LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2007

WEDNESDAY, MARCH 1, 2006

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

The subcommittee met at 10:27 a.m., in room SD–138, Dirksen Senate Office Building, Hon. Wayne Allard (chairman) presiding.

Present: Senator Allard.

LIBRARY OF CONGRESS

STATEMENT OF JAMES H. BILLINGTON, LIBRARIAN OF CONGRESS; CHAIRMAN OF THE BOARD, OPEN WORLD LEADERSHIP PROGRAM

ACCOMPANIED BY:

DONALD L. SCOTT, DEPUTY LIBRARIAN OF CONGRESS
DANIEL P. MULHOLLAN, DIRECTOR, CONGRESSIONAL RESEARCH SERVICE
JULIA HUFF, CHIEF OF OPERATIONS, COPYRIGHT OFFICE
KURT CYLKE, DIRECTOR, BOOKS FOR THE BLIND AND PHYSICALLY HANDICAPPED
KARL SCHORNAGEL, INSPECTOR GENERAL

STATEMENT OF SENATOR WAYNE ALLARD

Senator ALLARD. The subcommittee will come to order. I am going to do the unprecedented thing and get us started ahead of time, ahead of schedule. I am told we have our witnesses here, everybody of interest that is going to be present for the hearing. So we will go ahead and get you seated for the proceeding, and we will start out with my making a few comments and then we will call on the first panelist to make their presentation.

We meet today to take testimony from Dr. James Billington, Librarian of Congress, on the Library's budget request for fiscal year 2007. We welcome Dr. Billington, who is accompanied by Deputy Librarian Don Scott, and the Library's top team. The request for appropriation totals $588 million, along with offsetting collections of $40 million, for a total budget of $628 million, an increase of about 4 percent over this year's budget.

This is a relatively modest request and we appreciate that you have not requested a large number of new projects and initiatives. However, within the Architect of the Capitol's (AOC) budget a total of $102 million is requested for Library buildings and grounds, including a new $54 million logistics warehouse for the Library. This appropriation request represents a 50 percent increase over the fis-

cal year 2006 budget for Library buildings and grounds and will be very tough to accommodate.

In particular, questions have been raised as to whether the design for the warehouse is gold-plated and whether more cost-effective alternatives have been explored thoroughly.

Other issues we would like to be updated on today include the status of the new National Audio-Visual Conservation Center (NAVCC) in Culpeper, Virginia, which I had the opportunity to visit in December; plans for converting the books for the blind and physically handicapped to digital format; and the ongoing realignment of the Congressional Research Service.

Dr. Billington will also submit testimony for the record as chairman of the Open World Leadership Center. This program is slated for a $14.4 million budget, a $540,000 increase of 4 percent over the 2006 level.

Those are my opening comments. Now we will go to the panel that we have before us. I will call on Dr. Billington for his testimony, and also welcome General Scott. It is good to have you with us this morning.

OPENING STATEMENT OF THE LIBRARIAN

Dr. BILLINGTON. Thank you, Mr. Chairman. I really appreciate the opportunity to present the Library of Congress fiscal 2007 budget request to the subcommittee. I have provided details of the Library's accomplishments and goals in my written statement. We have approached this budget submission keenly aware of the fiscal challenges that this subcommittee, as well as the Congress as a whole, faces, Mr. Chairman.

The Congress and the Library faces unprecedented challenges itself if it is to sustain in the exploding digital age its historic mission of acquiring, preserving, and making accessible the world's largest and most globally inclusive collection of human knowledge. That mission has never been more important for our service to the Congress or for our overall national needs than it is now in the midst of the information age and the globalization process.

WORKFORCE TRANSFORMATION

In order to sustain high-quality services at a time of radical change in the ways knowledge is communicated and developed, the Library must undertake an institutional workforce transformation. Sixty-five percent of our budget is for people; 40 percent of our workforce will be eligible to retire by the year 2010. We need knowledge navigators imbued with a new set of skills, in many cases capable of seamlessly integrating digital materials with books and other traditional artifactual items, books and so forth, in order to provide users with comprehensive and objective knowledge that is useable and the practical wisdom that has always been a part of our democratic function.

The Library is already leading the national effort to archive the Internet, an enormous task, and we must help develop standards for the electronic sharing of bibliographic records, just as the Library has historically done for the print world with its cataloguing records.

Incidentally, we catalogued more than 313,000 books and periodicals last year, more than ever before in the Library's history. So the traditional needs continue as the digital demands explode.

The Library must begin its transformation of functions, facilities, and people with the reallocation of existing resources. Our current process of analysis and planning adheres to the spirit of the Government Performance and Results Act (GPRA) and we will produce in calendar year 2007 a comprehensive strategic plan from which the budget submission for fiscal year 2009 will be derived, and the extended nature of resource needs for 2013 will be outlined. This planning process is already informing our budget process, but that is the schedule on which it will be formally implemented.

NATIONAL AUDIO-VISUAL CONSERVATION CENTER—CULPEPER

The 4.1 percent increase we request for fiscal 2007 is almost entirely for mandatory pay and price level increases. Our fiscal year 2007 request for the National Audio-Visual Conservation Center in Culpeper, Virginia, represents a decrease of $1.2 million from the fiscal year 2006 request. This project is progressing well. We expect to complete construction and begin moving collections and staff in May of this year.

The unique facility will allow us to preserve more quickly and effectively hundreds of thousands of items in our audiovisual collection that are a critically important part of America's cultural heritage, but very vulnerable to degradation and very much in need of calibrated conservation, which we will be able to provide with the largest and most up to date such facility in the world.

This project would not have been possible without the financial support of the Congress and an unusually generous private funding from David Woodley Packard and the Packard Humanities Institute.

ACQUISITIONS BUDGET REQUEST

We are very grateful for the additional resources we were provided in the past two fiscal years for acquisitions, but we are still falling behind in our all-important current acquisitions, which is the absolute core requirement of this institution so that it can properly serve the Congress and the Nation.

In fiscal year 2007 I respectfully but urgently ask that the Congress continue supporting our acquisitions with an additional $2 million. These funds will allow us to continue collecting materials that we uniquely bring from all areas of the world, particularly from lesser known and lesser understood regions that are becoming increasingly important for our Nation, both for economic and security needs. It is important that we sustain the schedule that we have established and have been falling behind on for acquisitions.

OTHER BUDGET PRIORITIES

But beyond these two important ongoing priorities, we have limited our budget request to three new projects, all of which total less than $2 million: $1 million for the Copyright Office to begin a record preservation project, an initiative requested by Congress in fiscal 2005; $781,000 to begin our workforce transformation by en-

hancing the staff digital competencies, career development, and recruitment; and $150,000 to begin preparing a major exhibition in 2009 marking the bicentennial of Abraham Lincoln's birth. This total project will cost $1.4 million, will include a traveling exhibit, and will be a major effort for this important milestone.

LOGISTICS CENTER

Let me mention finally, as you brought up, the request in the Architect of the Capitol's budget for $54.2 million to construct a Library logistics center at Fort Meade. I understand and sympathize with the subcommittee's concern regarding the cost of this facility and I will be working with the Architect of the Capitol to find ways to reduce its cost. This facility is critically needed for the Library's day to day distribution and logistics needs and will provide a long-term cost saving to the Government by consolidating costly and outmoded storage space from three locations into one modern, safer and more secure location.

PREPARED STATEMENTS

Thank you, Mr. Chairman. I would be happy to answer any questions.

[The statements follow:]

PREPARED STATEMENTS OF JAMES H. BILLINGTON

LIBRARY OF CONGRESS

I appreciate the opportunity to appear before you today to discuss the past accomplishments and future goals of the Library of Congress in the context of our fiscal year 2007 budget request. I would like to thank this Committee for the strong support it has always shown the Library's programs, and I ask for your support again to ensure that the Library maintains its prestigious place as the world's largest repository of human knowledge and the main research arm of the United States Congress.

With all the unique distinction that this institution has achieved in the print world, it now faces the unprecedented challenge of sustaining its leadership amidst the revolutionary changes of the digital world. Information-seekers now have many (and often more convenient) ways of finding what they need. But they are often overwhelmed or misled by the profusion of unfiltered and often inaccurate information on the World Wide Web. The Library of Congress must redefine its role in this new environment. This institution-wide process is now underway—and will be embedded in the new strategic plan that we are developing for the entire Library for 2008–2013.

The budget request we have submitted to you includes the following basic assumptions:

—The Library of Congress must continue to build comprehensive, world-wide collections in all formats so that Members of Congress, scholars, school students, and the American people will have access to valid, high-quality information for their work, their research, and their civic participation.

—A comprehensive institutional workforce transformation will be required for staff to continue providing the highest levels of service to the Congress and to the public.

—There is no change in the Library's historic mission of acquiring, preserving, and making its materials accessible and useful to the Congress and the nation. The aim is to blend the new digital materials into the traditional artifactual collections so that knowledge and information can be objectively and comprehensively provided by an integrated library.

—The transformation of functions, of facilities, and of people must begin with a reallocation of existing resources. The current process of analysis and planning will produce, in the course of calendar 2006, the strategic plan that will determine the extent and nature of resource needs for future budget submissions.

THE LIBRARY OF CONGRESS OF TODAY

Library of Congress collections are made up of more than 132 million artifactual items in more than 470 languages including: 30 million books (among them more than 5,000 printed before the year 1500); 14 million photographs; 5.2 million maps; 3 million audio materials; 981,000 films, television, and video items; 5.3 million pieces of music; 59 million manuscripts; and hundreds of thousands of scientific and government documents.

And these collections continue to grow. More than 13,000 items are added to the Library's collections every day. These materials are organized, cataloged, and served to readers in on-site reading rooms and through cultural programs and exhibitions. A steadily increasing number of materials are made available free of charge on the Internet.

The Library's collections gather in not only regularly published materials, but arcane reports that have limited distribution, international ephemera that illuminate other cultures and socio-political movements, and special collections that have been carefully assessed by our curators and acquired by our donors. Among the many new materials acquired by the Library in fiscal year 2005 are:

—The unique Jay I. Kislak Collection of nearly 4,000 items documenting the early history of the Americas.
—38,555 individual oral histories collected from interviews with U.S. war veterans.
—Original music manuscripts of Felix Mendelssohn, Jerome Kern, George Gershwin, and Woody Guthrie.
—The Bernard Krisher Collection, containing 450 taped interviews with Asian dignitaries documenting major developments in Asia from 1962–1983.
—The personal and professional papers of the late Chief Executive Officer and Publisher of the Washington Post, Katharine Graham.
—The Cuban Exile Collection, 234 microfilm reels of materials documenting the Cuban-American experience.
—Factiva, a full-text online database of publications and up-to-the minute reports and news focusing on global developments and business from 118 countries in 22 languages.
—A collection of 454 charts of the coast of China from the Chinese Navy Headquarters, the Navigation Guarantee Department. A complete set of modern hydrographic charts of the Chinese coastline and areas of the South China Sea.
—The American Colony of Jerusalem Collection, a Christian society formed in Jerusalem in 1881 by an American, Horatio Gates Spafford, and his wife Anna Lawson Spafford.

Library of Congress services include:

—Fulfilling our priority mission of service to the Congress through the objective research and analysis done exclusively for the Congress by the Congressional Research Service. Our Law Library also largely serves the Congress. Overall, the Library provides a wide range of services from analysis on current public policy issues to responses to constituent requests.
—In fiscal year 2005, the Library performed the following major services to the Congress and its constituents:
  —Delivered more than 900,000 replies to members of Congress, covering nearly 200 current policy areas and providing access to 1,400 regularly updated research products.
  —Registered about 532,000 copyright claims.
  —Circulated nearly 24 million books and magazines free of charge to the blind and physically handicapped.
  —Assisted local libraries all over the nation by cataloging nearly 313,000 books and serials—the highest number in the Library's history.

Library of Congress digital leadership includes:

—Providing free internet access to its entire catalog, to more than 10 million primary documents of American history and culture, to a growing body of similarly unique and multi-medial materials from six other major national libraries, and to extensive information about the Congress. In fiscal year 2005, our web site, www.loc.gov, recorded more than 3.8 billion hits—a 14 percent increase in usage over fiscal year 2004.
—Coordinating the development and implementation of a comprehensive national plan mandated by the Congress for preserving important but often ephemeral materials on the Internet. The Library has enlisted eight national consortia involving 36 institutions across the country to share in this massive project. The Library has already collected 128 terabytes; and our partners are expected to

collect an estimated 100 terabytes. The materials include digital maps, photographs, TV programming, news, and datasets.

BUILDING THE LIBRARY FOR THE FUTURE

The Library's Vision and Strategic Plan

The Library's vision is to sustain in the digital world of the 21st century its historic mission of acquiring, preserving, and making maximally accessible to the public and useful for the Congress a universal collection of human knowledge. The challenge now is to bring the best of the traditional library into the digital environment. This will require holding fast to the principles of equitable access and long-term preservation while seamlessly integrating new digital materials with traditional artifactual items and helping develop standards and protocols for the electronic sharing of bibliographic records just as the Library did for the print world with its cataloging records.

The Library has developed a Library-wide framework for program assessment of every division and support office. Congressional support has already enabled us to reengineer copyright functions and to create a National Audio-Visual Conservation Center. And we are developing new roles for key staff to become objective "knowledge navigators" who can make knowledge useful from both the artifactual and the digital world.

The institution is undertaking a comprehensive strategic planning process that adheres to the spirit of GPRA and will guide us in what will have to be a major transformation of our workforce. We must find ways to transfer the widely recognized skills of our best traditional librarians on to the more broadly and democratically accessible Web and into K–12 education which is making increasing use of the Library's online resources. We must continue to integrate and be open to new technology and best business practices library-wide—and to maximize fairness and diversity in building the workforce of the future.

This work will continue in fiscal year 2006, culminating in a comprehensive new strategic plan for fiscal year 2008–2013, from which all future budget requests will be derived. Our fiscal year 2007 request already reflects the Library's improved strategic planning process and has led us to ask for no new additional FTEs and a historically low 4 percent budgetary increase despite the many challenges that the Library will face in fiscal year 2007.

THE LIBRARY'S FISCAL YEAR 2007 BUDGET REQUEST

In fiscal year 2007, the Library requests a total budget of $628.465 million ($588.131 million in net appropriations and $40.334 million in authority to use receipts), an increase of $24.842 million or 4.1 percent above the fiscal year 2006 level. The total includes $23.969 million in mandatory pay and price level increases and $4.896 million in program increases, offset by $4.023 million in non-recurring costs.

Requested funding supports 4,258 full-time equivalents (FTEs), a net decrease of 44 FTEs below the fiscal year 2006 level of 4,302.

The Library's programs and activities are funded by four salaries and expenses (S&E) appropriations which support management of the Library, the National and Law Library Services, Copyright administration, Congressional Research Service, and Library Services to the Blind and Physically Handicapped.

Fiscal year 2007 funding is allocated as follows:

—Library of Congress, S&E ($409.294 million/2,902 FTEs), which includes:
  —National Library ($312.590 million/2,264 FTEs)
    —National Library—Basic
    —Purchase of Library Materials (GENPAC)
    —Office of Strategic Initiatives
    —Cataloging Distribution Service
  —Law Library ($14.026 million/101 FTEs)
  —Management Support Services ($82.723 million/537 FTEs)
—Copyright Office, S&E ($59.189 million/523 FTEs)
—Congressional Research Service, S&E ($104.279 million/705 FTEs)
—Books for the Blind and Physically Handicapped, S&E ($55.703 million/128 FTEs)

THE LIBRARY'S FUNDING PRIORITIES

Mandatory Pay and Price Level Increases

The Library is requesting an additional $23.969 million to maintain current services. This is the amount needed to support the annualization of the fiscal year 2006 pay raise, the fiscal year 2007 pay raise, within grade increases, and unavoidable

inflation and vendor price increases. These funds are needed simply to sustain current business operations and to prevent a reduction in staff that would severely affect the Library's ability to manage its programs in support of its mission and strategic objectives.

Unfunded Mandates

The Library is requesting $2.171 million for one unfunded mandate: the Department of State (DOS) Capital Security Cost-Sharing Program.

In fiscal year 2005, the DOS, mandated by the Executive branch, began its 14-year program to finance the construction of approximately 150 embassy compounds, requiring increasing contributions from all agencies with an overseas presence, including the Library. The Library has argued that the DOS methodology for assessing agencies is unfair since it is based on the number of overseas personnel rather than on actual services or space provided by DOS in diplomatic facilities. The Library's yearly assessment was $1.2 million in fiscal year 2005 and $2.4 million in fiscal year 2006. The proposed bill for fiscal year 2007 is $4.572 million, an increase of $2.171 million. If funding is not provided for the next phase of the program, the Library will have insufficient resources to operate its overseas offices. This would result in the curtailment—and in some cases termination—of international acquisitions programs in areas that are of increasing importance to the nation (Islamabad, Cairo, Jakarta, Nairobi, New Delhi and Rio de Janeiro). The Library continues to negotiate with the DOS and will alert the Committees if DOS agrees to any downward adjustments of their assessment.

Major Ongoing Projects

The Library is requesting $794,000 for two ongoing major projects that are either in their last year of development or on a time-sensitive schedule that must be maintained if the entire project is to succeed.

—*National Audio-Visual Conservation Center (NAVCC), Culpeper, VA*.—A five-year plan for the completion of NAVCC was included in the Library's fiscal year 2004 budget. Fiscal year 2007 represents the fourth year in the Library's five-year cost model, which is adjusted annually to align with shifts in the construction schedule of the Packard Humanities Institute and the Library's occupancy schedule. In 2005, the Phase 1 Central Plant was turned over to the AOC and the Collections Building to the Library. In 2006, construction will be completed and the entire property transferred to the government. Staff relocations will take place, as will the procurement and integration of digital preservation equipment and systems within the NAVCC's audio-visual conservation facility. Funding is needed in fiscal year 2007 to continue purchasing equipment for the facility as well as for operations support. Total requested fiscal year 2007 funding of $13.9 million reflects a net decrease of $1.206 million and –6 FTEs from fiscal year 2006.

—*Acquisitions (GENPAC/Electronic Materials)*.—Advances in technology have opened opportunities for the Library to acquire materials from parts of the world about which, until recently, there had been little knowledge. National interest, especially with respect to security and trade, dictates that we acquire emerging electronic publications and other difficult-to-find resources that document other cultures and nations. The GENPAC appropriation, which funds the purchase of all-important current collections materials, declined precipitously in its purchasing power during the 1990s. Consistent with our fiscal year 2005–2006 budget requests for a multi-year, $4.2 million base increase to the GENPAC budget, the Library is requesting the next incremental adjustment of $2 million, which will bring the total base adjustment up to $3.3 million. Funding is needed to help keep pace with the greatly increased cost of serial and electronic materials that risks seriously eroding the foundation of the many services provided by the Library to the Congress and the nation.

New Projects

The Library is requesting $1.931 million for three new critical initiatives as follows:

—*Copyright Records Preservation*.—A six-year, $6 million initiative is needed to image digitally 70 million pages of pre-1978 public records that are deteriorating, jeopardizing the mandatory preservation of, and access to, these unique records of American creativity. In fiscal year 2007, the Library is requesting the first $1 million, which will permit the scanning of 10 million page images.

—*Workforce Transformation Project*.—Renewal and development of the Library workforce is essential to retrain staff with the necessary skills for the digital age, and to capture for the future the vast knowledge of large numbers of experienced staff who are near retirement. In fiscal year 2007, the Library will begin

a program to enhance digital competencies, leadership skills, career development, recruitment, and other workforce counseling and services. These activities are particularly important for sustaining the Library's commitment to a diverse workforce. Funding of $781,000 is requested, and will support initiatives to:

—Define and develop digital competencies
—Build an aspiring leaders program for GS 5–9 employees
—Enhance Library-wide training through the Center for Learning and Development
—Create a summer intern recruitment program and a talent pool for permanent employment
—Expand interpreting services.

—*Abraham Lincoln Bicentennial Exhibition.*—The Library is planning a major Abraham Lincoln Bicentennial Exhibition in 2009. The exhibition will be a centerpiece of the nationwide celebration to mark the bicentennial of Lincoln's birth. The Library will draw on its unparalleled Lincoln materials to focus on Lincoln's rise to national prominence and the thinking and writing that underlie his career. A total of $1.442 million will be needed for this project, of which $150,000 is requested in fiscal year 2007. The balance of $1.292 million will be requested in fiscal year 2008. Multi-year (3 year) authority is requested for the fiscal year 2007 funding. Funding will support the design of the exhibition and travel needed to visit other venues and/or other institutions that will be lending materials to the Library exhibition.

Other Program Changes

Congress created and passed the Library of Congress Digital Collections and Educational Curricula Act of 2005. Beginning in fiscal year 2006, the Act moved the administrative and programmatic ownership of the Adventure of the American Mind (AAM) from the Educational and Research Consortium to the Library.

While no additional funding is requested in fiscal year 2007 for the Library's new AAM National Program, the Library is requesting a change in the way the base funding of $5.801 million is used. Whereas this entire amount was earmarked for grants in fiscal year 2006, we would like the fiscal year 2007 funding to support both administrative ($1.791 million) needs and grant awards ($4.01 million). In addition, the Library will begin developing standards-based, field-tested curricula, using a train-the-trainer model to create a network of partners from all parts of the country.

ARCHITECT OF THE CAPITOL—LIBRARY OF CONGRESS 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 is requesting an fiscal year 2007 budget of $102.2 million, of which $62.265 million supports projects specifically requested by the Library. Included is $54.2 million to construct a 166,000 square foot logistics warehouse at Fort Meade, replacing and consolidating current long-term and temporary facilities leased and maintained by the Library.

The significant increase over the fiscal year 2006 budget request level is the result of deferring maintenance and upgrades to the Library's buildings on Capitol Hill and the delays in the Fort Meade construction plan. Costs are higher because more maintenance and upgrade projects need to be completed concurrently. Deferments and delays have created longer lists of projects. The cost increase is compounded by inflationary pressures and by the steadily growing risks in health, safety, and security to the Library's staff and collections. The cost of maintenance and upgrades will increase exponentially if the Library cannot stop, or at least slow down, the rate of deterioration of its buildings, and return to its construction plan and schedule.

PROPOSED CHANGES TO LEGISLATIVE LANGUAGE

The Library has proposed language to improve employment options elsewhere in the Federal Government for Library staff. The first provision confers competitive status to Library employees who have successfully completed their probationary period at the Library—the basic eligibility to be noncompetitively selected to fill vacancies in the competitive service of the Federal Government. This will enable Library staff to apply for positions in the executive branch on an equal footing with "career" executive branch employees. A related provision would enhance the employability of Library employees displaced because of a reduction in force (RIF) or failure to accept a transfer to an alternative work location. This provision would give staff who have been separated, priority for selection for competitive service positions comparable to that enjoyed by separated employees from other federal agencies.

We also propose new appropriation language to address the requirement specified in the Cooperative Acquisitions Program Revolving Fund legislation (CAP), Public Law 105–55, that the revolving fund receive its own audit by March 31 following the end of each fiscal year. The Library requests that the March 31 audit requirement be rescinded and that the CAP be subject to the same audit requirement as the Library's other revolving funds.

The fiscal year 2006 administrative provision limiting the Library's assessment for embassy construction to equal to or less than the unreimbursed value of the services provided to the Library on State Department diplomatic facilities must also be maintained in fiscal year 2007.

CONCLUSION

The Library of Congress' priorities expressed in the fiscal year 2007 budget request have a common theme: that of enhancing and transforming the staff, the collections they manage, and the buildings that house them. These requests will make it possible for the Library to improve the quality of its service in keeping with the high ideal of a knowledge-based democracy and a creativity-enhancing society. This budget will help us prepare for the many changes needed to sustain and expand the opportunities for a free people to benefit from an open and universal stream of knowledge and information. The Library looks forward to working with and for the Congress as we seek to build these opportunities in fiscal year 2007, and in the years ahead.

OPEN WORLD LEADERSHIP CENTER

Mr. Chairman and members of the Subcommittee, I appreciate the opportunity to present testimony on the Open World Leadership Center's budget request for fiscal year 2007. The Center, whose board of trustees I chair, conducts the only foreign-visitor program in the U.S. legislative branch and sponsors the largest U.S.-Russia inbound exchange. All of us at Open World are very grateful for our home and support in the legislative branch and for congressional participation in our programs and on our governing board. The Consolidated Appropriations Act passed in December 2004 made the chair of this subcommittee ex officio a member of Open World's board, and my fellow trustees and I are pleased and honored to have you join us, Mr. Chairman. We look forward to working with you as we make important decisions on the future of Open World.

During an important year of assessment and change, the Board and staff began to review all aspects of the program in order to produce in fiscal year 2006 a comprehensive strategic plan for the future. This review is being led by Board member James Collins, who played a key role in launching the program when he was Ambassador to Russia.

Geraldine Otremba completed her outstanding leadership of the able and dedicated staff of the Center in September 2005. Aletta Waterhouse, who had also done great work with the program from its beginning, served very well as Interim Executive Director. The Board will name a new Executive Director in early spring of 2006.

The Center's budget request of $14.4 million (Appendix A) for fiscal year 2007 reflects an increase of $0.54 million (4.0 percent) over fiscal year 2006 funding. This funding will enable the Center to continue its proven mission of hosting young leaders from Russia; expand its important program for Ukraine; and conduct smaller programs for such other countries as the Board of Trustees will approve in consultation with the Appropriations Committees. The budget increase over fiscal year 2006 is due to increases of salaries and benefits (11 percent of increase), airfares and impact of changing exchange rates (60 percent of increase), and domestic transportation, per diem and other programmatic costs (29 percent).

In 2005, Open World welcomed its 10,000th participant in its sixth year of operation. We began calendar year 2005 by organizing a major post-Orange Revolution exchange to six U.S. states for Ukrainian judges, election experts, NGO managers, and journalists. We ended the year with a local-government study tour in Maine for a delegation from the Solovetsky Islands, home to one of the Soviet Union's first prison camps and one of Russia's greatest monasteries.

Open World brought 1,552 Russians and Ukrainians to the United States in calendar 2005 to work with their American counterparts while experiencing our democracy and civil society. The Chief Justice of the Russian Supreme Court had planning sessions at the U.S. Supreme Court on U.S.-Russian judicial cooperation; two teams of Russian child-trauma experts helping Beslan victims consulted with Pennsylvania social agencies on their mental and social support services, and a delegation of

Ukrainian journalists shared their experiences during the Orange Revolution at a forum in Cincinnati.

Open World's plans for calendar year 2006 include programs on accountable governance for officials from municipalities created under Russia's recent law on local self-governance; expanding our two-year-old exchange for Ukrainian leaders; and providing programs on elections to both Russian and Ukrainian leaders. We will also continue our rule of law program, which has benefited so much from the involvement of U.S. Supreme Court justices and many other prominent members of the American judiciary, including Chief U.S. Bankruptcy Judge Sidney B. Brooks of Denver, Colorado, and U.S. District Judge Michael M. Mihm of Peoria, Illinois. As I discuss below, this calendar year the Center's board—in consultation with the members of the Appropriations Committees—must also make important decisions about whether and where Open World should expand in Eurasia.

Program Leadership

Senator Ted Stevens (AK) serves as honorary chairman of the Open World Leadership Center's board. The congressionally appointed members are Senate Majority Leader Bill Frist (TN), Senator Carl Levin (MI), and Representative Robert E. "Bud" Cramer (AL). The second congressionally appointed seat reserved for a member of the House of Representatives is currently vacant. Public Law 108–447, as amended by Public Law 109–13, added to the Board the chair of the Committee on Appropriations of the House of Representatives or designee and the chair of the Subcommittee on Legislative Branch of the Committee on Appropriations of the Senate. Former U.S. Ambassador to Russia James F. Collins, Walter Scott, Jr., Chairman of Level 3 Communications, former Representative Amo Houghton, and former U.S. Ambassador to Spain George Argyros are the current citizen members. I sit on the Board in my capacity as Librarian of Congress, and I currently serve as chairman. The Board of Trustees met on December 5, 2005, and reviewed the budget request and program plans presented below.

Program Objectives:

Open World program enhances professional relationships and understanding between political and civic leaders of participating countries and the United States. It is designed to enable emerging young leaders from the selected countries to:

—build mutual understanding with their U.S. counterparts and share approaches to common challenges;
—observe U.S. government, business, volunteer, and community leaders carrying out their daily responsibilities;
—experience how the separation of powers, checks and balances, freedom of the press, and other key elements of America's democratic system make the government more accountable and transparent;
—develop an understanding of the U.S. free enterprise system;
—learn how U.S. citizens organize and take initiative to address social and civic needs;
—participate in American family and community activities; and
—establish lasting professional and personal ties with their U.S. hosts and counterparts.

Open World provides the highest-caliber program for the U.S. visit so that Open World participants return to their countries with a meaningful understanding of America's democracy and market economy.

Open World has refined and focused on a few key themes central to democracy-building in order to improve the quality and focus of the U.S. program.

The catalytic effect of the 10-day U.S. stay is extended by fostering continued post-visit communication between participants and their American hosts and contacts, their fellow Open World alumni, and alumni of other USG-sponsored exchange programs.

In calendar 2005, Russian alumni participated in 168 interregional conferences, workshops, meetings, and professional seminars sponsored by Open World. A major conference for the program's Lithuanian alumni was held in the capital city of Vilnius, and three events were held for alumni in Ukraine.

Open World's multilingual website with online forums (and assisted Russian/English translation for cross-cultural communication) helps maintain communication among delegates, American hosts, and other interested parties. Open World also operates two listservs for Russian alumni, one with news of grants, competitions, and other sources of financial support, the other with weekly updates on Open World news and announcements and opportunities for cooperation and partnership with fellow alumni. All alumni activities and the website are supported through private funding.

Measures of Success

In addition to conducting the qualitative assessments described above, the Center also tracks quantitative program performance measures to ensure that Open World is meeting its mission of focusing on a geographically and professionally broad cross-section of emerging leaders who might not otherwise have the opportunity to visit the United States:

—Delegates have come from all the political regions of Russia and virtually all those of Ukraine, Lithuania, and Uzbekistan.
—84 percent of Russian participants live outside Moscow and St. Petersburg.
—More than 5,000 federal, regional, and local government officials have participated, including 156 members of parliament and 935 judges.
—The average age of Open World delegates is 38.
—92 percent of delegates are first-time visitors to the United States.
—Only 12.5 percent of delegates report having "above average" or better English-language skills. (Several U.S. exchange programs require some English-language skills. By not requiring knowledge of English, Open World is able to choose from a much larger candidate pool of young leaders. Interpretation is provided for all Open World delegations.)
—49 percent of delegates are women. (Women did not have significant leadership opportunities in the Soviet Union.)
—The distribution of delegates among Russia's seven "super-regions" roughly matches that of the country's general population.

Open World in America

Open World delegates are hosted by a large and dedicated group of American citizens who live in cities, towns, and rural communities throughout the United States:

—Since Open World's inception in 1999, more than 5,300 U.S. families have hosted participants in more than 1,500 communities in all 50 states.
—In 2005, the 204 locally based Open World host organizations in 147 congressional districts included universities and community colleges, library systems, Rotary clubs and other service organizations, sister-city associations, courts, and nonprofits.

American hosts' generosity toward and enthusiasm for Open World are a mainstay of the program. In 2005, interested host communities' demand for Open World visitors exceeded supply by 34 percent. Americans' enthusiasm for the Open World Program is reflected in their generous giving. In 2005, Americans gave an estimated $1.9 million worth of in-kind contributions through volunteer home hosting of delegates, a ratio of one dollar in contributions for every seven dollars in appropriated funds.

Visiting delegates, in turn, have impacted American communities by sharing ideas with their professional counterparts, university faculty and students, governors and state legislators, American war veterans, and other American citizens in a variety of forums such as group discussions, Rotary Club breakfasts, and town hall meetings.

During a 2005 Open World visit to Appleton, Wisconsin, for example, a Russian delegate from Kurgan Region, which borders Kazakhstan, proposed an idea at a Rotary club event. Since there were so many World War II veterans in attendance, the delegate suggested an exchange of letters between Wisconsin World War II veterans and their Kurgan counterparts. One such letter from a member of the Appleton-Kurgan Sister City Program reads, in part:

"WWII efforts created a significant result in history and provided a great victory which was achieved with the help of the Russians for the benefit of the world. Many people, especially among our Russian friends, lost family members . . . Some of my schoolmates lost their lives as well. They made the ultimate sacrifice from which all of us in the years since the war have benefited."

Students from Appleton North High School became interested in the correspondence and decided to interview local veterans, record their stories digitally, and make them available online. The letters also inspired an op-ed article in the local paper on Memorial Day last year and will be displayed at the Appleton Public Library. We understand the U.S. Consulate in Yekaterinburg as well as Fox Cities Online are interested in displaying the letters on their websites. In short, the Open World delegation's visit to Wisconsin is having a wide ripple effect.

Two other examples of interchanges that benefited the American host communities come from Urbana, Illinois, and Harrisburg, Pennsylvania. In Urbana, a visiting Open World rule of law delegate made a detailed presentation on the differences between the Russian and American court systems to the Champaign County circuit court judges, state's attorney, and public defender; this was followed up

by a lively question and answer session. And in Harrisburg, the two Open World teams of child-trauma experts working with Beslan victims shared their harrowing experiences and the latest information on Russian child-trauma theory and practice during presentations to social-service providers and community leaders.

As a result of the Open World Program, American professional leaders are also expanding their own international networks, opening up multiple channels of dialogue to integrate new ideas and values. Today one of the best ways to connect with the Supreme Court of Ukraine might be through Charles R. Simpson III, a federal district court judge in Louisville, Kentucky. One of Judge Simpson's 2005 Open World delegates, Ukrainian appellate judge Tatyana Valentinovna Shevchenko, recently e-mailed him with the news that she had just been appointed to her country's high court.

The Importance of Russia

The Board believes that Open World should maintain a high level of hosting from Russia. As Secretary of State Condoleezza Rice stated in a February 12, 2006 interview, we must challenge "Russia as a whole . . . the Russian people, to fully integrate [democratic institutional] values into their future." Michael McFaul of the Carnegie Endowment for International Peace recently asserted the need for "exchanges, connections, anything that increases connectivity between Russian and American society."

The Open World Program is playing a growing role in helping Russia's emerging leaders experience first hand the workings of our democratic institutions to. The ranks of Russian Open World participants include:

—719 senior regional administrators and 163 regional legislators;

— more than 1,000 mayors, city council members, municipal departmental heads, and executive-level city officials;

—887 judges;

—588 NGO directors; and

—188 print editors and 68 heads of TV and radio stations.

In addition, the Open World experience has contributed to the establishment or strengthening of 65 sister-organization and Rotary International partner relations, including 17 partnerships between U.S. and Russian legal communities.

Calendar Year 2005 Activities

Russia

Among the 1,410 Russian participants in calendar year 2005, delegates came from a wide range of regional ethnic groups, and had hosting experiences in 47 U.S. states and the District of Columbia. Open World's hosting themes were economic development, the environment, health and social services, rule of law, women as leaders, and, for the first time, local governance. Under the health/social services theme, several Open World teams concentrated on AIDS prevention and treatment, disability issues, or substance abuse prevention and treatment. Open World also hosted two delegations of Russian nonproliferation specialists who worked with their counterparts at two U.S. Department of Energy national laboratories.

A highlight of our 2005 Russia program was a rule of law exchange hosted by Chief U.S. Bankruptcy Judge Sidney B. Brooks of Denver, Colorado, for a high-level delegation of Russian Supreme Commercial Court justices and regional commercial-court chief judges. The Russians held talks with federal and state judges and University of Denver law professors, observed court proceedings, took a workshop on alternative dispute resolution, and were briefed by the state attorney general on his office's role and structure. The delegates also attended the U.S. district court's weekly press briefing and analyzed it with court staff afterward. Thanks to the relationships established by this and earlier commercial-court exchanges, the head of Russia's Supreme Commercial Court will visit the United States later this month on a trip supported by the Department of State and Open World.

As a result of legislation passed in 2003, the Open World Russia program now also includes up-and-coming arts administrators and artists in a range of media—important leaders to the development of a democratic society. Support from the National Endowment for the Arts enables the Russian Cultural Leaders Program to offer two- and three-week residencies to these participants. The 2005 cultural program were brought Russian writers to the University of Mississippi to participate in the Oxford Conference on the Book, and brought Russian documentary filmmakers to the Athens Center for Film and Video in Athens, Ohio, for an intensive residency.

Ukraine

Ukraine was selected in 2003 for an Open World program because of its strategic position in Eurasia, its large and educated population, and its important potential contribution to regional stability.

The 142 young Ukrainian leaders that Open World welcomed in calendar year 2005 were hosted in 14 states and the District of Columbia. The theme for Ukraine in 2005 was "civil society," with subthemes in independent media, electoral processes, NGO development, and rule of law. Open World initiated a judge-to-judge program similar to its highly successful judicial exchange with Russia. Forty-two Ukrainian judges, including a Supreme Court justice and two members of the Supreme Commercial Court, were hosted in eight different states. In a number of the American communities that hosted Ukrainian leaders, the impact of the Orange Revolution was discussed in presentations, roundtables, and panels.

The September 13, 2005 mayoral primary in Cincinnati provided the backdrop for one of this year's most successful Ukrainian exchanges: a study trip on American media and elections for a delegation of print and broadcast journalists. Hosted locally by the Cincinnati-Ukraine Partnership, the delegates observed mayoral candidates being interviewed by the press, spent a half day with key editors of the Cincinnati Enquirer, had a workshop on public relations and the press, and observed balloting at the Board of Elections on election night. They also sat in on newspaper editorial meetings and a live television news broadcast, allowing them to feel, as one delegation member said, like "part of the editorial team."

Open World 2006 and Plans for 2007

For 2006, the Board of Trustees approved continuing the successful Open World programs for Russia (civic, cultural, and rule of law) and the rule of law and civic programs for Ukraine. I appointed a panel to assess and make recommendations for Board consideration on four major issues: (1) whether Open World should expand to other countries, and if so, which, (2) whether country programs should be linked by region, (3) what the scope and nature of alumni programs should be, and (4) what improvements could be made to the Russia and Ukraine programs. The panel will submit an overall strategic plan for board approval by June 2006. The Board will notify the Appropriations Committee of any countries selected for new Open World programs. Any program expansion will be initiated in calendar 2006 and fully implemented in 2007. By September 30, 2006, Open World will finish implementing the financial management and administrative recommendations in the Government Accountability Office's March 2004 report on Open World.

The budget request maintains hosting and other programmatic activities at a level of approximately 1,400 participants total. Actual allocations of hosting to individual countries will be adjusted to conform to Board of Trustees recommendations and consultation with the Appropriations Committees. The requested funding support is also needed for anticipated fiscal year 2007 pay increases and to cover the Department of State Capital Security Cost Sharing charge for the Center's two Foreign National Staff.

Major categories of requested funding are:

—Personnel Compensation and Benefits ($1.197 million)

—Contracts ($8.48 million—awarded to U.S.-based entities) that include: Coordinating the delegate nomination and vetting process; obtaining visas and other travel documents; arranging and paying for air travel; coordinating with grantees and placing delegates; and providing health insurance for participants.

—Grants ($4.72 million—awarded to U.S. host organizations) that include the cost of providing: Professional programming for delegates; meals outside of those provided by home hosts; cultural activities; local transportation; professional interpretation; and administrative support.

CONCLUSION

The fiscal year 2007 budget request will enable the Open World Leadership Center to continue to make major contributions to an understanding of democracy, civil society, and free enterprise in a region of vital importance to the Congress and the nation. This Subcommittee's interest and support have been essential ingredients in Open World's success.

I thank the Subcommittee for its continued support of the Open World Program.

APPENDIX A.—OPEN WORLD LEADERSHIP CENTER BUDGET—FISCAL YEAR 2007

Description	Fiscal year 2007 estimated obligations
11.1 Personnel Compensation	$944,100
12.1 Personnel Benefits	252,400
21.0 Travel	97,500
22.0 Transportation	2,200
23.0 Rent, Comm., Utilities	8,100
24.0 Printing	4,100
25.1 Other Services/Contracts	8,386,000
26.0 Supplies	4,100
31.0 Equipment	16,500
41.0 Grants	4,685,000
Total, fiscal year 2007 budget request	14,400,000

PREPARED STATEMENT OF MARYBETH PETERS, THE REGISTER OF COPYRIGHTS

Mr. Chairman and Members of the Committee: Thank you for the opportunity to present the Copyright Office's fiscal year 2007 budget request.

The Copyright Office is requesting the Committee's approval of four program changes for the Copyright BASIC appropriation. There are three offsetting collections authority changes and one in net appropriations. In offsetting collections, we are requesting a $1,590,901 decrease in the Reengineering Program funding due to fewer funds in the no year account, an $850,000 decrease due to a decrease in renewal receipts, and a $600,000 increase due to an overall increase in receipts from other service fees. In new net appropriation authority, the Office requests $1 million to digitally image the pre-1978 public records to mitigate the risk of loss and to make them available online. I will discuss these requests in more detail, after I provide an overview of the Office's work and accomplishments.

REVIEW OF COPYRIGHT OFFICE WORK AND ACCOMPLISHMENTS

The Copyright Office's mission is to promote creativity by sustaining an effective national copyright system. We do this by administering the copyright law; providing policy and legal assistance to the Congress, the administration, and the judiciary; and by informing and educating the public about our nation's copyright system. The demands in these areas are growing and becoming more complex with the evolution and increased use of digital technology.

I will briefly highlight some of the Office's current and past work and our plans for fiscal year 2006.

Policy and Legal Work

We have continued to work closely with the Senate Committee on the Judiciary, its Subcommittee on Intellectual Property, and its House counterpart. In May, I testified before the Senate Subcommittee on International Piracy of Intellectual Property, highlighting the fact that piracy is one of the most enduring copyright problems throughout the world and the Office's efforts, together with other Federal agencies, to reduce piracy to the lowest levels possible.

I also testified twice last year on ways to modernize music licensing in a digital world. In June, I testified before the House Subcommittee and in July, I testified before the Senate Subcommittee. During the first hearing, I focused on the possibility of permitting "music rights organizations" to license on a consolidated basis both the public performance right of a musical work as well as its reproduction and distribution rights. In the second hearing, I considered alternative solutions to the music licensing dilemma, including a blanket statutory license for digital phonorecord deliveries. These hearings and meetings with representatives of the affected industries produced a consensus that Section 115 of the copyright law should be modernized to reflect the needs and realities of the online world. However, there was no agreement as to how such modernization should be structured and implemented. Further work is needed in this area and I will continue to work with the interested parties and Congress on legislative solutions to the music licensing problem in this and the next fiscal year.

I testified before the Senate Committee on the Judiciary in September to examine legal and policy issues in the wake of the Supreme Court's June 27, 2005, decision

in *Metro-Goldwyn-Mayer Studios, Inc.* v. *Grokster, Ltd.* which clarified the doctrine of secondary liability as it would apply to those who offer products and services in a way that induces others to engage in copyright infringement. I testified that the Court's ruling seemed to strike an appropriate balance between the rights of copyright holders and the flexibility necessary to enable and encourage technologists to continue to develop new products and, thus, there was no immediate need for new legislation. I used the word "seemed" because, at the time of the hearing, only three months had passed since the ruling and it was simply too early to tell whether Grokster would provide sufficient guidance for the years and circumstances to come.

The Office implemented a new preregistration system, as required by the Family Entertainment and Copyright Act of 2005, Public Law 109–9, within the statutory six-month time frame. Preregistration of an unpublished work being prepared for commercial distribution allows a copyright owner to bring an infringement action before the authorized publication of the work and full registration, making it possible, upon full registration, to recover statutory damages and attorney fees. The electronic preregistration filing system became operational on November 15, 2005.

The Office also conducted two studies in 2005. First, Senators Orrin Hatch and Patrick Leahy requested that we examine the issue of "orphan works," copyrighted works whose owners are difficult or impossible to locate, to determine whether there are compelling concerns that merit a legislative, regulatory or other solution; and if so, what type of solution could effectively address these concerns without conflicting with the legitimate interests of authors and right holders. As part of our efforts to produce this study, the Office collected over 850 written comments from the public and held roundtable meetings with dozens of interested parties in the summer of 2005 in both Washington, D.C. and Berkeley, CA. The Report on Orphan Works was delivered to Congress in January 2006. Second, at the request of Congress, we have also conducted a study to examine the harm to copyright owners whose programming is retransmitted by satellite carriers under a statutory license in Section 119. This report was also delivered to Congress in January 2006.

In addition, the Office has initiated its triennial rulemaking on exceptions from section 1201 prohibition on circumvention of technological measures that control access to copyrighted works and has received public comments. In addition, we will conduct hearings in Washington, D.C. and Palo Alto, CA. to elicit further information from the public. The study will be concluded in fiscal year 2007, at which time, I will make my recommendations to the Librarian of Congress on classes of works that should be exempted from the section 1201 prohibition on circumvention.

We have also been actively involved in the implementation of the Copyright Royalty and Distribution Reform Act of 2004 (CRDRA), Public Law 108–419, which became effective on May 31, 2005. This Act phases out the Copyright Arbitration Royalty Panels (CARPs), a program administered by the Copyright Office, and replaces them with a new Library program which is independent of the Copyright Office and employs three full-time Copyright Royalty Judges (CRJs) and three staff. This organization is known as the Copyright Royalty Board. At the outset of the program, I worked diligently with my colleagues to identify and recruit the three highly qualified individuals who the Librarian appointed to the Board in January 2006.

The primary responsibilities of the CRJs, as with the CARPs which preceded them, are to set rates and terms for the various statutory licenses contained in the Copyright Act and to determine the distribution of royalty fees collected by the Copyright Office pursuant to certain of these licenses. The CRJs have the additional responsibility to promulgate notice and recordkeeping regulations to administer some of the statutory licenses. In accordance with the rate setting schedule set forth in the law, the Board has initiated three rate setting proceedings and it will conduct hearings in fiscal year 2007 to set rates for the transmission of sound recordings over the internet.

We have worked closely with the Board to insure a smooth transition from the old system to the new and we have taken steps to conclude open and pending distribution and rate setting proceedings that were commenced under the Copyright Arbitration Royalty Panel (CARP) program. The conclusion of these proceedings, however, does not end my involvement in the determination of statutory rates and distributions of royalty fees. Under the Reform Act, the Board must seek a legal opinion from me on any novel question of copyright law and may seek a written determination on other material questions of substantive law. Such determinations shall be binding as precedent upon the Copyright Royalty Judges in subsequent proceedings.

During fiscal year 2007, we will continue to take an active role in a number of important copyright cases, many of which challenge the constitutionality of various provisions of the Copyright Act, and continue to provide ongoing advice to executive branch agencies on international matters, particularly, the United States Trade

Representative, the Department of Commerce, and the Department of State; and participate in numerous multinational, regional and bilateral negotiations.

Registration and Recordation

Registration of claims to copyright, including renewals, and recordation of documents, such as assignments, security interests, and mergers, are critical parts of the U.S. copyright system. Timely registration secures to owners certain benefits and provides a public record of copyright ownership. The Office has significantly improved its delivery times for these services since 2001.

During fiscal year 2005, the Copyright Office received 600,535 claims to copyright covering more than a million works and registered 531,720 claims. The Office maintained an average of 80–90 days to issue a registration certificate, a significant improvement over processing times at the beginning of the decade. We also reduced the average processing time for the creation and posting of online copyright records by 50 percent.

The Copyright Office records documents relating to copyrighted works, mask works, and vessel hull designs and creates records of those documents. These documents frequently concern popular and economically significant works. The Office recorded 11,874 documents covering more than 350,000 titles of works in fiscal year 2005. The average time to record a document was 50–60 days.

These achievements took place during a period marked by a significant investment of staff resources to reengineer Copyright Office processes and to move online copyright records from legacy systems to a database in Endeavor System's Voyager.

We expect a significant decrease in renewal registrations in 2007, due to the expiration of the renewal provision in the law. Renewal registrations only apply to works that were copyrighted before January 1, 1978, the effective date of the current copyright law. Before 1978, if a work was published with the required notice of copyright or an unpublished work was registered in the Copyright Office, it received an initial term of copyright protection of 28 years, and a renewal term that initially was 28 years and today is 67 years. To receive the renewal term, a renewal registration had to be made in the last year of the initial term, i.e., the 28th year. The last date for 28th year renewals was December 31, 2005.

The law was changed in 1992 to make renewal registration voluntary. This law applies to works copyrighted between January 1, 1964, and December 31, 1977. There were certain benefits gained by renewing in the 28th year, but if no renewal claim was registered in the 28th year of the term, renewal was automatically secured on the last day of that year. However, even if renewal is automatically secured, i.e., no renewal application was submitted in the 28th year of the initial term of copyright, a renewal claim may be submitted after the 28th year and some benefits flow from such a registration. A number of such registrations are made each year and we expect to receive 2,000 to 3,000 renewals in this category compared to the 16,000 to 18,000 renewals we have been receiving per year.

The President signed the Family Entertainment and Copyright Act (FECA), Public Law 109–9, on April 27, 2005. As mentioned earlier, this legislation amended the copyright law by the addition of a new provision, § 408(f), establishing preregistration. Preregistration, as distinct from registration, is available only for unpublished copyrighted works in categories that the Register of Copyrights finds to have had a history of infringement prior to commercial distribution. Unlike registration, preregistration requires only an application which includes a description of the work and a fee. Preregistration is an online service only; it is part of the new information technology system called eCO (Electronic Copyright Office). From April 2005 through the end of the fiscal year, the Office completed intensive work to prepare the electronic preregistration application form and help text, and to do the related IT development, process analysis, and training required to implement on November 15, 2005. Much of the development work that was done for the preregistration system will be applied directly to the electronic registration system that will be piloted in April 2006.

Public Information and Education

The Copyright Office responded to 362,263 requests for direct reference services and electronically published thirty-nine issues of its electronic newsletter NewsNet—a source that alerts over 5,000 subscribers to Congressional hearings, new and proposed regulations, deadlines for comments, new publications, other copyright-related subjects, and news about the Copyright Office.

The Office website continued to play a key role in disseminating information to the copyright community and the general public. The Office logged close to 30 million external hits to key web pages in fiscal year 2005, representing a 49 percent increase over the previous year. The website received several enhancements, includ-

ing introduction of RSS (Really Simple Syndication) feeds by which members of the public can receive instant notification of updates and revisions on pages that change frequently. There is a new history page that includes biographies of former Registers of Copyright, annual reports dating back to 1870, and previous copyright acts. The website is also part of LCNet, a new gateway for members of Congress and their staff.

Licensing Activities

The Copyright Office administers certain provisions of the copyright law's statutory licenses. The Licensing Division collects royalty fees from cable operators for retransmitting television and radio broadcasts, from satellite carriers for retransmitting "superstation" and network signals, and from importers and manufacturers of digital audio recording products for later distribution to copyright owners. In calendar year 2005, the Office collected $212.6 million in royalty funds and distributed $150.7 million to copyright owners.

Reengineering Program

The Copyright Office's seven-year Reengineering Program initiative is to redesign delivery of its public services. This program is customer driven to prepare our Office for the future growth in electronic submissions. The Office had planned for the reengineering implementation to be completed in the first half of fiscal year 2007, to include moving staff offsite so that its space in the Madison Building could be renovated in one phase. However, due to infrastructure and offsite lease requirements, the program cannot be completed until the third quarter of fiscal year 2007. The program has four major components—process, information technology, facilities, and organization that will be fully implemented in fiscal year 2007.

Process

Accomplishments in the process component closely tracked IT development. Pilot projects began in fiscal year 2005 to test both the new processes and the new IT system, eCO. In the Registration Pilot, several thousand actual copyright registrations for motion pictures were made using most of the new processes—incoming paper forms were scanned, hard copy deposits were bar-coded and tracked, and all internal processing and correspondence was done in the eCO system.

Other pilots included the Deposit Selection Pilot, during which examiners successfully made selection decisions for certain routine monographs and musical works for the Library of Congress. In an Electronic Deposit Pilot, selected publishers submitted electronic versions of works via the internet, in preparation for electronic registration and possible future deposit of electronic formats for the Library's collections. As I mentioned earlier, the new preregistration service was implemented in eCO with an online-only application and completely paperless process. This service successfully uses Treasury's Pay.Gov for fee payments.

Information Technology (IT)

During fiscal year 2005, the Copyright Technology Office (CTO) continued to work closely with the system development contractor SRA International, on the analysis, design, and building of the new Copyright IT systems infrastructure that will support the reengineered business processes. The CTO also made further significant progress on the conversion of the historical files of copyright registrations and recordations to MARC format and the preparation for access to the records through the Voyager system.

To ensure compliance with the Library's new system security regulation and newly issued security directives, the Office established a Security Review Board (SRB), made up of Copyright staff and consultants. During the 10 weeks preceding the implementation of the Registration Pilot, the SRB created a System Security Plan defining the security requirements, conducted a risk assessment, carried out a security compliance test and evaluation, and made recommendations to Copyright Office management about the security status of the software for this pilot. As a result, the Office received an interim authorization to operate and the system moved to production.

In fiscal year 2006, the Office plans to expand its implementation of an on-line web portal—eCO Service—to allow the public to apply for copyright services online and pay with a credit card or bank account through Pay.Gov. Claims processing through the web portal will initially be a pilot to allow for full testing of the system before making it available to all the public in 2007. Additionally, we will use eCO to search a Voyager database of copyright records dating back to January 1, 1978.

In fiscal year 2007 the Office plans to complete the IT component by transforming eCO Service from a pilot to full operational capability for processing copyright claims and issuing registration certificates, processing statements of account for

statutory licenses, processing acquisition demands under section 407, and recording transfers, assignments, and other documents.

Facilities

In November 2004, the Library appointed a project manager funded by the Copyright Office to oversee the Madison Building renovation project and coordinate attendant swing space moves within Capitol Hill and offsite. The Copyright Office hired a move management company to oversee the moves offsite and back to the Madison Building. In late September 2005, after an extensive search for temporary offsite lease space, the Library signed occupancy agreements with Government Services Administration (GSA) for space within two buildings in Crystal City, VA. In December 2005, an RFP was issued for construction of the offsite rental space. A contract was awarded in February 2006 and construction began in late February. Most of the Office's staff will move offsite in early July 2006. The remaining operations and staff will be located in the Adams and Madison buildings. We expect all staff to return to the Madison renovated space in July 2007.

Organization

The Office completed new and revised position descriptions to support the new processes for most of the divisions in the new organizational structure. Preliminary work was done to prepare for the "cross-walk" of staff from current to new positions and from the current divisions and sub-units to the new ones. The Office began drafting documents required for the reorganization package as specified in Library of Congress regulations. In fiscal year 2007, the new organization and positions will be implemented, coinciding with the return of the staff to the Madison Building and the implementation of new processes.

FISCAL YEAR 2007 BUDGET REQUEST

Reengineering

No new funding is needed for reengineering for fiscal year 2007. Rather, the Office is reducing its offsetting collections base by $1,590,911 as a result of fewer funds remaining in the no-year account.

Renewal Receipts

With respect to renewal registrations, the Office is reducing its offsetting collections authority by $850,000 and five staff due to the fact that the number of renewal registrations will decrease significantly in fiscal year 2007.

When renewal registration was required, the Office registered approximately 52,000 claims. Since the enactment of the automatic renewal provision in 1992, the number of renewal claims have decreased each year. In fiscal year 2005, the Office received approximately 15,893 renewal claims bringing in fees of approximately $1.2 million. In fiscal year 2006, we believe that amount will drop to about $500,000 and in fiscal year 2007 to about $150,000. Our records show that approximately 5,500 renewal claims were received in October, November, and December 2004. This has decreased to 4,839 for the same period in 2005 and is expected to decline throughout the rest of fiscal year 2006.

Overall Fees Increased

Over the past two years, the overall fees collected for the Basic Fund have gradually increased and are projected in fiscal year 2007 to exceed the normal receipts level of approximately $23 million by $600,000. This is based on more dollars being received across all the fee products, not from a change in the fee schedule. Based on this trend, the Office requests a permanent $600,000 increase in offsetting collections authority.

Copyright Records Preservation

The Office requests funding to digitize the pre-1978 copyright records. The key objectives of this record digitization project are (1) disaster preparedness preservation of pre-1978 public records and (2) provision of online access to those public records. Copyright records are vital to the mission of the Library of Congress and the Copyright Office and they are important to the public and the copyright industries that are a significant part of the global economy. The pre-1978 records document the ownership and copyright status of millions of creative works. Loss of these sole-copy public records due to a site disaster would trigger a complex and expensive intellectual property ownership dilemma. Additionally, the unavailability of pre-1978 records online has been raised as a major issue in the study on the problem of "orphan works."

During fiscal year 2005, the Copyright Office, with the Library's Office of Strategic Initiatives, completed the Copyright Records Project study of the feasibility of digitizing millions of these paper records and developing technical approaches for integrating the resulting digital records with post-1977 digital records. The project team completed testing of vendor capabilities to digitize and index sample records. A comprehensive report of the project provided implementation strategies, cost estimates, and a recommendation for how the conversion could be handled in two stages.

The first stage would cost approximately $6,000,000 over a six year period and would achieve the preservation goal and very basic online access. The second stage would add item level indexing, enhanced searching and retrieval, costing between $5,000,000 and $65,000,000 depending on the extent of fields indexed. The Copyright Office is requesting for fiscal year 2007 the initial $1 million to begin the first stage.

FUTURE FEE INCREASE

On November 13, 1997, Congress enacted the Technical Amendments Act, some provisions of which are now codified in 17 U.S.C. § 708. The law requires the Register of Copyrights, whenever appropriate, to conduct a study of costs incurred by the Office for the registration of claims, the recordation of documents and other special services. On the basis of the study and public policy considerations and subject to congressional review, the Register is authorized to increase statutory and related fees to recover reasonable costs adjusted for inflation. Furthermore, the new fees should be fair and equitable and give due consideration to the objectives of the copyright system.

The last time the Copyright Office raised fees was July 2002. The basic filing fee was set in 1999 and has not increased since that time. Historically, a change in the charge for services usually causes a drop in customer demand in the fiscal year following the increase and then a gradual rise in demand over the next two years. The possibility for raising fees was considered in 2001–2002. Because the Office had just begun its reengineering project to implement electronic registrations, and that project was to have been completed in 2006, the fee increase was postponed to coincide with the implementation of the new electronic system. However, since the implementation date for the new system is now summer 2007, we believe that we should move forward with a change to fees now.

I have received fee recommendations based on a cost study developed by a task group. We will complete the required economic analysis and propose a schedule of fees to Congress in March 2006 to be effective July 1, 2006. The Office will publish a notice in the Federal Register to announce a proposed fee schedule. Based on a year's experience under the revised fee schedule and the new business processes, the Office expects to adjust the mix of net appropriation and offsetting collections authority in its fiscal year 2008 BASIC budget submission to Congress.

CONCLUSION

Mr. Chairman, I ask you to support the fiscal year 2007 Copyright Basic budget request for a permanent net decrease in offsetting collections for the BASIC appropriation and a one time $1 million increase in net appropriations for the Digital Imaging project.

Our fiscal year 2007 budget will allow us to implement the final steps of our Reengineering Program. Once implemented, the Office plans to further reduce both its net appropriations and offsetting collections authority in the fiscal year 2008 budget request as well as adjust the net appropriations and offsetting collections based on the implementation of new fees. We appreciate your continued support for the Reengineering Project that will transform the way we do business and meet the public's demand for electronic services.

I thank the Committee for its past support of the Copyright Office requests and for your consideration of this request in this challenging time of transition and progress.

LOGISTICS CENTER COST

Senator ALLARD. Thank you very much. I have a few questions. It should not take us too long this morning to get you on your way.

On the logistics warehouse, I am glad to see that you recognize that this is a pretty big chunk that we are looking at. The total overhead is about 18 percent. You have 10 percent that is being as-

sessed by the Architect and you have 8 percent by the Corps of Engineers. It sounds excessive. I wonder if, with two supervising agencies, we have a duplication of effort. I wonder if you could comment on that.

Dr. BILLINGTON. Well, I think I would defer to General Scott on this issue, except to say that the basic construction cost, the $41 million, is about what was approved for the last two book modules approved last year, and there is this question of construction oversight fees, as you indicate.

I would just say briefly that the importance of this can hardly be overestimated. It is essential to effect this kind of consolidation for the Library's entire distribution function. It is not just a warehouse; it is a logistics center that will more efficiently do what is being done less efficiently at four separate locations at higher costs, to be precise.

LOGISTICS CENTER REVIEW

We plan to discuss on a line by line basis in a very careful way all estimated costs with the Architect of the Capitol. But I will defer to General Scott, who has been more deeply involved in the planning.

General SCOTT. Thank you, Dr. Billington. Thank you, Mr. Chairman.

The Library is very concerned about the oversight costs and contingency reserves. These are costs as you correctly point out, by the AOC and the Corps of Engineers, which we have no control or influence over. However, we have and will continue to engage them to ask them to help us look for ways that we can reduce those costs and still receive the kind of expert construction oversight that is required to put up that facility.

We also, as Dr. Billington mentioned, will go through a line by line study to ensure that any type of savings that we can propose will be realized and we can reduce the price.

One of the other additional costs related to that facility came about as a result of concern from some of the citizens of that area who wanted there to be more of a look to blend with the neighborhood of the Fort Meade facilities. That has added more money than would otherwise be needed.

So we will revisit all these estimated costs, but in the end we are very much concerned about them. We are engaged with the AOC and we will appreciate anything the subcommittee can do to help us work with the AOC to reduce these costs.

GOVERNMENT PERFORMANCE AND RESULTS ACT (GPRA)

Senator ALLARD. I am going to have my staff talk with the Corps of Engineers as well as the Architect of the Capitol on these administrative costs and express to them my concerns about how high they are.

Now, we do not have the Architect of the Capitol under what is referred to as the performance assessment and review tool (PART) program. This is the method that the Office of Management and Budget uses to measure performance within the agencies of the Federal Government. The legislative agencies are not required to

be under this. Executive branch agencies are required to justify actions and assess results that we can measure here in Congress.

And if they do not measure very well, it impacts how favorably their budget is considered. If they are rated as, for example, ineffective or results not demonstrated, their budget would be cut.

FEDERAL AGENCY OVERHEAD

So, you are the customer of the Army Corps of Engineers, and we will have our staff talk to them. When we have these overhead costs, we need to be sure they can justify them, that they are measurable from a customer satisfaction standpoint. Frankly, I want to see more of our legislative agencies under that program because as legislators and policymakers it gives us the ability to measure performance of the various agencies.

And while we are on the subject, we would encourage the Library of Congress to also look at this kind of accountability when you report to the subcommittee, because it is valuable for policymakers and it does help us do a better job for the taxpayers of this country.

This particular article, just for your information, we got this out of Congressional Quarterly, page 538 and 539, so you can look at the program if you are not familiar with it. This is an opportunity for us to have more accountability and oversight of these agencies. I think they are way too high, these administrative costs.

GOVERNMENT PERFORMANCE AND RESULTS ACT AND LIBRARY PLANNING

General SCOTT. We certainly appreciate your assistance in this, Mr. Chairman. Yes, we too appreciate the value of GPRA standards because we have been implementing GPRA since 1997. To a certain degree, the cost savings that we have been able to show with this 2007 budget came as a result of follow-on to GPRA and coming up with an annual activity and performance plan. From that plan we create the operating plan that we give to the Congress. So we appreciate GPRA, and we certainly appreciate what you might do to help us.

Senator ALLARD. The nice thing about it is you are not necessarily just counting beans. What you do hope to put in place are some goals and objectives that are measurable from a consumer standpoint: Who is using that agency? Who is using their services? And how are those customers' needs being met? So I think it helps us all do a better job in that. We have to measure results.

COPYRIGHT DEPOSITS FACILITY

Also, one other question now. You have requested money for this logistics warehouse. In the 2005 budget, we had a copyright deposits facility project. Would you explain to me why we now have the logistics warehouse that seems to have a higher priority than the copyright facility when the copyright facility was requested back in the 2005 budget?

Dr. BILLINGTON. Well, the copyright deposits facility is extremely important. It is very difficult to make choices of this kind, but the logistics center need is a more immediate one. We are moving ahead thanks to the Congress' approval in 2003 and 2004. This is

a year of important transition for the Copyright Office. Fiscal year 2007 is the last year of the reengineering project. The staff must relocate for 1 year while their facilities are reconfigured. The logistics issues affect distribution and storage, and the related safety and security problems seem to us essential this year. The copyright facility, which I think the Library will have to come back for next year, is equally important, but perhaps a little bit more deferrable because of the redesign that is taking place to facilitate a modular construction approach. It will be an essential request next year. It is not a lesser priority; it is just a different priority and one that fits next year with the overall schedule because of the redesigned modular approach.

Senator ALLARD. Well, thank you.

Dr. BILLINGTON. General Scott wanted to add to that.

General SCOTT. I believe, Mr. Chairman, we were asked to take another look at the redesign of that copyright deposits facility, which we did. Then we only switched priorities temporarily while coming up with the redesign, making a determination that it would be more advantageous for the Library to go ahead with the logistics center at this time rather than with the copyright facility this year.

INTRODUCTION OF INSPECTOR GENERAL

Senator ALLARD. I am one legislator who utilizes the agencies that are sort of the eyes and ears of the Congress. GAO is one. Another one is the Inspector General. I know that the Inspector General has expressed some concerns about the cost on this and I understand that Mr. Schornagel is here with us today. I would like to have him come up if you would, please, and make any comments that you care to make about this proposal.

Mr. SCHORNAGEL. My name is Karl Schornagel, Inspector General.

LOGISTICS CENTER REVIEW

As you have already stated, I have concerns about the cost of this warehouse. I just learned of the total price a couple weeks ago and I expressed concerns immediately. I also raised in March 2005 some concern about the size of this warehouse. I am in the process of getting information from the Library as we speak, and there is an important report that is going to be issued by one of the Library's contractors that should shed some light on this issue.

Senator ALLARD. When is that supposed to come out?

Mr. SCHORNAGEL. Next week.

Senator ALLARD. Next week, okay.

Mr. SCHORNAGEL. I also share the Librarian's concern that the whole cadre of storage facilities at Fort Meade is behind schedule about 5 or 6 years. There certainly is a need to get some of these buildings put up.

Senator ALLARD. So would you be more specific about some of your concerns about cost overruns?

Mr. SCHORNAGEL. Yes. I am concerned that about $15 million of that $54 million in cost is oversight and contingency. I am especially concerned about multiple layers of oversight. About $7 million of that is for AOC oversight and administration, more than $3

million for the Corps of Engineers. There is $6 million in reserves and contingency, plus another 25 percent in price escalation.

I also have issues about some of the individual cost components of the warehouse itself that range anywhere from microwave ovens to the sod for the front lawn. I believe that the whole cost issue and approach needs to be reviewed more thoroughly.

Senator ALLARD. I hope that while you review this project, his suggestions will be helpful in trying to figure out ways in which we could bring down the cost of this.

In the past you have raised concerns about poor space management at Library facilities, including the warehouse at Landover——

Mr. SCHORNAGEL. Yes, that is true.

Senator ALLARD [continuing]. That the new facility would replace. Have these concerns been resolved?

Mr. SCHORNAGEL. Well, not fully. That is what I mentioned earlier. In March 2005 I issued an audit report that found inefficient use of the space. As a result, about 20 percent of the inventory items were deleted. These are items that were either excess or obsolete. As part of that audit report, I recommended that the size of the new warehouse be reconsidered in light of this new efficiency gain and, to my satisfaction that has not fully been addressed yet.

Senator ALLARD. So we have excess capacity that is being poorly managed in the Landover facility?

Mr. SCHORNAGEL. Yes, that is true.

Senator ALLARD. Okay.

Mr. SCHORNAGEL. And I have other issues. For example, the reference to the new warehouse is in terms of square feet, but when you consider that the proposed warehouse is going to be taller, it actually increases the capacity per square foot because you have to look at cubic feet. Issues like that are relevant to the plans for this new warehouse.

CONGRESSIONAL RESEARCH SERVICE REALIGNMENT

Senator ALLARD. Thank you for that insight.

On the CRS realignment, the CRS determined last year that some 59 production support, technology support, and audio-visual positions were no longer needed and the affected employees were offered a buyout in January. Those who did not take the buyout could be subject to a reduction in force later this year.

Can you describe the process that CRS went through to make that determination that the positions were not needed, Dr. Billington?

Dr. BILLINGTON. Well, I will defer to the Director of the Congressional Research Service to respond in detail. I will point out that this is part of the workforce transformation process. The needs of the Service to deliver, and particularly to integrate the electronic aspects of the Service have been increasing greatly. We need to reconfigure the workforce to deal simultaneously with both the digital component of information delivery, including the successful mining of the vast amount of public policy research, as we continue our traditional artifactual work.

So the Library is undergoing very important transformational changes currently. I will let the Director of the Service speak more directly to the particulars.

TECHNOLOGY AND STAFFING

Senator ALLARD. Dan Mulhollan, would you like to come up?

While he is coming up, Dr. Billington, I have to tell you I am very sympathetic with your challenges in moving to a high tech operation. Those are huge challenges and they create some obstacles as far as managing your workforce. These are challenges we both have to face.

Dr. BILLINGTON. Servicing the Congress is our first priority. We are the Library of Congress, and making sure that that conversion moves ahead so the Service can be as effective, timely, dependable and objective as it has always been is a very high priority.

Senator ALLARD. Well, the high technology requires a higher level of expertise and it is more efficient in many ways. The user of the Library can more quickly search out the information through computer search.

Dr. BILLINGTON. It used to be in the early days of the information revolution that the IT part of an institution was where the expertise would be concentrated. It now has to be developed thoroughly and integrated into the direct service components much more seamlessly and much more immediately. I will let the Director speak to the details.

OPENING STATEMENT OF CONGRESSIONAL RESEARCH SERVICE DIRECTOR

Senator ALLARD. Mr. Mulhollan.

Mr. MULHOLLAN. Good morning Senator. We welcome the opportunity to discuss this issue. I appreciate it.

As a matter of good business practices, CRS reviews its activities and positions continually and has for years. What we identified is, particularly in the functions of production support and audio-visual functions, that the positions we had established in the early 1990s, which corresponded to the technical functions at that time, were no longer relevant to the technical skills needed with a more sophisticated, centralized IT operating system. For instance, production support activities are now seamlessly integrated into network software. Numerous technical support positions had been created to install new hardware as well as software packages and upgrades machine by machine. Now, with "push" technology and a fully integrated network system, those functions no longer are needed.

We also found an underuse of the Service's audio-visual functions, as well as the changes in technology.

Our responsibility is to maintain analytical and research capacity and these decisions were based on our ensuring we could do that. Given the fact that we had a certain amount of money available, workforce reengineering seemed necessary.

We had announced to staff on September 22, 2005 that we were going to eliminate 59 support positions effective September 30, 2006. To my knowledge, there is not another agency that has given their staff 1 year in order to find other jobs. In addition, with your help from last year, we offered separation incentives as well as get-

ting early out authority from the Office of Personnel Management in order to provide more options to staff.

Twenty-three of the 59 took full or early retirement with the separation incentive. We have distributed to all staff in CRS the entire staffing plan for the remainder of the fiscal year. As of this point, three of the administrative positions were filled with affected staff, two staff accepted positions elsewhere in the Library. Five of the affected staff in those abolished positions have been placed. I anticipate there is some likelihood that some of the remaining affected staff are certainly competitive and may be selected for other jobs. Currently there are 31 affected staff remaining who will be without a job at the end of September.

According to our collective bargaining agreement and Library regs, if in fact those folks are not in another position by June, the Library of Congress will institute a reduction in force. My fondest hope is that prior to that time, every one of those people could find a job that they find meaningful and good.

PREPARED STATEMENT

Now, that said, one of the things that the Library is seeking your help for is approval of an administrative provision that would provide a safety net basically for reduction in force staff of the Library of Congress. The new provisions would allow a staff member of the Library who is facing a reduction in force to be in the executive branch's priority placement pool, if they want to continue their civil service. We would much appreciate your serious consideration of that provision.

[The statement follows:]

PREPARED STATEMENT OF DANIEL P. MULHOLLAN

Mr. Chairman and Members of the Committee: Thank you for the opportunity to appear before you today to present the fiscal year 2007 budget request for the Congressional Research Service (CRS). With regard to our fiscal year 2006 request, I would like to express my gratitude for the Committee's support. Despite the challenging fiscal environment, Congress found a way to provide some additional assistance in meeting the Service's mandatory pay and price-level adjustments, research materials, and staffing gap.

FISCAL YEAR 2007 BUDGET REQUEST

The CRS fiscal year 2007 budget request is $104,279,000, consisting of the fiscal year 2006 base plus an adjustment for mandatory pay increases for CRS staff, as well as the needed price level adjustment for the goods and services we acquire in the course of doing our work.

RESEARCH AGENDA

This past year Congress has functioned under enormous pressures. In addition to existing domestic and international issues, lawmakers faced many unanticipated policy concerns that drew on already strained resources, such as hurricane-related disasters, Supreme Court nominations, and control of mandatory spending through the budget-reconciliation process. Pressing issues such as these have required your full attention, and the Service has been at your side during these demanding times, providing expert research and analysis, grounded in institutional memory, tailored to specific needs, and made immediately available.

The character of the support we offered to the Congress this past year reflects the continuing and unbroken history of CRS' singular mission. We remain steadfast in supplying every committee and Member with analysis and evaluation of legislative proposals by identifying all components of the policy issues, estimating the probable results, and evaluating alternative options.

CRS has a research management framework that is structured to align with the policymaking needs of the Congress. Service-wide research planning makes possible a systematic and coordinated approach that affords important opportunities for interdisciplinary collaboration among experts across the Service. At the beginning of each congressional session, the Service's leadership and experts work alongside committees and Members, anticipating and identifying the major domestic and international policy issues to produce a research agenda. We continually reassess that agenda to address unanticipated circumstances. CRS' ability to respond to unexpected need for its services, while maintaining support for continuing domestic and international issues, highlights the depth and breadth of its services.

Before Hurricane Katrina even made landfall, we had compiled a list of CRS experts and identified the Service's relevant products, making them immediately available on our website. We contacted Members in the affected states and alerted them to available CRS support and services. We then assembled teams from relevant disciplines and policy areas to address Congress' concerns about hurricane victims' access to assistance; command and control in emergency management; federal financing of unprecedented, extended assistance in the form of food, shelter, health services, and general income support; challenges to rebuilding; and reestablishment of the social and economic stability of the region. CRS experts assessed pre- and post-hurricane conditions relevant to policy concerns, critiqued the focus and effectiveness of existing laws and programs, and evaluated policy proposals to bring relief to the area. Through briefings and consultations, in more than one hundred research products, and via specially designed sections of the CRS website, the Service provided the Congress with support during this major national disaster, which Congress addressed in more than one hundred hearings.

Other unanticipated legislative issues required slightly different approaches. For example, the Senate was called on for the first time in eleven years to carry out its advice and consent responsibilities in the Supreme Court confirmation process. However, more than one-half of the Senators and many congressional staff holding key positions in the process had no direct experience with such appointments. To support them, CRS provided legal expertise, research and analysis, and the insight resulting from institutional memory, acquired though several decades of support for Supreme Court and other judicial nominations. Through in-person briefings, reports, seminars and confidential memoranda, CRS informed Congress about committee and floor rules and procedures, the constitutionality of filibusters in relation to judicial nominations, status and prospects for the evolution of areas of law, and a history of congressional experiences with previous Supreme Court nominations. Additionally, aided by the digital scanning operations and the unique collections of the Library of Congress, CRS provided searchable online access to congressional documentation, including hearings, floor debates, floor statements, and votes, for eighteen successful and unsuccessful Supreme Court nominations. Most of this documentation, nearly 100,000 pages, had not previously been available digitally.

In April 2005, Congress adopted a budget resolution for fiscal year 2006 that included instructions to sixteen House and Senate authorizing committees. The instructions called for reductions in mandatory outlays over several years and for tax reductions and increased limit on public debt. To assist these committees and the Congress as a whole, CRS prepared explanations of budget process, procedures, and practices, some of which Congress had not exercised for eight years. Thirty-eight percent of the House Members and one-third of the Senate were not in their current roles in 1997, which was the last time Congress employed reconciliation to control spending. CRS briefed many Members and committees on these procedures. CRS also assisted in assessing the overall financial and policy implications of budget reconciliation measures, ranging from the specific options and their implications for trimming mandatory spending to the possible impacts on various programs subject to proposed changes.

MANAGEMENT INITIATIVES

CRS adapts in other areas to uphold our commitment to Congress. Consistent with my responsibility to lead an accountable and cost-effective organization and in response to congressional directives, CRS not only re-assesses its direct services to the Congress, it also continually examines the internal operations supporting that service. As Congress has indicated, new technologies can lead to greater efficiency, and CRS has completed a long-term study of the impact of information technology on our work processes. The resulting analysis indicated that CRS, through workforce re-engineering of some support functions, could reduce the number of support staff needed Service-wide and devote more of the resources to the our analytic capacity without any loss in productivity.

In 2005 CRS completed an examination of our production support, technical support, and audio-visual functions, those support functions most dramatically impacted by technological advancements. After extensive consultation we reached the decision to eliminate the outdated functions. The decision affected 59 staff, which is about 8.4 percent of the total CRS workforce. To assist these individuals, many of whom are long-term CRS employees, the Service announced the decision one year in advance, offered a voluntary early retirement option and a congressionally approved separation incentive, and provided continuing retirement and career counseling to the affected staff. This type of workforce self-examination is not new to CRS. As a result of similar assessments, CRS has eliminated or curtailed other functional activities over the years. Earlier situations also required CRS to eliminate positions, but in the past CRS was able to achieve the down-sizing through attrition. Given the fiscal year 2006 constraints, which require CRS to reduce its staff size by almost 30 full-time equivalents, it is not practical for CRS to retain indefinitely these employees, whose functions are not critical to the accomplishment of the Service's mission. It is our hope that the affected staff will either retire or find alternative employment before the functions are eliminated on September 30, 2006. If that does not occur, we will institute a reduction-in-force (RIF) in accordance with governing Library regulations and our collective bargaining agreement.

The Library of Congress is requesting the Committee consider an administrative provision that would grant Library of Congress employees, including those in CRS, who receive a RIF notice eligibility into a pool for displaced employees from all federal agencies for consideration for positions in executive branch agencies. This provision would place Library of Congress employees behind any affected employees in an agency undergoing a RIF in selection priority but ahead of applicants who have no federal service. Adopting this provision would give the Library's small pool of dedicated legislative branch public servants a broader potential employment base and could give employees the opportunity to enhance their civil-service careers beyond the Library of Congress.

Building on our current performance management system, and in response to Congress' request that legislative branch agencies consider the performance model set forth in the Government Performance and Results Act, CRS developed an enhanced system for assessing performance and reporting results to the Congress. The plan and reporting system, which are built around our singularly focused mission, use the key attributes of relevance, quality, accessibility, and management initiatives as concrete frames of reference for establishing performance goals. The plan groups performance goals into two distinct sets: one focused on research and the other on management. The management goals are essential to sustaining and improving agency efficiency in resource usage.

Congress has stated that it expects the legislative branch agencies to find opportunities to realize savings through outsourcing certain activities and functions. The Service has permanently outsourced several business functions that are now being performed successfully by contractors. These business functions include a centralized copy center, the CRS technology Help Desk, technology user-support services, mail and courier services, and receptionist and library technician positions. We have just awarded a new contract for the mail and courier services, which includes a revamped performance structure that resulted in the reduction of one contractor staff position and two mail clerk positions. We are currently expanding our technology Help Desk contract operation to provide extended hours of coverage to CRS staff, higher quality services, and a more sophisticated range of services. The Service is also expanding its contract support for graphics and product preparation. We are continually reviewing all of these operations to ensure the Service's business needs are being met in a manner that provides the best value and efficacy possible.

In the same spirit of achieving savings to focus our resources on supplying Congress with needed research and analysis, we are curtailing non-mission-critical activities, except as explicitly directed by the Congress. The Service has been working with its oversight committees to explore alternative approaches to translation services and to the indexing of congressional publications produced by CRS. In response to requests for translations, the Service is seeking to provide referral to outside service providers that have been certified by CRS as providing reliable and timely responses. Like translation services, the indexing function is largely outside the mission of the Service, and we are consulting with our oversight committees and the Joint Committee on Printing to work out a mutually acceptable arrangement with the Government Printing Office to assist the Congress with such services.

However, CRS remains responsive to all congressional needs, even non-mission critical ones, when Congress specifically directs us. For example, Congress requested CRS provide assistance to the House Democracy Assistance Commission and the House International Relations Committee on parliamentary development programs

in new democracies. CRS country experts are assisting the Commission in its selection of candidate countries. Our country and parliamentary assistance experts have been detailed to the House International Relations Committee to travel with Commission staff for needs assessment visits to candidate countries. The Service has also been asked to provide assistance to the Georgian, Indonesian, and other parliaments in developing their research services. Further requests for CRS assistance are likely to depend on the findings from future needs assessment visits. All travel is funded through the House Committee, but we continue to pay staff salaries. CRS leadership is carefully assessing this support to ensure that the capabilities of our staff remain available to meet other congressional demands.

CONCLUSION

CRS is responding directly to congressional instruction to submit reasonable budget requests and consider the overall fiscal constraints placed on the entire federal budget, to streamline by outsourcing, to leverage existing technology to enhance operational efficiency, and to look within for ways to complete our mission. The Service is responding to a federal fiscal environment that dictates the size of this organization be about 705 full-time equivalents. Cognizant of current fiscal realities and heeding congressional direction, the CRS budget request for fiscal year 2007 does not seek additional funds to support program growth. The Service seeks your support for the mandatory pay increases for CRS staff and price-level adjustments for goods and services.

CRS intends to complete the re-engineering of its administrative and support staff and will assess the actual impact of these actions, from both fiscal and functional perspectives, against the expected results. The Service will likely study other business functions to see if additional streamlining can be achieved and intends to continue its practice of reviewing all major contracts and business operations bi-annually to ensure that the Service's fiscal resources are being used in the most cost-effective and relevant manner possible. The results of these studies and re-engineering efforts are expected to provide meaningful business information that will guide the Service's decision-making and frame future management initiatives.

While the Service has remained steadfast to its mission and devoted to providing quality services to the Congress, CRS cannot afford to be static. An organization serving the Congress that is unable to change quickly, alter itself to increase efficiency, or adapt to new requirements is an organization bound to fail. CRS is mindful of this reality and has continually sought out and acted on pragmatic approaches that lead to improvements to better fulfill its mission.

Despite the many changes in Congress and within CRS, the Service of today is identical to the Service of 1914 in one way: our dedication to our mission to provide balanced, nonpartisan, authoritative expertise to the Congress, on time, on target and in forms useful to lawmakers. We will never change the course of our direction.

CONGRESSIONAL RESEARCH SERVICE REALIGNMENT SAVINGS

Senator ALLARD. So there is approximately $4.4 million in savings, and how is that reflected in the Library's 2007 budget request?

Mr. MULHOLLAN. You mean the 59 affected staff? Well, to give you an example——

Senator ALLARD. The savings from that, yes.

Mr. MULHOLLAN. Yes, but part of that savings, I think it cost roughly $600,000 to be able to provide a $25,000 separation incentive to each person. We used the balance of those salaries for the remainder of that fiscal year to provide the separation incentives, as an example. Because we had an overall $3.6 million—excuse me—$3.1 million shortfall, if you recall, last fiscal year and the committee gave us $1 million of our $3.1 million request to keep us at 729 FTEs. So we have requested a permanent reduction to 705, because we do not have enough money in our base in order to sustain the service at the 729.

As a consequence of this, you recall I mentioned that we were focusing our resources to maintain our analytical capacity. We are going to end up with a smaller workforce configuration—maintain-

ing the number of analysts needed to do the research and analytic work for the Congress, but fewer overall support staff.

CONSULTATION WITH CONGRESSIONAL RESEARCH SERVICE STAFF

Senator ALLARD. In your testimony you state that extensive consultation took place before you decided to eliminate production support, computer technical support, and audio-visual functions. With whom did you consult?

Mr. MULHOLLAN. The individual who did the studies spoke to every one of the affected staff in the examination of their positions.

Senator ALLARD. So the CRS staff was consulted?

Mr. MULHOLLAN. They were interviewed with regard to what they were actually doing and what the functions described in their position descriptions were.

Senator ALLARD. This was done before you made your decision, I assume?

Mr. MULHOLLAN. That is correct. They all were able to say, "this is what I do."

Senator ALLARD. Okay. Now, there are 31, as you mentioned, that still have not landed, so to speak, and could be subject to that reduction in force. What action specifically are you taking to work with the rest of the Library to find positions for those 31 staff?

OPTIONS FOR DISPLACED EMPLOYEES

Mr. MULHOLLAN. Well, first we are continuing to provide career counseling and career transition support—how to write a résumé, classes on how to apply for a job in the civil service. That is ongoing and available to each one of those 31 affected staff.

In addition, we are working closely with the Library of Congress and the head of the Library's human resources services. The Library has a great track record, from prior reduction-in-force events, of being able to find positions for those individuals. There is a commitment across the senior management of the Library, for which I am quite grateful, to do whatever possible to try to ensure that in fact there may be positions. While there are no guarantees, we are going to do everything possible to place any remaining staff.

That is why that approval of our proposed administrative provisions would be helpful for us in the future.

RETIREMENT INCENTIVES

Senator ALLARD. This is for Dr. Billington. In January about 186 employees took advantage of an early retirement and buyout incentive offered Library-wide, including the CRS staff we were talking about. Can you explain why the buyout was offered, what job functions were eliminated, and how much funding was freed as a result of the buyout, and how you are redirecting those funds?

Dr. BILLINGTON. I did not understand the last two points you made.

Senator ALLARD. Well, let's see. Explain why the buyout was offered and then what job functions were eliminated, and then how much funding was freed up as a result of the buyout. Why do we not just take them one at a time. Why did you offer the buyout?

Dr. BILLINGTON. Well, I think we will provide, with your agreement, the statistics for the record. I can answer the question in general and then we will give you the detailed statistics.

WORKFORCE TRANSFORMATION

First of all, we have a very large number of people who are eligible to retire. It is an aging workforce. This is the beginning of a general workforce transformation process and we wanted to give a significant buyout opportunity, which quite a number of people took.

On the day our employees were leaving, I met with many of them, and they said they appreciated the buyout.

It is part of the workforce transformation we are undergoing into the digital era. The buyout was a way of offering an opportunity to leave, which a great many people took.

I might point out that in the current budget submission the $781,000 is to assist the workforce transformation. We want to develop some newly defined digital competencies. We want to build leadership skills for people from the GS–5 to GS–9 category. We want to do everything we can to retrain as many staff members as possible and expand the range of opportunities.

This is a direction in which we are trying to move as rapidly as we can. We have to also recruit new people from the outside, but we really genuinely want to give as much opportunity for other jobs in the Library. The Library as a whole is facing a need to transform itself and there cannot be any guarantees, but I want to assure you that the Library as a whole will make every effort to make available alternate opportunities for people whose present functions are becoming obsolete. We have brought on as the head of training somebody who has had experience with one of the more successful programs in the Federal Government and we have been beefing up that staff.

We are very concerned about this problem in human terms, but at the same time we simply have to move ahead with this kind of transformation if the Library is going to continue to serve the Congress and the Nation properly.

We will provide you statistics and details for the record.

[The information follows:]

During fiscal year 2006, the Library requested approval from Congress to offer separation incentives and from the Office of Personnel Management (OPM) to offer early retirements. Consistent with the legislation governing these incentives and early retirements, the Library indicated that it needed to reshape and renew its workforce to match the highly-specialized skill sets that are replacing outmoded ways of filling its mission. Both Congress and OPM approved these requests. It should be noted that the Chief Human Capital Officers Act of 2002 (title 13 of the Homeland Security Act of 2002, Public Law 107–296), contained an explicit sense of Congress that the legislation's intent was to reshape and not downsize the Federal workforce. Since, 2002, executive branch agencies have used these authorities to meet the changing needs of the 21st century. In fiscal year 2005, Congress granted the legislative branch authority comparable to that of the executive branch. Thus the Library's implementation plan is consistent with the purpose of the Act; to reshape—not downsize its workforce.

The Library's fiscal year 2006 separation incentive programs addressed specific, critical workforce requirements in the Congressional Research Service (CRS), Library Services (LS), and Integrated Support Services (ISS). In the case of CRS, advances in technology, its deployment in the Service, and the technical skill level of incoming analytical staff rendered obsolete the services provided by its production

support staff, technical support assistants, and audio-visual staff. In addition, CRS required information professionals who could meet the redefined work, competencies, and skills sets of the Knowledge Services Group, created to better use the skills of librarians and other information professionals to serve the needs of Congress. Library Services needed to re-engineer its functions, redesign jobs, retrain current staff, and recruit new staff to meet the Library's digital requirements. For example, in the acquisitions and cataloging areas, staff will be required to manage digital assets that have distinctive retrieval and preservation requirements—more complicated than the traditional handling of printed books and journals. With more than 3 billion "hits" on the Web site annually, questions once asked in person are now coming from individuals we will never see in person. As a result, reference assistance and more collection curation must be performed online, changing the profile of and skills needed from a reference staff. Technological changes have also required new skill sets on the part of ISS staff. For example, printing is now created with sophisticated computerized tools and electronically transmitted with customer-driven requirements that generate high-impact graphics and images unimagined only a few years ago. Similarly, facility operations staff must have technical expertise to monitor buildings adequately and effectively with the sophisticated and integrated systems required by today's high technology workforce.

Approximately $16 million supported the salaries and benefits of the 186 employees participating in the early out and buyout programs. Redirection of this funding will enable the Library to hire new staff more quickly rather than waiting for current staff to retire at some unknown point in the future, increase contract support capacity—in areas where flexibility in staff support is needed as business plans evolve and are implemented, and invest in new equipment needed to support our innovative programs. This funding, combined with the $781,000 requested for workforce transformation, will ensure that the Library has the tools—that include not only separation incentives and early retirements, but also staff training, mentoring, career planning and counseling and digital competency skills development, needed to implement an integrated workforce renewal plan. The success of this plan is highly dependent on the resources available to carry out each part of the plan. If funding and FTEs are stripped away, the Library will be in a worse position than had we waited for employees to retire—a time line that was already impeding the Library's digital transition and transformation.

IMPACT OF RETIREMENTS

Senator ALLARD. The detail of these questions that we are asking is to provide us a thorough and complete answer. So the rest of the question on what job functions were eliminated and how much funding was freed up as a result of the buyout and how you are redirecting those funds, we would like to have a detailed answer on that. If you do not have that information in front of you now, we will give you a chance to give us a written response.

Dr. BILLINGTON. Yes, sir.

Did you want to add anything?

General SCOTT. No, I think that is the most appropriate way to handle it.

Senator ALLARD. Is that fine, General Scott?

General SCOTT. Yes, sir.

COPYRIGHT REENGINEERING PROGRAM

Senator ALLARD. Let me move on to the copyright reengineering. Now, that office has been engaged in a 6-year effort to overhaul its work processes, a project which involves major space renovation. The subcommittee provided over $9 million in the fiscal year 2006 budget for temporary office space and renovation of the existing space in the Madison Building. The effort now is 6 months behind, I am told.

Why has it been delayed and what is the impact on cost and is the project now on track for completion in 2007?

Dr. BILLINGTON. It is on track now. The delay was caused because of the difficulty the General Services Administration (GSA) had in finding a place that could house the Copyright Office for only 1 year instead of the conventional longer term lease, while the final stages of the reengineering were taking place. There were three different changes of locations resulting in changes to design specifications and so forth. There was a delay, but it is on track now and we are expecting that in July of this year, they will move out to another location in Crystal City and in July of the following year, they will be back in their full reengineered mode.

Meanwhile, the pilots and electronic registration are on track, if you want details, we have Julia Huff—the Register is unfortunately not available to be here today, but Julia Huff from the Copyright Office can answer this.

REENGINEERING PROJECT DELAYS

Senator ALLARD. In your efforts in working with the Architect of the Capitol and GSA, what could prevent the type of problems you have encountered in future projects of this kind?

Dr. BILLINGTON. Well, General Scott, do you want to address that?

General SCOTT. I have got some general ideas, but I think it would be best if we could hear from Julia, who has really been intimately involved in trying to re-schedule and keep things on track that mostly were way beyond the Library's control. Is Julia here?

Ms. HUFF. Yes.

Senator ALLARD. Julia, do you want to give the lessons learned?

Ms. HUFF. Yes, Mr. Chairman, I will. One thing that might have helped—we started working with GSA in early 2004, and we probably would have benefited from having our own project manager onboard at that time, and we did not add that project manager until 2005. He, along with the facilities team, has really kept on top of GSA and tried to move them along.

The lesson we have learned from GSA is that they have a very structured, layered organization and it just takes more time than we anticipated to get paperwork approvals, negotiations, and the like moved through all required steps.

Senator ALLARD. In short, they are bureaucratic?

Ms. HUFF. Yes, you might say that.

Senator ALLARD. Okay.

Ms. HUFF. They did not really respond immediately to our request for leased space. When they did, the space was too small, and then they switched buildings on us twice in Crystal City. All of this caused delays in the design. We had to do redesigns of the architectural work, for electrical work, for voice and data. We incurred more costs and delays because of these changes.

So yes, we are behind and it is because of the facilities piece. We might have started in 2003, but 2 years seemed like plenty of lead time when we first began.

NATIONAL AUDIO-VISUAL CONSERVATION CENTER—CULPEPER STATUS

Senator ALLARD. Very good.

On the National Audio-Visual Conservation Center. The Library will be taking possession of this new National Audio-Visual Con-

servation Center in early 2007. I really appreciate the opportunity to go out and tour that center, and I think we are all very appreciative of the Packard Foundation and all they have done as far as providing citizens of this country a very good facility.

I would just like to have an update on what the status is of this privately funded construction project, and then once it is operational do we have any idea what the annual operations and maintenance costs might be for that? I want to make sure we are making allowances for that in future budgets.

Dr. BILLINGTON. We can try to give you a precise estimate.

[The information follows:]

The Library's five-year request to Congress to acquire the new equipment and staff resources necessary to operate the NAVCC concludes in fiscal year 2008. Full initial operations will begin in fiscal year 2009, and ongoing annual costs beginning that year will be approximately $23.4 million for the Library. This estimate does not include the AOC's operating and maintenance costs for this facility. This estimate includes $11.4 million for salaries and benefits of the 139 Motion Picture, Broadcasting and Recorded Sound (MBRS) employees, 127 of which will be located at the Culpeper facility, $7 million for preservation digitization, $3.5 million for storage, and $1.5 million for infrastructure support. The operating capacities reflected in these costs were established based on our urgent need to preserve at-risk national heritage collections dating back nearly 120 years, as well as the need to begin ingesting significant new born-digital works. Fortunately, the proven technologies to achieve this have recently become available, and the Packard Humanities Institute's gift of the state-of-the-art NAVCC facility will allow the Library to take advantage of these technologies for the first time.

Dr. BILLINGTON. We were actually applying for less money for this because there was significant reduction in FTEs from last year, because a lot of that was for the transition period, where we had to install things in sequence and that required a little bit of a buildup in the last couple of years.

We can give you an estimate of how it looks. The current situation is that in November they turned over the ownership of the central plant to the Architect of the Capitol. This is a complex operation because the work is basically being done by the Packard Humanities Institute, but we are putting in the infrastructure. In December they turned over the ownership of the collections building to the AOC for occupancy by the Library and we have already begun moving staff and collections—we have six collection maintenance employees now out there working, and the first collection items just this past month were moved from Capitol Hill. The remaining collections will be staged for relocation from many different storage locations to be centralized into one location throughout this calendar year.

Construction continues on the conservation building and the nitrate vaults. The conservation building is where most of the staff will be moved. We will be saving $500,000 of annual lease costs, starting in 2008 as a result of the collections being moved to Culpeper.

NATIONAL AUDIO-VISUAL CONSERVATION CENTER—PACKARD CONTRIBUTION

Mr. Chairman, I cannot say exactly what the cost contribution from the Packard Humanities Institute will be, but it looks like it will be the largest single private capital contribution to a Government building in history. We have to confirm that. It would not be

if you multiplied by inflationary factors. But it is a very, very major contribution.

We think that the base will probably not be very different from what it is once we get over this bump. I will try to give you as precise estimates as we can of what is anticipated. It is going to be really quite an amazing facility. One thing that is particularly interesting and important about this for the long-range cost is that the capacity is so great out there that we should be able to accommodate for many, many years to come, even decades to come, the anticipated storage need. It is also the first facility that will have digital storage capability, so this is very, very important. It will reflect the standards that Congress asked the Library to establish some years back for audio-visual conservation. It will be the largest and the most up to date facility of its kind anywhere.

By this time next year it ought to be functioning, when it is finally conveyed from the Packard Humanities Institute through the Architect of the Capitol to the Library for its usage.

PERFORMANCE MEASUREMENT

Senator ALLARD. I want to press you a little bit on the Government Performance and Results Act. I would like to have you present this subcommittee with a few examples of how the Library measures its program performance and makes budget decisions based on program effectiveness.

I want something specific. So if you can answer that question for us if you are prepared to. I suspect you may not be, and you could present us a written presentation about some specific programs where you are applying it and making administrative decisions based on what you are seeing on the performance objectives.

[The information follows:]

Since 1997, the Library has used the GPRA model as a guide in developing and implementing its strategic plans and annual operating plans and performance reports. Library programs have made significant progress in developing goals and objectives that focus on measurable outcomes rather than outputs. Consistent with GPRA requirements, the Library is once again reviewing and revising its strategic plan which will include major changes to its goals, performance measures and targets, and assessment systems.

As part of the Library's annual budget process, each office reviews their base resources to determine if additional investments are needed to support the Library's goals and objectives. Over the past few years, this review has become increasingly important, as the transition to the digital age has required ongoing reengineering of our work processes. Based on congressional direction and cognizant of Federal budget realities, the Library took a hard look within and across organizations in determining its resource requirements for fiscal year 2007. As a result, our fiscal year 2007 budget request reflects only a 4 percent increase over fiscal year 2006, and a net decrease in FTEs—reflecting mostly mandatory pay and price level increases. Despite these limits on our budget request, the Library will continue to maintain relevance in the digital age with enhanced strategic planning and workforce transformation.

Some examples of how Library program offices applied GPRA principles in administrative and budget decisions include the following:

Copyright Office

As a standard practice, the Copyright Office monitors productivity and staffing levels and adjusts hiring and overtime decisions based on trends in receipts, productivity, processing time and amounts of work in process. Based on these reviews, the Copyright Office has taken actions such as cross-training staff to perform work in areas needing assistance, focused overtime in areas where processing time was longer, prioritized hiring for areas that were lagging in production. These decisions

were factors in a more than 50 percent reduction in average processing time for registrations since 2001.

The Copyright Reengineering Project is a multi-year effort to improve Copyright's business processes based on an analysis of its current services to the public. With the reengineering study recommendations, the Copyright Office developed a multi-year planning and budgeting strategy to reconfigure its current facilities, build a new IT system, and reorganize its staff within the new business processes. After the implementation of the reengineered processes and based on processing times, productivity rates and customer satisfaction findings, the Copyright Office will determine whether to reduce staffing in areas identified as overstaffed, reallocate and reassign staff based on workload across all areas and/or modify functions. One or all of these actions may result in changes in future budget requests.

The Copyright Office planned for a significant reduction in renewal fee receipts in fiscal year 2006 and beyond. The number of renewals has decreased over the past several years based on statutory changes that made renewal registration voluntary. As a result, the Copyright Office has requested a permanent decrease in its offsetting collections authority and a reduction of five FTEs in fiscal year 2007. The Copyright Office also determines its fees using activity-based costing methodologies to review costs of providing services while giving due consideration to the purposes of the copyright system and the statutory requirement that the fees be fair and equitable. As a result of this review, the Copyright Office submitted a new fee proposal to Congress on March 1, 2006.

Congressional Research Service

In early January-May 2005, CRS undertook three comprehensive studies of support areas: Production and Administrative Support, Technical Support Assistants, and Audio-Visual Support. The objectives of the studies were to identify the services and tasks currently performed by these support groups, determine the extent to which the services and tasks met the broader CRS staff support needs, identify any unmet support needs, and determine the most efficient and effective ways to satisfy all support needs in the aforementioned areas vis-a-vis the Service's investments in technology. For the past few years, these support functions were carried out by approximately 59 staff, at an fiscal year 2006 estimated cost of $4.4 million.

To accomplish these objectives, CRS reviewed the position descriptions for staff working in the support areas and, to ensure consistency, developed structured questions to collect needed data from a range of staff and using several methodologies. CRS conducted numerous interviews with mid- and senior-level managers, support staff in all three areas, and other staff who utilized the support services. Based on the data collected via document reviews, meetings, consultations, and interviews, CRS compiled comprehensive lists of the support services and tasks performed in each support area. Afterwards, study participants (i.e. managers, support staff, and users of the support services) were given copies of the lists and asked to verify the extent and frequency which the support staff performed the identified services/tasks.

The analysis supporting these studies led the Service's leadership to recognize that the services and tasks provided by the 59 positions had been overtaken by advances in technology (desktop tools and operating environment) and were no longer needed. The analysis demonstrated that new and different services and tasks were needed; therefore leading to a workforce re-engineering of the administrative staff. CRS has announced its intention to abolish the 59 outdated positions, effective September 30, 2006. The Service has also developed a cadre of fewer and new positions that will provide administrative support.

The Service's current budget can afford approximately 705 FTEs; however with the 2006 one percent rescission and the prospect of a similar action in 2007, CRS may need to adjust its FTE estimated ceiling down again. Retaining the 59 staff indefinitely would have adversely impacted the Service's ability to sustain an analytic capacity of between 335 and 350 staff while at the same time adjusting its total workforce to the 705 ceiling. The long-term results of the CRS workforce re-engineering will be to free up FTEs and funding which can be redirected to maintain the needed level of analytic capacity for the Congress.

For several years, CRS has maintained a business activity that provides courier delivery and pick-up services directly to and from all Congressional member offices, Congressional committee offices, the Capitol and CRS Research Centers as well as intra-Service mail pick-up and delivery. The operation has been staffed with a combination of contractor personnel and CRS staff—and at the time of the review (early- to mid-2005), the operation was staffed with 11.5 contractor personnel (including an on-site supervisor) at an annual cost of $432,000 and three CRS mail clerks at an annual cost of $131,500, for a total cost for this business activity of $563,500. The contract was at the end of its five-year life; and, as a result, CRS

took advantage of an opportunity to analyze fully the current workload statistics data as a means of updating the contract to better reflect the new ways in which CRS communicates with and provides information to the Congress—increasingly via electronic means.

CRS staff gathered, assimilated and analyzed historical financial cost information on each element of the work performed under this contract. They conducted extensive interviews with an on-site supervisor, particularly regarding tasks performed, methods employed, and operating procedures; staff toured the facilities, witnessed operations, conducted survey-level time and motion studies, spoke with the couriers, and discussed problems encountered and solutions developed; staff interviewed the CRS Contracting Officer's Technical Representative (COTR) regarding services performed under the contract, the history of the contractual services, and the performance of the contractor as well as performance standards prior to outsourcing; staff gathered, assimilated, and analyzed month-by-month statistical data, from 1999 through 2005 including: delivery of packages and books to Congressional offices (CRS provides this service the entire Library of Congress), pick-up of packages and books from Congressional offices, sorting and bundling of non-rush Congressional mail and delivery to House and Senate Post Offices, preparation of mail for Congressional district offices, and sorting of CRS mail.

The study concluded that the activity continues to provide a vital service which supports the core mission of CRS—basic to meeting the needs and fulfilling the requests of Congress and Congressional staff for information. Customer surveys, from both Congressional and CRS staff, reflected a high satisfaction level with both the service and the performance of the contractor. However, the workload statistics data confirmed that the number of items exchanged via the courier service had been, and continues to decline each year. The analysis revealed that the services could likely be performed by one, and possibly two, less personnel.

The study results provided CRS staff with substantive data that produced a renegotiated contract with ten contractor personnel and one CRS staff—a total annual cost reduction of $84,000 which has been redirected back into the Service's overall budget.

CRS has for many years maintained a contractor-operated technology help desk. The contract covered four highly skilled personnel to provide immediate desktop services to CRS staff. While there was no debate about the on-going need for desktop services given CRS's reliance on technology tools, this contract was at the end of its five-year life and warranted a thorough review in order to redefine the scope of work and level of expertise needed to match the technology environment of 2006 and beyond. This study was conducted at about the same time as the functional review of approximately 18 Technical Support Assistants.

The review began with an examination of the contract documentation, contractor workload statistics, monthly billings over the life of the contract, interviews with CRS program personnel, principally the COTR, to gather data on such questions as the services provided under the contract, the need for the activity, the definition of successful service delivery, methods and factors used to evaluate the contractor's performance. The financial data and contractor workload statistics were analyzed. The review included an assessment of contractor levels, current workload and the real cost of the activity, including the CRS management overhead, contractor management fees, and the cost of CRS staff with greater technical expertise at the GS–14 level who handle escalated service calls which are outside the scope of the help desk contract. Based on the review of documentation, interview data, and financial information, alternative methods of performing the activity were developed and a cost and benefits alternatives analysis was prepared.

On the surface, the viable alternatives costed out within $50,000 per year of each other; however, best business practices support that contracts typically provide the better short-term solution when the environment is changing. The Service's recent need for expanded help desk hours of coverage to better match the work hours of CRS analysts and information professionals (from 7:30 a.m. to 7:30 p.m.) is one example of needed flexibility. Another example is the need for expanded expertise to help integrate new software and operating systems into the Service's products, e.g., with sophisticated graphics and tables. The entire technology environment in CRS is undergoing a major transformation as the Service moves to a new authoring and publishing system. A contract will ensure that CRS has the flexibility to respond quickly to the specific work skills needed by the Service and to keep pace with continuing changes/advances in the field. This kind of flexibility could not be achieved with federal employees employed under specific job classifications, grade levels, or in a union environment, such as CRS, where "changes in work conditions" are generally bargainable. Even changes in work hours cannot be effected easily with CRS employees in the bargaining unit.

The new help desk contract will be awarded within the next few months.

Library Services

After analyzing its in-house costs for processing the same materials and seeking to reduce its costs, the Library contracted with its Italian book vendor to supply shelf-ready books. These books arrived at the Library fully cataloged, labeled and ready to be added to the collections for immediate use. As a result, three acquisitions staff were freed up to be reassigned to other critical processing tasks. The Library expects to use this model to expand to other book vendors for future contracts to continue to reduce its processing costs.

Taking advantage of the functionality of the Web, the Library implemented a Web based exchange program to enhance its acquisition of materials through exchange. Stemming from a business process improvement project, the program improves the Library exchanges with its partners; reduces Library staff time needed to manage and execute the program; reduces space needed to store the duplicate material to be offered on exchange; and reduces the number of times items are physically handled. The Library's new Web program—which now has over 740 participants—facilitates its ability to receive reciprocal items from the exchange partners to help build its collections at much reduced costs. In fiscal year 2005, the Library's acquisitions divisions received 148,696 pieces from its exchange partners.

The Cataloging in Publication (CIP) Program was established in 1971 to provide advance cataloging copy for publications most likely to be acquired by the Nation's libraries. Since the Program's inception, Library staff have produced catalog records for 1.3 million titles, saving public and research libraries the cost of creating these records. As an efficiency measure, the Program—which has over 5,000 publishers that submit their prepublication data—has made the transition to electronic processing using the Web. The Electronic CIP Program (ECIP)—which now has over 3,600 publishers participating—has saved staff time (equal to three full time staff), has dramatically reduced throughput time for processing titles, and has overall reduced the per title cost of processing CIP titles. The Library saves annually $10,000 in postage as a result of not having to mail cataloging data in print form to the publishers. ECIP has enabled the Library to achieve additional savings by having other research libraries take on the cataloging of preprint publications—Cornell University and Northwestern University currently contribute annually approximately 200 cataloged titles.

The Library's bibliographic access divisions have analyzed the costs of producing a catalog record. The costs are driven by both the complexity of the cataloging rules and procedures and by the level of staff who create the records. To address the latter, the Library instituted a pilot in one of its divisions to have technicians use catalog records produced by other libraries as the basis for the Library of Congress record. Using lower level staff has yielded measurable gains. The division's production of copy cataloging increased by thirty percent between fiscal year 2004 and fiscal year 2005 (from 9,725 titles to 12,670). Concomitant to the division's increase in copy cataloging output was a one-third decrease in the number of hours devoted to more expensive full, original cataloging between the two fiscal years (from 67,582 hours to 57,231). This model will serve in planning fuller scale use of technicians for processing functions commensurate with their level of expertise.

The Library has worked with the library community to reduce the complexity and cost of producing catalog records. In collaboration with the library community, an analysis was done of the record content with a goal of removing elements that were not necessary to provide satisfactory service to users seeking information. The resulting record, "a core level catalog record," reduces the cost for cataloging per item by as much as 43 percent. The Library has now adopted the core level record as its default catalog record. These records meet the needs of end user while meeting the needs of other libraries to provide access to their collections.

In fiscal year 2005 Library Services contracted with an information services research firm to assist with a strategic assessment of the needs and expectations of the National Library's constituents. A nationwide survey is currently underway to gather data that will be used in the process of assessing the effectiveness of National Library programs. The results from this and other data-collection efforts will inform future Library Services administrative decisions.

RESULTS-BASED DECISIONMAKING

General SCOTT. Yes, sir. We could answer the question now, but in the interest of time, I would——

Senator ALLARD. We have time.

General SCOTT. The way the Library implements its planning process is the Librarian each year issues guidance to each one of the program offices within the Library, and he gives his objectives and goals around which the other programs have to respond and then come up with theirs. The offices will come up with an annual plan, and that annual plan is based upon the measurable task, where possible. Now, all the tasks cannot be measured, but where they can be measured, offices list those tasks that will be accomplished.

Then when the budget has been put together, those tasks and those goals become part of our operating plan that we submit to the Congress.

In addition to coming up with the annual plan, we also have for the senior managers, a performance evaluation system that reflects what goals and objectives they have worked on and achieved during the past calendar year. Those objectives and goals are very specific and do tie back to the budget.

Senator ALLARD. Can you give us some examples of where there was not adequate performance for one reason or another?

General SCOTT. There was inadequate?

Senator ALLARD. Where there was not adequate performance and because of inadequate performance maybe you reduced that function, perhaps shifted dollars to another area of the Library where there was better performance. Can you think of some examples like that in your budget?

General SCOTT. I cannot off the top of my head give you an example of that.

Senator ALLARD. That is what we are looking for. It is those kinds of administrative decisions that you may have been making in the Library of Congress, where they actually had an impact on how you managed the program. Maybe you took some money from it because you perceived the performance could have been better and should have been better and you had to reevaluate it. Perhaps you had another area over here where you saw a need, where they were meeting the goals and objectives, and maybe shifted a little.

We are looking for some specific examples of applications. You are saying the right things, but we are just looking for areas you can point to where you actually used that to make administrative decisions.

General SCOTT. Yes, sir, we understand and we will get you some examples.

Senator ALLARD. If you feel like you need some help in outlining that the Government Accountability Office (GAO) does a good job on objectives and making some decisions on that. Maybe to consult with them might be helpful in tailoring what we are looking for as far as program guidance. Okay?

General SCOTT. Yes, sir, we will do that.

DIGITAL TALKING BOOKS PROGRAM

Senator ALLARD. On to the Books for the Blind and Physically Handicapped. You have been working on it for several years to develop what we call a digital talking book to replace the current cassette-type system, to make books available to the blind. Over the

next several years, approximately $75 million will be requested to produce the new machines.

In fiscal year 2006 you plan to spend $12 million to purchase the old machines which will soon become obsolete. Why do we need to purchase any additional cassette machines in 2006 when I am told there are over 700,000 cassette machines currently in circulation, inventory, or repair? Then maybe during this you might talk a little bit about the status of the new plan.

Dr. BILLINGTON. I think we will ask Mr. Kurt Cylke, who is the Director of that program, up. But I just want to say that we have to maintain the service and we have to maintain the inventory during the transition. We are on the schedule that has been long established by Mr. Cylke and by the service, but we cannot have a drop in the current analog service until the digital program is operational. We are asking for a $19 million startup. That was what was always intended. That is not a change in the plan.

We cannot have a drop-off in the service in the meantime. Mr. Cylke can elaborate.

CASSETTE MACHINE REPLACEMENT

Senator ALLARD. Do we have cassette recorders over here that could be repaired, that we could put in without having to buy new ones during this transition period?

Mr. CYLKE. We have, Mr. Chairman. We have approximately 740,000 cassette machines in the field. Many of them—most of them, of course, are in use by individuals. There are a certain number of inventory and then there are a certain number being repaired.

Let me get to your original question of why we are buying machines in 2006. Working very closely with the Inspector General, we had a study performed that projected out the needs for the cassette machine until we can get into the digital program. We have 23 million copies of books in libraries and warehouses around the United States. We have the 700,000 machines using them and we are going into the digital age.

As you heard from Dr. Billington, we are proposing to request $19.1 million a year for the next 4 years into the budget to permit us to buy those digital machines, and then withdraw the additional funds from the budget and go on. However we need cassette machines to keep the people who are in the program now able to use the millions of books and magazines that are available.

Senator ALLARD. Would you agree with these figures: We have about 133,517 available for loan from the Library?

Mr. CYLKE. That is correct.

Senator ALLARD. So that we have a total of 720,000——

Mr. CYLKE. Something close to that. That is correct. Yes.

Senator ALLARD. Okay. And then an additional 42,000 machines you are planning on buying in 2006?

Mr. CYLKE. That is correct. As a matter of fact, I believe the contract will be signed today or tomorrow. Again, what we did was make an in-depth study of the number of machines that we would require to keep the cassette program going until we can get into the digital program. This is our final buy of machines.

This report was done by an outside contractor, reviewed by Mr. Schornagel, the Inspector General, and his staff. Suggestions were made and the number of machines, the 40,000 plus, was based on a review with the Inspector General.

Senator ALLARD. Then you are just going to flat drop off a cliff so to speak?

ANALOG-DIGITAL TRANSITION

Mr. CYLKE. There will be no future purchase. That is it. We have been in the cassette program from the early 1970s, but this is our last purchase of cassette machines.

Senator ALLARD. And you are going to phase these out?

Mr. CYLKE. They are going to be phased out, but the new machines that come in—again, we have millions of copies of books on the shelves for use in the cassette format. All these books for the last 2 years and into the future will be in digital masters. The digital machine will be available to us in the beginning of 2008 and it just depends on how much money or how the funds are made available by the Congress as to how many we can build.

But we would expect to buy over a 4-year period the great bulk of those machines.

Senator ALLARD. Are these machines that you have now in a format that can easily be transferred over to the digital format?

Mr. CYLKE. The machines are not—the machines are analog cassette machines. They are four-track, half-speed cassette machines. But the analog books that are available on the shelves we are converting at a rate of a couple of thousand a year of the more important titles. Now, obviously in a public library environment many of the books would not be replaced. But we are converting things like the classics where we have them and going through what we call an A to D process, analog to digital.

We should have 20,000 digital books by 2008. That would be reconversion as well as new books that have been mastered that way.

Senator ALLARD. The public will use the analog and the new ones that you are going to put on the digital?

Mr. CYLKE. Digital only.

Senator ALLARD. Digital only?

Mr. CYLKE. Well, analog and digital for 1 or 2 years.

Senator ALLARD. But then as those others get used up, then you will put them on digital; is that your plan?

Mr. CYLKE. If I understand what you are saying, would the 23 million copies be converted. We will convert only the ones that will be of continuing use. In other words, every year we do a certain number of fiction items, best sellers.

Senator ALLARD. I see.

Mr. CYLKE. They certainly would not—old best sellers would certainly not be converted. I do not want to offend anyone, but——

Senator ALLARD. You do not want to offend anybody's favorite book here.

Mr. CYLKE. Right.

Senator ALLARD. Now, I want to refer to the IG here. Do you have some comments on this program? Do you think that we are going in the right direction? Can you comment on that?

DIGITAL TALKING BOOKS AUDIT

Mr. SCHORNAGEL. Yes, I do. My office issued an audit report on this program back in 2002 that deals a lot with the issues that you are raising and recommended that a formal analysis be done to bridge the transition from the analog to the digital technology and reduce the number of purchases of new machines, and that has been done; and also to increase the repairs of the used machines.

My office has been very actively involved in the last few years in supporting cost analysis and negotiation strategies with this contractor, and has resulted in several million dollars in savings. I think that the old analog machine purchases are necessary. The fact that we are going to cut it off, we really could not justify paying higher unit costs to buy smaller quantities in 2007 and beyond.

It is going to be 2014 to 2017 before these old analog machines are completely phased out. People have a tendency to want to hang onto them and not want to change technologies. So I think that the strategy and the fact that Mr. Cylke is getting the full life out of all the old machines that the taxpayers are supporting the purchase of is really a reasonable approach.

CAPITOL VISITOR CENTER

Senator ALLARD. Let us move on to the Capitol Visitor Center (CVC) tunnel. There was a report in Roll Call just this last Tuesday on page 3 that part of the tunnel project might be paid for out of private funds. Is this an accurate report and would you like to comment on that article, Dr. Billington?

Dr. BILLINGTON. Yes. That is not an accurate report. The quote of the CVC spokesman was erroneous. The spokesman himself told my chief of staff yesterday that he had been misquoted and had already issued a correction. The Library of Congress was not contacted by the reporter about the article before it was written, so the issue might have been cleared up before publication.

Let me make it very clear. We understand and have always understood that the cap of $10 million is firm and we have never requested any changes to the construction of the tunnel. We have always understood this appropriated amount to be a very firm limitation. The Architect of the Capitol has given us full assurances that the $10 million appropriated will fully cover the costs of the construction and Jefferson Building changes as presently proposed.

I could go into more detail if you want.

Senator ALLARD. I just want you to clear the record and make sure you are comfortable that we have the facts on record.

Dr. BILLINGTON. Yes. The original appropriation allocation was $10 million. We understand that the AOC has spent $5.1 million for tunnel construction, which includes a $200,000 contingency, and that just recently they have put out a contract for $4 million for changes, that was issued just last week.

That leaves a balance of $900,000 for contingency, which is well under the $10 million cap.

Senator ALLARD. Any problem with that cap?

Dr. BILLINGTON. We do not see any problems with it, and we are not requesting any changes or additions.

Senator ALLARD. I would expect that with the opening of the Capitol Visitor Center you are going to get more visitors, more people wanting to visit the Library of Congress. You are not going to have to negotiate across the street and you will probably get more members as well as more visitors wanting to use that tunnel.

Are you expecting a large increase in visitors and are you doing anything to try and accommodate that?

CELEBRATION OF AMERICAN CREATIVITY

Dr. BILLINGTON. Yes. We have been looking into this in some detail. The estimate has been given that as many as 3.5 million people will be coming into the new visitors center. We want to use the public spaces of the Jefferson Building as the focal point for additional visitors to the Library. We have done some very careful analysis and planning, with a lot of consultation, all, I might add, on nonappropriated funds. This is all being done with private funding—what we will do to prepare for more visitors will depend on what we can raise from private funding.

The idea will be to celebrate and illustrate and involve people in one of the most important contributions that the Congress of the United States has made to the American people. No other government in the world has as consistently and as fully preserved the private sector creativity of its people as has the United States, and in particular the legislative branch of Government.

Once the Copyright Office was placed in the legislative branch of Government, we were able to retain in the Library's collection as closely as possible the mint record of American creativity. By housing innumerable collections, we have way over 5 million pieces of music, we have the world's largest collection of movies, nearly 1 million movies and moving image titles—these are amazing accomplishments that the Congress has achieved. We want to celebrate this, which we think will supplement and round out the story of the Congress and of its governance, its oversight and legislative functions, which will be illustrated in the Jefferson Building's expanded exhibits.

We think this will be an important illustration, calling attention to a great achievement of Congress, which we have been fortunate enough to be the custodians and administrators of. This summer we are bringing in interns to find and illustrate more things in the copyright deposits that can be celebrated and realized. We will use our public spaces, without interfering with the traditional usages of the Library, to in a dignified way both introduce visitors to the importance of knowledge and to give them some experience of creativity. This experience will be richly illustrated, not only by the artists and the performers, but also by the inventors and the other scientists and inventors that made America the creative country it is. The creative use of freedom, and the Congress' crucial role in preserving this record of creativity will be the main thing we are going to be illustrating and celebrating.

Senator ALLARD. I think you have a great facility there. As you know, my wife uses that Library personally—we go over there and walk the halls and do the searches through the computer and through your catalogue. I think a lot of Members send their staff over, but we will wander over there personally. I would agree that

it is a great facility. We should be very proud of it. We are privileged in this country to have that kind of a facility available for us.

So we want to do everything we can to help make it better and continue to make it meet the needs of the American people.

WORLD DIGITAL LIBRARY

Let me move on. I want to talk a little bit about the World Digital Library. In November the Library entered into a cooperative agreement with Google to develop a World Digital Library. Apparently Google is contributing $3 million to this effort. Could you update us on this project?

Dr. BILLINGTON. I think this is very exciting. As you know, we had close to 4 billion electronic transactions last year. Our American Memory website has brought more than 10 million items of American history and culture online. We are continuing to augment that with materials that highlight creativity and the culture. In fact, there will be a connection between the website and exhibit space within the Jefferson Building. The visitors experience will include an invitation to use our educational website as well.

What we are adding here, again with this important startup private money which is purely philanthropic—it is a nonexclusive arrangement—is putting the memory of other cultures online.

It is important to dramatize to the world, both to help America understand the cultures of foreign countries, with whom we are more and more involved, our already large educational website and training, facilitating its educational use, to provide windows into world cultures. We are going to begin with pilot projects with other countries. We are going to launch the World Digital Library very carefully, as we did with the American Memory project that began our educational and inspirational online presence.

PARTNERSHIPS WITH NATIONAL LIBRARIES

We are going to do it jointly. We already have agreements with six other national libraries to do joint projects. Our original project with the Russians, which was funded and initiated by congressional action, is approaching 1 million items. We are getting great cooperation from them. They are giving us access to nearly everything we want.

So we have had a successful startup with special funds, and now agreements with a wide variety of countries—our most recent agreement is with the National Library of Egypt. I was just in Egypt and we are going to expand that collaboration. We have in our collections the history of Islamic science, which is something that has been well preserved, not just in Egypt but also in America and in the Library of Congress.

We are going to be developing and celebrating the memories of other cultures, which we think will appeal to the other cultures, with bilingual commentary, and a high audio-visual component in the middle. This initial grant, and it is a purely philanthropic one, is one of the first that they have made in this way. It is going to be a very positive first step.

We are considering particularly expanding into a major enterprise the small beginnings we have made with Brazil and Egypt. We will be looking into a variety of prospects to take our joint

projects out to some of the other ancient cultures of the world and dramatize to them that America has been a guardian and a preserver of much of the world's cultural heritage. We will, in cooperation with the repositories in those countries, present it together, an American and Egyptian collaboration, and an American and Brazilian collaboration, and American collaboration with these other countries.

We already have cooperative agreements with six countries, as I mentioned. We believe that America can play a leading role in helping develop better communication about the different cultures of the world that will increase our understanding of them and their appreciation of what we have done in this country to preserve their heritage as well as our own.

Senator ALLARD. Very good.

OPEN WORLD LEADERSHIP PROGRAM

Now, one last subject I want to cover has to do with the Open World Leadership Program. With respect to the Open World Program, I understand that Ambassador James Collins is undertaking a thorough review of the program at your request. Can you tell me when this effort will be complete and what particular aspects of the program may be overhauled? Now I understand that this is not a part of the Library, but you are the chair of that program and so I wondered if you could give us just a brief report on what you expect out of that thorough review.

Dr. BILLINGTON. Yes, sir. We are doing, as we have already done and are refining within the Library, a comprehensive strategic plan for the Open World Program. Open World has been very successful. It is a unique undertaking in the legislative branch. It has brought more than 10,000 emerging young leaders: Russians, a growing program with the Ukraine, and startup experimental programs with Lithuania and Uzbekistan. There have been many suggestions from Members of Congress and others about this unique program, which is modeled in a lot of respects on the 1.5 percent of the Marshall Plan that was spent bringing young Germans over to the United States after the war. Open World is bringing over people from the former Soviet Union after the cold war.

Now, we have tasked Ambassador Collins, who was Ambassador to Russia when the program was initiated in 1999, to conduct a strategic plan—and he is a member of the board of Open World, which of course has an independent existence within the legislative branch of Government, although certain administrative functions are performed still by the Library and I do chair the program.

OPEN WORLD STRATEGIC PLAN

This strategic plan will be completed in late June or early July. We will present it at the board meeting and if agreed to by the board, we will provide for the implementation of the strategic plan. We will be looking at such questions as possible changes in the nature of the exchanges, which have been very successful—the areas to be covered. We now cover rule of law both in Russia and Ukraine, which is so central to the prospects of democracy—democratic development in those countries—and that has been an extraordinarily successful program. That is sure to survive.

But other programs, exactly what we should stress, whether this should be expanded to other countries and at what level are under review. We are discussing those issues of course in the strategic planning process—the staff has been working on it from the end of last year. The board meeting in December determined that we will reach conclusions and have the formal strategic plan from which future budgetary submissions will be derived.

We will also be looking into, very closely into, possible economies, and we will be probably making changes. We will bring on fairly shortly a full-time executive director. We have had very good leadership up to this point. Geraldine Otremba, who does our congressional relations, was handling it at first. Aletta Waterhouse, who was also with it from the beginning, has been acting director since September. We will have a new executive director, a permanent appointment that we will be able to announce very shortly.

That executive director will have a chance to work with and implement the strategic plan. There are a number of GAO suggestions, most of which we have already addressed, but they will be folded in in a full accounting into a full strategic plan from which we will derive our next budgetary submission.

Our current budget request represents basically a continuation of what we are doing, more or less, with only a marginal adjustment this time for unavoidable cost increases, mostly in air fares.

Senator ALLARD. I look forward to seeing what that final report is.

Dr. BILLINGTON. We would hope to report to, discuss our strategic plan with the Appropriations Committees before the board takes final action on it as well.

ADDITIONAL COMMITTEE QUESTIONS

Senator ALLARD. Very good. Thank you.

I do not have anything else. Any summary comments?

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

QUESTIONS SUBMITTED BY SENATOR WAYNE ALLARD

GENPAC

Question. The Library requested a base adjustment for GENPAC of $2 million that is more or less evenly divided between serial and electronic purchases to "help keep pace with the greatly increased cost of serial and electronic materials (without which) risks eroding the foundation of the many services provided by the Library to the Congress and the nation." The Library's justification notes the rapidly growing number of electronic journals (approximately 35,000), and that the cost of journals has been rising at the rate of over 14 percent per year. How much of the Library's costs are for providing the same information in different formats? What percentage of the journal collection is available in multiple media? What criteria are used to decide whether to offer journals in electronic and print formats?

Answer. The Library generally does not purchase content in multiple formats. In a few instances, when materials exist in both print and electronic versions, the Library will acquire both.

Duplication of information may occur for several reasons:

—The manner in which publishers package journals into sets or aggregated databases causes duplicative content to be included in the Library's acquisitions for the collections. An electronic database may have several hundred journal titles included, two-thirds of which are unique to the Library's collections and therefore wanted. The remaining one-third may be duplicative of print journals, but because of the value of the unique two-thirds, the database is acquired (either purchased or licensed).

—Some publishers provide a free print copy of a journal when the electronic journal is purchased.
—Electronic publications package their content uniquely, often offering significantly increased functionality, indexing, and ability to manipulate it. Because of the value that is added, the Library is providing a service to Congress and other users by purchasing an electronic copy, even when a print version is already in the Library's collections.

Because of the accelerating number of electronic journals being published and the Library's vast collection of print journals, the percentage of the journal collection available in multiple formats cannot be determined. Because the long-term preservation of digital content still poses a challenge and because the Library has not completed its development of a digital repository to archive electronic journals for future generations, the Library has determined that it must continue to acquire print copies of journals that exist in both electronic and print form. The Library has taken steps, however, to mitigate its expenditures for electronic content. It is developing trusted partnerships with other organizations to ensure long term access to electronic journal content, which will allow the Library to cease purchasing duplicate copies of those titles. It also is testing the deposit of electronic journals for copyright and seeking change in the legislation for the mandatory deposit of various kinds of electronic content. The Library further initiated an effort several years ago to reduce its acquisition of multiple print copies when it was also acquiring an electronic version, thereby considerably reducing the duplication.

When deciding on the format of journals, the Library follows these guidelines:
—If a journal is issued in only one format (print or electronic), the Library acquires the title based on the importance of the content.
—Electronic versions of print materials already in the collections are acquired to improve ease of access or to allow multiple users access to high-demand content.
—Both print and electronic versions of journals are acquired if the second format is offered at no additional cost.
—Print or microform journals are acquired when electronic versions exist, to ensure long term preservation.

Print or microform journals are acquired when electronic versions exist, pending completion of the Library's development of its digital repository.

COPYRIGHT RECORDS PRESERVATION

Question. How will digitizing these records change your future maintenance and storage costs?

Answer. The primary purpose of this project is to preserve the records—to provide an archival backup for the analog records, protecting against the possibility of loss of this irreplaceable, one-of-a-kind collection. During the first six years of the project, the records, including bound record books, microfilm reels, and catalog cards will be scanned and rudimentary index data will be captured. This will ensure the records can be archived and be accessed electronically at a basic level that will facilitate further indexing. However, the title, author, and copyright owners are not searchable terms in the rudimentary index. For the public who rely on our records, this index would not be a substitute for the original records until detailed indexing is accomplished in future years.

The Copyright Office needs to retain all these analog records until that time, when the individual electronic records will be integrated with the post-1977 copyright records currently available for search and retrieval. The detailed indexing project is estimated to cost as much as $64 million.

The Copyright Office will continue to house the card catalog on the fourth floor of the Madison Building to facilitate access for those who use these records. By the time the first phase of the project is completed, the Office plans to have its own storage facility at Fort Meade, maintained by the Architect of the Capitol. The record books, now in a leased storage facility offsite, would eventually be stored there. Total savings once Fort Meade storage is available would be $200,000 per year, increasing each year based on increased volume and rates charged for commercial storage.

Therefore, digitizing these records for preservation during the next six years will not have an impact on maintenance and storage costs. If the detailed indexing is completed in the years following this first phase, a decision could be made to destroy the analog record. However, this discussion is years away.

WORKFORCE TRANSFORMATION

Question. The request of $781,000 for the renewal and development of the Library's workforce is described as an initial investment beginning in fiscal year 2007.

Are long range estimates available for the expected costs of replacing and retraining the workforce? Describe why these particular initiatives were selected and how they will directly support a larger workforce plan. Why fund these initiatives before there is a comprehensive strategic plan to guide the transformation of the workforce? How does the workforce transformation project, the strategic planning process, and the program assessment framework relate? What information do you hope to get out of these efforts that you currently do not have?

Answer. The Library has and will continue to evaluate all aspects of its business functions, including work processes, equipment, IT and other infrastructure support, and staff performing the work. Periodic reviews are routine business practice but most certainly critical when the world demands new processes as witnessed by the digital transformation. The Library's evaluations are taking place under the broad umbrella of strategic planning and through program specific assessments. No matter which mechanism is used, people will always play an important part of any transformation. They are not only a cornerstone in change itself, but needed to implement change.

Given the aging workforce, with skills once valued but no longer needed in the future, the Library has begun its workforce transformation to keep up with new business functions and to lay the foundation for new functions on the horizon.

Most of the fiscal year 2007 funding requested under workforce transformation is to support basic services that would be needed even if a major transformation were not occurring. For example, $225,000 supports 600 online courses, annual subscriptions to leadership development courses, mentoring programs, and career planning and counseling—services that are commonplace in most similarly-sized agencies, but are not currently available or adequately resourced in the Library. The online and annual subscriptions also provide a more cost-efficient option for training than the traditional classroom approach.

A total of $98,000 supports one additional employee in the Library's learning development center, to ensure the center is fully staffed and can manage the size of a training program needed for a large workforce. A total of $127,000 provides interpreter services to meet the demands of our diverse workforce, including those who are physically challenged. Finally, $231,000 is for a summer intern recruitment program that will not only help address the Library's workload, but also provide a rich pool of candidates for future jobs at the Library.

The remaining $100,000 goes beyond traditional training but asks the question of what type of employee and what skills will be needed in the future. Funding will help determine digital competencies, and it is this study that will lay the foundation for a more comprehensive strategic plan for transforming the Library's workforce through retraining or new hiring—with new and different position descriptions. Until this analysis is completed, the Library cannot project future costs but hopes to be in position to do so by the fiscal year 2008 budget.

Without the requested funding, the Library will fall further behind the rest of the Federal Government and the private sector, costing more in lost productivity and lost opportunities.

DIGITAL COMPETENCIES

Question. Since fiscal year 2001, the number of items circulated has declined by over 24 percent and reference services by 17 percent. Internet transactions have increased by 214 percent. What has the Library done to redeploy staff? How do these trends relate to your request for skills training?

Answer. In fiscal year 2007, the Library is requesting $100,000 to begin the development of a digital competencies initiative. This initiative will identify what new skills/staff are needed to support the digital transformation of the Library's services, compare those skills to staff already on board, and highlight the gaps between the two. The results will be used to develop a comprehensive staffing and business plan that will outline action steps and related resources needed to retrain and/or reassign current staff, hire new staff, and enhance IT and other equipment to support staff. The Library already has focused on a few areas such as CRS and Library Services where the VERA/VSIP programs were used to help retire employees whose skills are no longer needed, allowing the Library to hire the expertise or equipment needed to meet the new services and new demands placed upon the Library as a result of the digital transformation. While offices will continue their program reviews, the digital competencies initiative will be a Library-wide review that will not only focus on each office but on how the Library works as a whole, for a more cohesive and integrated transition into the future.

CONGRESSIONAL RESEARCH SERVICE REALIGNMENT

Question. CRS determined last year that some 59 production support, technology support, and audio-visual positions were no longer needed. You have determined that eliminating the 59 positions will save CRS approximately $4.4 million. How is this savings reflected in your fiscal year 2007 budget request? If analysts will become responsible for tasks previously done by production and technical support staff, (e.g., formatting, computer problems) won't diversion to non-analytical tasks lower current efficiencies and effectiveness of CRS employees?

Answer. This question is based upon two fundamentally incorrect assumptions. First, CRS never stated that the elimination of the 59 positions would "save" $4.4 million. CRS is undergoing a workforce re-engineering effort that will enable the Service to hire different staff who can contribute directly and fully to meeting the Service's mission. The funds that would have been used to pay the salaries and benefits of the 59 support staff will be redirected to pay for primarily research analysts. The Service's fiscal year 2007 request reflects a budget that would support the ongoing need for approximately 705 FTEs. There are no savings associated with this workforce realignment; and retaining the 59 support staff indefinitely would adversely impact the Service's ability to sustain adequate core research capacity.

In fiscal years 2005 and 2006, CRS requested a one-time budget base increase to close the gap on rising staff costs and give the Service a permanent budget base that could sustain a workforce of 729 FTEs. With only $500,000 approved for this purpose in fiscal year 2006 (none in fiscal year 2005), the Service had to implement a strategy that would adjust its permanent workforce down to 705 full-time equivalents (FTEs) while retaining an analytic capacity of 48 percent to 50 percent of the total staffing composition—between 335 and 350 staff.

In fiscal year 2005, the House Appropriations Committee explicitly stated that it expected Legislative Branch agencies to take into consideration the overall budget constraints placed on the entire Federal budget and to submit more reasonable requests. At the same time, the Committee directed agencies to identify opportunities that would streamline operations, expand outsourcing in a range of operating activities, utilize existing technology to enhance efficiency, and implement management changes to increase efficiency and effectiveness of operations. Further, the Committee directed the Library to conduct a study to determine whether any duplicative functions existed between the Library and CRS. The same year, this Committee's report language stated, "owing to budget constraints, the Committee is unable to recommend additional increases." These policies were endorsed by the Conference language encouraging agencies to submit more reasonable budget requests. Similar policies and concepts were expressed in the fiscal year 2006 House report language. Agency heads were directed to embrace change and recognize staff and workforce as the most important agency asset. Agency heads were directed to look within for ways to achieve mission as opposed to seeking additional budgetary increases. In 2006, the Senate re-emphasized the applicability of GPRA. Again, the Conference language endorsed these policy statements. CRS has heeded the Congress' direction to find ways to streamline operations and improve efficiency.

The CRS fiscal year 2007 request reflects the reality of the budget environment and respectfully recognizes the Congress' expectation that the Service find a way to accomplish its mission within an organization of 700 to 705 FTEs. Right now, CRS needs the support of the Congress in order to continue its efforts for achieving a workforce transformation using the federal employment tools and authorities available, such as separation incentives, voluntary early retirements, and possibly a reduction in force (RIF). The Library is seeking two new administrative provisions that would give any remaining affected CRS staff (as of September 30, 2006) opportunities for priority placement in other federal agencies should a RIF become necessary. Your support and approval of that request would also be extremely helpful. In 2007, CRS plans to redirect the funds that would have been used to pay the salaries and benefits of the 59 staff to acquiring the capacities, work skills, and competencies needed in 2007 and beyond. Your support of the Service's fiscal year 2007 full budget request and your endorsement for maintaining the management flexibility needed to align or realign the organization to match the changing and complex congressional agenda within the financial resources available will go a long way in helping to ensure that the Service can indeed provide the continued level and quality of services that Congress is seeking.

Second, the question incorrectly assumes that CRS analytical staff will now be responsible for performing production and/or technical support tasks—which is not the case. The question incorrectly assumes that CRS management is not focused on ensuring a most cost effective and efficient operation—which is also not the case. CRS has always been committed to providing analysts with the most technologically ro-

bust workstations available. Advances in technology in the past ten years have provided automated tools on the analyst's desktop with most of the needed formatting and production capabilities built in; and, these new technology tools have eliminated much of the need for production support personnel (the basis of the elimination of these functions). CRS is currently investing in the development of a new authoring and publishing system that will even further advance the ease of incorporating sophisticated graphics, tables, and pictures directly into CRS reports during the writing/authoring phase. The new system will allow increased analytic capacity—not decreased capacity. The system will make creation and dissemination of CRS reports even more efficient and more readily available to the Congress.

The CRS analysts' needs for publication production support will be provided centrally by the CRS Electronic Research Products Office (ERPO) which is staffed by a cadre of experienced editors, skilled in using advanced technology tools to produce products in multiple formats. CRS is building capacity in this office as a means to centralize, streamline, and provide uniform and high quality support across the Service. At the same time, the CRS Technology Office is revamping existing contracts to enhance its desktop user support operations, which will also include up-to-date technology professionals who can resolve quickly the staff's desktop computer problems. Managing modern technology in a centralized business model ensures that: (1) business-relevant technology skills are in place, maintained, and uniformly accessible to all agency staff; (2) all technology staff are directed from a singular agency-wide business strategy and perspective; and, (3) technology staff are provided consistent and uniform training opportunities based upon general technology refreshment, agency implementation of new hardware/software, or individual performance shortcomings. The central call center/help desk concept allows a computer specialist to gain remote access or "proxy" to a personal computer anywhere in the organization in order to evaluate and troubleshoot technical problems—giving every CRS employee immediate access to high quality technology support at their fingertips.

FEE SERVICE ACTIVITIES

Question. What, if anything, has the Library done to identify services where it might be appropriate to either charge a fee or raise current fees?

Answer. Where it is appropriate to charge fees, the Library does so and in some cases has a formal process for evaluating and raising those fees.

For example, in 1997 Congress established a new procedure for setting fees for basic services for the Copyright Office (111 Stat. 1529 (1997), codified at 17 U.S.C. 708(b)). The Copyright Office is directed to periodically study the costs of providing its basic services. After determining the costs of those services, it is directed to consider whether the full cost recovery fee is fair, equitable, and meets the objectives of the copyright system. If not, the fees may be adjusted to recover less than full cost. Following this study and consideration, the Copyright Office sends Congress a report discussing its study, conclusions, and a proposed fee schedule. This fee schedule will be adopted unless, within 120 days of receiving the proposal, Congress passes a law disapproving the proposed fees. The latest Copyright Office report, with its proposed fee schedule, was sent to Congress on February 28, 2006.

Additionally, for other than basic services, the Copyright Office has the authority to set fees by regulation. On March 28, 2006, the Copyright Office proposed a new fee schedule for these additional services and invited public comment on this schedule. Also, a new fee service has been proposed. The comment period for these fees closes on April 27, 2006. The Office does not expect that Congress will reject its proposed fees for basic services. Additionally, it expects to conclude its fee setting rulemaking early in May. The plan is to institute all the new fees on July 1, 2006.

Under the provisions of the Economy Act of 1932, 31 U.S.C. Sections 1535–1536, the Law Library has entered into Interagency Agreements with several Executive Branch agencies for services tailored to their specific needs requiring research and reference products outside the routine services provided by the Library. Fees are based on billable hours dedicated to the work performed. Other than contributions collected under the offsetting collections authority associated with GLIN and the interagency agreements noted above, there are no other Law Library activities that would be suitable for charging fees.

Library Services has several revolving funds that charge a fee for services to inside and outside clients. The revolving funds operate under revolving fund law and other fund specific legislative guidelines. As part of the Business Enterprise Work, Library Services is reviewing all the revolving funds, including services provided and related fees, and may be proposing changes in the coming fiscal years.

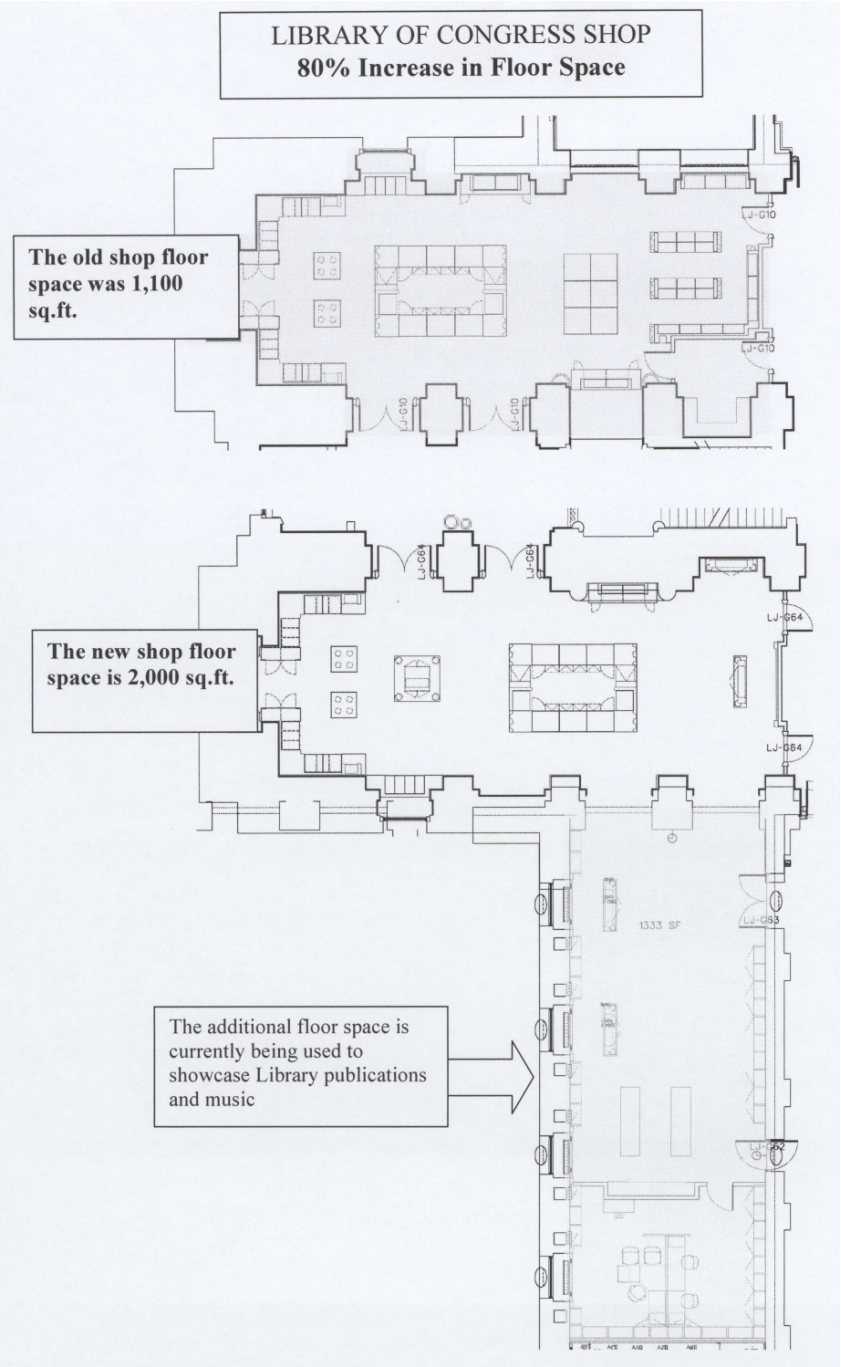
As other work is identified for fee-based services, the Library will propose legislative language to support those fees.

QUESTIONS SUBMITTED BY SENATOR RICHARD J. DURBIN

Question. Dr. Billington, I understand that the retail shop at the Library of Congress is relocating due to the construction of the Capitol Visitor Center tunnel. What is the new location? How do you think the relocation of the shop will affect sales?

Answer. In the summer of 2005, the Library relocated the shop to a larger location on the west side, beside the Visitor Center and close to the Capitol Visitor Center tunnel. Floor space has been increased from 1,100 square feet to 2,000 square feet. In moving the shop, we also took the opportunity to consolidate stock rooms and storage space has increased to 2,500 square feet. The following page includes the floor plans and pictures of the new shop location.

The shop remains in a prominent space within the visitor area of the Jefferson Building. Given the continued visibility and the increased floor space, we are expecting the move, in coordination with other activities, to improve sales. As we develop our plans for the new visitor experience at the Jefferson building in the fall of 2007, we will be coordinating the work of the Library's visitor services and exhibitions offices to enhance our retail presence.


LIBRARY OF CONGRESS SHOP
80% Increase in Floor Space
The old shop floor space was 1,100 sq.ft.
LJ-G10
LJ-G10
LJ-G10
LJ-G10
The new shop floor space is 2,000 sq.ft.
LJ-G64
LJ-G64
LJ-G64
LJ-G64
1333 SF
LJ-G63
The additional floor space is currently being used to showcase Library publications and music

Question. When the CVC opens, there will undoubtedly be many more visitors coming to the Library. Are you considering expanding your retail product based on this increase?

Answer. The sales shop will increasingly reflect the visitor experience of the Great Hall, the collections and art on display, the special and permanent exhibitions, and the interactive guides throughout the Jefferson Building.

We are consolidating our product mix to focus on Library-related merchandise. Our sales figures show that Library-related products appeal to our visitors, both on site and online. Such Library-related products generate about 56 percent of total revenue, approximately $610,000 in fiscal year 2005. Nineteen of our twenty most popular items (by revenue) are library related. These top sellers generated $290,000 in sales revenues, $100,000 in profits. We will continue to grow the percentage of inventory dedicated to proprietary Library products, increasing brand recognition, outreach, and revenue.

Question. Dr. Billington, the Library's fiscal year 2007 request includes a decrease of 44 FTE's. Can you explain this decrease?

Answer. The Library is reflecting a decrease of 44 FTEs in fiscal year 2007 as the result of authority expiring in fiscal year 2006, reduced workload, and/or adjustments needed to align staffing with available funding. Reductions include a total of 13 FTEs for positions whose authority expires in fiscal year 2006 (6 FTEs for Culpeper, 1 FTE for Business Enterprise Project, and 6 FTEs for vacant police positions), 7 FTEs for reduced workload projected in the Copyright Office, and 24 FTEs in CRS to align staffing with funds available.

Question. How will the Library's transition into the digital environment affect its current workforce? What are your plans for retraining your current workforce?

Answer. As part of our workforce transformation project, we will follow a systematic process to identify newly required skills and knowledge for our workforce as we transition into a digital environment. Until we complete job and skills gap analyses based on new skills and knowledge requirements, we will not know the full impact on our workforce. Where retraining is appropriate, we will create individual development plans and training programs to retrain members of the current workforce.

Question. In fiscal year 2005, the Library's website experienced a 14 percent increase in usage over fiscal year 2004. How are you preparing for this continuing trend in increased web usage?

Answer. The Library of Congress website has continued to experience increases in use both as a result of a general increase in the number of users online and as the institution continues to add high-quality digitized material for our online audiences. The Library is projecting that the rate of increase will continue and build to higher levels over the next few years as the American public continues to discover and learn about the wealth of high-quality digitized materials and other content that we offer.

The Library has begun the implementation of a web metrics program that includes new monitoring software and services that provide statistics and analytics to assist the Library in understanding the profiles of our online users, the web content that they access, the resulting impact on our supporting technical infrastructure, and our continued ability to provide high quality online services. This web metrics program and other tools that the Library uses to measure supporting infrastructure capacity will assist the Library in forecasting future usage and in planning capacity accordingly.

To date, the Library has met growing user demand for online content and has supported the necessary expansion in technical infrastructure by adjusting our existing budgetary resources. We will continue to monitor these statistics and other metrics, assess performance, and weigh alternatives for maintaining high quality online service within existing resources if at all possible.

Question. Dr. Billington, you have requested $102 million within the Architect of the Capitol's fiscal year 2007 request. Can you prioritize the items in this request for the members of the subcommittee?

Answer. Of the $102 million requested for the Library of Congress Buildings and Grounds budget within the Architect of the Capitol's (AOC) fiscal year 2007 request, approximately $62 million supports 11 projects specifically requested by the Library.

Construction of the Logistics Center at Fort Meade is the Library's highest priority within the AOC budget. This facility is urgently needed to address many critical issues, including meeting fire and safety standards and providing environmentally sound storage for Library collections. The new facility at Fort Meade is the best overall investment for the government based on independent space and economic assessments. Choosing another site is not the solution nor will it reduce costs. The land at Fort Meade was purchased specifically to address storage requirements of the Legislative Branch. Leasing, buying or building storage facilities at other lo-

cations would undermine this master plan. The 100 acres only cost the government one dollar. Choosing a different construction site would require millions of additional dollars for land. Upgrading current leased facilities or retrofitting other lease buildings would only benefit the landlords and not the government. Staying in current leased facilities forces the Library to continue to pay for space that is expensive and provides no return on investment (similar to renting vs. buying a home). Finally, we would lose the synergy of Fort Meade, which offers advantages and the cost benefit of one security system, one transportation destination, easy access between storage facilities, and other administrative efficiencies, while providing increased capacity on Capitol Hill, and more efficient use of space on and off Capitol Hill.

If this project is delayed, the Library will continue to incur very expensive lease and repair costs associated with current storage materials. Savings to the government of at least $3 million annually will be lost to lease, operating and repair costs at existing facilities. The master plan at Fort Meade is already six years behind schedule. Further delays will raise the price tag of this project again due to inflation and other factors and further delay, and also increase, the price tag of other buildings planned for in the master plan.

The remaining 10 Library projects are needed to maintain the Library's buildings and grounds, to address immediate environmental, fire and life safety issues, and to support space modifications in response to the Library's ever changing program needs.

The AOC has also included their own fire and life safety projects. Past deferments and delays have created a long list of urgently needed projects. The cost of maintenance and upgrades will continue to rise rapidly if the Library cannot stop, or at least slow down, the rate of deterioration of its buildings and return to its approved construction plan and schedule.

The following table lists the Library's projects in priority order:

ARCHITECT OF THE CAPITOL FISCAL YEAR 2007 BUDGET—LIBRARY BUILDINGS AND GROUNDS

Library Priorities Fiscal Year 2007	Fiscal Year 2007 Requested
Fort Meade Book Module 3 & 4	.....
Copyright Deposit Re-Design	.....
Fort Meade Logistics Warehouse	$54,200,000
Culpeper O&M (Facility Support)	2,500,000
Fort Meade O&M (Facility Support)	640,000
Air Handling Unit Replacement JMMB	2,890,000
Preservation Environmental Monitoring	80,000
Contract Asbestos Validation TJB	100,000
LOC Space Modifications (Rooms and Partitions)	650,000
Minor Construction	990,000
Painting	100,000
Kitchen Equipment	40,000
Design—Court Yard Renovation, TJB	75,000
Total	62,265,000
Operational Support	39,972,000
Client Total	102,237,000

Question. Please provide an update on the progress of the National Audio-Visual Conservation Center in Culpeper, VA. When will this facility be complete?

Answer. The Packard Humanities Institute (PHI) is in charge of the NAVCC construction. PHI is working closely with the Architect of the Capitol and has made and is financing enhancements and improvements in the original plan. PHI's originally scheduled completion dates for the NAVCC were spring 2005 for the Phase 1 Collections Building and Central Plant and spring 2006 for the Phase 2 Conservation Building and Nitrate Vaults. Since then, construction delays have forced PHI to revise slightly its master schedule. Phase 1 was turned over to the Library in December 2005, and the Library is now moving its collections into this part of the complex. For Phase 2, PHI's new master schedule indicates a completion and turnover date for the entire project of March 1, 2007.

Staff will be relocated in stages that are synchronized with the PHI construction schedule. Six Library staff began working in the Phase 1 Collections Building in

January 2006. The majority of NAVCC staff will work in the Phase 2 Conservation Building and will be relocated in alignment with the new construction schedule as follows:

—*Summer 2006*.—Relocation of two or three advance staff from the Motion Picture Conservation Center (MPCC) in Dayton, Ohio to help set up the NAVCC Film Laboratory.

—*December 1, 2006*.—Relocation of two advance technical staff from MBRS in Washington to install cabling and initial AV system components.

—*March-May 2007*.—Relocation of Capitol Hill staff and the remainder of the Dayton staff to Culpeper. Approximately 12 MBRS staff will remain in the Madison Building to provide public services in the NAVCC reading room.

Question. Dr. Billington, the Library has requested funding in fiscal year 2007—$150,000—for the Lincoln traveling exhibition. Please describe how the Library is working with the federally designated Abraham Lincoln Bicentennial Commission on development and implementation of the exhibition.

Answer. The Library of Congress has had periodic meetings with the director and various members of the Abraham Lincoln Bicentennial Commission for more than a year. At these meetings, we discuss the progress of the exhibition, funding efforts, the other venues to which the exhibition will travel, and the coordination of programming developed by the Library as well as programming developed by the Commission and its partners.

The Commission has been particularly helpful in identifying and making initial contacts with many of the exhibition's potential venues. Further, many of the Library of Congress Lincoln exhibition advisors have been drawn from the Commission's Advisory Committee. We will continue to share information and progress reports with the Commission in planning the Library exhibition and its ancillary programs.

Question. Mr. Mulhollan, the Congressional Research Service (CRS) recently eliminated 59 permanent job positions in 3 categories. This is the first reduction-in-force (RIF) in CRS's history. Can you tell us what steps you are taking to ensure a fair transition for these employees?

Answer. CRS has taken a number of steps to assist the staff who will be affected by CRS' decision to change the way work is performed. These include:

—Staff received a full twelve months to seek and find alternative employment. The decision was announced on September 22, 2005 and the positions will not be eliminated until September 30, 2006.

—CRS offered a voluntary early retirement option and requested of the Congress and received authority to offer a separation incentive payment of up to the legal maximum amount allowed of $25,000 to staff separating through retirement with a full annuity, early retirement, or resignation. Twenty-three of the affected staff took advantage of one or both of these programs and retired on or before January 3, 2006.

—Since the end of September, CRS alone and in collaboration with the Library's Office of Human Resources Services, has been providing a range of retirement and career counseling services, including:

  —Retirement counseling: special briefings on the details of voluntary early retirement; the application and approval process for separation incentives; a two-day retirement seminar for staff and spouses; and individual retirement counseling.

  —Career services: workshops and individual career counseling sessions; a workshop with representatives from D.C., Maryland, and Virginia career services centers; a comprehensive three-day career-transition workshop; notification of local recruiting events, and access to a web page with career-related information and links to numerous websites.

  —Employment opportunities: training on how to apply for positions using the Library's automated hiring system; notification of all vacancy announcements within CRS; and notification of potential vacancies of interest in the Library.

  —Reduction-in-force (RIF) briefing: a special briefing with a RIF expert on RIF general procedures.

—Further, the Library is seeking approval of new and permanent authority that will grant any Library of Congress employee who is the subject of a formal RIF with job placement rights with agencies in the Executive Branch. Heretofore, Library of Congress staff displaced through agency downsizing or reengineering had no federal re-employment rights regardless of their grade, job series, or federal tenure. This authority would grant Library of Congress employees who receive a RIF notice priority status for selection into competitive-service positions in the executive branch. Such authority is currently granted to executive branch employees who are RIFed from executive branch positions. This authority would

place Library of Congress employees behind any affected employees in an agency undergoing a RIF in selection priority but ahead of applicants who have no federal service. Adopting this provision would give the Library's employees a broader potential employment base and help employees who wish to continue their public-service careers beyond the Library of Congress.

Question. Where in your fiscal year 2007 budget have you accounted for the possibility of paying severance pay to these employees?

Answer. First, we need to add that one additional individual within the CRS affected staff has been offered a position outside of the Library—bringing the number of remaining employees down to 30. The Library is committed to funding any fiscal liability associated with the separation of the remaining 30 affected CRS staff; however, the question assumes that all severance pay will be borne by CRS which is unlikely. Further, the specific treatment of severance pay in the Library's budget is premature.

Projecting the amount of severance pay which will actually be paid in fiscal year 2007 is a complicated process. It involves taking into account several variable outcomes: forecasting the number of staff that who accept Voluntary Early Retirement (VERA) and/or the Voluntary Separation Incentive Payment (VSIP); the number of staff who are successful in competing for vacant positions in CRS, the Library, other federal agencies, or in the private sector; and ultimate placement of affected staff into vacant positions in the Library or elsewhere in the Federal government under a reduction-in-force action.

Of the 30 who remain on the CRS payroll at this time, one is currently eligible for full retirement and eight others are or will be eligible for early retirement on September 30. In accordance with the Federal Code of Regulations, an employee separated by a reduction-in force (RIF) action is ineligible for a severance entitlement if they are eligible to receive an immediate annuity from a federal retirement system. For these nine staff, CRS will be liable only for terminal leave payments, estimated at about $49,000.

The Library's general policy is "to retain and to assign to other positions, insofar as may be possible . . . staff members whose positions are abolished." This may occur by assigning staff to vacant positions in other organizations within the Library, or by an employee affected by a RIF exercising their "bumping" rights to claim a position held by someone with less retention preference. It is conceivable that "bumping" could eventually force an involuntary separation of an employee in another Library Service Unit, in which case, the severance payments would not be reflected in the CRS budget. Further, given that the individual who is ultimately separated has the least seniority, the Library's fiscal liability would be reduced because the severance entitlement computation is based upon years of service and age. Should an affected employee decline a reasonable offer to be reassigned into another Library position, that employee forfeits his/her claim to receive severance pay. The severance entitlement terminates if/when an individual becomes employed under a qualifying appointment with the federal government or the government of the District of Columbia.

As stated by both the Librarian and the CRS Director, it is the hope of the institution that all of the affected staff will find alternative employment or be placed into vacant positions within the Library. If a formal RIF becomes necessary and the processes governing it are implemented, the Library of Congress has a good track record for placing employees and is hopeful that this will again be the case.

As stated elsewhere in these responses, the Library is seeking two new administrative provisions that would grant competitive status to Library staff who have completed their probationary period and places displaced Library staff on equal footing with Executive branch employees by making these employees eligible for vacant Executive Branch positions. These new provisions would expand options for Library staff facing a RIF and offers all Library employees additional opportunities for jobs and career growth in public service. As staff are successfully placed within the Library or with other federal agencies, the federal financial liability for severance pay decreases accordingly and could be eliminated altogether.

Question. Have you provided any Members of Congress, Congressional committees, or CRS staff copies of the studies or any other written analysis which led you to decide that 59 permanent positions should be eliminated by September 30, 2006? If not, members of this subcommittee would like to see copies of these studies.

Answer. A CRS "Director's Report" issued on November 3, 2005 provides a detailed analysis of the decision to eliminate the production support, technical support assistant, and audio-visual staff. That report was provided to selected members of the metropolitan area delegation, members of the Congressional Black Caucus, Congressional Hispanic Caucus, and the Congressional Asian Pacific Caucus. This report and extensive additional information also were provided to the House Adminis-

tration Committee and key staff on the Library's oversight committees. The report was also made available to all CRS staff members on the CRS staff web page. The Director's Report of November 3, 2005 follows.

DIRECTOR'S REPORT—FISCAL YEAR 2006 STAFFING CHANGES, NOVEMBER 3, 2005

SUMMARY

The Director of the Congressional Research Service (CRS) is vested by the Legislative Reorganization Act of 1970 with responsibility to assure the appropriate mix of employees and consultants to develop and maintain the information and research capability that he deems necessary to perform the statutory mission of the Service—to provide to the Congress, throughout the legislative process, comprehensive and reliable legislative research, analysis, and information services that are timely, objective, non-partisan, and confidential. The Director is also authorized to "establish and change, from time to time, as he considers advisable, within the Congressional Research Service, such research and reference divisions or other organizational units, or both, as he considers necessary . . ." From the statute, it is clear that the Director is obligated to undertake such reorganizations and staffing adjustments as he considers necessary to provide efficiently and effectively the products and services upon which Members and committees rely and have come to expect. The staffing adjustments announced recently fall squarely within this obligation. The Congress is facing many global and domestic financial challenges and has explicitly stated that Legislative Branch agency heads are expected to look within to find ways to streamline operations and pare all unnecessary duplication and costs that are not critical to achieving core business goals and objectives.

The following key points are discussed in the report.

The Decision

The Congressional Research Service will eliminate the production support, technical support assistant, and audio visual positions on September 30, 2006. This action affects 59 staff in a total workforce of nearly 700. The decision is based on a series of management reviews and evaluations of needed functions and activities which have been overtaken by technological advances. CRS will redirect the resources, currently committed to supporting these staff, to obtain new support capacities critical to service to the Congress.

Of the 59 staff, 38 are production coordinators or assistants (of which two are receptionists), 18 are technical support assistants, and three are in audio-visual support. The average compensation, including salary and benefits, for these staff is $75,101 per annum; the average salary without benefits is $60,636. Over one-half of these staff, 33, are either eligible for full voluntary retirement or voluntary early retirement and the maximum $25,000 separation incentive. Sixteen are not eligible to retire but are eligible for the maximum $25,000 separation incentive. The average separation incentive for these 16 staff is $16,906.

Currently 32.3 percent of CRS' total permanent workforce of 694 staff is minority. If all of the affected staff were to separate from CRS and no other attrition or hires were to take place (total staff reduced to 635), the total minority population would be 28.8 percent. The proportion of Asian Americans would increase from 4.5 percent to 4.7 percent; Native Americans would increase from .7 percent to .8 percent; Hispanics would remain the same; and the proportion of African Americans would decrease from 24.6 percent to 20.9 percent. It must be noted that these projections of course do not reflect new hires or the consequences of other attrition.

CRS is offering the 59 affected staff a variety of resources to assist in their planning, including an early retirement option, separation incentive of up to $25,000, retirement counseling, career and job counseling, and retention in their current positions through September, 2006.

CRS, as a result of management reviews and evaluations, has and continues to create new positions to meet critical work needs of the Service. Affected staff may apply for these positions through an open and competitive process.

Background

In fiscal years 2005 and 2006, the House and Senate Committees on Appropriations issued clear directives to all Legislative Branch agencies to maintain rigorous and disciplined business practices in agency operations, to contain costs, to establish strong agency-performance goals, and to report to the Congress on all of these activities. CRS based the fiscal year 2006 staffing decisions upon analytic and objective evaluations of how best to align resources to current, critical work needs.

The final fiscal year 2005 and 2006 appropriations for CRS require the agency to downsize permanently by the equivalent of about 30 full time equivalents (FTEs),

thereby reducing total FTEs from 729 to 700. Given the confluence of several factors, including a higher average grade level (higher level of expertise) and the continuing trend of increased costs for staff benefits (Federal Employee Retirement System benefits average 28 percent per employee versus an average of 13 percent per employee under Civil Service Retirement System), CRS requested in fiscal years 2005 and 2006 additional funds, $2.7 million and $3.6 million respectively, to compensate for funding shortfalls in its budget base. Congress did not fund the request in fiscal year 2005 and provided $500,000 toward this shortfall in 2006. CRS must be vigilant to maintain the necessary analytic strength to support the Congress, and it must maintain an infrastructure that meets and keeps pace with the Congress' evolving needs. The fiscal year 2006 staffing decisions are part of the Service's overall strategy to accommodate a downsized CRS within the framework of a fiscally constrained budget.

CRS has taken action and implemented adjustments over the last five years to ensure that its resources are properly aligned with congressional needs. These adjustments resulted in the elimination and restructuring of organizational units; the elimination, downgrading, and creation of positions; and the use of contractors to undertake specific work needs. CRS based each adjustment upon formal assessments of the impact of new technologies on the work; the existing content, structure and processes of the work performed; the skills and abilities needed to undertake the work; and in some cases, consideration to outsource the work based upon a cost and feasibility analysis. Examples of recent assessments follow:

—1. *The role of information professionals/librarians within CRS.* The result of this study led to the elimination of a CRS office and a division (Office of Information Resources Management and Information Research Division) and the creation of one smaller, integrated division, the Knowledge Services Group. The work of librarians, as well as all paralegal, technical information, and most library technician staff, throughout the Service was redefined and adjusted. Positions were created to undertake new functions, revisions were made to other positions to align the work directly to the new organization, some positions were eliminated, and some activities were contracted out. During the assessment, no new permanent hires were made into positions under review. Today, the new, more efficient, organization consists of 54 fewer staff performing the work—a staff reduction from 190 to 136.

—2. *Examination of support positions within three infrastructure offices.* Three separate studies evaluated the functions supporting CRS formal programs and seminars in the Legislative Relations Office and of administrative functions within the Offices of Finance and Administration and Workforce Development. These studies resulted in CRS creating and competitively filling new positions at lower grade levels. For example, program aide positions were redesignated at a GS–11 level rather than GS–13. Administrative support grade levels within the Offices were reduced, on average, from GS–11 to GS–7.

—3. *Integration of CRS' economists and scientists with other policy research disciplines.* This study led to the elimination of two research divisions (Economics and Science Policy), the integration of the economists and scientists into the other policy divisions, the elimination of seven senior level research coordination positions, and the return of five senior level specialists to full time research.

—4. *Outsourcing of selected support functions.* Other functional assessments resulted in expanded outsourcing of CRS support activities, including mail and courier service, technical troubleshooting (help desk and user support), receptionist duties, and copy center operations.

INTRODUCTION

The Director of the Congressional Research Service is vested by the Legislative Reorganization Act of 1970 with responsibility to assure the appropriate mix of employees and consultants to develop and maintain the information and research capability that he deems necessary to perform the statutory mission of the Service—to provide to the Congress, throughout the legislative process, comprehensive and reliable legislative research, analysis, and information services that are timely, objective, non-partisan, and confidential. The Director is also authorized to "establish and change, from time to time, as he considers advisable, within the Congressional Research Service, such research and reference divisions or other organizational units, or both, as he considers necessary . . ."[1] From the statute, it is clear that the Di-

[1] 2 U.S.C. 166 (d, f).

rector is obligated to undertake such reorganizations and staffing adjustments as he considers necessary to provide efficiently and effectively the products and services upon which Members and committees rely and have come to expect. The staffing adjustments announced recently fall squarely within this obligation. The Congress is facing many global and domestic financial challenges and has explicitly stated that Legislative Branch agency heads are expected to look within to find ways to streamline operations and pare all unnecessary duplication and costs that are not critical to achieving core business goals and objectives.

CURRENT CONDITIONS RELEVANT TO STAFFING DECISION

Congressional Directives and the CRS Budget

In fiscal years 2005 and 2006, the House and Senate Committees on Appropriations issued clear directives to all Legislative Branch agencies to maintain rigorous and disciplined business practices in agency operations, cost containment, and achievement of agency-performance objectives. The use of sound business practices has been, and will continue to be, the way CRS is managed. The fiscal year 2006 enacted budget places financial constraints on CRS operations and reinforces Congress' expectation that CRS contain costs while sustaining a highly productive, high performing agency. Appendix A provides excerpts from the committee reports.

Eighty-eight percent of the CRS budget, now just over $100 million, is earmarked for the "salary and benefits" costs of its workforce. Over the past ten years, the Service's annual adjustments provided through the budget process have not kept pace with the rapidly increasing costs of sustaining CRS' workforce, due to several factors:

—a gradual and necessary shift to more highly skilled expertise in the CRS workforce composition to support the Congress in increasingly complex policy areas (e.g., combating terrorism, assimilating information technologies in industry, commerce and governments, and the implications of an aging population). In the period from fiscal year 1995 to the present, the average grade level of a CRS hire has increased from GS–7, Step 9 to GS–13, Step 9;

—a shift in the proportion of the workforce participating in the Federal Employee Retirement System, for which the average employer-paid benefits rate of 28 percent is twice that of a Civil Service Retirement System employee making the same salary (with an average employer-paid benefits rate of 13 percent);[2]

—the adverse impact of annual rescissions in which losses are not recovered in subsequent years; and

—the fact that the President has implemented actual pay raises that are higher than those provided in the Legislative Branch bills in nine of the last ten years.

While each of these factors would produce a marginal impact in the course of a single year, the cumulative and combined impact of all of them has generated a funding gap of nearly $4 million over the course of ten years.

In fiscal years 2005 and 2006, CRS requested a one-time budget base adjustment ($2.7 to $3.6 million respectively) "catch-up," that would have provided the funding needed to recover lost cost increases (purchasing power) and to rebuild the CRS workforce to the 729 full time equivalent (FTE) ceiling authorized by the Congress. In both years CRS informed the Congress that without the additional funding, the Service's workforce would necessarily be drawn down to a level of about 700 FTEs, causing a serious impact on its ability to sustain the research capacity required to fulfill its mission and meet the needs of the Congress.[3] The Congress did not support the request in fiscal year 2005, and in fiscal year 2006 authorized $500,000 to-

[2] The Federal Employees Retirement System Act of 1986 (Public Law 99–335) requires all federal employees initially hired into permanent positions after 1983 to be covered by the Federal Employees Retirement System (FERS). Federal employees hired before 1984 are covered by the Civil Service Retirement System (CSRS) unless they elected to switch to FERS during "open seasons" held in 1987 and 1998. For CSRS participants, the total employer-paid benefits per employee averages about 13 percent of the base pay. For staff participating in FERS, the employer-paid benefits cost averages about 28 percent of the base pay—due in large part to the Thrift Savings Plan matching component of FERS—making FERS significantly more expensive to the employing agency. As the older CSRS staff retire and the proportion of the workforce covered by FERS increases, the agency overhead costs related to staff benefits increases.

[3] Testimony of Daniel P. Mulhollan, Director, Congressional Research Service, U.S. Congress, House, Committee on Appropriations, *Legislative Branch Appropriations for 2005*, hearing, 108th Cong., 2d sess., (Washington: GPO, 2004), p. 274; and testimony of Daniel P. Mulhollan, Director, Congressional Research Service, U.S. Congress, House, Committee on Appropriations, *Legislative Branch Appropriations for 2006*, hearing, 109th Cong., 1st sess., (Washington: GPO, 2005), p. 593.

wards this shortfall. CRS can no longer sustain a capacity of 729 full-time equivalent employees.

CRS Management Initiatives

Well before the issuance of fiscal year 2005 and 2006 report language from the House and Senate (see Appendix A), and with the goal of maintaining a cost-effective organization, CRS had been undertaking systematic assessments to identify current and future resource needs and to identify functions that should be eliminated or re-engineered due to technological advancements, internal work processes and congressional needs. Listed below are some of the more significant management initiatives CRS has instituted and the results of these initiatives. CRS has:

—Developed and implemented an annual staffing assessment to determine four key factors: (1) anticipated and known attrition, (2) anticipated legislative issues, (3) likely gaps in the Service's capacity to meet the needs of Congress, and (4) current and future staffing needs. This assessment forms the basis for the Service's annual hiring plan and is a critical activity since staff salaries and benefits comprise 88 percent of the CRS budget.

—Implemented an annual "zero scrub" of the 12 percent of the CRS budget devoted to nonpersonnel costs to validate each planned expenditure and to identify expenditures that should either be considered for reduction or elimination, or adjusted upwards to meet agency needs;

—Created a new performance assessment system for senior-level managers; and

—Instituted annual program and activity reviews to assess the efficiencies and effectiveness of current operations, as well as identify potential need to re-engineer or realign resources.

Resulting actions—organizational and staff realignments:

—*The role of information professionals/librarians within CRS.* The result of a two year study led to the elimination of a CRS office and a division (Office of Information Resources Management and Information Research Division) and the creation of one smaller, integrated division, the Knowledge Services Group. The work of librarians, as well as all paralegal, technical information, and most library technician staff, throughout the Service was redefined and adjusted. Positions were created to undertake new functions, revisions were made to other positions to align the work directly to the new organization; some positions were eliminated; and some activities were contracted out. During the assessment no new permanent hires were made into positions under review. Today, the new, more efficient, organization contains 54 fewer staff to perform the work, a reduction from 190 to 136 staff members.

—*Examination of support positions within three infrastructure offices.* Three separate studies evaluated the functions supporting formal CRS programs and seminars in the Legislative Relations Office and of administrative functions within the Offices of Finance and Administration and Workforce Development. The result of these studies led CRS to create and competitively fill new positions at lower grade levels. For example, program aide positions were redesignated at a GS–11 level rather than GS–13. Administrative support grade levels within the Offices were reduced on average from GS–11 to GS–7.

—*Integration of CRS' economists and scientists with other policy research disciplines.* This study led to the elimination of two research divisions (Economics and Science Policy), the integration of the economists and scientists into the other policy divisions, the elimination of seven senior level research coordination positions, and the return of five senior level specialists to full time research.

Resulting actions—activities and services eliminated:

—Eliminated two product lines—Info Packs and Electronic Briefing Books;

—Closed two research centers—located in the Longworth and Ford House office buildings;

—Eliminated indexing of committee prints;

—Shifted CRS product distribution from a primarily paper-based inventory to primarily web-based, on-demand printing;

—Eliminated the public policy literature file and service;

—Closed one copy center; and

—Eliminated and consolidated division libraries.

Resulting actions—activities and services outsourced:

—Mail and messenger services;

—Copy center operations;

—Receptionist functions;

—Selected technology support; and

—Selected library technical support.

The most recently completed 2005 program and activity reviews include an assessment of the functions currently performed by CRS production support staff, technical support assistants, and audio-visual staff. These assessments formed the basis for the actions underway in these support activities. Studies to assess other activities and functions are in progress.

PRODUCTION SUPPORT, TECHNICAL SUPPORT ASSISTANT, AND AUDIO-VISUAL FUNCTIONS

Studies and Findings

Data for these 2005 studies came from a variety of sources, including multiple discussions with potentially affected staff; a thorough review of all relevant position functions; initial and subsequent meetings with each assistant director and deputy assistant director, some associate directors, and a sample of analysts, attorneys, editors, and section heads. Information was collected using structured questions and analyses of documents provided by CRS staff.[4]

Aware of the changing functions needed to support its analytic work, CRS last filled a primary production support position in 1997; a technical support assistant position in 1999; and an audio-visual position in 1991. The studies undertaken in 2005 confirmed that the functions identified and performed by staff in these positions, while appropriate and warranted ten years ago when first created, have been overtaken by advances in technology and desktop computing.

The in-depth reviews of the production-support and technical-support assistant functions confirmed that advances in technology have changed both the expectations staff have with regard to the capacity and power of their desktop computing capabilities and ease of using these technologies in their day-to-day work. Ten years ago, when CRS created the technical support assistant positions, the software and operating systems used by the Service required a hands-on presence by supporting staff, leading to the necessity of investing in a significant number of technical support positions. For example, in the past operating systems and software applications were manually installed machine by machine. Today's computing environment is supported centrally via "push" technology that enables sophisticated software packages and upgrades to be loaded on more than 700 computers from a single, central location within a few minutes. Such technology also allows for a computer specialist to gain remote access to or "proxy into" a computer in order to evaluate and troubleshoot technical problems directly with the user.

In addition, more than one-third of CRS' current analytic staff has been hired in the last five to six years. They are more technologically adroit, routinely producing final products at their desktops. And as a result, the majority of CRS analysts no longer rely on the production staff to help with product creation. Further, CRS is moving away from providing the Congress with paper copies of reports to a primarily web-based delivery system, with products prepared in both PDF and HTML. Software and other technology advances have simplified product delivery and incorporated most of the formatting directly in the software on the author's desk. The CRS Electronic Research Products Office is responsible for preparing CRS written products for final congressional publication and dissemination, hence this function is not undertaken by the individual analyst or production support coordinator or assistant.

Direct congressional demand for audio-visual products has been declining for more than ten years. And the need by CRS analysts for audio-visual support is uneven calling into question the need to retain a separate, in-house staff for this purpose.

Since the functions needed to support effectively and efficiently the administrative, product-preparation, and technology assistance activities are significantly different from what is currently being performed, the Director decided to eliminate the current positions and redirect these resources to fulfilling newly identified support needs. In order to accommodate remaining audio-visual needs the Service is exploring outsourcing options. Appendix B provides additional information on the studies.

[4] In 2000, a preliminary review of the functions carried out by the CRS production staff suggested that technological advances in word processing were beginning to have implications for the ability to sustain staff resources devoted to supporting word processing activities. While determining the long-term consequences of these advances on CRS staffing levels, the Service did not fill any production coordinator or assistant positions thus, in effect, implementing a freeze on these positions until further study could be undertaken.

AFFECTED STAFF

Positions Affected

Production support and receptionist duties[5]: The 38 individuals affected by this decision are in positions at grade levels GS–4 to GS–11. With the exception of two receptionists, the principal functions of the current production staff include:

—supporting research analysts throughout the entire product preparation process to include the creation, formatting, styling, editing and appearance of written documents, and in the development of graphics and tables when needed;
—creating macros, templates and other guides to use in supporting research analysts as they prepare their written products;
—meeting the needs of division authors with respect to design, format and presentation of written products;
—working with division management to ensure uniformity of style and format for division research products consistent with Service-wide standards; and
—delivering final products to the CRS Review Office and the Electronic Research Products Office.

Technical Support: The 18 individuals affected by this decision are in positions at the GS–12 grade level. The principal functions of the current positions include:

—analyzing operations with requirements that can be met through limited customization of existing hardware components and/or software packages;
—installing standard and specialized software on individual computers within a division or office;
—keeping systems fully operational, integrated with other CRS systems, and current with new developments in technology; and
—serving as trouble shooter for various computer problems encountered by division/office staff.

Audio-visual support: The three individuals affected by this decision in the audio-visual specialist/officer position are at the GS–12 and GS–13 grade levels. Highlights of their current functions include taping and editing scheduled programs and creating videos of a small number of CRS experts who have prepared educational presentations such as Supreme Court nominations and congressional procedures.

Salaries and Compensation

The total projected fiscal year 2006 cost for the 59 staff who are affected by this decision is $4,430,962. Salaries and benefits for individual staff range from $35,141 to a high of $115,678—the average being $75,101. Further analysis of the data indicates that the salaries (excluding benefits) for the affected staff range from $26,989 to $99,223, with an average salary of $60,636. The median salary of these staff is $52,082; eight staff earn less than $50,000 per year. Appendix C includes a more detailed display of the salaries and benefits for the affected staff.

Retirement Eligibility

CRS is offering a voluntary early retirement option and separation incentive payment[6] to the affected staff. CRS sought these options based on the following information about the 59 affected staff:

—33 of the affected staff are either eligible for full voluntary retirement or voluntary early retirement and are eligible to receive the maximum $25,000 separation incentive (16 for full retirement and 17 for early retirement);
—16 are not eligible to retire but are eligible for the maximum $25,000 separation incentive;
—Nine who are not eligible to retire, are eligible for separation incentive payments ranging between $3,434 to $21,943, at an average of $16,906; and
—One staff member, a receptionist, is not eligible for a separation incentive because he has not fulfilled the requirement of three years' employment with the government.

Appendix C also includes data on the retirement eligibility of affected staff.

Diversity

A consequence of the 2006 staffing decisions is its potential impact on the Service's workforce diversity profile. Table 1 below demonstrates that if all of the affected staff were to separate from the CRS workforce (data as of September 15,

[5] Receptionist functions have been outsourced, and as a result the two remaining receptionists in the Service are included as part of these staffing changes.

[6] CRS has the authority to grant the separation incentive payment to a maximum of 50 staff. Up to 10 of these payments may be granted to staff outside of these affected positions—the staff of the Knowledge Services Group. There is no limit, however, on the number of affected staff who can take advantage of the voluntary early retirement option.

2005), with no other attrition or hires, the minority population of the CRS workforce would represent 28.8 percent rather than 32.3 percent of total staff. This computation, while accurate, may overstate the implication of the reduction on minority staff. There is no way to predict the impact other attrition might have on the Service's workforce composition or the impact of planned 2006 hires. Further, given that 16 of these staff are currently eligible for full voluntary retirement, it is possible that many of these staff would have retired during this period, regardless of the reengineering efforts underway.

If no other element of our current profile changed, the elimination of these positions would result in an increase in the proportion of Asian Americans in the total workforce from 4.5 percent to 4.7 percent; the proportion of Native Americans would increase from .7 percent to .8 percent; Hispanics would remain the same, at 2.4 percent; while the proportion of African Americans would decrease from 24.6 percent to 20.9 percent.

TABLE 1.—DIVERSITY COMPOSITION OF THE CRS STAFF

	Total CRS Perm/Ind Workforce Composition as of 9/15/05		Projected CRS Perm/Ind Workforce Composition as of 10/1/06	
	Number	Percent	Number	Percent
Female	357	51.4	317	49.9
Male	337	48.6	318	50.1
Total	694	100.0	635	100.0
Minority composition	224	32.3	183	28.8
Nat Am/Alaskan	5	0.7	5	0.8
Asian American	31	4.5	30	4.7
African American	171	24.6	133	20.9
Hispanic	17	2.4	15	2.4
Non-Minority	470	67.7	452	71.2
Total	694	100.0	635	100.0

Appendix D provides the diversity composition of the affected staff.

Services to Affected Staff

CRS is offering a variety of resources to staff to assist them in their decision making and transition. CRS requested of the Congress and received authority to offer a separation incentive payment of up to $25,000 to staff separating through retirement with a full annuity, early retirement, or resignation. CRS is granting staff one full year to find alternative employment and offering numerous specialized and individual services to help them achieve that objective, including job and retirement counseling. Appendix E provides a detailed list of the services and resources being offered to the 59 affected staff.

It is CRS' hope that these measures will eliminate the need to undertake a reduction-in-force (RIF) in September of 2006. However, after September 2006, staff who remain in the positions targeted for elimination will be subject to RIF procedures.

NEW POSITIONS

CRS is redirecting its resources to acquire new and different support capacities generated by technological changes and new work processes. CRS will be competitively filling these new support positions in the near future. There will be fewer positions and some will be classified and filled at lower grade levels.

The new positions are summarized below. A description of existing positions is included to provide a context for the new capacities. The language used to describe the duties of these positions is primarily derived from the relevant, official position descriptions.

Administrative Support Positions

GS–8 Senior Production Assistant (current)

Performs duties related to the preparation of various written products that CRS produces for the Congress to include Reports, Issue Briefs and memoranda. Supports research analysts throughout the entire production process to include the creation, formatting, styling, editing and appearance of written documents and in the

development of graphics and tables when needed. Is responsible for product delivery and for working with the Electronic Research Products Office (ERPO) to finalize products, making changes as needed following the review of the ERPO editors or the CRS Review Office. May use computer on-line systems to retrieve information in support of the researcher's written products.

GS–7 Administrative Support Assistant (new)

Performs support functions related to the administrative operations of the division. Implements and maintains division-wide administrative control systems to include confidential division files, correspondence tracking and the disposition of records. Ensures that division staff at all levels are fully informed on CRS and Library administrative practices, procedures and other administrative requirements. Initiates the development of new and revised administrative policies and procedures for the division as appropriate. Works with the supervisor to ensure that division managers and staff requests for training and travel are processed in an accurate and timely manner and tracks the progress of these requests through to approval. Uses appropriate software applications to generate administrative documents and forms. Serves as the central point of contact for all division staff regarding questions and issues related to the web- based time and attendance system.

GS–11 Senior Production/Administrative Coordinator (current)

Oversees the function that supports the preparation of CRS written products including managing the production work-flow, clearing products for style, format, and editorial accuracy, maintaining records of the location of research products, transmitting written products to the CRS Review Office and the Electronic Research Products Office and other duties related to the support of the research production/preparation function in the division. Provides training and trouble-shooting service for the senior production assistants and other support staff in the division. Helps to create macros, templates and other guides for the support staff to use in supporting research analysts as they prepare their written products. Advises the support staff on how to meet the needs of division authors with respect to design, format and presentation of written products. Works with division management to ensure uniformity of style and format for division research products consistent with Service-wide standards.

GS–11 Supervisory Administrative Coordinator (new)

Advises the head of the division (the assistant director) on the administrative needs and requirements of the division, serves as the principal point of contact for the division, and supervises the work of administrative and clerical division staff. Coordinates with senior CRS and Library managers and with subordinate offices to communicate and interpret administrative/management assignments, recommend appropriate action or suggest alternative approaches, and follow up as appropriate to ensure proper and timely response to assignments. Manages the division's official correspondence and a wide variety of correspondence from within and outside the agency. Manages the assistant director's calendar and initiates contacts and oversees logistical planning and preparation for the assistant director's meetings. Undertakes special administrative projects or management studies either individually or as a participant on task forces or working groups. Monitors and evaluates the activities of contractors assigned to perform clerical activities for the division.

Technical Support Positions

GS–12 Senior Technical Support Assistant (current)

Provides de-centralized technical support to divisions and offices. Independently analyzes operations with requirements that can be met through limited customization of existing hardware components and software packages. Installs standard and specialized software. Independently designs, develops, documents, and manages systems that require important but limited customization. Keeps such systems fully operational, integrated with other CRS systems, and current with new developments in technology. Creates documentation for end users of systems; typically the entire staff of a division or office. Serves as trouble shooter for various computer problems encountered by division/office staff. Prepares documentation and establishes procedures to assist other technical support assistants to diagnose and solve trouble calls in a number of technical areas supported by the CRS Technology Office. Develops and delivers training courses for groups of 10–12.

GS–11 Technical Writer-Editor (new)

Plans, writes, and edits a variety of technical documents, including guidelines, reference materials, fact sheets, website entries, and standard operating procedures; ensures accuracy, consistency, format, completeness, spelling, punctuation, capital-

ization, and syntax. Produces technical material for a variety of offices, and determines the adequacy of materials prepared by others. Utilizes substantial subject matter knowledge to interpret technical material for a variety of audiences.

GS–14 Information Technology Specialist—INFOSEC (new)

Serves as a technical authority and assists in planning, directing, and coordinating the implementation and execution of approved security policies, programs, and services related to Information Technology (IT) systems. Oversees or coordinates the preparation of security testing and implementation plans. Plans and investigates mission-critical cybersecurity violations that affect the integrity of an agency-wide IT infrastructure, and develops long-range plans for IT security systems. Leads the implementation of security programs for the Service designed to anticipate, assess, and minimize system vulnerabilities. Conducts difficult and sensitive computer forensic investigations, and ensures the integration of IT programs and services.

GS–7 Office Equipment Administrator (new)

Monitors the CRS copy centers, determining whether print jobs require assistance to be completed; tracks work produced for accuracy, quality, and production timeliness; and analyzes system down-time. Monitors CRS copiers and other office equipment, and identifies obvious trends, or deviations that could impact services provided. Provides support and assists in the planning, review, and reporting of data/statistical results of programs and project studies, and compiles statistical data to assist with the overall evaluation and selection of equipment.

Status of New Positions

CRS posted the vacancy announcements for the supervisory administrative coordinator positions on October 18, 2005 and the administrative support assistant positions on October 24, 2005. CRS anticipates that vacancy announcements for the other three technical positions will open by the end of November.

CRS is also creating quality assurance editor and publication-support positions to assist with the dissemination of CRS products to the Congress. Work on these positions are underway. Vacancy announcements for these positions may be open by late-November.

Affected staff may apply for these new positions under the Library of Congress merit selection process.

FISCAL YEAR 2006 HIRES

In addition to filling positions in the new support areas described above, CRS will continue hiring staff to sustain analytic capacity and prepare for the succession of senior leadership. While the total CRS workforce is smaller today than in 1999, the proportion of analytic staff compared to the total workforce has increased. As of September 15, 2005, CRS analytic capacity represents 333 permanent, full time staff members (47.9 percent) of a total staff of 694 compared to 287 permanent, full-time staff members (40.8 percent) of a total staff of 703 in fiscal year 1999. The 2006 staffing decisions were made in the context of honoring the congressionally supported succession plan of the late 1990s and maintaining a Service-wide infrastructure in a manner that adequately addresses analytic capacity and research needs.

In fiscal year 2006, unless faced with an across-the-board rescission, the Service anticipates hiring four attorneys in American Law; eight analysts in Domestic Social Policy; six analysts in Foreign Affairs, Defense and Trade; four analysts in Government and Finance; and six analysts in Resources, Science and Industry. Consistent with succession planning, CRS will be filling positions for a deputy associate director for finance and a deputy associate director for congressional affairs. The Service will continue to review the current section head duties as part of CRS' ongoing succession planning.

CONCLUSION

CRS is making every effort to manage its resources so as to perform efficiently and effectively its statutory mission of service to the Congress, while at the same time coping with the constrained Legislative Branch budget that has prevailed in recent years. The Service has been directed by the Congress to find ways to streamline its operations, eliminate unnecessary duplication, explore options for outsourcing appropriate functions, and to align resources in a cost-effective manner while achieving performance goals that meet congressional needs.

The decisions outlined in this report were made with full recognition of and appreciation for the contributions made by affected CRS staff, and with much attention focused on finding ways to mitigate the impact on those employees. As described,

CRS is providing time for the affected staff to make personal decisions by delaying implementation for a full year. CRS also has obtained from the Congress authority to offer separation incentive payments and approval from the Office of Personnel Management to offer a voluntary early retirement option. The Service also is applying resources through September 2006 to assist staff during the phase out of their positions by offering them services which include: career counseling, job search assistance, and retirement counseling.

In summary, obligations for good stewardship have led the Service to make some very difficult decisions. CRS has done so in keeping with recent congressional directives and budget decisions and only after a thorough examination of all available options and proper attention to the implications for staff.

APPENDIX A: EXCERPTS FROM THE FISCAL YEARS 2005 AND 2006 REPORTS OF THE HOUSE AND SENATE COMMITTEES ON APPROPRIATIONS

Fiscal Year 2005

From U.S. Congress, House Committee on Appropriations, *Legislative Branch Appropriations, 2005*, report to accompany H.R. 4755, 108th Cong., 2d sess., H. Rept. 108–577 (Washington: GPO, 2005). Excerpts:

Legislative Branch Wide Matters

Budget requests.—The Committee wants to underscore the fact that with record deficits, a war on terrorism, and troops on the ground in Afghanistan and Iraq, the budget requests from the agencies of the Legislative Branch cannot continue to be presented with requested increases as high as 50 percent. The Committee expects that future budget submissions will take into consideration the overall budget constraints placed on the entire Federal budget and that more reasonable budget requests will be forthcoming in future years. (p. 4)

Potential for savings.—. . . The Committee directs the General Accounting Office (GAO) to work closely with the head of each Legislative Branch entity to: (1) identify opportunities that will streamline the agency organization and eliminate organizational layers; (2) outsource operations that will result in providing higher quality and less costly services; (3) utilize existing technology to enhance operational efficiency; (4) implement management changes, which will increase efficiency and effectiveness of agency operations; and (5) where applicable apply the "Federal Activities Inventory Reform Act", and "Chief Financial Officers Act", and the "Government Performance and Results Act". The committee directs that the GAO report its findings, including recommendations for changes, to the Committee on Appropriations of the House and Senate by January 10, 2005. Each agency of the Legislative Branch should be prepared to discuss recommended changes during the fiscal year 2006 appropriation hearing cycle. (pp. 4–5)

Outsourcing.—. . . the Committee directs that each agency of the Legislative Branch examine potential outsourcing opportunities of the following areas: Information management operations and site management; building facilities and grounds management and operations; human resources management and operations; training functions; vehicle maintenance and management; physical security; financial operations; and printing operations. Each agency is expected to not only examine the areas outlined, but also examine other activities and functions that are unique to each agency to determine if further outsourcing opportunities exist. (p. 5)

Congressional Research Service

The Committee is concerned with the potential for duplication of support activities between the Congressional Research Service Unit and the Library of Congress, Salaries and Expenses account. The Committee funds centralized support organizations such as Information Technology Services, Human Resources Services, Office of the Chief Financial Officer, and Integrated Support Services to provide Library-wide support services, which helps to reduce duplicate systems and processes throughout the Library accounts. Of particular note, in this year's budget request, the Library is requesting in two separate accounts funding for the Alternate Computer Facility and XML capabilities which may reflect duplication of support services. The Committee directs that the Library of Congress conduct a study of such functions as information technology, human resources, financial services, space management, and other support functions to determine whether any duplicate or overlapping activities exist. The findings of the study are to be provided to the Committee on Appropriations of the House and Senate prior to the fiscal year 2006 budget submission and any budgetary reductions or realignments be so reflected in the fiscal year 2006 request. (p. 24)

From Statement of Managers accompanying the conference report to H.R. 4755, H. Rept. 108–792, see Congressional Record (daily edition), November 19, 2004, p. H10770.

The conferees emphasize to the Legislative Branch agencies that the large budgetary increases requested in the fiscal year 2005 budget submissions cannot be sustained. The conferees encourage the agencies to submit more reasonable budget requests for fiscal year 2006, and thereafter.

Fiscal Year 2006

From U.S. Congress, House Committee on Appropriations, *Legislative Branch Appropriations, 2006*, report to accompany H.R. 2985, 109th Cong., 1st sess., H. Rept. 109–139 (Washington: GPO, 2006).

Legislative Branch Wide Matters

Mandatory and Price Level Increases.—After reviewing budget presentation materials submitted by Legislative Branch entities, it is apparent to the Committee that there is a wide variance in how the agencies formulate and present budget estimates, especially estimates for mandatory, or uncontrollable budget increases. To facilitate the Committee's review and analysis of budget requests, the Government Accountability Office (GAO) is directed to review and evaluate the basis of each Legislative Branch agency's budget estimates with the exception of those of the House and the Senate. This review should place particular emphasis on evaluating the basis of each agency's estimates of uncontrollable costs, including what the agency presents as "mandatory" and "price level expenses". GAO shall recommend to the Committee budget formulation policy changes that address the composition of estimates as well as presentation format. Also, GAO is directed to examine each agency's treatment of Full-Time Equivalents (FTE's) in its budget submission and recommend consistent guidelines each agency can follow in formulating, presenting, and justifying its FTE requirements. GAO should also evaluate each agency's treatment of non-recurring requirements. This evaluation should be of requirements below the program level not simply a list of non-recurring programs. GAO shall recommend to the Committee a consistent analytical approach, which can be used by each agency to identify non-recurring requirements of individual programs and reflect those changes in budget presentation materials. GAO shall report to the Committee on Appropriations of the House and Senate the results of its efforts by October 1, 2005 to provide sufficient time for the Committee to review and analyze so that Legislative Branch agencies incorporate the appropriate changes in the formulation of their fiscal year 2007 budget requests. (pp. 4–5)

Legislative Branch Agency Reforms.—The Congress and the nation are faced with increased demands for Federal funds for every increasing domestic and international program. The Committee is impressed with the management and operational reforms implemented in several Legislative Branch agencies over the past few years, including the Government Printing Office, the Government Accountability Office and the Chief Administrative Office of the House of Representatives. The Committee believes that other legislative agencies can benefit by the examples set by these agencies. Further opportunities exist for increases in efficiency resulting from new technology, performance based management, and other management improvements. The Committee understands that organizational reform is difficult, however, the task can be achieved if strong and dynamic leadership is attained. The Committee extends the following advice gleaned from these successful agencies. It is critical that agency heads look to the future in planning these endeavors and that mid-managers and employees are participants as well as stakeholders in the process. The leaders and employees are guided in developing and embracing their own logical and clear strategic vision for the organization's future. Agency management needs to identify leaders at all levels that will embrace change, and never lose sight of the most important asset of any organization, the staff and workforce. The Committee expects that all agencies will continue to look within for ways to complete their missions by using the guidance and experiences of their successful sister agencies as models to reduce the demand for additional staff and larger budget increases in the coming fiscal years. (p. 5)

Review statutes of legislative branch agency heads.—There currently exist various laws, processes, and practices governing the selection, appointment, removal, compensation, and term of service of the Heads and the Deputies of various agencies in the Legislative Branch, including the Office of Compliance, the Congressional Budget Office, and the Architect of the Capitol, the Library of Congress, the Government Printing Office, and the General Accounting Office. The Committee suggests that the Joint Leadership of Congress, in order to establish uniformity, should re-

view, evaluate and consider the appropriate changes to current legislation and regulations governing these positions. (p. 6)

From U.S. Congress, Senate Committee on Appropriations, *Legislative Branch Appropriations, 2006*, report to accompany H.R. 2985, 109th Cong., 1st sess., S. Rept. 109–89 (Washington: GPO, 2005).

Government Performance and Results Act

The Committee supports the applicability of many Government Performance and Results Act (GPRA) principles to the Legislative Branch. GPRA encourages greater efficiency, effectiveness, and accountability in Federal spending, and requires agencies to set goals and use performance measures for management and budgeting. While most Legislative Branch agencies have developed strategic plans, several agencies have not effectively dealt with major management problems and lack reliable data to verify and validate performance. While Legislative Branch agencies are not required to comply with GPRA, the Committee believes the spirit and intent of the Results Act should be applied to these agencies. The Committee intends to monitor agencies' progress in developing and implementing meaningful performance measures, describing how such measures will be verified and validated, linking performance measures to day-to-day activities, and coordinating across "sister" agencies. The Committee directs all legislative branch agencies to submit their plans for achieving this goal within 90 days of enactment of this Act. (pp. 3–4)

Library of Congress

The Committee recognizes the high priority of the Library's research mission in support of the Congress, which is reflected in the amount recommended for the Congressional Research Service. (p. 35)

The Committee is concerned about the lack of transparency in the Library of Congress budget presentation. It is not always clear and understandable. The budget presentation materials do not present meaningful programmatic information from a zero-based perspective that allow the Committee to determine how priorities are established and where tradeoffs could be made. Therefore, the Committee directs the Library of Congress to develop a budget presentation and justification package for the fiscal year 2007 budget cycle that clearly addresses rates and assumptions used in the base as well as a clear description for each program of what drives demand for the program, what the nature of the program's workload is, and what service or outcome each base program is intended to produce. A clear description of new program starts and a detailed break out of rates and assumptions associated with cost estimates for those programs including demand, workload, and outcome should also be provided along with a clear explanation of how each program relates to goals and objectives set forth in the Library's strategic plan. The Committee expects the Library will consult with the Government Accountability Office (GAO) on the development of this new presentation package. (p. 35)

APPENDIX B: FINDINGS FROM THE PRODUCTION SUPPORT, TECHNICAL SUPPORT ASSISTANT, AND AUDIO-VISUAL FUNCTIONS

Summary of the Program Activity reviews

Methodology

In 2005 CRS undertook assessments of its production, technical support, and audio-visual needs, as well as the functions currently provided within the Service in those areas. Data for these studies came from a variety of sources, including multiple discussions with potentially affected staff; a thorough review of all relevant position functions; initial and subsequent meetings with each assistant director and deputy assistant director, some associate directors, and a sample of analysts, attorneys, editors, and section heads; and the use of structured questions.

Production and Administrative Support Functional Review: Findings Summary from the January 2005 Study

The study of production and administrative support functions found that the technical needs of research and analytic staff have changed. The study found that the technical skills of newly hired analysts and attorneys often exceed those that the production staff regularly demonstrate. Concurrently, there is a need for increasingly advanced and specialized technical skills to do the more sophisticated product-preparation work now required.

Production staff indicated that they primarily perform administrative functions (e.g., logging ISIS requests, recording and reporting time and attendance, managing and ordering supplies, and performing general receptionist activities). Some study participants stated that some production staff do not consider currently needed

tasks as part of their duties and responsibilities. An example is importing data from a variety of sources and transforming that data into tables, graphs, and charts for inclusion into CRS products. Several production staff reported oftentimes not having enough work to keep them occupied full time.

As a result, the current system has created unmet production needs and shifted product-preparation demands, particularly for assistance in creating graphics and obtaining editorial assistance. Some analysts have come to rely upon the Electronic Research Products Office and the CRS Technology Office (TO) for assistance with these tasks.

Technical Support Assistant Functional Review: Findings Summary from May 2005 Study

Because CRS research and analytic staff have become more technically sophisticated, the need for basic technical services has decreased. The study found that newly hired and other technically sophisticated staff are more likely to try to diagnose and solve problems themselves before contacting a technical support assistant (TSA). Also, the study found TSA skill levels inconsistently meet the needs of CRS staff.

TSAs provide a wide array of technical support assistance: most work involves resolving hardware, software, CPU, password, and network issues. Some also assist with special projects, provide graphics/mapping support, develop guidance documents, and assist TO with Service-wide projects. Study participants noted that work required of TSAs is not standardized across CRS but instead varies by division and office.

The current decentralized organizational structure does not ensure consistent technical expertise. Across the research divisions TSAs report to different levels of staff (assistant director, deputy assistant director, project management coordinator, etc.), who prepare their performance reviews. Further, potential for duplication of efforts among CRS help desk and user support units and TSAs is not cost-effective.

Audio-Visual Support Functional Review: Findings Summary from August 2005 Study

Direct congressional demand for audio-visual products has been declining for more than ten years. And the need by CRS analysts for audio-visual support is uneven calling into question the need to retain a separate, in-house staff for this purpose.

APPENDIX C: SALARY, COMPENSATION, AND RETIREMENT ELIGIBILITY FOR THE AFFECTED STAFF

Job Class. Series	Grade & Step	Ret. Plan	Job Title	Annual Salary	Employer-Paid Benefits	Total Cost
PRODUCTION STAFF						
Staff Eligible for Full Retirement and Separation Incentive:						
301	11–10	CSRS	Sr. Production/Administrative Coordinator	$69,614	$13,414	$83,028
301	11–10	CSRS	Sr. Production/Administrative Coordinator	$69,614	$9,189	$78,802
301	11–10	CSRS	Sr. Production/Administrative Coordinator	$69,614	$5,882	$75,496
344	8–10	FERS	Sr. Production Assistant	$52,082	$15,917	$67,999
344	8–10	FERS	Sr. Production Assistant	$52,082	$12,529	$64,612
344	8–10	CSRS	Sr. Production Assistant	$52,082	$12,296	$64,379
344	8–10	CSRS	Sr. Production Assistant	$52,082	$12,112	$64,195
344	8–10	CSRS	Sr. Production Assistant	$52,082	$12,040	$64,123
303	8–10	FERS	Sr. Sp. Adm. Support Assistant	$52,082	$10,194	$62,276
344	8–10	CSRS	Sr. Production Assistant	$52,082	$7,980	$60,062
344	8–10	CSRS	Sr. Production Assistant	$52,082	$7,872	$59,954
344	8–10	CSRS	Sr. Production Assistant	$52,082	$7,673	$59,756
303	8–10	CSRS	Sr. Sp. Adm. Support Assistant	$52,082	$7,603	$59,685
344	8–10	CSRS	Sr. Production Assistant	$52,082	$4,509	$56,591
1411	6–10	CSRS	Library Technician	$42,326	$7,135	$49,461
Staff Eligible for Early Retirement and Separation Incentive:						
301	11–10	CSRS	Sr. Production/Administrative Coordinator	$69,614	$13,556	$83,169
344	8–10	FERS	Sr. Production Assistant	$52,082	$15,917	$67,999
344	8–10	CSRS	Sr. Production Assistant	$52,082	$12,343	$64,426
344	8–10	CSRS	Sr. Production Assistant	$52,082	$12,040	$64,123
344	8–10	CSRS	Sr. Production Assistant	$52,082	$11,929	$64,011
344	8–10	CSRS	Sr. Production Assistant	$52,082	$7,874	$59,956
344	8–10	CSRS	Sr. Production Assistant	$52,082	$7,738	$59,820
344	8–10	CSRS	Sr. Production Assistant	$52,082	$7,673	$59,756
344	8–10	CSRS	Sr. Production Assistant	$52,082	$7,565	$59,648
344	8–9	CSRS	Sr. Production Assistant	$50,762	$7,864	$58,626
303	8–10	CSRS	Sr. Special Adm. Support Assistant	$52,082	$4,509	$56,591
Staff Eligible for Separation Incentive Only:						
301	11–10	FERS	Sr. Production/Administrative Coordinator	$69,614	$24,119	$93,733
301	11–10	FERS	Sr. Production/Administrative Coordinator	$69,614	$16,744	$86,358
344	7–6	FERS	Sr. Production Assistant	$58,361	$16,141	$74,501
301	11–8	CSRS	Sr. Production/Administrative Coordinator	$57,387	$12,668	$70,054

APPENDIX C: SALARY, COMPENSATION, AND RETIREMENT ELIGIBILITY FOR THE AFFECTED STAFF—Continued

Job Class. Series	Grade & Step	Ret. Plan	Job Title	Annual Salary	Employer-Paid Benefits	Total Cost
344	8–9	FERS	Sr. Production Assistant	$50,762	$19,174	$69,936
344	8–8	FERS	Sr. Production Assistant	$49,420	$18,618	$68,038
344	8–10	FERS	Sr. Production Assistant	$52,082	$13,848	$65,930
344	8–8	CSRS	Sr. Production Assistant	$49,420	$15,014	$64,434
1411	5–9	FERS	Reference Assistant	$37,001	$11,782	$48,783
1411	5–9	FERS	Reference Clerk	$37,001	$11,484	$48,485
304	4–5	FERS	Receptionist	$29,588	$5,553	$35,141
Staff Not Eligible for Retirement or Separation Incentive:						
304	4–1	FERS	Receptionist	$26,989	$8,750	$35,740
Total Cost						$2,429,674
TECHNICAL SUPPORT						
Staff Eligible for Full Retirement and Separation Incentive:						
2210	12–7	CSRS	Sr. Technical Support Assistant	$77,027	$14,344	$91,370
Staff Eligible for Early Retirement and Separation Incentive:						
2210	12–8	CSRS	Sr. Technical Support Assistant	$81,769	$19,282	$101,051
2210	12–7	CSRS	Sr. Technical Support Assistant	$77,027	$14,404	$91,431
2210	12–7	CSRS	Sr. Technical Support Assistant	$77,027	$9,866	$86,893
Staff Eligible for Separation Incentive Only:						
2210	12–10	FERS	Sr. Technical Support Asst	$83,438	$23,220	$106,658
2210	12–7	FERS	Sr. Technical Support Asst	$79,157	$26,739	$105,896
2210	12–7	FERS	Sr. Technical Support Asst	$77,027	$21,662	$98,688
2210	12–5	FERS	Sr. Technical Support Asst	$72,745	$24,425	$97,170
2210	12–5	FERS	Sr. Technical Support Asst	$74,875	$20,292	$95,167
2210	12–4	FERS	Sr. Technical Support Asst	$70,594	$24,506	$95,099
2210	12–4	FERS	Sr. Technical Support Asst	$70,594	$24,211	$94,805
2210	12–6	CSRS	Sr. Technical Support Asst	$74,875	$18,496	$93,371
2210	12–3	FERS	Sr. Technical Support Asst	$68,463	$24,090	$92,554
2210	12–4	FERS	Sr. Technical Support Asst	$70,594	$20,079	$90,673
2210	12–8	CSRS	Sr. Technical Support Asst	$79,157	$10,050	$89,207
2210	12–2	FERS	Sr. Technical Support Asst	$66,333	$22,736	$89,069
2210	12–2	FERS	Sr. Technical Support Asst	$66,333	$22,666	$88,999

2210	12–4	FERS	Sr. Technical Support Asst	$46,107	$16,289	$62,395
Total Cost						$1,670,496
AUDIO/VISUAL STAFF						
All Audio/Visual Staff Are Eligible for Early Retirement: These staff are in the 1071 job classification series. To honor the privacy of the three individual staff members in this job series, CRS has not provided individual salary and cost data						
Total Cost						$330,793
Total CRS Costs for 59 Affected Staff						$4,430,962

APPENDIX D: DIVERSITY COMPOSITION OF THE AFFECTED STAFF

[Breakdown of CRS Staff by Gender and Race Categories As of September 15, 2005]

Category	Total CRS Perm/ Indef Workforce		Affected Staff by Category							
			Production Support		Technical Support Assistants		Audio-Visual		Total Affected Staff	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	357	51.4	33	86.8	7	38.9			40	67.8
Male	337	48.6	5	13.2	11	61.1	3	100.0	19	32.2
Total	694	100.0	38	100.0	18	100.0	3	100.0	59	100.0
Minority Composition	224	32.3	30	78.9	11	61.1			41	69.5
Nat.Am/Alaskan	5	0.7								
Asian American	31	4.5	1	2.6					1	1.7
African-American	171	24.6	28	73.7	10	55.6			38	64.4
Hispanic	17	2.4	1	2.6	1	5.6			2	3.4
Non-Minority	470	67.7	8	21.1	7	38.9	3	100.0	18	30.5
Total	694	100.0	38	100.0	18	100.0	3	100.0	59	100.0

APPENDIX E: TRANSITION RESOURCES PROVIDED TO AFFECTED STAFF

CRS is providing the following transition resources to affected staff:

—an opportunity to participate in the Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Payment (VSIP) programs. Deadline for applying is December 2, 2005. Staff have from December 19, 2005 through January 3, 2006 to separate from the Library under these programs. As of Tuesday, November 1, 2005, 20 affected staff have applied for these programs;

—a special briefing on the VERA/VSIP process restricted to eligible CRS staff, in coordination with the Library's Office of Human Resources Services;

—a two-day retirement seminar exclusively for these staff and their spouses. The seminar was held on October 26 and 27. Twenty-three affected staff members registered to attend, eighteen attended;

—special individual retirement counseling, in coordination with the Library's Office of Human Resources Services;

—special training sessions on how to apply for positions using the Library's automated hiring system. The Library's Office of Human Resources conducted sessions on October 12 and 13. Individual sessions were arranged for those who were unable to attend either of the earlier sessions;

—a career services web page where staff can access career-related information and links to numerous websites including job search engines, resume writing and interview guides, job fair announcements, training opportunities, and more;

—services of a career counselor who will be available one day a week through September of 2006 to meet individually with staff and to present a career workshop once a month. The career counselor is expected to be available early November 2005;

—a briefing on October 13, 2005 by a Reduction in Force (RIF) expert who has been used frequently by the Library of Congress for other RIFs to provide an overview of RIF procedures and to answer questions, to include any follow-up questions by phone and email;

—briefings on September 28, 2005 for all affected staff to review these transition resources, and to give staff an opportunity to ask questions; and

—continuous communications from the Associate Director for Workforce Development by e-mail to inform when positions they may be interested in opened, and other upcoming activities to include career fairs, reminders of registration deadlines, and to remind them that they may continue to submit any questions that they have during the transition.

Question. In your testimony you state that extensive consultation took place before you decided to eliminate production support, computer technical support, and audio-visual functions. With whom did you consult? Was CRS staff in any way involved before you made your decision?

Answer. Before the final decision was made, in addition to multiple meetings with the Service's senior managers, CRS solicited input through a variety of venues including forums, one-on-one conversations, e-mail exchanges. CRS also held follow-up discussions with potentially affected staff as well as staff who use their services, including a sample of analysts, attorneys, and section heads (first-line supervisors).

Question. Were the affected staffs given an opportunity to receive training that may have given them an opportunity to keep their job or to apply for other positions within CRS?

Answer. The skills required for the Service's new technical positions are quite different from those required for the older production support and technical positions that will be abolished. The specialized expertise required for these new positions cannot be acquired or developed through some selected training courses.

In addition to traditional production support, the incumbents of the two older production support positions performed some administrative tasks as well. One of the current production support positions is supervisory/managerial at the GS–11 grade level; and, the other is non-supervisory at the GS–8 grade level.

When CRS defined the new work tasks and developed the associated position descriptions, all of the administrative tasks were consolidated into two new positions, one is supervisory at the GS–11 grade level and the other was classified by the Library of Congress Human Resources Services as a GS–7, one grade level lower than the GS–8 production position. Both of the new administrative positions will have fewer incumbents (ten total) than the number of incumbents of the current production positions (33 total). So far, three of the affected staff were competitively selected for these ten new administrative positions. A fourth individual from the affected staff was also selected but declined the offer and chose instead to retire.

CRS affected staff continue to receive training for the work that they perform in their current positions. However, selecting particular individuals for specific training to improve their credentials for a new job could be seen as running counter to merit-selection principles inherent in OPM regulations implementing the Government Employee Training Act. Information provided in the following questions addresses the issues of training staff for future positions.

Question. What actions have you taken to work with the rest of the Library to find positions for the remaining 31 staff?

Answer. CRS and the Library will begin the process of seeking placements for the remaining staff in June. The data and conditions for placing the remaining staff are dictated by law, regulation, and the CRS collective bargaining agreement, which govern when a reduction-in-force is established.

When the staffing changes were announced last September, it was the Director's hope that by providing a 12-month notice, separation incentives, voluntary early retirement opportunities, and transition services that all 59 individuals would vacate the positions before September 30, 2006. At this time, 29 of the 59 affected staff have retired, resigned, or secured other positions. In the meantime, CRS continues to provide a variety of career counseling services to affected staff and to provide weekly notices of CRS and Library posted positions that may be of interest to them.

Question. How closely have you worked with the new Center for Learning and Development in the Library to assist affected staff in training for current and future positions in the Library?

Answer. Staff from the CRS Office of Workforce Development worked closely with the Library's Center for Learning and Development in identifying 600 online courses that would provide a broad array of training for Library staff as it pertains to their current positions. The availability of courses has been communicated to all CRS staff and a number of CRS staff members, including the affected staff, have taken online courses.

The On-line Learning Center has been a topic of discussion at the weekly CRS Research Policy Council meetings of senior managers who are advised to encourage staff to enroll in the online training. As a result, a number of affected staff have taken advantage of these training opportunities. In addition, the Career Services Web Page that was established specifically for affected staff includes a link to the Online Learning Center.

Providing training for future positions becomes more complex. The Government Employee Training Act (GETA) permits training "which will improve individual and organizational performance and assist in achieving the agency's mission and performance goals." [5 USC4101(4)] OPM implementing regulations provide that "mission-related training" includes training that improves an employee's current job performance and training that "[a]llows for expansion or enhancement of an employee's current job [or e]nables an employee to perform needed or potentially needed duties outside the current job at the same level of responsibility." [5 CFR 410.101 (d)]

Retraining "to address an individual's skills obsolescence in the current position and/or training and development to prepare an individual for a different occupation, in the same agency, in another government agency, or in the private sector" is also permitted under OPM regulations. [5 CFR 410.101(e)] The selection of employees for training opportunities, however, must follow merit system principles. [5 CFR 410.302 (a)(1)] Each agency must establish criteria for the "fair and equitable selection and assignment of employees to training consistent with merit system principles." [5 CFR 410.306(a)]

Merit system principles are particularly applicable to training designed to prepare employees for advancement. Thus, OPM's Training Policy Handbook provides that "[a]gencies' training programs must consider all employees fairly" and that "[a]gency merit promotion procedures must be followed in selecting employees for training that is primarily to prepare trainees for advancement and that is not directly related to improving performance in their current positions."

Selecting particular employees to be accorded specific training designed to improve their advancement possibilities or to qualify them for other positions could be seen to run counter to merit selection principles. The Library and CRS have developed a merit selection process for filling positions, and CRS also applies competitive procedures to its longer term details within the agency and to designating section heads. The GETA and implementing regulations would also seem to dictate that similar principles be applied in the provision of training.

The focus of all training opportunities provided to staff complies with the Service's obligation to enhance staff skills for the positions currently held, rather than to provide training for possible future positions that could be seen as running counter to merit-selection principles inherent in OPM regulations implementing the GETA.

Question. It is my understanding that of the 59 staff being eliminated, nearly 70 percent are minorities. What are your plans to address the major loss of minority employees in CRS?

Answer. CRS is dedicated to maintaining a diverse workforce. When CRS announced its plan to eliminate three functions, the diversity profile of the Service was 32.3 percent minority. If all of the affected staff would have left and no new hires added, the CRS workforce would have been reduced to 635 and the racial and ethnic profile of that reduced staff would have reflected a minority population of 28.8 percent. The proportion of Asian Americans would have increased from 4.5 percent to 4.7 percent; Native Americans would have increased from .7 percent to .8 percent; Hispanics would have remained the same at 2.4 percent; and the proportion of African Americans would have decreased from 24.6 percent to 20.9 percent.

Instead, as of February 28, 2006, after the retirement of 23 affected staff, attrition unrelated to the workforce re-engineering, and the hiring of new staff in accordance with the CRS hiring plan, 31.1 percent of CRS' total permanent/indefinite workforce of 685 is minority; .7 percent Native American, 4.7 percent Asian American, 23.1 percent African American, and 2.6 percent Hispanic.

CRS has filled four (4) of the new positions (with 12 incumbents). Of the twelve incumbents hired, nine (75 percent) are minorities, and all of whom are African American females.

CRS will continue to use national recruitment and hiring programs and sources to attract minority applicants to CRS. These programs include targeting universities and public policy schools with high minority enrollments to serve as recruitment sources for entry-level professional positions, and forging special connections with minority-serving organizations such as Historically Black Colleges and Universities, the United Negro College Fund, the Congressional Black Caucus, the Congressional Hispanic Caucus, and others. In addition, CRS continues to use programs such as the CRS Law Recruit Program, the Student Diversity Internship Program, the Hispanic Association of Colleges and Universities National Internship Program, and the Federal Presidential Management Fellowship Program to recruit minorities for CRS positions.

SUBCOMMITTEE RECESS

Senator ALLARD. The subcommittee stands in recess and we will meet next on March 15 at 10:30 a.m., when we will take testimony from the Secretary of the Senate and Architect of the Capitol on their fiscal year 2007 budget requests. In addition, we will hear from witnesses regarding progress of the Capitol Visitor Center as part of the monthly oversight of that particular project.

I thank the participants today for sharing their views with us.

[Whereupon, at 11:45 a.m., Wednesday, March 1, the subcommittee was recessed, to reconvene at 10:30 a.m., Wednesday, March 15.]