financial Management Information System (FMIS)*

FMIS, a mandated update to the financial management systems of the Senate, is consolidating and replacing a conglomeration of stand-alone financial systems located throughout the Senate, none of them Year 2000 compliant, with a single financial management system that is warranted to be Year 2000 compliant, while converting the general ledger from cash-basis accounting to obligation- and accrual-basis accounting based on the Standard General Ledger of the Federal Government, and having the capability to produce consolidated, auditable financial statements.

The mandate is being implemented on schedule, the result of considerable effort by the entire staff of the Disbursing Office, many staff members of the Sergeant at Arms, and the primary outside contractor, KPMG Peat Marwick.

There are four major phases of the FMIS strategic initiative: Replace, Rollout, Report, and Reengineer. The main components of the Replace phase include the replacement of the Disbursing Office general ledger system (DOVES), the upgrading of the Sergeant at Arms mainframe core financial system to support the financial management operation for the Senate on a single, Year 2000 compliant platform, and the replacement and deployment of an automated procurement system within the Offices of the Secretary and the Sergeant at Arms. These tasks were completed October 1, 1998.

The selection of the Senate for the core financial and procurement systems are the KPMG Federal FAMIS 4.0 and ADPICS 4.5 products that are both warranted by KPMG to be Year 2000 compliant. Federal FAMIS (Financial Accounting Management Information System) is the general ledger system that replaces a conglomeration of more than a dozen existing systems. ADPICS (Advanced Purchasing and Inventory Control System) is an upgrade to the purchasing system used by the Sergeant at Arms, and replaces purchasing capabilities of several other systems throughout the Senate. The FAMIS and ADPICS products are being integrated so that the Senate may instantly record the procurement activity as a financial event on the general ledger. The ADPICS product is also being used as the front end voucher preparation system that will replace the systems currently being used by the Member Offices and Committees.

The Rollout phase of FMIS involves the distribution of the financial and purchasing systems throughout Member Offices, Committees, and other administrative offices of the Senate. The two main tasks in this phase are the training of functional staff and technical support of the offices once they are online. The third phase of FMIS is Report, referring to financial reporting. The Disbursing Office has developed a classification structure that will enable entity level reporting and the general ledger structure necessary to create proprietary financial statements. One of the major tasks in the reporting phase is the development and integration of a fixed asset module that will provide timely asset valuation and allow the financial staff to depreciate the value of equipment used by the Senate. Another major reporting task is the complete revision of the Report of the Secretary of the Senate to extract data from FMIS more efficiently than was the case in previous systems. Development and distribution of financial reports to FMIS users will also be a major focus of the reporting phase of FMIS.

The Reengineer phase will be the final phase of FMIS. Consistent with the strategic initiatives adopted by the Senate, the Disbursing Office intends to implement the FMIS vision for a secure, paperless, fully integrated financial system complete with signature authentication, optical scanning, storage and retrieval of documents.

Several financial policy decisions have been made during the implementation that will have an immediate impact on the financial reporting capabilities of the Senate. The Disbursing Office has adopted the Standard General Ledger used by the Federal Government. This decision will enable the Senate to prepare standard financial statements consistent in form and content with other federal agencies. Also adopted is the object classification for expenditures of the Office of Management and Budget (OMB). This decision will enable the categorization of budget authority and expenditure reporting consistently throughout the Senate and consistent with the other federal agencies.

These changes are essential. In addition, however, to replacing non-Y2K systems, the Disbursing Office has had to replace a conglomeration of stand-alone financial systems located throughout the Senate. Member Offices currently utilize the SOAS99 system to prepare vouchers and Committees use the Senate Committee Expense Accounting System (SCEAS). These systems were developed internally by the Senate to provide offices with a front-end capability to create vouchers and track individual budgets and they were, for the most part, easy to use. The Disbursing Office, however, is carrying out the two-fold mandate of the Senate to: Implement a single financial management system with COTS technology that is Year 2000 compliant; and account for funds on the obligation and accrual basis, with the capability to produce auditable, consolidated financial statements.

It was therefore necessary for the Senate to move in a new direction.

The successful implementation of FMIS to date has depended on the outstanding cooperation and dedication of the Committee on Appropriations, the Committee on Rules and Administration, the Office of the Secretary, the Office of the Sergeant at Arms, and the Member and Committee offices.

*Legislative Information System (LIS)*

LIS is a mandated system (2 U.S.C. 123e) with the objective of providing desktop access to the content and status of all Senate legislative information and supporting documents.

One of the early accomplishments in the LIS project was the 1997 implementation of an Amendment Tracking System (ATS). This system enables the Bill Clerk to scan floor amendments as received at the desk. Within twenty minutes, Senators and staff can view the text of an amendment from their personal computers. During the past year, this system had two major enhancements implemented. These enhancements offer status and statements of purpose when provided by the sponsors and enable users to perform detailed searches for particular amendments by amendment number, bill number, date introduced, or sponsor. System reliability was improved and a method was implemented for easier printing of the entire amendment (a frequently requested requirement). During the coming year, the Amendment Tracking System will be interfaced with the new Document Management System that is being implemented as a core component of LIS.

An anecdote related by a staffer tells how ATS has proven to be timely, accurate, and authoritative: The staffer had received a copy of an amendment via fax from one of the policy groups, but when the staffer printed it from the LIS Amendment Tracking System, it was clear that the faxed version was already out of date. (On their way to delivering amendments to the clerks, Senators sometimes make handwritten changes.) ATS provided a timely and accurate scanned photographic reproduction of the amendment copy as the Senator filed it.

Also in 1998, a new Committee Scheduling application was developed and implemented, replacing the old, difficult to use system. The committee scheduling capability enables the Daily Digest Office to better schedule committee and subcommittee meetings and to allow all Senate users to retrieve information about committee meetings and hearings. Reports available from the new system include: Today's Meetings/Hearings, Scheduled Meetings/Hearings, Member's Individual Schedules, Specific Committee Schedules and Conflicts, and Combined Schedules for Members of a Specific Committee. The web-browser implementation provides convenient access from all Senate user PC's. In the coming year, the Committee Scheduling application will be interfaced with the new Document Management System.

The LIS Document Management System (DMS) development began in August 1998. The DMS is to provide a central repository for all Senate information including legislation and support documentation. The system will collect, manage, store, retrieve, and report various types of data by providing accessibility, management, and tracking of information in various formats. The LIS DMS, by transmitting data to the Library of Congress retrieval system, will serve a wide user base, often with different, and sometimes unique, sets of requirements: clerks of the Secretary of the Senate, Senate Library, Senate members and staff, the House of Representatives, Library of Congress, Congressional Research Service, Government Printing Office, and the public. The primary objective of Phase I, initiated in 1998 and to be completed in June, 1999, is to deliver a Year 2000 functional replacement for the existing LEGIS system with the ability to support document attributes, external interfaces, legacy data conversion, and reporting. Phase II, also to be completed in 1999, is to incorporate textural data and ad hoc reporting in the DMS. Interfaces to the Senate Amendment Tracking System and the Committee Scheduling System are to be established.

As the Legislative Information System and Document Management System (LIS/DMS) are intended to serve varied groups of users, many with unique requirements, the Office of the Secretary and Senate Office of Education and Training provide LIS training with the primary objective to prepare Senate staff to test, use, maintain, and support the LIS/DMS. Training is provided for Senate clerks, system administrators, and end users; since each audience has distinct needs, the training approach is highly customized. It might be noted here that although every effort is being made toward a comprehensive training program, many end users have reported that the LIS is so "user-friendly" and the published materials are so helpful that they do not feel the need to take time from the job to attend training sessions.

*Y2K compliance*

The Sergeant at Arms ensures Year 2000 compliance in the Senate. The Office of the Secretary can report, however, that Y2K compliance is being engineered in the FMIS and LIS strategic initiatives, and that a Y2K assessment has been made of all other hardware and software within the Office, with a schedule in place to complete the timely replacement or upgrade of all non-compliant systems, programs, and applications.

The FMIS project, as noted above, is consolidating and replacing a conglomeration of stand-alone financial systems located throughout the Senate, none of which was Year 2000 compliant, with a single financial management system that is warranted to be Year 2000 compliant. The current FMIS applications presently used in the Disbursing Office and the Sergeant at Arms consist of two modules, FAMIS and ADPICS, that the vendor, KPMG, has warranted compliant. Y2K compliance will be verified in early summer, 1999, through independent testing, e.g, by a non-KPMG consultant.

Separately, FMIS will ensure that the Senate payroll system is Year 2000 compliant through an upgrade of the existing software supplied by the original vendor. The upgrade package is the Integral 9.5 version of its package now in use. With the upgrade package, Integral supplies step-by-step instructions, and the vendor thoroughly tested the package before released to its customers. Y2K conversion of the payroll is now in acceptance testing, and will be completed before October 1, 1999.

The LIS project, now composed of the Amendment Tracking, Committee Scheduling, and Document Management systems, will replace the current LEGIS mainframe application in August, 1999. Y2K compliance will be ensured by the system replacement.

Other Y2K projects now underway in the Office of the Secretary, scheduled for completion no later than the end of summer, 1999, include the replacement hardware and software for the Office of Printing and Document Services, and the mainframe replacement for the Stationery Room and Gift Shop.

The Office of the Secretary Information Systems Department, in conjunction with the Sergeant at Arms Y2K Project Office, has assessed Y2K readiness and compliance for all existing hardware and software systems installed in this Office. This process began in May, 1998, with a detailed assessment by the Mitretek Group of all computer-related activity. The assessment, completed in December, provides a detailed risk analysis of the mission critical functions. During this same time frame, and in parallel with the assessment, all personal computers within the Office were updated or replaced with compliant hardware. Even more importantly, the outdated network transfer method of transmitting the text of legislation from the Capitol to the Government Printing Office was replaced. Legislation is now transferred electronically to GPO via Y2K-compliant gateways.

Further details regarding Y2K compliance within the Office of the Secretary may be found in the attached annual reports submitted by the departments. Every step in ensuring Y2K compliance within the Office of the Secretary is taken in conjunction with the Sergeant at Arms.

PERSONNEL CHALLENGES FOR THE FUTURE

As discussed in the reports for the last two years, there are positions in the Office of the Secretary—particularly but not exclusively within the legislative departments—that are essential to the constitutional responsibilities of the Senate, and that require institutional knowledge and experience to master, but have little comparability to executive-branch or private-sector occupations. Those positions that especially depend on institutional knowledge and experience will always present the Senate with a major challenge.

The past twelve months have seen the death of the Legislative Clerk, and the actual or announced retirements of the Financial Clerk, the Journal Clerk, the Executive Clerk, the Daily Digest Editor, the Chief Reporter of Debates, and the Director of the Office of Printing and Document Services.

In all cases, the Office of the Secretary has maintained and will continue to maintain the essential functions that these departments perform. All of these positions have been filled with highly capable individuals, and there are now no vacancies in any department head position, nor in any deputy position. This depth is creditable to the concrete steps taken in past years to identify incumbent employees and prospective new hires who are highly qualified, appropriately experienced, and committed to the Senate for the long term to meet the high professional standards the Senate requires and to become qualified to assume greater responsibilities.

The Office of the Secretary intends to continue to focus on skill development, under which highly qualified employees are offered opportunities to learn additional skills. This focus is to ensure that there are trained resources in every function, that all of the legislative departments are fully staffed by individuals who have significant on-the-job training and experience, and that the careers of at least two individuals are developed with the potential to succeed to each department head responsibility. Through the development of additional skills, these individuals may come from within or without the specific departments that they may be asked to head.

The above objectives are being accomplished within personnel authorizations. The Disbursing Office expects soon to add approximately ten new positions to assist in implementation of FMIS and the restructuring of its functional units that are responsible for financial management, but even with these positions, the Office of the Secretary will remain below the 241 to 252 positions authorized by this Committee for fiscal year 1999.

VISION FOR THE CAPITOL VISITOR CENTER

The heroism of Officers Jacob Chestnut and John Gibson, who died last summer while preserving the lives of Members, staff and visitors, brought renewed attention to the need to go forward with the Capitol Visitor Center project to address both security needs and enhance the educational experience for visitors.

The 105th Congress appropriated $100,000,000 to the Architect of the Capitol for the planning, engineering, design, and construction of the Capitol Visitor Center. [Public Law 105–277, the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999.] These funds may not be spent, however, until approved by the appropriate authorizing and appropriating committees of both the Senate and the House. Additionally, these funds, which are available until expended, are to be supplemented by private fund-raising.

While the Architect of the Capitol is charged with the planning, engineering, design, and construction of the Visitor Center, the Office of the Secretary, in conjunction with the Office of the Clerk of the House of Representatives, has undertaken responsibility for recommending a plan for the private fund-raising efforts. At the request of the Majority Leader, I have also offered my assistance to the Architect, as appropriate, to facilitate and expedite completion of the Visitor Center.

With regard to private fund-raising efforts, the existing Capitol Preservation Fund has a balance derived from private funds of about $26,600,000, which could be made available for the Visitor Center project. The Office of the Secretary (along with the Office of the Clerk of the House of Representatives) is currently evaluating the most appropriate means for raising up to $70,000,000 in additional private funds. Funds raised over and above the costs of construction and initial furnishing, currently estimated at $159,000,000, could be reserved for long-term maintenance and future educational programs and visitor services.

The Pew Charitable Trusts (which recently took the lead in successfully raising funds to improve the Independence Mall region in Philadelphia and which has contributed to many projects of major educational and cultural importance) and other trusts, individuals, and corporations are eager to provide support. Staff of the Secretary and Clerk are also evaluating the need to establish a 501(c)(3) entity to conduct the fund-raising.

For nearly 200 years, the Capitol has stood as the greatest visible symbol of representative democracy in the world. As the workplace of the elected representatives of the people, the Capitol is—and must remain—a working office building, a museum, and an open tourist center. Since 1859, when the present Senate and House wings of the Capitol were completed, the Nation has undergone tremendous growth. With that growth, our citizens visit in increasing numbers each year. The nineteenth-century design does not and cannot accommodate the numbers, either in terms of providing information about how Congress carries out its constitutional responsibilities, or in terms of meeting modern security requirements, an issue that the Sergeant at Arms and the Architect of the Capitol, as members of the Capitol Police Board, have spoken to in previous hearings before this Committee.

As all know, during peak season, from March through August, visitors face excessively long lines, with little shelter from the Washington summer's heat and humidity. (The Office of the Attending Physician has reported providing emergency treatment to more than a dozen visitors a week for heat-induced illness.) While it is sufficient to say that entry to the Capitol should not have to be an endurance test, it is equally apparent that the visit itself must be made more informative and enjoyable. Visitors face congested corridors and a lack of basic facilities such as restrooms and water fountains. Exhibits are few, and many priceless documents and artifacts of America's history are not on public display. Tours are crowded and abbreviated; during the summer, tours do not see either the Senate or House Chambers. There is no information center to inform visitors about the Capitol and the history and constitutional role of Congress, or simply to help visitors find their Member offices, and there are few suitable rooms for Members to meet with visiting groups of constituents.

With the $100,000,000 appropriation this past year, and a successful $70,000,000 fund-raising campaign, the vision of the Senate for a modern Visitor Center to receive the public, provide accurate and complete information about Congress, and

meet security requirements is well within reach. The entire Office of the Secretary is committed to helping to fulfill this vision and make it a reality sooner.

IMPEACHMENT TRIAL

Throughout the trial of the impeachment of President William Jefferson Clinton, the Office of the Secretary carried out extraordinary responsibilities while maintaining day-to-day services.

In advance of the trial, the Sergeant at Arms and I prepared a memorandum for the Senate leadership concerning arrangements for the trial.

During the trial, the Legislative Clerks read aloud the texts of matters pending on the floor, called the roll, and maintained vote tallies, and performed other duties unique to the trial, such as the logging and storage of evidentiary material. The Journal Clerk maintained The Journal of the Proceedings of the Senate for the Impeachment of William Jefferson Clinton, President of the United States as required by the Constitution and Senate Rules. The impeachment journal will be a vitally important official resource for the Senate and for legal scholars and historians. The Parliamentarian advised the Chief Justice and the Senate on the Rules of Procedure and Practice in the Senate When Sitting on Impeachment Trials and the Procedure and Guidelines for Impeachment Trials in the United States Senate. The Official Reporters of Debates kept a stenographic record throughout the trial and prepared the transcripts for printing in the Congressional Record. By unanimous consent, Senators were permitted to insert their own closed remarks in the Record, insert prepared statements, or add additions to closed session remarks, all of which were processed by the Official Reporters.

The Office of Senate Security provided a secure conference room for conduct of depositions, and took receipt of all deposition transcripts and videotapes from the contractors that produced them. Printing and Document Services handled the distribution of the 29 printed volumes of trial materials, containing a total of 15,756 pages. That office had to obtain temporary space provided by the Rules and Administration Committee to store the documents. The office will subsequently, of course, distribute the full proceedings ordered printed as a Senate Document. The Senate Historical Office developed an inventory of official records presented to the Senate in compliance with the impeachment trial rule, and the office will identify for preservation and eventual public access all substantive trial-related records and provide for their orderly transfer to the National Archives. The Historical Office will also produce an oral history, based on interviews with the trial's key participants, and A Documentary History of United States Senate Impeachment Trials, 1798–1999, that will present a chronology of key dates, a brief history of the issues that led to the trial, and the abridged text of key documents for each of the Senate's seventeen impeachment trials.

The budget summary and apportionment schedule, and the compilation of annual reports submitted by the Office of the Secretary departments, follow.

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## Office of the Secretary of the Senate Fiscal Year 2000 Budget Summary, Apportionment Schedule, and Departmental Annual Reports

### BUDGET SUMMARY

| | Amount | Percent |
|---|---|---|
| Fiscal Year 1999: | | |
| Payroll Budget | 13,694,000 | 90.1 |
| Operating Expense Budget | 1,511,000 | 9.9 |
| Total | 15,205,000 | 100.0 |
| Suggested Fiscal Year 2000 Budget Request: | | |
| Payroll Budget | 14,202,000 | 90.4 |
| Operating Expense Budget | 1,511,000 | 9.6 |
| Total | 15,713,000 | 100.0 |

APPORTIONMENT SCHEDULE

| Item | Amount available fiscal year 1999 (Public Law 105–275) | Budget estimate fiscal year 2000 | Difference |
|---|---|---|---|
| Executive Office | $718,100 | $718,100 | ..... |
| Administrative Services | 463,800 | 463,800 | ..... |
| Legislative and Legal Services | 329,100 | 329,100 | ..... |
| Total | 1,511,000 | 1,511,000 | ..... |

## DEPARTMENTAL ANNUAL REPORTS

## LEGISLATIVE DEPARTMENTS

### BILL CLERK

The Bill Clerk records official actions of the Senate, keeps an authoritative historical record of Senate business, enters daily legislative activities and votes into the automated legislative status system, and prints all introduced, submitted and reported legislation. In addition, this office assigns numbers to all bills and resolutions.

*Legislative Activity*

The legislative materials processed by the Bill Clerk during the 105th Congress are as follows:

| | |
|---|---|
| Senate Bills | 2,655 |
| Senate Joint Resolutions | 60 |
| Senate Concurrent Resolutions | 130 |
| Senate Resolutions | 314 |
| Amendments Submitted | 3,820 |
| House Bills | 507 |
| House Joint Resolutions | 31 |
| House Concurrent Resolutions | 98 |
| Measures Reported | 621 |
| Roll Call Votes | 612 |

*Relations with GPO*

The Government Printing Office has responded in a timely manner to the Bill Clerk's request for the printing of bills and reports, including the printing of priority matters for the floor. The record on specific GPO printings for the second session is summarized below:

—Star Prints: The number of Star Prints (reprints) authorized was 14.

—"Bates List": Overnight rush printing was ordered on 29 pieces of legislation.

—At the end of the Second Session, 64 House passed measures were at the desk. In the past the bill clerk would print these bills as "Received" with the required quantity for each of 800 copies. The exact language in now available on the web as a House engrossed bill, so these bills were not printed, resulting in a savings to the Senate of approximately $51,230.05.

*Legislative Information System (LIS)*

LEGIS: The office continued working with KPMG and the Senate Computer Center reviewing the legislative information processed by this office, including reviewing vote and some data input screens.

Amendment Scanning: During the second session of the 105th Congress the final Amendment Tracking System (ATS) was finalized. All Senate staff can view a copy of all proposed pending amendments of 25 pages or less.

### DAILY DIGEST

The Daily Digest section of the Congressional Record provides a concise accounting of all official actions taken by the Senate on a particular day. All Senate hearings and business meetings (including joint meetings and conferences) are scheduled through the Daily Digest, reported on daily, and are published in the Congressional Record.

*Chamber Activity*

The Senate was in session a total of 143 days, for a total of 1,095 hours and 5 minutes. There were 4 quorum calls and 314 record votes.

*Committee Activity*

Senate committees held 711 hearings and 172 business meetings (total 883), contrasted with 552 hearings and 184 business meetings (total 736) during the Second Session of the 104th Congress.

All hearings and business meetings (including joint meetings and conferences) are scheduled through the Office of the Senate Daily Digest and are published in the Congressional Record and are entered in the mainframe-based legis system (currently being replaced by a web-based applications system). Meeting outcomes are also published by the Daily Digest in the Congressional Record each day.

*Government Printing Office*

The Daily Digest continues to send the complete publication at the end of each day to the Government Printing Office electronically. The Digest also continues the practice of sending a disk along with a duplicate hard copy to GPO, even though GPO receives the Digest copy by electronic transfer long before hand delivery is completed, adding to the timeliness of publishing the Congressional Record. The Digest continues to discuss with GPO problems encountered with the printing of the Daily Digest section. Corrections or transcript errors have become very infrequent due to the ability of electronic transfer.

*Staff Changes*

The Daily Digest announces the retirement of Thomas G. Pellikaan, Editor, and the promotion of Linda E. Sebold to the position of Editor.

## ENROLLING CLERK

The Enrolling Clerk prepares, proofreads, corrects, and prints all Senate passed legislation prior to its transmittal to the House of Representatives, the National Archives, the Secretary of State, the United States Claims Court, and the White House.

During 1998, 91 enrolled bills (transmitted to the President) and 11 concurrent resolutions (transmitted to Archives) were prepared, printed, proofread, corrected, and printed on parchment.

A total of 521 additional pieces of legislation was passed or agreed to by the Senate, requiring processing from this office.

New computers installed in early 1998 doubled the speed at which bill pages are composed. The data retrieval system was changed during the year so that the office can now pull the bill files from the Government Printing Office (GPO) by FTP via the Internet, and, rather than going through GPO for Legislative Counsel files, the office can retrieve them directly from the Legislative Counsel computer storage area with a direct internet connection. This has greatly improved retrieval speed for the necessary files.

## EXECUTIVE CLERK

The Executive Clerk prepares an accurate record of actions taken by the Senate during executive sessions (proceedings on nominations and treaties) which is published as the Executive Journal at the end of each session of Congress. The Executive Clerk also prepares daily the Executive Calendar as well as all nomination and treaty resolutions for transmittal to the President.

*Nominations*

During the Second Session of the 105th Congress, there were 648 nomination messages sent to the Senate by the President, transmitting 20,225 nominations to positions requiring Senate confirmation and 27 messages withdrawing nominations previously sent to the Senate during the session. Of the total nominations transmitted, 336 were for civilian positions other than lists in the Foreign Service, Coast Guard and Public Health Service. In addition, there were 1,532 nominees in the "civilian list" categories named above. Military nominations received this session totaled 18,443 (6,070 in the Air Force, 5,479 in the Army, 5,047 in the Navy and 1,847 in the Marine Corps). The Senate confirmed 20,302 nominations this session and 133 nominations were returned to the President pursuant to the provisions of paragraph six of Senate Rule XXI at the sine die adjournment of the 105th Congress.

*Treaties*

There were 26 treaties transmitted to the Senate by the President during the second session of the 105th Congress for its advice and consent to ratification, which were ordered printed as treaty documents for the use of the Senate (Treaty Doc. 105–33 through 105–58).

The Senate gave its advice and consent to 53 treaties with various conditions, declarations, understandings and provisos to the resolutions of advice and consent to ratification.

*Executive Reports and Roll Call Votes*

There were 12 executive reports relating to treaties ordered printed for the use of the Senate during the second session of the 105th Congress (Executive Reports 105–14 through 105–25). The Senate conducted twenty-nine roll call votes in an executive session, 17 on or in relation to nominations and 12 on amendments to and final passage of the NATO Accession Treaty.

*Executive Communications*

In April, the responsibility for executive communications, petitions and memorials sent to the Senate by the executive branch, state legislatures, local governments, organizations and/or citizens were placed under the direction of the Executive Clerk. The growth in the number of these items has increased exponentially, requiring the addition of a full-time clerk to process them. Due to the reporting of a vacancy requirement of Public Law 105–77, the number of communications for the 106th and future Congresses will continue to increase dramatically. From April through the end of the Second Session, 3,125 or 41 percent of all executive communications received during the 105th Congress, and 182 petitions and memorials were processed by the new clerk. Also during this period, the writing of the abstracts for the Congressional Record was adapted and improved to better serve the needs of the agencies, GAO, and the National Archives.

*Development of the new LIS*

The staff has consulted regularly with KPMG and the Senate Computer Center concerning the development of the portion of the new LIS pertaining to the processing of nominations and treaties. In addition, staff have been meeting regularly with the CRS staff at the Library of Congress charged with developing the retrieval system for the new LIS database, and have spent many hours explaining the processing procedures of the nominations and treaties in the Senate to help them develop the best possible systems for in put and retrieval.

*Staff Changes*

The Executive Clerk's Office announces the retirement of David G. Marcos as Executive Clerk and the promotion of Michelle Haynes to that position.

JOURNAL CLERK

The Journal Clerk takes notes of the daily legislative proceedings of the Senate in the "Minute Book" and prepares a history of bills and resolutions for the printed Senate Journal that is in effect the index of legislative action. The Senate Journal is published each calendar year.

The office is responsible, pursuant to its constitutional duties and under the provisions of the Senate rules, to produce The Journal of the Proceedings of the Senate for the Impeachment of William Jefferson Clinton, President of the United States, in addition to the regular Senate Journal, for this year of 1999.

The 1998 volume will go to the Government Printing Office for distribution in the spring of this year. The completion of the 1998 Journal will not affect the progress of the two Journals for 1999.

*Staff Changes*

The Journal Clerk's Office announces the retirement of William D. Lackey, Jr., as Journal Clerk and the promotion of Patrick Keating to that position.

LEGISLATIVE CLERK

The Legislative Clerk sits at the Secretary's desk in the Senate Chamber and reads aloud bills, amendments, the Senate Journal, Presidential messages, and other such materials when so directed by the Presiding Officer of the Senate. The Legislative Clerk calls the roll of members to establish the presence of a quorum and to record and tally all yea and nay votes. This office prepares the Senate Calendar of Business, published each day that the Senate is in session, and prepares additional publications relating to Senate class membership and committee and sub-

committee assignments. The Legislative Clerk maintains the official copy of all measures pending before the Senate and must incorporate into those measures any amendments that are agreed to. This office retains custody of official messages received from the House of Representatives and conference reports awaiting action by the Senate. This office is also responsible for verifying the accuracy of that information entered into the LEGIS system by the various offices of the Secretary. In addition, this office is very involved in the Secretary's multi-year, comprehensive program to redesign and rebuild the Senate's system for the collection and management of its Legislative Information Services (LIS).

*Summary of Activity*

The Second Session of the 105th Congress completed its legislative business and adjourned on October 21, 1998. During 1998, the Senate was in session for 1,095 hours over 143 days and conducted 314 roll call votes. There were 363 measures reported from committees, 506 total measures passed, and there were 246 items remaining on the Calendar at the time of adjournment. In addition, there were 2,180 amendments submitted.

*Legislative Information System (LIS)*

When LIS replaces the current LEGIS system, extensive training and retraining will be required to convert from the current mainframe to a document management system (DMS). As staff become more familiar with the new capabilities LIS will provide, there may be added benefits such as a history of legislation in the Calendar of Business, which could then be included in the Journal at the end of each session.

*Amendment Scanning*

In 1997, the Secretary's office began scanning certain pending amendments to Senate offices. The main concern was, and continues to be, that there be little or no disruption in the way an amendment is processed and distributed on the Senate floor. In 1998, the office implemented improvements to the amendment scanning system which resulted in faster scanning to a wider audience and reduced keyboarding by the Bill Clerks. Undoubtedly, this project will need to undergo further enhancements as the LIS project progresses.

*Staff Changes*

The Senate tragically lost R. Scott Bates (1948–1999) on February 5, 1999. David Tinsley was promoted to the position of Legislative Clerk.

OFFICE OF OFFICIAL REPORTERS OF DEBATES

The Official Reporters of Debates prepare and edit for publication in the Congressional Record a substantially verbatim report of the proceedings of the Senate, and serve as liaison for all Senate personnel on matters relating to the content of the Record. The transcript of proceedings, submitted statements and legislation are transmitted, in hard copy and electronically, throughout the day to the Government Printing Office. The Chief Reporter functions as editor in chief and the Coordinator functions as technical production editor of the Senate portion of the Record.

*Accomplishments*

The Official Reporters continue to use the computer-aided transcription system, and have experimented with new software throughout the year. As noted in previous reports, the workload of this office has not decreased but, by providing GPO electronic as well as paper copy, the overall workload at GPO (i.e., not having to rekey every word this office transmits to them) is reduced and, as a result, the overall production cost of the Record.

*Morning Business*

The Morning Business Unit has dealt effectively with a marked increase of items being processed through their office. The number of communications has continued to increase since the passage of Public Law 104–121 (the Contract with America Advancement Act of 1996).

*Goals*

The goals for the coming year include: increasing the volume of electronic submissions to GPO by continually informing and educating staff of the e-mail process and the proper format and deadlines for submitting statements; adapting the new LIS system to daily operation; continuing to cross-train transcribers in the tasks performed by the Coordinator; and and experimenting with new software for the Reporters.

*Cost Savings*

The office continues to save substantial sums by eliminating duplication in printing, and Senators are consistently informed about the two-page rule.

PARLIAMENTARIAN

The Parliamentarian advises the Chair, Senators and their staff as well as committee staff, House members and their staffs, administration officials, the media and members of the general public on all matters requiring an interpretation of the Standing Rules of the Senate, the precedents of the Senate, unanimous consent agreements, as well as provisions of public law affecting the proceedings of the Senate. The Office of the Parliamentarian is responsible for the referral of all legislation introduced in the Senate, all legislation received from the House, as well as all communications received from the executive branch. The office worked extensively with Senators and their staffs to advise them of the jurisdictional consequences of particular drafts of legislation, and evaluated the jurisdictional effect of proposed modifications in drafting.

The office continues to analyze and advise Senators on a great number of issues arising under the Congressional Budget Act of 1974. The Byrd Rule on extraneous matter in reconciliation bills can cause a great deal of parliamentary maneuvering.

The atmosphere that surrounded the parliamentary process in 1998 resulted in an unprecedented number of questions that this office was asked to resolve. These questions often required hours of very difficult and contentious meetings with competing groups of staff. At every stage of the budget cycle, this office was called upon to arbitrate large numbers of budget and appropriation related questions. The Parliamentarian's Office was constantly asked to answer questions during consideration on the Senate floor, of the budget resolution and the appropriations bill that followed.

Concerns about the use of the budget surplus promises to keep the congressional budget process (with all of its parliamentary complexity) in the forefront of the legislative agenda.

PRINTING AND DOCUMENT SERVICES

Printing and Document Services documents Senate printing expenses and functions as GPO liaison to schedule and/or distribute Senate bills and reports to the Chamber, Senate staff, and the public; provides page counts of Senate hearings to commercial reporting companies, orders and tracks all paper and envelopes provided the Senate, provides general printing services for Senate offices, and assures that Senate printing is in compliance with Title 44, U.S. Code, as it relates to Senate documents, hearings, committee prints, and other official publications.

*Total Publications*

During the second session of the 105th Congress, 647 publications (hearings, committee prints, Senate documents, Senate Publications) were printed. This compares with 504 publications printed during the second session of the 104th Congress, or an increase of about 28 percent.

*Hearings Transcripts and Billing Verifications*

Billing Verifications are the vehicle by which reporting companies request payment from a committee for their transcription services. During 1998, commercial reporting companies and the corresponding Senate committees were provided a total of 919 billing verifications of Senate hearings and business meetings (including hearings which were canceled or postponed, but still requiring payment to the reporting company). This averages 38 hearings/meetings per committee. Compared with 1,105 billing verifications in 1997, there was a decrease of about 17 percent in the number of hearings processed.

Commercial reporting companies charged the Senate approximately $447,268 to prepare 69,855 transcript pages of the spoken portions of Senate hearings (compared to 1997 figures of $585,956 to prepare 89,020 transcribed pages) for an average annual cost of about $18,636 per committee, and an average of 2,910 spoken transcript pages per committee during 1998. In 1997, the average annual cost per committee was $29,903, and an average of 4,239 spoken transcript pages.

| | 1997 | 1998 | Percent Increase/ Decrease |
|---|---|---|---|
| Billing Verifications | 1,105 | 919 | −17 |
| Transcribed Pages | 89,020 | 69,855 | −22 |

| | 1997 | 1998 | Percent Increase/ Decrease |
|---|---|---|---|
| Average Pages/Committee | 4,239 | 2,910 | −31 |
| Transcribed Pages Cost | $585,956 | $447,268 | −24 |
| Average Cost/Committee | $29,903 | $18,636 | −38 |

*Requisitions*

Printing and Document Services prepared 5,564 printing requisitions during fiscal year 1998, authorizing GPO to print Senate work, exclusive of legislation and the Record. This is a decrease of about 6 percent over fiscal year 1997.

*Paper, Letterhead, and Envelopes*

Printing and Document Services provides and maintains an accounting of blank paper, letterheads, and envelopes for all Senate offices. The total blank sheets and letterheads ordered in 1998 were about 99.2 million sheets, a decrease of 3.3 million sheets compared to 1997. In 1998, the Senate used about 8.4 million envelopes, compared to 7.9 million in 1997.

*Mini Document Room*

Printing and Document Services serves the combined leadership by coordinating the distribution of all Senate-introduced and Calendar bills, reports, resolutions, and conference reports, including all legislation which has passed the House. Distribution is made to the Chamber, the Office of the Secretary, and leadership offices. Data entry to the legislation and DocuTech databases is the responsibility of this section.

*Cost Accounting Projects and Duties*

In addition to the ability to advise offices about turnaround and the method of reproduction, while assuring compliance with Title 44 U.S.C., Printing and Document Services also provides accounting information needed by offices. Ultimately, this data enables the Secretary to provide oversight information to the Rules Committee and the Joint Committee on Printing.

*The Service Center*

The Service Center (located in SH–B–07) is staffed by experienced GPO printing specialists who provide Senate committees and the Office of the Secretary with complete publishing services for hearings, committee prints, and preparation of the Congressional Record. Services include keyboarding, proofreading, scanning, and composition.

As a result of these services, committees have been able to decrease and/or eliminate overtime costs associated with the preparation of hearings, and can now publish in a more timely manner. Committees may also realize additional savings because the work done in the Service Center is chargeable to the committee as performed (as opposed to having a full-time staff member or detailee assigned to printing functions). Finally, by providing the ability to process what would otherwise be backlogged work, utilization of the Service Center may preclude the need to assign additional staff or GPO detailees to publishing duties.

During 1998, the Service Center assisted 14 committees with the preparation of 138 hearings, committee prints, and Senate Documents including the tributes to Senators Ford, Bumpers, Kempthorne, Glenn, and Coats. This represents over half of all Senate committees which have printing responsibilities. Looked at from another perspective, the Service Center has assisted with about 21 percent of the publications printed in 1998.

*Congressional Record*

In 1998, 12,730 pages were printed for the Senate, 14,622 pages were printed for the House (includes Digest, Extension of Remarks, Proceedings, and Miscellaneous pages), for a total of 27,975 pages. This is a total of 683 more pages than in 1997.

There were a total of 1.4 million copies printed and distributed in 1998. That includes 295,323 to the Senate, 241,945 to the House, and 827,732 to Executive Branch agencies and the public at large.

Total approximate cost to produce the Record was $14 million. Based upon the per cent of content and distribution quantities, the proportional Senate cost was $6.3 million, the House was $6.9 million, and all other recipients $800,000. Per copy cost was about $8.86 (Record costs are based upon GPO estimated appropriation costs, not including costs to produce the Record Index or microfiche copies).

*Legislation*

Data is captured regarding all printed versions of all measures considered in the Senate. Beginning this Congress, all versions and distribution of House measures are included. For brevity, the following information is summarized by major category of legislation, such as Senate bills. Each category includes the successive versions in which all measures were printed during their legislative cycle (such as a Senate bill which is introduced, reported, and printed as passed), including star prints. Information relating to specific versions of all legislation is available, as is the additional number of copies ordered printed for the Document Room (see Docutech Project) and committees.

The following table is for the second session of the 105th Congress. The Number of Pages column refers to the number of original pages, including blanks, within the categories listed. The total number of printed pages is not shown, but is available. Costs are rounded to the nearest hundred, and are based upon estimated GPO appropriation rates.

| Measure | Count | Number of Pages | Senate Cost | Total Cost |
|---|---|---|---|---|
| Senate Bills | 1,448 | 30,334 | 1.900,000 | 2,800,000 |
| Senate Reports | 256 | 10,186 | 736,100 | 933,100 |
| Sen. Res | 200 | 556 | 42,200 | 58,200 |
| S.J. Res | 34 | 148 | 10,100 | 15,000 |
| S.Con. Res | 89 | 376 | 22,800 | 37,600 |
| House Bills | 2,312 | 39,947 | 1,500,000 | 6,100,000 |
| H. J. Res | 50 | 152 | 4,250 | 16,300 |
| H. Con. Res | 209 | 736 | 19,600 | 76,500 |
| H. Conf. Reports and Reports | 436 | 26,884 | 437,300 | 2,500,000 |
| Treaties/Exec | 40 | 2,007 | 179,300 | 183,700 |
| Public Laws | 151 | 2,674 | 347,400 | 380,300 |
| Totals | 5,225 | 114,000 | 5,200,000 | 13,100,000 |

*Document Services*

The Document Services section coordinates requests for printed legislation and miscellaneous publications with other departments within the Office of the Secretary, Senate committees, and the Government Printing Office, to ensure the most current version of all material is available, and that sufficient quantities are in storage to meet projected demand.

The primary responsibility of this section is to provide services to the Senate. However, the responsibility to the general public, the press, and other government agencies is virtually indistinguishable from services provided to the Senate. Requests for material are received at the walk-in counter, through the mail, by FAX, and recorded messages. Recorded messages and FAX messages operate twenty-four hours a day, and are filled the same day they are received, as are mail requests.

*Summary of Annual Statistics*

The following chart is a summary of activities and trends in Document Services from 1988 through 1998.

| Calendar year/Congress/session | Calls received | Public mail | Staff phone | Fax request | Counter requests |
|---|---|---|---|---|---|
| 1988: 100/2ND | 107,871 | 20,579 | 79,163 | N/A | N/A |
| 1989: 101/1ST | 114,580 | 24,415 | 85,488 | N/A | N/A |
| 1990: 101/2ND | 154,497 | 23,322 | 96,330 | N/A | N/A |
| 1991: 102/1ST | 158,714 | 29,301 | 94,503 | N/A | N/A |
| 1992: 102/2ND | 144,478 | 21,634 | 64,543 | N/A | N/A |
| 1993: 103/1ST | 135,035 | 23,679 | 64,752 | N/A | N/A |
| 1994: 103/2ND | 128,463 | 20,460 | 54,919 | 4,934 | N/A |
| 1995: 104/1ST | 134,062 | 22,704 | 45,466 | 10,182 | N/A |
| 1996: 104/2ND | 110,742 | 15,140 | 35,479 | 8,043 | N/A |
| 1997: 105/1ST | 60,296 | 12,739 | 23,672 | 7,261 | N/A |

| Calendar year/Congress/session | Calls received | Public mail | Staff phone | Fax request | Counter requests |
|---|---|---|---|---|---|
| 1998: 105/2ND | 35,116 | 8,131 | 13,850 | 5,162 | 113,862 |

*Docutech Project*

The following tables summarize quantities and costs associated with on-demand (supplemental) printing of bills and reports during the first and second sessions of the 105th Congress. The first table compares on-site printing requests. The second table indicates work printed for other government agencies by GPO in order to more fully employ the machine. Costs are based upon a charge of two cents per page.

| | Count | Run Length | Original Pages | Printed Pages | Cost Each | Total Cost |
|---|---|---|---|---|---|---|
| Document Services: | | | | | | |
| 1997: | | | | | | |
| Totals | 946 | 31,593 | 45,832 | 2,100,000 | $1.33 | $41,995 |
| Daily Averages | 4.4 | 146 | 212.2 | 9,712 | N/A | $194.43 |
| 1998: | | | | | | |
| Total | 42 3 | 23,904 | 25,442 | 1,700,000 | $1.4 2 | $33,959 |
| Daily Averages | 3.6 | 142 | 187.7 | 9,786 | N/A | $195.86 |
| Agencies 1998: | | | | | | |
| Totals | 747 | 379,986 | 92,941 | 7,500,000 | .28 | 150,079 |
| Daily Averages | 2.5 | 1,267 | 309.8 | 25,008 | N/A | $500.26 |

*Staff Changes*

The Office of Printing and Document Services announces the retirement of Barry J. Wolk as Director and the appointment of Linda Daniels to that position.

OFFICE OF CAPTIONING SERVICES

The Office of Captioning Services provides real-time captioning of Senate Floor proceedings for the deaf and hard-of-hearing and unofficial electronic transcripts of Senate Floor proceedings to Senate offices via the Senate Intranet.

*General Overview*

Caption quality continues to be the number one priority. Peer reviews are conducted on a weekly basis. The office average for accuracy was down slightly for 1998 because of changes to the error scoring methodology.

The Senate Library and the Internet provide reference information. The office library was updated with current-year volumes of select reference materials. House and Senate Internet and House and Senate public web sites are a great assistance.

*Technology Update*

Year 2000 Compliance (Y2K) concerns of the Secretary of the Senate were addressed beginning early in 1998. In July of 1998 the office was able to demonstrate Y2K Compliance by operating all systems on-air during broadcast as if it were July of 2001. This one-day demonstration was preceded by months of testing, upgrading hardware, evaluating software, monitoring file creation and manipulation, and getting a written "Y2K Compliant" confirmation from the system vendors.

The Senate Recording Studio continues to refine a system to capture the caption data stream, time stamps the captions and stores them in a searchable database. The text files in the database are linked to audio and video files which can be subsequently played on personal computers. Additional improvements to this service are anticipated during 1999.

*1999 Objective*

The technology currently used for real-time captioning is not Microsoft Windows compatible. The office is evaluating a Windows-based Computer-Aided Transcription and Captioning system which is Y2K compliant.

The testing, evaluation and integration of this new technology into the office is incorporated in individual goals and objectives for 1999. It is hoped this updated technology will be online in late 1999, in time for the Second Session of the 106th Congress.

SPECIAL PROJECTS—LIS

The Legislative Information System (LIS) is a mandated system (2 U.S.C. 123e) with the objective of providing desktop access to the content and status of all Senate legislative information and supporting documents. The Special Projects office manages the project, oversees the Senate's outside contractor, KPMG Peat Marwick, and coordinates LIS training for Senate users.

One of the early accomplishments in the LIS project was the 1997 implementation of an Amendment Tracking System (ATS). This system enables the Bill Clerk to scan floor amendments as they are received at the desk. Within twenty minutes, Senators and staff can view the text of an amendment from their personal computers. During the past year, this system had two major enhancements implemented. These enhancements offer status and statements of purpose when provided by the sponsors and enable users to perform detailed searches for particular amendments by amendment number, bill number, date introduced, or sponsor. System reliability was improved and a method was implemented for easier printing of the entire amendment (a frequently requested requirement). During the coming year, the Amendment Tracking System will be interfaced with the new Document Management System that is being implemented as a core component of LIS.

An anecdote related by a staffer tells how ATS has proven to be timely, accurate, and authoritative: The staffer had received a copy of an amendment via fax from one of the policy groups, but when the staffer printed it from the LIS Amendment Tracking System, it was clear that the faxed version was already out of date. (On their way to delivering amendments to the clerks, Senators sometimes make handwritten changes.) ATS provided a scanned photographic reproduction of the amendment copy as the Senator filed it.

This last year, the focus of the LIS was on analyzing and reviewing systems requirements, on the review of related projects and initiatives at the Senate and other agencies, and on gathering information integral to the implementation of the LIS. Considerable progress was made in 1998 toward the goal of producing bills and resolutions using the Standard General Mark-up Language (SGML). At the direction of the Committee on Rules and Administration and the Committee on House Administration, the Secretary and the Clerk are developing a common standard for document exchange. SGML, widely used for commercial publishing, is the standard being developed for exchanging legislative information.

The Secretary and Clerk held two document analysis workshops in 1998 with representatives from the Senate, House, and legislative branch agencies in attendance. The first workshop was held to define the structure of bills and resolutions, the first step in the development of the Bill Document Type Definition (DTD). Using the findings from the workshop, Mulberry Technologies completed the Bill DTD in July 1998. The second workshop was held in late 1998 to identify the structure of conference reports and to begin the conference report DTD development process. The contractor completed the analysis of the workshop and the Senate and House Data Managers are reviewing it.

Concurrent with the DTD development process, the Secretary's Office, supported by KPMG, completed an evaluation of SGML Editing Environments that could be deployed in the Senate for the creation of SGML documents. The results of that evaluation may be further analyzed in conjunction with the House before a decision on SGML editors is finalized.

Efforts for the current year will focus on determining implementation strategies. Through participation in the Legislative SGML Coordinating Committee and the Legislative SGML Technical Committee, this Office continues to work closely with the House of Representatives to ensure that LIS is compatible with the House information systems for purposes of data exchange.

Also in 1998, a new Committee Scheduling application was developed and implemented, replacing the old, difficult to use system. The committee scheduling capability enables the Daily Digest Office to better schedule committee and subcommittee meetings and to allow all Senate users to retrieve information about committee meetings and hearings. Reports available from the new system include: Today's Meetings/Hearings, Scheduled Meetings/Hearings, Member's Individual Schedules, Specific Committee Schedules and Conflicts, and Combined Schedules for Members of a Specific Committee. The web-browser implementation provides convenient access from all Senate user PC's. In the coming year, the Committee Scheduling application will be interfaced with the new Document Management System.

The LIS Document Management System (DMS) development began in August 1998. The DMS is to provide a central repository for all Senate information including legislation and support documentation. The system will collect, manage, store, retrieve, and report various types of data by providing accessibility, management,

and tracking of information in various formats. The LIS DMS, by transmitting data to the Library of Congress retrieval system, will serve a wide user base, often with different, and sometimes unique, sets of requirements: clerks of the Secretary of the Senate, Senate Library, Senate members and staff, legislative branch agencies—House, CRS, and LOC, Government Printing Office, and the public. The primary objective of Phase I, initiated in 1998 and to be completed in June, 1999, is to deliver a Year 2000 functional replacement for the existing LEGIS system with the ability to support document attributes, external interfaces, legacy data conversion, and reporting. Phase II, also to be completed in 1999, is to incorporate textural data and ad hoc reporting in the DMS. Interfaces to the Senate Amendment Tracking System and the Committee Scheduling System are to be established.

For 1999, the strategic focus of LIS development must be on becoming Year 2000 compliant. The decision to develop the DMS system to replace the existing LEGIS was made; therefore, the DMS production release must take place as scheduled to allow adequate time for thorough system testing in a production environment and to allow sufficient time for end to end testing with external system interfaces.

The LIS Project management meets weekly at Project Office and Project Managers meetings and performs the coordination and integration of LIS projects. To ensure user inputs into the LIS, Project management meets regularly with House and Senate user groups.

*LIS Communications*

While the LIS project is well under way, and large portions of the system have been successfully introduced to users throughout the Senate, LIS is still a work in progress. The announcement and promotion of change activities associated with LIS must be carefully organized. It is not only critical that changes to the system be announced quickly and effectively, but also that the appropriate messenger and communications vehicle be identified well in advance. The LIS communications plan attempts to address these issues by pinpointing the LIS systems that will be enhanced during the second and third years of LIS implementation and outlining a clear and concise means of communicating necessary information to key users. Two key components of the communications plan are the establishment of the LIS User Group and the production of informational materials and marketing tools.

The LIS User Group collects requirements and priorities of Senate offices to ensure that enhancements to LIS meet the needs of as broad a range of Senate researchers as possible. This group will also be used as a test group to provide feedback on enhancements to the system before they are introduced to the Senate as a whole. The requirements and feedback provided by this User Group will be recorded and factored into decisions the Project Plan proceeds.

The Project Office is seeking the active involvement of a broad spectrum of Senate staff (Legislative Directors, Legislative Assistants, Press Secretaries, and Systems Administrators) to make a commitment to participate in this LIS User Group through the completion of LIS implementation.

LIS informational materials and marketing tools are designed to ensure that Senate staff know what resources are available. These materials are continually updated and distributed to a wide range of staffers throughout the Senate. The Office of the Secretary has already developed several "Quick Cards" to provide users with key information on how to use the Amendment Tracking, Committee and Subcommittee Scheduling and the Roll Call Vote Tracking systems.

These cards have proven to be effective tools and, though they will need to be continually updated, will remain in circulation. As enhancements are made to the system, the need to create additional "Quick Cards" may also become apparent.

*LIS Training*

The Legislative Information System and Document Management System (LIS/DMS) are intended to serve varied groups of users, many with unique requirements. The primary objective of LIS training is to prepare Senate staff to test, use, maintain, and support the LIS/DMS.

Following establishment of the Senate Office of Education and Training and recruitment of an LIS trainer, an instructional needs analysis was completed in October, 1998. Several audiences were identified for LIS/DMS training: Senate clerks, system administrators, including Secretary of the Senate Information Systems/Computer staff as well as Sergeant at Arms application development personnel, Help Desk personnel, Enterprise IT personnel, and end users. A training plan submitted in November, 1998, summarized the instructional analysis, described instructional methods and training resources, and outlined the training curriculum for each audience. In addition, the training plan included recommendations for vendor-supplied

technical training for developers and those involved in supporting and maintaining the LIS/DMS.

Since each audience has distinct needs, the training approach is highly customized. The curriculum includes labs and practical exercises to reinforce skills and the use of realistic scenarios to enable authentic assessment. Reference materials and other resources are being prepared to assist staff after training has occurred. Two training guides, one for system administrators and another for the Senate clerks, will be available for reference. The training team is also developing on-line help for the LIS/DMS. While the training guides and training sessions are geared toward roles, the on-line help focuses of specific system functions and screens.

The initial training session for Senate clerks is scheduled for March, 1999, and is to prepare the clerks for their role in user unit and system testing. A second training session is scheduled in May, 1999, to prepare for User Acceptance testing and system production. This session will cover any system changes implemented after user testing and serve as a refresher course before actual production begins. Each session contains two components, one for common system functions and a second customized component for each office, focusing on office-specific tasks relating to the LIS/DMS. During the initial production period, onsite help will be provided by the LIS trainer in the Office of Education and Training to help ease the transition from LEGIS to the LIS/DMS.

Training for the system administrator group is scheduled for May, 1999. Each group involved in the technical administration of the LIS/DMS will participate in the training modules appropriate for the responsibilities they will assume with the new system.

End user training is currently offered once a month to Members and member office staff through the Office of Education and Training. This class is based on the LIS website on www.congress.gov. Modifications to the existing LIS user interface will be incorporated into future classes.

It might be noted here that although every effort is being made toward a comprehensive training program, many end users have reported that the LIS is so "user-friendly" and the published materials are so helpful that they do not feel the need to take time from the job to attend training sessions.

## ADMINISTRATIVE OFFICES

### DISBURSING OFFICE

#### FRONT COUNTER—ADMINISTRATIVE AND FINANCIAL SERVICES

The Front Counter is the main service area of all general Senate business and financial activity. It is the receiving point for most incoming expense vouchers, payroll actions, and employee benefits related forms, and is the initial verification point to ensure that paperwork received in the Disbursing Office conforms to all applicable Senate rules, regulations, and statutes.

The Front Counter is the first line of service provided to Senate Members, Officers, and employees. All new Senate employees (permanent and temporary) who will be working in the Capitol Hill Senate offices are administered the required oath of office and personnel affidavit and provided verbal and written detailed information regarding their pay and benefits. Authorization is certified to new and state employees for issuance of their Senate I.D. card. Cash advances are issued to Senate staff authorized for official Senate travel and travelers' checks are available for a nonprofit basis to assist the traveler. Numerous inquiries are handled daily, ranging from pay, benefits, taxes, laws, and Senate regulations in our commitment to provide the highest degree of customer service. Senate entities, in the course of official duties, receive cash and checks as part of their daily business. These funds are submitted through the front counter, become part of the accountability of the Senate for federally appropriated funds, and are processed through the general ledger system.

*General Activities*

The Front Counter: Issued approximately 1,500 cash advances for official Senate travel; received more than 18,000 checks from Senate entities; administered oath and personnel affidavits to more than 3,500 new Senate staff; and maintained brochures for 18 Federal health carriers and distributed approximately 4,000 brochures to staff during the annual FEHB open season.

#### CENTRAL HUMAN RESOURCES DEPARTMENT

During 1998, the Senate Disbursing Office initiated a plan to merge the functions and responsibilities of the Payroll Section and Employee Benefits Section into one

department that supports the central human resource needs of the Senate. The Central Human Resource Administration (HR) is to maintain and administer payroll processing, retirement, health insurance, life insurance, and other central human resource programs to provide responsive, personal attention to Members and employees on a non-biased and confidential basis.

The Senate's internal organizational structure is decentralized among 160 offices. Each of these offices are separate accounting locations and are the statutory appointing authority of their staff as well as the certifying officer to obligate funds. Flexibility to manage human resources at the distributed location best serves the Senate. Office specific and personal employee data not required for payroll purposes is maintained at the distributed office level.

The Disbursing Office staff in these sections are experienced in their respective fields and have extensive background knowledge of the other sections involved. To best utilize their skills for the Senate's benefit, and in order to provide a stimulating work environment for staff, cross training the staff and rotating them on a monthly basis between functions, was determined to be the best direction. After training is finished, the Disbursing Office will be able to provide eleven central HR counselors who will have comprehensive knowledge of all areas related to payroll, retirement, life and health insurance, the Thrift Savings Plan (TSP), social security, employment verification and investigation, and other central HR related benefits.

PAYROLL SECTION

The Payroll Section maintains the Human Resources Management System and is responsible for the following: processing, verifying, and warehousing all payroll information submitted to the Disbursing Office by Senators for their personal staff, by Chairmen for their committee staff, and by other elected officials for their staff; issuing salary payments to the above employees; maintaining the Automated Clearing House (ACH) FEDLINE facilities for the normal transmittal of payroll deposits to the Federal Reserve; distributing the appropriate payroll expenditure and allowance reports to the individual offices; issuing the proper withholding and agency contributions reports to the Accounting Department; and transmitting the proper Thrift Savings Plan (TSP) information to the National Finance Center (NFC), while maintaining earnings records for distribution to the Social Security Administration, and maintaining taxable earnings records of employees for W–2 statements, which are prepared by this section. The Payroll Section is also responsible for the payroll portion of the Report of the Secretary of the Senate.

*General Activities*

Calendar Year 1998 started out with the processing of more than 800 Federal Employees' Health Benefits (FEHB) forms, along with 600 Thrift Savings Plan (TSP) open season forms, and just over 4,000 cost-of-living increases, all of which became effective on January 1, 1998. The second open season for TSP produced an additional 600 forms that became effective July 1, 1998.

The U. S. Capitol Police (USCP) transferred from the Senate to the National Finance Center (NFC) payroll system March 1, 1998. Although nearly 700 officers were transferred off the Senate Payroll/Personnel system, two months of salary records were maintained on the Payroll/Personnel system to issue W–2's for Calendar Year 1998. The members of the USCP payroll personnel team have remained in close contact with the Disbursing Office for guidance on operational procedures. It should be noted that the reporting of salaries and positions of their Officers and employees are still being reported in the Report of the Secretary of the Senate.

The Payroll Section worked with the Human Resources Division of the Sergeant at Arms to restructure and reorganize the employees under their jurisdiction. The new structure provided better methods for monitoring employee costs within their jurisdiction. When the format was completed, the Payroll Section provided the Sergeant at Arms with a data information file that greatly helped the movement of employees within the Payroll/Personnel system. The new structure became effective June 1, 1998.

The annual Integral Conference was held in San Diego, California in August. The Conference was used to study and review the upgrade to the 9.5 system. Special attention was paid to organizations using both 9.5 and the OS/390 system to produce payrolls. It was noted that organizations who had not chosen to upgrade to the 9.2 or 9.3 systems were now upgrading to Integral's 9.5 system because of its superior Y2K concept. It was noted that organizations that had chosen the Client/Server as a processing system were again reviewing mainframe operations to regain functionality and increase processing speed. Both concepts are limited by the Client/Server systems. The Integral Conference for 1999 will be held August 22–25, 1999 in New Orleans, Louisiana.

During the summer, the Payroll Section made use of interns to microfilm payroll check registers for the period January 1, 1990–December 31, 1995. As a result of this project, we removed 50 boxes of paper from the office and valuable payment records were permanently stored on microfilm.

The Section has been working with the members for the FAMIS project to create a cost accounting structure for the payrolls. Over 900 new department/location numbers were created in the system to be able to report at a lower level within an office to more accurately allocate costs of the offices. An extract of payroll cost was created to automatically post payroll information into FAMIS. Payroll supplied the system accountants with office expenditure reports to assist in the verification of system totals.

*Year 2K Project Activities*

The Year 2000 Project for the conversion of the Payroll/Personnel system has progressed to the acceptance testing stage. On March 1, 1999, the Information Technology Department of the Office of the Sergeant at Arms released the Integral 9.5 version of the program to the Human Resources Division of the Disbursing Office for review and extensive acceptance testing.

The Y2K upgrade of the Payroll/Personnel system acceptance testing was scheduled to occur after 1998 year-end work for payroll reporting was completed and after the massive amount of payroll actions generated by a new Congress was completed. It was also decided, in order to mitigate risk, that the Y2K payroll project not coincide with the higher profile and significantly greater effort underway with the Financial Management Information System (FMIS) mandate. The program plan further provided for up to six months of acceptance testing and parallel processing with final implementation to occur no later than October 1, 1999.

The Payroll/Personnel project to update the current system began in April of 1997. The first phase of the project required the members of the programming team to begin to convert the Senate specific files to a Y2K compliant format. There are two Senate specific (built in-house) systems. The Office Allowance system, which controls payroll expense distribution, and the History DataBase system, which maintains employees' service and retirement histories. Both segments of this phase of the project were completed by February 1998.

The second phase of the project was to install Integral's Y2K compliant version of the Payroll/Personnel system. Integral expanded its programming format to both accommodate converting the six-digit dating system to an eight-digit dating system, and allow for future expansions and upgrades of its system. In the upgrade package, Integral supplies step by step instructions and the system's programming has been thoroughly beta tested before being released to its customers. The Senate has always made it a practice to install a product only after other customers have used it for at least six months and have some of the bugs worked out. Once the program was installed and verified, consultants and Senate programmers began to convert 9.3 Integral files and retrofit Senate modifications. By following a strict upgrade schedule, the programmers involved completed their conversion by December 31, 1998. At this point the IT team converted the online employee data and ran a trial payroll. Finally a comparison of the two systems was made, and in every case the payroll data matched dollar for dollar.

The final phase of acceptance testing begins in March 1999, checking the operating functionality and input load testing. The Disbursing Office team in charge of testing has been involved in almost a dozen conversions and two major implementation projects, and are experts in both the Integral and Senate programs. Once completed, both the 9.3 and 9.5 systems will be parallel tested for certification of accuracy. The Disbursing Office is confident that the Y2K 9.5 version of the Payroll/Personnel system will be operational on or before the October 1, 1999 deadline. The OS/390 processing system will provide the needed Y2K compatible production system.

EMPLOYEE BENEFITS SECTION

The Employee Benefits Section (EBS) primary responsibilities are administration of Senate employees' health and life insurance and retirement programs for the Senate. The Section's work includes research and verification of prior Senate or other federal service for new appointees. EBS prepares these forms for payroll input and after they are returned, verifies the accuracy of the information when the Official Personnel Folder is received. Employment verifications for loans, the Bar, the Federal Bureau of Investigation, the Department of Defense, and for outside insurance are completed in EBS. Unemployment claim forms are completed, and employees are counseled. Department of Labor billings for unemployment paid to Senate employees are checked in EBS and submitted by voucher to the Accounting Section to

be paid. Designations of Beneficiaries for FEGLI, CSRS, FERS, and for unpaid compensation are filed and checked by EBS.

*General Activities*

The annual FEHB Open Season was held, with over 800 employees changing plans. A great number of FEHB plans changed and the changes had to be updated manually.

The FEHB Open Season Health Fair was attended by about 900 employees, a great showing. Because the Fair is so well run and there have been many requests of this sort, it was opened it to all employees on the Hill, including House and Architect employees.

There again were 2 TSP Open Seasons, and the employee changes remained about the same as normal, 1 in 7.

Mortgage rates, still being low, kept employment verifications coming in at a rapid pace, averaging 140 per month.

Seminars were held for the 8 outgoing Members' staffs, as well as for Committees facing reorganization. Information disseminated included retirement, health and life insurance, and unemployment.

Counseling, retirement planning, and processing were normal in 1998. Since most of the Members leaving were long term Members who were retiring, the retirement caseload for early 1999 will be heavy, and so counseling in advance during 1998 was heavy. Total retirement cases processed equaled 87 (47 CSRS + 40 FERS).

The annual Integral Conference was held in San Diego, California in August. Staff used the Conference to review the 9.5 upgrade for the Payroll/Personnel system, and to finalize Y2K planning and strategies to meet deadlines. This Conference emphasized that the Client/Server movement was shifting BACK to mainframes such as the OS/390 and introduced new products to work with this smaller mainframe. They demonstrated that they will continue to support mainframe products, since a number of companies have tried Client/Server and concluded mainframe or minicomputers would better serve where large amounts on online memory were a necessity as it is in the Senate. This was very helpful as the Sergeant at Arms has now purchased and is installing a new OS/390 system.

The Payroll and Benefits Sections' Supervisors attend Integral User's Conferences annually, and each Conference consists of working sessions (usually 9 to 10 in 3 days) with topics ranging from problems found by other users during implementations/migrations, to visions of future enhancements of the systems.

Work was finished on the 9.5 release plans of the Integral Payroll/Personnel system, which got us well on the way to the year 2000 requirements, as well as upgrading many aspects of the payroll system processing. The implementation date is set for October 1999, although it will probably be done months earlier.

Telephone inquiries, although not specifically tracked, appear to be at record levels, with the Benefits staff of 7 pressed to answer calls quickly enough to keep lines open.

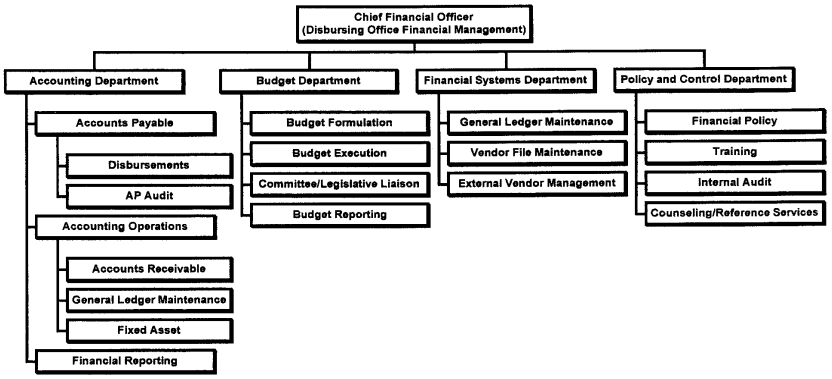
With the USCP transferred from the Senate to the NFC payroll system March 1, 1998, this Section single handedly completed the transfer. All aspects of the movement of about 700 staff off the Senate payroll, including all payroll and benefits records and computer data went off without a hitch and was completed within one month of the transfer. The USCP was extremely complimentary regarding the Benefits Section's performance.

## DISBURSING OFFICE FINANCIAL MANAGEMENT

During fiscal year 1998, the Disbursing Office restructured its functional departments that were responsible for financial management. In previous years, these responsibilities were carried out by the combined efforts of the Accounting, Audit, and Financial Management Systems Development Sections. In order to execute the Senate's mandates to install an integrated financial management system that replaces current stand alone systems that are not Year 2000 compliant and in order to prepare consolidated, auditable financial statements, it was necessary to reorganize these departments.

Headed by the Chief Financial Officer, the mission of Disbursing Office Financial Management (DOFM) is to coordinate all central financial policies, procedures, and activities to produce an auditable consolidated financial statement for the Senate and to provide professional customer service, training and confidential financial guidance to all Senate accounting locations. DOFM is segmented into four functional departments: Accounting, Budget, Financial Systems, and Policy and Control. The CFO coordinates the activities of the four functional departments, establishes central financial policies and procedures, acts as the primary liaison to the HR Admin-

istrator, and carries out the directives of the Financial Clerk of the Senate. The new functional department responsibilities are diagramed below:




The CFO continues to participate in the Legislative Branch Financial Manager's Council. This group was formed with the lead of the General Accounting Office and Library of Congress to help coordinate and standardize accounting and financial reporting practices throughout the Legislative Branch. Participation enhances the planning effort in converting to the standard general ledger of the government and implement obligation and accrual basis accounting.

The most significant event and activity of the past year for Disbursing Office Financial Management has been the change of management responsibility for the Senate's Financial Management Information System (FMIS), and the implications of this change on the DOFM. In May of 1998, responsibility for the planning and execution of the Senate's Financial Management Information System (FMIS) was assigned to the Disbursing Office. In June the Financial Clerk of the Senate designated the CFO as the new Project Director. The following paragraphs will give a status of FMIS and what was accomplished in the past six months.

*FMIS Project Background and Strategic Initiatives*

There are four major phases of the FMIS strategic initiative: Replace, Rollout, Report, and Reengineer. The Disbursing Office is currently proceeding with the replacement phase of FMIS. The general tasks associated with this phase include: replacing the Disbursing Office general ledger system (DOVES); upgrading the Sergeant at Arms mainframe core financial system on October 1, 1998 to support the financial management operation for the Senate on a single, Year 2000 compliant platform; and replace and deploy an automated procurement system within the offices of the Secretary and the Sergeant at Arms offices on October 1, 1998. The Senate's selection for the replacement of the core financial and procurement systems are the KPMG Federal FAMIS 4.0 and ADPICS 4.5 products.

Federal FAMIS (Financial Accounting Management Information System) is the general ledger system that replaces a conglomeration of more than a dozen existing systems (see attached schedule). ADPICS (Advanced Purchasing and Inventory Control System) is an upgrade to the purchasing system used by the Sergeant at Arms and replaces purchasing capabilities of several other systems throughout the Senate. The FAMIS and ADPICS products are being integrated so that the Senate may instantly record the procurement activity as a financial event on the general ledger. The ADPICS product is also being used as the front end voucher preparation system that will replace the systems currently being used by the Member Offices and Committees.

The Rollout phase of the FMIS initiative began in February, 1999. The Rollout involves distributing the financial and purchasing systems throughout the Member Offices, Committees and other administrative offices of the Senate. The two main tasks in this phase are the training of functional staff and technical support of the offices once they are online. The Disbursing Office will proceed methodically with the distribution of the system throughout fiscal year 1999 in order to provide as much support as possible to offices during the conversion. In February, 1999 the eight new Member offices came online together with a pilot group of four existing Member offices (two Republican and two Democratic) that have been selected for the pilot program by the Office Managers of the Senate. In March of 1999, all users of the Senate Committee Expense Accounting System (SCEAS) will be converted to

FMIS. Finally, starting in May of 1999, blocks of twenty offices will be converted to FMIS, with the goal of complete Senate-wide conversion by September 30, 1999.

During fiscal year 1999, the Disbursing Office will process all financial transactions for Senate Offices in FMIS. This decision will greatly reduce the complexity of the Rollout phase of the project. Expense reimbursement requests are created from existing systems within Senate Offices and forwarded to the Disbursing Office. The Disbursing Office is reclassifying the vendor numbers, expense and account classification into FMIS format, performing the data entry, and maintaining all of the Senate accounts. Currently, offices have to reconcile with Disbursing Office records on a monthly basis. Upon conversion, an office will have direct access to the account that the Disbursing Office has been maintaining throughout the fiscal year, thus eliminating the need for data conversion from one system to another.

The third phase of FMIS is Reporting. The Disbursing Office has developed a classification structure that will enable entity level reporting and the general ledger structure necessary to create proprietary financial statements. Many gaps still exist in the information that is required for these financial statements. The most obvious of these information gaps is asset valuation. One of the major tasks in the reporting phase of the project is the development and integration of a fixed asset module that will provide timely asset valuation and allow the financial staff to depreciate the value of equipment used by the Senate. Another major reporting task is the complete revision of the Report of the Secretary of the Senate to extract data from FMIS more efficiently than was the case in previous systems. Development and distribution of financial reports to FMIS users will also be a major focus of the reporting phase of FMIS.

Reengineering the technical environment is the fourth phase of FMIS. The FMIS vision is for a secure, paperless, fully integrated financial system complete with signature authentication, optical scanning, storage and retrieval of documents. The challenge in this phase will be the critical assessment of commercially available technology to find the best solution for the Senate's business needs. During fiscal year 1999, the Disbursing Office will develop the program plan to be followed to attain this vision.

*FMIS Project Status*

The core FAMIS and ADPICS systems were delivered by KPMG to the Senate for acceptance testing on September 21, 1998. The Senate's acceptance testing of FAMIS and ADPICS was aggressively managed to complete accelerated testing of core functions in less than two weeks (the original program plan called for six months of testing). Most of the functional financial staff of the Disbursing Office and Sergeant at Arms participated in the acceptance testing and completed an extraordinary amount of work under the intense pressure of completing the fiscal year-end activities and reporting, as well as meeting acceptance testing deadlines. The efforts paid off, as successful acceptance testing confirmed the decision to convert to the new system for fiscal year 1999. On October 1, a purchase order for the Office of the Secretary was posted "live". Also by October 1, the Disbursing Office had successfully developed and installed the Senator's Office Accounting System version 1999 (SOAS99) for Member Offices and received the first SOAS99 voucher. SOAS99 is an upgrade of the existing SOAS system which incorporates much of the accounting classification structure of FMIS which will ease the transition to FMIS for Member Offices. On October 18, 1998 final accounting fiscal year closing of the DOVES system was completed. On October 19, the FAMIS check writing system produced the first check payment. Over the course of the last several months, DOFM has continued the transition to operation of the new financial system, and is developing the operational procedures and accounting structure to accommodate all of the Senate's financial transactions. The scale of the conversion has forced DOFM to rewrite every single accounting transaction. Initial efforts prioritized the transactions by volume, and worked first on Member Office transactions, then Sergeant at Arms, Committees, Revolving Funds, and Office of the Secretary.

During the initial installation, the Disbursing Office executed concurrent system acceptance testing, staff training, and the reclassification of accounting transactions from cash basis to obligation and accrual basis. Also throughout the initial installation, significant system performance issues contributed to delays in the payment of the Senate's bills. A system performance project has been initiated, bringing the technical staffs of the Sergeant at Arms and KPMG together with the Disbursing Office on a daily basis to address immediate and long term system performance issues. The early problems have been resolved and payments are now being processed within 14 days after the Disbursing Office receives the required documentation. The support and patience of the Senate community as the Disbursing Office

became proficient in transaction processing, and as system performance issues were resolved was tremendous, and the Disbursing Office expresses its thanks.

Several financial policy decisions have been made during the phase one implementation that will have an immediate impact on the Senate's financial reporting capabilities. The Senate has adopted the Standard General Ledger (SGL) used by the majority of the Federal Government. This decision will enable the Senate to prepare standard financial statements consistent in form and content with other federal agencies. Also adopted is the object classification for expenditures of the Office of Management and Budget (OMB). This decision will enable the categorization of budget authority and expenditure reporting consistent throughout the Senate and consistent with the other federal agencies.

*FMIS Keys to Success*

Successful implementation of a financial management system, or any complicated task for that matter, cannot be achieved without the proper resources, the proper management of those resources, and the cooperation, dedication, and work ethic of each individual involved in the project. Efforts thus far with FMIS have been fortunate to have resources made available by the Senate and particularly by the Secretary of the Senate and the outstanding efforts of those individuals in the Disbursing Office and Sergeant at Arms who have worked many long days, nights, and weekends to bring the project back on schedule. The cooperation between the Offices of the Secretary of the Senate and the Sergeant at Arms during this aggressive implementation has been tremendous.

ACCOUNTING DEPARTMENT

The Accounting Department combines the functions of the Accounting and Audit Sections in the former Disbursing Office configuration. The goal in the combination of the Sections was to combine responsibilities that were functionally related, such as accounts payable, in order to maximize efficiencies in the delivery of service to the Senate.

The Accounting Department has several functional responsibilities including:

—Maintain the Senate's financial records and statements.
—Maintain general ledger accounts and other accounting records in FMIS.
—Ensure adherence to appropriation limitations established by the Legislative Branch Appropriations Act, and Title 2 of the United States Code.
—Perform various GL account reconciliations (Suspense, Clearing accounts).
—Reconcile fixed assets with Sergeant at Arms fixed asset management module in FMIS.
—Process accounts payable for the Senate and coordinate disbursements.
—Provide accurate and timely reports to Senate distributed accounting locations.
—Establish and maintain internal controls over financial processes.
—Design and manage monthly and year-end closing processes and procedures.
—Prepare audited consolidated financial statements and notes in compliance with the latest FASAB and OMB requirements.
—Manage the annual financial statement audit with GAO or independent auditors.

*General Activities*

During fiscal year 1998, the Accounting Section and the new Accounts Payable Department processed nearly 90,000 expense reimbursement vouchers for payment on 66,719 United States Treasury checks issued. Accounting Operations processed 1,780 deposits for items ranging from receipts received by the Senate operations, such as the Stationery Room, to canceled subscription refunds from Member offices. General ledger maintenance also prompted the entry of 8,573 adjustment entries that include the entry of all appropriation and allowance funding limitation transactions, all accounting cycle closing entries, and all non-voucher reimbursement transactions such as payroll adjustments, stop payment requests, travel advance and repayments, and limited payability reimbursements.

*Financial Reporting Requirements—External*

Monthly financial reporting requirements to the Department of the Treasury include a Statement of Accountability that details all increases and decreases to the accountability of the Secretary of the Senate, such as checks issued during the month and deposits received, as well as a detailed listing of cash on hand. Also reported to the Department of the Treasury on a monthly basis is the Statement of Transactions According to Appropriations, Fund and Receipt Accounts that summarizes all activity at the appropriation level of every penny disbursed by the Secretary of the Senate through the Financial Clerk of the Senate. All activity by ap-

propriation account is reconciled with the Department of the Treasury on a monthly and annual basis. The annual reconciliation of the Treasury Combined Statement is also used in the reporting to the Office of Management and Budget as part of the submission of the annual operating budget of the Senate.

The Accounting Department also transmits all Federal tax payments on a monthly basis for Federal, Social Security and Medicare taxes withheld from payroll expenditures, as well as the Senate's matching contribution for Social Security and Medicare to the Federal Reserve Bank on a monthly basis. The Department also performs quarterly reporting to the Internal Revenue Service (IRS) and annual reporting and reconciliation with the IRS and the Social Security Administration. Payments for Senate employee withholding for state income taxes are reported and paid on a quarterly basis to each state with applicable state income taxes withheld. Monthly reconciliations are performed with the National Finance Center regarding the Senate's employee withholding and agency matching contributions for the Thrift Savings Plan. All employee withholdings and agency contributions for life and health insurance, and federal retirement programs are transmitted to the Office of Personnel Management on a monthly basis. Any adjustment to employee contributions to any of the health, life and retirement plans from previous accounting periods are also processed by the Accounting Department.

One of the key components of implementing FMIS on an extremely tight schedule this past year was the decision to utilize DOFM functional staff for acceptance testing of the system. Beginning in July, DOFM managers worked with KPMG to develop training materials for ADPICS and FAMIS. DOFM staff were trained on the basic functions of the system in August and September and moved directly into acceptance testing of the system in September. While maintaining current reporting responsibilities and closing out old systems, the efforts of DOFM staff supported the decision to migrate to FMIS in October. Throughout the fall, DOFM Accounting Department staff have been executing the design and reclassification of all accounting transactions for operation in FMIS. The key development efforts have focused upon the check writing module and travel transactions. The Accounting Department has worked diligently over the past year to improve the service that is provided to the Senate customer base: Member Offices, Committees, and Leadership, and support offices. Despite early system performance issues that resulted in delays in the Senate's payment cycle, the staff of DOFM are currently processing all of the Senate's bills in less than two weeks from when the proper documentation is received in the Disbursing Office.

*Financial Reporting Requirements—Internal*

Internally, the Accounting Section prepares and transmits ledger statements monthly to all Member offices and all other offices with payroll and non-payroll expenditures. These ledger statements detail all of the financial activity for the appropriate accounting period with regards to official expenditures in detail and summary form. On a semiannual basis all committee ledgers are reconciled with the Accounting Section records, and the results are reported to the Committee on Rules and Administration. Also, on a semiannual basis, the Accounting Department prepares necessary reports and information to be included in the Report of the Secretary of the Senate. On a monthly and semiannual basis, a complete reconciliation of the Senate payroll is performed. Substantial effort in the Reporting Phase of FMIS will require extensive work to modify existing reports and develop new reports to meet the internal and external reporting requirements of DOFM.

ACCOUNTS PAYABLE AUDIT SECTION

The Accounts Payable Audit Section of the Accounting Department is responsible for auditing vouchers and answering questions regarding voucher preparation, identifying duplicate payments vouchered by offices, monitoring payments related to contracts, training new Office Managers and Chief Clerks about Senate financial practices, training Office Managers in the use of the Senate's Financial Management Information System, and producing the Report of the Secretary of the Senate. The Section also maintains the Senate's central vendor file and monitors the Fund Advance Tracking System (FATS) by ensuring that advances are charged correctly, vouchers repaying such advances are entered, and balances adjusted for reuse of the advance funds. An "aging" process is also performed to ensure that advances are repaid in the time specified by the advance regulations.

*General Activities*

Participated in various seminars sponsored by the Office Manager groups, Secretary of the Senate, Sergeant at Arms, and the Library of Congress.

Performed the following training sessions for individual offices: new Office Managers/Chief Clerks, 35; SOAS users, 26.

Assisted the audit staff of the Committee on Rules and Administration with the drafting of changes to the travel regulations.

The number of active American Express accounts has grown approximately 10 percent from 700 to 765 accounts over the period January-September 1998. This has increased the amount of time necessary to work with offices in the submission of the expense claims. The Senate has had to work through a change of vendors for the travel card as of November 1998. These accounts are being monitored on a monthly basis, and when necessary, offices are encouraged to submit the expense voucher in a more timely manner.

The number of Rocky Mountain Bank Card Accounts has increased from 23 to 40 offices actively using the card. This necessitates an active participation in the training of the offices and the monitoring of the account to avoid the payment of finance changes that may accrue to this account. The Senate has had to also work through a change of vendors for the procurement card as of November 1998.

Work was completed involving the Sergeant at Arms and Committee on Rules and Administration for a "Memo of Understanding" between the Senate and the U.S. Postal Service. This memo provides a more efficient method of billing and easier reconciliation of same. Several meetings were held between all parties and are still occurring to resolve some issues.

The system, established through the use of cc:Mail and/or voice mail, for the research of vouchers in 1997 has received favorable comments. Office Managers and Chief Clerks use cc:Mail and/or voice mail to make inquiries concerning a payment status for an expense or where it might be in the process. This procedure has allowed for an increase in staff productivity as individual staff designated to monitor the inquiry line devote time to this effort rather than having multiple staff being interrupted as each call was received.

*Automation Report*

The implementation of SOAS 99 in Senatorial Offices provides the interim process for the period October 1998 through the transition to the new Senate FMIS. SOAS 99 introduces offices to the concepts of index and object codes which are crucial to the Senate's FMIS.

Audit Staff attended 30+ seminars conducted by KPMG on the operation and performance of the ADPICS and FAMIS systems prior to implementation in October 1998.

Future objectives are to provide for a successful Rollout to the initial pilot group of 12 offices, followed by the Committee implementation as their new funding period begins March 1999, and finally Member offices in groups of 20, spaced April-September 1999, to send staff to KPMG training classes for the FMIS system and the ADPICS system (and any other modules that the Senate might procure), and to participate in user conferences sponsored by KPMG.

BUDGET DEPARTMENT

A key component of the continued restructuring of DOFM is the development of a Budget Department. The primary responsibilities of the Budget Department will be to compile the annual operating budget of the United States Senate for presentation to the Committee on Appropriations. The development of specialists in the budget area will allow current staff with dual responsibilities in Accounting to focus their efforts on general ledger activity.

Other responsibilities of the Budget Department will be as follows:

—Responsible for the formulation, presentation and execution of the budget for the Senate.
—Provide a wide range of analytical, technical and advisory functions related to the budget process.
—Coordinate efforts among central and distributed financial organizations to produce an integrated budget plan for the Senate.
—Prepare justification requests for requested appropriations.
—Provide expert advice to Senate officials on budgetary policy.
—Prepare necessary documentation and provides historical reference resource for the Committee on Appropriations.
—Act as budget officer for the Office of the Secretary, assisting in the preparation of testimony for the hearings before the Committee on Appropriations and the Committee on Rules and Administration.
—Provide advice and recommendations on the discretionary use of funds by distributed accounting locations.

—Provide assistance to the Committee on Appropriations in drafting Legislative Branch Appropriations Bills and accompanying reports and schedules.
—Manage complete information of financial management budgetary precedents and controls, and OMB and Treasury Department guidelines and regulations governing the acquisition and use of Federal Funds.
—Monitor budget execution and recommend necessary transfer and reprogramming of funds at the entity and agency level.
—Review budget estimates with the distributed accounting locations, making recommendations, pointing out budget limitations, and significant deviations from past years.
—Analyze obligations, expenditures, and receipts in relation to approved work programs and appropriated funds, making investigations and recommendations involving the proper utilization of these funds.

FINANCIAL SYSTEMS DEPARTMENT

Another key component of the DOFM restructuring plan during 1998 was the establishment of a Financial Systems Department. While not yet fully staffed, a key manager was brought on board who proved to be instrumental in the development and execution of the FMIS project.

The following functions are the responsibility of the Financial Systems Department: Develop FMIS classification structure and perform table maintenance; establish and maintain system security features; provide FMIS support to system users Senate-wide and perform software acceptance testing of new releases; develop ad hoc reports upon request; automate vendor and employee payments; manage and maintain the Senate's vendor file; and perform general ledger account creation and field structure in FMIS.

POLICY AND CONTROL DEPARTMENT

The final component of the restructuring of DOFM planned for 1999 is the development of a financial Policy and Control Department. The initial function of this department will be to work with GAO and an external vendor to perform an auditability assessment of the Senate's financial management structure. This task will identify information gaps in the Senate's operations that will be necessary to fill in order to prepare auditable financial statements.

Additional responsibilities of the Department are as follows:
—Develop and maintain comprehensive financial management policy and procedures manual to the transaction level.
—Incorporate policy changes published in the Federal Register, OMB Circulars, and other relevant legislation into CFM.
—Coordinate with the Financial Systems Department to incorporate policy changes into financial systems and incorporate FMIS system changes at the transaction level into the procedures manual.
—Provide a counseling and reference service for distributed accounting locations regarding Senate financial procedure.
—Perform internal audit function within financial management organization.
—Prepare recommended financial policy and procedures manual for distribution to all Senate accounting locations.
—Serve as liaison with federal agencies such as JFMIP, GSA, and FASAB.
—Provide expertise in developing RFP's, SOW's, and serve on evaluation panels.
—Manage the Senate's debt collection process.
—Provide and coordinate internal and external FMIS training and certifying officer training.

*Staff Changes*

The Disbursing Office announces the retirement of Stuart F. Balderson as Financial Clerk and the promotion of Timothy S. Wineman to that position.

OFFICE OF HUMAN RESOURCES

The Office of Human Resources implements and coordinates human resources policies, procedures, and programs for the Office of the Secretary of the Senate including hiring; training; performance management; job analysis; compensation planning, design, and administration; leave administration; records management; recruiting and staffing; employee handbooks and manuals; internal grievance procedures; employee relations and services; and organizational planning and development.

*Quality of Life Initiatives*

The Office of the Secretary continued to focus on quality of life programs during the past year. After successfully testing new hours of operation for non-floor-dependent employees and a flexible-hour work schedule, the Secretary approved a permanent change to both initiatives. While offices in direct support of the Senate Chamber must follow the work schedule of the Senate, all other offices must be open from 9:00 a.m. to 5:30 p.m., as opposed to 6:00 p.m. previously. The Office was able to implement this program without altering the start time by reducing the lunch period from one hour to one-half hour. Employees desiring longer lunch periods may schedule them through the Secretary's flexible-hour program. The newest "family friendly" initiative, and a key feature of flexible scheduling, is the "core hours," a set time where everyone must be present for duty. With core hours set at 10:00 a.m.–4:00 p.m., employees can, for example, request approval from their supervisor to flex for early-morning or late-in-the-day medical appointments, parenting responsibilities, and the like. The program is, therefore, a win-win situation for the Office as well as the employee.

*Human Resources Management System (HRMS)*

In mid-1998, Human Resources and Systems Application specialists from the Office of the Secretary and the Sergeant at Arms formed a team to study the problem of maintaining large amounts of employee data without a adequate data base. Since that time, systems requirements were identified and various vendor software applications were evaluated. Lawson Software was selected to fill this void. System training will begin in March 1999. A powerful, fully integrated system, Lawson will provide both organizations with everything needed to execute essential day-to-day activities while taking full advantage of state-of-the art technology in other areas like the internet and intranet. Targeted to be on-line in June 1999, employees will be able to make changes to their personal information in a completely automated, paperless process. They will be able to check on sick leave and annual leave balances, for example, and report time worked in the automated time and attendance system.

*Intern Program*

The Office hosted 28 interns during the summer of 1998. Serving in 11 different departments, these interns made many worthwhile contributions to the goals and objectives of the organization and received a unique educational and work experience.

## SENATE LIBRARY

The Senate Library provides legislative, legal, business, and general reference services to the United States Senate. The comprehensive legislative collection consists of congressional documents dating from the Continental Congress. In addition, the Library maintains executive and judicial branch materials and an extensive book collection on politics, history, and biography. These sources plus a wide array of online systems assist the Library staff in providing confidential, timely, and accurate information services.

*Administration*

The second year of budget review delivered an additional $3,070.33 reduction in operating expenses. These savings were in addition to more than $11,000 in 1997 reductions. The eliminated materials will not compromise service. The money saved will allow for the purchase of core materials as costs increase and for the purchase of materials for the restored Capitol library. A second important budgetary success was implementing favorable fixed-fee pricing for all commercial databases that allows for unlimited searching and printing.

*Russell Building and Capitol Libraries*

In April 1997, the Secretary requested that the Library develop plans for a new Russell Building library facility and for the renovation of the historic third-floor Capitol space. The Minneapolis design firm of Meyer, Scherer and Rockcastle (MS&R) submitted preliminary Russell Building plans that were approved in September. Demolition of the Russell space began in late December 1997. Progress highlights during 1998 included design planning, selecting equipment and furniture, bidding for all materials, removing hazardous materials, installing mobile shelving, upgrading electrical and air-handling equipment, and exposing the corridor's natural brick. As demolition continued, Russell Building interior plans were finalized by October 1998. Once the mobile shelving was completed, Library staff and Moving Masters, a professional moving company, transferred 100,000 volumes from the

Capitol to the Russell Building. The second phase of the move took place during February 1999. The opening date for the Russell Building Library was February 22, 1999.

Simultaneous to the Russell Building project was the planning for the renovation of the historic Senatorial Reading Room. MS&R worked closely with Architect of the Capitol staff to design the restoration of the historic room to its nineteenth-century appearance.

*Information Services*

During 1998, Information Services responded to 37,542 Senate requests, sent 5,432 deliveries, and 5,076 faxes. Information Services conducted 38,045 searches for news, legal, and business information on the Library's outstanding selection of online commercial services. The Senators' Reading Room was used by 6,841 patrons; 201,498 photocopies were produced; and micrographics use increased by 42 percent over the previous year. The optical disk system, providing documents scanned by the Library of Congress, continued to be popular with more than 2,162 items reproduced. In October, the Library inaugurated an electronic request mailbox (Reference@sec.gov) and a Telecommunications Device for the Deaf (TDD). The two new services allow for 24-hour access, which better meets the needs of state offices, staff who work late, and special-needs patrons.

*Acquisitions*

The Library ordered 259 books during the year, a decrease of 19 percent from the 1997 total. Selected book purchases have been made for the Capitol location, but most Capitol books will be ordered just before the September opening to ensure current editions. For the second year, all standing-order accounts were critically reviewed; several were discontinued and others will be received during alternating years.

The Library received 3,155 committee hearings, an increase of 19 percent over the previous year; 158 committee prints, a 49 percent decrease over the previous year; and 1,187 congressional reports and documents, which is a new statistical category. A continuing acquisitions problem is the practice by some committees of providing documents only through the Internet, thus bypassing traditional printing. The Library has undertaken the task of ensuring that all "Internet-only" congressional materials are placed in the permanent collection. The Government Printing Office's Depository Library Program provided the Library (without charge) with 10,510 items, including 3,841 paper and 6,669 microfiche titles, a 13 percent increase over 1997. In addition to congressional materials, the program provides core judicial and executive branch publications.

*Cataloging*

The cataloging of congressional documents dramatically increased over 1997 totals. The cataloged items included 959 new House committee hearings, which was an impressive 97 percent increase over 1997 totals. In addition, the cataloging of House committee prints increased 108 percent and government document microforms increased 36 percent increase over 1997 totals. The cataloging of newly arriving Senate committee hearings and Senate committee prints increased 124 percent and 103 percent, respectively. The ambitious retrospective project of cataloging the Library's collection of historic committee hearings produced records for 549 House hearings and 2,191 Senate hearings. This important project will provide identification and access not only to the Senate Library, but to libraries worldwide.

*Automation*

DataTrek, the Library's online cataloging and acquisitions system, continued to have problems in 1998 that included incorrect set-ups and recurring errors in the serials and acquisitions modules. Year 2000 compliance necessitated software upgrades and after the review of available systems it was determined that DataTrek provided the best alternative through their new Graphical Library Automation System (GLAS) software. In preparation for GLAS, a faster NT server with Windows NT, was installed to reduce system maintenance, release storage space on the Secretary's server, and provide for a more stable platform. The decision to remain with DataTrek was based on cost, the pending Library move, and a less-demanding record conversion, but the upgrade should be considered an interim solution.

OFFICE OF THE SENATE CHIEF COUNSEL FOR EMPLOYMENT

The Office of the Senate Chief Counsel for Employment ("SCCE") is a non-partisan office established at the direction of the Joint Leadership in 1993 after enactment of the Government Employee Rights Act ("GERA"), which allowed Senate em-

ployees to file claims of employment discrimination against Senate offices. With the enactment of the Congressional Accountability Act of 1995 ("CAA"), Senate offices are now subject to the requirements, responsibilities and obligations of 11 employment laws. The SCCE is charged with the legal representation of Senate offices in all employment law matters at both the administrative and court levels. Also, on a day-to-day basis, the office provides legal advice to Senate offices about their obligations under employment laws. Accordingly, each of the 180 offices of the Senate is an individual client of the SCCE, and each office maintains an attorney-client relationship with the SCCE.

*Background*

Each of the SCCE attorneys came to the office after having practiced as employment law litigators in major, national law firms representing Fortune 100 corporations. All services the office provides are the same legal services the attorneys provided to their clients while in private practice. The areas of responsibilities of the SCCE can be divided into the following categories: Litigation (Defending Against Lawsuits); Mediations to Resolve Lawsuits; Court-Ordered Alternative Dispute Resolutions; Preventive Legal Advice; Union Drives, Negotiations and Unfair Labor Practice Charges; OSHA/ADA Compliance; Layoffs and Office Closings In Compliance With the Law; and Management Training Regarding Legal Responsibilities.

*Litigation (Defending Against Lawsuits); Mediations; Alternative Dispute Resolutions*

The SCCE represents each of the 180 employing offices of the Senate in all court actions (including both trial and appellate courts), hearings, proceedings, investigations, and negotiations relating to labor and employment laws. The SCCE handles cases filed in the District of Columbia and cases filed in any of the 50 states. The SCCE represents a defendant Senate office from the inception of a case through U.S. Supreme Court review. The office handles all work internally without the assistance of outside law firms or the Department of Justice.

During 1998, the SCCE defended Senate offices in 17 cases (which required approximately 6,599 attorney work hours). The SCCE either won or successfully negotiated a resolution to 8 of those cases; 2 were withdrawn by the complainants after several mediation sessions with the SCCE; and 7 are currently pending. Five of the 17 cases were filed in U.S. District Courts. This number is significant because one jury trial in federal court typically generates over 2,500 attorney work hours per year, whereas a 1-day administrative hearing typically generates approximately 500–600 work hours.

Additionally, the SCCE successfully represented Senate employing offices in 4 unemployment compensation hearings. In no instance was the employee awarded compensation.

*Preventive Legal Advice*

At times, a Senate office will become aware that an employee is contemplating suing, and the office will request the SCCE's legal advice and/or that the SCCE negotiate with the employee's attorney before the employee files a lawsuit. The successful resolution of such matters substantially reduces an office's liability.

Also, the SCCE advises and meets with Members, Chiefs of Staff, Office Managers, Staff Directors, Chief Clerks and General Counsels at their request. The purpose of the advice and meetings are to prevent litigation and to minimize liability in the event of litigation. For example, on a daily basis, the SCCE advises Senate offices on matters such as disciplining/terminating employees in compliance with the law, handling and investigating sexual harassment complaints, accommodating the disabled, determining wage law requirements, meeting the requirements of the Family and Medical Leave Act, and management's rights and obligations under union laws and OSHA.

Between January and December 1998, the SCCE has had more than 2,066 conferences with Members, Chiefs of Staff, Office Managers, Staff Directors, Chief Clerks and General Counsels to provide legal advice.

*Union Drives, Negotiations And Unfair Labor Practice Charges*

In 1998, the SCCE successfully defeated one union drive and assisted in the contract review and collective bargaining negotiations of a union that won its election in 1997.

The SCCE also represents Senate offices when unfair labor charges are brought against it. The investigation, negotiation and administrative proceedings associated with an unfair labor charge can require as many attorney work hours as that of any claims of discrimination filed with the Office of Compliance. During 1998, the SCCE defended against 3 unfair labor charges brought against Senate offices.

*OSHA/ADA Compliance*

The SCCE provides advice and assistance to Senate offices by assisting them with complying with the applicable OSHA and ADA regulations; representing them during Office of Compliance inspections; advising State offices on the preparation of the Office of Compliance's Home State OSHA/ADA Inspection Questionnaires; assisting offices in the preparation of Emergency Action Plans (in 1998 the SCCE distributed to all Senate offices a sample Emergency Action Plan that could easily be completed to meet each office's needs); and advising and representing Senate offices when a complaint of an OSHA violation has been filed with the Office of Compliance or when a citation has been issued.

*Layoffs and Office Closings In Compliance With the Law*

The SCCE provides legal advice and strategy to individual Senate offices regarding how to minimize legal liability in compliance with the law when offices reduced their forces.

In addition, pursuant to the Worker Adjustment and Retraining Notification Act ("WARN"), offices that are closing must follow certain procedures for notifying their employees of the closing and for transitioning them out of the office. The SCCE tracks office closings and notifies those offices of their legal obligations under the WARN. In 1998, the SCCE advised 8 Senate offices of their legal obligations under this law.

*Management Training Regarding Legal Responsibilities*

In 1998, in an attempt to find a more efficient and cost-effective way of providing Members' state offices with necessary management training, the SCCE, in conjunction with the Senate Recording Studio, introduced in the Senate 2-way interactive internet seminars. This process allows the SCCE to give legal seminars to Member offices here in D.C. and simultaneously to broadcast them to state offices via the internet. The state offices access the seminars (by audio and video) on their PC's at no cost to the state offices. The state office participants are also connected by telephone cable so that they can fully participate in the seminars by asking questions, as would any member of the audience in D.C. The SCCE introduced this concept in the Senate, and, to date, is the only office that has used the internet in this 2-way interactive method. The seminars are extremely cost-effective because they eliminate the need for an attorney to travel to the state offices, and they reduce legal problems by ensuring that all managers understand their legal obligations under the CAA. These seminars have been very well received by Member offices; 82 state offices participated in 1998.

The SCCE conducted 63 legal seminars during 1998. Most of these seminars were broadcast simultaneously over the internet to state offices. Among the topics covered was "Preventing and Addressing Sexual Harassment in the Workplace." That topic was necessitated by two recent Supreme Court decisions.

Additional seminars the SCCE conducted for Senate office managers were: The Congressional Accountability Act of 1995: What Managers Need to Know About Their Rights and Obligations; Managers' Obligations Under the Family and Medical Leave Act; The Legal Pitfalls of Hiring the Right Employee: Advertising, Interviewing, Drug Testing and Background Checks; Disciplining, Evaluating and Terminating an Employee Without Violating Employment Laws; Management's Obligations Under the Americans With Disabilities Act; and Equal Pay for Equal Work: Management's Obligations Under the Equal Pay Act.

Also, in December 1998, the SCCE provided an extensive overview of a Senate office's legal obligations under the CAA to the Senators-Elect and their Chiefs of Staff during the Secretary of the Senate's orientation program. During this presentation the SCCE provided the Senators-Elect and their staff with a quick reference guide entitled "Organizing and Managing a Senate Office in Compliance with the Law," as well as other written materials to assist the Senators-Elect in setting up their new offices. In January 1999, the SCCE provided a similar presentation to all Office Managers, both new and existing, to review a Senate office's legal obligations under the CAA.

Finally, the SCCE continues to publish its bi-monthly newsletter that it distributes to all Senate offices. The newsletter is designed to provide Senate offices with information concerning developments in labor and employment laws.

*Administrative/Miscellaneous Matters*

The SCCE provides legal assistance to employing offices in preparing employee handbooks/office policies, supervisors' manuals, sample job descriptions, interviewing guidelines, and job evaluation forms.

The SCCE also reviews all regulations issued by the Office of Compliance and advises the Senate as to whether the regulations should be approved, modified, or not approved.

OFFICE OF CONSERVATION AND PRESERVATION

The Office of Conservation and Preservation develops and coordinates programs directly related to the conservation and preservation of Senate records and materials for which the Secretary of the Senate has statutory authority. Initiatives include mass deacidification, phased conservation for books and documents, collection surveys, and contingency planning for disaster response and recovery.

*Work Prepared for Senate Leadership*

For more than twenty years the office has bound a copy Washington's Farewell Address for the annual Washington's Farewell Address ceremony. This year, a volume was bound for and read by Senator Mary Landrieu.

At the direction of the Secretary of the Senate, and through the Office of Interparliamentary Services, marbled paper slipcases were fabricated for the book, The United States Capitol: Photographs by Fred J. Maroon, and were presented to 18 dignitaries during Senate Trips.

At the request of the Senate Democratic Leadership, 48 folders were embossed with the name of each Senator. Six hundred thirty-five items were matted and framed, this included resolutions, photographs, and letters.

The office fabricated 12 leather bound notebooks for the Senate Majority Leader and one for the Assistant Majority Leader.

In conjunction with the newly created Leader's Lecture Series, the office prepared several presentation pieces. Each guest speaker received a leather bound box for speeches, a leather bound notebook, and a matted and framed rare print. In addition, photographs representing each speakers careers were matted and framed for display at the reception following each historic speech. This years guest speakers included The Honorable Mike Mansfield, The Honorable Howard H. Baker, Jr., and The Honorable Robert C. Byrd.

*Senate Library*

In 1998 conservation treatments were completed for 421 volumes of a 7,000 volume collection. Also this year, the office prepared and sent 668 books from the Senate Library to the Government Printing Office (GPO) for binding.

In a effort to preserve valuable nineteenth-century Senate documents, the Office of Conservation and Presentation, in cooperation with the Senate Library, rebound a complete set of the Annals of Congress, the Congressional Debates From 1789–1824. These volumes are very rare. While the Senate Library has several sets in storage, every volume is in need of major repair and restoration. The Office of Conservation and Preservation will continue in 1999 to assist the Senate Library in their effort to save these irreplaceable historical documents.

*Office of the Senate Curator*

The office assisted the Office of the Senate Curator in the preparation and installation of museum quality exhibition labels for a public presentation of 30 black and white photographs.

At the direction of the Office of the Senate Curator, the office installed 14 oversized black and white photographs of Capitol images. These photographs were eventually displayed in Hart 902.

*Miscellaneous Projects*

The office continues to utilize its spray deacidification system, encapsulation, and dry mounting press. This year the office deacidified 43 items, encapsulated 59 items, and dry mounted 177 items.

The office continues conservation treatment of Appropriation Bills 1877–1943. This year the office completed 36 books. There are approximately 260 books remaining for treatment. These books are apart of the Appropriations Committee collection.

OFFICE OF SENATE SECURITY

The Office of Senate Security (OSS) is responsible for the administration of classified information, personnel security, counterintelligence and classified computer security programs in Senate offices and committees. OSS also serves as the Senate's liaison to the Executive Branch in matters relating to the security of classified information in the Senate.

*Classified Meetings*

OSS secure conference facilities were utilized on 987 occasions during 1997. This is a 4 percent increase in the utilization of OSS facilities over 1997 levels. Four hundred fifteen hearings, meetings or briefings were conducted in OSS' three conference rooms. In addition, OSS provided Senators and staff secure telephones, secure computers, a secure facsimile machine and secure areas for reading classified material on 572 occasions in 1998.

*Document Control*

The Senate received or generated 3,704 classified documents consisting of 158,711 pages during 1998. This is an 8 percent increase in the number of documents received during 1997. Overall, Senate Security completed 7,614 document transactions and handled 318,389 pages of classified material during calendar year 1998.

*Personnel Security*

OSS workload in the personnel security area remained steady during 1998. Personnel security investigations were initiated on 139 Senate employees. Seventy-five investigations were completed, and the remainder of the investigations (64) are pending completion by the Department of Defense or the Federal Bureau of Investigation. OSS also completed 116 routine security clearance termination actions during 1998.

*Security Education*

OSS conducted or hosted 65 security briefings for Senate staff. Topics covered included: information security, counterintelligence, security managers' responsibilities; office security management; and introductory security briefings.

SENATE STATIONERY ROOM

The Senate Stationery Room provides stationery items for sale to Senate offices and others authorized to use the service. The Stationery Room maintains an inventory and selects a variety of stationery items adequate to meet the needs of the Senate personnel, maintains individual stationery accounts for Senators, Committees, and Offices, issues bills and statements and receives reimbursement for all purchases, delivers merchandise to Senatorial offices, and advertises for bids and awards contracts for Senate stationery supplies.

*Fiscal Year 1998 Statistical Operations*

| | |
|---|---|
| Gross Sales | $3,000,341 |
| Sales Transactions | 89,897 |
| Generated Purchase Orders | 6,073 |
| Vouchers Processed | 7,481 |
| Metro Fare Media Sold | 6,709 |

The reporting categories for statistical operations of the Stationery Room for fiscal year 1998 saw increases in these categories: Sales transactions were up by 330. Vouchers processed for vendor payments were up by 109. Metro Fare Media sold were up by 1,085.

The Stationery Room and the Operation Division reviewed the new procedure in which a flag will be inserted into a Tyvek envelope, sealed, mailing label and postage tape placed on the front of the envelope. The benefits are: the Tyvek envelopes are supplied by the Postal Service to the Operations Divisions and the envelopes store flat thus using less space; the time spent in packaging each flag will be greatly reduced; the UPS will deliver the flags in 2 to 3 days instead of 10 to 14 days (Parcel Post), and since these packages will have a like appearance to all other Priority mail, fewer flags will be lost and will save some time in tracking lost flags. This process will make mailing the flags easier and more efficient.

By direction of the Secretary of the Senate and the Rules Committee, the Metro Fare Subsidy was increased from $21 to $40 on November 1, 1998. This has led to a significant increase in the use of Metro.

Fiscal year 1998 was a very busy year for the Stationery Room staff. The Stationery Room has undertaken a remodeling project in conjunction with its Y2K update. Since it would be necessary to establish new computer cables and locations for new computers in the Stationery Room with a certain amount of disruption to the sales area, it was determined that this would be a time to remodel. This project was predicted to take about four months without interrupting daily sales. The Stationery Room has not had a face lift of this proportion since it moved the entire operation from the Russell building to the Dirksen building in 1980, approximately nineteen years ago.

With the work of the Secretary of the Senate, Rules Committee and the Architect of the Capitol, this project is turning into a great success. The Stationery Room has been able to replace damaged shelving, paint the entire store, pull new computer cables to work stations and replace the drab worn carpet with new carpeting. The new look of the Stationery Room is clean, modern and professional.

Between February and April of 1999, the Stationery Room will have completed its testing and installation of its Y2K software, giving it a complete revised look and operation for the twenty-first century.

INTERPARLIAMENTARY SERVICES

The Office of Interparliamentary Services is responsible for administrative, financial, and protocol functions for all interparliamentary conferences in which the Senate participates by statute, for interparliamentary conferences in which the Senate participates on an ad hoc basis, and for special delegations authorized by the Majority and/or Minority Leaders. The office also provides appropriate assistance as requested by other Senate delegations.

The statutory interparliamentary conferences are: North Atlantic Assembly; Mexico-United States Interparliamentary Group; Canada-United States Interparliamentary Group; and British-American Parliamentary Group.

In May, the 39th Annual Meeting of the Canada-U.S. Interparliamentary Group was held in Nantucket, Massachusetts. Arrangements for this successful event were handled by the IPS staff.

As in previous years, all foreign travel authorized by the Leadership is arranged by the IPS staff. In addition to delegation trips, IPS provided assistance to 11 individual foreign trips. Several other trips were scheduled, but were canceled or postponed after most of the advance work had been completed. Also, Senators and staff authorized by committees for foreign travel continue to call upon this office for assistance with passports, visas, travel arrangements, and reporting requirements.

IPS receives and prepares for printing the quarterly financial reports for foreign travel from all committees in the Senate. In addition to preparing the quarterly reports for the Majority Leader, the Minority Leader, and the President Pro Tempore, IPS staff also assist staff members of Senators and committees in filling out the required reports.

Known by many in the Senate as the "protocol office", Interparliamentary Services maintains regular contact with the Office of the Chief of Protocol, Department of State, and with foreign embassy officials. Official foreign visitors are frequently received in this office and assistance is given to individuals as well as to groups by the IPS staff. The staff continues to work closely with other offices of the Secretary of the Senate and the Sergeant at Arms in arranging programs for foreign visitors. In addition, IPS is frequently consulted by individual Senators' offices on a broad range of protocol questions. Occasional questions come from state officials or the general public regarding Congressional protocol.

On behalf of the Leadership, the staff arranges receptions in the Senate for Heads of State, Heads of Government, Heads of Parliaments, and parliamentary delegations. Required records of expenditures on behalf of foreign visitors under authority of Public Law 100–71 are maintained in the Office of Interparliamentary Services.

Planning is underway for the 38th Annual Meeting of the Mexico-U.S. Interparliamentary Group and the British-American Parliamentary Group Meeting, both to be held in the United States in 1999. Advance work, including site inspection, will be undertaken for the 41st Annual Canada-U.S. Interparliamentary Group Meeting, to be held in the United States in 2000.

SENATE GIFT SHOP

The Senate Gift Shop provides services to Senators, Senate spouses, staff, visiting constituents and U.S. Capitol visitors. Products available include a wide variety of souvenir items and fine gifts. Services provided include the distribution of educational materials and the sale of special order products, custom framing, embossing, engraving, and shipping.

This year's Congressional Holiday Ornament has proven to be a most popular collectors item. This was the first ornament of a four-year series depicting the early years of the United States Congress.

Sales of the 105th Congressional plate, The Bicentennial Cornerstone plate, and the Tiffany Round box continue to be good.

In the fall of 1998, the Gift Shop established an Engraving Department, allowing better control of the quality and speed of this popular service. This state-of-the-art computer driven equipment purchased by the Gift Shop will serve for many years to come.

A major portion of the growth in sales is directly related to increases in special order and phone order sales. This continuing growth is being supported by the new Shipping Department which was equipped with a computerized labeling and tracking system last year.

Computer upgrades in 1999 will allow replacement of personal computers with upgraded machines and software systems. The computers (cash registers) currently used at point of sale locations will also be replaced and software and screen menus redesigned to better serve sales and inventory needs.

## OFFICE OF PUBLIC RECORDS

The Office of Public Records receives, processes, and maintains records, reports, and other documents filed with the Secretary of the Senate involving the Federal Election Campaign Act, as amended; the Lobbying Disclosure Act of 1995; the Senate Code of Official Conduct: Rule 34, Public Financial Disclosure; Rule 35, Senate Gift Rule filings; Rule 40, Registration of Mass Mailing; Rule 41, Political Fund Designees; and Rule 41(6), Supervisor's Reports on Individuals Performing Senate Services; and Foreign Travel Reports.

*Federal Election Campaign Act, as Amended*

The Act required 1998 Senate candidates to file quarterly and pre-election reports, and Senate candidates running in a year other than 1998 to file semi-annual reports. Filings totaled 8,374 documents containing 95,103 pages.

*Lobbying Disclosure Act of 1995*

As of September 30, 1998, 4,422 registrants represented 11,813 clients and employed 18,590 individuals who met the statutory definition of "lobbyist." 21,329 lobbying registrations and reports totaling 82,349 pages were received and made available to the public.

*Public Financial Disclosure*

The filing date for Public Financial Disclosure Reports was May 15, 1998. The reports were available to the public and press by Friday, June 12th. A total of 2,512 reports and amendments were filed containing 12,982 pages. There were 360 requests to review or receive copies of the documents.

*Senate Rule 35 (Gift Rule)*

Effective January 1, 1998, the office revised the Senate Rule 35 travel forms, combining two employee forms into one combined form. The Senate Office of Public Records has received over 1,500 reports totaling 2,000 pages during fiscal year 1998.

*Registration of Mass Mailing*

Senators are required to file mass mailings on a quarterly basis. The number of pages were 569.

*Public Inquiries*

From October, 1997, through September, 1998, the Public Records office staff assisted more than 3,100 individuals seeking information from reports filed with the office. This figure does not include telephone assistance. A total of 148,198 photocopies were sold in the period.

*Automation Activities*

During fiscal year 1998, Public Financial Disclosure reports were scanned using optical imaging technology. Starting with documents received after January 1, 1998, lobbying reports were also scanned, and the office greatly expanded the amount of information available to the public regarding the activities of lobbyists. Efforts to allow lobbyists to file electronically, as well as to allow the public to retrieve filings and data electronically were postponed to insure that a new campaign finance system would be operational and Y2K compliant.

## HISTORICAL OFFICE

Serving as the institutional memory of the Senate, the Historical Office collects and provides information on important events, precedents, dates, statistics, and historical comparisons of current and past Senate activities for use by members and staff, the media, scholars, and the general public. The Office advises senators, officers, and committees on cost-effective disposition of their non-current office files and assists researchers in identifying Senate-related source materials. The Office keeps extensive biographical, bibliographical, photographic, and archival information on the more than 1,700 former senators. It edits for publication historically significant

transcripts and minutes of selected Senate committees and party organizations, and conducts oral history interviews with retired senior Senate staff.

*Leader's Lecture Series*

Majority Leader Trent Lott initiated the Leader's Lecture Series, providing a forum for outstanding former Senate leaders and other distinguished Americans to share their insights about the recent history and long-term practices of the Senate. Beginning on March 24, 1998, the lectures have been held in the historic Old Senate Chamber before an audience of current Senators and specially invited guests from the executive branch, the diplomatic corps, the media, and private enterprise. The Senate Historical Office, in coordination with the Office of Senate Curator and other offices under the jurisdiction of the Secretary, has provided editorial and production support for the 1998 lectures of former Majority Leaders Mike Mansfield, Howard Baker, and Robert C. Byrd, as well as the January 20, 1999, lecture by former President George Bush. Text of all four lectures is now available on the Senate web site and will soon be published as a book.

*Editorial Projects*

A History of the Democratic Policy Committee, 1947–1997: To commemorate the fiftieth anniversaries of the Senate Republican and Democratic Policy Committees, the Historical Office has prepared narrative histories of the committees, their members, their staffs, and their impact on legislation in the U.S. Senate. In 1997 the Government Printing Office published the first of these two volumes, A History of the Senate Republican Policy Committee, 1947–1997 (Senate Document 105–5). Work is nearing completion on the Democratic Policy Committee's companion volume.

Minutes of the Republican and Democratic Party Conferences, 1903–1964: In 1992 the Senate's party leaders agreed to a recommendation of the Advisory Committee on the Records of Congress that the Historical Office preserve, edit, and publish the official minutes of each party conference, dating from the start of the twentieth century to a period thirty years before the present. The Office has now completed work on a volume for each conference. Early in 1999, the Government Printing Office will produce a 700-page volume of Democratic Conference minutes, covering the years 1903 through 1964. A companion volume for Republican Conference minutes spanning 1911 through 1964 will appear later in the year.

Biographical Directory of the United States Congress, 1774–1999: The Office has revised and updated Senate entries in the Biographical Directory of the United States Congress. Since its last print publication in 1989, more than half of the database's 1,851 Senate entries have been revised or updated, and dozens of new entries have been added. Although the next decennial print edition is scheduled for publication in 2000, a current version of the database is now available online at http://bioguide.congress.gov.

*Oral History Program*

The Historical Office opened for scholarly research the transcripts of oral history interviews with Kelly D. Johnston, former Secretary of the Senate and staff director of the Senate Republican Policy Committee. A series of interviews with Charles Ferris, former staff director of the Senate Democratic Policy Committee, were also completed and are being processed. Additional interviews were also conducted, including a series with C. Abbott Saffold, former Senate Democratic Secretary.

*Member Services*

"Senate Historical Minutes": At the request of the Senate Democratic Leader, the historian prepared and delivered a "Senate Historical Minute" at each of fifty-six Senate Democratic Conference weekly meetings during the 105th Congress. These 300-word "minutes" are designed to enlighten members about significant events and personalities associated with the Senate's institutional development. Most of the "minutes" were subsequently published the day following delivery in The Hill newspaper. Those prepared in 1997 were assembled during 1998 in a booklet entitled Thirty Minutes of Senate History. These and future "minutes" will be available as a feature on the Senate's redesigned home page.

Senators' Office Records Management and Disposition Assistance: The Historical Office assisted members' offices that closed at the end of the 105th Congress with planning for the preservation of their historical records. Briefings included guidance on archiving information from computer systems, assistance with selecting a repository, and identification of which information is appropriate for historical preservation. All offices of retiring members transferred their member's papers to a designated research repository of the member's choice. Special assistance was given to

defeated incumbents by assisting staff with identifying an appropriate repository and focusing on the preservation of the core collections.

Records Management Handbook for United States Senators and Their Archival Repositories: The Historical Office issued an extensively revised edition of this publication, which features new information on the care and management of electronic records.

*Educational Outreach*

Senate Office Building Brochures: Senators, staff, and visitors frequently seek information on the history and functions of the three Senate office buildings. To address this recurring need, the Historical Office produced an illustrated brochure for each structure. Copies will be distributed through each member's office and from a central location within the respective buildings.

"This Month In Senate History": Since September 1996, the Office has produced a Senate home page feature entitled "This Month in Senate History." The entries for each month highlight approximately twenty institutionally significant events that have occurred during that month throughout more than 200 years of Senate history. Starting in May 1997, the Office also produced a brochure containing the same information, which is provided to Senate offices for distribution to constituents and other visitors.

Senate Home Page Redesign: The Historical Office contributed the following features to the recently redesigned Senate Web page:

—A brief history of the U.S. Senate and a chronology of the institution's history.
—An introduction to the Office's large photo collection, with information about ordering photos, copyright issues, and resources for researchers.
—A description of the ongoing oral history project, with full text and excerpted text from past oral histories available online.
—Information on each state and its unique relationship to the Senate.
—Statistical tables.
—A collection of Senate "briefings" outlining the Senate's role in such duties as nominations, treaties, and impeachments.
—A collection of "historical minutes," brief vignettes about Senate history.
—Access to the new online version of the Biographical Directory of the United States Congress, which includes information from the Guide to Research Collections of Former United States Senators and Senators of the United States: A Historical Bibliography.

*Photographic Collections*

The Historical Office continued to expand its 30,000-item photograph collection by creating a photographic record of historically significant Senate events, and by actively seeking photographs of former senators. In addition to maintaining and adding to the Office's image collection, the photo historian provided photographic reference service to the media, congressional offices, academic researchers, and the general public. The Office's newly acquired imaging software allowed the photo historian to digitize a number of items in the collection, a process that will help preserve frequently used photographs by storing them in an easily accessible format. Photographs can now be scanned, viewed in electronic format, and sent via e-mail.

## OFFICE OF SENATE CURATOR

The Office of Senate Curator, under the direction of the Senate Commission on Art, administers the museum programs of the Senate for the Capitol and Senate office buildings. The Curator and staff suggest acquisitions, provide appropriate exhibits, engage in research, and write and edit publications. In addition, the office studies, identifies, arranges, protects, preserves, and records the historical collections of the Senate, including paintings, sculpture, and furnishings; and exercises supervisory responsibility for those chambers in the Capitol under the jurisdiction of the Senate Commission on Art.

*Exhibitions and Publications*

The initiative to standardize the design of the Secretary's educational publications moved forward successfully, with a total of 14 brochures printed in the new format. Publications produced by the office included: The Brumidi Corridors, Senate Art in Stamps; and The Vice Presidential Bust Collection. The long awaited Guide to Senate Art progressed considerably. New signage was developed for several rooms, providing visitors with information on these historic spaces, and identification labels were installed for the Vice Presidential Bust Collection.

*Historic Chambers*

The Curator's staff continued to maintain the Old Supreme Court and Old Senate Chambers, coordinating periodic use of both rooms for special occasions. The latter chamber was used for three evening lectures as part of Senator Lott's Leader's Lecture Series.

*Collections: Acquisitions and Management*

The staff processed 20 loans for the Senate leadership, and continued to loan and monitor the 450 reproduction prints in the Senate collection. The office received and catalogued 13 foreign gifts accepted from various foreign governments; a system for promoting the transfer of these gifts was established, and 11 gifts were transferred to appropriate depositories. The most extensive physical inventory to date of the Senate collection was conducted this year using a computer generated master list of all collection objects created in the SNAP! data base.

*Conservation and Restoration*

Several significant paintings and frames received conservation treatment, including Patrick Henry by George Matthews and The Battle of Lake Erie by William H. Powell. Four marble sculptures were substantially restored, and 25 other marble busts were professionally cleaned and conserved. A new maintenance schedule was implemented to improve the long-term care of the sculpture in the Senate collection. Similarly, a training series was initiated to provide the staff of the Sergeant at Arms with information on the care and handling of these works of art.

A five-year project to restore the 100 Senate Chamber desks was began this fall, and the first ten desks were restored. Also part of the project, was the modification to install unobtrusive bumpers on the end of each Senate Chamber chair arm to better protect the desks from damage.

*Collaborations, Educational Programs, Events*

The staff supported the Senate's seminar program by presenting periodic addresses on various aspects of the Senate's art and history. In a collaborative effort with several offices, the staff participated in the development of a four-part program, titled "Congress & the Capitol: Tour Guide Series," designed for individuals who conduct tours of the Capitol for constituents.

*Automation*

The Senate launched a new Virtual Tour of the Capitol at the Senate web site, and the staff contributed substantially to this endeavor. A new interactive kiosk was installed in the Senate wing of the Capitol. Titled "Welcome to the Digital U.S. Capitol," the kiosk provides visitors with pertinent information on their state senator, and the art in the Capitol related to their state. The staff also worked closely with other Senate offices on the redesigned Senate web site.

*Objectives For 1999*

Conservation concerns continue to be a priority, with plans to conserve additional Senate Chamber desks, frescoes, several historic mirrors, five paintings with frames, five sculptures, furniture for the Senate Library, and to begin the first phase of conservation of the Old Supreme Court Chamber furnishings. Two new exhibitions are scheduled, along with additional explanatory pylons for several historic rooms. Progress will continue on the Guide to Senate Art. Work will proceed on the comprehensive disaster preparedness, response, and recovery plan for the Senate collection. A collections management and care policy will be developed, and a training manual produced. The office will complete a comprehensive strategic plan for the Senate Commission on Art, and a Senate Preservation Task Force will be established to develop long-term preservation and interpretive policies for the Capitol. Projects will be developed for the year 2000 to celebrate the 200th anniversary of the first meeting of Congress in the Capitol.

## SENATE PAGE SCHOOL

The United States Senate Page School exists to provide a smooth transition from and to the students' home schools, providing those students with as sound a program, both academically and experientially, as possible during their stay in the nation's capital, within the limits of the constraints imposed by the work situation.

*Summary of accomplishments*

The Middle States Association of Colleges and Schools granted the Page School accreditation for the next ten years.

Staff attended a number of staff development workshops including computer classes, Advanced Placement training, subject matter specific seminars, and a lead-

ership conference. Foreign language tutoring was provided to students in French, Spanish, German, Latin, and Russian. Staff provided a PSAT preparation course for Pages. New, more sturdy computer work tables were provided.

During the Senate recess, school hours were expanded and many field trips were taken to extend the educational experience of Pages. A trip to Philadelphia included visits to Independence Hall and the Liberty Bell. Local trips included the National Archives and Mount Vernon. Many speakers were added to the schedule, including the Senate Parliamentarian, the Senate Historian, the Senate Curator, and the Senate Librarian. Much of the history and legislative process of the Senate was shared with the Pages. Theater outings were also arranged to CATS, Barrymore, and The Nutcracker.

New equipment included a CD player and a LCD projector. A new textbook, Problem Solving Strategies, was purchased for math students to use. Software to be used in Chemistry and Physics, the Calculator Based Laboratory for data acquisition and analysis, was purchased.

The closing ceremony for first semester Pages took place on January 22, 1999. New Pages arrived on January 25, 1999.

*Summary of plans*

Needs of the incoming Pages are assessed immediately and a schedule devised to meet their needs. Foreign language tutors are obtained and field trips are planned as time allows.

Attention will continue to be given to the suggestions in the accreditation report of the Middle States Association of Colleges and Schools. Advanced Placement training for all staff who have not previously received it will be provided as recommended.

Staff development opportunities will continue to be utilized, particularly in content areas. All courses will be reviewed for curriculum improvement purposes and materials used will be reviewed as well. Software will be investigated as a means by which curriculum delivery can be enhanced.

INFORMATION SYSTEMS

The staff of the Department of Information Systems provides technical hardware and software support for the Office of the Secretary of the Senate. Information Systems staff also interface closely with the Government Printing Office (GPO), the Senate Computer Center (SCC), and the Senate Office of Telecommunications (Telecom) on technical issues and joint projects. The Department provides computer related support for the nineteen LAN-based servers in the Office of the Secretary of the Senate (three Novell Servers; sixteen Windows NT Servers; a proprietary retail computer system in the Stationery Room).

*Mission Evaluation*

The primary mission of Information Systems Department is to continue to provide a high sustained level of customer satisfaction and computer support of all departments with the Secretary of the Senate. Emphasis is placed on the creation and transfer of legislation to outside departments and agencies. In May and June of 1998, department interviews, and goals were assessed, hardware and software applications were analyzed, and Year 2000 hardware evaluations initiated.

*Improvements to the Secretary's LAN's*

The Senate had chosen Windows NT as the standard network operating system in 1997. The immediate support strategy in May of 1998 was to enhance existing hardware and software support within the Information Systems Department, and augment support from the Sergeant at Arms whenever required. The following chart notes the installation of nine additional servers in 1998. The Office of the Secretary Network encompasses approximately 380 users in the Capitol, the Senate Hart and Dirksen Buildings, and the Page School. The LAN operating system is 84 percent Microsoft based and 16 percent Novell based server software.

| Department | NT/PDC | NT/BDC | NT/Single | Novell 4.x | Totals |
|---|---|---|---|---|---|
| Information Systems | 1 | [1] 1 | [1] 2 | 1 | 5 |
| Disbursing | [1] 1 | 1 | 1 | ..... | 3 |
| Library | [1] 1 | ..... | ..... | 1 | 2 |
| Printing and Document Services | ..... | ..... | [1 2] 1 | ..... | 1 |
| Official Reporters | ..... | ..... | ..... | 1 | 1 |
| Employment Counsel | 1 | [1] 1 | ..... | ..... | 2 |

| Department | NT/PDC | NT/BDC | NT/Single | Novell 4.x | Totals |
|---|---|---|---|---|---|
| Page School | 1 | ..... | ..... | ..... | 1 |
| Stationery Store/Gift Shop | [1] 1 | [1] 1 | [1] 1 | ..... | 3 |
| Senate Security | 1 | ..... | ..... | ..... | 1 |
| Totals | 7 | 3 | 6 | 3 | 19 |

[1] NT/PDC—Primary Domain Controllers. Systems Installed in 1998.
NT/BDC—Backup Domain Controllers. Information current as of 2/18/1999.
[2] Q2/99.

Support staff of the Sergeant at Arms and the Secretary continue to work closely together to support the current LEGIS system, and take an a more active role in the current LIS project. In September of 1998, the Amendment Tracking application was removed from the Secretary's NT Primary Domain Controller. A separate Windows NT Server was added to the Secretary's LAN, the hardware and software was configured by Secretary staff members, and working with SAA support personnel, an updated version of Amendment Tracking software was installed in August 1998.

Several additional resources were made available for use by the Secretary staff; laptop computers for remote dial-in access to the Secretary's LAN, access software to manage NT servers remotely, and laptop upgrades for the Legislative and Bill clerk to utilize on the chamber floor.

Several departments have had repetitive tasks automated using the macro scripting language in Word Perfect. For the most part, these macros are in place to simplify the Windows95 operating system. These macros were designed to copy and transfer files from one folder to another. These scripts can be replaced by providing staff members with a additional training in Windows95.

Several Departments, namely Disbursing, Office of Public Records, Chief Counsel for Employment, Page School, Senate Library, Senate Security, and Stationery/Gift Shop have dedicated systems administrators and NT servers installed. In most cases, the separate systems hold unique applications, and isolated LAN's are set up for security reasons. Information Systems continues to provide hardware and software support for these department as required and assist in project upgrades.

Disaster Preparedness Plans were established to protect software media in 1998. Information Systems now utilizes a fire proof safe to properly secure and store software media.

*Captioning Services (ST–54)*

The Official Reporters and Captioning services departments utilize a separate Novell server. They use specialized software called Computer Aided Transcription (CAT) for translating their steno code into English. In June of 1998, beta software was evaluated as a possible replacement for the older Xscribe CAT software. Also in 1998, the Compaq DOS based clients were dual-configured with Windows95, verified as Y2K compliant and in July 1998 the internal clocks moved forward to the Year 2000.

Closed caption information was then sent to the Senate Recording Studio. While the current operation is qualified as Y2K compliant, there are several minor constraints, namely file naming conventions that must be used in 2000. New hardware and software will be installed in 1999 as soon as replacement software is available.

*Official Reporters of debates (ST–41/44)*

The Reporters and Captioning personnel utilize the same caption software, with the exception that Captioning Services sends encoded output to the Senate Recording Studio, and Reporters send WordPerfect files to the Government Printing Office. GPO Detailees add at the final stage, added code for MicroComp formats prior to transferring the files to GPO. The Reporters are the only office currently who do not run Windows95 environments. In March 1999, the Reporter software is being upgraded to allow a dual-boot operation between Xscribe and normal Win95 applications. This operation has been tested previously in Captioning Services.

*The Senate Gift Shop LAN (in two separate locations)*

At the request of GAO, for security reasons, the Gift Shop LAN and the Stationery LAN must be isolated from each other and neither connected to the Secretary's LAN. The Gift Shop LAN houses the inventory and transaction records for the Gift Shop. In August of 1998, an NT Server was installed by Info systems staff as a Primary Domain controller. Working with Telecom, SAA, and Stationery staff and consultants, the necessary fault-tolerant components were installed, and networking requirements identified to replace the current MAI mainframe. In Decem-

ber 1998, Info systems staff developed a standard software template, and procedure to install new NT clients. The current schedule is to replace the existing MAI mainframe and all existing PC's in Q1/99 with Y2K compliant hardware and software. Y2K Testing will commence in Q2/99.

*The Page School LAN*

The Page School currently has a Windows NT LAN, server version 3.51. This software version will be upgraded to version 4.0 in 1999. Additional hardware and software scanning capabilities were added in September 1999. Typical users include the administrative staff, teachers, and students. Administrative staff use the Blackbaud program for students records and grades. These records are confidential. In 1998, a new systems administrator joined the Page School, and networking protocols were established to administer this NT Server by Info system staff remotely from the Capitol. This adds quicker response to support questions and problems as they arise.

*The Office of Senate Security LAN*

The Office of Senate Security inventories and tracks all classified information that comes into the Senate. In the Fall of 1996 their system was completely upgraded from a Novell system to a new Windows NT LAN with top-of-the-line equipment and a new Document Management System was purchased. For security reasons, the computer systems in Senate Security cannot be connected to any other system in the Senate so two PC's connected to the Secretary's LAN (and not to their LAN) have been installed so that staff can have access to cc:mail and the INTERNET. Cc:mail upgrades were performed to bring the client version up to at least version 6.x.

*The Senate Disbursing Office LAN*

By the end of September 1998, during the second hardware installation phase, fifty new Windows95 clients were installed in Disbursing. No additional changes have occurred with respect to the NT Server operation. Also in September, Info system staff resources were allocated to assist with the installation of client software for all member offices. In October 1998, staff analyzed the NT servers and found the following; One Primary Domain Controller (Doves) running SQL database is installed in its own domain called \\DO1–SQL\Doves. A second Primary Domain Controller is called \\SCC–DO\DO1. The later authenticates all standard user account logins, while the Doves Server supplies the SQL database information for client connectivity. The issue is simply that Windows NT thinks that both servers have the same hardware identification. Additionally, a software trust relationship must be intact for users to gain accessed to Doves. Should the trust relationship decay, network resources are lost. Meeting with SAA customer support and the Disbursing system administrator in November 98, an upgraded NT server hardware configuration was identified and ordered from SAA. On February 17, 1999 the upgraded NT server was installed in the DO. Additionally Windows NT server software was reinstalled on the Doves server correcting the above problems. With this initial phase complete, the remainder of the project involves adding application and printing services to the new NT server, and retiring the original server. This process in on-going and will be accomplished in Q2 of 1999.

*The Office of Public Records (OPR)*

OPR uses FileNet, a UNIX-based document management and imaging system, for maintaining public records such as lobbying forms; campaign finance reports; and financial disclosure reports. PC's are available to the public for searching, viewing, and printing these documents. These six patron systems are scheduled to be replaced in Q2/99. The FileNet workflow system includes scanning the original document into the database, inputting some data regarding the document, and then microfilming it for archival purposes.

A working group had been established to tackle the many issues currently facing OPR, including: upgrading the System Hardware and the FileNet; In Q3/98 the server software was upgraded to NT4.0, allowing the FileNet application software to be ported to the next higher Y2K compliant version.

*Bill Clerk (S–123)*

After an existing ATS software glitch caused a major system error to the Secretary's NT server in July 1998, a replacement Amendment Tracking server was installed in August with upgraded software to index and print amendments processed by the Bill Clerk. This server now resides in ST–58 and is monitored by SOS for correct performance during peak work periods. Scanned amendments are processed automatically by the Bill Clerk and personnel in the Copy Center, and printed via

the network to the Enrolling Clerk, and Daily Digest. Network Printers were also allocated and tested for amendment printing in the Reporters office. Amendments are then previewed and committed and sent via the Senate Fiber Network for posting on the Senate Web server.

*Enrolling Clerk (S–139)*

In May of 1998, the Government Printing Office, in conjunction with the Senate Office of Legislative Counsel, moved Senate legislative documents from a DEC-VAX mainframe located at GPO, to a secure HTTP Web server located at SOLC. A separate DECNET PC client which previously used DECNET LAT Services networking protocol, was replaced with a Windows95 Netscape client to retrieve information directly from SOLC. The DEC Mainframe was still utilized until July 1998, when it was disconnected at GPO. In August 1998, separate FTP accounts were established at GPO to insure that the Enrolling Clerk can retrieve documents from GPO, Senate Legislative Counsel, and the House Enrolling Clerk offices.

*Journal Clerk (S–135)*

With the disconnection of the DEC mainframe noted above, the Journal Clerk could no longer retrieve the previous days Congressional Record from GPO. After several meetings in August, new networking accounts were established to transfer files electronically from the Senate to GPO. Effectively, file transfer protocol via the CAPNET ETHERNET/INTERNET are now used in place of the previous DEC-NET/Novell proprietary gateways. A non-Y2K compliant PC was replaced and upgraded in the Journal Clerk office in September 1998, and now files can be viewed for accuracy before they are transferred from GPO. In the past no error correction was in place.

In December 1998, beta testing continued for replacing the " two PC's" for every clerk to one single Windows95 client that will execute WordPerfect and Ventura applications to produce camera-ready Journal output to be sent to GPO for publication.

*Morning Business/Daily Digest/Official Reporters*

On July 30, 1998 when GPO disconnected the SOLC DEC VAX mainframe at their facility, all Senate legislation file transfers stopped. It was not clear to either SOLC or GPO, that this would happen. Reporters, Daily Digest, and Morning Business files were sent via floppy diskette to GPO for processing. During the August recess, working with SAA and GPO, individual FTP accounts were established for Morning Business, Daily Digest, and Reporters. By activating separate accounts at GPO for each department, files are now transferred electronically and verified at the time of transfer. Log files are verified and track each electronic transfer. The older SOS gateway was replaced with a standard Windows95 client, running FTP across CAPNET. This new gateway process is verified as Y2K compliant. In the event of a gateway failure, files can be manually transferred from any FTP client running Windows95.

*Senate Library (S–332)*

The primary support goal for the Senate Library was to upgrade and replace all existing hardware and software prior to the Library move in January 1999. In December 1998, staff replaced all Library Windows workstations with 25 Win95 PC's, added a NT4.0 Server, and implemented improved network printing for the Senate Library. Only eight of the 25 personal computers required to be purchased new; the remainder were procured simply by cleaning house. During the period of May-August, approximately 21 Compaq Deskpro Workstations were refurbished, software reinstalled, and application software upgraded for the Library. This represent a cost savings of approximately $35,000. Datatrek replacement software was purchased to meet Y2K compliancy. Data conversions are expected to be completed in Q1/99.

*Printing and Document Services (SH–B04)*

In April 1998, SAA contracted Wang to install a new server for Printing and Document Services. Wang installed the NT server as a Secondary Domain Controller to the Secretary LAN and transported the hardware to Postal Square for further engineering. In July 1998, at the request of SAA, Info Systems reviewed the ongoing project to determine the exact levels of operating system software, and met with OPDS and SAA personnel to outline future support requirements. At that point it was determined to reinstall the NT system software, reload Microsoft SQL Server software, and establish a conduit in order to test links between Printing and Document Service and the developing engineers at Postal Square. Those items were accomplished in August 1998. At this point, project completion is estimated in Q2/Q3 1999 with the transfer of this server to Printing and Documents Services. There

may be tethers to the existing LIS project, and those links will require further discovery.

Presently, on-demand printing is accomplished utilizing a Xerox Docutech printing system. A duplicate system is installed at GPO. File transfers are shared between these two systems to send documents to OPDS. The existing operating system and installed hardware at OPDS is not Y2K compliant. GPO will replace non-compliant hardware and software for the Docutech in Q2/1999.

*Historical Office (SH–201)*

One significant addition to the Historical Office in 1998 was the added capability to edit changes made to the Bibliographic Directory of the United States Congress. This web site directory (http://bioguide.congress.gov) provides all bibliographic information from 1774 to present. Senate historians now have the added features to edit and revise the database. Bibliographic information is available to all internal Senate web clients who require information on any specific Congressional member. The necessary SQL client software was installed and network protocols were establish to accomplish this task.

*Year 2000 Department Status*

One of the primary goals of the Information Systems Department within the Secretary Office is to insure Year 2000 readiness and compliance for all installed hardware and software systems.

Beginning in May of 1998, in conjunction with the Sergeant of Arms Y2K Project Office, the Mitretek Group performed a detailed assessment of all computer related activity. This assessment did not include the ongoing LIS or FMIS project. Completed in December of 1998, this assessment provides detailed structure to those mission critical functions and vulnerabilities.

During this same time frame, and in parallel with this assessment, all personal computers were either updated and/or replaced with compliant hardware. Most importantly the outdated network transfer method of moving legislation from the Capitol to the United States Government Printing Office was replaced. Legislation is now transferred electronically via a Y2K compliant gateway to GPO.

At present Y2K compliance is mandatory for all new projects. The Legislative Information System (LIS), which is composed of the Document Management System, Amendment Tracking, and Committee Scheduling will replace the current LEGIS mainframe application in August of 1999. The Financial Information System (FMIS) application consists of two modules, FAMIS and ADPICS, are deemed compliant and in present use in Disbursing, SAA, and the Secretary's Office. Other major projects include the replacement hardware and software for the Office of Printing and Document Services, and the MAI mainframe replacement in Stationery/Gift Shop. OPDS is scheduled for completion in August 1999, and Stationery completion is targeted for April 1999.

As of February 1999, over 450 systems within the Office of the Secretary have been inventoried and assessed for Year 2000 compliance. Software packages that require revision upgrades have been purchased to replace existing applications. Efforts are underway to test existing applications in March 1999. COTS software testing will include Corel Suite 8 applications, CC:MAIL, and FTP File transfers to GPO. Every system currently in production passes the YMark200 diagnostic test which establishes next century operation.

INTERPARLIAMENTARY SERVICES—TRIPS 1998

*January 5–11, 1998*—Codel Lott: Panama, Honduras, Nicaragua, Guatemala, and Mexico (Senators Lott, Murkowski, Breaux, DeWine and Roberts).

*January 11–21, 1998*—Codel Domenici: England, Germany, Switzerland and Brussels (Senators Domenici, Nickles, Abraham and Hagel).

*May 14–18, 1998*—Canada-U.S. Interparliamentary Group: Nantucket, Massachusetts. Chairman: Senator Murkowski. Vice Chairman: Senator Murray. (Senators Murkowski and Grassley).

*May 22–27, 1998*—North Atlantic Assembly: Spring Meeting. Barcelona, Spain. Chairman: Senator Roth. Vice Chairman: Senator Biden. (Senators Roth and Hutchinson).

*May 23–31, 1998*—Codel Nickles/Lieberman: Israel, Cyprus and Bosnia-Herzegovina. (Senators Nickles, Lieberman and Reed).

*June 19–21, 1998*—Mexico-U.S. Interparliamentary Group: Morelia, Mexico. Chairman: Senator Roberts.[1] Vice Chairman: Senator Dodd. (Senators Roberts and Sessions).

[1] Named Chairman for Morelia conference only. Senator Hutchison unable to attend.

*June 27-July 5, 1998*—Codel Domenici: France and Russia. (Senators Domenici, Thompson and Grams).

*November 2–13, 1998*—U.N. Framework Convention on Climate Change: Buenos Aries, Argentina. Chairman: Senator Hagel. (Senators Hagel, Kerrey and Enzi).

*November 9–20, 1998*—North Atlantic Assembly: Fall Meeting. Scotland, Poland, Lithuania and Denmark. Chairman: Senator Roth. Vice Chairman: Senator Bumpers. (Senators Roth, Bumpers, Hatch, Warner, Grassley, Mikulski, Akaka, Thompson, Hutchinson, Sessions, Gordon Smith and Enzi).

*December 10–12, 1998*—Codel Domenici: Honduras and Nicaragua. (Senators Domenici and Frist).

INTERPARLIAMENTARY SERVICES—OFFICIAL FOREIGN VISITORS—1998

*January 13*—Dr. Ali Mohamed MATAR, Bahrain official (1).

*January 15*—Mr. Banzragch ODONJIL, Mongolian official (1).

*January 21*—H.E. Binyamin Netanyahu, Prime Minister of Israel (10).

*January 30*—Malawi Officials (2).

*February 4*—Mr. Wei Jingsheng, Chinese dissident (5).

*February 5*—Rt. Hon. Tony Blair, Prime Minister of the United Kingdom (6).

*February 10*—H.E. Jaroslav SEDIVY, Minister of Foreign Affairs, Czech Republic (7). H.E. Laszlo KOVACS, Minister of Foreign Affairs, Hungary. H.E. Bronislaw GEREMEK, Minister of Foreign Affairs, Poland. Mr. Karel Kovanda, Deputy Minister of Foreign Affairs, Czech Republic.

*March 2*—Mr. Giuseppe Lumia, Member of Parliament, Italy (1).

*March 3*—USIA Foreign Policy Group (23).

*March 4*—Kouassi Gahoun HEBGOR, Member of Parliament, Toga (1).

*March 11*—Japanese Parliament Staff Members (3).

*March 12*—H.E. Chuan Leekpai, Prime Minister of Thailand (9).

*March 18*—H.M. Hussein I, King of the Hashemite Kingdom of Jordan (4).

*April 8*—Yemen Parliamentarians (5).

*April 29*—Bangladesh Parliamentarians (4).

*May 5*—Mr. John Brogden, Member of Parliament, Australia (1).

*May 6*—Russian Federation Council (8).

*May 7*—Professor Romano Prodi, President of Italy (8).

*May 12*—Ukrainian Official (1).

*May 14*—H.E. Binyamin Netanyahu, Prime Minister of Israel (10).

*June 1*—Hungarian Officials (4).

*June 3*—Chinese Legislators (8).

*June 4*—Bosnian Parliament Staff (4).

*June 24*—European Parliament (12).

*June 25*—Yugoslav Member of Parliament (1).

*July 9*—Croatian Political Leaders (6).

*July 9*—H.E. Jerzy Buzek, Prime Minister of Poland (6).

*July 14*—Kazakhstan Parliamentarians (4).

*July 17*—Moldovan Parliamentarians (4).

*July 31*—Multi-Regional Group (18).

*September 17*—H.E. Vaclav Havel, President of the Czech Republic (7).

*September 15, 18*—Mr. Neil Bessell, Member of Parliament, Australia (1).

*September 17*—Members of Israeli Knesset (4).

*September 22*—Korean Government Officials (15).

*September 25*—His Royal Highness Prince Abdullah bin Abdulaziz Al-Saud, Crown Prince of Saudi Arabia (12).

*October 7*—Mr. Suen-ming Chiang, Ministry of Justice, Taiwan (1).

*November 4*—H.E. Dr. Janez Drnovsek, Prime Minister of Slovenia (7).

*November 9*—Guyana Member of Parliament (1).

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PREPARED STATEMENT OF TIMOTHY S. WINEMAN

Mr. Chairman, I appreciate the opportunity to present to your Committee, the Budget of the United States Senate for fiscal year 2000.

Mr. Chairman, the fiscal year 2000 budget estimates for the Senate have been included in the Budget of the United States Government for Fiscal Year 2000. 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 $565,567,000, which reflect an increase of $50,876,000, or 9.88 percent over the amount appropriated for fiscal year 1999 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 1999 are

$514,691,000. 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 2000 are divided into three major categories as follows:

| | |
|---|---|
| Senate Items | $97,540,000 |
| Contingent Expense Items | 420,053,000 |
| Joint Items of the Senate | 47,974,000 |

Specifically, Mr. Chairman, the increase for fiscal year 2000 over the fiscal year 1999 enacted levels is a result of: (1) $21,601,500 increase in administrative expenses and capital assets, primarily attributable to the request of the Sergeant at Arms and Doorkeeper of the Senate; (2) $13,434,000 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 increase in the Administrative and Clerical Assistance Allowance authorized by the Legislative Branch Appropriations Act, 1999; (3) $11,422,000 for the anticipated 3.9 percent cost of living increase for fiscal year 2000, and the annualization costs of the fiscal year 1999 cost of living adjustment; (4) $2,805,500 for personnel adjustments other than the cost of living, attributable primarily to the budget request of the Sergeant at Arms and the budget request of the Capitol Police; (5) $1,895,000 increase in agency contributions applicable to the cost of living adjustments and other personnel increase requests; (6) $202,000 decrease in the request for the Joint Committee on Printing, for which no fiscal year 2000 request for funding was submitted; (7) $80,000 decrease in requests for overtime.

Mr. Chairman, I submit for the consideration of your Committee, the Budget of the United States Senate for fiscal year 2000.

CAPITOL VISITOR CENTER

Senator BENNETT. Thank you very much. I am going to ask you an unfair question, but it pops into my head listening to you. Do you have any idea when the visitors center might be completed?

Mr. SISCO. That is a good question. I believe that the Architect has proposed, or is in the process of proposing to the House and Senate committees that he is currently reporting to, a schedule that would complete the visitor center by 2004.

That would be his best case scenario, as I understand it, given no delays in the decisionmaking processes. I believe that to meet that goal he has requested a streamlined structure to get answers at the appropriate stages along the way of planning and designing and constructing it, so there will not be any undue delays.

I believe he has testified before the House Appropriations Committee that if that is not done it could be as late as 2008, or 2009, for the visitor center to be completed.

Senator BENNETT. I would have to run for reelection to be around for that one. [Laughter.]

Mr. SISCO. But I do think he can—if we all work together, if the plan that was anticipated in the 105th Congress is approved by the 106th, and if the Architect is given some streamlined decisionmaking apparatus, where he can move along in the decisionmaking process while at the same time the House and the Senate leadership and committees have oversight over how the project is going—then I think it can become a reality by 2004.

FMIS—PROCESSING OF VOUCHERS

Senator BENNETT. Now, the Disbursing Office has done an outstanding job, in my opinion, in picking up the FMIS project and

producing some new financial systems. This is a tremendous undertaking. You and your team deserve a great deal of credit for it.

When you undertake a job of this magnitude you always run into some glitches, and the press has complained about slowness in paying vouchers. I want to give you the opportunity to respond to that and tell us where we are.

Mr. SISCO. I will make just a brief comment, and then I would like Tim to address it also. There is no question that within the Office of the Secretary and the Disbursing Office we got behind in the payment of bills, especially during the latter part of the year when we were bringing on the new system.

The people who were running the existing system were helping to design the future system and implement the future system, had the expertise to do that, and had to do that, so they were on overload and we did get behind, and we apologize to the individual offices where that occurred.

To Tim and his team's credit, that was short-lived, and we are now paying our bills for the Senate Member offices and committees within 14 days.

I would say this, in the spirit of making sure we all get bills paid on time, that we can pay them within 14 days from the time that they reach the Disbursing Office. We have sent out word to the individual offices and committees, so that there not be any undue delay from the time that the vendor sends them the bill, maybe at the State office, to the time that it makes it to the office up here, and then comes to the Disbursing Office. We have a small window of opportunity to pay those within, say, a 30-day cycle, so we do ask everyone's cooperation on that.

Mr. WINEMAN. Thank you, Mr. Chairman. Yes, we did have some difficulties in the fall in implementing the new system. Not only was it a new system, warranted to be year 2000 compliant, and replacing a significant number of systems that were not, but we changed all of the accounting processes and classifications as we converted to the standard Government general ledger and the standard OMB classification expense categories, and moved from a cash-based accounting to an obligation and accrual basis.

The training, the acceptance testing, and the tight schedule we were on were because we felt it extremely important to implement at the beginning of fiscal year 1999. We knew with the magnitude of implementing the new system and the other accounting changes that there would probably be some difficulties, and we wanted to address those now at the beginning of this fiscal year, as opposed to having them wait until fiscal year 2000 with a very small window.

As a result, we did get behind. Every accounting transaction had to be rewritten, and with some of them there were difficulties that we had to work through. There were some significant system performance problems as we worked with the system longer and put more data into the system, and we did cause some hardship to Member staff and some vendors.

I am pleased to say we have stabilized on the system performance side of the issues, and we have addressed most all the transaction-level accounting transactions that needed to be done in order for us to pay all the bills.

As the Secretary has testified, we have been paying bills within 14 days of the date received in the Disbursing Office since the beginning of February, and the majority of those are even being done within 7 calendar days. This has had a positive ripple effect throughout the Senate offices. They are very much aware that their bills are getting paid in a much more timely fashion, and I think that to the extent that they can they are trying to get them in to us maybe a little bit earlier than they might have in the past.

Our peak performance in our previous system was probably 3 to 4 weeks in paying bills, and not consistent. Now we are consistently paying the bills within the 14 days. That has been our mandate and our goal to do, so I am pleased to report that.

OFFICE OF THE SECRETARY BUDGET

Senator BENNETT. Thank you very much. We appreciate the fact that you have only the COLA increase. Are you sure you can do the job with no additional funds?

Mr. SISCO. Yes.

Senator BENNETT. I like that answer.

Mr. SISCO. I will amplify on that if you would like. We are very, very comfortable that we can continue to provide services to the Senators and the staffs and compensate our employees fairly and on a merit basis for a job well done.

Senator BENNETT. Are FMIS and LIS both on budget and on time?

Mr. SISCO. They both are. We have aggressive plans to complete them. We have about $3.4 million in unused funds that are available on LIS and about $1.6 million on FMIS, and so I am convinced, and all the people who advise me and who are doing this, both inside and the outside contractor, believe they can do it within budget, and I believe we are on time.

We have done a tremendous amount of work in the last year, especially since last May or so, but throughout the 2 years that I have been here, I think the staff of the Secretary's Office, in particular the Disbursing Office with FMIS and the legislative staff with LIS, have done tremendous jobs with both of these systems that have to do with Y2K issues and the technology issues in the Senate.

And I also compliment the Sergeant at Arms and the staff in that office for the cooperation that we are getting. We are really working in a partnership, and in teamwork to turn the lemon into lemonade by using Y2K to update from a technological standpoint all the systems in the Senate.

But that is the long answer. The short answer is yes, I think we can do it not only from an operational standpoint, but also from a capital standpoint.

ADDITIONAL COMMITTEE QUESTION

Senator BENNETT. Very good. Thank you very much. We appreciate you being here, and we appreciate all that you do.

Mr. SISCO. Thank you, Mr. Chairman.

Senator BENNETT. Thank you.

[The following question was not asked at the hearing, but was submitted to the Office for response subsequent to the hearing:]

ADDITIONAL COMMITTEE QUESTION

*Question.* The Committee commends the Office of the Secretary of the Senate for saving $51,230 from the Congressional Printing and Binding fund by making available on line instead of printing bills "received" from the House. The conference report accompanying the Legislative Branch Fiscal Year 1999 Appropriations Act requested the Secretary of the Senate to work with the Clerk of the House and the Public Printer to evaluate ways to improve the cost-effectiveness of printing Congressional documents and to make appropriate recommendations. What is the status of that effort?

Answer. The Office of the Secretary has worked closely with the Clerk of the House of Representatives and the Public Printer to develop a Standard Generalized Markup Language (SGML) for the Senate and House of Representatives. SGML will transmit legislative documents to the Government Printing Office (GPO) in an electronic form ready for printing, with little need for manual processing. By replacing tasks that GPO must now perform manually, SGML will produce significant cost savings in congressional printing.

The most recent report of the status of SGML within Congress is found in "Document Management System Status Report and Plan," a report submitted on March 15, 1999, by the Clerk to the Committee on House Administration. Pursuant to the directive of the fiscal year 1999 Legislative Branch conferees, the Office of the Secretary assisted the Clerk in gathering information needed to prepare this report.

In brief, SGML is a proven technology, first developed in the 1980's and in widespread use in government and industry since the early 1990's. By use of a series of electronic codes, SGML takes raw text—such as the text of a bill or a committee report—and electronically formats that text for further use, whether amending, publishing, distributing, or archiving. Almost all manual functions are eliminated.

The SGML Coordinating Committee, which sets overall policy direction, consists of staff from the Offices of the Secretary and Clerk and the Senate Rules and Administration and House Administration Committees. Until the end of 1998, it was led by staff of the Joint Committee on Printing. The SGML Technical Committee reports to the Coordinating Committee and focuses on the technical efforts. The Technical Committee includes staff from the Secretary, Clerk, and GPO, as well as technical staff from the Senate Computer Center and their House counterparts, and staff of other agencies including the Library of Congress and the National Archives. The Office of the Secretary is currently recruiting an SGML professional to serve on both the Coordinating and Technical Committees and otherwise give professional direction to the SGML effort in the Senate.

At this time, the Technical Committee is at work on Document Type Definitions (DTD) which are foundational to applying SGML to bills, resolutions, and amendments. However, as the first production-level SGML project, the Senate and House jointly have issued the Biographical Directory of the United States Congress: 1774 to Present. This effort, now available at http://bioguide.congress.gov, was selected for a "trial run" because the information is structured but not overly complex, and because it is highly useful to members, staff, and the public. GPO used this SGML product to develop the capability to produce a typeset version of the Biographical Directory, and the approach taken by GPO here will enable typesetting of future SGML documents.

Within the Senate, the Legislative Information System (LIS) is reducing and will continue to reduce printing costs. As Senators and staff gain greater familiarity with the capabilities of LIS to access and print the text of bills and other legislative materials from their desktop computers, demand for the GPO-printed versions of the materials declines. On-line availability of bills and reports, together with Docutech, which is a highly cost-effective means for the Document Room to print additional copies of bills and reports without reordering from GPO, has allowed the Office of the Secretary to reduce Senate printing orders significantly. Increasingly in the future, LIS will serve to control Senate printing costs through better management of printing orders, and reduced associated costs such as storage and distribution.

## OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER

**STATEMENT OF JAMES W. ZIGLAR, SERGEANT AT ARMS AND DOORKEEPER**

**ACCOMPANIED BY:**

**LORETTA SYMMS, DEPUTY SERGEANT AT ARMS**
**DOYLE G. FREDERICK, CHIEF OF STAFF**
**CHARLES CICCOLELLA, CHIEF OF OPERATIONS**
**CHRISTOPHER C. DEY, CHIEF FINANCIAL OFFICER**

### BIOGRAPHICAL SKETCH

Senator BENNETT. Thank you. Our next witness is Hon. Jim Ziglar, Senate Sergeant at Arms. We recognize and welcome the Hon. James Ziglar, accompanied by Loretta Symms, who is well-known to the committee.

This is your first appearance officially as the Sergeant at Arms before the committee, and we are delighted to have you here. We hear good things coming out of your office, and for the record, your biography will be placed in the committee record so that we have it as a part of the institutional memory of the committee.

[The information follows:]

### BIOGRAPHICAL SKETCH OF JAMES W. ZIGLAR

James W. Ziglar was elected the 35th Sergeant at Arms and Doorkeeper of the Senate on October 15, 1998. He serves as chief protocol officer and law enforcement officer of the United States Senate, and as principal administrative officer for most support services provided to Senators and their staffs.

Prior to his election, Mr. Ziglar was a Managing Director of PaineWebber Incorporated in the firm's Municipal Securities Group. He was a member of the PaineWebber Operating Committee, the Municipal Securities Group Executive Committee and served as Chairman of the Municipal Securities Group Operating Committee. Mr. Ziglar had management responsibility for the National Infrastructure Finance Group and the West Coast General Markets Group.

Mr. Ziglar has a total of 23 years of experience in the public finance industry as an investment banker and lawyer. In addition to his experience in the private sector, Mr. Ziglar has worked in various capacities in the federal government. He served as Assistant Secretary of the Interior for Water and Science (1987–1988), in which capacity he directed the operations of the Bureau of Reclamation, the U.S. Geological Survey, and the Bureau of Mines. Earlier, Mr. Ziglar served variously as an aide to United States Senator James O. Eastland (1964–1971), as a legislative and public affairs officer at the U.S. Department of Justice (1971–1972), and as a Law Clerk to U.S. Supreme Court Associate Justice Harry A. Blackmun (1972 Term).

Mr. Ziglar began his career as a lawyer in 1973 and joined the investment banking industry in 1980. During his career, Mr. Ziglar has worked as an associate at the New York law firm of Mudge Rose Guthrie Alexander & Ferdon (1973–1977), a partner at the Phoenix law firm of O'Connor, Cavanagh, Anderson, Westover, Killingsworth & Beshears (1977–1980), a Senior Vice President of Dillon, Read & Co. Inc. (1980–1984), a Managing Director of PaineWebber Incorporated (1984–1987, 1990–1998), and a Managing Director of Drexel Burnham Lambert Incorporated (1989).

Mr. Ziglar received his Bachelor of Arts and his Juris Doctor degrees from George Washington University. He has served as a member of the Board of Directors of the American Water Foundation, the American Energy Assurance Council, the National

Water Resources Association, the International Small Satellite Organization, Mercy International Health Services, InterHealth Incorporated, the Landon School, and the Harry A. Blackmun Scholarship Foundation. In the early 1990's, Mr. Ziglar served as a member of the Senior Advisory Group on Water Governance of the Advisory Committee on Intergovernmental Relations. Recently, Mr. Ziglar served as Chairman of the United States Senate Delegation to the National Summit on Retirement Savings. In 1988, he was the joint recipient with U.S. Senator Malcolm Wallop of the Water Statesman of the Year Award from the National Water Resources Association.

Mr. Ziglar is a native of Pascagoula, Mississippi, and is a member of the bars of New York, Washington, D.C., Virginia and Arizona.

Senator BENNETT. The Sergeant at Arms budget request is $116 million, which is a 23-percent increase over fiscal year 1999 and includes a request for 15 additional FTE's, so we look forward to hearing your explanation for that and justification, and you may proceed.

SUMMARY STATEMENT

Mr. ZIGLAR. Thank you, Mr. Chairman. I am pleased to be here in my role as Sergeant at Arms. I did have the pleasure of coming here as chairman of the Capitol Police Board earlier this month, and we appreciate your support.

I wanted to also introduce, in addition to Loretta, three other people who are in the audience, Doyle Frederick, the chief of staff, Chris Dey, our chief financial officer, and Chick Ciccolella, the chief of operations who on a day-to-day basis makes things work.

I have submitted my testimony for the record, but I would like to briefly expand and discuss some of the issues that you have just raised.

First, I would like to do one thing, and that is acknowledge and recognize the tremendous contribution that my predecessor, Greg Casey, made to modernizing the Sergeant at Arms organizational and financial structure. He did a terrific job and I think he deserves a lot of gratitude for that. I must say he certainly made my job a lot easier. We are down the path on many issues that I would have had to start had he not, and so I just wanted to put on the record my appreciation for what Greg did in this job.

Second, I want to note in the relatively brief period of time that I have had to observe the Sergeant at Arms organization, I am convinced it is a first-class professional organization, and I am quite proud to be part of that organization.

Now, that is not to suggest that everything is perfect and that we do not have challenges going forward into the future. We do, and I have tried to define for my own agenda as Sergeant at Arms what those challenges are and what I would like to address going forward, and it really breaks down into four different areas.

The first area is obviously Y2K, and that is not just because you happen to have a particular interest in it, but because I share your view that it would not look good if the United States Senate found itself crashed on January 1, 2000, when we have been preaching to the rest of the world about getting its act together, so it clearly is critically important, and the number 1 priority.

The second priority is, I believe we need to develop and execute a policy and a methodology for keeping the Senate as up-to-date on the cutting edge of technology, and this includes everything from the paging system to the E-mail system to the document manage-

ment system. We simply need to keep pace with the changing technological environment.

The third challenge is to do a better job of delivering the services that we are supposed to deliver. I think the Sergeant at Arms Office does a great job of it now, but there is always room for improvement, whether it is the technology side, or whether it is delivering the mail. We need to continually work at improving the efficiency of the delivery of our services.

Finally are the matters we talked about earlier in my appearance as Capitol Police Board chairman, and those are to enhance the security of the Capitol, and to deal with important management issues in the Capitol Police Department.

In fact, tomorrow I will be going over to the House Oversight—I think it is called the House Administration Committee now, to testify on the Booz-Allen and Hamilton report that we just received. In fact, when I was here before I talked about our response to that report and how the input from Booz-Allen can help define the things we can do to make the Capitol Police Department a better police department.

I think I speak for the entire Sergeant at Arms organization when I say we are committed to making this work, and meeting these challenges as rapidly and as efficiently as we possibly can.

I would like to—if you are agreeable to this, I would like to go ahead and discuss the overall fiscal year 2000 budget request, and then come back to Y2K at the very end.

The budget request, as you pointed out, is $116 million, which is up $22 million from fiscal year 1999, and that is due in large part as a result of major capital items.

FISCAL YEAR 2000 BUDGET REQUEST OPERATING AND CAPITAL EXPENDITURES

[Dollars in thousands]

| Description | Fiscal year— | | | | Fiscal year 2000 vs. fiscal year 1999 | |
|---|---|---|---|---|---|---|
| | 1997 actuals | 1998 actuals | 1999 budget | 2000 budget | Amount | Percent |
| Operating and maintenance expenditures | $83,628 | $85,923 | $90,654 | $94,798 | $4,144 | 4.6 |
| Capital and related expenditures | 14,048 | 10,400 | 3,662 | 21,337 | 17,675 | 482.7 |
| Total | 97,676 | 96,323 | 94,316 | 116,135 | 21,819 | 23.1 |

I want to look at this budget, or I have tried to look at this budget somewhat differently, I guess, than it has been in the past, and put it into two components. Because of my business background I want to look at the O&M budget, or if you will, the operating budget, and then the capital budget to see how we are performing and where we are putting our money. Can we bring that chart a little closer?

Senator BENNETT. I have a copy.

Mr. ZIGLAR. What we have done is, we have gone back to 1997 and broken it into an operation and maintenance expenditures portion and then a capital and related expenditures portion. What you will see is that the capital expenditures portion up until, obviously, this request, has been going down rather dramatically.

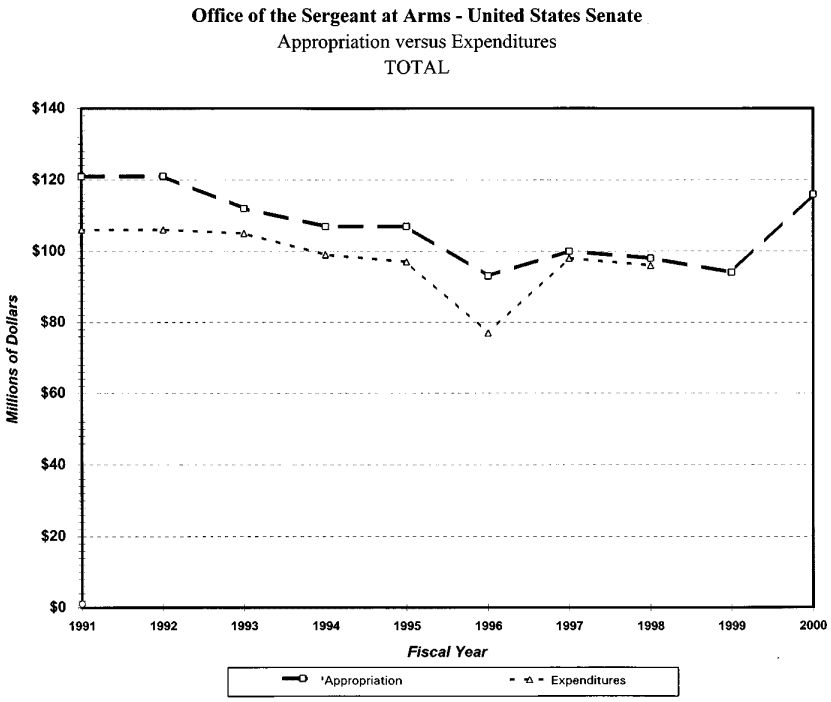
At the same time, our operating budget has been going up, but it has been going up primarily due to COLA's and merit increases without a lot of other additional costs.

This year, in terms of the operating and maintenance budget, we are asking for a 4.6 percent increase, and let me tell you a little bit about what is in that; 3.4 percent of the 4.6 percent is attributable to COLA's and merit increases, and part of the additional 15 people, but not the entire part.

The other part of that 4.6—1.2 percent—is attributable to the commercial information services expansion and upgrade. It was a question in my mind as to where we wanted to put that, but we have treated the commercial information services project development as an operating expense in the past, so to remain consistent we put $1.1 million into the operating budget for the upgrade of the commercial information services.

Let me make one other point about the operating side of the budget, and that is historically we have not put things like PC's, smaller equipment into the capital budget. They have been in the operating budget. If we spent $10 million, let us say, on PC's in a year, that would show up in the operating budget. So there are capital items of short-term duration, rapidly depreciating items that are part of the operating budget, which would be somewhat differently treated if you were in a business environment. That would have something, I am sure, to do with the tax implications.

With respect to the capital component, as you will see, it had dropped off through 1999, but we are now proposing an increase of $17,675,000 in capital in order to make some big expenditures that we need to make on the technology side, and I will get into that in a few minutes.




Let me make one other point about the budget generally. We have another chart here that I would like to show you, because I think it tells a very good story about how the Sergeant at Arms Office has been functioning. I wish that I could sit here and take credit for it, but I cannot, because I have not been here long enough to take credit, so I will give credit particularly to my predecessor.

As you will see, the spread between revenues or appropriations and expenditures has been rather wide in the past. However, in the last few years we have gotten to the point where our expenditures have been approximately 98 percent of the appropriation. So what that tells me, is that a couple of things have happened.

One, we are getting better at budgeting, and second we are also getting better at managing our revenues versus expenses at the operating level. And more importantly, what I have discovered is that productivity obviously has gone up in the Sergeant at Arms operations, because we are doing a lot more things with the same basic level of revenue as we have had in the past. Quite frankly, going into year 2000, fiscal year 2000, what I see are a number of projects at the operating level, service upgrades and things like that, that we are going to be able to do and still maintain basically that same revenue line.

So I am very pleased that we are doing so well in terms of running this operation. I think a lot of that credit goes to Chick, who has done a wonderful job since he came in as the operating head, and so I am encouraged about this organization and about its efficiency.

Going back to the capital component of the budget, as I mentioned, this $17 million increase intended to provide upgrades to the technology infrastructure in the Senate, and it is driven somewhat by the year 2000 issue.

This budget, the capital budget, helps and supports the information technology strategic plan that was put together in 1997 and was started, the implementation was started in 1998, so this is part of trying to address the strategic plan and live up to it.

Even though it is in my written text, let me run through for you the components of the additional $21 million that are over and above last year's request. $7½ million can be attributable directly to Y2K. Now, $3½ million of it, or $4½, I guess, would be specifically addressed to the non-mission critical part of the Y2K effort, and I will show you where we are on that in a few minutes. That is money that will be spent in the latter part of the year to try to get all of our non-mission critical systems compliant.

There is another $3 million there that, quite frankly, is a contingency, and that contingency is dedicated to the mission-critical systems. Hopefully, we have planned it exactly right, and we know exactly how many dollars it is going to cost, but you never know when you are going to hit something that is going to cost you more money, and so we wanted to put a contingency in there.

Chick promises me we will never have to go into the contingency, but I am going to ask him to come up with half of it if we do, but we do have a contingency there just in case on the mission critical systems, and hopefully we will be giving you that money back after we go through this process

$3½ million is used for upgrading the data communications systems, or the wide area network upgrade, and that is a project started in 1997. It is a 5-year project, and it has to do with communications between member offices, both at the State and Washington, and committees, and it is a very large project but one that is moving on quite nicely.

We then have $4.4 million for the recording studio, and that is broken into two components. $2.3 million of it is being used on the first phase of creating digital technology in the recording studio. Now, we need to do that for several reasons.

Number 1, the FCC has dictated that by the year 2005 or 2006 all broadcast will be in digital format, and so if we are going to continue to broadcast over C-SPAN the proceedings of the Senate and the committees, we are going to need to be in digital format, so we are going to need to start that migration.

Maybe even more importantly what we have here is an opportunity also to be more efficient in the way that we archive the proceedings of the Senate. We can actually send this in digital format over to the Library of Congress, and to the Archives, and they can record it on their disks, and we never have to make the tapes and send them over there and store them.

And the third implication for digital technology is that, for example, if you have a committee hearing and you want to, in real time, broadcast a piece of that, or use a piece of that, a staffer at a desk could pull that off, edit it, and have it rebroadcast in real time. It is an amazing technology, and it is something we are really being

forced to go to, but it is something that also will increase the operational efficiency of the Senate.

Just to let you know the magnitude of this project, over a number of years it will be, we estimate, about $30 million to go completely to digital, and that includes lots of peripheral things, not just the machines and that sort of thing.

The second part of that $4.4 million is $2.1 million for robotic cameras in committee rooms. As you know, four of our committees already have robotic cameras that are operated from a central console over in the recording studio, and they are very unobtrusive. They are also much better for security purposes.

We now have seven committees that have taken a liking to this, and have requested robotics, so we have put into the budget for this year $2.1 million that will be used to equip four of the committees and it is not that we are trying to discriminate. That is about the limit of what we can get done in the fiscal year, because it is not just putting the camera up in the corner. It is actually creating a console room or a console area so that it can be controlled from there.

Those decisions are going to be made in consultation with you folks and with Rules. We are proposing that the committees with the greatest demand for the service have priority, but that is certainly up to you and the Rules Committee. We will do what you think is best.

We also, as I mentioned, have $1.1 million for the commercial information service upgrade. I have addressed that.

Another item that I do not think you would find anybody in the Senate that would disagree with, and that is, we have $1 million in here for a new E-mail system. In the 4 months I have been around, the E-mail system has been an interesting challenge at times. What we are facing here is that cc:Mail, which is produced by Lotus, is no longer going to be supported, and it is no longer going to be upgraded, and so basically they are abandoning cc:Mail, and consequently we are going to have to abandon cc:Mail. So we are in the process of coming up with a new system that will be more efficient for the Senate.

We also have in here $1.9 million for training, for human resources upgrade, and for contract management. Contract management is of particular interest to me, Senator, having come from a place where we did do a lot of out-sourcing, if you will. I think the Senate does not do as good a job as it should in overseeing the many vendors that we have here in everything from negotiating the contracts to managing the contracts to overseeing, making sure that we get deliverables from those contracts, and the quality that we need. I have been looking into that, and we want to upgrade the contract management side of the business. That is where some of these personnel are involved.

And then finally we have $2.4 million for COLA's and merit increases, as I mentioned earlier.

We recognize that this is a sizeable increase in our budget, but I think that you can see that these expenditures will, when they are made, and these systems are put into effect, increase the operational capabilities of the Senate. We sure hope you will support this budget request.

I would like to turn to Y2K, and I know you have been waiting for me to get there. Let me give you my personal overview. I am highly confident, not just confident, I am highly confident that the Senate's mission-critical systems are going to be fully capable of dealing with the Y2K problem when we hit January 1, 2000, that we are going to be in good shape.

When I first got here I got involved in looking at our process and where we were and that sort of thing. I had to put that aside in terms of the intensity of interest during the impeachment trial. But as soon as it was over, I got back into it, and I can assure you, that progress continued during the impeachment trial. Our folks were doing their jobs very well.

But I got back into it as soon as impeachment was over at a personal level and even went to the point of personally having our process validated, and I will explain that to you sometime if you are interested. I feel very comfortable we are doing the right things to get there.

Our effort, as you know, started in 1996, but we really did not get started in an organized way until 1998, when the Project Office was put together.

Probably the two most important things that we did, it would appear to me: one was to bring GAO in and to adopt their five-phased approach to it—awareness, assessment, renovation, validation, and implementation—and we have been following that format very carefully, and GAO has been a partner in this. They are looking at what we are doing.

I actually had them come in and talk to me independent of the folks in Postal Square, just making sure that I was comfortable that we were doing the right things, and that they were comfortable.

The other thing that we have done that I think is very important is that we have hired Mitretek to be a partner to help us manage this process. I am—and you will find, Senator, I am a skeptic somewhat of outside consultants. I have never felt like you consistently get your money's worth from outside consultants, and so I will always be a little bit skeptical, but this is one where I feel very good about the value-added of having Mitretek here and am very confident that their presence is a very big plus for us.

The whole Y2K thing I think has been a blessing in disguise for the Senate for the simple reason that it forced or allowed the Senate to modernize its technological infrastructure, and I think it has forced us to do it in a lot of ways.

Our approach has been not dissimilar to the approach that a lot of Government agencies and other institutions have taken in terms of how we approach this issue, and that is to define the mission-critical systems and the non-mission-critical systems. With respect to the Senate, we had a three-pronged criteria based upon the business functions of the Senate.

## U.S. Senate Sergeant at Arms
## Status of Year 2000 Mission Critical Systems
## As of March 1999

| | Awareness | Assessment | Renovation | Validation | Implementation |
|---|---|---|---|---|---|
| *Legislative Systems:* | | | | | |
| Document Mgt. Sys. | | | August 1999 | August 1999 | August 1999 |
| Amendment Tracking | | | | August 1999 | August 1999 |
| Committee Scheduling | | | | August 1999 | August 1999 |
| Vote Tally – Rep. | | | | March 1999 | April 1999 |
| Vote Tally – Dem. | | | | | |
| *Financial Systems:* | | | | | |
| Financial Management | | | | Update Pending | |
| Payroll | | | | June 1999 | September 1999 |
| *Constituent Services:* | | | | | |
| Correspondence Mgt. | | | | June 1999 | August 1999 |
| Desktop PC Software | | | | April 1999 | September 1999 |
| PC/LAN Remediation | | | | August 1999 | July 1999 |
| E-Mail & Internet Service Providers | | | Oct. 1999 | October 1999 | October 1999 |
| *IT Infrastructure:* | | | | | |
| Mainframe | | | | Update Pending | |
| Telecomm. Switches | | | | | |
| Local Phone Service | | | | | |
| Frame Relay | | | | | |
| Long Distance Service | | | | | Awaiting final test results |
| Senate Fiber Network | | | | | April 1999 |
| Group Alert | | | April 1999 | April 1999 | April 1999 |
| Police Radio System | | | July 1999 | August 1999 | August 1999 |
| Senate Paging System | | | | April 1999 | |
| Secure Phones | | | | March 1999 | |
| Senate Video Recording System | | | | May 1999 | May 1999 |
| Senate Floor Audio | | | | August 1999 | August 1999 |

One was legislation; it is obviously the business we are in. We are in the business of constituent service, and we are required to provide financial management in order to make the system work. So we use that criteria to define what was mission-critical. Initially we came up with 19 mission-critical systems, and since I have gotten here, we have gone through the process and have added three more systems that I think probably needed to be on the list. We now have 22 mission critical systems.

We have non-mission critical systems that we have defined, and there are 43 of those, and those 43 were based upon whether or not the Senate could continue to function if those systems did not function. Now, we might not function well, and it might not be real pleasant to function without some of this stuff if we went back to hand ledgers, but the fact is, the Senate could continue to function, and so we used that as the criteria, and there are 43 of those.

## U.S. Senate Sergeant at Arms
## Status of Year 2000 Non-Mission Critical Systems
## As of March 1999

| | Awareness | Assessment | Renovation | Validation | Implementation |
|---|---|---|---|---|---|
| Telecomm. Mgt. Sys. | | | May 1999 | June 1999 | September 1999 |
| Service Desk | | | May 1999 | July 1999 | August 1999 |
| Work Order Tracking | | | May 1999 | July 1999 | August 1999 |
| Commercial Info. Sys. | | | | | Update Pending |
| Parking System | | | | May 1999 | May 1999 |
| Newsletter Mail File | | | June 1999 | July 1999 | August 1999 |
| Senate TV Graphics | | | | April 1999 | April 1999 |
| Teleprompter | | | | March 1999 | April 1999 |
| Domain Name Service | | | | | |
| Network Mgt. System | | | | | |
| Secure ID System | | | | | |
| Intranet | | | | | Update Pending |
| Senate WWW Site | | | | | Update Pending |
| SONET Ring | | | | | |
| Data Commun. (ATM) | | | | | Awaiting Vendor Response |
| Electronic Request For Assistance | | | | April 1999 | October 1999 |
| Enterprise Mgt. Sys. | | | | April 1999 | November 1999 |
| Asset Management | | | Sept. 1999 | September 1999 | November 1999 |
| Floor Attendance | | | | | April 1999 |
| Hum. Res. Mgt. Sys. | | | June 1999 | June 1999 | July 1999 |
| Conference Bridges | | | | | |
| FAX InfoExchange | | | | | |
| WATS Diverter | | | | | |
| Voice Mail | | | | | |
| Public Financial Disclosure | | | | July 1999 | August 1999 |
| Lobbying System | | | | July 1999 | August 1999 |
| Education & Training Registrar | | | | | |

## U.S. Senate Sergeant at Arms
## Status of Year 2000 Non-Mission Critical Systems
## As of March 1999

| | Awareness | Assessment | Renovation | Validation | Implementation |
|---|---|---|---|---|---|
| Label Printing | | | June 1999 | July 1999 | August 1999 |
| Postal Patron | | | July 1999 | August 1999 | September 1999 |
| Printing & Doc. Svcs. | | | August 1999 | August 1999 | September 1999 |
| TDD's | | | | | |
| Ethics Comm. Fin. Disclosure | | | April 1999 | May 1999 | June 1999 |
| Campaign Index Campaign Finance Sys. | | | June 1999 | July 1999 | August 1999 |
| Cellular Phones | | | | | |
| Solomon Accounting | | | | | |
| ID Badge System | | | | June 1999 | July 1999 |
| Newswire | | | | | Update Pending |
| Tour Guide System | | | | | |
| News Galleries Ticket Sys. | | | | | |
| Applicant Tracking | | | | | |
| Database Scheduling System | | | | | |
| CCMIS | | | | | |
| Fund Advance Tracking | | | | July 1999 | July 1999 |
| Committee Expense (SCEAS) | Retire | | | | |
| MODA | Retire | | | | |
| Injury Tracking | Retire | | | | |
| Lobby Act Support | Retire | | | | |
| TOPAS | Retire | | | | |
| Depletable Supply Sys. | Retire | | | | |
| Expendable Supply Sys. | Retire | | | | |
| Spare Parts System | Retire | | | | |
| Repair History Sys. | Retire | | | | |
| Copier Control | Retire | | | | |
| 5 Others | Retire | | | | |

Without going into all of the details of it, if you will look at that—and I think you have it in front of you, Senator—we are doing quite well on the non-mission-critical systems.

In fact, while I guess there is no guarantee of this, I am pretty confident that come January 1, 2000, that even our non-mission-critical systems are all going to be Y2K-compliant. Obviously, our emphasis is on mission-critical, but we are doing a lot of work and we are getting there very quickly on the non-mission-critical systems.

With respect to the mission-critical systems, of the 22 there are 8 now that are either fully tested, validated, ready to go, or very near that. Of the remaining 14, you have the chart in front of you, and as you can see, we are doing quite well. We have our deadlines and I think it is realistic that we will meet them and be there well before January 1.

I wanted to mention a couple of the systems that are there because they are of special interest. I will not talk much about legislative information and financial management, because you have just spent a lot of time with Gary on those.

We are very comfortable with the legislative information system status at the moment. We manage it jointly with the Secretary, as you know, and our side of this is the technological side of it. The amendment tracking system is up and running, the committee scheduling system is up and running, and the document management system is getting near to being up and running.

Now, we are in the functional testing stage of the amendment tracking, and the committee scheduling system, and we will, when we hit the functional testing point on the document management system, then start moving into the end-to-end testing for Y2K of those systems. We are very comfortable that we are coming along very nicely on that.

The financial management information system has already been implemented and, as you know, is in the testing phase now.

The mainframe which is in front of you there, actually we are further along on the mainframe than the chart represents, because what happened was the delivery of the new computer was much quicker than we thought. It is actually here, it is actually installed, and we are actually in the functional testing phase, and we will be moving to the Y2K testing phase very shortly. I am very pleased about that, because that has lots of cascading effects on other things we do around here, so we are quite comfortable with where we are on the mainframe.

Another thing I wanted to mention is the Capitol Police radio. I talked to you about that when I was here before as to whether or not we were going to try to do a Y2K fix on that console or whether we would go for a new one. After a lot of analysis, both financial and operational, we have decided that the appropriate response here is to go for a new radio console for a number of reasons: it was going to be a reasonably expensive fix; this console is way outmoded, not being produced any more, and has a limited time left on when we can get support for it; and maybe more important, it has no redundancy in the system, so if it goes down, it is down.

There are lots of new modular type radio console systems that are out there now, and so we are in the process of putting together

a bid package to find out which one we want to buy and which is the most efficient to use.

The Senate paging system is something that I put down here. Maybe in the big scheme of things it may not be all that interesting to anybody, but I find it interesting that we have a paging system around here that does not work beyond 30 miles from here, and considering the fact that you can take a pager and go anywhere in the world now and receive a message, it seems to me that we are way behind the technological curve there.

We are in a bit of a dilemma. We have to make sure that we are Y2K-compliant on the current system, but we want to move to a new system, and so we are trying to fix the Y2K problem because we cannot get completely to a new system by January 1, 2000, but in doing that we are strategizing our movement to a new pager system, and I think that is really important. I mean, it is great to be able to get a page in the Capitol Building, but if you cannot get a page in Utah or Mississippi, what good is it, and so we are really going to——

Senator BENNETT. I like it. [Laughter.]

If I get more than 30 miles away from here, they leave me alone. [Laughter.]

Mr. ZIGLAR. Well, in that case, Senator, we are not going to give you a pager. [Laughter.]

Let me conclude about Y2K by saying it is probably unrealistic to expect all of our systems to work, particularly the non-mission-critical systems, but I have to tell you that I do expect them to work come January 1, 2000, and I think we are going to get there. Hopefully, my optimism will be rewarded, but I do think we will get there. We obviously are focusing on mission-critical systems. We have to, and they will be there, and we are confident we are going to be able to conduct business on January 1, 2000.

I would like to end my comments by making the point that the fiscal year 2000 budget request in my view is an investment in the future. The Senate is going to be well-served by improving its systems and managing the new technologies of the 21st Century, rather than being a victim of those technologies, or being at their mercy.

PREPARED STATEMENT

At the Sergeant at Arms Office it is our goal to provide the best service and the best technology available for the system while protecting the hard-earned dollars of our taxpayers. Mr. Chairman, I appreciate this opportunity, and I am anxious to answer your questions.

[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 2000 funding request for the Office of the Sergeant at Arms and Doorkeeper. I am accompanied by: Loretta Symms, Deputy Sergeant at Arms; Doyle G. Frederick, Chief of Staff; Charles "Chick" Ciccolella, Chief of Operations; and Christopher C. Dey, Chief Financial Officer.

Before I begin my testimony today, I want to publicly thank my predecessor, Greg Casey, for a job well-done. During his two-year tenure, Greg engineered and executed a successful overhaul of the administrative and operating structure of the Ser-

geant at Arms organization. It was an overhaul that was much-needed and the Senate, in my opinion, owes him a debt of gratitude. He certainly made my job easier.

Since assuming the duties of Sergeant at Arms in November 1998, I have been on a steep learning curve. The impeachment trial provided me with an opportunity to witness how the Sergeant at Arms organization functions under the most trying of circumstances. What I learned from this experience is that the Senate is blessed to have so many experienced, loyal, competent and professional employees. The Sergeant at Arms operation is a first-class professional organization.

Although there are many significant challenges facing us in such areas as delivery of services, technology upgrades, the potential Y2K problem, enhancing Capitol Complex security and strengthening the management structure of the Police Department, much progress has been made in addressing those challenges.

My predecessor testified before this Committee on March 12, 1998 with respect to the fiscal year 1999 budget and the initiatives he was then undertaking. Much has occurred since that testimony. Among others: there are eight new members of the Senate; we experienced the tragic loss of two Police officers; we have replaced or made Y2K compliant over 3,000 personal computers; we have upgraded nine major systems (Amendment Tracking System, Committee Scheduling System, Republican Vote Tally System, Senate Payroll System, Telecommunication Switches, Local Telephone Service, Frame Relay Data Network System, Senate Fiber Network, and the Senate's Secure Telephones) to enable Y2K compliancy (some are still being tested and validated); we have brought online the new FMIS system; we have substantially completed the reorganization initiated by Mr. Casey; and, of course, we provided support for the historic impeachment trial.

As we go forward, we are focused on the major technology concerns of the Senate: the Y2K problem, about which much more will be provided shortly; e-mail capability; member office mail systems; and continuing development of the Legislative Information System, including the Document Management component of LIS, and the Financial Management Information System. Also, as you know, we have begun a program to replace and make entirely Y2K compliant all the personal computers of members of the class of 2001, leadership offices and committees. We will provide regular reports to the Committee on the progress of that program and related funding requirements.

On a matter that I know to be of interest to members and staff of the Committee, I am pleased to report that the legislation implementing the new hair care revolving fund and the requirement that we move to significantly reduce operating losses has experienced some success. In 1997, the operating loss was $350,000; in 1998, the loss was $275,000; and in 1999, we project the loss to be in the $150,000 to $200,000 range. We have put in place significant price increases and have adopted a commission-based compensation plan and reduced staffing levels. However, we face additional challenges with respect to this issue because of the difficulty in reducing the loss further without significantly reducing the level of compensation and benefits of the employees of the facility. As you know, we worked with the Rules Committee to develop a plan that would allow the employees to remain eligible for their federal benefits and to retain as much of their compensation as possible. While that has been achieved, profitability has not. Additionally, we recognize that there remain continuing concerns about the appropriate level of salary compensation of the staff in the Hair Care facility. We will continue to work with this Committee and with the Rules Committee to resolve this matter.

Our commitment to satisfy the many service needs of the Senate is based upon the premise of constant and effective communication with those who rely on us for a panoply of services. As you know, we established the Office of Customer Relations last year to ensure that our Senate customers participate with us as partners in satisfying their technology and other service requirements. The Office of Customer Relations now is fully staffed and functioning and has been one of the real success stories of the reorganization implemented by my predecessor.

As mentioned above, the reorganization of our operations largely has been completed. We will continue to monitor the effectiveness of the new organizational structure and changes will be made as necessary to better deliver services to our Senate customers. I want to assure you that we remain committed to the goal of providing the highest quality of service to the Senate consistent with protecting the hard-earned dollars of the American taxpayer.

FISCAL YEAR 2000 BUDGET REQUEST

Mr. Chairman, it is my intention to devote a substantial portion of my testimony to Y2K and related technology issues and initiatives. However, I would first like to provide you with an explanation of our funding request and conclude my testimony

with an extended discussion, as outlined above. This request addresses important near term issues and funds needed for future technology investments.

Our Budget Request for fiscal year 2000 is $116 million, which is an increase of approximately $22 million from the current fiscal year. To put this budget request in some perspective, it is helpful to analyze it in two parts. The first part would be categorized as the SAA baseline operating budget, i.e., how does this budget compare with prior year budgets after excluding major capital items or one-time projects or expenditures? The second part would encompass those items that reflect non-recurring major capital and related expenditures.

It should be noted that in three of the four preceding years, our appropriation has been less than in the preceding year. In fact, since 1991, our budget has remained flat or has decreased in all but one year. The last appropriation of this size was in 1992 when the budget was $120 million.

In the most recent two fiscal years, our obligations and expenditures exceeded 98 percent of our appropriation. We are consuming nearly all of our annual funding and are maintaining a larger and more complex array of services, interconnecting systems and technologies. What this indicates to me is that we are doing a better job of budgeting and that we are increasing productivity—we are doing more with the same level of resources. To illustrate my point, although our aggregate operating and maintenance budget request has been increased by 4.6 percent or $4 million over fiscal year 1999, that increase is reflected primarily in adjustments for COLA's and merit increases. Yet, if you examine the increased work load of fiscal year 1999 over fiscal year 1998 and you factor in our expectations that the workload will increase yet again as much in fiscal year 2000, the productivity gains are substantial. To give you an example of increased workloads, we have documented the following: through use of robotic cameras in committee hearing rooms, we have covered 12 percent more hearings; we also processed 30 percent more mail with fewer staff; introduced video streaming services over the wide area network to state offices; and expanded our commercial information service program.

The second part of our fiscal year 2000 Budget Request could be characterized as the capital budget component. The current level of funding for the Sergeant at Arms operation does not provide for the significant capital investments required for the future. We are requesting an increase of $18 million for capital investments, to take a necessary and substantial step toward building the kind of technology infrastructure necessary to meet the challenges of the 21st century. This requested increase is driven by the expected costs of completing our Y2K compliance project and by the need to fund improved and expanded technologies in support of member offices and committees.

To successfully meet future needs, we must think in terms of multi-year time horizons from concept to full-scale implementation. This budget request recognizes both the increased demand for technological solutions to Senate office work problems and the requirement to plan in advance for the integration of new technology. We must begin the funding and development process now in order to insure that Senate needs in 2001, 2002 and beyond are met.

This budget request fully supports the elements of the Information Technology Strategic Plan. The objectives of the plan are: Provide integrated information systems; provide our customers with responsive information technology and customer support; provide an information technology environment that protects sensitive information and supports data integrity; leverage emerging technologies; and use best information technology management practices.

In summary form, the requested increase consists of the following:

| | *In millions* |
|---|---|
| Funding for Y2K solutions for non-mission critical systems as well as a contingency to handle any problems that might occur with the mission-critical systems | $7.5 |
| Funding for upgraded data communications capability for member state offices (WAN upgrade) | 3.5 |
| Funding for digital technology for the Senate Recording Studio | 2.3 |
| Funding for installation of robotic cameras in committee rooms and associated control rooms | 2.1 |
| Funding for continued support of the recently upgraded commercial information and newswire services | 1.1 |
| Funding for a new e-mail system and related products | 1.0 |
| Funding for annual COLA and merit increases | 2.4 |
| Other (training, human resources and contract management) | 1.9 |
| TOTAL | 21.8 |

We do not minimize the size of the requested increase. As can be seen above, about one-third of the increase relates to the Y2K problem. We believe that the Senate is well prepared for Year 2000. However, no one can assure us that some still unforeseen problems will not occur. Therefore, we must be prepared to make immediate repairs or replace systems which fail. We have included $7.5 million in the fiscal year 2000 budget request for contingency funding for mission critical systems ($3 million); for funding for the completion of the remediation of non-mission critical systems ($3.5 million); and funding for technical support for these continuing renovations ($1 million).

The Recording Studio has developed plans to convert all operations to digital technology in order to upgrade the quality of our production, to more efficiently provide for the archiving and storage of recordings of Senate proceedings. This initiative is expected to be expensive in terms of the initial equipment and installation costs and will be funded over several years. The initial funding requested in the amount of $2.3 million will enable the studio to begin studying, acquiring and testing the new technology. A major benefit of this advanced technology is that it will allow immediate access to video recording of floor proceedings which will enable staff to view and edit videos from their offices almost instantaneously. Digital technology offers faster access to archived video; greater clarity and resolution; a more efficient transfer mode to the Library of Congress and the National Archives; and reduced physical storage requirements.

The Recording Studio plans to continue its placement of robotic cameras in committee hearing rooms. We currently have requests from seven committees for robotic camera coverage. We have included funding of $2.1 million to equip four committee and control rooms in our request based on the limits of our ability to provide for the installation and testing of these systems during fiscal year 2000.

The Wide Area Network (WAN) Upgrade Project is an integral phase of the Senate's overall five-year network upgrade plan which began in 1997. This upgrade will enable member state offices to efficiently conduct Senate business by maximizing the use of emerging and rapidly growing technologies. The WAN upgrade will enable member state offices to have improved WAN service capacity, capability and quality of service. The goal is to enable the convergence of secured data, voice and video communication services to state offices in order to leverage technologies such as video streaming and multimedia. Our current wide area network infrastructure is severely taxed in many state sites, and with the expanding deployment of Web based and Web enabled applications, we anticipate a corresponding explosion in network capacity demands now and into the future. The Senate's five year data network implementation plan was validated by an independent data network research consulting firm in 1998. This group confirmed the soundness of the strategy of using proven technology while protecting the Senate's current investments. The firm also verified that the proposed data network architecture is sufficiently robust, flexible and adaptable for rapid growth as we continue to introduce new technologies to our base services.

During this fiscal year SAA engineers are engaged in feasibility studies, research, proofs of concept, design and planning activities associated with preparing for implementation of the WAN upgrade during fiscal year 2000. Preparatory network engineering to be completed during fiscal year 1999 includes: Identifying State Office WAN applications, performance requirements and workload categorizing; matching the appropriate WAN technology and services; Data Network Infrastructure Engineering and Cost Study; and Equipment and Service Vendor Procurement and Selection.

Current planning incorporates a combination of frame relay and Internet secured virtual private networks as key underpinnings to the WAN infrastructure. Inclusion of "last mile connectivity" technologies such as DSL/Cable Modem will readily enable high bandwidth multi-media services for the state offices.

We have included $3.5 million in the budget request for fiscal year 2000 for this initiative. About $2 million in costs are for the purchase of higher capacity communications equipment and $1.5 million is for recurring usage charges.

During the past year, the Rules Committee requested that we expand the on-line commercial information services provided to Senate offices to obtain a broader base of "newswire" information on a real time basis, to allow more choice in the news service offerings, and to acquire legislative information not available from LIS. The expansion of these services adds about $1.1 million to our annual operating costs.

We are also seeking funding to replace our existing e-mail software. The maker of our current e-mail software has announced that it will not develop its product beyond the current design. We have begun a planning program to develop our e-mail functional and technical requirements and will soon be in position to select a

replacement product capable of meeting our future needs. This adds about $1 million to our budget request.

We have included $2.4 million within our salary accounts for the annual COLA and periodic merit increases. You may recall that last year we had all Sergeant at Arms jobs evaluated and classified into a unified structure. Formal salary ranges were established. Where necessary, we moved staff to the minimum of the new pay scales. We expect that this classification structure with formal salary ranges will help retain our qualified professionals. This funding request allows us to attract and retain the high quality skilled workforce needed to maintain current service levels and to implement the significant programs described above.

Lastly, we have included funding to expand our professional management training program, to better support our human resources program and to greatly improve our contract management capabilities.

Y2K UPDATE

I now would like to update this Committee on our efforts to ensure that the Senate's mission critical systems are capable of operating in the Year 2000. At our hearing last year, we set forth the principles of our work to ensure operating capability in the Year 2000. Conceptually, these principles address problem awareness, system assessment and system renovation, validation and implementation. Today, I would like to focus on the current status of our work.

The Year 2000 compliance project is perhaps the most important and pervasive information technology project ever undertaken by the Senate. The issue facing us is not the complexity of the Y2K technology solutions. Indeed, the solutions are often the least of the problem. Rather, it is the daunting task of assessing each of the Senate's key business functions, determining where we are at risk, and then determining what it takes to implement and validate solutions. This task is made more complex by having to balance our resources to ensure that all this work will be accomplished in time without causing undue disruption to the daily business of the Senate. Simply stated, the real difficulty lies in the size and scope of the overall Year 2000 effort itself.

Efforts to address the Year 2000 issue were initiated within the Sergeant at Arms organization in 1996. However, it was not until the formal establishment of the Year 2000 Compliance Project Office in January, 1998 that a comprehensive approach was put into place specifically to guide Year 2000 related projects and monitor their progress. Our Year 2000 Compliance Project Office has assisted in defining the Senate's overall direction in terms of program guidelines, operating principles, budgeting and reporting. The nature of the Senate environment, however, requires a highly decentralized execution in terms of assessing, renovating, testing, validating, and implementing Year 2000 compliant systems. To assist with the total project, a Year 2000 Master Plan was developed and has enabled us to intensively manage our compliance objectives and assign accountability.

One of the first steps taken by the project office was the adoption of the General Accounting Office's 5-phase approach to Year 2000 project management. As this process was being implemented, we also requested that the General Accounting Office appoint advisors with whom we could consult as necessary. I am happy to report that our GAO advisors are key partners in our success on Year 2000 projects. Using their analytical skills and consulting advice, as well as those of an independent onsite contractor, we have been able to augment Sergeant at Arms resources, determine the specific risks and vulnerabilities for our supported systems, and work to mitigate those risks.

How were we able to get to this point? We looked at each information technology system in use by the Senate, determined whether it was mission-critical, and assigned resources where necessary to develop plans designed to bring it into compliance. From assessment through renovation, validation and implementation, we required each system program manager to provide project plans, schedules and milestones. We set up a system to monitor and report progress centrally. As time went on, it became clear that additional information was required and we instituted a rotating schedule of monthly briefings on each of the mission-critical projects. Because knowledge and cooperation are keys to success in this endeavor, we have opened these meetings not only to Sergeant at Arms employees, but also to the GAO and the Secretary of the Senate. This exchange has paved the way to an open, cooperative forum in which disparate groups function in a fully participative and cohesive manner.

Finally, I would add that throughout our Y2K efforts, we have used this enormous challenge to make significant progress in the improvement of the Senate's information technology infrastructure. As you will see from the discussion of our mission

critical systems, we have been able to bring the Senate forward in terms of modernizing our computer operations from the mainframe enterprise applications to the individual desktop work stations.

What are our mission-critical systems? How were they determined? Why did we designate these 22 systems and how do they impact Senate offices? The Year 2000 issue is really a business problem more than a technology problem. Therefore, we first defined the primary business functions of the Senate. Then we identified the information technology systems required to support those functions. The top three functions of the United States Senate were defined as: (1) the creation of legislation, (2) financial management, including payroll, procurement, and accounting functions, and (3) constituent services.

In addition to these three functions, we designated telecommunication services, including both our voice and data networks, as also mission-critical. In fact, of the 22 mission-critical systems, nine are specifically related to the transmission of data between offices both in Washington, D.C. and in members' home states.

We also designated desktop computers, including both hardware and software, as mission-critical. These systems support the day-to-day operations of member and committee offices. The remainder of the mission-critical systems are those which specifically support the key business of the Senate, that is, the legislative, financial management and constituent services functions. Thus, the Senate's mainframe computer, which runs important Senate and Capitol Police applications, is mission-critical. Similarly, the Correspondence Management Systems and the local area networks in every office, are mission-critical. We also designated electronic mail as a mission- critical system.

Not every system in use by the Senate made the mission-critical list. In fact, only 22 of 65 systems were so designated. This is because the determination of mission-criticality was made after we asked the question, "Could the Senate continue to function if a particular system was not available to users after the century changed?" Often, the answer was 'yes' even if it meant that a "work-around" solution would need to be developed. As an example, could the Senate function without an automated human resource system to track applicants and jobs? The answer was yes. Would it be inconvenient? Yes, it would, but these tasks could be completed manually until the system was remediated.

Now, what is the status of our mission-critical systems? Of the 22, three are considered fully renovated, tested and implemented. These are our telephone switches, Frame Relay system and local phone service. A fourth, our long distance service, is awaiting certification pending release of test results from a major telecommunications firm and a fifth, the secure telephones in many Senate offices and several Committees, have been certified by the National Security Agency and we are awaiting their certification by GAO. A sixth system, the Senate's Fiber Network, requires only upgrades of the routers in the states and that is scheduled for completion in April.

Two additional systems have been renovated and are completing their Y2K testing now. These are the Senate's Payroll System and our mainframe computer on which it operates. These systems are far along and we do not anticipate any setbacks. In fact, Senate staff can rest assured that their paychecks will continue to be issued. Thus, of our 22 mission-critical systems, we can confirm that eight are completed or nearly finished and will work in a Year 2000 environment.

The Senate's Legislative Information System, or LIS, and Financial Management Information System, or FMIS—two initiatives managed by the Secretary of the Senate, and for which we provide significant support—are currently being implemented and tested at the same time. Underlying the new LIS are two feeder systems for which the Sergeant at Arms has responsibility. These are the Amendment Tracking System and the Committee Scheduling System. The Amendment Tracking System is already up and running and the Committee Scheduling System is fully developed and will be Y2K tested with LIS.

Correspondence Management Systems, which are heavily used in Member offices, are also under intense scrutiny. Each of our vendors has been tasked to provide documentation on their Year 2000 compliance status and the test plans and test results from their own internal Year 2000 efforts. In addition, we set up a separate laboratory at Postal Square for Sergeant at Arms technical staff to validate and confirm the vendors' test results.

With regard to the computer equipment in Senate offices, 32 percent, or close to 3,000 personal computers, have been installed and certified as Year 2000 compliant. An additional effort is underway now to inventory, test and remediate all upgradable older PC's to Year 2000 compliance. Another initiative, a Special Year 2000 workstation and server replacement project for selected offices, has been approved by this Committee, and is underway.

As a note of interest, renovating computer hardware is relatively simple—you either upgrade this equipment or you replace it. The more difficult challenge is the application software loaded on a workstation and whether it has been modified or customized. Vendors can certify software as Year 2000 compliant based on their internal tests. However, many offices may use that software in such a way as to render it non-compliant based on a calculation they may have entered or by changing the manufacturer's intent of use. We are conducting a comprehensive inventory in all Senate offices to give us a better idea of the risks we may face with this type of installed software.

The fifteenth and sixteenth mission-critical systems actually include two similar systems which are the Vote Tally Systems for the Republican and Democratic Policy Committees. These are new products which have been developed and are being implemented and tested now. By the way, these RPC and DPC systems are a logical back up, or contingency plan, for the Senate's Legislative Information System.

The last six systems are the Radio System in use by the Capitol Police, the Senate Paging System, the Group Alert, the Senate's Electronic Mail, and two important systems in use by the Senate Recording Studio. The Capitol Police will receive a new Year 2000 compliant radio system which we expect to be installed and operational by the end of July. The current radio system is at the end of its operational life and cannot be made Year 2000 compliant. The Senate's Paging System is in Y2K testing now. We plan to replace components which are not compliant and operate with the same system after December 31st. Additionally, we will take this opportunity to begin to plan for a complete replacement of the paging system to meet future anticipated needs. The Group Alert system, which supports both the Cloakrooms, is being renovated during the next Senate recess. We expect to complete this effort next month. The next mission-critical system, the Senate's E-mail, is actually a number of components which must all be made Year 2000 compliant. Then, each component must be tested and the system as a whole must be tested. The major component of this system is the office mail system or "cc:Mail" which is currently being upgraded to the Year 2000 compliant version in all offices. The last two systems belong to our Recording Studio. These are the "Flexicart" system which enables us to record video tapes in a computerized manner, and the Senate Floor Audio System which provides audio to the TV/Radio rooms and the Galleries. Both systems are under contract with the vendors for Y2K testing. We will validate and certify the test results ourselves.

We also oversee a continuous and comprehensive Year 2000 awareness effort to keep Senate staff informed. To assist Senate offices with their own internal Year 2000 plans, a Senate-only Year 2000 web site has been created. This site contains information on such items as how to test a PC for Year 2000 compliancy, which non-compliant PC's can be upgraded to compliancy, and how to do the upgrade. The Web Site also contains a software database with information on the compliance of software packages used on a regular basis within the Senate. In addition, a business continuity plan template was recently added to allow Senate offices to develop a plan for continuity of operations specific to their own environment.

In addition to the systems under the specific responsibility of the Sergeant at Arms office, our interaction and interface with other Capitol Hill offices and other federal agencies also are being investigated. We have conducted Year 2000 Vulnerability assessments for the Secretary of the Senate, the United States Capitol Police, and this Committee. We have ongoing assessments in both the Architect of the Capitol and the Government Printing Office. We are conducting these assessments to highlight risks from the Sergeant at Arms point of view as opposed to compliancy reports on any of these entities.

These assessments have been invaluable. For example, the formal assessment of the United States Capitol Police was completed in September. The summary briefing provided several recommendations for further USCP actions to minimize the risk of Year 2000 failures and to prepare for recovery from failures should any occur.

As of today, the Capitol Police are reporting ten of their 19 mission-critical systems as renovated, validated and implemented. These include their local area network, application servers, file servers, database servers, workstations, off site delivery application, reports processing application, physical security systems such as the Metorex 200 metal detectors and PDS LAN, and the Intoxilyzer 5000. Other systems still under renovation include outside agency applications such as the National Finance Center and CJIS/WALES/NCIC; the SafeNet System Software for physical security, and applications which reside on the Sergeant at Arms mainframe. These cannot be tested until our new mainframe upgrade is installed. Additionally, there are the police communications systems which include radios, the central dispatch

console, and alarm and video monitoring systems. The Capitol Police have made great strides towards completing their compliancy efforts.

The issue we are most concerned with is the replacement of the Capitol Police radio dispatch console, which is being planned now. We intend to ensure that the Capitol Police will continue to be able to communicate and dispatch officers on a Year 2000 compliant console and provide the life-safety protection for which they are responsible.

We are also concerned about the Senate's paging system, also provided by the same vendor. We are involved in intensive negotiations with the vendor to provide the Senate with current and accurate documentation on this system.

I would like to say that every system used in the Senate will work and work well in the Year 2000. However, that is unrealistic. Given the time frame and the number of systems and variables we face, it was prudent to concentrate efforts on those areas deemed most critical to the Senate and that, in fact, is the hard decision that was made. I am confident, however, in my ability to say that the Senate will be able to conduct its business when the clock rolls over to January 1, 2000. This will require a continuous and concerted effort on our part and will require cooperation from the entire Senate, not just Sergeant at Arms employees. The effect of these combined efforts will indeed enable the United States Senate to weather the approaching Year 2000 computing crisis.

Mr. Chairman, that concludes my formal testimony. I want to express my thanks to the Committee for its continuing support of the Sergeant at Arms and I stand ready to respond to any questions you may have.

Y2K ISSUES

Senator BENNETT. Thank you very much. We appreciate the comprehensive analysis of where you are. You have obviously gotten a good start and taken hold of an office that is very important to all of us.

I am a little concerned about the late date on some of these Y2K issues. The reason that I will accept your assurance that it is all going to work is that in the greater scheme of things you are a relatively small operation. If I were getting these kinds of dates out of the Defense Department or the IRS or some of the others I would be very nervous.

The General Accounting Office has begun a program of leasing their computers. This is a capital budget. Do you want to talk about the possibility of leasing for the Senate offices rather than purchasing?

Mr. ZIGLAR. It is interesting that you raise that question. I have not yet raised the specter of that at the Senate office level, and as you know, the obsolescence factor of computers makes leasing a fairly expensive proposition. I have been, however, looking at that issue in the context of the Capitol Police and some of their vehicles and equipment that have a fairly lengthy lifespan. I have an interest in leasing, and as you know, in the right format it can be a very cost-efficient way of going, particularly if the person providing the vehicle has a tax incentive to do it.

So the answer is, I have not looked at that in the context of the computers and equipment in the Senate offices, but it is something I have an interest in and am looking at in the context of the police.

Senator BENNETT. I do not know if you are a devotee of C. Northcote Parkinson, the author of Parkinson's Law, but one of the statements that he makes is that the amount of time spent discussing a budgetary issue is in inverse proportion to the size of the budget. In other words, the typical business group will approve a $43 million nuclear reactor in 17 seconds flat, or something, because no one understands it, but they will spend 5 hours debating

the coffee pot in the day room because everybody has an opinion on that.

BARBERSHOP

At the risk of getting into that kind of thing, and where we spend an inordinate amount of time talking about something that is very low-level expenditure, do you want to talk about salaries for the barbershop? [Laughter.]

Mr. ZIGLAR. I am very happy you asked that question, because the amount of time that we spend on the barbershop, the hair care services issue, is out of proportion to the expenditure. That is a perfectly good example, I must say.

We have been attempting to reach parity, if you will, where the barbershop shop is not losing money and it is carrying its own weight. The hair care services, I am sorry. I come from where a barbershop is a barbershop.

Senator BENNETT. I am sorry I led you down that road with my question.

Mr. ZIGLAR. As you know, we have put it on a commission structure. We have changed the level of compensation for the barbers in connection with the commission structure. There is still a lot of unhappiness there about salary levels, at least among some of those barbers there, and we are attempting to address it.

There are a variety of, two or three different ways of going about this that we are discussing with your staff and with the Rules Committee. In the final analysis, Senator, it is probably not the most popular thing to say, but my view is this thing ought to be privatized.

It ought not to be a Senate function, but that is just my own personal view of it, and I think they have done that over in the House, as I understand it. I think it is working over there, and I would in the long term like for us to be able to try to consider the option of privatizing. In the short-term however, in order to maintain civility, we are looking at several options in terms of making adjustments so that people who have been here for a long time are not suffering in their income as a result of our making changes in the system.

So I think there is some equity, some fairness we need to bring to the process, but in the long term I am not sure that this is a function that the Senate ought to be in, but that is just my personal view, Senator.

Senator BENNETT. I will not add to the amount of time spent discussing this issue, other than to comment, if you want to talk about fairness, I do not understand why I have to pay the same price that the Majority Leader has to pay. [Laughter.]

Mr. ZIGLAR. I am not responding to that one, Senator. [Laughter.]

Senator BENNETT. Thank you very much. We appreciate all you do, and appreciate your staff, and we will pay close attention to the request you made. I think this is a responsible budget request, and we will try to respond to it in a responsible way.

Mr. ZIGLAR. Thank you very much, Mr. Chairman. We appreciate it.

## CONGRESSIONAL BUDGET OFFICE

**STATEMENT OF DAN L. CRIPPEN, DIRECTOR**

**ACCOMPANIED BY:**

**BARRY B. ANDERSON, DEPUTY DIRECTOR**

**POLLY E. HODGES, BUDGET AND FINANCE OFFICER**

BIOGRAPHICAL SKETCHES

Senator BENNETT. Our third witness is Mr. Dan Crippen, the Director of the Congressional Budget Office. Good morning, sir, and he is joined by Barry Anderson, the new Deputy Director of CBO, and Polly Hodges, the Budget and Financial Officer.

As the Sergeant at Arms leaves he seems to be taking all of the crowd with him.

Mr. Crippen, we welcome you to the committee. I understand you assumed your position on February 4, and so this is your first appearance before the committee. We will submit for the record and institutional memory of the committee a copy of your biography as well as Mr. Anderson's biography, and we welcome you to this most demanding and essential kind of service upon which the Congress depends so heavily.

[The information follows:]

BIOGRAPHICAL SKETCH OF DAN L. CRIPPEN

Dan L. Crippen is the fifth director of the Congressional Budget Office. Mr. Crippen, who was appointed in February 1999, has served in senior positions in the White House and the U.S. Senate and is a specialist in issues relating to the federal budget, health care, retirement, trade, and telecommunications.

From 1987 to 1989, he served as the President's adviser on all issues relating to domestic policy, including the preparation and presentation of the federal budget. In the Senate, he served as chief counsel and economic policy adviser to the Senate Majority Leader from 1981 to 1985, working on major tax and budget bills as well as other legislation.

Mr. Crippen also has substantial experience in the private sector. Before joining CBO, he was a principal with Washington Counsel, a consulting firm. He has also served as executive director of the Merrill Lynch International Advisory Council and as senior vice president of the Duberstein Group. Mr. Crippen has a Ph.D. in public finance.

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BIOGRAPHICAL SKETCH OF BARRY B. ANDERSON

Barry B. Anderson has had a lengthy career in the federal government. From 1988 to 1998, he was the senior career official at the Office of Management and Budget, where he directed the analysis behind and the production of the President's budget proposals. From 1980 to 1988, he held various management and analytic positions at OMB, and from 1972 to 1980, he was an economist with the General Accounting Office.

Before his appointment as Deputy Director of CBO in February 1999, he was a vice president with the Jefferson Consulting Group. Mr. Anderson has a B.S. from the University of Illinois, an M.B.A. from the University of Washington at Seattle, and has done postgraduate work in econometrics at George Washington University.

Senator BENNETT. CBO has requested $26.8 million for fiscal 2000, which is a 4.5 percent increase over the 1999 level, which I assume we will be told is once again with the COLA's.

I will ask you the question that I do not ask anybody else, why the COLA is 4.5 percent when inflation in fact is at zero, effectively, but that seems to be the way the Federal Government works.

We welcome you here. We are delighted to have you, and look forward to your testimony.

Mr. CRIPPEN. Mr. Chairman, I hope I will be pleasantly brief. I would like to introduce, as you already recognized, my Deputy, Barry Anderson, and for the record want you to know that Barry retired about this time a year ago from the Office of Management and Budget after 18 years of service in the executive branch. Before that, he worked at the General Accounting Office. Frankly, if he had declined my invitation to join me, I do not know whether I would have taken this job. He is a very valuable resource and is very knowledgeable about how these things work.

With your permission, sir, I will submit my prepared remarks for the record and just spend a couple of minutes summarizing.

FISCAL YEAR 2000 REQUEST

As you said, for fiscal year 2000 we are requesting $26,821,000—an increase of 4.5 percent over our fiscal year 1999 appropriation. That request funds our current staff ceiling of 232 full-time-equivalent (FTE) positions. We are not asking for any additional positions.

Personnel costs continue to dominate our budget, accounting for 86 percent of the request. Computer-related spending accounts for 8 percent, a historical low. Administrative expenses use up the remaining 6 percent.

In order to help offset the 6 percent increase in personnel costs that we anticipate for next year, we plan to reduce spending for automated data processing by 7 percent.

Mr. Chairman, as you said, I have only been at the Congressional Budget Office (CBO) a few weeks, and I have discovered, even though I knew something about CBO before I arrived, that there is much more there than meets the eye. Just since February 3, when Barry and I moved into our offices, CBO has issued seven major reports and studies, presented testimony to congressional committees 12 times, and produced 58 cost estimates for proposed legislation, all of that in the past seven weeks.

Mr. Chairman, sometime ago you also asked CBO to develop an early-warning system to keep the Congress informed of fluctuations in spending and revenue patterns, and I want to do a 30-second report for you. We developed our Monthly Budget Review, which is widely circulated on the Hill and available on our Web site. It has actually become one of our most popular products, judging from the number of requests we are getting, and so it was a very good suggestion you made, and we are glad to have implemented it.

In fact, our products are now available on the Web and in hard copy. Virtually the same day we issue a report, we also put it up on the Web, and it has been a very popular site. Traffic is increasing daily.

PERSONNEL ISSUES: RECRUITING AND RETENTION

Now, Mr. Chairman, despite our apparent productivity, we face a continuing challenge to recruit and retain top-quality professionals. Indeed, that is my biggest challenge. After we get through the first few weeks of dealing with the President's budget and the budget resolutions, I desperately need to turn to this issue.

We are well below our FTE ceiling because we are increasingly outbid in the job market. Although we understand that we cannot radically alter our salary structure, we are seeking your permission to offer bonuses for new hires and also to reward outstanding performance. Those bonuses will not entail additional appropriations but rather a reallocation of resources. Our competitors both inside and outside government have the authority to offer such bonuses.

Y2K STATUS REPORT

Finally, Mr. Chairman, I want to mention briefly where we are on the Year 2000 (Y2K) issue. As you know better than I, it is not possible to predict the severity or duration of any potential Y2K effect. We are taking what I hope you will agree is a commonsense approach. There is nothing in our mission around the first of the year that is critical to the operations of the Congress.

Our first priority, as it must be for all agencies, is to ameliorate the possibility of a localized problem that might hinder our ability to access our computer files. Such a scenario would make it difficult for us to supply basic information to the Congress on a timely basis. As insurance, we will maintain copies of all of our critical data bases. For example, the CBO baseline—the primary tool against which we measure all legislation and which we normally complete in December—will be made available in both hard copy and in several stored media forms. We will be able to use it manually as well as on computers.

We have a team that plans to be in the office on New Year's Eve to conduct a series of final tests. Live testing is the only way to evaluate and respond to any problems that might arise; that approach will give us a few days if we need additional time to fix things up.

As with many other agencies, our biggest vulnerabilities are those in interconnections outside our purview. Fortunately, most of our contact with the outside world consists of interconnections with other Federal entities that are taking the same prudent steps and that you are monitoring in this process. We do not rely on outside, nonpublic vendors to any great degree.

PREPARED STATEMENT

With that, Mr. Chairman, I thank you for the opportunity to discuss our appropriation request with the committee today. I would be happy to address any questions you have.

[The statement follows:]

PREPARED STATEMENT OF DAN L. CRIPPEN

Mr. Chairman and Members of the Subcommittee, I am pleased to present the fiscal year 2000 budget request for the Congressional Budget Office (CBO). The mission of CBO is to provide the Congress with the objective, timely, nonpartisan analysis it needs for making decisions about the economy and the budget and to furnish

the information and 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, all of which have economic and budgetary effects.

I submit as an attachment to this testimony our latest Director's Report on Work Activities of the Congressional Budget Office, which we submitted to the Senate and House Committees on the Budget in January. That report documents in detail our major work products and activities during 1998 and our work plan for 1999. It also includes a statement of CBO's policies for preparing and distributing estimates and analyses and lists the current membership of CBO's Panel of Economic Advisers.

FISCAL YEAR 2000 REQUEST

For fiscal year 2000, we are requesting $26,821,000—an increase of 4.5 percent, or $1,150,000, over our fiscal year 1999 appropriation. That request funds our staff ceiling of 232 full-time-equivalent positions. We are not asking for any additional positions.

Personnel costs account for the largest share of CBO's budget—86.2 percent. Computer-related spending accounts for 7.5 percent, a historical low. Administrative expenses account for 6.3 percent, which is below our historical average. Specifically, our request:

—Provides a 6 percent increase in spending for personnel, which comprises annualized fiscal year 1999 pay raises, merit increases for fiscal year 2000 averaging 2 percent of pay, and a 4.4 percent across-the-board pay adjustment in January 2000 (the increase in the President's pay assumptions). The budget proposal assumes that performance and recruitment bonuses will be paid for by reduced merit pay raises and savings from staff turnover.

—Realizes a 7 percent reduction in spending for automated data processing (ADP) and systems and for data and model development. That reduction includes $100,000 in savings from moving the mainframe applications of CBO's Tax Analysis and Health and Human Resources Divisions from House Information Resources to the Library of Congress. (That estimate contains no adjustment for the possible relocation of four mission-critical mainframe applications maintained by the Budget Analysis Division.)

—Spending for all other expenses, such as utilities, printing, and supplies, increases by 2 percent. Price increases averaging 3.8 percent are offset by a drop in the demand for spending in several areas, such as copier replacements and graphic arts.

AREAS OF CONCERN RELATING TO CBO'S BUDGET REQUEST

Although CBO should be able to maintain its current workload with the funds requested here, the agency is increasingly concerned about its ability to offer the salaries and benefits needed to remain competitive in today's tight labor market.

Most CBO employees are economists and other quantitatively skilled professionals, all of whom are in particularly high demand. We are finding it increasingly difficult to retain our experienced workers, which is one reason that CBO's merit pay request for fiscal year 2000 is so important.

Attracting top-flight new employees is also a problem that could prove critical to our work. Competition for top-quality Ph.D. economists is intense; thus, those economists now demand very high salaries. The limitations on the compensation we can offer candidates have become a major impediment to attracting top talent. With increasing frequency we lose qualified people to employers who can pay more.

CBO operates at a disadvantage compared with federal employers that can provide locality pay raises and give lump-sum bonuses to attract and retain exceptional workers. To help overcome that competitive disadvantage, we have requested the authority to give bonuses using funds already in our personnel spending base. Those lump-sum payments would be used to attract new employees and to reward outstanding performance. They would enhance CBO's ability to compete with the General Accounting Office, the Congressional Research Service, other federal agencies, and the private sector for professional and management talent.

If granted that authority, no more than 1 percent of budgeted payroll would be used for recruiting and performance bonuses. At least 75 percent of the total bonuses awarded would be based on performance, and the maximum allowable individual award would not exceed 10 percent of the employee's annual salary. Awards to employees would not increase their base salary level and hence would not affect contributions for retirement and life insurance.

Also, to relieve growing salary compression, CBO has asked the House and Senate Budget Committees to raise the pay rates of the CBO Director and Deputy Director

by one level each. That change will be considered later this year as part of the Budget Enforcement Act of 1999, as introduced on January 19 by Senate Budget Committee Chairman Domenici.

### Y2K STATUS REPORT

CBO is working closely with the General Accounting Office to ensure that all of its ADP and associated computer systems comply with Year 2000 (Y2K) requirements, and we are making substantial progress. As you know, CBO relies on the mainframe computer at House Information Resources (HIR) to run its database applications. CBO uses the HIR mainframe for a variety of analytic work, but the applications related to our budget database are particularly critical for providing timely support to the House and Senate Budget and Appropriations Committees. We use those applications to track and analyze Presidential spending proposals and subsequent Congressional action. The HIR mainframe is the repository of the President's annual budget, CBO's baseline projections, numerous data sets used by the House and Senate Budget Committees in developing annual budget resolutions, and data sets that track appropriation and other spending bills as well as associated CBO estimates of outlays.

Last year we shared with you our concern that the scheduled retirement of the HIR mainframe in 2000 presented a complex and potentially costly challenge to CBO because we would have to relocate our mainframe applications. But that is no longer a Y2K issue. HIR has revised its mainframe lease so that the House can continue its mainframe operations through March 2001. We will therefore be able to run our four mission-critical systems on the HIR mainframe computer well into 2000.

CBO is moving aggressively to ensure that the other computer systems used by its divisions and individual employees are also Y2K compliant. CBO established a Y2K test center with a network that runs compliant software and a 2001 system date. Employees are testing all of their computer systems—not just those requiring the CBO test network—to ensure Y2K compliance. To date, 90 percent of our employees have completed that reporting requirement. Roughly 10 percent of the systems tested have been found to be noncompliant, and those systems are being updated or replaced. Those actions will be completed, and all CBO systems will be compliant, by October 1, 1999.

CBO participates in three interagency groups dedicated to Y2K planning and cooperation: the House Information Resources Y2K Action Team; the Legislative Data Standards Committee—Y2 Task Force; and the Legislative Branch Y2K Business Continuity Contingency Planning Group. In addition, CBO is coordinating with the Department of Agriculture's National Finance Center to ensure that CBO's personnel and payroll system will operate accurately in the new millennium.

### APPROPRIATION TRACKING SYSTEM UPDATE

CBO is part of the House and Senate database exchange—the All Purpose Table system—that tracks and scores actions for the House and Senate Appropriations Committees. That system is now being updated and will ultimately be replaced by the new Appropriations Decision Support System (ADSS). The Committees recently instructed CBO to adopt the new system. Because no funds were provided in CBO's fiscal year 1999 appropriation for that purpose, I wrote to the Committee requesting permission to reprogram $195,000 from personnel spending to equipment.

### MANAGING CBO INFORMATION

As we reported last year, CBO's documents are now available on the World Wide Web (at www.cbo.gov) in four electronic file formats. In addition to its reports and studies, CBO is making all of its general work products available on the Web, including papers and memorandums, testimonies, unfunded mandate statements, federal bill cost estimates, and special analyses such as the Monthly Budget Review and reports on the current status of discretionary appropriations. In October, CBO posted its 1,000th document on the Web site.

CBO's Web site is designed to make the information it contains widely and immediately accessible to Congressional users and the general public. In developing the Web site, CBO consulted with staff of the Congressional Research Service to ensure that the site would be compatible with the Legislative Information System. More recently, CBO improved the cost estimates section to incorporate requests for specific information from the staffs of the budget committees. The office will continue to work with the Congress, and especially the staffs of the budget committees, to ensure that the Web site is as responsive as it can be to their informational needs.

Since it came on-line in August 1997, the CBO Web site has recorded almost 5 million hits from a diverse audience of users, including Congressional staff, other government offices, news agencies, researchers, and students. More than 850,000 pages have been reviewed or downloaded by site visitors from 98 countries. Almost 10,000 requests for information are received each day.

In conjunction with development of the Web site and to improve CBO's responsiveness to the Congressionally mandated Research Notification System, CBO has designed and brought on-line a new management information system. It enables us to identify and track the progress of CBO products from their initiation to their completion.

The agency has also made substantial progress in processing its official documents in keeping with the requirements of the National Archives and Records Administration. Those documents range from official correspondence and personnel files to the full gamut of CBO reports, studies, papers, memorandums, and other products. Within the past year, CBO has committed to permanent storage or has destroyed, in compliance with regulations, approximately 25 percent of its file documents. CBO anticipates continued progress in 1999 in fulfilling the legal mandate to preserve records deemed important to the government and the public.

### CONCLUSION

Mr. Chairman, CBO's recent budget requests have been quite modest. Our present proposal represents our best estimate of the amount needed to maintain our budget at the current-services level. The requested increase of 4.5 percent is less than that requested by the Office of Management and Budget, the Congressional Research Service, and the General Accounting Office. We believe that this level of funding is necessary if we are to continue to serve the Congress in the manner it has come to expect.

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## DIRECTOR'S REPORT ON WORK ACTIVITIES OF THE CONGRESSIONAL BUDGET OFFICE—JANUARY 1999

The Congressional Budget Act of 1974 created the Congressional Budget Office (CBO) to provide technical support on budget-related issues to all committees in the Senate and the House, with primary responsibility to the Senate and House Committees on the Budget. The office's mission is to provide the Congress with the objective, timely, nonpartisan analysis it needs for making decisions about the economy and the budget and to furnish the information and estimates required for the Congressional budget process. This document summarizes the office's major activities during 1998 and its work plan for 1999.

### CBO'S STATUTORY RESPONSIBILITIES

The Congressional Budget Act of 1974 requires CBO to prepare several specific reports to the Committees on the Budget each year, including periodic assessments of the economic and budget outlook, and to conduct continuing studies on budgetary matters. The act also directs CBO to prepare estimates of the costs that the government would incur in carrying out the provisions of proposed legislation reported by Congressional committees. The Unfunded Mandates Reform Act of 1995 requires CBO to prepare estimates of the direct costs of all federal mandates that are contained in legislation reported by any authorizing committee in either House that affect state, local, or tribal governments or the private sector. CBO also prepares analytical studies on various economic and budgetary matters at the request of Congressional committees. A statement of CBO's policies for preparing and distributing its estimates and analyses appears in Appendix A.

CBO is the only part of the legislative branch whose mandate includes making economic forecasts and projections. Its forecasts and projections involve the major economic variables that affect the federal budget—gross domestic product, unemployment, inflation, and interest rates. The office does not attempt to forecast cyclical fluctuations in the economy more than two years ahead; instead, its longer-term projections are based on trends in the labor force, productivity, and saving. CBO examines recent data on the state of the economy, looks at historical relationships between economic variables, analyzes the results from formal economic models, and compares its economic projections with those of private forecasters. The office also relies on the advice of a distinguished panel of advisers that meets twice a year. The current members of that panel are shown in Appendix B.

Economic forecasts and projections are a major ingredient of CBO's baseline revenue and spending projections. Those projections provide a benchmark for meas-

uring the effects of proposed changes in tax and spending laws and serve as the starting point for developing Congressional budget resolutions. The projections are based on the Congress's most recent budgetary decisions and show what would happen if no new policy decisions were made over the 10-year projection period. Since many factors besides the major economic variables affect the budget projections, CBO closely monitors recent revenue and spending patterns and examines a wide range of other available information on trends in individual programs. CBO's economic and baseline budget projections are published early in the calendar year and are updated in the summer.

MAJOR WORK PRODUCTS DURING 1998

Economic forecasts and baseline budget projections are an important part of CBO's work for the Congress, but only a part. During 1998, CBO completed more than 2,000 separate work products, including hundreds of cost estimates for legislative proposals and various analytic studies, papers, and memorandums. CBO also produced a substantial volume of letters and notes in response to Congressional inquiries and requests for information. In addition, CBO analysts consulted directly with Members of Congress, committees, and staff on a variety of issues, large and small, that are referred to the office daily.

A major work product last year was CBO's response to the House Committee on Appropriations' report accompanying the Legislative Branch Appropriations Bill for 1999. That report directed CBO to provide certain information related to its work efforts. In response to that directive, the office transmitted to the Congressional leadership on July 23, 1998, a five-volume report providing a comprehensive overview of CBO's activities. A brief summary of each of the five volumes follows.

—*Projecting Federal Tax Revenues and the Effect of Changes in Tax Law* describes CBO's models for projecting federal tax revenues, compares projected and actual revenues following recent changes in federal tax laws, and identifies the steps CBO has taken to improve the accuracy of its revenue projections.

—*Comparison of Actual and Projected Deficits, Fiscal Years 1993–1997* explains the reasons for differences between estimated budget deficits and actual outcomes during the five-year period. CBO has continued its efforts to improve the accuracy of its budget estimates by searching for new sources of information, but the vagaries of the economy and other factors affecting the budget make complete accuracy elusive. CBO also continues to monitor collection of revenues and program spending in order to provide the Congress with current information on budget outcomes. CBO's *Monthly Budget Review*, which is based on daily and monthly statements of the Department of the Treasury, has become one of CBO's most popular and frequently requested publications.

—*An Analysis of CBO's Outlay Estimates for Appropriation Bills, Fiscal Years 1993–1997* provides an overview of the accuracy of CBO's estimates in aggregate over the five-year period. CBO's estimates of outlays for appropriation bills were quite accurate overall despite significant deviations for individual spending programs.

—*Description of Economic Models* explains the various models that CBO uses to prepare its economic forecasts and analyses of the economic effects of legislative proposals. CBO's models reflect the ways in which government policies can affect the major decisions people make about saving and work. In those models, higher marginal tax rates can reduce work effort, discourage saving, and slow the growth of the economy; changes in entitlement programs for the elderly can influence people's decisions about retirement and saving for the future; and reducing the overall deficit or increasing the surplus can boost the U.S. capital stock, lower interest rates, and raise gross domestic product.

—*CBO's Policies for Preparing and Distributing Its Estimates and Analyses*, together with an index of available CBO publications.

*Mandated and Other Reports*

Each year CBO publishes a number of reports on the budget and the economy as required by the Congressional Budget Act. Those annual reports followed a typical schedule in 1998, starting with the release of volume one, *The Economic and Budget Outlook: Fiscal Years 1999–2008*, at hearings before the Senate Committee on the Budget on January 28 and the House Committee on the Budget on February 5. CBO published an update of that report in August. In January, CBO also released its annual report on unauthorized appropriations and expiring authorizations.

Although not a mandated report, CBO's analysis of the Administration's budget, *An Analysis of the President's Budgetary Proposals for Fiscal Year 1999*, was prepared again at the request of the Senate Committee on Appropriations. That report was issued in March 1998.

Following consultation with budget committee staff, CBO elected to forgo a 1998 update of *Reducing the Deficit: Spending and Revenue Options* in light of the rapidly improving budget picture. However, CBO released in May 1998 an update of its *Long-Term Budgetary Pressures and Policy Options*, which explores in some detail the fiscal implications pending when the baby-boom generation begins to retire about a decade from now. That publication is especially relevant to the current debate about Social Security, Medicare, and other entitlement programs.

Since 1986, CBO has been required by the Balanced Budget and Emergency Deficit Control Act to publish three sequestration reports. CBO issued the sequestration preview report in January, the update report in August, and a final report in November.

In addition to the reports required by the Congressional Budget Act, CBO also issued a review of the Department of Defense's report on base realignment and closures, as required by the National Defense Authorization Act for Fiscal Year 1998.

*Studies and Other Publications*

CBO also analyzes specific program and policy issues that affect the federal budget and the economy. Most requests for analyses come from the Chairman or Ranking Minority Member of a full committee or subcommittee. The leadership of either party in the House or the Senate may also request a CBO analysis. In keeping with its nonpartisan mandate, CBO does not offer recommendations on policy.

*Studies*.—The analyses in CBO's studies generally entail a substantial investment of time and resources. CBO issued three such studies in 1998.

In January 1998, CBO published *Innovative Financing of Highways: An Analysis of Proposals*. That study, requested by the Senate Committee on Environment and Public Works, reviews several approaches to augment traditional sources of funding. The analysis covers changes in rules governing federal aid, state infrastructure banks, federal credit assistance, and private-sector financing goals.

In July 1998, CBO released *How Increased Competition from Generic Drugs Has Affected Prices and Returns in the Pharmaceutical Industry*. Requested by the Senate Committee on the Budget, that study examines the extent to which competition from generic drugs has increased under the 1984 Drug Price Competition and Patent Term Restoration Act (also known as the Hatch-Waxman Act).

In December 1998, CBO published *Regulatory Takings and Proposals for Change*. Requested by the Ranking Minority Member of the Senate Committee on Governmental Affairs, that study examines the economic and budgetary impact of legislative proposals to require federal agencies to analyze and compensate private property owners for the effects of regulatory action on private property.

*Papers, Memorandums, and Other Documents*.—CBO also prepares analyses in shorter time frames either at Congressional request or in support of CBO's statutory work. Those analyses are usually issued as papers or memorandums. Of the 29 such analyses CBO published in 1998, 20 were requested by House and Senate committees or leaders, and nine were undertaken in support of CBO's statutory work.

For committees in the House, CBO presented an analysis of emergency spending under the Budget Enforcement Act (Committee on the Budget); a description of CBO's economic models, an analysis of CBO's outlay estimates for 1993–1997, and estimates of the revenue effects of changes in tax laws (Subcommittee on Legislative of the House Committee on Appropriations); an analysis of the macroeconomic effects of the Economic Growth Act of 1998, an examination of international data on antidumping activity, and an estimate of the amount of federal mandatory spending and tax benefits available to low-income working families not receiving cash welfare (Committee on Ways and Means); an examination of the factors that could affect the relative success of the Environmental Protection Agency's rule for limiting nitrogen oxides, and a primer on the subject of stranded costs associated with deregulation of the electric power industry (Committee on Commerce); and a study of the Department of Defense's Advanced Concept Technology Demonstration program (Committee on National Security).

For committees in the Senate, CBO assessed the potential economic effects of federal spending on infrastructure and other investments, examined federal efforts in the area of global climate change, analyzed states' use of surplus funds, and studied two approaches considered during the 105th Congress for raising radio spectrum fees (Committee on the Budget); examined the impact of fees charged for use of automated teller machines (Committee on Banking); and studied housing choices available to military personnel and options for enhancing the Department of Defense's unmanned aerial vehicle programs (Committee on Armed Services).

In addition, CBO undertook a variety of papers, memorandums, and other research related to the continuing review of Social Security. Those products included *Social Security Privatization and the Annuities Market*; *Social Security and Private*

*Saving: A Review of the Empirical Evidence*; and, in response to a request from the House Ways and Means Committee, a letter analyzing Professor Martin Feldstein's proposal to set up private savings accounts financed by tax credits.

A list of the publications CBO issued in 1998 appears in Appendix C.

*Cost Estimates*

One of CBO's most important responsibilities is to estimate the effect that proposed legislation would have on federal spending or revenues for the next five to 10 years. CBO staff members prepare all estimates of the impact of legislation on federal spending. However, for estimating the impact of legislation on revenues, including income, estate and gift, excise, and payroll taxes, CBO is required by the Congressional Budget Act to use exclusively the revenue estimates provided by the Joint Committee on Taxation.

CBO is required to provide cost estimates for every bill reported by authorizing committees in both the House and the Senate. The office also prepares cost estimates at a committee's request for use in the early stages of drafting bills, for subcommittee and full committee markups, for floor amendments, and for conference agreements. In addition, to the extent that resources permit, CBO provides cost estimates for legislative proposals at the request of individual Members. In all, CBO prepared 678 federal cost estimates during calendar year 1998, along with many more informal estimates for proposals or options being considered by the Congress.

Several pieces of major legislation accounted for much of CBO's work on cost estimates in 1998. Enacted legislation included the Transportation Equity Act for the 21st Century, the Internal Revenue Service Restructuring and Reform Act, the Child Support Performance and Incentive Act, the Higher Education Amendments, the Strom Thurmond National Defense Authorization Act, and the Omnibus Consolidated and Emergency Supplemental Appropriations Act. In addition, CBO provided numerous cost estimates for legislation that was not enacted, such as the proposed tobacco settlement and patients' rights legislation.

CBO also provided the appropriations committees with estimates of outlays for all appropriation bills. The numbers contained in appropriation bills usually represent budget authority, and it is necessary to estimate the resulting outlays to determine whether the bills conform to committee allocations under the Congressional Budget Act as enforced by the budget committees. In addition, to assist the budget committees, CBO staff members frequently produce scorekeeping tabulations of Congressional actions on appropriations and other legislation affecting the federal budget.

*Federal Mandates Cost Estimates*

The Unfunded Mandates Reform Act of 1995 established new procedures designed to ensure that the Congress fully considers the potential effects of unfunded federal mandates before imposing them on state, local, and tribal governments or the private sector. CBO is required to provide statements to authorizing committees about whether reported bills contain mandates and, if so, to estimate their costs. Those new procedures went into effect at the beginning of 1996.

In 1998, CBO reviewed more than 500 reported bills and other legislative proposals for intergovernmental and private-sector mandates. Of the proposals analyzed, 64 contained intergovernmental mandates and 75 included private-sector mandates. Six of the intergovernmental and 18 of the private-sector mandates had costs exceeding the thresholds established in the Unfunded Mandates Reform Act.

*Testimony*

The CBO Director and other staff members testified before Congressional committees 14 times during 1998, addressing a diverse array of topics. Nine of those appearances were before House committees, and five were before Senate committees. The Director also testified before the President's Commission to Study Capital Budgeting.

The Director of CBO testified before Congressional committees four times. In January, she appeared before the Senate Committee on the Budget to discuss the economic and budget outlook. In February, she testified before the House Committee on Ways and Means on marriage and the federal income tax, and before the House Committee on the Budget on the economic and budget outlook. In March, she testified before the Subcommittee on Legislative and Budget Process of the House Committee on Rules on the Line Item Veto Act after one year.

The Deputy Director of CBO testified on three occasions. In February, he testified before the Senate Committee on the Budget and in June before the Senate Committee on Governmental Affairs about the Unfunded Mandates Reform Act. In June, he appeared before the Task Force on Budget Process of the House Committee on the Budget to discuss budgeting for emergency spending.

Other CBO staff testified on seven occasions before House and Senate committees. The issues they addressed were retail activities at military bases, CBO's budget projections and baselines, budgeting for federal insurance programs, the domestic costs of foreign sanctions, how states budget and plan for emergencies, automated teller machines, and the Work Incentives Improvement Act (S. 1858).

A list of the Congressional testimony that CBO delivered in 1998 appears in Appendix D.

*Public Information Activities*

CBO continued to manage a diverse array of public information activities in response to requests for CBO analyses and data that are in the public sphere. The office receives dozens of queries daily from Congressional staff, journalists, students, researchers, and the general public. CBO provides its publications to an extensive audience, mostly in the United States but also in foreign nations.

In addition, CBO staff meet with visiting delegations from other nations that wish to learn more about the Congress and the budget process. Those visits are arranged by a variety of groups that promote international communication and understanding. In 1998, CBO hosted more than 40 such delegations from Czechoslovakia, Germany, Hungary, Italy, Japan, Morocco, New Zealand, Panama, Portugal, Russia, South Africa, Spain, Ukraine, and other nations.

To better serve this diverse audience and convey a more accurate view of CBO's activities and the budget process, CBO had its general information publication, *Responsibilities and Organization of the Congressional Budget Office*, translated into Spanish, Russian, and French.

*www.cbo.gov*

In 1998, CBO continued to develop its World Wide Web site (www.cbo.gov), where all new CBO reports, studies, papers, memorandums, testimonies, federal bill cost estimates, and other documents are available in several formats. CBO's *Monthly Budget Review* is updated each month and is posted on the Web site as soon as it is available to the public. In October, CBO posted its 1,000th document. The Web site also includes a list of the publications that CBO has issued since 1975.

Work on the Web site has been closely coordinated with the development of the Legislative Information System to ensure that the site is technically compatible with that system. CBO has recently improved the cost estimates section to incorporate requests for specific information from the staffs of the budget committees. The office will continue to work with the Congress, and especially budget committee staffs, to ensure that CBO's Web site is as responsive as it can be to their informational needs.

Since it came on-line in September 1997, the CBO Web site has recorded almost five million hits from a diverse audience of users including Congressional staff, other government agencies, news agencies, researchers, and students. More than 850,000 pages have been reviewed or downloaded by site visitors from 98 countries. Almost 10,000 requests for information are received each day.

CBO also made substantial progress in processing its official documents in accord with the requirements of the National Archives and Records Administration. Those documents range from official correspondence and personnel files to the full gamut of CBO reports, studies, papers, memorandums, and other products. Within the past year, CBO committed to permanent or temporary storage or destroyed approximately 20 percent of its file documents. CBO anticipates continued progress in 1999, fulfilling the legal mandate to preserve records deemed important to the government and the public.

## WORK PLAN FOR 1999

The Congressional Budget Office expects to publish its series of annual reports to the budget committees on a typical schedule in 1999. The annual report on the economic and budget outlook, covering fiscal years 2000–2009, will be released in late January. The Director will testify on that report before the Senate Committee on the Budget. CBO's annual report on unauthorized appropriations and expiring authorizations was issued in early January.

In March, CBO will release its analysis of the President's budgetary proposals for fiscal year 2000. Also in March, CBO will publish *Maintaining Budgetary Discipline: Spending and Revenue Options*, which identifies options that the Congress may find useful for dealing with the procedural budgetary restraints—including the caps on discretionary spending and the pay-as-you-go procedures that apply to direct spending and revenues—that remain in effect until 2002.

CBO expects to publish about the same number of studies, papers, and memorandums in 1999. The issues addressed in those analyses include proposed Social Secu-

rity reforms, market-based student loans, national defense, infrastructure development, environmental issues, auctions relating to the shift to digital television, and a possible change in Puerto Rico's status.

CBO will not publish a 1999 edition of *Long-Term Budgetary Pressures and Policy Options*. The May 1998 publication addresses many vital questions related to Social Security, Medicare, and other entitlement programs and will continue to provide a useful framework for the debate about long-term policy options for those programs. However, an update of CBO's longer-term budgetary projections will be included in *The Economic and Budget Outlook* to be issued this month.

In 1999, CBO will continue to provide cost estimates for legislation, federal mandates cost estimates, and Congressional testimony as requested. The office will also continue to process records for the National Archives and conduct public information activities.

A complete list of CBO projects scheduled for 1999 appears in Appendix E.

### BUDGET AND STAFF RESOURCES

The Congressional Budget Office's 1999 appropriation is $25.7 million, an increase of 3.4 percent over its 1998 appropriation of $24.8 million. The fiscal year 1999 appropriation provides funding for 232 full-time-equivalent staff positions, the same level as for fiscal year 1998. Most of CBO's appropriation is for staff compensation and related personnel costs. For fiscal year 1999, CBO budgeted $21.8 million for personnel costs; $2.2 million for computer services and equipment, data acquisition, and development of computer models; and $1.7 million for various administrative expenses.

The share of CBO's budget allocated for personnel costs continues to rise. Personnel expenses have grown to 85 percent of CBO's budget, up from 70 percent in 1988, even though the size of CBO's staff has not changed significantly over that period. In contrast, the share of computer costs has fallen sharply, from 21 percent of total expenses in 1988 to 8 percent in 1999.

For fiscal year 2000, CBO is requesting an appropriation of $26.8 million, an increase of $1.2 million (4.5 percent) over its 1999 budget. The request fully funds 232 full-time-equivalent positions, the same as this year; the higher compensation costs require an increase of 6 percent in spending for personnel. The 6 percent increase is partially offset by reductions in spending for automated data processing and computer systems in order to limit the requested increase to 4.5 percent.

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## APPENDIX A.—CBO'S POLICIES FOR PREPARING AND DISTRIBUTING ITS ESTIMATES AND ANALYSES

The mission of the Congressional Budget Office (CBO) is to provide the Congress with the objective, timely, nonpartisan analysis needed for economic and budget decisions and the information and estimates required for the Congressional budget process. This document describes the policies and procedures that CBO follows as it prepares and distributes budget estimates and other analytic work for the Congress.

### *CBO's Statutory Responsibilities*

The basic statute setting forth the duties and functions of the Congressional Budget Office is title II of the Congressional Budget Act of 1974. Additional responsibilities for budget estimates are contained in titles III and IV of that act. Subsequent legislation has affected those responsibilities and has added further requirements for specific analyses.

According to title II of the Budget Act, CBO's primary duty is to provide budget-related information to all committees of both Houses, with priority given first to the information needs of the Committees on the Budget and second to the information needs of the Committees on Appropriations, Ways and Means, and Finance. With respect to individual Members, the only CBO duty stipulated in the act is to provide information compiled for committees and additional related information that may be requested.

Title II also requires CBO to prepare several specific reports to the Committees on the Budget each year, including periodic assessments of the economic and budget outlook, and to conduct continuing studies on budgetary matters.

Titles III and IV of the Congressional Budget Act specify additional duties for CBO to carry out in reviewing bills or joint resolutions reported from committees of either House. Title III covers all bills or joint resolutions that provide new budget or spending authority, such as appropriation bills, or that provide an increase or decrease in revenues. Title IV covers all bills and joint resolutions other than appro-

priation bills and private relief bills. Under those titles, CBO must prepare estimates of new budget authority, outlays, or revenues provided by the bills or joint resolutions, or of the costs that the government would incur in carrying out the provisions of the proposed legislation. The CBO cost estimates are to be included in the reports accompanying such bills or resolutions if they are submitted to the committees before the reports are filed.

For estimating the impact on revenues of legislation involving income, estate and gift, excise, and payroll taxes, the Congressional Budget Act directs CBO to use exclusively the revenue estimates of the Joint Committee on Taxation.

The Balanced Budget and Emergency Deficit Control Act of 1985, the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987, and the Budget Enforcement Act of 1990 assign further duties to the Congressional Budget Office, such as providing budget estimates for the purpose of budget control. That function includes preparing the various sequestration reports to the Congress and the Office of Management and Budget. The Budget Enforcement Act also requires CBO to estimate changes in direct spending and revenues for private relief legislation as well as for public bills or joint resolutions.

The Unfunded Mandates Reform Act of 1995 requires CBO to prepare estimates of the direct costs of all federal mandates that are contained in legislation reported by any authorizing committee in either House and that affect state, local, and tribal governments or the private sector. The act also authorizes CBO to prepare analyses and studies of the budgetary or financial impact of proposed legislation that may significantly affect state and local governments or the private sector, to the extent practicable, at the request of any committee.

From time to time, statutes have directed CBO to prepare analytic reports on specific subjects. Such reports have included the treatment of administrative costs under credit reform accounting, the financial risks posed by government-sponsored enterprises, and the desirability and feasibility of privatizing the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

*How Work on CBO's Estimates and Analyses Is Initiated*

The Congressional Budget Office strives to provide federal budget and mandate cost estimates for all bills other than appropriation bills when they are reported by a full committee of either House. Committee staff should notify CBO when bills are about to be ordered reported and when cost estimates are needed.

CBO also prepares cost estimates for proposals at other stages of the legislative process at the request of a committee of jurisdiction, a budget committee, or the Congressional leadership. For example, CBO may prepare cost estimates for a series of bills to be considered by a subcommittee, including draft bills not yet introduced, or for amendments to be considered during committee markups. Similarly, it may prepare cost estimates for floor amendments and for bills that pass one or both Houses.

For appropriation bills, CBO provides estimates of outlays that would result from the provision of budget authority. CBO also provides the budget and appropriation committees with frequent tabulations of Congressional action on both spending and revenue bills so that the Congress can know whether it is acting within the limits set by the annual budget resolution.

In addition to statutory reports, or analyses done to directly support CBO's statutory work, the office undertakes a number of other analyses each year, although only at the request of the Chairman or Ranking Minority Member of the relevant committee or subcommittee or the Congressional leadership. Also, as time permits, CBO will honor requests of individual Members for cost information or other analysis of legislative proposals, but it must give priority to committee requests.

By way of definition, a committee request consists of a written or oral request by the Chairman or Ranking Minority Member of a committee or subcommittee. CBO asks that requests from individual Members be made in writing.

*How CBO Consults with Committees and Other Requesters of Estimates and Analyses*

When undertaking a cost estimate or an analysis supporting such an estimate, CBO analysts contact the staff of the committee of jurisdiction and, when applicable, the staffs of the Member sponsoring the proposal and the Member requesting the estimate to gather background information and discuss the schedule for completing the estimate. Budget and mandate cost estimates are based on the text of the proposed legislation. CBO analysts consult with the staff of the committee of jurisdiction (for a reported bill) or the sponsoring Member (for an introduced bill or amendment) when questions of interpretation arise, but they draw their own conclusions on an impartial and objective basis.

CBO analysts contact the appropriate staff members if a forthcoming CBO estimate shows direct spending costs, mandates that exceed the legislative thresholds, or other significant findings. CBO, however, does not make judgments about the application of parliamentary points of order. After CBO cost estimates have been transmitted, they may be revised to correct errors or to incorporate new or updated information.

When undertaking requested analyses of legislative proposals or issues, CBO staff members consult with the requester's staff to reach an understanding of the scope and nature of the work to be done. CBO analysts draw their own conclusions on an impartial and objective basis, as they do when preparing cost estimates. When appropriate, CBO staff inform other relevant committees of requests for analytic work after advising the requester's staff. As a final step in the consultation process, CBO informs the requester's staff of the results of the analysis before it releases the material.

*Sources of Information and Peer Review Practices*

In preparing its budget estimates and analyses, CBO uses the rich data sources available from the government's statistical agencies. Those sources include the national income and product accounts, the census of manufacturers, the Statistics of Income, the Current Population Survey, and various national health surveys. CBO also uses information provided by relevant government agencies and industry groups to meet specific needs.

CBO employs standard methods of economic analysis and closely follows theoretical and empirical developments in the professional literature for economics and related disciplines. In addition, CBO frequently calls on outside experts for advice on specific analytic matters, such as the outlook for agriculture production, spending projections for Medicare and Medicaid, and business prospects in the telecommunications industry. For its economic forecasts and assumptions, CBO draws on the advice of a distinguished panel of advisers that meets twice a year.

All CBO estimates and analytic products are reviewed internally for technical competence, accuracy of data, and clarity of exposition. CBO studies are also reviewed by experts outside CBO, and the preface to each study cites the many contributors who helped shape the final product. Although outside experts and advisers provide considerable assistance, CBO is solely responsible for the accuracy of the estimates and analyses that it produces. In keeping with its nonpartisan status and its mandate to provide objective analysis, CBO does not make policy recommendations in any of its analyses.

*CBO's Responsibility for Disclosing and Explaining Its Critical Assumptions and Methodologies*

Both the Congressional Budget Act and the Unfunded Mandates Reform Act direct CBO to disclose the basis for each budget and mandate cost estimate. CBO interprets that directive to include the disclosure of the critical assumptions and analytic methodologies used to prepare the estimate. All written cost estimates include explanations of the basis of the estimate, and CBO supplies further details on request. Similar explanations of critical assumptions and methodologies are given in CBO's analytic products. It is CBO's policy that its estimates and analyses be clearly presented and easy to understand.

*How CBO Transmits Its Work to the Congress*

CBO seeks to ensure that key parties in the Congress who are involved in any particular issue have equal access to its analytic work. Insofar as possible, CBO delivers its cost estimates and analyses to all interested parties simultaneously. Requests for confidentiality are honored only for cost estimates for legislative proposals that have not been made public.

The Director of the Congressional Budget Office transmits by letter all formal budget and mandate cost estimates of legislative proposals and all requested analyses. CBO sends its formal cost estimates for reported bills and estimates prepared at committee request to the Chairman and Ranking Minority Member of the reporting or requesting committee. When the requester is a budget committee or individual Member, CBO sends a copy of its cost estimate simultaneously to the Chairman and Ranking Minority Member of the committee of jurisdiction; for an introduced bill or amendment, a copy of the estimate is sent to the sponsor as well as the requester. Cost estimates of legislative proposals that have not been introduced as a bill or made public are transmitted only to the sponsoring Member or requesting committee unless CBO is directed otherwise.

In contrast, informal cost estimates may be transmitted directly by CBO staff. Informal estimates are preliminary because they do not undergo the same review procedures required for formal estimates.

*How CBO Distributes Its Estimates and Analyses*

CBO makes its analytic work widely available to Members of Congress and their staffs as well as to the public. The Publications Office sends a copy of all CBO reports and studies to each Member. Copies of CBO papers, memorandums, and other analyses are available to Members and Congressional staff on request.

The Publications Office also handles requests from the general public, other government agencies, and the press. Single copies of CBO reports, studies, papers, and memorandums are available at no charge. In addition, the Superintendent of Documents at the U.S. Government Printing Office carries many CBO reports and studies.

In September 1997, CBO launched its World Wide Web site (www.cbo.gov). The site now includes publications, testimony, and cost estimates issued since then as well as many publications from previous years. As time and resources permit, CBO will continue to post older products that remain relevant and useful. An index of publications issued since CBO began operating in 1975, arranged chronologically and by subject, will be posted on the Web site.

The documents on CBO's Web site are available in four formats: HTML, PDF, PostScript, and WordPerfect. The multiformat approach makes CBO's products accessible to a wide variety of users and for multiple purposes. Visitors can browse, search, download, and print documents that are on the Web. They can also subscribe to ListServer, a feature that enables them to be notified by E-mail when CBO issues a publication on a subject of interest to them.

## APPENDIX B.—PANEL OF ECONOMIC ADVISERS

Dr. Alan J. Auerbach, Robert D. Burch, Professor of Tax Policy and Public Finance, University of California.

Dr. Martin N. Baily, McKinsey & Company.

Dr. Jagdish Bhagwati, Arthur Lehman, Professor, Columbia University.

Dr. Michael Boskin, Professor of Economics, Hoover Institute, Stanford University.

Dr. Barry P. Bosworth, Senior Fellow, The Brookings Institution.

Dr. Robert Dederick, Economic Consultant, The Northern Trust Company.

Dr. Martin Feldstein, President, National Bureau of Economic Research.

Dr. Robert J. Gordon, Professor of Economics, Northwestern University.

Dr. Robert E. Hall, Senior Fellow, Hoover Institution, Stanford University.

Dr. Marvin Kosters, Resident Scholar, American Enterprise Institute.

Dr. Anne Krueger, Professor of Economics, Stanford University.

Dr. N. Gregory Mankiw, Professor of Economics, Harvard University.

Dr. Allan Meltzer, University Professor, Graduate School for Industrial Administration, Carnegie-Mellon University.

Dr. William D. Nordhaus, A. Whitney Griswold Professor, Yale University.

Dr. Rudolph Penner, Senior Fellow, Urban Institute.

Dr. James Poterba, Professor of Economics, Massachusetts Institute of Technology.

Dr. Robert Reischauer, Senior Fellow, The Brookings Institution.

Dr. Sherwin Rosen, Professor of Economics, University of Chicago.

Dr. Joel Slemrod, Professor of Economics, University of Michigan.

Dr. John Taylor, Professor of Economics, Stanford University.

Dr. James Tobin, Yale University, Cowles Foundation for Research in Economics.

## APPENDIX C.—PROJECTS COMPLETED IN 1998

### MANDATED AND OTHER REPORTS

*The Economic and Budget Outlook: Fiscal Years 1999–2008* (January 1998)—Volume one in CBO's series of legislatively mandated reports to the Congress on the economy and the budget, which includes CBO's current economic and budget projections.

*Unauthorized Appropriations and Expiring Authorizations* (January 1998)—An annual report to the Congress listing, by committee of jurisdiction, all unauthorized appropriations for the current fiscal year and authorizations scheduled to expire before the next fiscal year.

*Sequestration Preview Report for Fiscal Year 1999* (January 1998)—Sets advisory limits for discretionary budget authority and outlays, and estimates budgetary effects of pay-as-you-go legislation as well as any required sequestration.

*An Analysis of the President's Budgetary Proposals for Fiscal Year 1999* (March 1998)—Estimates the effects of the President's budgetary proposals using CBO's economic and technical assumptions. Requested by the Senate Committee on Appropriations.

*Long-Term Budgetary Pressures and Policy Options* (May 1998)—Shows the long-term economic and budgetary effects of coming demographic changes and discusses policy options in defense, taxation, public investment, Medicare, and Social Security.

Review of *The Report of the Department of Defense on Base Realignment and Closure* (July 1998)—An in-depth analysis of anticipated cost savings associated with closing and consolidation of several military bases that the department deems no longer essential to national defense.

*Sequestration Update Report for Fiscal Year 1999* (August 1998)—Sets advisory limits for discretionary budget authority and outlays, and estimates budgetary effects of pay-as-you-go legislation as well as any required sequestration.

*The Economic and Budget Outlook: An Update* (August 1998)—Updates volume one of CBO's annual report to the Congress on the economic and budget outlook.

*Final Sequestration Report for Fiscal Year 1999* (October 1998)—Sets advisory limits for discretionary budget authority and outlays, and estimates budgetary effects of pay-as-you-go legislation as well as any required sequestration.

STUDIES

*Innovative Financing of Highways: An Analysis of Proposals* (January 1998)—Reviews new techniques used at the state and local levels to finance transportation systems, considers their applicability at the federal level, and looks at the budgetary treatment of such financing methods. Requested by the Senate Committee on Environment and Public Works.

*How Increased Competition from Generic Drugs Has Affected Prices and Returns in the Pharmaceutical Industry* (July 1998)—Examines the effects of federal regulations and rules on pricing in the pharmaceutical industry. Requested by the Senate Committee on the Budget.

*Regulatory Takings and Proposals for Change* (December 1998)—Examines the economic and budgetary impact of legislative proposals to require federal agencies to analyze and compensate private property owners for the effects of regulatory action on private property. Requested by the Senate Committee on Governmental Affairs.

PAPERS

*Federal Subsidies of Advanced Telecommunications for Schools, Libraries, and Health Care Providers* (January 1998)—Estimates federal revenues and outlays and outlines CBO's estimating methodology for universal service federal mandates. Prepared in support of CBO's statutory work.

*An Assessment of the Unfunded Mandates Reform Act in 1997* (February 1998)—Reviews the activities of CBO during 1997 in carrying out the Unfunded Mandates Reform Act of 1995. Prepared in support of CBO's statutory work.

*Social Security Privatization and the Annuities Market* (February 1998)—Looks at possible economic effects of privatizing Social Security. Prepared in support of CBO's statutory work.

*The Proposed Tobacco Settlement: Issues from a Federal Perspective* (April 1998)—Analyzes features of legislative proposals that would implement and potentially modify the 1997 agreement between industry and states' attorneys general. Requested by the Assistant Majority Leader of the Senate.

*Antidumping Action in the United States and Around the World: An Analysis of International Data* (June 1998)—Analyzes use of antidumping actions by the United States and foreign countries. Requested by the House Committee on Ways and Means.

*The Economic Effects of Federal Spending on Infrastructure and Other Investments* (June 1998)—Reviews available data on the economic value of federal investments in infrastructure, education, training, and research and development. Requested by the Senate Committee on the Budget.

*Factors Affecting the Relative Success of EPA's Nox Cap-and-Trade Program* (June 1998)—Analyzes the effects of limiting oxide emissions in 22 states and the District of Columbia. Requested by the House Committee on Commerce.

*Competition in ATM Markets: Are ATMs Money Machines?* (July 1998)—Analyzes the market for automated teller machines and related policy issues. Requested by the Senate Committee on Banking, Housing, and Urban Affairs.

*Options for Enhancing the Department of Defense's Unmanned Aerial Vehicle Programs* (September 1998)—Examines issues related to the Department of Defense's

acquisition program for pilotless aircraft. Requested by the Senate Committee on Armed Services.

*Electric Utilities: Deregulation and Stranded Costs* (October 1998)—Examines the effects of removing barriers to interstate commerce in retail electricity markets. Requested by the House Committee on Commerce.

*Housing Prices, Housing Choices, and Military Housing Allowances* (October 1998)—Compares military expense-based and price-based housing allowance systems. Requested by the Senate Committee on Armed Services.

*Description of Economic Models* (November 1998)—Provides a detailed description of the various models used by CBO in preparing its economic forecasts and analyses. Requested in the report accompanying the House Legislative Branch Appropriations Bill.

*Projecting Federal Tax Revenues and the Effect of Changes in Tax Law* (December 1998)—Provides estimates of the revenue effects of several changes to the tax law beginning in 1978, including separate estimates of the revenue effects of changes in the tax rate on capital gains. Requested in the report accompanying the House Legislative Branch Appropriations Bill.

MEMORANDUMS

*Proposals to Subsidize Health Insurance for the Unemployed* (January 1998)—Analyzes policies designed to assist purchase of health insurance for unemployed people for a temporary period. Requested by the Senate Committee on Labor and Human Resources.

*Expanding Health Insurance Coverage for Children Under Title XXI of the Social Security Act* (February 1998)—Provides preliminary information about how the states are responding to the State Children's Health Insurance Program. Prepared in support of CBO's statutory work.

*Changing the Treatment of Software Expenditures in the National Accounts* (April 1998)—Examines the impact of changing the treatment of software from an intermediate good to an investment good. Prepared in support of CBO's statutory work.

*The Line Item Veto After One Year* (April 1998)—Analyzes the Line Item Veto Act during its first year of operation. Prepared in support of CBO's statutory work.

*Estimates of Federal Tax Liabilities for Individuals and Families by Income Category and Family Type for 1995 and 1999* (May 1998)—Continues CBO's analysis of the distribution of federal taxes. Requested by the Senate and House Committees on the Budget, the Senate Committee on Finance, and the House Committee on Ways and Means.

*Social Security and Private Saving: A Review of the Empirical Evidence* (July 1998)—Reviews the evidence from a number of studies on the impact of Social Security on saving. Prepared in support of CBO's statutory work.

*An Analysis of the Potential Macroeconomic Effects of the Economic Growth Act of 1998* (August 1998)—Analyzes the macroeconomic effects of H.R. 4125, the Economic Growth Act of 1998. Requested by the House Committee on Ways and Means.

*Climate Change and the Federal Budget* (August 1998)—Examines the budgetary and economic implications of efforts to reduce greenhouse emissions to 1990 levels between 2008 and 2010. Requested by the Senate Committee on the Budget.

*Comparing Federal Employee Benefits with Those in the Private Sector* (August 1998)—Compares benefits earned by federal employees with those earned by employees in the private sector. Prepared in support of CBO's statutory work.

*The Department of Defense's Advanced Concept Technology Demonstrations* (September 1998)—Analyzes the amount of resources the Department of Defense has devoted to ACTDs and examines the early evidence of benefits and risks. Requested by the House Committee on National Security.

*Policy Changes Affecting Mandatory Spending for Low-Income Families Not Receiving Cash Welfare* (September 1998)—Discusses policy changes affecting federal funding for low-income families. Requested by the House Committee on Ways and Means.

*Measurement of Employee Benefits in the National Accounts* (September 1998)—Examines the current methods of estimating employee benefits and possible sources of inaccuracy. Prepared in support of CBO's statutory work.

*An Analysis of CBO's Outlay Estimates for Appropriation Bills, Fiscal Years 1993–1997* (October 1998)—Provides a comparison of CBO's outlay estimates for discretionary appropriations with the actual outcomes. Requested in the report accompanying the House Legislative Branch Appropriations Bill.

*States' Use of Surplus Funds* (November 1998)—Provides a brief overview of the economic and fiscal situation of the states and discusses implications for the federal budget. Requested by the Senate Committee on the Budget.

*Two Approaches for Increasing Spectrum Fees* (November 1998)—Analyzes options for using fees to manage radio spectrum for licenses that are not sold at auction. Requested by the Senate Committee on the Budget.

*Emergency Spending Under the Budget Enforcement Act* (December 1998)—Analyzes whether emergency spending is being used increasingly as a means of circumventing constraints of the budget process rather than as a response to unanticipated needs. Requested by the House Committee on the Budget.

OTHER DOCUMENTS

Letter and attachment to the Honorable Thomas A. Daschle, Senate Democratic Leader, *Estimated Budgetary Impacts of Alternative Levels of Strategic Forces* (March 1998).

Letter and attachment to the Honorable Pete V. Domenici, Chairman, Senate Committee on the Budget, *The Profitability of Federally Guaranteed Student Loans* (March 1998).

*Changes in Federal Civilian Employment: An Update* (April 1998), updates a 1996 memorandum on the same subject.

Letter and attachment to the Honorable Edward M. Kennedy, Ranking Minority Member, Senate Committee on Labor and Human Resources, *Using Auctions to Reduce the Cost of the Federal Family Education Loan Program* (July 1998).

Letter to the Honorable Curt Weldon, Chairman, Subcommittee on Military Research and Development, House Committee on National Security, regarding the estimated cost of three tactical aircraft programs to reflect changes resulting from the 1997 Quadrennial Defense Review (July 1998).

Letter and attachment to the Honorable Bill Archer, Chairman, House Committee on Ways and Means, *Analysis of a Proposal by Professor Martin Feldstein to Set Up Personal Retirement Accounts Financed by Tax Credits* (August 1998).

*Estimated Budgetary Effects of Alternatives for Producing Tritium* (August 1998).

Letter and attachment to the Honorable Thomas A. Daschle, Senate Democratic Leader, *Improving Russia's Access to Early-Warning Information: Preliminary Results* (September 1998).

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## APPENDIX D.

### TESTIMONY IN 1998

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| January 28 | Senate Committee on the Budget, June O'Neill, Director. | *The Economic and Budget Outlook: Fiscal Years 1999–2008.* |
| February 4 | House Committee on Ways and Means, June O'Neill, Director. | Marriage and the federal income tax. |
| February 5 | House Committee on the Budget, June O'Neill, Director. | *The Economic and Budget Outlook: Fiscal Years 1999–2008.* |
| February 12 | Senate Committee on the Budget, James Blum, Deputy Director. | The Unfunded Mandates Reform Act. |
| March 3 | Special Oversight Panel on Morale, Welfare, and Recreation, House Committee on National Security, Deborah Clay-Mendez, National Security Division. | Retail activities on military bases. |
| March 11 | Subcommittee on Legislative and Budget Process, House Committee on Rules, June O'Neill, Director. | The Line Item Veto Act after one year. |
| April 1 | Task Force on Budget Process, House Committee on the Budget, Paul Van de Water, Assistant Director, Budget Analysis Division. | Budget projections and baselines. |
| April 23 | Task Force on Budget Process, House Committee on the Budget, Marvin Phaup, Special Studies Division. | Budgeting for insurance programs. |
| June 3 | Senate Committee on Governmental Affairs, James Blum, Deputy Director. | The Unfunded Mandates Reform Act. |
| June 3 | House Committee on International Relations, Jan Acton, Assistant Director, Natural Resources and Commerce Division. | The domestic costs of sanctions on foreign commerce. |
| June 23 | Task Force on Budget Process, House Committee on the Budget, James Blum, Deputy Director. | Budgeting for emergency spending. |

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| June 23 ..... | Task Force on Budget Process, House Committee on the Budget, Theresa Gullo, Budget Analysis Division. | How states plan and budget for emergencies. |
| July 15 ..... | Senate Committee on Banking, Housing, and Urban Affairs, Jan Acton, Assistant Director, Natural Resources and Commerce Division. | Automated teller machines. |
| July 29 ..... | Subcommittee on Social Security and Family Policy, Senate Committee on Finance, Paul Van de Water, Assistant Director, Budget Analysis Division. | The Work Incentives Improvement Act—S. 1858. |

## APPENDIX E.—ONGOING PROJECTS IN 1999

### MANDATED AND OTHER REPORTS

*The Economic and Budget Outlook: Fiscal Years 2000–2009* (January 1999)—Volume one in CBO's series of legislatively mandated reports to the Congress on the economy and the budget, which includes CBO's current economic and budget projections.

*Unauthorized Appropriations and Expiring Authorizations* (January 1999)—An annual report to the Congress listing, by committee of jurisdiction, all unauthorized appropriations for the current fiscal year and authorizations scheduled to expire before the next fiscal year.

*Sequestration Preview Report for Fiscal Year 2000* (January 1999)—Sets advisory limits for discretionary budget authority and outlays, and estimates budgetary effects of pay-as-you-go legislation as well as any required sequestration.

*Maintaining Budgetary Discipline: Spending and Revenue Options* (March 1999)—Volume two of CBO's annual report to the Congress. Identifies some 250 specific options for reducing spending or increasing federal revenues that could be used for complying with procedural budgetary restraints affecting annual discretionary appropriations and changes in permanent spending and revenue laws.

*An Analysis of the President's Budgetary Proposals for Fiscal Year 2000* (March 1999)—Estimates the effects of the President's budgetary proposals using CBO's economic and technical assumptions. Requested by the Senate Committee on Appropriations.

*Sequestration Update Report for Fiscal Year 1999* (August 1999)—Sets advisory limits for discretionary budget authority and outlays, and estimates budgetary effects of pay-as-you-go legislation as well as any required sequestration.

*The Economic and Budget Outlook: An Update* (Summer 1999)—Updates volume one of CBO's annual report to the Congress on the economic and budget outlook.

*Final Sequestration Report for Fiscal Year 2000* (October 1999)—Sets advisory limits for discretionary budget authority and outlays, and estimates budgetary effects of pay-as-you-go legislation as well as any required sequestration.

### CONGRESSIONAL REQUESTS

*Economic and Budgetary Effects of a Change in Puerto Rico's Status*—Looks at the macroeconomic effects of Puerto Rican statehood and independence compared with current law. Prepared by the Budget Analysis and Macroeconomic Analysis Divisions at the request of the House Committee on Resources.

*Economic and Budgetary Issues Raised by the Advisory Council's Proposals for Social Security Reform*—Examines the macroeconomic, budgetary, and distributional effects of the Advisory Council's three proposals to reform Social Security. Prepared by the Budget Analysis, Macroeconomic Analysis, and Health and Human Resources Divisions at the request of the Senate Committee on Finance.

*Raising the Earliest Age for Social Security Benefits*—Analyzes the impact of options for raising the earliest age at which workers would be eligible for Social Security retirement benefits. Prepared by the Health and Human Resources Division (HHRD) at the request of the House Committee on Ways and Means.

*Student Loans*—Analyzes market-based options for reforming the federally guaranteed student loan program to ensure a reliable flow of capital to students and to target federal subsidies effectively. Prepared by HHRD and the Special Studies Division for the Senate Committee on the Budget.

*Women and Social Security Reform*—Examines changes in spouse and survivor benefits under several Social Security reform plans and discusses the impact on

women of other specific provisions in those plans. Prepared by HHRD at the request of the House Committee on Ways and Means.

*Projecting the Demand for Long-Term Care Services*—Projects spending on long-term care services through 2040 and considers policies that could alter the demand for those services. Prepared by HHRD at the request of the House Committee on the Budget.

*Federal Programs Affecting the Supply and Demand for Health Services*—Identifies and compares federally funded programs that affect the supply of and demand for health services among various groups in the population. Prepared by HHRD at the request of the House Committee on the Budget.

*Shifts in Financial Intermediation*—Examines changes among financial intermediaries in their roles as agents between borrowers and lenders, providers of financial products, repositories for savings, sources of credit, and mediators of risk. Prepared by the Macroeconomic Analysis Division (Macro) for the House Committee on Banking and Financial Services. (The original request was made by the House Committee on Banking, Finance and Urban Affairs.)

*The Economic Impact on the United States of Growth in the Developing World*—Looks at how the U.S. economy is affected by growth in developing countries, with particular attention paid to trade and capital flows and wage rates in the United States. Prepared by Macro at the request of the House Committee on International Relations.

*A Review of the Literature on the Effects of Reducing Greenhouse Gases*—Reviews the literature on the economic effects of reducing greenhouse gases. Prepared by Macro at the request of the Senate Committee on the Budget.

*Personal Bankruptcy*—Looks at the impact of personal bankruptcy and bankruptcy laws on the efficiency of consumer credit markets. Prepared by Macro at the request of the House Committee on the Judiciary.

*Evaluation of S. 2313 and S. 1792*—Estimates the macroeconomic effects of two proposals to reform the Social Security system. Prepared by Macro at the request of several Members of Congress.

*Evaluation of the Ball Plan*—Estimates the macroeconomic effects of Ball's plan to reform the Social Security system. Prepared by Macro at the request of several Members of Congress.

*Foreign Experience with Government Spectrum Fees*—Examines practices of selected foreign governments in charging governmental users of electromagnetic spectrum. Prepared by the Natural Resources and Commerce Division (NRCD) at the request of the Senate Committee on the Budget.

*The Use of International Trade Sanctions*—Analyzes the costs of sanctions to the U.S. economy. Prepared by NRCD at the request of the House Committee on International Relations.

*Economic Significance of the Current-Account Trade Deficit*—Examines the causes of the trade deficit, its effects on the economy, and what, if anything, might be done to reduce or eliminate it that would be beneficial rather than detrimental to the economy. Prepared by NRCD at the request of the Chairman and the Ranking Member of the Senate Committee on Finance.

*Auctions for Digital TV*—Updates assumptions underlying forecasts of receipts from auctions made possible by the transition to digital TV; evaluates the technology, marketplace, and regulatory developments that could affect the amount and timing of spectrum to be available for auction. Prepared by NRCD for the House Committee on the Budget.

*Financing Options for Airports*—Reviews financing options for airports that are part of the national plan of integrated airport systems but are not large or medium hubs as defined by the FAA; reviews how those airports met financial requirements and discusses the role that Airport Improvement Program grants play in helping them cover operating expenses and meet capital needs. Prepared by NRCD at the request of the House Committee on the Budget.

*What Does the Military Pay Gap Mean?*—Updates the December 1995 paper on military pay and the rewards for performance. Prepared by the National Security Division (NSD) at the request of the Senate Committee on Armed Services.

*Effects of Operations Other Than War on Military Readiness*—Examines the impact on overall readiness of operations such as those in Somalia and Haiti and the financial burden such operations place on operation and maintenance accounts. Prepared by NSD at the request of the Senate Committee on Armed Services.

*The Force Structure of the Navy in the 21st Century*—Evaluates several force structure options, emphasizing different roles for the Navy. Prepared by NSD at the request of the Senate Committee on Armed Services.

*The Defense Budget*—Analyzes decisions resulting from the Quadrennial Defense Review and their implications for future defense budgets. Prepared by NSD at the request of the Senate Committee on the Budget.

*Efforts to Control Nuclear Proliferation in Russia*—Examines several cooperative initiatives to control nuclear materials and technology and to enhance mutual security. Prepared by NSD at the request of the Senate Democratic Leader.

*Dealerting Nuclear Forces*—Examines a wide variety of ways in which the United States and Russia might reduce the alert rates of their nuclear forces. Prepared by NSD at the request of the Senate Democratic Leader.

*Transparency in Warhead Dismantlement*—Examines options for the irreversible dismantlement of U.S. and Russian nuclear warheads. Prepared by NSD at the request of the Senate Democratic Leader.

*Options for Providing Medical Insurance Benefits to Military Beneficiaries*—Reviews and analyzes proposals for making military beneficiaries eligible for the medical insurance choices provided through the Federal Employees Health Benefits program. Prepared by NSD at the request of the Senate Committee on Armed Services.

*The Drawdown of the Military Officers Corps*—Describes the tools used by the services between 1990 and 1996 to reduce the size of the officers corps and the effects of that drawdown on the distribution of officers by rank, year of service, and occupation. Prepared by NSD at the request of the Senate Committee on Armed Services.

*Analysis of the Effects of Retirement System Changes on Retention*—Examines retention profiles of enlisted personnel to identify the impact of the most recent change in the Military Retirement System. Prepared by NSD at the request of the Senate Committee on Armed Services.

*Enhancing National Security and Military Readiness*—Examines the effects and costs of additions to the defense program proposed by the Joint Chiefs and others. Prepared by NSD at the request of the Chairman of the Senate Budget Committee.

*Budgeting for Federal Retirement Costs*—Analyzes current and alternative means of budgeting for federal pensions with a view toward increasing control of costs and security of benefits. Prepared by the Special Studies Division (SSD) at the request of the House Committee on the Budget.

*Volatility in Discretionary Appropriations*—Analyzes how much discretionary spending is volatile or unpredictable from year to year, which bears on the issue of biennial budgeting. Prepared by SSD at the request of the Senate Committee on the Budget.

*Federal Taxes Under Income Tax and Comprehensive Reform Proposals*—Compares federal taxes under current law and various comprehensive tax reform options for different family income groups. Prepared by the Tax Analysis Division at the request of the Senate Committee on the Budget.

OTHER PROJECTS

*The Unfunded Mandates Reform Act: A Review of 1998*—Reviews the activities of CBO during 1998 in carrying out the Unfunded Mandates Reform Act of 1995. Prepared by the Budget Analysis Division and the Natural Resources and Commerce Division.

*Prepaying Medicare*—Analyzes recent proposals to transform Medicare into a prepaid system, in which each age cohort contributes sufficient amounts during their working lives to fully finance their Medicare benefits. Prepared by HHRD.

*Delaying the Age of Medicare Eligibility and Offering an Early Buy-In*—Examines the fiscal and budgetary implications of providing health insurance to people who retire before becoming eligible for Medicare. Prepared by HHRD.

*A Reassessment of Medicare's Graduate Medical Education Policies*—Examines Medicare policies related to graduate medical education, including changes made in the Balanced Budget Act of 1997, and considers options to modify those policies. Prepared by HHRD.

*Issues, Choices, and Macroeconomic Consequences of Privatizing Social Security*—Provides a broad overview of the issues involved in moving from the current defined benefit, pay-as-you-go Social Security system to a defined contribution, funded system based on private accounts. Prepared by Macro.

*Fiscal Consolidations and Short-Term Growth*—Analyzes fiscal consolidations and their implications for short-term growth in the overall economy. Prepared by Macro.

*Social Security Privatization and Administrative Costs*—Analyzes the administrative costs of creating private retirement accounts. Prepared by Macro.

*Social Security Privatization: Experiences Abroad*—Examines the experiences of other countries in privatizing their public pension systems. Prepared by Macro.

*Trends in Public Infrastructure*—Looks at long-run returns to investment in public infrastructure; contains historical data on spending on capital maintenance by federal and state governments in major categories. Prepared by NRCD.

*Electric Utility Restructuring and Renewable Energy*—Analyzes costs, efficiency implications, and distributional effects of a federally mandated renewable portfolio standard. Prepared by NRCD.

*Costs of Complying with New Animal Waste Regulations*—Analyzes the costs to pork and poultry producers of new regulations intended to reduce the effects of animal agriculture on water quality. Prepared by NRCD.

*Federal Options for Encouraging the Private Market for Natural Disaster Insurance*—Analyzes failures of the private market to provide adequate disaster insurance and examines options for federal support for reinsurance markets. Prepared by NRCD.

*Introduction to Probabilistic Scoring*—Examines options for preparing bill cost estimates when costs are subject to asymmetric uncertainties. Prepared by NRCD and the Budget Analysis Division.

*Measuring the Foreign Exposure of U.S. Banks*—Examines the measures and data used to track the foreign exposure of U.S. banks, undertaken in support of CBO's projections of the demands on the Bank Insurance Fund. Prepared by NRCD.

*The Privatization of Sallie Mae*—Develops a framework for analyzing the privatization of government-sponsored enterprises and applies it to the privatization of Sallie Mae. Prepared by SSD.

*HUD's Affordable Housing Goals*—Examines the effectiveness of HUD's affordable housing goals for Fannie Mae and Freddie Mac. Prepared by SSD.

*Budget Process Issues for 1999*—Examines the major budget process issues that the Congress is likely to address in 1999, including emergency spending, biennial budgeting, and pay-as-you-go. Prepared by SSD.

*Comparing Federal and Private-Sector Compensation for Executives*—Compares the pay and benefits for executives in the federal government with those for executives in private firms. Prepared by SSD.

*Federal Unfunded Liabilities*—Provides present-value estimates of federal liabilities and commitments other than U.S. Treasury debt; discusses the meaning and usefulness of such estimates. Prepared by SSD.

*Budgetary Treatment of Coin and Currency*—Explains how the public holding of coin and currency affects the budget; discusses disparate treatment in the budget. Prepared by SSD.

*Budgetary Treatment of Personal Retirement Accounts*—Analyzes the budgetary treatment of Social Security reform proposals that would involve personal retirement accounts. Prepared by SSD.

*Fannie Mae and Freddie Mac as Investor-Owned Public Utilities*—Analyzes the unique role played by Fannie Mae and Freddie Mac as private, for-profit lending institutions backed by implicit government guarantees. Prepared by SSD.

*Capital Budgeting*—Provides an assessment of the report of the Capital Budgeting Commission, which is scheduled to be released in late February. Prepared by SSD.

*Budgeting for Federal Insurance*—Analyzes alternative budgetary treatments to reduce contingent losses associated with federal insurance programs. Prepared by SSD.

*Capital Gains Distributions from Mutual Funds*—Analyzes capital gains distributions from mutual funds. Prepared by the Tax Analysis Division (TAD).

*Using Environmentally Related Taxes to Reduce Income-Based Taxes*—Looks at the concept of using environmentally related taxes to reduce income-based taxes. Prepared by TAD.

*Analysis of the Taxpayer Relief Act of 1997*—Analyzes the impact of the Taxpayer Relief Act on the federal budget and economic growth. Prepared by TAD.

*Tax Subsidies for Environmental Infrastructure*—Looks at the possible use of tax subsidies for environmental infrastructure. Prepared by TAD.

## REPROGRAMMING FUNDS

Senator BENNETT. Thank you for your presentation.

We have been joined by the chairman of the full committee. Good morning. This is the Congressional Budget Office, our final witness. Do you have any comment or statement? We would be happy to hear it.

Senator STEVENS. Well, I am happy to be here with you. I do have a request. We had quite a dialogue on the floor yesterday

with the Senator from Texas, Mr. Gramm, and we have a considerable disagreement over the manner in which reprogrammed emergency funds should be treated from the point of view of scoring, and I would be very much appreciative if we could arrange to get together sometime today or tomorrow and discuss the matter with Phil.

I have taken the position that once we have emergency funds, they are outside the budget. If we reprogram those funds, we do not need to rescore them. You all have rescored them, to the great disadvantage of this committee, and it has led to the adoption of an amendment which will have the effect of cutting appropriated funds from the omnibus bill by 20 percent to offset the emergency funds that are in that bill, this bill we have just passed.

We have adopted it last night, but it will be passed when the House finishes its version of the supplemental appropriations bill today. I think we should find some way to reconcile these differences, because the Finance Committee's position will mean that we have no ability to reprogram emergency funds.

When we reprogram funds that are within the budget I know they have a different scoring and outlay impact. But, I have taken the position that funds that are outside the budget to start with because they have got an emergency designation should not lead to your scoring of those funds as outlays when we reprogram them for a new emergency within the same year. I would appreciate it if we could find some time to discuss that, and discuss its impact on the overall emergency process.

We face a real question. We must finish this bill by tomorrow night.

Mr. CRIPPEN. We are available at your request any time today, tomorrow, tonight. Do you want to do it with Senator Gramm at the same time?

Senator STEVENS. Yes. Senator Gramm and I agreed we would meet with you jointly and see if we could explore this. Each one of us will have staff there.

We also have a request in to you now for sort of a snapshot of what we did yesterday, so we can see before we can get to this meeting, how far apart we are, and what the impact is of the two amendments that Senator Gramm presented.

It was my understanding that they were drafted by your people, is that right?

Mr. CRIPPEN. I do not know, Mr. Chairman. This is the first I have heard of the issue in any thorough way, and I am not aware that they did. I do not know that they did not, either.

Senator STEVENS. Mr. Cortese is here. He would be pleased to brief your staff on what we are trying to do, but I would like to do it today or tomorrow. I do not know what your hours are going to be, but our hours are extremely long. We have 30, 35 hours to be in session between now and noon on Friday.

Thank you very much.

Mr. CRIPPEN. We will do it.

Senator BENNETT. Thank you very much. I have no additional questions. Well, let me ask this one. In the last Congress the Congressional Budget and Impoundment Control Act was amended to make CBO's primary duty its response to the Budget Committees

with its secondary duty to Appropriations, Ways and Means, and Finance, and this is kind of piggy-backing on what Senator Stevens had to say, but I know you are brand-new there, but do you have any sense that this change has had any impact on CBO's service to the Appropriations Committee?

Mr. CRIPPEN. Certainly not that I am aware of. As you say, we are both new, but I do not know where that language came from. I could guess, but I will not. It certainly did not come from us, and the original statute, as you know, specified the order of the committees; but the Budget Committee, the Appropriations Committee, and the Finance Committee were the three listed for the Senate in the statute.

We try very hard to do a decent job of responding quickly. The only place where some slack is taken up from time to time is for requests from individual Members for a cost estimate of legislation that they plan to introduce. We price bills that are reported from committee, but we also do a lot of advisory scoring of bills that are introduced, many of which, as you know, have been reported from the committee. So to the extent that we have slack or have moved resources, it is in that area and not in what the committees need us to do.

Senator BENNETT. Thank you very much. We appreciate your being here.

CONCLUSION OF HEARINGS

Senator BENNETT. Thank you. The subcommittee is recessed.

[Whereupon, at 11:17 a.m., Wednesday, March 24, the hearings were concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

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