

# LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2004

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## HEARINGS

BEFORE A

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

FIRST SESSION

ON

## **H.R. 2657/S. 1383**

AN ACT MAKING APPROPRIATIONS FOR THE LEGISLATIVE BRANCH FOR  
THE FISCAL YEAR ENDING SEPTEMBER 30, 2004, AND FOR OTHER  
PURPOSES

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**Architect of the Capitol (except House items)  
Capitol Police Board  
Congressional Budget Office  
General Accounting Office  
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## **LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2004**

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**THURSDAY, MARCH 27, 2003**

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

The subcommittee met at 1:30 p.m., in room SD-124, Dirksen Senate Office Building, Hon. Ben Nighthorse Campbell (chairman) presiding.

Present: Senators Campbell and Durbin.

### **GENERAL ACCOUNTING OFFICE**

#### **STATEMENT OF DAVID WALKER, COMPTROLLER GENERAL**

##### **ACCOMPANIED BY:**

**GENE L. DODARO, CHIEF OPERATING OFFICER**

**STANLEY J. CZERWINSKI, CONTROLLER**

**ANTHONY CICCIO, JR., CHIEF INFORMATION OFFICER AND DEPUTY  
CHIEF MISSION SUPPORT OFFICER**

##### **OPENING STATEMENT OF SENATOR BEN NIGHTHORSE CAMPBELL**

Senator CAMPBELL. The subcommittee will come to order.

This is my first hearing as chairman of the Legislative Branch Subcommittee, and today's hearing is the first of four hearings we plan to have to review the fiscal year 2004 legislative branch budget request, which totals roughly \$3.8 billion. Two of our three witnesses this afternoon are also new to this subcommittee. This afternoon we will take testimony from three agencies, the General Accounting Office, the Government Printing Office, and the Congressional Budget Office.

We will hear first from Mr. David Walker, Comptroller General. Mr. Walker is accompanied by his Chief Operating Officer, Mr. Gene Dodaro, and Mr. Stan Czerwinski, GAO's Controller. GAO's budget request of \$472 million will accommodate all inflationary increases with no real significant change in its operations. We do want to understand the urgency of \$4.8 million of your budget request, whether it is truly needed in the supplemental, or whether it can await the fiscal year 2004 appropriations.

GAO will be followed by witnesses from the Government Printing Office, Mr. Bruce James, the new Public Printer, who will appear for the first time before this subcommittee. Mr. James will be accompanied by Mr. George Taylor, Deputy Printer, Mr. Frank Partlow, Chief of Staff, and Ms. Judith Russell, Superintendent of Documents.

Mr. James, we look forward to hearing about the changes you are planning at GPO. We are very pleased to have underway a comprehensive general management review by the GAO requested by this committee, which we expect will help you as you make your plans. GPO's budget totals \$135.6 million, and does include \$10 million for anticipated restructuring efforts.

Finally, we will hear from Dr. Douglas Holtz-Eakin, the Director of the Congressional Budget Office, who will appear for the first time before this subcommittee. He will be accompanied by Mr. Barry Anderson, his deputy. The CBO's budget of roughly \$34 million would provide for some additional employees and its cost of the Federal Accounting Standards Advisory Board.

We are expecting a number of votes this afternoon, and so we will not have you read your statements. We will put them in the record, and Mr. Walker, you may proceed.

Mr. WALKER. Thank you, Mr. Chairman, for the opportunity to be here today and congratulations on your new position as chairman of this subcommittee. In addition to Mr. Dodaro and Mr. Czerwinski, I would also like to introduce Tony Cicco, our Chief Information Officer and Deputy Chief Mission Support Officer, who is also with me today. Now, to summarize a few highlights for the committee. We realize that you face tough budget choices this year and will continue to face them in the years ahead. As such, we are requesting, for fiscal year 2004, a modest increase of 4.1 percent in our current budget of \$473 million. This request includes the \$4.8 million supplemental we previously requested for safety and security needs. If the Congress is able to fund our fiscal year 2003 supplemental request for security needs, we could reduce our fiscal year 2004 budget request accordingly to a net 3.1 percent increase.

Fiscal year 2002 was an outstanding year for GAO. We achieved record or near record performance results in virtually every key category. For example, over \$37 billion in measurable financial benefits, a return on investment of \$88 for every \$1 appropriated to us. Our performance results have increased significantly over the last 4 years, and we continue to lead by example. We are in the vanguard of the overall government transformation effort and are positioning GAO for the future.

We also plan to work with our oversight committees and possibly this committee to seek human capital legislation that would make permanent some of the human capital flexibilities provided to us by Congress in fiscal year 2001 and recently extended to the executive branch in the homeland security legislation. We also plan to file the required statutory report on our fiscal year 2001 human capital legislation in the coming weeks.

#### PREPARED STATEMENT

Mr. Chairman, we will just submit our testimony for the record and would welcome your questions.

[The statement follows:]

#### PREPARED STATEMENT OF DAVID M. WALKER

Mr. Chairman and Members of the Subcommittee: I am pleased to appear before the Subcommittee today as the Comptroller General of the United States and head of the U.S. General Accounting Office (GAO). GAO is a key source of objective information and analyses and, as such, plays a crucial role in supporting congressional

decision-making and helping improve government for the benefit of the American people. My testimony today will focus on GAO's (1) fiscal year 2002 performance and results, (2) efforts to maximize our effectiveness, responsiveness and value, and (3) our budget request for fiscal year 2004 to support the Congress and serve the American public. In summary:

- In fiscal year 2002, GAO's work informed the national debate on a broad spectrum of issues including helping the Congress answer questions about the associated costs and program trade-offs of the national preparedness strategy, including providing perspectives on how best to organize and manage the new Transportation Security Administration and Department of Homeland Security. GAO's efforts helped the Congress and government leaders achieve \$37.7 billion in financial benefits—an \$88 return on every dollar invested in GAO. The return on the public's investment in GAO extends beyond dollar savings to improvements in how the government serves its citizens. This includes a range of accomplishments that serve to improve safety, enhance security, protect privacy, and increase the effectiveness of a range of federal programs and activities.
- The results of our work in fiscal year 2002 were possible, in part, because of changes we have made to transform GAO in order to meet our goal of being a model federal agency and a world-class professional services organization. We had already realigned GAO's structure and resources to better serve the Congress in its legislative, oversight, appropriations, and investigative roles. Over the past year, we cultivated and fostered congressional and agency relations, better refined our strategic and annual planning and reporting processes, and enhanced our information technology infrastructure. We also continued to provide priority attention to our management challenges of human capital, information security, and physical security. We have made progress in addressing each of these challenges, but we still have work to do and plan to ask for legislation to help address some of these issues.
- GAO is requesting budget authority of \$473 million for fiscal year 2004. Our request represents a modest 4.1 percent increase in direct appropriations, primarily for mandatory pay and uncontrollable costs. This budget will allow us to maintain current operations for serving the Congress as outlined in our strategic plan and to continue initiatives to enhance our human capital, support business processes, and ensure the safety and security of GAO staff, facilities, and information systems. Approximately \$4.8 million, or about 1 percent, of our request relates to several safety and security items that are included in our fiscal year 2003 supplemental request. If this supplemental request is granted, our fiscal year 2004 request could be reduced accordingly.

#### FISCAL YEAR 2002 PERFORMANCE AND RESULTS

Fiscal year 2002 was a year of challenges, not just for GAO but also for the Congress and the nation. The nation's vulnerabilities were exposed in a series of events—America's vulnerability to sophisticated terrorist networks, bioterrorism waged through mechanisms as mundane as the daily mail, and corporate misconduct capable of wiping out jobs, pensions, and investments virtually overnight. As the Congress's priorities changed to meet these crises, GAO's challenge was to respond quickly and effectively to our congressional clients' changing needs.

With work already underway across a spectrum of critical policy and performance issues, we had a head start toward meeting the Congress' needs in a year of unexpected and often tumultuous events. For example, in fiscal year 2002 GAO's work informed the debate over national preparedness strategy, helping the Congress determine how best to organize and manage major new departments, assess key vulnerabilities to homeland defense, and respond to the events of September 11 in areas such as terrorism insurance and airline security. GAO's input also was a major factor in shaping the Sarbanes-Oxley Act, which created the Public Company Accounting Oversight Board, as well as new rules to strengthen corporate governance and ensure auditor independence. Further, GAO's work helped the Congress develop and enact election reform legislation in the form of the Help America Vote Act of 2002 to help restore voter confidence.

In fiscal year 2002, GAO also served the Congress and the American people by helping to:

- Contribute to a national preparedness strategy at the federal, state, and local levels that will make Americans safer from terrorism
- Protect investors through better oversight of the securities industry and the accounting profession
- Ensure a safer national food supply

- Expose the inadequacy of nursing home care
- Make income tax collection fair, effective, and less painful to taxpayers
- Strengthen public schools' accountability for educating children
- Keep sensitive American technologies out of the wrong hands
- Protect American armed forces confronting chemical or biological weapons
- Identify the risks to employees in private pension programs
- Identify factors causing the shortage of children's vaccines
- Assist the postal system in addressing anthrax and various management challenges
- Identify security risks at ports, airports, and transit systems
- Save billions by bringing sound business practices to the Department of Defense
- Foster human capital strategic management to create a capable, effective, well-managed federal workforce
- Ensure that the armed forces are trained and equipped to meet the nation's defense commitments
- Enhance the safety of Americans and foreign nationals at U.S. installations worldwide
- Assess ways of improving border security through biometric technologies and other means
- Reduce the international debt problems faced by poor countries
- Reform the way federal agencies manage their finances
- Protect government computer systems from security threats
- Enhance the transition of e-government—the new “electronic connection” between government and the public.

During fiscal year 2002, GAO's analyses and recommendations contributed to a wide range of legislation considered by the Congress, as shown in the following table.

TABLE 1.—*Selected Public Laws to Which GAO Contributed During Fiscal Year 2002*

Prescription Drug User Fee Amendments of 2002, Public Law 107-188  
 Best Pharmaceuticals for Children Act, Public Law 107-1092  
 No Child Left Behind Act of 2001, Public Law 107-110  
 Food Stamp Reauthorization Act of 2002, Public Law 107-171  
 Help America Vote Act of 2002, Public Law 107-252  
 Homeland Security Act of 2002, Public Law 107-296  
 Public Health Security and Bioterrorism Preparedness and Response Act of 2002, Public Law 107-188  
 Aviation and Transportation Security Act, Public Law 107-71  
 Department of Defense Appropriation Act, 2003, Public Law 107-248  
 Department of Defense and Emergency Supplemental Appropriations for Recovery From and Response to Terrorist Attacks on the United States Act, 2002, Public Law 107-117  
 Bob Stump National Defense Authorization Act for Fiscal Year 2003 Public Law 107-314  
 Foreign Relations Authorization Act, Fiscal Year 2003, Public Law 107-228  
 Small Business Paperwork Relief Act of 2002, Public Law 107-198  
 Federal Information Security Management Act of 2002, Public Law 107-347  
 Sarbanes-Oxley Act of 2002, Public Law 107-204  
 National Defense Authorization Act for Fiscal Year 2002, Public Law 107-107  
 Legislative Branch Appropriations, Fiscal Year 2002, Public Law 107-68  
 Improper Payments Information Act of 2002, Public Law 107-300  
 Trade Act of 2002, Public Law 107-210  
 Terrorism Risk Insurance Act of 2002, Public Law 107-297  
 E-Government Act of 2002, Public Law 107-347

Source: GAO.

By year's end, we had testified 216 times before the Congress, sometimes on as little as 24 hours' notice, on a range of issues. We had responded to hundreds of urgent requests for information. We had developed 1,950 recommendations for improving the government's operations, including, for example, those we made to the Secretary of State calling for the development of a governmentwide plan to help other countries combat nuclear smuggling and those we made to the Chairman of



the Federal Energy Regulatory Commission calling for his agency to develop an action plan for overseeing competitive energy markets. We also had continued to track the recommendations we had made in past years, checking to see that they had been implemented and, if not, whether we needed to do follow-up work on problem areas. We found, in fact, that 79 percent of the recommendations we had made in fiscal year 1998 had been implemented, a significant step when the work we have done for the Congress becomes a catalyst for creating tangible benefits for the American people.

Table 2 highlights, by GAO's three external strategic goals, examples of issues on which we testified before Congress during fiscal year 2002.

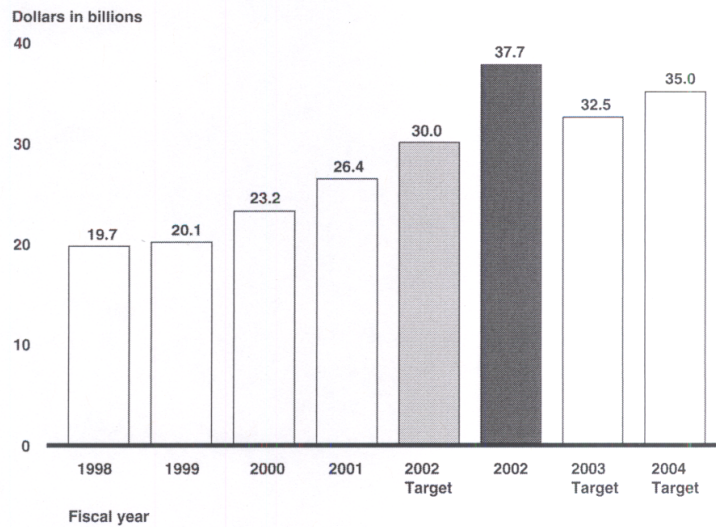
TABLE 2.—ISSUES ON WHICH GAO TESTIFIED DURING FISCAL YEAR 2002		
Goal 1—Well-Being and Financial Security of the American People	Goal 2—Changing Security Threats and Challenge of Globalization	Goal 3—Transforming the Federal Government's Role
Aviation security Bioterrorism Blood supplies Child welfare Childhood vaccines Coast Guard's security missions Customs' cargo inspections Disability programs EPA cabinet status FBI reorganization Federal property management reform Food safety Highway trust fund Housing HUD management reform Identity theft Immigration enforcement Indian tribal recognition Intercity passenger rail Long-term care Medicare payments Nuclear waste storage Nursing homes Postal Service challenges Public health aspects of homeland security Retiree health insurance SBA's human capital challenges Social Security reform Transit safety and security VA health care Welfare reform Wildfire threats Workforce development	A-76 competitive sourcing Anthrax vaccine Ballistic missile defense Chemical and biological preparedness Combating terrorism Compact with Micronesia Conflict diamonds Debt relief for poor countries Encroachment on training ranges Export controls Food aid Foreign language needs Gulf War illnesses Information security aspects of homeland security International trade Nuclear smuggling Organizational aspects of homeland security SEC's human capital challenges Strategic seaport protection Terrorism insurance U.S. overseas presence Weapons of mass destruction	Contract management Contracting for services Corporate governance and accountability Debt collection DOD financial management Electronic Government Act of 2002 Electronic-government security Enterprise architecture Federal budget issues Federal building security Federal financial management reform Federal rulemaking requirements Freedom to Manage Act Human capital strategy Illegal tax schemes and scams Inter-governmental aspects of homeland security IRS modernization Medicaid financial management NASA's management challenges President's Management Agenda Purchase card controls Securing America's borders U.S. government's financial statements
Source: GAO.		

Congress and the executive agencies took a wide range of actions in fiscal year 2002 to improve government operations, reduce costs, or better target budget authority based on GAO analyses and recommendations, as highlighted in the following sections.

Federal action on GAO's findings or recommendations produced financial benefits for the American people: a total of \$37.7 billion was achieved by making government services more efficient, improving the budgeting and spending of tax dollars, and strengthening the management of federal resources (see fig. 1). For example, increased funding for improved safeguards against fraud and abuse helped the Medicare program to better control improper payments of \$8.1 billion over 2 years, and

better policies and controls reduced losses from farm loan programs by about \$4.8 billion across 5 years.

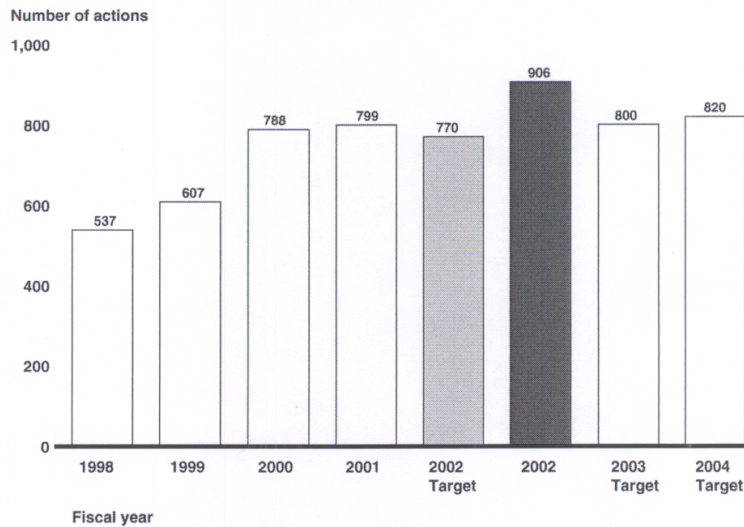
**Figure 1: Financial Benefits Resulting from GAO's Work**



Source: GAO.

In fiscal year 2002, we also recorded 906 instances in which our work led to improvements in government operations or programs (see fig. 2). For example, by acting on GAO's findings or recommendations, the federal government has taken important steps toward enhancing aviation safety, improving pediatric drug labeling based on research, better targeting of funds to high-poverty school districts, greater accountability in the federal acquisition process, and more effective delivery of disaster recovery assistance to other nations, among other achievements.

Figure 2: GAO's Work Improving Government Operations and Services



Source: GAO.

As shown in table 3, we met all of our annual performance targets except our timeliness target. While we provided 96 percent of our products to their congressional requesters by the date promised, we missed this measure's target of 98 percent on-time delivery. The year's turbulent events played a part in our missing the target, causing us to delay work in progress when higher-priority requests came in from the Congress. We know we will continue to face factors beyond our control as we strive to improve our performance in this area. We believe the agency protocols we are piloting will help clarify aspects of our interactions with the agencies we evaluate and audit and, thus, expedite our work in ways that could improve the timeliness of our final products. We also believe that our continuing investments in human capital and information technology will improve our timeliness while allowing us to maintain our high level of productivity and performance overall.

TABLE 3.—ANNUAL PERFORMANCE MEASURES AND TARGETS

Performance measure	Fiscal Year 1998 Actual	Fiscal Year 1999 Actual	Fiscal Year 2000 Actual	Fiscal Year 2001 Actual	Fiscal Year 2002 Target	Fiscal Year 2002 Actual	4-year avg. Actual	Fiscal Year 2003 Target	Fiscal Year 2004 Target
Financial benefits (dollars in billions) .....	\$19.7	\$20.1	\$23.2	\$26.4	\$30.0	<sup>1</sup> \$37.7	\$26.9	<sup>2</sup> \$32.5	\$35.0
Other benefits .....	537	607	788	799	770	906	775	<sup>2</sup> 800	820
Past recommendations implemented (percent) .....	69	70	78	79	75	79	N/A	77	77
New recommendations made ...	987	940	1,224	1,563	1,200	1,950	1,419	<sup>2</sup> 1,250	1,250
New products with recommendations (in percent) .....	33	33	39	44	45	53	42	50	50
Testimonies .....	256	229	263	151	200	216	215	<sup>2</sup> 180	200
Timeliness (in percent) .....	93	96	96	95	98	96	96	98	98

<sup>1</sup> Changes GAO made to its methodology for tabulating financial benefits caused about 11 percent of the increase in fiscal year 2002.

<sup>2</sup> Four targets published in GAO's performance plan for fiscal year 2003 were subsequently revised based on more current information. Two were raised; two were lowered. The original targets were financial benefits, \$35 billion; other benefits, 785; recommendations made, 1,200; and testimonies, 210.

N/A=not applicable.  
Source: GAO.

#### MAXIMIZING GAO'S EFFECTIVENESS, RESPONSIVENESS AND VALUE

The results of our work were possible, in part, because of changes we have made to maximize the value of GAO. We had already realigned GAO's structure and resources to better serve the Congress in its legislative, oversight, appropriations, and investigative roles. Over the past year, we cultivated and fostered congressional and agency relations, better refined our strategic and annual planning and reporting processes, and enhanced our information technology infrastructure. We also continued to provide priority attention to our management challenges of human capital, information security, and physical security. Changes we made in each of these areas helped enable us to operate in a constantly changing environment.

##### *Congressional and Agency Relations*

Over the course of the year, we cultivated and fostered congressional and agency relations in several ways. On October 23, 2001, in response to the anthrax incident on Capitol Hill, we opened our doors to 435 members of the House of Representatives and their staffs. Later in the year, we continued with our traditional hill outreach meetings and completed a 7-month pilot test of a system for obtaining clients' views on the quality of our testimonies and reports. We also developed agency protocols to provide clearly defined, consistently applied, well-documented, and transparent policies for conducting our work with federal agencies. We have implemented our new reporting product line entitled Highlights—a one-page summary that provides the key findings and recommendations from a GAO engagement. We continued our policy of outreach to our congressional clients, the public, and the press to enhance the accessibility of GAO products. Our external web site now logs about 100,000 visitors each day and more than 1 million GAO products are downloaded every month by our congressional clients, the public, and the press.

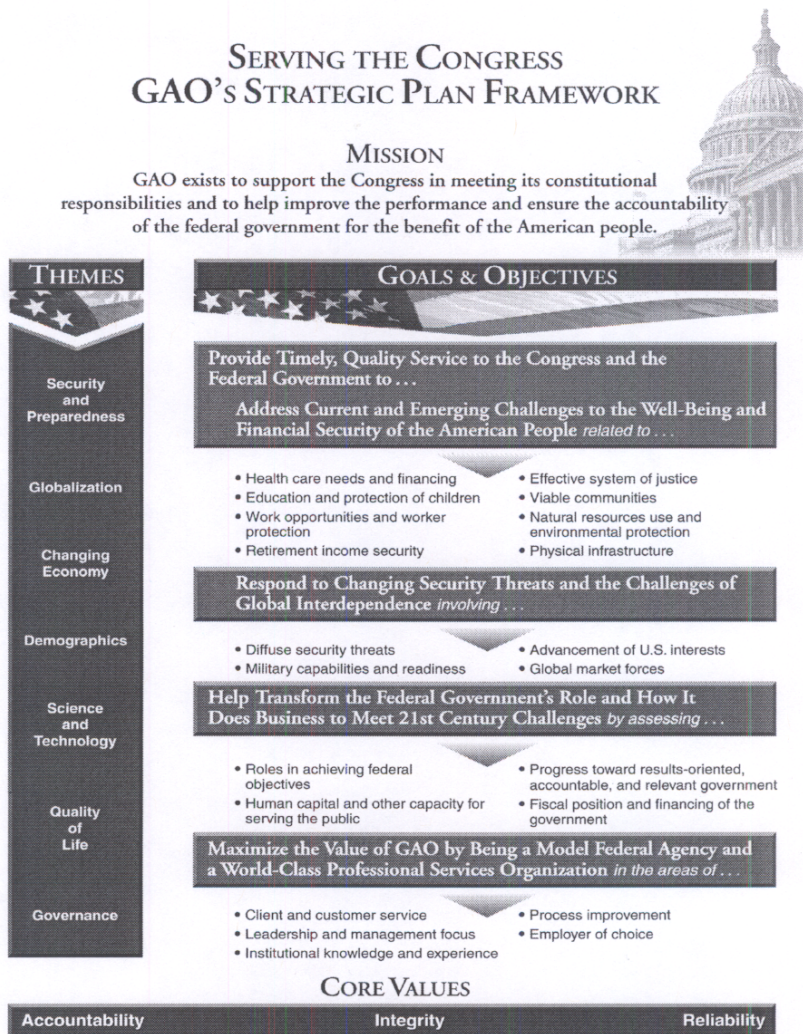
In light of certain records access challenges during the past few years and with concerns about national and homeland security unusually high at home and abroad, it may become more difficult for us to obtain information from the Executive Branch and report on certain issues. If this were to occur, it would hamper our ability to complete congressional requests in a timely manner. We are updating GAO's engagement acceptance policies and practices to address this issue and may recommend legislative changes that will help to assure that we have reasonable and appropriate information that we need to conduct our work for the Congress and the country.

##### *Strategic and Annual Planning*

GAO's strategic planning process serves as a model for the federal government. Our plan aligns GAO's resources to meet the needs of the Congress, address emerging challenges and achieve positive results. Following the spirit of the Government Performance and Results Act, we established a process that provides for updates

with each new Congress, ongoing analysis of emerging conditions and trends, extensive consultations with congressional clients and outside experts, and assessments of our internal capacities and needs.

At the beginning of fiscal year 2002, we updated our strategic plan for serving the Congress based on substantial congressional input—extending the plan's perspective out to fiscal year 2007 and factoring in developments that had occurred since we first issued it in fiscal year 2000. The updated plan carries forward the four strategic goals we had already established as the organizing principles for a body of work that is as wide-ranging as the interests and concerns of the Congress itself. Using the plan as a blueprint, we lay out the areas in which we expect to conduct research, audits, analyses, and evaluations to meet our clients' needs, and we allocate the resources we receive from the Congress accordingly. Following is our strategic plan framework. Appendix I of this statement delineates in a bit more detail our strategic objectives and our qualitative performance goals for fiscal years 2002 and 2003.





We issued our 2001 Performance and Accountability Report that combines information on our past year's accomplishments and progress in meeting our strategic goals with our plans for achieving our fiscal year 2003 performance goals. The report earned a Certificate of Excellence in Accountability Reporting from the Association of Government Accountants. We issued our Fiscal Year 2002 Performance and Accountability Report in January 2003.

Our financial statements, which are integral to our performance and accountability, received an unqualified opinion for the sixteenth consecutive year. Furthermore, our external auditors did not identify any material control weaknesses or compliance issues relating to GAO's operations.

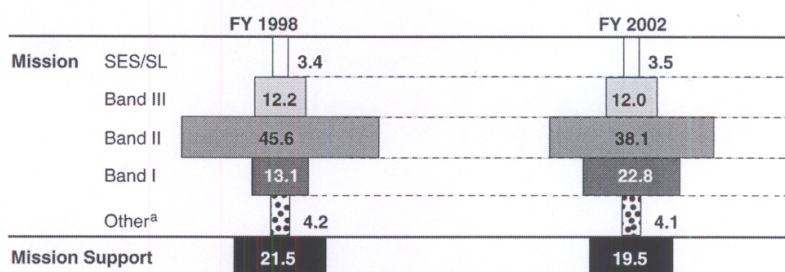
#### Information Technology

During the past year, we acquired new hardware and software and developed user-friendly systems that enhanced our productivity and responsiveness to the Congress and helped meet our initial information technology goals. For example, we replaced aging desktop workstations with notebook computers that provide greater computing power, speed, and mobility. In addition, we upgraded key desktop applications, the Windows desktop operating system, and telecommunications systems to ensure that GAO staff have modern technology tools to assist them in carrying out their work. We also developed new, integrated, user-friendly Web-based systems that eliminate duplicate data entry while ensuring the reusability of existing data. As the Clinger-Cohen Act requires, GAO has an enterprise architecture program in place to guide its information technology planning and decision making. In designing and developing systems, as well as in acquiring technology tools and services, we have applied enterprise architecture principles and concepts to ensure sound information technology investments and the interoperability of systems.

#### Human Capital

Given GAO's role as a key provider of information and analyses to the Congress, maintaining the right mix of technical knowledge and expertise as well as general analytical skills is vital to achieving our mission. We spend about 80 percent of our resources on our people, but without excellent human capital management, we could still run the risk of being unable to deliver what the Congress and the nation expect from us. At the beginning of my term in early fiscal year 1999, we completed a self-assessment that profiled our human capital workforce and identified a number of serious challenges facing our workforce, including significant issues involving succession planning and imbalances in the structure, shape, and skills of our workforce. As presented below, through a number of strategically planned human capital initiatives over the past few years, we have made significant progress in addressing these issues. For example, as illustrated in figure 3, by the end of fiscal year 2002, we had almost a 60 percent increase in the percentage of staff at the entry-level (Band I) as compared with fiscal year 1998. Also, the proportion of our workforce at the mid-level (Band II) decreased by about 8 percent.

Figure 3: GAO's Human Capital Profile



Figures in percentages

Source: GAO.

<sup>a</sup>Attorneys and criminal investigators

<sup>b</sup>Mission support includes both mission and mission support offices as discussed in GAO's budget submission

Our fiscal year 2002 human capital initiatives included the following:

- In fiscal year 2002, we hired nearly 430 permanent staff and 140 interns. We also developed and implemented a strategy to place more emphasis on diversity in campus recruiting.
- In fiscal years 2002 and 2003, to help meet our workforce planning objectives, we offered voluntary early retirement under authority established in our October 2000 human capital legislation. Early retirement was granted to 52 employees in fiscal year 2002 and 24 employees in fiscal year 2003.
- To retain staff with critical skills and staff with less than 3 years of GAO experience, we implemented legislation authorizing federal agencies to offer student loan repayments in exchange for certain federal service commitments.
- In fiscal year 2002, GAO implemented a new, modern, effective, and credible performance appraisal system for analysts and specialists, adapted the system for attorneys, and began modifying the system for administrative professional and support staff.
- We began developing a new core training curriculum for managers and staff to provide additional training on the key competencies required to perform GAO's work.
- We also took steps to achieve a fully democratically-elected Employee Advisory Council to work with GAO's Executive Committee in addressing issues of mutual interest and concern.

The above represent just a few of many accomplishments in the human capital area. GAO is the clear leader in the federal government in designating and implementing 21st century human capital policies and practices. We also are taking steps to work with the Congress, the Office of Management and Budget, and the Office of Personnel Management, and others to "help others help themselves" in the human capital area.

#### *Information Security*

Ensuring information systems security and disaster recovery systems that allow for continuity of operations is a critical requirement for GAO, particularly in light of the events of September 11 and the anthrax incidents. The risk is that our information could be compromised and that we would be unable to respond to the needs of the Congress in an emergency. In light of this risk and in keeping with our goal of being a model federal agency, we are implementing an information security program consistent with the requirements in the Government Information Security Reform provisions (commonly referred to as "GISRA") enacted in the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001. We have made progress through our efforts to, among other things, implement a risk-based, agencywide security program; provide security training and awareness; and develop and implement an enterprise disaster recovery solution.

#### *Physical Security*

In the aftermath of the September 11 terrorist attacks and subsequent anthrax incidents, our ability to provide a safe and secure workplace emerged as a challenge for our agency. Protecting our people and our assets is critical to our ability to meet our mission. We devoted additional resources to this area and implemented measures such as reinforcing vehicle and pedestrian entry points, installing an additional x-ray machine, adding more security guards, and reinforcing windows.

#### GAO'S FISCAL YEAR 2004 BUDGET REQUEST

GAO is requesting budget authority of \$473 million for fiscal year 2004 to maintain current operations for serving the Congress as outlined in our strategic plan and to continue initiatives to enhance our human capital, support business processes, and ensure the safety and security of GAO staff, facilities, and information systems. This funding level will allow us to fund up to 3,269 full-time equivalent personnel. Our request includes \$466.6 million in direct appropriations and authority to use estimated revenues of \$6 million from reimbursable audit work and rental income. Our requested increase of \$18.4 million in direct appropriations represents a modest 4.1 percent increase, primarily for mandatory pay and uncontrollable costs. Our budget request also includes savings from nonrecurring fiscal year 2003 investments in fiscal year 2004 that we propose to use to fund further one-time investments in critical areas, such as security and human capital.

We have submitted a request for \$4.8 million in supplemental fiscal year 2003 funds to allow us to accelerate implementation of important security enhancements. Our fiscal year 2004 budget includes \$4.8 million for safety and security needs that are also included in the supplemental. If the requested fiscal year 2003 supplemental funds are provided, our fiscal year 2004 budget could be reduced by \$4.8 mil-

lion. Table 4 presents our fiscal year 2003 and requested fiscal year 2004 resources by funding source.

Funding source	Fiscal Year 2003 Revised	Fiscal Year 2004 Request	Change—fiscal year 2003 to 2004	
			Amount	Percent
Total budget authority .....	<sup>1</sup> \$451,202	\$472,627	\$21,425	.....
Less: offsetting collections <sup>2</sup> .....	(3,000)	(6,006)	(3,006)	.....
Direct appropriation .....	\$448,202	\$466,621	\$18,419	4.1

<sup>1</sup> Excludes request for supplemental funds of \$4.8 million.  
<sup>2</sup> Offsetting collections include reimbursable audit work and rental income.  
Source: GAO.

During fiscal year 2004, we plan to sustain our investments in maximizing the productivity of our workforce by continuing to address the key management challenges of human capital, and both information and physical security. We will continue to take steps to “lead by example” within the federal government in connection with these and other critical management areas.

Over the next several years, we need to continue to address skill gaps, maximize staff productivity and effectiveness, and reengineer our human capital processes to make them more user-friendly. We plan to address skill gaps by further refining our recruitment and hiring strategies to target gaps identified through our workforce planning efforts, while taking into account the significant percentage of our workforce eligible for retirement. We will continue to take steps to reengineer our human capital systems and practices to increase their efficiency and to take full advantage of technology. We will also ensure that our staff have the needed skills and training to function in this reengineered environment. In addition, we are developing competency-based performance appraisal and broad-banding pay systems for our mission support employees.

To ensure our ability to attract, retain, and reward high-quality staff, we plan to devote additional resources to our employee training and development program. We will target resources to continue initiatives to address skill gaps, maximize staff productivity, and increase staff effectiveness by updating our training curriculum to address organizational and technical needs and training new staff. Also, to enhance our recruitment and retention of staff, we will continue to offer a student loan repayment program and transit subsidy benefit established in fiscal year 2002. In addition, we will continue to focus our hiring efforts in fiscal year 2004 on recruiting talented entry-level staff.

To build on the human capital flexibilities provided by the Congress in 2000, we plan to recommend legislation that would, among other things, facilitate GAO’s continuing efforts to recruit and retain top talent, develop a more performance-based compensation system, realign our workforce, and facilitate our succession planning and knowledge transfer efforts. In addition, to help attract new recruits, address certain “expectation gaps” within and outside of the government, and better describe the modern audit and evaluation entity GAO has become, we will work with the Congress to explore the possibility of changing the agency’s name while retaining our well-known acronym and global brand name of “GAO.”

On the information security front, we need to complete certain key actions to be better able to detect intruders in our systems, identify our users, and recover in the event of a disaster. Among our current efforts and plans for these areas are completing the installation of software that helps us detect intruders on all our internal servers, completing the implementation of a secure user authentication process, and refining the disaster recover plan we developed last year. We will need the Congress’ help to address these remaining challenges.

We also are continuing to make the investments necessary to enhance the safety and security of our people, facilities, and other assets for the mutual benefit of GAO and the Congress. With our fiscal year 2003 supplemental funding, if provided, or if not, with fiscal year 2004 funds, we plan to complete installation of our building access control and intrusion detection system and supporting infrastructure, and obtain an offsite facility for use by essential personnel in emergency situations. With



the help of the Congress, we plan to implement these projects over the next several years.

#### CONCLUDING REMARKS

As a result of the support and resources we have received from this Subcommittee and the Congress over the past several years, we have been able to make a difference in government, not only in terms of financial benefits and improvements in federal programs and operations that have resulted from our work, but also in strengthening and increasing the productivity of GAO, and making a real difference for our country and its citizens. Our budget request for fiscal year 2004 is modest, but necessary to sustain our current operations, continue key human capital and information technology initiatives, and ensure the safety and security of our most valuable asset—our people. We seek your continued support so that we will be able to effectively and efficiently conduct our work on behalf of the Congress and the American people.

As the Comptroller General of the United States, I am very proud of how, in a time of uncertainty, GAO staff responded with a positive attitude and did whatever their country required and demonstrated an unwavering resolve to continue their work. Knowing this organization as I do, I was not surprised. We at GAO look forward to continuing to help the Congress and the nation meet the current and emerging challenges of the 21st century.

#### APPENDIX I: GAO'S QUALITATIVE PERFORMANCE GOALS FOR FISCAL YEARS 2002 AND 2003

This appendix lists GAO's strategic goals and the strategic objectives for each goal. They are part of our updated draft strategic plan (for fiscal years 2002 through 2007).

Organized below each strategic objective are its qualitative performance goals. The performance goals lay out the work we plan to do in fiscal years 2002 and 2003 to help achieve our strategic goals and objectives. We will evaluate our performance at the end of fiscal year 2003.

##### *Strategic Goal 1—Provide Timely, Quality Service to the Congress and the Federal Government to Address Current and Emerging Challenges to the Well-Being and Financial Security of the American People*

To achieve this goal, we will provide information and recommendations on the following:

- the Health Care Needs of an Aging and Diverse Population
  - evaluate Medicare reform, financing, and operations;
  - assess trends and issues in private health insurance coverage;
  - assess actions and options for improving the Department of Veterans Affairs' and the Department of Defense's (DOD) health care services;
  - evaluate the effectiveness of federal programs to promote and protect the public health;
  - evaluate the effectiveness of federal programs to improve the nation's preparedness for the public health and medical consequences of bioterrorism;
  - evaluate federal and state program strategies for financing and overseeing chronic and long-term health care; and
  - assess states' experiences in providing health insurance coverage for low-income populations.
- the Education and Protection of the Nation's Children
  - analyze the effectiveness and efficiency of early childhood education and care programs in serving their target populations;
  - assess options for federal programs to effectively address the educational and nutritional needs of elementary and secondary students and their schools;
  - determine the effectiveness and efficiency of child support enforcement and child welfare programs in serving their target populations; and
  - identify opportunities to better manage postsecondary, vocational, and adult education programs and deliver more effective services.
- the Promotion of Work Opportunities and the Protection of Workers
  - assess the effectiveness of federal efforts to help adults enter the workforce and to assist low-income workers;
  - analyze the impact of programs designed to maintain a skilled workforce and ensure employers have the workers they need;
  - assess the success of various enforcement strategies to protect workers while minimizing employers' burden in the changing environment of work; and
  - identify ways to improve federal support for people with disabilities.

- a Secure Retirement for Older Americans
  - assess the implications of various Social Security reform proposals;
  - identify opportunities to foster greater pension coverage, increase personal saving, and ensure adequate and secure retirement income; and
  - identify opportunities to improve the ability of federal agencies to administer and protect workers' retirement benefits.
- an Effective System of Justice
  - identify ways to improve federal agencies' ability to prevent and respond to major crimes, including terrorism;
  - assess the effectiveness of federal programs to control illegal drug use;
  - identify ways to administer the nation's immigration laws to better secure the nation's borders and promote appropriate treatment of legal residents; and
  - assess the administrative efficiency and effectiveness of the federal court and prison systems.
- the Promotion of Viable Communities
  - assess federal economic development assistance and its impact on communities;
  - assess how the federal government can balance the promotion of home ownership with financial risk;
  - assess the effectiveness of federal initiatives to assist small and minority-owned businesses;
  - assess federal efforts to enhance national preparedness and capacity to respond to and recover from natural and man-made disasters; and
  - assess how well federally supported housing programs meet their objectives and affect the well-being of recipient households and communities.
- Responsible Stewardship of Natural Resources and the Environment
  - assess the nation's ability to ensure reliable and environmentally sound energy for current and future generations;
  - assess federal strategies for managing land and water resources in a sustainable fashion for multiple uses;
  - assess federal programs' ability to ensure a plentiful and safe food supply, provide economic security for farmers, and minimize agricultural environmental damage;
  - assess federal pollution prevention and control strategies; and
  - assess efforts to reduce the threats posed by hazardous and nuclear wastes.
- a Secure and Effective National Physical Infrastructure
  - assess strategies for identifying, evaluating, prioritizing, financing, and implementing integrated solutions to the nation's infrastructure needs;
  - assess the impact of transportation and telecommunications policies and practices on competition and consumers;
  - assess efforts to improve safety and security in all transportation modes;
  - assess the U.S. Postal Service's transformation efforts to ensure its viability and accomplish its mission; and
  - assess federal efforts to plan for, acquire, manage, maintain, secure, and dispose of the government's real property assets.

*Strategic Goal 2—Provide Timely, Quality Service to the Congress and the Federal Government to Respond to Changing Security Threats and the Challenges of Global Interdependence*

To achieve this goal, we will provide information and recommendations on the following:

- Respond to Diffuse Threats to National and Global Security
  - analyze the effectiveness of the federal government's approach to providing for homeland security;
  - assess U.S. efforts to protect computer and telecommunications systems supporting critical infrastructures in business and government; and
  - assess the effectiveness of U.S. and international efforts to prevent the proliferation of nuclear, biological, chemical, and conventional weapons and sensitive technologies.
- Ensure Military Capabilities and Readiness
  - assess the ability of DOD to maintain adequate readiness levels while addressing the force structure changes needed in the 21st century;
  - assess overall human capital management practices to ensure a high-quality total force;
  - identify ways to improve the economy, efficiency, and effectiveness of DOD's support infrastructure and business systems and processes;
  - assess the National Nuclear Security Administration's efforts to maintain a safe and reliable nuclear weapons stockpile;

- analyze and support DOD's efforts to improve budget analyses and performance management;
- assess whether DOD and the services have developed integrated procedures and systems to operate effectively together on the battlefield; and
- assess the ability of weapon system acquisition programs and processes to achieve desired outcomes.
- Advance and Protect U.S. International Interests
  - analyze the plans, strategies, costs, and results of the U.S. role in conflict interventions;
  - analyze the effectiveness and management of foreign aid programs and the tools used to carry them out;
  - analyze the costs and implications of changing U.S. strategic interests;
  - evaluate the efficiency and accountability of multilateral organizations and the extent to which they are serving U.S. interests; and
  - assess the strategies and management practices for U.S. foreign affairs functions and activities.
- Respond to the Impact of Global Market Forces on U.S. Economic and Security Interests
  - analyze how trade agreements and programs serve U.S. interests;
  - improve understanding of the effects of defense industry globalization;
  - assess how the United States can influence improvements in the world financial system;
  - assess the ability of the financial services industry and its regulators to maintain a stable and efficient global financial system;
  - evaluate how prepared financial regulators are to respond to change and innovation; and
  - assess the effectiveness of regulatory programs and policies in ensuring access to financial services and deterring fraud and abuse in financial markets.

*Strategic Goal 3—Help Transform the Government's Role and How It Does Business to Meet 21st Century Challenges*

To achieve this goal, we will provide information and recommendations on the following:

- Analyze the Implications of the Increased Role of Public and Private Parties in Achieving Federal Objectives
  - analyze the modern service-delivery system environment and the complexity and interaction of service-delivery mechanisms;
  - assess how involvement of state and local governments and nongovernmental organizations affect federal program implementation and achievement of national goals; and
  - assess the effectiveness of regulatory administration and reforms in achieving government objectives.
- Assess the Government's Human Capital and Other Capacity for Serving the Public
  - identify and facilitate the implementation of human capital practices that will improve federal economy, efficiency, and effectiveness;
  - identify ways to improve the financial management infrastructure capacity to provide useful information to manage for results and costs day to day;
  - assess the government's capacity to manage information technology to improve performance;
  - assess efforts to manage the collection, use, and dissemination of government information in an era of rapidly changing technology;
  - assess the effectiveness of the Federal Statistical System in providing relevant, reliable, and timely information that meets federal program needs; and
  - identify more businesslike approaches that can be used by federal agencies in acquiring goods and services.

*Support Congressional Oversight of the Federal Government's Progress toward Being More Results-Oriented, Accountable, and Relevant to Society's Needs*

- analyze and support efforts to instill results-oriented management across the government;
- highlight the federal programs and operations at highest risk and the major performance and management challenges confronting agencies;
- identify ways to strengthen accountability for the federal government's assets and operations;
- promote accountability in the federal acquisition process;
- assess the management and results of the federal investment in science and technology and the effectiveness of efforts to protect intellectual property;
- identify ways to improve the quality of evaluative information; and

- develop new resources and approaches that can be used in measuring performance and progress on the nation's 21st century challenges.
- Analyze the Government's Fiscal Position and Approaches for Financing the Government
  - analyze the long-term fiscal position of the federal government;
  - analyze the structure and information for budgetary choices and explore alternatives for improvement;
  - contribute to congressional deliberations on tax policy;
  - support congressional oversight of the Internal Revenue Service's modernization and reform efforts; and
  - assess the reliability of financial information on the government's fiscal position and financing sources.

*Strategic Goal 4—Maximize the Value of GAO by Being a Model Federal Agency and a World-Class Professional Services Organization*

To achieve this goal, we will do the following:

- Sharpen GAO's Focus on Clients' and Customers' Requirements
  - continuously update client requirements;
  - develop and implement stakeholder protocols and refine client protocols; and
  - identify and refine customer requirements and measures.
- Enhance Leadership and Promote Management Excellence
  - foster an attitude of stewardship to ensure a commitment to GAO's mission and core values;
  - implement an integrated approach to strategic management;
  - continue to provide leadership in strategic human capital management planning and execution;
  - maintain integrity in financial management;
  - use enabling technology to improve GAO's crosscutting business processes; and
  - provide a safe and secure workplace.
- Leverage GAO's Institutional Knowledge and Experience
  - improve GAO's use of Web-based knowledge tools;
  - develop a framework to manage the collection, use, distribution, and retention of organizational knowledge; and
  - strengthen relationships with other national and international accountability and professional organizations.
- Continuously Improve GAO's Business and Management Processes
  - improve internal business and administrative processes;
  - improve GAO's product and service lines; and
  - improve GAO's job management processes.
- Become the Professional Services Employer of Choice
  - maintain an environment that is fair, unbiased, family-friendly, and promotes and values opportunity and inclusiveness;
  - improve compensation and performance management systems;
  - develop and implement a training and professional development strategy targeted toward competencies; and
  - provide GAO's people with tools, technology, and a working environment that is world-class.

Senator CAMPBELL. You claim you have achieved over \$37 billion in financial benefits, generating a return on investment of \$88 for every dollar appropriated to you by the Congress. Can you explain what you mean by financial benefits, how you determine these benefits, and provide examples of some of your largest items?

Mr. WALKER. GAO produces financial benefits when its work contributes to actions taken by the Congress or the Executive Branch to: Reduce annual operating costs of Federal programs or activities; lessen the costs of multiyear projects or entitlements; or increase revenues from debt collection, asset sales, changes in tax laws or user fees.

The funds made available in response to GAO's work may be used to reduce Government expenditures or reallocated by the Congress to other priority areas. To ensure conservative estimates of net financial benefits, reductions in operating cost are typically limited to 2 years of accrued reductions. Multiyear reductions in long-

term projects, changes in tax laws, program terminations, or sales of Government assets are limited to 5 years. In addition, all financial benefits are calculated in net present value terms.

GAO has established policies and procedures to guide the reporting of financial benefits. Estimates must be based on independent third party sources and reduced by any identifiable offsetting costs. The third parties are typically the agency that acted on GAO's work, a congressional committee, or the Congressional Budget Office.

All accomplishment reports for financial benefits are documented and reviewed by another GAO staff member not involved in the work, and a senior executive in charge of the work. Also, a separate independent unit (Quality and Continuous Improvement) reviews all financial benefits and must approve benefits of \$100 million or more, which amounted to 93 percent of the total benefits recorded in fiscal year 2002. Finally, all benefits over \$1 billion are reviewed by GAO's Inspector General, which amounted to about 58 percent of our total financial benefits for fiscal 2002.

The following table lists GAO's major financial benefits included in our fiscal year 2002 Performance and Accountability Report, followed by summary explanations of the work contributing to financial benefits over \$500 million.

[The information follows:]

#### GENERAL ACCOUNTING OFFICE FISCAL YEAR 2002 FINANCIAL BENEFITS

[In millions]

Description	Amount
Financial Benefits Exceeding \$1 Billion:	
Preventing Inappropriate Medicare Payments: Advocated Medicare program safeguards help recover or avoid improper payments .....	\$8,100
Improving Farm Loan Programs: Improved controls over USDA loan administration reduces risk of defaults ...	4,800
Reducing the Cost of Federal Housing Programs: Review of unexpended balances at HUD recaptures funds ..	4,800
Adjusting Department of Defense (DOD) Estimates: DOD officials reduced foreign currency exchange estimates .....	1,500
Reducing Nuclear Waste Treatment Costs: New DOE contract for Hanford Tank Waste Project expected to achieve significant cost reductions .....	1,500
Retaining the Substantial Gainful Activity Level: Preserving an inability-to-work test as a qualification for SSA disability insurance payouts .....	1,124
Subtotal—Financial benefits exceeding \$1 Billion .....	21,824
Financial Benefits Between \$500 Million and \$1 Billion:	
Consolidation Initiatives at Department of Defense Computer Centers: DOD consolidation initiatives at its computer centers result in estimated savings and cost avoidances .....	859
Computerized Interfaces Identify Undisclosed Earnings: SSA use of computerized interfaces with Office of Child Support Enforcement database helps prevent or reduce SSI overpayments .....	797
Delaying Full-Rate Reduction of the V-22: DOD restructuring of the Marine Corps program reduces program costs .....	764
More Efficient Use of In-orbit Satellite Capabilities: DOD reduces excess capacity .....	702
Ensuring Contingency Funds are Spent Properly: DOD's fiscal year 2002 contingency funding reduced by Congress .....	650
Reducing DOD Funding: DOD's fiscal 2002 working capital fund request reduced due to overestimate of bulk fuels .....	639
Targeting Tax Credits: Legislative changes in tax laws related to earned income tax credit eligibility rules and Section 936 tax credit achieve savings .....	564
Contributing to the Military Base Closure and Realignment Process: DOD base closures and realignment result in cost reductions .....	545
Increasing Use of Excess Property: DOD improves inventory controls .....	526

## GENERAL ACCOUNTING OFFICE FISCAL YEAR 2002 FINANCIAL BENEFITS—Continued

[In millions]

Description	Amount
Subtotal—Financial benefits between \$500 Million and \$1 Billion .....	6,046
Total of 100 Financial Benefits Below \$500 Million .....	9,900
Grand Total .....	37,770

Return on Investment: \$87.8 per dollar invested in GAO.

*Financial Benefits Exceeding \$1 Billion*

*Preventing Inappropriate Medicare Payments.*—Responding, in part, to a body of GAO work and recommendations, the Congress passed legislation in 1996 that increased funding from fiscal 1998 through fiscal 2003 for activities to help safeguard the Medicare program from improper payments. With this increased funding, the Department of Health and Human Services created a fraud and abuse control program and a Medicare integrity program for a variety of abuse-constraining activities. The increased funding for these two programs helped the Medicare program control improper payments by an additional \$8.1 billion for fiscal 2001 and 2002.

*Improving Farm Loan Programs.*—In 1990, GAO designated the Department of Agriculture's Farm Loan Programs as a high-risk area because of billions of dollars of losses attributable to significant problems primarily with the department's direct loan portfolio. Since then, the department has implemented many of our recommendations to improve the program, and the 1996 Farm Bill incorporated our key legislative recommendations. These changes eliminated the revolving-door credit for which the department had become known and gave farmers strong incentives to repay their loans rather than to seek loan forgiveness or loan refinancing that included write-offs of delinquent debt. During the 5 years following enactment of the 1996 Farm Bill, improvements in the program were estimated to reduce losses on direct loans by about \$4.8 billion, compared with the losses for the 5 preceding years.

*Reducing the Cost of Federal Housing Programs.*—In response to GAO reports and recommendations over the past several years, the Congress, the Department of Housing and Urban Development (HUD), and the U.S. Department of Agriculture's Rural Housing Service took actions that produced financial benefits totaling \$6.1 billion. Over \$4.8 billion resulted from GAO's recommendation that HUD review unexpended balances in all of its programs to ensure timely expenditure of appropriated program funds. The remaining benefits resulted from a series of actions in response to our work. For example, the Congress (1) funded fewer new programs or set-asides than HUD had requested, (2) terminated Operation Safe Home, and (3) enacted legislation that replaced HUD's home mortgage assignment program with less costly alternatives. Additionally, the Rural Housing Service centralized its servicing for rural single family housing loans.

*Adjusting Department of Defense (DOD) Estimates.*—GAO reviewed the reasonableness of the DOD's requests for fiscal 2001 for contingency funding. During internal DOD budget deliberations, DOD officials reduced the agency's foreign currency exchange estimates based on congressional action—due to GAO's efforts—by \$1.5 billion for fiscal 2002 and 2003. These adjustments did not affect readiness, and the Congress used the adjusted funds for other needs.

*Reducing Nuclear Waste Treatment Costs.*—In 1996, GAO reviewed the Department of Energy's (DOE) Hanford tank waste privatization project and found many unresolved technical and financial uncertainties. In 1998, GAO compared DOE's Hanford approach with several alternative contracting and financing strategies and suggested that DOE reassess its approach in light of significant cost growth. In June 2000, GAO testified that DOE should reevaluate its Hanford approach and consider other contracting and financing options. DOE subsequently terminated the Hanford tank waste project, and, after evaluating alternative contracting and financing options, awarded a new contract that is expected to achieve significant cost reductions—about \$4 billion—over the life of the construction phase. The financial benefit for fiscal 2003, 2004, and 2005 is about \$1.5 billion.

*Retaining the Substantial Gainful Activity Level.*—To establish and maintain eligibility for disability insurance benefits, beneficiaries must not only meet medical eligibility criteria but also demonstrate that they are not earning above a certain amount—known as the Substantial Gainful Activity (SGA) level. In March 2000, congressional hearings focused on the role of earnings in determining initial and

continuing eligibility for disability benefits for individuals who are blind or have other disabilities. Prior to these hearings, bills introduced in the House and Senate had proposed eliminating the SGA level for the blind. While an advocate organization for the blind testified that it wanted the Congress to eliminate the SGA level for the blind, GAO responded that doing so would increase the costs of disability insurance and fundamentally alter the purpose of the disability insurance program by removing the connection between eligibility for benefits and the inability to work. As a result of our testimony, the Congress retained the SGA for the blind, resulting in a financial benefit of \$1.124 billion in fiscal 2001 and 2002.

*Financial Benefits Between \$500 Million and \$1 Billion*

*Consolidation Initiatives at Department of Defense Computer.*—GAO recommended that DOD deploy cost savings measures such as consolidation, modernization, and outsourcing of computer center activities and processes to make computer center operations more economical and efficient. As a result, the Defense Information Systems Agency—the agency responsible for managing Defense Enterprise Computing Centers—undertook a major DOD project that led to savings or cost avoidance over a 4-year period covering fiscal 1998 through 2001. More specifically, DOD estimated savings or cost avoidances of \$700 million from consolidation initiatives at computer centers, \$39 million from consolidating software licenses, and \$19 million from optimization of storage capabilities. The net present value of the estimated financial benefit is \$859 million.

*Computerized Interfaces Identify Undisclosed Earnings.*—In 1998, GAO reported that an Office of Child Support Enforcement database, known as the National Directory of New Hires, could be used to help prevent or reduce overpayments of supplemental security income that occur when recipients fail to fully disclose their earnings. We recommended that the Social Security Administration (SSA) develop computerized interfaces to access this database and detect undisclosed earnings during initial and subsequent determinations of eligibility. SSA developed these interfaces, gave all field offices direct access to the database, and instructed field staff to use the database for cases meeting specified criteria. These actions have resulted in financial benefits of about \$797 million.

*Delaying Full-Rate Production of the V-22.*—In January 2001, GAO briefed the Secretary of Defense's V-22 Blue Ribbon Panel about our findings on the aircraft. The Blue Ribbon Panel was formed to investigate the V-22 after a fatal crash in December 2000, just prior to the aircraft's planned full-rate production. The panel received information from GAO about reductions in development testing, test waivers, deficiencies identified during operational tests, and results of an earlier April 2000 crash investigation that also involved fatalities. Much of the information in our briefing about the V-22 had not been previously disclosed. The panel used the information to support its position that the V-22 was not ready for full-rate production and that only a minimum production rate should be continued during additional testing and evaluation of the aircraft. The Congress subsequently rescinded \$446.5 million from the fiscal 2001 supplement request and reduced the fiscal 2002 request by \$296.3 million. The net present value of the two actions is \$763.8 million.

*More Efficient Use of In-orbit Satellite Capabilities.*—In 1998, GAO reviewed DOD's development of the Space-Based Infrared System (SBIRS), under which the launch of the first SBIRS satellite was planned for fiscal 2002. We reported that implementing this plan would put eight excess satellites in orbit without providing sufficient ground processing capabilities for the data the satellites generated. We recommended that the Secretary of Defense review and assess launch alternatives. As a result, DOD delayed the launch of the first SBIRS satellite from fiscal 2002 to fiscal 2004 and subsequently delayed other such launches. These delays, which allow DOD to use existing satellites until the end of their expected lives and avoid 8 years of excess satellite capability, saved about \$702 million in satellite costs.

*Ensuring Contingency Funds Are Spent Properly.*—Since 1991, the Department of Defense has spent more than \$25 billion in support of military operations in the Balkans and the Persian Gulf. In assessing DOD's use of contingency operations funds in fiscal 2000 and 2001, we identified millions of dollars in questionable expenditures resulting from limited guidance and oversight combined with a lack of cost consciousness. In responding to our findings, the Congress reduced DOD funding for those operations by \$650 million in fiscal 2002. In commenting on our report, DOD also stated its intention to improve its guidance for and oversight over the use of contingency funds.

*Reducing DOD Funding.*—GAO reviewed the reasonableness of DOD's fiscal year 2002 budget request for its Defense Working Capital Fund to assist subcommittees in their appropriation and authorization deliberations. GAO estimated the value of

DOD's overstatement due to bulk fuels. On the basis of GAO's findings, the Congress adjusted DOD's budget request by \$639 million.

*Targeting Tax Credits.*—Several GAO studies in the early and mid-1990s evaluated aspects of the design of the possessions tax credit and the earned income tax credit. As a result of these studies, the Congress modified the tax code, replacing the possessions tax credit with a less generous credit that will be eliminated in 2006 and tightening the eligibility requirements for the earned income tax credit. More current information on the 5-year impact of these changes points to \$564 million in revenue savings that GAO has not claimed previously.

*Contributing to the Military Base Closure and Realignment Process.*—Since 1979, GAO has issued a number of reports documenting excess infrastructure within the Department of Defense and supporting the need for a base closure and realignment process. The Congress authorized such a process and enacted legislation requiring us to provide it with a series of reports and testimonies validating DOD's implementation. We monitored and assessed all phases of the decision-making process, including executive-level sessions, for compliance with congressional requirements. In addition, GAO staff assisted commissions that recommended base closures and realignments in 1991, 1993, and 1995. The staff helped shape the commissions' decisions through analyses of issues associated with closing or realigning specific installations. Last year, we reported cost reductions of about \$6 billion associated with our work. Updated DOD data indicate further cost reductions of \$545 million.

*Increasing Use of Excess Property.*—GAO reported that \$2.7 billion worth of military property recorded as shipped to disposal offices was never recorded as received, resulting in losses and write-offs of the property from the military services' books and inventory records. GAO recommended changes that avoided the write-offs and kept the items as part of the services' inventory records until the property was actually disposed of. As a result, the inventory was available for use by DOD customers during the period prior to disposal. For the first 2 years that the changes were in effect, they resulted in savings of \$526 million.

#### HUMAN CAPITAL FLEXIBILITIES

Senator CAMPBELL. You spoke about what you called human capital flexibility. What is an example of human capital flexibility?

Mr. WALKER. Two comments. First, in calendar 2000, this subcommittee was instrumental in helping us to achieve our first set of flexibilities. You gave us the authority to offer targeted early outs and targeted buyouts to realign our workforce rather than downsize our workforce. The Congress, as you know, passed a similar provision for the entire executive branch as part of the Department of Homeland Security Act. We served as a beta or test case for the entire Government.

As far as looking forward, one of the things that I am looking to do, Mr. Chairman, is right now we have to automatically follow the executive branch for the across-the-board pay increases that are mandated each year. I would like some additional flexibility so we do not have to follow them in lock-step. I want to make sure that our compensation is geared more toward the skills, knowledge, position and performance of our employees, rather than the passage of time and the rate of inflation.

Senator CAMPBELL. You are going to have to help me with some of this. As I understand it, about one-third of the GAO's resources go to support costs, which means activities that are not directly in support of the work for Congress. What are some of those support costs, and how does that compare with other Government organizations?

Mr. WALKER. I would respectfully suggest that everybody that works at GAO is contributing to mission, and if they are not contributing to mission, then we should not have them. It is as simple as that. There are differences, though, between the individuals who are actually doing the audits, the investigations, the evaluations,



rendering the legal opinions, and adjudicating the bid protests versus those who are providing support services. Our numbers of staff providing support services are reasonable, and in line with other agencies; in fact, they are coming down.

One of the things we have done over the last 4 years is reduce the number of so-called support services staff by about 13 percent, while our overall number of staff has only gone up about 1 percent. So, we have taken that 13 percent and redeployed it to auditors, investigators and evaluators; those who are directly providing services to the Congress. We will continue to do that to the extent that we can.

#### FIELD OFFICES

Senator CAMPBELL. You have 11 locations, including one in my State, in Denver.

Where is GAO's Denver office located?

Mr. WALKER. GAO's Denver field office is located in the Cesar E. Chavez Memorial Building at 1244 Speer Boulevard, Suite 800, Denver, Colorado.

We would love to have you any time you want to come.

Senator CAMPBELL. Maybe I will try to visit that just so I can learn a little more about your Denver operation. We have terrible deficits and a lot of changes in our budget proposals, as you know. Do you intend to keep those 11 open? What are your plans, at least for the foreseeable future for your field offices?

Mr. WALKER. I do, Mr. Chairman. I think it is important to note that back in the early 1980's, GAO had 42 offices, including 3 overseas offices. When I came in, we had 16 offices and none overseas. I conducted a very extensive review and analysis, and we went from 16 to 11. I believe that these 11 offices are appropriate for the foreseeable future.

#### FIELD OFFICE CLOSURES

Senator CAMPBELL. Did they just consolidate some of the other ones?

Mr. WALKER. We closed five offices, Mr. Chairman.

Senator CAMPBELL. Has that been a substantial savings to do that?

Mr. WALKER. These office closures enabled us to free up some resources to redeploy for other purposes and, therefore, to minimize additional budget requests to the Congress. By the way, some of the authorities Congress gave us helped us tremendously to achieve that objective as well.

#### WALKER V. CHENEY

Senator CAMPBELL. Now, I am not an attorney, so I do not follow an awful lot of the court cases like some of my colleagues, but tell me about the District Court's decision not to hear the Walker versus Cheney case. How does that affect you?

Mr. WALKER. We do not believe it will have a significant adverse effect on GAO and our ability to do our job. That was a case in which a Federal District Court Judge in Washington, D.C. dismissed the case for lack of standing.

We believe it was wrongly decided, based in part on material factual errors. However, I decided not to appeal the case, primarily because it dealt with an area that only represents a narrow percentage of our work, namely the work dealing directly with the Office of the Vice President. Second, this case was viewed by many as being more of a political battle, and I do not want to get in the middle of a political battle. Third, it would have taken years to pursue, even if we had appealed the case. So, my view is the better part of valor was to move on and look for a better case in the future. The decision has not had an adverse affect on our access authority since then.

Importantly, the judge did not directly address our statutory rights to information. He did not decide who was right or wrong. He just basically said that the judicial branch should not have to decide this dispute between the executive and the legislative branches. But we are monitoring the situation closely, and to the extent that we believe that we have any problems, we will come to the Congress for appropriate action.

#### EMERGENCY WARTIME SUPPLEMENTAL

Senator CAMPBELL. This week the White House submitted a \$75 billion request for this war and homeland security, which included \$125 million for the legislative branch. Is any of that money in there intended to go to the GAO and what would you use it for?

Mr. WALKER. Well, Mr. Chairman, I am glad you asked that.

We did ask for \$4.849 million which will be used for safety- and security-related improvements, not just for GAO and our employees, but as you know, we are also a contingency site for the House of Representatives. In fact, we housed the House of Representatives during a 2-week period due to the anthrax event that occurred in the fall of calendar 2001.

For the first time in history, OMB did not pass through the entire legislative branch request to the Congress. That is unprecedented. I believe it is inappropriate; it is a separation of powers issue. I would respectfully hope that the Congress would include that \$4.849 million as part of the supplemental, because we believe it is not just necessary for GAO, it is also necessary because of our designation as a possible contingency site for the U.S. House of Representatives.

#### CLOSING REMARKS

Senator CAMPBELL. Thank you. Was the anthrax issue 2 years ago?

Mr. WALKER. Time flies, Mr. Chairman.

Senator CAMPBELL. Okay. I appreciate that. I have no further questions.

Mr. WALKER. Thank you, Mr. Chairman, and I would be happy to answer any additional questions for the record.

Senator CAMPBELL. Thank you. I think we may submit some, particularly Senator Durbin, since he is not yet here.

## GOVERNMENT PRINTING OFFICE

### STATEMENT OF BRUCE R. JAMES, PUBLIC PRINTER

#### ACCOMPANIED BY:

GEORGE A. TAYLOR, DEPUTY PUBLIC PRINTER

FRANK A. PARTLOW, JR., CHIEF OF STAFF

JUDITH C. RUSSELL, SUPERINTENDENT OF DOCUMENTS

Senator CAMPBELL. Our next panel is Mr. Bruce James, the Public Printer, and he will be accompanied by Mr. George Taylor, Mr. Frank Partlow, and Judith Russell, and I assume Mr. James will be the only one making a statement, is that right?

Mr. JAMES. Well, I am the only one making an opening statement, Mr. Chairman, but I may call on my colleagues if your questions are too tough.

Senator CAMPBELL. Go ahead, Mr. James.

Mr. JAMES. Well, I want to welcome you to the subcommittee, too, and I am looking forward to a long and good working relationship with you. As you know, I am the new Public Printer. I have been here since the beginning of December, just a little over 3 months, and have come to the conclusion that this is going to be the best job I have ever had. The reason is, it is the toughest.

This is an interesting situation. The first 2 days I was on the job I spoke with our employees, gave five speeches over 2 days. We never close, as you know, so I was in at 4 o'clock in the morning, I was in at 10 o'clock at night giving speeches, and what I talked to our employees about was the fact that the 19th century was not going to return, and by that I mean that printing as our middle name—the Government Printing Office—may well get in the way of how we view ourselves and how we viewed ourselves over the years.

The United States Government Printing Office has a mission of making certain that we collect all Government documents, we process those documents, we catalog those documents, we distribute the documents to depository libraries throughout the United States, and we preserve those documents in perpetuity. The fact that some of our documents end up with ink on paper is not the main purpose of our mission, and what we are seeing for the first time is that the amount of material that is printed is going to fall below 50 percent. We believe as much as 60 percent of the Government documents this year will be in digital form. They will not see ink on paper.

It does not mean they will not be printed. They may well be printed from a personal computer, but they will not be printed at the United States Government Printing Office or by one of our printers. Therefore, what that means is that it is necessary that we face the future squarely, and that we design a business model for

the Government Printing Office that is a 21st century business model, and that is what we are starting to do.

You probably noticed the article in this morning's Washington Post which talked about the GPO reorganization. I thought it was a good article. I thought they captured the spirit of what we are trying to do. We are reorganizing the GPO to be more flexible to provide much better customer service, to be able to drive decision-making in our organization down to lower levels, to increase the efficiency.

We have also embarked on a strategic planning process that I think at the end of the day will result in a new GPO that is absolutely attuned to the future. It is a three-stage process. The first part of the process is what I call fact-finding, and what we are doing is, we are talking to our customers, we are talking to our employees, we are talking to the printers in the United States, we are talking with librarians, and we are trying to understand exactly where they are going in the future.

We want to understand what our resources are truly, not anecdotally, but what our true resources are, and after we gather all these facts together it is my job to get everybody on the same page and get everybody to agree that these are the facts, and once we have agreement on the facts, then we will move forward to make a plan, and we expect that that plan will outline, as I say, a new business model for the GPO that will be based around a digital infrastructure that will offer to Congress solutions for some of the problems that we face together.

As an example, if you today order a paper document from the Superintendent of Documents, that document will be delivered to you by the United States mail, it will come in a Government-franked envelope, the penalty envelope. You tear that envelope open, and you have in your hands what you have every right to believe is an authentic United States Government document.

On the other hand, if you download that same document from the Internet, you have no way of knowing today that that is an authentic document, so one of the problems that we have to address and solve is, how can we guarantee that information downloaded from a Government Web site is an authentic U.S. Government document?

At the other end of the scale, if we print a document on paper, we have every reason to believe that document will be here 500, 600, 700, 800 years from now. Unless paper documents are exposed to direct sunlight, they will last forever.

On the other hand, if we record it only on magnetic media, it may be gone in 10 years. So as long as Congress charges us with the responsibility for making certain this material will last in perpetuity, we have got to find a solution to this, too, and I believe this will be both a technical solution as well as a business solution.

So we have to end up structuring our organization to take advantage of the new technological opportunities to make certain that we are not just repeating the past, that we are not living in the 19th century. A lot of that has to do with reforming our business practices. I think that I can report to you that at this point our labor organizations, our unions are solidly behind the direction we are

going. We are working together in partnership to move this forward.

I can address and I will address our request from you this year. As Mr. Walker said, we recognize, too, that Congress is going to be limited in what you can appropriate to legislative branch agencies this year, and we are mindful of that. We have two major areas that we are requesting funds for. One is the Congressional Printing and Binding Appropriation. That is to do your work. We anticipate that your work this year will result in a 1.7 percent increase over last year. That is what we are asking for.

The second area is the Salaries and Expenses Appropriation for the Superintendent of Documents, and that is for the distribution of Government information throughout the country. We are asking for a 3 percent increase there for continuing operations, and that is basically to cover mandatory pay and benefit increases, as well as slight price level increases.

We are also asking you to make two investments in the Government Printing Office this year. One of those investments is a \$4.1 million allocation to allow us to replace 10-year-old technology, computer technology used to distribute digital information over the Internet. We simply have waited almost too long to make this kind of investment. We are ready to make it. We have the people in place to wisely spend the money.

The second area we are asking for is a special \$10 million appropriation to help us readjust our labor force. As you undoubtedly know, we have been operating the last few years in the red, and as I have examined the reasons why we have been in the red, it is very clear that our labor costs are above what is required to process the volume of work we have today, the volume and mix of work we have today, and we believe that we are in a position to reduce the labor force by about 10 percent, or 300 people.

We would like to be able to offer an incentive to our labor force to induce some of the people that are eligible for retirement to retire perhaps earlier than when they expected to. We anticipate that a \$10 million investment on your part will result in an \$18 million cost savings next fiscal year to us, so those are the two areas that we are asking you to participate with us in. I think that particularly these capital investments, are modest. They are less than 2 percent of our overall budget, probably should be higher than that, but I am not going to come to you with any proposition that I cannot see a clear payback to, and at this point I can recommend these to you. You will get a payback.

#### PREPARED STATEMENT

I will be happy to answer any questions you might have, Mr. Chairman.

[The statement follows:]

#### PREPARED STATEMENT OF BRUCE R. JAMES

Mr. Chairman and Members of the Subcommittee, it is a great honor to be here today to present the appropriations request of the U.S. Government Printing Office (GPO) for fiscal year 2004. It is also a great privilege. There are few posts in the Government and few Federal agencies that have stood the test of time as well as that of the Public Printer and the GPO. I intend to do my best to uphold the tradition of the office while providing the leadership required to guide the GPO into a

new era, to ensure that it remains as relevant and necessary to the information needs of Congress, Federal agencies, and the public in the 21st century as it was for the first 140 years of its existence. With just over three months on the job, I have begun to carry out that promise.

*GPO's Mission.*—GPO has a proud history, one built on innovation, craftsmanship, scale, flexibility, and a singular dedication to meeting the printing needs of the Federal Government and the information needs of the American people. It is one of the Nation's oldest and most venerable agencies, within which the official version of every great American state paper since President Lincoln's time has been produced.

Today we are responsible for the production and distribution of information products and services for all three branches of the Federal Government. Many of the Nation's most important information products, such as the Congressional Record and all other legislative information supporting the U.S. Senate and House of Representatives, are produced at GPO's main plant, a 1.5 million square foot complex that is the largest information processing, printing, and distribution facility in the world. Working in partnership with the American printing industry, GPO also maintains a pool of private sector vendors nationwide to produce print and other information products for the Federal Government, ranging from Supreme Court decisions to IRS tax forms and crop reports for the Department of Agriculture.

GPO's middle name—a name we are going to change—gets in the way of our true mission, which is keeping America informed by distributing the official information products of the Government, thereby sustaining one of the keystones of our 200-year old experiment in freedom: an enlightened public. This is a mission that traces its origins to our Founding Fathers. During the Constitutional Convention, James Wilson of Pennsylvania said, “The people have a right to know what their agents are doing or have done, and it should not be in the option of the legislature to conceal their proceedings,” creating the grounds for the constitutional requirement in Article I, section 5, that “Each House shall keep a Journal of its Proceedings, and from time to time publish the same . . .” Later, it was James Madison who eloquently said:

A popular Government without popular information, or the means of acquiring it, is but a Prologue to a Farce or a Tragedy; or perhaps both. Knowledge will forever govern ignorance: And a people who mean to be their own Governors, must arm themselves with the power that knowledge gives.

Congress moved early to establish the “means of acquiring” information that Madison spoke of. GPO's mission today traces its roots to an act of the 13th Congress, which provided for the distribution of congressional and other Government documents on a regular basis to libraries and other institutions in each state for that Congress and “every future Congress.” This farsighted act established the antecedent for the Federal Depository Library Program, a program funded through GPO's appropriations, which today serves millions of Americans through a network of some 1,200 public, academic, law, and other libraries located in virtually every congressional district across the Nation. Along with that program, GPO today also provides public access to the wealth of official Federal information through public sales, through various statutory and reimbursable distribution programs, and—most prominently—by posting nearly a quarter of a million Federal titles online on GPO Access ([www.gpo.gov/gpoaccess](http://www.gpo.gov/gpoaccess)), GPO's award-winning Web site that is used by the public to retrieve more than 31 million documents free of charge every month.

*New Strategic Direction.*—Just as GPO's middle name gets in the way of understanding our true mission, the nature of what we do, printing—once the world's only mass communications medium—has been eclipsed by revolutionary changes in electronic information technologies, principally the Internet. Where once printing predominated as the means of communication between the Government and the public, new and ever-evolving strategies of communications are not only possible but have become mainstream practices, changing how America is kept informed.

While printing will not disappear in our lifetime, its role in our lives—and in the lives of GPO's customers—has been forever changed. We are now in a period where we need to sort out what continues to belong in print and what best belongs in information retrieval systems that allow the public to define their own information needs, then search against databases of information that we construct to retrieve only what they need, only when they need it. Therein lies the challenge for GPO. Like every other manufacturing business in America, GPO must reinvent itself if it is to remain relevant and viable for the future. We must take a new look at the changing and emerging information needs of our customers and develop a deeper understanding of our true strengths so that we can plan for and build a new business model that will allow us to meet the information demands of our customers

in the 21st century. Then we must convince Congress and our customers to support our plan. As Public Printer, I lead this effort.

To develop a plan that works, our first step is to determine the facts regarding GPO's strengths and weaknesses and the problems and opportunities facing us. We are already engaged in that process through participation in a wide-ranging General Accounting Office study of Federal printing and information policy, ordered by the Senate. In a related effort, the GAO is also conducting a general management review of our operations. When these studies are concluded later this year we will have a factual basis on which to build a strategic plan.

The plan will present a new vision of GPO, establish specific and measurable short- and long-term goals and objectives, and contain budget and timetable details. Our next task will be to gain support for the plan from Congress, the Administration, and our customers, from the library and information communities, from the printing industry and the labor unions, and from all those who have a stake in the future of the goals of Federal information policy first articulated by the Founders. Then we must carry out the plan, to transform GPO into an information service equipped and staffed to meet the information demands of the 21st century: an agency whose mission will be to capture digitally, organize, maintain, authenticate, distribute, and provide permanent public access to, the information products and services of the Federal Government.

*Transformation Process Begun.*—Since I took office in early December, we have begun several initiatives to redirect the GPO's focus and begin transforming our operations:

- Reorganization.*—We have implemented an organizational model that is relatively new to the Federal Government but widely used in industry, wherein the chief executive officer (Public Printer) focuses on organizational policy and long-range planning and the second in command (Deputy Public Printer) serves as chief operating officer focusing on the day-to-day operations of the business. Working in collaboration with GPO's senior managers, we have rolled out a new top-level organizational structure that will be more responsive to the needs of our customers and employees and serve in a transition phase over the next two years.
- Focus on Employees.*—Through a series of round-the-clock meetings to cover all three shifts, I've met with most of our employees and their union representatives in our central office, and to date I've visited GPO operations in Laurel, Philadelphia, Denver, and Pueblo. I've asked for their help in retooling GPO from top to bottom into an organization that will make us all proud. The response has been highly positive: our employees are ready and eager for change, and I continue to be impressed by the superior quality of the personnel who staff the GPO. We've begun recruiting efforts at colleges and universities around the country to begin reversing the decades-long drain on GPO's talent. We've implemented the first new employee incentive program at GPO in over a decade to reward creativity, dedication, and initiative. We've expanded our workforce development budget to \$3 million—just 1.5 percent of our overall budget, but 5 times the amount previously allocated—to ensure that no one is left behind as we transform our operations, and we've altered our workforce development policy to emphasize training that is mission-related, not simply job-related. We're expanding the use of digital communications internally, and we've created a new Employee Communications Office to provide employees with the information they need to do their jobs effectively.
- New Image.*—We've redesigned GPO's logo to create a new image that moves us away from printing and into the 21st century area of digital information processing and multi-media dissemination.
- Emphasis on Customer Service.*—A principal goal is to redirect GPO's operations toward customer service—helping our customers meet their goals, rather than bending their needs to fit what we provide. I've been meeting with Members of Congress, key congressional staff, Federal agency heads, the heads of Federal operations with congruent missions—such as the Postmaster General, Director of the Bureau of Engraving and Printing, and Director of the Mint, the library and information communities, the printing industry, and others—to win support for the GPO and increase our future business opportunities. I am especially interested in exploring ways of helping Congress reinvent its information products to help expedite its work.
- Resolution of Printing Controversy.*—One of my earliest meetings was with Office of Management and Budget (OMB) Director Mitch Daniels, where we reached an agreement to set aside the contention between our agencies regarding Federal printing policy. Since then, OMB sent the U.S. Budget to GPO for production and the proposed policy change in printing has not been issued. I

have asked Mr. Daniels to walk forward with me as we establish the facts about printing and information policy and devise a policy that fits the 21st century, and I look forward to working with OMB on this important task.

—*Technology Innovation and Partnerships.*—I've also been meeting with the top management of our suppliers—from printing companies to equipment manufacturers—to explore the opportunities for the GPO to assume a leadership position in technological innovation in the digital information era. As part of our reorganization I've created a new Office of Innovation and Partnerships to get us moving on technology opportunities. It will also guide us in the creation of partnerships with other public and private sector entities to carry out our mission. Partnerships—the use of which is widespread in industry—will be critical to the transformation of the GPO.

—*Depository Libraries of the Future.*—In meetings with members of the library community at the American Library Association Midwinter Conference in Philadelphia, and at the upcoming Regional Conference of the Depository Library Advisory Council, I have challenged all to help us in developing a new depository library program model that recognizes that more than 50 percent of the information coming into the program is now only in electronic form, never reaching ink-on-paper. This is one of the biggest challenges that confronts us today, and its resolution will directly impact the appropriations that are provided annually for this purpose.

—*Contingency Planning.*—Part of our reorganization was the creation of a Contingency Planning effort, reporting to the Chief of Staff, to plan for emergency preparedness, protection of our employees, and continuity-of-government operations in concert with similar planning efforts in Congress, Federal agencies, the District of Columbia, and elsewhere. We are working directly with the House and Senate to ensure continuity of operations in the event of an emergency, and we are finalizing operational improvements funded through the fiscal year 2001 emergency supplemental.

*GPO's Appropriations.*—The transformation of GPO will be a collaborative process, one that involves all of GPO's stakeholders, especially Congress. With the transformation we will provide Congress, Federal agencies, and the public an agency equipped and staffed to bring about change in Federal information products and services. In order to make the transition happen, however, GPO needs funding not only to continue product and service provision, but to begin making the investments we know are needed now to position us for the future. Our appropriations request for fiscal year 2004 is targeted at these two objectives: maintenance of product and service quality, and investment in necessary technology improvements and critical workforce restructuring initiatives. With the proper funding, we will be able to carry out the task of remaking the GPO.

GPO has three separate appropriation accounts: the Congressional Printing and Binding Appropriation, and the Salaries and Expenses Appropriation of the Superintendent of Documents, and the Revolving Fund.

The Congressional Printing and Binding Appropriation covers the estimated costs of producing the Congressional Record, bills, reports, hearings, documents, and related products required for the legislative process. This appropriation is critical to the maintenance and operation of GPO's in-plant capacity, which is structured to serve Congress's information product needs. It also covers database preparation work on congressional publications disseminated online via GPO Access.

The Salaries and Expenses Appropriation of the Superintendent of Documents is used to pay for costs associated with documents distribution and information dissemination functions required by law. The majority of the appropriation is for the Federal Depository Library Program (FDLP), under which Government publications and information products are disseminated to 1,200 Federal depository libraries where they are available for the free use of the public. Related statutory functions covered by this appropriation are cataloging and indexing, by-law distribution, and the international exchange distribution of U.S. Government publications. Finally, this appropriation provides the majority of funding for the operation of GPO Access.

The Revolving Fund is structured to provide working capital for GPO's operations, and to fund routine improvements to equipment and facilities. Non-recurring or extraordinary costs are met by appropriations to the Revolving Fund for specific purposes.

*Continuation of Services.*—For the Congressional Printing and Binding Appropriation, we are requesting \$91.1 million for fiscal year 2004, an increase of 1.7 percent over the funding recently approved for fiscal year 2003. This amount will cover all estimated congressional printing requirements for fiscal year 2004, as detailed in our budget submission.



GPO is fully prepared to assist the Secretary of the Senate, the Clerk of the House, the leaderships of both Chambers, and Members, committees, and staffs in efforts to improve the utility of congressional information products and services to the legislative process and reduce costs through the elimination of waste and duplication of effort. Rather than solely responding to requests from Congress, I view GPO's role as one of providing expert advice and assistance to Congress in the area of legislative information products and services, and we will be proactive in exercising this role. We are also prepared to participate in the Legislative Branch Chief Administrative Officers Council mandated by the conferees on the Legislative Branch Appropriations Act for Fiscal Year 2003 (H. Rpt. 108-10).

For the Salaries and Expenses Appropriation of the Superintendent of Documents, we are requesting an increase of 3 percent, or \$871,000, over the amount approved for fiscal year 2003 to cover mandatory pay and benefits increases as well as price level changes.

The transition to a more electronic Federal Depository Library Program (FDLP) is continuing in fulfillment of direction from Congress that "emphasis should be on streamlining the distribution of traditional copies of publications which may include providing online access and less expensive electronic formats." Nearly 60 percent of the 34,800 new FDLP titles made available during fiscal year 2002 were disseminated electronically. For fiscal year 2003 to date, nearly 60 percent of the new titles made available to the public through the FDLP have been online. Through its electronic information dissemination component, the FDLP now delivers more content to users than ever before. However, in order to preserve public access, the distribution of tangible formats—defined as print, CD-ROM, and microfiche formats—continues for those titles for which there is no acceptable online alternative. For fiscal year 2002, we distributed approximately 5 million copies of 14,000 titles in tangible formats; overall, tangible formats comprised about one-third of all titles made available through the FDLP.

*Investment in GPO's Future.*—To begin essential investment in GPO's future, we are requesting additional funds above the levels required for continuation of services. These funds, amounting to slightly less than 2 percent of GPO's total annual budget, represent a new point of departure for GPO.

An additional \$4.1 million is requested for the Salaries and Expenses Appropriation to replace obsolete technology used by the GPO Access system by upgrading its search and retrieval system, now nearly a decade old. These funds will also cover depreciation costs for GPO's new Integrated Library System and for our GPO Access mirror site operations, which are essential both to load-balancing for this heavily-used system as well as continuity of government operations. These are information technology investments that will yield proven results as two-thirds of all new titles today are electronic and significant growth in this area will continue.

Also essential to GPO's future is \$10 million we are requesting to be appropriated to the Revolving Fund to cover the costs associated with necessary workforce restructuring under retirement incentive authority established by law. This is an investment in human capital that will enable GPO to manage the size, composition, and skills of our workforce as required by our rapidly changing technology. The efficiency of operations will depend largely on our ability to increase the productivity of the workforce by developing needed skills, replacing aging systems, reengineering work processes, and achieving the right staffing levels. GPO last conducted a retirement incentive program in fiscal year 1994, reducing employment levels by approximately 350 at a cost of about \$9.5 million.

*Legislative Changes.*—Along with our appropriations request, we are seeking two technical legislative changes to Title 44, U.S.C., to improve our ability to attract and retain leadership talent and give us the authority to accept contributions of equipment and services as well as transfer or donate surplus equipment to appropriate entities. Both changes would significantly assist my vision of transforming the GPO.

—We have submitted language requesting a revision to 44 U.S.C. 303 to increase the statutory pay levels of the Public Printer and Deputy Public Printer. The current levels have been in place for more than a decade and are causing pay compression for GPO's senior level service. The maximum salary available to GPO's senior level service is capped at Executive Level IV, \$134,000. By contrast, 60 percent of the Senior Executive Service in the executive branch is paid at the current cap, \$142,500 (the same as Executive Level III), according to a recent new report from the National Academy of Public Administration. Without the ability to compete on a level playing field with executive pay for the rest of the Federal Government, much less with executive pay in the private sector, we will be unable to recruit and retain the talent we need to bring change to the GPO.

While we have submitted language adjusting the pay Executive Levels II and III, a more appropriate model exists in the pay system for the Director and Deputy Director of the Congressional Budget Office (CBO), adopted by Congress in the Legislative Branch Appropriations Act for Fiscal Year 1999: the Director is paid at "the lower of the highest rate of compensation of any officer in the Senate or any officer in the House of Representatives." The Deputy is paid \$1,000 less than the Director. This model would satisfy our objective of alleviating pay compression without raising the Public Printer's pay to the level of the pay Members of Congress receive.

—We are also requesting authority to accept contributions of property and services on behalf of the GPO. Currently, GPO is not authorized by law to accept uncompensated contributions of property and services. This authority will allow us to accept the placement of prototype equipment for beta-testing and systems trials without requiring a significant Government investment, providing us with the flexibility we need to evaluate new and emerging technologies onsite in this period of rapid technological change. It will also permit us to operate intern programs associated with academic printing, technology, and management programs, and to work with the private and non-profit sector on the development of programs designed to increase the public visibility of GPO's operations, such as the creation of a printing museum similar to the U.S. Postal Service Museum located nearby.

The authority we are requesting is similar to donation acceptance authorities possessed by many Federal agencies, such as the Library of Congress, the U.S. Court of Veterans Appeals, the Department of Housing and Urban Development, the Consumer Product Safety Commission, the Department of Commerce, the Administrative Office of United States Courts, and the Department of Labor. However, the language we have submitted is primarily for placeholder purposes with the recognition that it may be subject to further revision. Of course, acceptance of contributions of property and services would be subject to the usual limitations covering donations to the Government.

—Finally, we are requesting the authority to transfer or donate surplus property. GPO's equipment profile will undergo significant change in the coming period, and the appropriate disposition of surplus property would be facilitated with the authority to transfer or donate surplus property similar to that possessed by the Administrator of the General Services Administration. Currently, when any GPO property is declared surplus it must be sold to the highest competitive bidder. In addition to imposing an administrative burden in the conduct of the sale, this process often results in a price that is extremely low when compared to the actual value of the item when in use. We are proposing language that would provide us with discretionary authority to transfer or donate surplus GPO property to specific governmental and non-profit entities such as other Federal entities, educational or non-profit institutions as defined by the Internal Revenue Code, or state or local governments. In addition, it would allow us to donate surplus publications rather than destroying them and selling them as scrap paper.

*Representation Allowance.*—We are requesting an increase for GPO's representation fund. The fund will be important in our effort to promote the concept of changing the GPO. We need to re-connect with our many vendors and customers as we attempt to regain our momentum and re-establish ourselves as the premier agent for the collection, dissemination, and preservation of the Government's information. Its use also will afford the GPO many first hand opportunities to hear the concerns and needs of the people and institutions we serve, especially those that will be essential to our future success. The fund will be subject to established limitations on its use. We will continue to make it available for official councils and groups advising the Public Printer, such as the Depository Library Advisory Council.

Mr. Chairman and Members of the Subcommittee, I truly believe GPO's appropriations request for fiscal year 2004 represents a new departure for this agency in preparing for the future. I thank you for your support and encouragement of change at the GPO, and I look forward to working with you and the Appropriations Committees in your review and consideration of our request. This concludes my prepared statement, and I would be pleased to answer any questions you may have.

Senator CAMPBELL. I have a couple, but before I do, I would like to invite Senator Durbin if he has any comments before we go on.

Senator DURBIN. I will just put my opening statement in the record.

Senator CAMPBELL. Your statement will be in the record then.

[The statement follows:]

PREPARED STATEMENT OF SENATOR RICHARD J. DURBIN

Mr. Chairman, thank you for scheduling today's hearing, the first of five budget oversight hearings to be held by the Legislative Branch Subcommittee this Spring.

Mr. Chairman, I am happy to be working with you on this important bill this year. I had a great working relationship with your predecessor, Senator Bennett, and I am sure you and I will work very well together, too.

This is an important Subcommittee. There are 12 other Appropriations Subcommittees that fund all of the Executive Branch Agencies and Departments. The Legislative Branch has this one Subcommittee in which we need to fund all of the tools and resources required of a co-equal branch of government.

As you know, I was Chairman of this Subcommittee for most of the 107th Congress and believe that Senator Bennett, the other Subcommittee Members, and I accomplished many great things during the last few years.

In fact, one of my accomplishments as a Senator that I take the most pride in is the student loan reimbursement program for Congressional staff that was initiated by this Subcommittee.

We ask for tremendous sacrifices on the part of our staffs up here. The hours are long and highly unpredictable. The work is very demanding. And, frankly, the pay is not that great.

Despite all of that, Hill staff are the most loyal, dedicated, and talented group of people I have ever met. Anything we can do, however small, to encourage young people to make public service a career is worth pursuing.

More and more Member Offices and Committees are taking advantage of the student loan reimbursement program each year and that pleases me to no end.

Today we are going to hear from three important Legislative Branch agencies, the General Accounting Office, the Government Printing Office, and the Congressional Budget Office. I join Chairman Campbell in welcoming David Walker, the Comptroller General of the United States, Bruce James, the U.S. Public Printer, and Douglas Holtz-Eakin, the Director of the Congressional Budget Office to today's hearing.

Gentlemen, all of you seem to be requesting, with one or two exceptions, relatively modest cost-of-living increases for your organizations this year. Obviously, this is prudent, up to a point, during a time of both recession and war.

However, it is important to the Members of this Subcommittee that you have the resources you need to do your jobs effectively and efficiently.

To the extent that any of your budgets request have holes in them that are going to negatively impact your performance during fiscal year 2004, I hope you will share those concerns with us.

Two points before I wrap up:

First, Mr. Walker, I hope you will spend several minutes today discussing whatever plans or thoughts you have concerning access to executive branch information in light of the recent events surrounding the Cheney suit. We need to know what you need from Congress in order for you to be able to continue to be effective in your role as the investigative arm of Congress.

Let me also say that I appreciate the way you have chosen to work with Congress on such a sensitive issue. This was a very delicate matter and I thought you navigated it pretty well under difficult circumstances.

Second, Mr. James, I want to express my appreciation to you for your dogged determination to work with the OMB to try to get a truce declared in their on-going war against public printing. It seems that you are being given some time to make your case to the Budget Director, so, for the moment, I am willing to stand down on this issue. You showed up ready to work on Day 1 as the Public Printer and I respect that.

I am looking forward to hearing your testimony about your plans to modernize the Government Printing Office.

Mr. Chairman, I will conclude here and request that my entire statement, as well as a series of questions, be made a part of the record.

Once again, congratulations on becoming Chair of this important Subcommittee. Thank you.

REVOLVING FUND

Senator CAMPBELL. Since we have one more witness before we run to vote, let me just do a couple of short ones. You talked about

the losses you had and, as I understand it, those losses have totaled, since 1988 through 2002—\$44.6 million. How do you operate with that many shortfalls over that number of years, and I know you just came on board. You might not know the total answer to that, but give me an idea.

Mr. JAMES. I can certainly explain to you where the money is coming from.

Senator CAMPBELL. I can, too, from here.

Mr. JAMES. I absolutely shake my head when I look back and see the losses and the fact that they have continued year after year after year. The enterprise has not been run as a business, as you might expect, when you see these losses.

Senator CAMPBELL. Is that what you would consider a major weakness, that it has not been run like a business?

Mr. JAMES. Absolutely. Absolutely. The losses have been funded by our revolving fund. The revolving fund consists of retained earnings. Those are earnings that have been built up over 50 years. The purpose of those retained earnings is to replace obsolete equipment, and what we have been doing instead is funding these losses year after year and, in essence, eating into our future.

#### GPO WORKFORCE

Senator CAMPBELL. I understand about half of your workforce is eligible for retirement. You talked a little bit about that, but if you have that many that are eligible for retirement, that means if you downsize on the number of people, you will just not hire replacements. It will be kind of a painless way of downsizing for the people that are working there, I assume. Is that right?

Mr. JAMES. Exactly. We are looking for a painless way to downsize. Now, clearly we will be adding people back into the organization, and I want to emphasize that, because for a period of 20 years the GPO dropped from 9,000 to 3,000 folks, and during that period they added almost no one into the organization, so today I have almost no one from 30 to 50 who is a manager in the organization, and that is seriously hurting succession, so while we are reducing the force in total, we will be selectively adding back in the skills that are required for the future.

#### TECHNOLOGY

Senator CAMPBELL. You also mentioned something about the 19th century practices. I am not a real high-tech guy, but I will tell you that it seems to me every 2 years or 3 years the things you were using 2 or 3 years ago are already obsolete, so I can understand in your Department you are going to have to have a major effort to stay ahead of the curve on new technology.

I will submit the rest of my questions to you in writing if it is all right with you, Mr. James.

I would like to invite my colleague and friend, if there are any questions he has.

Senator DURBIN. Thank you, Mr. Chairman. It is good to be with you in your new capacity, and I look forward to working with you, and you have a great assistant there who has helped all of us over the years. Let me ask you, Mr. James, it sounds like when you get

to the GPO, coming out of the private sector, it is not a business that you would have wanted to buy.

Mr. JAMES. I would have not bought it except for the opportunity. There is a tremendous opportunity here. It is what got me to leave the hills of northern Nevada and a wonderful living condition, the opportunity to come in here and look at this enterprise and figure out how to take it into the 21st century. What the Government Printing Office has accomplished on behalf of the country in the last 150 years is truly amazing.

If you think about this, we have the record of the Government spread throughout the United States. There is no one action that could ever wipe out the record of the Government. We have people in every State in this Nation in the principal population areas able to walk into a library and access any document the Government has produced. It is a tremendous legacy, and my fear is that if we are not very careful, that we will leave this behind as we move into the digital world, and we may well lose the record of the Government. It is worth coming in and trying to figure this out.

#### PRIVATIZATION

Senator DURBIN. So the people who say, privatize it, get rid of it, it was inefficient and we can do this by contracting out, would you disagree with that conclusion?

Mr. JAMES. Well, I think they may be not well-informed, and I say this to you, Senator, actually during the Second World War the Government Printing Office became overwhelmed with the amount of work they had, and for the first time began to contract printing out to the private sector. They were amazed at how well that went, and it has continued ever since. Today, we contract out about 80 percent of the Government's printing requirements to the private sector. Last year, we had more than 2,500 printing companies throughout the country in every State as contractors to the Government Printing Office.

Senator DURBIN. When you decided to bid on the 2004 Federal budget and turned in a bid, according to the news reports, 24 percent lower than last year, was that to make a point, take a bath, or did you find that much efficiency?

Mr. JAMES. Let me say this, this transpired before I took office. The bidding process was completed when I came in, and I did have an opportunity to talk to Mr. Daniels about this before he made a final decision.

In reviewing the bid that the Government Printing Office made, I thought it was a very intelligent bid. You know, there are two prices for a piece of printing. The first price is that when you give a printer a set of specifications you say, I want to print a 100-page book, it will be black and white, it will have this number of copies, this is what the manuscript will look like, and this is the date I need it.

The final price is based on how many pages there actually were, how many changes you made to that manuscript, what kind of overtime you required for it. So what the Government Printing Office did was give the OMB a price for the specifications that they gave us. It happened to be about \$100,000 below the year before.

When the final bill is rendered, my guess is it will be similar to what it was last year.

Senator DURBIN. Thanks a lot. Thanks, Mr. Chairman.

#### ADDITIONAL COMMITTEE QUESTIONS

Senator CAMPBELL. Thank you, and as I mentioned before, Mr. James, we will probably submit some questions in writing too, if you could answer them, we would appreciate it.

Mr. JAMES. Thank you, Mr. Chairman.

Senator CAMPBELL. Give my regards to all our friends in Reno, too.

Mr. JAMES. I will definitely do that.

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

#### QUESTIONS SUBMITTED BY SENATOR BEN NIGHTHORSE CAMPBELL

##### CHALLENGES AT GPO

*Question.* GPO faces many challenges—half of its workforce is eligible for retirement, more agencies are using electronic means of producing information rather than printed materials, the Administration last year challenged the legal requirement that all government printing be done through GPO.

How do you plan to address these issues and what is your vision for GPO's future?

*Answer.* We have begun to transform the Government Printing Office into an information service facility for the 21st century. With your support, we will restore GPO's leadership in the graphic arts industry and make GPO a reliable and responsive provider of Government information. Through an inclusive process, we are redefining GPO's mission and strategy to meet the challenges of today and the future. We are working with our customers and stakeholders to identify their needs and concerns. The demands of Congress, the agencies, and the public will guide us in identifying the optimal technologies to employ to meet those requirements. The GAO is presently conducting a congressionally-mandated study of Federal Government information dissemination. The GAO is also conducting a management audit of GPO, which I requested. These studies will help us to focus on needed changes. The transformation of GPO will require investment in people and systems. The results will be improved effectiveness and efficiency and increased value to the customers we serve.

Regarding OMB's challenge to the legal requirement to use GPO, I have asked OMB to cooperate with us in leading the GPO into the 21st century by addressing the issues most important to the future. For OMB to allow agencies to by-pass GPO would be a policy change geared to addressing the 19th century, not the 21st century. It is to the public's benefit to keep the GPO intact to lead in the transformation of the government's printing and information policy.

While printing technology and practices are changing, librarians, historians, researchers, Members of Congress, and citizens will continue to need an easy to use, organized, predictable gateway to authenticated Government information and the knowledge that the information will be available to the public in perpetuity. OMB and GPO should cooperate in redesigning GPO to ensure the best interests of taxpayers are met.

*Question.* How would you assess GPO's strengths and weaknesses? What gaps does GPO face in the number, skills, and competencies of its employees?

*Answer.* GPO has great strength in the quality of employees and their dedication to GPO's mission. However, we need to ensure that GPO employees are trained in the right skills and motivated by an organization that promotes change, encourages initiative, and recognizes accomplishments. I have increased employee training significantly and we are now rewarding performance and initiative. Our workforce needs to develop more of the skills required to use the best available technologies to meet customer needs. This requires that the workforce become more highly trained with emphasis on digital formats, databases, and electronic communications. We have also begun to examine the constraints and excess costs associated with the building in which we operate. It is not suitable to efficient manufacturing operations.

*Question.* How do you see the mission of GPO evolving in response to changing technology?

*Answer.* GPO ensures the public's access to Government information. Since 1813 the Government has been gathering its information and documents, organizing and cataloging them, and making them available to the general public. GPO has carried out this mission with printing, then microfiche, later CD-ROMs, and now with on-line distribution of digital titles. Our mission is unique; no other agency of the Federal Government is charged with this responsibility or would begin to understand how to collect documents from all three branches, how to organize and catalog the documents so they are usable, how to distribute them to the 1,200 depository libraries, how to sell them to the public, and how to preserve permanent public access to Federal information and documents. We see a continued decline in the volume of paper documents and an increase in the use of electronic databases to access Government information. Increasingly, our role will be to capture digitally, store, authenticate, convert, and channel Government information to the public in all relevant media.

*Question.* How will your interim reorganization help GPO move in the right direction? What are the objectives of the reorganization and how it will impact the services provided to Congress?

*Answer.* The reorganization is designed to provide a greater customer focus, delegate decision-making, provide an enterprise view of technology, and make GPO more adaptable to change. Our principal goal is to redirect GPO's operations toward customer service—helping our customers meet their goals, rather than bending their needs to fit what we provide. We are especially interested in pursuing our vision of helping Congress to reinvent its information products to help expedite its work.

*Question.* What actions will you take to make GPO operate in a more business-like manner?

*Answer.* At this Committee's request, GAO is presently conducting a study of Federal Government printing and information policy. The GAO is also conducting a management audit of GPO, which we requested. These studies will help us to focus on needed changes. Over the next several years, the transformation of GPO will require investments in people and systems. The results will be improved effectiveness and efficiency and increased value to the customers we serve. We are implementing a buy-out program to increase efficiency.

*Question.* What actions does Congress need to take to help GPO operate in a more business-like manner?

*Answer.* We urge that Congress support our request for \$10 million for a separation incentive program that will result in a reduction of 300 positions. More than half our workforce is eligible to retire. This investment is necessary to reduce costs and will result in a savings of about \$18 million per year. An additional \$4.1 million is requested for the Salaries and Expenses Appropriation to replace obsolete technology used by the GPO Access system by upgrading its search and retrieval system, now nearly a decade old. A new search engine must be acquired and the databases brought forward to take advantage of the new technologies and ensure that data will not be lost through technological obsolescence.

#### GPO OPERATING AT A LOSS

*Question.* GPO is losing money in each of its business lines—a total of \$44.6 million since 1988 through 2002, and \$3.8 million for the first quarter of fiscal year 2003.

How do you operate with these shortfalls?

*Answer.* The shortfalls were funded from retained earnings, which otherwise would have been available to replace and modernize equipment and systems.

*Question.* What are the principal reasons for your losses?

*Answer.* The principle reason for the losses in the past was GPO's inability to adapt its operations and cost structure fast enough to respond to the rapid pace of changes in technology and how customers produce and access Government information. Moreover, GPO's building is not suited to the purposes employed, causing excess cost to be incurred.

*Question.* When will you run out of money in the revolving fund?

*Answer.* If we did nothing, GPO would run out of available cash in about 12–15 months. GPO is adopting new business models, proposing a separation incentive program, and taking other actions to bring revenue and expense into balance.

*Question.* What assurance can you provide that appropriated funds are not supplementing the cost of providing printing services to executive agencies?

*Answer.* An independent CPA firm audits GPO financial statements annually. GPO receives unqualified opinions—the highest assurance an auditor can give. GPO

has an accounting system, that properly controls cost reporting in the revolving fund and maintains separate accounting over each of its appropriations.

#### CONTRACTING COSTS

*Question.* GPO contracts out more than 80 percent of its work to private contractors.

What is the basis for GPO's 7 percent surcharge for the administrative expenses it occurs for contracting on behalf of agencies?

*Answer.* The surcharge covers all GPO expenses to administer our Printing Procurement Program. No funds are appropriated by Congress directly to GPO to support this program. GPO printing contracts are developed and carried out by knowledgeable printing experts via a package of procurement support services. This program saves agencies much more than the surcharge.

The surcharge covers the cost of a wide variety of services: GPO reviews requisitions and offers suggestions for economizing; develops specifications; competes, awards, and administers contracts; performs press inspections and other on-site reviews to assure quality; performs quality control reviews utilizing a unique program that quantifies quality ranking factors that has become widely recognized throughout the industry; provides voucher examination and payment services; provides legal advice on contracting; and makes available a dispute resolution service through GPO's Board of Contract Appeals. These same services would have to be provided by each executive agency if they procured printing themselves, leading to huge additional costs for duplication of effort.

*Question.* I understand this surcharge does not cover your costs in the procurement program. Why?

*Answer.* In fiscal year 2002, our Printing Procurement Program lost \$3.8 million on revenue of \$470 million, a loss of about eight-tenths of one percent. This loss is because GPO has not reduced operating costs commensurate with the decline in printing procurement volume of over 30 percent in the past three years. Our plans are to reduce costs to turn these results around. We are developing a new business model that involves replacing legacy systems and implementing electronic commerce. Our planned separation incentive program will also help to reduce costs.

*Question.* Is GPO exploring increased use of streamlined procurement vehicles to reduce GPO's transaction costs for smaller print procurements?

*Answer.* We purchase excess press capacity throughout the Nation by allowing any of 13,000 GPO certified printers to compete for any job they are equipped to handle. The result is very inexpensive printing, perhaps less than half the cost that would be paid by a private sector purchaser or Government agency acting in its own behalf. The difficulty in purchasing extremely low cost printing as the GPO has traditionally done is that the originating Government customer can't pick the vendor nor the location where it's printed and therefore frequently feels isolated from and unable to control the process to ensure their desired results.

Partially as a consequence of this dissatisfaction, GPO four years ago launched a test program we call Simplified Purchase Agreement (SPA). This program allows agencies to directly bid and purchase printing up to \$2,500 from their choice of local printers without the requirement to accept the low bid. GPO provides only a limited palette of services such as pre-approving printers, bill payment, and depository requirements. Last year, the 43 Federal agencies that have adopted this program purchased 12,000 printing jobs directly on their own using this system. Early indications are that both agency satisfaction and the cost of printing are measurably higher.

#### IN-PLANT CAPACITY

*Question.* GPO has a very large in-plant print operation—at least half of which is used to serve congressional print needs.

What percent of the plant's capacity is utilized? What plans do you have for downsizing GPO's in-plant print capacity to the level required? Are GPO's current facilities and equipment sufficient for the 21st century?

*Answer.* Measured on the basis of 24 hours per day, 7 days per week, potential availability, capacity utilization of equipment is about 10 percent. GPO is not staffed to run the equipment on a 24/7 basis but this is the predominate metric in the private sector. Our plans are to gear capacity to meet peak workload demands of the Congress. This will require the elimination of some equipment and this process has already begun. New technologies are being explored. It will be necessary to substantially retool the agency for the 21st century.



## OFFICE OF INNOVATION AND PARTNERSHIPS

*Question.* Please explain your new Office of Innovation and Partnerships, including its goals and approach and how you plan to obtain and use external scientific and technological expertise.

*Answer.* As part of our reorganization, a recently renamed new Office of Innovation and New Technology has been established to identify, evaluate, and plan for the adoption of technology opportunities. It will also guide us in the creation of associations with other public and private sector entities to carry out our mission. Such associations, the use of which is widespread in industry, will be critical to the transformation of the GPO. We have been meeting with the top management of our suppliers—from printing companies to equipment manufacturers—to explore the future possibilities for technological innovation in the digital information business.

## FEDERAL DEPOSITORY LIBRARY PROGRAM

*Question.* What are the implications for the Federal Depository Library Program of the trend towards electronic documents? Why are libraries pulling out of this program? What do you see as the future for this program?

*Answer.* GPO is spending a great deal of time talking to the libraries that participate in the program about its future and seeking their advice on the essential services that we need to offer to support the depository libraries as the FDLP becomes an increasingly electronic program. GPO is the only Federal agency charged with cataloging and ensuring both timely and permanent public access to the full spectrum of Federal information from all three branches of the Government. This mission will be increasingly important in an environment where Government information is posted to many web sites in many formats, making it difficult for the public to locate it initially and over time.

Authentication of electronic Government publications is a key issue for all of our depository libraries. GPO is working on Public Key Infrastructure (PKI) security services initiative to address this concern by enabling Congress, the Judiciary, and Federal agencies to identify and mark official documents. This would enable users inside of Government and elsewhere, including depository libraries, to confirm the validity of the publications GPO makes available on the Internet for permanent public access. PKI technology will also enable secure electronic transactions among agencies as well as with consumers of Government services and make it easier to safeguard official Federal Government information.

Fugitive documents are an increasing problem as fewer documents are printed through GPO and we must reach out to locate digital copies on agency web sites and through other sources. In the past, most of the documents were identified and obtained through the printing process. That is no longer true and, as a result, we need new tools and additional staff with different skills to locate and acquire publications for the program.

Maintaining GPO Access as a state-of-the-art service on which Congress and other parts of the Government, depository libraries, and the public can rely for current and permanent public access is essential. When GPO Access began in 1994, GPO identified the necessity to refresh periodically the software and hardware that support the service and to migrate the data forward to take advantage of future generations of technology. The initial platform selected for GPO Access has been enhanced and expanded through the years to support the service, but it is now at least two generations behind state-of-the-art systems. A new search engine must be acquired and the databases brought forward to take advantage of the new technologies and ensure that data will not be lost through technological obsolescence. GPO is establishing and will need to maintain backup and mirror sites to ensure public access and to avoid interruptions in service in the event of a catastrophe. GPO must also create appropriate metadata to facilitate identification and preservation of government information. We have requested \$4.1 million for that purpose in fiscal year 2004.

We have 53 regional depository libraries, which receive and permanently retain all publications distributed by the FDLP. At their own expense, they provide public access and preserve the record of the nation as well as ensure permanent public access to the paper and other tangible publications distributed by GPO. That critical group of libraries has remained stable for many years, but they are increasingly feeling economic pressures that cause them to re-evaluate the enormous expense of maintaining large paper and microfiche collections of Government documents. We have begun a dialog with the regional libraries about the value of shared regional collections to reduce the burden on individual libraries, a central collection at GPO to assist them and serve as a library of last resort, and retrospective cataloging and

digitization projects that would increase the utilization of the pre-1976 collections and allow selective reduction in the paper and microfiche collections.

We also have about 1,200 other depositories, which take only a portion of the tangible items based on the needs of the constituents they serve. That group, which we call "selectives," always has some fluctuation as the resources of the libraries and needs of their communities shift. 48 libraries withdrew from the FDLP between September 2000 and February 2003. 30 (62.5 percent) of these libraries were small academic and public libraries in economically disadvantaged areas. In response to this data, we are developing a pilot project that will help comparable libraries that remain in the FDLP to focus their collection and services on Government publications that are specifically applicable to community economic development. We will combine that recommended collection with specialized training on the utilization of the resources and seek training and other assistance from agencies with responsibility for small and minority business development. We may also provide workstations to these libraries since they may not be able to afford the initial investment in appropriate equipment. We hope this program will provide a strong economic benefit and real incentive for such libraries to remain in the program and utilize information available from the Federal Government to assist their communities.

We have just returned from Reno, Nevada, where we participated in a meeting of the Depository Library Council and over 250 other members of the depository library community. That meeting focused heavily on the future of the program and the range of products and services that GPO needs to offer in the 21st century. On the way to Reno we stopped in Tucson to visit the University of Arizona, which has a major initiative underway to become the first all electronic depository library. The rapid transition to electronic publications, which now make up over 60 percent of all items available through the FDLP, has challenged the depository libraries. The response has varied from library to library. Given the range of types and sizes of libraries in the program, it is not surprising that some have adapted rapidly and well while others are still struggling to adjust to the increased demands for training and user support necessitated by searching databases and handling electronic files in a wide variety of formats. We are providing as much support and training as we can, and we are planning a pilot project to place GPO staff in the field to work more directly with libraries to meet their training needs and advise them about best practices for managing a depository library.

#### ADDITIONAL SUBMITTED STATEMENT

[CLERK'S NOTE.—The subcommittee has received a statement from the American Association of Law Libraries, American Library Association, and Association of Research Libraries which will be placed in the record at this point.]

#### PREPARED STATEMENT OF THE AMERICAN ASSOCIATION OF LAW LIBRARIES, AMERICAN LIBRARY ASSOCIATION, AND ASSOCIATION OF RESEARCH LIBRARIES

On behalf of the American Association of Law Libraries (AALL), the Association of Research Libraries (ARL) and the American Library Association (ALA), we write in support of the fiscal year 2004 budget request of the Government Printing Office (GPO). Collectively, these three associations represent thousands of individuals and institutions serving communities throughout the Nation, including the nearly 1,300 federal depository libraries located in nearly every congressional district.

AALL is a nonprofit educational organization with over 5,000 members dedicated to promoting and enhancing the value of law libraries, fostering law librarianship and providing leadership and advocacy in the field of legal information and information policy. ARL is an Association of 123 research libraries in North America. ARL programs and services promote equitable access to and effective use of recorded knowledge in support of teaching, research. ALA is a nonprofit educational organization of 64,000 librarians, library trustees, and other friends of libraries dedicated to improving library services and promoting the public interest in a free and open information society.

#### *Fiscal Year 2004 Budget Request Essential*

We are pleased to submit a statement for the record on the fiscal year 2004 appropriations for the Government Printing Office and the Superintendent of Documents Salaries and Expenses. We urge your support for the Public Printer's fiscal year 2004 budget request of \$135,567,000 for the GPO that includes \$34,456,000 for the Salaries and Expenses (S&E) Appropriation of the Superintendent of Documents

and \$91,111,000 for the Congressional Printing and Binding (CP&B) Appropriation. The S&E request includes \$28.5 million to fund the Federal Depository Library Program (FDLP), \$4.9 million for the Cataloging and Indexing Program, \$.8 million for the International Exchange Program and \$.2 million for the By-Law Distribution Program. This amount includes necessary increases to support the continued operation of the FDLP, its continuing electronic transition plans and the increased demands upon GPO Access.

We urge you to approve the full S&E appropriations request for fiscal year 2004. The majority of the S&E appropriation is for the Federal Depository Library Program (FDLP), by which congressional and other important Government publications and information products are disseminated to the nearly 1,300 participating academic, public, Federal, law and other libraries nationwide. We find the request of \$4.1 million to replace obsolete technology and upgrade the retrieval system for GPO Access to be of crucial importance, since each day thousands of Americans rely on the GPO Access system to locate the important electronic government information they need.

The FDLP and GPO Access are vital to the dissemination and access of Federal government information to our citizens. We believe that the fiscal year 2004 S&E budget request is essential to the continued transition to a more electronic program and the continued success of GPO Access. Since GPO is responsible for permanent public access to the content of its Electronic Collection, funding to strengthen digital archiving and migration capabilities is a critically important component.

#### *Growth of GPO Access and the Electronic Collection Impressive*

The FDLP is a unique program and one of the most effective, efficient and successful partnerships between Congress and the American public. The FDLP provides your constituents with equitable, ready, efficient and no-fee access to Federal government information in an increasingly electronic environment. Today Congress, government agencies and the courts increasingly are relying on state-of-the-art technologies to create and disseminate government information through the Internet.

One of the critical keys to GPO's successful transition to a more electronic program has been the growth of the GPO Access system, a central access point within the GPO for electronic government information that today makes available to the public approximately 225,000 titles. Created by Public Law 103-40, GPO Access has grown into a unique digital collection of official government databases from all three branches of government including the Congressional Record, the Federal Register and the Code of Federal Regulations. Currently an average of 31 million documents are downloaded by the public each month, a substantial increase from last year that attests to the importance and value of this award-winning system to the American public.

GPO has continued to make excellent progress over the past year in enhancing its Electronic Collection. GPO constantly adds new data and products to the system, building a current collection of valuable new electronic resources. At the same time, GPO provides permanent access to core legislative and regulatory information and to agency information managed by GPO on GPO servers. Each year, this historic electronic collection grows, requiring GPO to meet its responsibility for ensuring permanent public access. This function presents probably the most difficult challenge of the networked electronic environment. Just as the government has an affirmative obligation to provide current access to its information, in the digital arena this obligation extends to ensuring the preservation of and permanent public access to electronic government publications.

#### *FDLP Libraries' Significant Services and Investments*

Each participating federal depository library makes significant investments to ensure that the public has effective access to government information. For example, FDLP libraries invest in technologies to assist in accessing electronic government information. These investments exemplify the substantial costs that participating depository libraries incur in order to provide your constituents with equitable, ready, efficient and no-fee access to government information in both print and electronic formats. These costs include providing highly trained staff, adequate space, necessary additional materials, expensive equipment and Internet connections. The success of GPO Access cannot be measured without acknowledging the substantial costs covered by libraries.

Federal depository libraries serve as important channels of public access to government publications and contribute significantly to the success of this Program. The government's responsibility to make government publications in both tangible and electronic formats available to depository libraries is successful because of the necessary partnerships developed between the Federal government, the GPO, and

the Federal depository libraries. In order for GPO to continue to increase the amount of government information available for current and future public access through the Internet and in order for the Federal Government to fulfill its responsibilities for this partnership, it is critically important that Congress provide adequate funds to support the transition to a more electronic program.

*Importance of Full Funding for the CP&B*

We also urge your support for the Public Printer's request of \$91,111,000 for the Congressional Printing and Binding (CP&B) appropriation. Broad public access to legislative information, including the Congressional Record, the text of bills, as well as committee hearings, reports, documents and other legislative materials, is crucial to the ability of our citizenry to engage in the political process. Indeed, recent polls have demonstrated the public's increasing awareness of and thirst for information from their government, including Congress. Full support for the CP&B request will ensure the necessary electronic infrastructure to make congressional materials available in a timely manner for permanent accessibility through GPO Access and will maintain GPO's inplant printing operation for Congress.

Chairman Campbell, we are very grateful to you and to members of the Subcommittee for your past support of GPO Access, the Federal Depository Library Program and GPO's Congressional Printing and Binding services. The investment in systems and services to provide the public with government publications in all formats will ensure that valuable electronic government information created today will be available and preserved for future generations. We respectfully urge your continued support by approving the Government Printing Office's fiscal year 2004 appropriations request in its entirety. We ask that you please include this statement as part of the recent hearing record. Thank you very much.

## CONGRESSIONAL BUDGET OFFICE

### STATEMENT OF DOUGLAS HOLTZ-EAKIN, DIRECTOR

### ACCOMPANIED BY BARRY B. ANDERSON, DEPUTY DIRECTOR

Senator CAMPBELL. And our third and last panel will be Mr. Douglas Holtz-Eakin, Director of the Congressional Budget Office, accompanied by Barry Anderson, his Deputy Director, too. As with the other panels, Mr. Holtz-Eakin, if you would like to just make a verbal statement, we will put your complete written statement in the record.

#### OVERVIEW OF THE CONGRESSIONAL BUDGET OFFICE'S BUDGET REQUEST

Mr. HOLTZ-EAKIN. Thank you, Mr. Chairman. I will submit my written statement for the record and just summarize briefly. You have our request before you. You know it is for just under \$34 million, which represents a 6.6 percent increase over the previous year. I should note, however, that of that request, 1.1 percent is funding for our contribution to a partnership in the Federal Accounting Standards Advisory Board. Excluding that, we have a core increase of 5.5 percent devoted to current baseline increases of 3.8 percent and then additional resources of 1.7 percent.

Stepping back a bit, if you look at the CBO budget as a whole, what you see is the budget basically covers people, and our budget submission is configured to ensure that those people can be put in a position to meet our congressional customers' needs in what I think is a timely, flexible, and high-quality fashion.

We have attempted to make sure that we devote enough resources to our baseline receipts estimation so as to overcome the difficulties over the last few years in anticipating fluctuations in tax receipts that are not fully explained by the status of the economy, and I can explore that in greater detail with you.

We have tried to devote resources to ensure that we can hire in a successful fashion in some areas of the labor market which are quite difficult, in particular, specialists in the areas of health economics and financial economics. We have attempted to make arrangements so that we have flexibility with respect to visiting scholars, post-doctoral fellows, and a variety of intern kinds of appointments.

This allows us to redeploy resources quickly as congressional needs require, develop relationships with possible sources of permanent hires, and improve our ability to maintain the kind of workforce that is essential for the Congressional Budget Office. And then we continually attempt to improve the level of communication with Congress. This year, we have undertaken to designate a senior member of the Congressional Budget Office staff, Sandy Davis, to a job as special assistant to the director, where he

has primary responsibility for ensuring that we are in continuous and top-flight communication with Congress on its needs and on timetables so that we can be responsive with the different work products that are important to Congress and be timely in our responses.

We hope to build that enhanced communication into a strategic plan so that we are looking ahead to Congress' needs, building those anticipated needs into our work plans in a systematic fashion, and trying to upgrade the traditional practice of making sure that staff stay in communication—to regularize this process and to feed it into both the hiring process and decisions on things like visiting scholars.

And finally, a portion of the budget is devoted to supporting our people at CBO in the areas of technology, where, in fact, the budget reveals cost savings from movements to more advanced forms of technology; disaster recovery, should we need to continue operations in unfortunate circumstances; and ongoing training and management training as well. So I think if you step back from the particulars of each of the budget items, what you will see is a budget that is really about the people at the Congressional Budget Office, and our strategy in constructing that budget is to make sure that those people respond quickly, accurately, and flexibly to the needs of Congress in fulfilling the job of the CBO.

#### PREPARED STATEMENT

And with that quick overview, I would be happy to take your questions.

[The statement follows:]

#### PREPARED STATEMENT OF DOUGLAS HOLTZ-EAKIN

Mr. Chairman and Members of the Subcommittee, I am pleased to present the fiscal year 2004 budget request for the Congressional Budget Office. The mission of CBO is to provide the Congress with the objective, timely, nonpartisan analysis it needs about the economy and the budget and to furnish the information and cost estimates required for the Congressional budget process.

#### OVERVIEW OF CBO'S BUDGET REQUEST FOR FISCAL YEAR 2004

The Congressional Budget Office's fiscal year 2004 budget continues to be driven by the need to be competitive in a specialized labor market, with the added challenge of completing and maintaining an effective disaster recovery process. We are requesting \$33,628,000 for CBO's operations during fiscal year 2004, an increase of 5.5 percent over 2003. In addition, funding CBO's portion of the cost of operating the Federal Accounting Standards Advisory Board (FASAB) adds 1.1 percent (or \$365,000) to our request, but that expense should be offset by cost reductions for other sponsoring agencies—the Treasury, GAO, and OMB—whose annual contributions will decrease. Together, those requirements total \$33,993,000, or a 6.6 percent increase over our appropriation for fiscal year 2003.

Of the 5.5 percent increase needed for CBO operations, 3.8 percentage points represent a current-services baseline, while the remaining rise of 1.7 percentage points would fund three new positions and allow us to focus more resources on improving our economic forecasts and baseline projections of tax receipts. Mandatory increases in personnel costs alone would have required a 5.2 percent baseline budget increase, but they were offset somewhat by a 1.4 percent decrease resulting from savings in technology spending and other operating costs.

In fiscal year 2004, CBO will focus on its core functions of scorekeeping, budget analysis, and economic and revenue forecasting. Our request will allow us to fund 236 positions—the same level originally requested for 2003. The three additional positions, along with some reallocation of existing positions, will allow us to increase the level of effort applied to improving our receipts baseline and enhancing our re-

sponsiveness to the Congress. We will also continue our visiting scholars program for postdoctoral fellows and midcareer academics with expertise in areas such as health economics, financial analysis, and macroeconomics. And we will continue to pursue a number of internal management initiatives to improve our human resources management, technology, publication quality, facilities, and business processes.

Specifically, the fiscal year 2004 budget would:

- Support a workload estimated at 2,300 legislative cost estimates and mandate cost statements, 30 major analytical reports, and 40 other publications, and allow us to meet our obligations for Congressional testimony.
- Fund 236 full-time-equivalent positions (FTEs), adding three positions for staff and visiting scholars to improve our ability to make economic forecasts and project tax receipts.
- Provide a pay adjustment of 3.7 percent for staff below the level of senior analyst, consistent with the increase requested by other legislative branch agencies and providing parity with the military pay raise.
- Fund a combination of promotions and merit increases for staff and provide performance-based pay increases for managers and senior analysts who no longer receive automatic annual across-the-board increases.
- Continue to support process redesign and automation initiatives in publishing, human resources, financial management, and other areas.
- Use reductions in spending for technology and equipment to offset the cost of the three new positions and a portion of projected price increases for administrative expenses.
- Enable us to complete tasks related to our disaster recovery strategy, including purchasing some equipment and moving mission-critical servers and other IT infrastructure to the Legislative Branch Alternative Computing Facility early in fiscal year 2004.

This request also includes a change in our legislative authority that would allow our appropriation to be available to pay an appropriate share (\$365,000) of the costs of operating the Federal Accounting Standards Advisory Board.

#### SUMMARY OF CBO'S BUDGET REQUEST FOR FISCAL YEAR 2004

[Dollars in thousands]

	Staff	Amount
Calculation of Base Appropriation, Fiscal Year 2003 .....	233	\$32,101
Plus Supplementals .....		
Minus Rescissions .....		(209)
Budget Base, Fiscal Year 2003 .....	233	31,892
Proposed Changes for Fiscal Year 2004:		
Mandatory Pay and Related Costs .....		1,668
Price-Level Changes .....		89
Program-Type Changes:		
Legislation .....		
Workload:		
Improve revenue estimates .....	3	519
FASAB expenses .....		365
Net of other changes .....		(518)
Equipment, Alterations, Maintenance, Repairs, etc .....		(22)
Total Proposed Changes .....	3	2,101
Fiscal Year 2004 Budget Request .....	236	33,993

Note: Columns and rows may not add up to totals because of rounding.

The total fiscal year 2004 budget request in this table is \$543,000 higher than the amount submitted to OMB for inclusion in the President's budget as a result of information available after the OMB deadline. CBO will submit an amendment to OMB to reflect the change in our request.

#### ACCOMPLISHMENTS IN FISCAL YEAR 2002

In fiscal year 2002, as part of its contributions to the Congressional budget process, CBO issued its annual report on the budget and economic outlook in January,

which was based on the first of three sets of baseline budget projections prepared during the year. The outlook was followed by an analysis of the President's budgetary proposals.

CBO also prepared about 750 formal cost estimates during 2002 and an even larger number of informal estimates for proposals or options being considered by the Congress. Legislation with a significant budgetary impact included the Economic Security and Assistance for American Workers Act of 2001, the Farm Security and Rural Investment Act of 2002, the Bob Stump National Defense Authorization Act for Fiscal Year 2003, the Medicare Modernization and Prescription Drug Act of 2002, the Terrorism Risk Insurance Act of 2002, and the Energy Policy Act of 2002.

At the request of the Senate Budget Committee, we prepared a special analysis of the estimated cost of activities related to U.S. military operations in Afghanistan. In addition, we developed estimates of the cost of possible military operations in Iraq. We assisted the Budget Committees in their development of proposals for a Congressional budget resolution for fiscal year 2003.

Our staff also responded to numerous committee requests during 2002 on the status of obligations and outlays for funding provided in 2001 for homeland security and for assistance to New York in the aftermath of the September 11, 2001, terrorist attacks.

We also provided regular economic forecasts and detailed analyses of the state of the economy and of the Administration's economic forecast to the House and Senate Budget Committees as well as to other committees. A major focus was on how changes in taxes affect the economy.

CBO testified before the Congress 16 times in fiscal year 2002 on a variety of budgetary and economic issues. A few examples are the *Budget and Economic Outlook* for the House Budget Committee, *Projections of Medicare and Prescription Drug Spending* for the Senate Finance Committee, and *Social Security: The Challenges of an Aging Population* for the Senate Special Committee on Aging.

Responding to requests from Congressional committees for analyses of budgetary, economic, and programmatic issues is an important function of the agency. CBO studied a broad range of policy initiatives and legislative proposals in 2002 and issued 23 program analysis reports and more than 40 other publications.

*Medicare and Other Health Issues.*—This area continues to put great demands on CBO, particularly work related to Medicare reform and prescription drug benefits for seniors and low-income individuals. To respond, we have reallocated resources from elsewhere in CBO. In 2002, we increased the number of analysts working full time on health care from 19 to 21 and concentrated more effort on Medicare reform and prescription drug issues. We also increased contractual support and spending for data. We now have 24 analysts devoted to health care and are working to increase that number to 27 (a net gain of eight analysts over 2001). We will also continue to shift more of the health staff to Medicare and drug-related work and by year-end will have nearly doubled the resources devoted to those priority areas as compared with 2001.

In fiscal year 2002, a major effort was the examination of several complex proposals to add a new prescription drug benefit to Medicare, "modernize" other features of Medicare's benefit package, and promote competition among providers of Medicare services. CBO provided information to committee staffs in both the House and Senate on the impacts of those options on federal costs and the consequences for other parties. CBO also presented testimony on prescription drug spending and prepared an important study, *Issues in Designing a Prescription Drug Benefit for Medicare*, which was released in October 2002.

In addition, we analyzed several other important health issues, including proposals to reform market-exclusivity rules in the prescription drug market to promote quicker entry by generic drugs; the federal costs and revenues and the effects on malpractice and health insurance premiums of options to reform the nation's medical malpractice tort system; and the federal budgetary and private-sector effects of proposals to regulate the operation of private health plans and health insurance providers (for example, "patients' bill of rights" legislation and parity in the coverage of mental health and medical/surgical benefits.)

*Social Security.*—In fiscal year 2002, CBO continued to develop an analytical framework for examining proposals to restructure and partially privatize Social Security. In addition to using standard actuarial projection techniques (such as those employed by the Social Security Administration), we made significant progress in constructing a dynamic microsimulation model to produce long-term budget projections. The model helped CBO prepare several of its *Fiscal Policy Briefs*, prepare Congressional testimony on the long-term budget outlook, and analyze long-term options for CBO's 2003 *Budget Options* volume.



*National Security.*—Defense-related accomplishments during fiscal year 2002 included supporting the Congress through direct assistance and published reports. Published reports included *The Long-Term Implications of Current Defense Plans*, an analysis for the Senate Defense Appropriations Subcommittee; *Estimated Costs and Technical Characteristics of Selected National Missile Defense Systems*; *Increasing the Mission Capability of the Attack Submarine Force*, a study of alternatives for that force produced at the request from the Senate Armed Services Committee; *Accrual Budgeting for Military Retirees' Health Care*, a paper for the House Budget Committee; *Estimated Costs of a Potential Conflict with Iraq*, an analysis for Senator Conrad and Congressman Spratt; and *The Budgetary Treatment of Leases and Public/Private Ventures*.

*Domestic Economic, Tax, and Financial Issues.*—Significant publications in this area included a policy brief examining the sharp drop in revenue collections experienced in 2002; two reports that reviewed the effects of the September 11, 2001, terrorist attacks on the insurance industry and analyzed proposals for federal reinsurance risks from both terrorism and natural disasters; a review of recent productivity growth in the economy, its relationship to improvements in computer technology, and the prospects for such growth in the future; estimates of future investment needs for drinking water and wastewater infrastructure; the risks facing U.S. banks from their exposure to foreign financial losses; and the implications for banks and depositors of raising the limit on federal deposit insurance coverage.

#### PRIORITIES FOR FISCAL YEARS 2003 AND 2004

CBO's primary objectives will, as always, be to provide technical assistance and analytical support to the Congress in its work on annual budgets. That effort will include the preparation of baseline spending and revenue projections, analyses of the condition of the economy, cost estimates for authorization and direct spending legislation, and outlay estimates for appropriation bills. CBO will undertake studies of budgetary, economic, and programmatic issues that meet the needs of individual committees. During the next two years, CBO will also undertake major efforts to improve its baseline projections of tax receipts, to become more responsive to our Congressional clients, and to continue internal management improvements, including strengthening our planning process.

#### *Improving Economic Forecasts and Baseline Projections of Tax Receipts*

The drastic swings in federal revenues that have occurred over the past decade have placed a premium on improving the state of the art in receipts forecasting. In the second half of the 1990s, when receipts rose faster than anticipated, and in the early 2000s, when the opposite occurred, CBO labored (along with other forecasters) to revise its revenue models and estimating methods. But we (and others) were hampered by the long lags between revenue collections and the availability of useful data on the nature of those collections, and by the fact that relationships between incomes and tax collections are more complex than previously appreciated. During 2003 and 2004, we plan further efforts toward improvement in that area and will add at least three staff-years in 2004 by hiring permanent staff, adding expert consultants, reallocating resources, and utilizing visiting scholars. Specifically, we will:

- Review our current revenue models and estimating methods to determine whether better procedures are available and identify areas for further development.
- Acquire additional expertise in the areas of revenue estimating and related macroeconomic issues through additional hiring, visiting scholars, and consultation with outside experts.
- Attempt to get better and quicker access to IRS tax data and utilize private-sector financial information to improve our understanding of how changes in the economy and the markets influence federal receipts.
- Consult broadly with federal, state, and private forecasters who are working on the same problem. For example, we will explore bringing in a visiting scholar who has experience with projecting tax receipts in a large state such as New York or California.

We will emphasize transparency in all of our analyses, estimates, and projections, but particularly in the revenue area, so that external experts can understand and critique our methods.

#### *Responsiveness and Communications with Congressional Committees*

Another area we will begin to emphasize in 2003 will be our direct assistance to the Congress. We plan to do that in several ways:

- Assigning a senior analyst with a broad knowledge of budget analysis and the budget process to provide liaison to the Congressional committees with whom CBO works.
- Involving the Budget, Appropriations, House Ways and Means, and Senate Finance Committees, as well as other frequent users of CBO's services, in substantive discussions during our planning process.
- More generally, taking careful note of the timing and information needs of all of our customers, working hard to meet delivery dates, and keeping all committees for whom we work advised of the status and progress of projects of interest to them.

#### *Strategic Planning*

During the past few years, we have experimented with a variety of planning approaches for our mission work, as well as for our internal management agenda. The results of those planning efforts, as well as the resulting accomplishments, have been reflected in internal plans and to some extent in our annual budgets, appropriation testimony, and the fiscal year 2002 operating plan. During the next six months, we will begin a more deliberate strategic-planning process that will involve a comprehensive and careful assessment of customer needs, a deliberate weighing of customer priorities in relation to CBO's mission and capabilities, the selection of broad work areas and individual projects, and the setting of supportive internal management goals. We expect to have our plan available for inclusion with the submission of our 2005 budget.

#### *Specific Work Priorities for Fiscal Years 2003 and 2004*

*Medicare and Other Health Issues.*—Reforming the Medicare program appears to be a continuing focus of Congressional interest. We expect to analyze a wide range of legislative proposals both to expand Medicare benefits and to modify existing program rules. Topics are likely to include adding a prescription drug benefit to Medicare, promoting greater competition among health plans in the program, and modifying Medicare's payments to providers in the traditional fee-for-service sector. With Medicare's long-term budgetary difficulties gaining greater prominence, we also plan to focus efforts on developing a long-term model for estimating Medicare's future costs.

Options for expanding health insurance coverage are also likely to be a major focus of legislative interest. We will issue a report providing alternative estimates of the number of people without coverage, and we expect to be called on to analyze a range of specific proposals in the areas of providing tax inducements for insurance coverage, expanding Medicaid and the State Children's Health Insurance Program, reforming rules regulating private health insurance, and requiring employers to offer coverage.

*Social Security and Employment Policy.*—CBO continues to develop its capacity to produce cost estimates and impact analyses of Social Security for both current-law and reform proposals. With recent extensions of temporary unemployment benefits and the scheduled reauthorization of the Workforce Investment Act, CBO expects to continue to provide the Congress with analyses of legislative options to extend unemployment insurance benefits.

*Homeland Security.*—Providing for homeland security and the creation of the Department of Homeland Security remain challenges for the Congress and priorities at CBO. We will continue to track homeland security spending through the budget and appropriations processes and will assist the Congress in making such spending transparent. We will also examine a number of issues related to public spending for homeland security and the provision of incentives to the private sector to mitigate risks associated with terrorist attacks.

*National Security.*—Current work is focused on several broad themes and individual projects:

- Expeditionary Forces.*—Analyzing alternative approaches to replacing current overseas forward basing of U.S. forces with so-called expeditionary forces.
- Aftermath of a Conflict with Iraq.*—Assessing the implications of a long-term occupation of Iraq for active-duty and reserve U.S. military force structure.
- Army Transformation.*—Examining the Army's plans to transform its forces to meet 21st-century threats, and alternatives to those plans that might mitigate technical and budgetary risks.
- Long-Range Strike Capacity.*—Analyzing the cost-effectiveness of alternatives to improve the ability to strike large numbers of targets at long range.

We will also study the effects of reform initiatives on aircraft logistics management and analyze the budgetary implications of trends in the use of contractors to perform military support functions.

*Tax Issues.*—Work on federal tax policies will examine and report on a wide variety of issues involving the efficiency, complexity, and equity of the income tax system, including the growing effect of the alternative minimum tax and the use of tuition tax credits versus other alternatives for supporting higher education.

*Other Domestic Economic and Financial Issues.*—Examples of current and planned work are:

- Climate Change.*—A report on the economics of climate change will be issued soon, while ongoing work examines the macroeconomic effects of reducing emissions of greenhouse gases.
- Resources for Baby Boomers in Retirement.*—This report will describe sources of funds available to the baby boomers in retirement and put in context concerns about the cost of Social Security and Medicaid.
- Transportation.*—A report is being prepared on options for passenger rail. Work will support Congressional committees as they reauthorize federal highway, transit, and aviation programs.
- Administrative Costs of Private Retirement Accounts.*—Nearing completion, this paper analyzes how program design can raise or lower the administrative costs of private accounts intended to supplement or replace Social Security.
- The Internet and Intellectual Property.*—Two studies are ongoing. The first analyzes policy proposals to speed deployment of high-speed Internet connections. The second looks at possible changes to copyright law in light of the growth of digital technology.
- Tort Reform.*—Topics being studied include the economic costs and benefits of the tort system, the implications of tort reform for economic growth, and an assessment of the economic effects of state-level tort reforms undertaken from the mid-1980s to the present.

#### INTERNAL MANAGEMENT STRATEGY: PROGRESS AND PRIORITIES FOR FISCAL YEARS 2003 AND 2004

In addition to focusing directly on its mission, CBO, like any successful organization, must devote resources to attracting talented people, developing their skills, and equipping them properly. It must also organize its key work processes to be as efficient as possible and capitalize on technology whenever possible.

##### *Enhancing Recruitment and Retention*

During fiscal years 2003 and 2004, we will continue to pursue the same goals and initiatives in order to identify, hire, and retain a highly talented and diverse workforce.

1. *Strengthen Recruitment Strategy.*—Our goal has been to focus our efforts on quickly filling key vacancies, particularly in hard-to-attract disciplines, while building a more diverse workforce.

Our emphasis here stems from the general difficulty of filling very specialized positions with highly qualified staff and from the experience of the late 1990s, when CBO experienced an unusual number of vacancies and was unable to replace employees quickly. As a result, we devised a recruitment and retention strategy that allowed us to fill vacancies faster and begin meeting our annual staffing goals. To achieve those ends, we raised offering salaries for new Ph.D. and master's degree candidates, simplified our application process and drastically shortened the time from application to job offer, advertised critical vacancies more aggressively, began using recruitment bonuses for hard-to-fill specialties, and implemented an awards program for outstanding performers.

In fiscal years 2003 and 2004, our college and university recruitment program will remain focused on graduate students in economics, public policy, and related programs at a variety of schools and continue to add more schools with diverse student populations. We will also:

- Continue to develop and expand our competitive “scholars,” focusing on hard-to-staff areas such as macroeconomics, financial economics, tax, and health economics;
- Provide training to managers and staff on effective recruitment techniques and interviewing skills; and
- Add an on-line job-application module and additional job information to our Web site.

2. *Improve CBO's Training Program.*—Our goal is to improve management and job skills by investing in our people through training, education, and professional development.

CBO has always invested in the job skills of its employees, but the amount we spend on job training and professional development has been far less than that of other high-impact organizations, and much less than management and training ex-

perts recommend. In recent years, we have increased our training expenditures by 30 to 40 percent while eliminating less cost-effective training and providing skill training to a much higher percentage of our staff. In fiscal year 2002, roughly 70 percent of CBO employees received training. And during the past three years, we have provided more than two-thirds of our managers with training in leadership and communications skills.

During fiscal years 2003 and 2004, we will:

- Continue to provide management training to our senior staff and provide management-development training to up to a dozen high-performing analysts with leadership potential;
- Develop training plans for new employees and find ways to deliver critical skills training to newer employees more quickly.

3. *Modernize and Revitalize the Working Environment.*—Our goal has been to reconfigure and renovate much of our space to use it more efficiently and provide a high-quality work environment for new employees and those who were in inadequate space.

Most of CBO's space was configured shortly after the agency's creation over 25 years ago—in a building designed primarily for file storage. At that time, there were no desktop computers, many more support staff, less specialization, and a less competitive employment marketplace. Consequently, a significant percentage of our space was configured for clerical staff, and many analysts had work space that was in passageways or open bays. In cooperation with staff of the Architect of the Capitol and the Superintendent of House Office Buildings, we developed strategies to address our space problems with modest expenditures. Thus, by the end of December 2002, we finished reconfiguring roughly 57 percent of our usable floor space. The result is about 134 offices renovated, with a net gain of 47 private offices and three conference rooms with modern audio-visual equipment.

During fiscal years 2003 and 2004, we plan to renovate another 50 offices and, in the process, essentially eliminate remaining substandard offices, while realizing a net gain of 10 private offices.

#### *Streamlining Operations and Redesigning Key Processes*

As mentioned above, we have also devoted significant attention to automating and modernizing our internal processes.

4. *Process Redesign and Automation.*—Our goal has been to modernize and automate key internal processes to provide better services and information electronically, while reducing the time needed to use and support administrative functions.

In fiscal year 2002, we began a major thrust to modernize our work processes, with a wide range of process redesign and automated system development efforts. Several new systems were completed during the year, including a tracking system for projects, a Web-based ordering system for supplies, a reservation system for our conference rooms, and a tracking system for job applicants. We also implemented an innovative Intranet site, which is now our primary information source for internal policy guidance, new application programs, internal services, databases, and Internet-based journals and research tools.

In fiscal years 2003 and 2004, we will:

- Develop and implement a new publication distribution system;
- Design and implement a Human Resources Information System (HRIS);
- Install an asset management system;
- Implement a service-request software system for computer assistance; and
- Upgrade our financial management system in cooperation with the Library of Congress.

#### *Publishing and Communications Priorities*

The value of CBO's work to the Congress and the public derives from the quality, readability, and availability of its publications. Although the demand for printed publications remains strong, the use of electronic versions is growing every year.

5. *CBO's Publications and Production Processes.*—Our goal is to produce high-quality publications that are easily identifiable as CBO products and to reengineer our production processes to become more timely and efficient.

As usage of CBO's Web site has increased, we have been able to print fewer copies of reports and reduce inventory costs. Increasingly, we are targeting the distribution of our reports to put them in the hands of policymakers and other interested readers but avoid excess printing. Instead, we are relying more on electronic notification and distribution. To provide Congressional offices with advance access, we began e-mailing them some shorter publications and Internet links to some longer documents. We also finished modernizing the format and production process for our reports so that they all have a consistent and professional look readily identified with CBO.

We also designed and began issuing a new product line—Policy Briefs—which capture the important aspects of major policy issues, such as the budgetary impact of society's aging population, in just a few pages, for use by busy staff and Members.

In fiscal years 2003 and 2004, we will implement a PC-based report distribution system to replace the current mainframe system. The new distribution system will target distribution more precisely, to those who want specific kinds of publications; improve staff productivity; and support e-mail notification and distribution of reports. We also plan to further improve our graphics production process, take advantage of the improved print quality made possible by printing directly from electronic files, and eliminate some production rework. In addition, we will expand the use of Policy Briefs to cover more areas of CBO work and issue them more frequently. Finally, we plan to survey users of CBO documents to glean suggestions for additional improvements in our written products.

6. *CBO's Web Site (www.cbo.gov).*—Our goals are to respond to the growing demand for electronic products and to enhance the site's functionality and accessibility.

Use of CBO's Web site continues to increase dramatically each year, from about 2.3 million page requests in 2001 to about 4.9 million last year. Although the site was quite serviceable, we undertook a comprehensive redesign. On the basis of suggestions from users, we developed a better search function, recatalogued publications on the site, and improved navigation.

In fiscal years 2003 and 2004, our Web site will continue to evolve. Anticipated improvements include adding new sections, such as one with extensive information on the federal budget, a notification system for job applicants, and a comprehensive searchable archive of all CBO publications dating back to 1975. That archive will make some 1,100 reports and nearly 900 testimonies available on-line and on CD and will allow us to "print on demand" as Members, staff, and the public request hard copies. Our redesign of the on-line versions of our various publications will also be completed.

#### *Technology*

Highly effective organizations must build a staff of skilled employees and then provide them with the technology they need to do their work. That is especially critical at CBO because the broad scope of our work and the tight deadlines under which we often operate necessitate modern information and computing tools.

7. *Maintain CBO's Technological Edge.*—Our goal is to use the best technology systems economically available to support the agency's mission while improving the performance of those systems and raising employees' productivity and satisfaction.

In fiscal year 2002, we replaced our oldest desktop systems, upgraded network infrastructure, and improved network security. To reduce timesharing costs, we moved most statistical processing and data storage from the Library of Congress to an in-house platform. We also made substantial progress in replacing our mission-critical Budget Analysis Data System, which is more than 20 years old, with a PC-based application. That new application will provide improved capability and yield operating-cost savings.

In fiscal years 2003 and 2004, we plan to:

- Complete the redesign and implementation of the Budget Analysis Data System during 2003; and
- Consolidate a variety of existing data backup processes into one enterprise-wide backup system.

We will also continue to replace our oldest workstation hardware and software, upgrade important routers and switches, replace some high-speed printers, and continue to support process redesign and automation efforts with programming assistance.

8. *Prepare for Disaster Recovery.*—Our goal is to refine existing plans and develop resources that would allow the prompt restoration of CBO's mission-critical support to the Congress.

The events of September 11, 2001, and the closure of the Ford House Office Building a month later reemphasized the importance of disaster recovery. Those events caused us to rethink our response strategy. The nature of the closure of the Ford building left our network, systems, and data intact, permitting us to quickly restore essential services to the Congress, but with considerable difficulty. In 2002, we improved our data system backup, moved surplus IT equipment to off-site storage, and devised a robust emergency recovery strategy.

In fiscal years 2003 and 2004, we will complete the implementation of that strategy as we:

- Mirror our CBO Web site, our internal Intranet, and other mission-critical databases and programs at a secure off-site facility;

- Provide staff with highly secure remote access to e-mail application programs, analytical data, and the CBO Intranet, which contains hundreds of journals, research tools, and useful Internet links;
- Strengthen our emergency wireless communication capabilities; and
- Upgrade our e-mail and network operating systems to be more fault-tolerant.

We will also complete the planning for and make the move to the Legislative Branch Alternative Computing Facility, establish reciprocal agreements for emergency work centers with the Library of Congress and other federal entities, and increase the quantity of off-site emergency-use hardware we have available.

9. *Enhance Network Security.*—Our goal is to strengthen network security for the core network as well as for the separate network established to store and process sensitive data from the IRS, Social Security Administration, and Department of Health and Human Services.

Some of CBO's analyses and model-development efforts require access to sensitive government data. Generally, that sensitivity forces us to adhere to strict security procedures dictated by the providing agency. As our use of sensitive data has grown, so has our need to increase security measures.

In fiscal year 2003, we plan to substantially complete this effort by implementing automated auditing of secure data access to ensure that we are complying with all data-use agreements, completing an internal audit of network security and addressing any issues identified, and verifying that remote work sites are adequately safeguarded. We will then periodically perform data-security audits.

#### CONCLUSION

Mr. Chairman, in recent years, CBO has worked very hard to meet the needs of the Congress and to rebuild its staff during a period of great competition in the labor market. To do so, we have raised starting salaries for new graduates and undertaken a variety of efforts to make CBO a more desirable employer for talented economists and policy analysts. The recent budget increases provided by this Committee, along with our extensive efforts to reduce our nonpayroll costs, have allowed us to return to full strength while modernizing our products, processes, technology, and facilities.

Nonetheless, we continue to have the same concerns as all federal employers: our salaries are not always competitive, many new graduates shun government service, anticipated retirements are worrisome, and replacing staff in high-demand disciplines is neither easy nor quick. Our new recruitment and retention initiatives, for which we need your continued support—the visiting scholars' program, performance and recruitment bonuses, training and professional development authority, and student loan repayment—will provide us with additional tools we can use in our efforts to attract the best and the brightest to serve the Congress.

Finally, the additional staff resources that we have requested are critical to my efforts to improve CBO's economic forecasts and revenue-estimating processes.

#### CHANGES SINCE TERRORIST ATTACKS

Senator CAMPBELL. It seems to me that almost every agency that we deal with has had some major changes since 9/11, kind of foisted on them, obviously, but CBO has a little bit more of a buffered existence. Have there been any major changes with your workload or internal agency changes since 9/11, as there has been with so many other agencies?

Mr. HOLTZ-EAKIN. Well, I can let Barry Anderson, who has actually been at the Congressional Budget Office during the entire period, respond to that most directly.

Mr. ANDERSON. The workload, no. I would have to say our workload is about the same. We have answered more requests, about, for example, the potential cost of the war in Iraq, and we also were called by the budget committees—and, in fact, volunteered to them right after 9/11—to talk about the potential economic damage that 9/11 could have caused for the economy. But that was a relatively small amount of work with respect to the entire workload. The budget process, Mr. Chairman, just seems to go on and on, ever more complex, but not much impacted by that.

With respect to the actual working conditions, though, it has, I would say, relatively dramatically affected the staff. First of all, it has affected them psychologically. The fact that we work on Capitol Hill—the fact that one of those planes could have been headed directly our way—has had a major impact. In the Ford House Office Building in which we are located, there is a day care center, and that really has had an impact, particularly right after the event.

Senator CAMPBELL. Is that day care center still there?

Mr. ANDERSON. It is still there, and there have been a number of security provisions implemented in the building and in the area around it that were not in effect on 9/11; and people see that, and they recognize that, and they act differently.

Second of all, right after 9/11, as you may recall, there was the anthrax, and we were out of our building for almost 3 weeks because of that, too. That dramatically changed our disaster recovery procedures. When that happened back in October of 2001, I think we had only three or four laptops in the agency. Now we have 60 or 70.

Senator CAMPBELL. Where were you working when you had to vacate your offices during the anthrax scare?

Mr. ANDERSON. We had six different locations. We went, hat in hand, to agencies, almost every one of which was very generous with us in giving us space.

Senator CAMPBELL. They were all downtown here somewhere?

Mr. ANDERSON. Some of them—the Library of Congress provided some; the Department of the Interior, NASA, International Trade provided some. OMB staff had a space that they had vacated, that they had reserved in case they had to vacate the Old Executive Office Building, an entire floor of 1800 G Street, and that provided the biggest amount of space. A third or more of our staff were there for several weeks. However, the space was one thing; the computers were another. And I would have to say, looking back, that is where we were least prepared. We were able, sort of by the skin of our teeth, to continue to provide services to the Congress during that time. Were that or anything like that to happen again, we would be so much better prepared now. It has drastically changed the way we think about things—backing up materials, backing up databases, being able to access materials off-site, those types of thing.

Senator CAMPBELL. Thank you. Senator Durbin.

#### RESOURCES TO IMPROVE BASELINE FORECASTING

Senator DURBIN. Thank you very much.

Mr. Holtz-Eakin, may I ask you, in your statement, you said that you are going to devote more resources to improving economic forecasts and projections of tax receipts. I would like to ask how much of that is just an effort to be more accurate and how much of that reflects this new philosophy of dynamic scoring, where we have to look at the world through different eyes than we have during the course of the history of the Republic?

Mr. HOLTZ-EAKIN. This really reflects an effort to be better in our baseline forecasting, independent of any issues associated with dynamic scoring. The revenue swings over the late 1990s and the most recent couple of years involve a nexus of macroeconomic per-

formance (a boom and a bust), financial performance (changing compensation patterns, movements toward more bonuses, options, profit-sharing plans), and integration of the receipts from the corporate and individual income taxes and from their respective alternative minimum taxes. This has presented a really difficult technical challenge in trying to anticipate receipts in each year. The request is meant to reflect our needs for specialists in those areas, including those visiting scholars who may bring to us some wisdom from the States that rely heavily on those kinds of receipts, California and New York.

Senator DURBIN. So virtually all the forecasters have been wrong pretty consistently. Has the CBO been more in error or less in error than most of the forecasters in the past few years?

Mr. HOLTZ-EAKIN. Although I have been here only 2 months, I can proudly say that the CBO's record is outstanding and that the agency has made smaller errors in absolute value than most forecasters.

#### STUDENT LOAN REPAYMENT PROGRAM

Senator DURBIN. So you do not think any restatement from CBO would call for—never mind. I will not go any further with that.

You talked a lot about the brain drain in Federal Government. This is not unique to your agency. In fact, Senator Voinovich, our colleague, has really focused on this as a major part of his Senate activity in the Government Affairs Committee, and you also noticed here a student loan repayment program, and I might say to the chairman, this is one of the things that came out of a year or two of my chairmanship of this, or my chairmanship of this subcommittee to try to retain and recruit very good people to Government service, where there are many disincentives. Student loan repayment turned out to be one of the incentives. Now, are you using that now? I see in your statement you refer to it.

Mr. HOLTZ-EAKIN. I want to thank you for your efforts. To walk into a situation where you have this kind of recruiting tool is a big advantage.

The repayment provisions have not yet been used. We have set up a program where individuals can get up to \$6,000 each year, a total of \$40,000. Should they accept this incentive, they would be required to stay at CBO 3 years; otherwise, they would have to pay it back.

During fiscal year 2002, we did not use that. We did not have a budget until late in the year, and it was not necessary to deploy the incentive. We have built into our 2004 request a larger use of the incentive. We are looking for the right opportunities in the recruiting process to deploy it in a way that enables us to take a relatively modest program at its outset and hire strategically, especially in the tough areas I mentioned.

Senator DURBIN. I thank you for that, and I think many of us are coming to learn, as we look at the debt that our kids are carrying out of college, that this is a new reality when it comes to job search, and if you do not deal with it, you are likely to be a victim of it, and I think it is good that we are starting to open our eyes to that.

Thank you very much, Mr. Chairman.



## SUBCOMMITTEE RECESS

Senator CAMPBELL. I want to thank our witnesses. You got done just in time. You heard the beepers. We are going to have to go vote. We will stand in recess until April 10 at 1:30, when we will take testimony from the Library of Congress.

Thank you so much for being here. The subcommittee is recessed.

[Whereupon, at 2 p.m., Thursday, March 27, the subcommittee was recessed, to reconvene at 1:30 p.m., Thursday, April 10.]



## **LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2004**

**THURSDAY, APRIL 10, 2003**

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

The subcommittee met at 1:29 p.m., in room SD-116, Dirksen Senate Office Building, Hon. Ben Nighthorse Campbell (chairman) presiding.

Present: Senators Campbell, Bennett, Stevens, and Durbin.

### **LIBRARY OF CONGRESS**

**STATEMENT OF DR. JAMES H. BILLINGTON, LIBRARIAN OF CONGRESS  
AND CHAIRMAN OF THE BOARD OF TRUSTEES FOR THE CENTER  
FOR RUSSIAN LEADERSHIP DEVELOPMENT**

#### **ACCOMPANIED BY:**

**GENERAL DONALD L. SCOTT, DEPUTY LIBRARIAN  
KENNETH E. LOPEZ, DIRECTOR OF SECURITY**

#### **OPENING STATEMENT OF SENATOR BEN NIGHTHORSE CAMPBELL**

Senator CAMPBELL. The subcommittee will come to order.

Senator Durbin is running a little late. He will be along in 10 or 15 minutes. But we will go ahead and start.

We meet today to hear from Dr. James Billington, the Librarian of Congress, on the fiscal year 2004 request for the Library of Congress. Dr. Billington is accompanied by Deputy Librarian General Donald Scott and a team of others.

I met both of you in my office. I appreciated that opportunity to talk to you.

The Library's request of \$540 million represents an increase of \$44 million over the current year and 124 additional staff. As I understand it, the budget request can be reduced by the amount of the funds provided in the pending fiscal year 2003 supplemental, a total of \$7.4 million. Major increases are requested for additional security measures, particularly new police officers, funds for the ongoing establishment of an audiovisual conservation center in Culpeper, Virginia, as well as routine increases in payroll and that needed for inflation.

Other areas of emphasis in your budget, Dr. Billington, is the alternate computing facility, which is to be operational this summer, continuing to reduce the backlog of uncataloged items in the Library and increasing the budget for the Veterans History Project, to name a few.

And with that, we will go ahead and start. If you would like to submit your complete testimony for the record, that will be included. And if you would like to diverge from that, that will be fine, too.

Excuse me. Before we start, I did not realize that Senator Stevens had come in.

Senator STEVENS. They were exposed to me yesterday at the Rules Committee, Mr. Chairman. So I am here to listen again.

Senator CAMPBELL. Okay. You have no statement, then, Senator?

Senator STEVENS. No, thank you.

Senator CAMPBELL. Okay. Why do we not go ahead and start?

#### EMERGENCY SUPPLEMENTAL APPROPRIATIONS

Dr. BILLINGTON. Thank you, Mr. Chairman. And thank you, also, for the committee's support of the supplemental appropriations request. If it is approved, the Library's next budget would be decreased to \$29.9 million, rather than \$44 million, which would be only a 5.5 percent increase. Most of that 5.5 percent, 79 percent, would be for mandatory pay and price level increases.

#### UPCOMING CHALLENGES

The Library is, in effect, in the process of superimposing a massive digital electronic library on what is already the world's largest traditional library of artifacts. For fiscal year 2004, we will face special challenges in implementing new security measures, a police force merger, and planning to replace the 42 percent of our current staff who will become eligible to retire in the next 5 years; also requiring and preparing this long-awaited, much-needed national audiovisual conservation center, most of which is coming to us through a very generous donation from the Packard Humanities Institute; and finally, acquiring, preserving, and ensuring rights-protected access to this explosion of materials that are produced in digital format, as well as the continuing pile-up of analog items, of which we add 10,000 a day.

The events of September 11, the constant threat of terrorism, war in Iraq, have greatly increased the importance of the Library's mission to gather and make accessible the world's knowledge for the Nation's good. We serve in many ways as the Nation's strategic information reserve. And we provide Congress with authentic information, principally through CRS, the Congressional Research Service, and the Law Library. Last year, CRS experts delivered over 800,000 responses to a wide variety of Congressional inquiries.

The unique global resources also play a special role. One of our Middle Eastern experts discovered and translated not so long ago a rare 1991 autobiography written by Osama bin Laden, which named some of his cohorts. The report was made available to the Congress and the Government agencies and is now available for research in our African and Middle Eastern reading room.

Another example, our Law Library, which has the largest collection of Afghanistan laws in the world, helped reassemble that country's laws, most of which were destroyed by the Taliban. The Law Library found a unique two-volume set of the laws that was unavailable elsewhere, reconstructed it. It has been distributed to 1,000 institutions in Afghanistan.

The final example of this kind is our Federal Research Division, which did a study on terrorism in 1999. It was commissioned by the National Intelligence Council. And 2 years before 9/11, the study noted that members of al Qaeda could conceivably crash an aircraft into the Pentagon, CIA Headquarters, or The White House. That report is now available on our website.

Our new national plan for digital preservation was approved by the Congress last December. And it establishes an approach for the capture and preservation of important websites, including those that are dealing with issues of urgent importance to the Congress. The average life span of a website today, Mr. Chairman, is 44 days. So we are taking the lead on acquiring and preserving this digital material and will be asking eventually to adapt the mandatory deposit requirement of the Copyright Act to the digital environment so we can more efficiently deposit online materials.

#### LIBRARY OF CONGRESS FUNDING PRIORITIES

Most of our requested increase, as I have said, is for mandatory pay and price increases. The Library does not seek support for any new functions. What we are simply doing is getting the adequate support for the resources needed to perform the historic service in a radically changed and increasingly changing environment. That involves improving physical security, support collections security and management, including the new center at Culpeper. It involves managing our growing collections and incorporating the rapidly changing technology into all our operations right across the board, supporting the Copyright Office's reengineering efforts, for instance, and enhancing access by the Congress to CRS products wherever and whenever the Congress needs, increased CRS research capacity to manipulate the large data sets upon which CRS analysts rely, and incentives to enhance staff retention.

We are requesting funding that will support 4,365 full-time equivalent positions, which is an increase of 124 FTEs. That number is still 184 fewer FTEs than we had in 1992 before the explosion of the Internet, before the great growth of collections and security measures that have been required in recent years.

So, Mr. Chairman and Senator Stevens, to whom we continue to be indebted in many ways in this institution, we thank you, especially for your support in recent years, but also for the Congress over 203 years. The Congress of the United States has been the greatest single patron of the Library in the history of the world. And it has created and sustained the largest repository of human knowledge. So we are deeply grateful for your confidence and support.

I would just point out a couple of items. This is the strategic plan that was sent to you separately. I testified this morning before Senator Lamar Alexander's committee on the use of the Library's collections by teachers and students in K through 12. There is a brochure here that may be of interest to you, which describes all of our online facilities and how they are being used educationally.

You also have a sample of different parts of the website. We also did a listing recently of services that we perform for the Congress, in addition to the ones you are familiar with in CRS, as well as potential ones that we could activate very rapidly should the Con-

gress want them. So you may have already received copies of this, but we will pass these over.

#### NEW WEBSITE

And finally, sir, we wanted to give you the first news of a new website that just went up today. It is celebrating the 100th anniversary of Harley-Davidson.

Dr. BILLINGTON. Hog Heaven——

Senator CAMPBELL. The Wright Brothers did a little something, too, in 1903, as you remember.

Dr. BILLINGTON. This celebrates 100 years, including images, posters, all of America's most recognized motorcycle. And I brought three special examples from the new web presentation, which we thought you might like to have in larger scale.

The first is a photograph from our prints and photographs collection of somebody with one of the early motorcycles in 1910. This one is the 1915 Harley-Davidson advertisement in *Motorcycle Illustrated*. You could buy a motorcycle for \$275 back in those days.

Senator CAMPBELL. I got my oil changed the other day, and it cost that much.

"HD" stands for hundreds of dollars, by the way.

Dr. BILLINGTON. Finally, from the Motion Picture, Broadcasting and Recorded Sound we have Jayne Mansfield with her Harley in "Miss Traffic Stopper of 1962."

Senator CAMPBELL. I will keep that one.

Well, thank you. Somebody must have told you how to get my attention.

Dr. BILLINGTON. Thank you.

Senator CAMPBELL. Did General Scott have any additional comments for this?

General SCOTT. Yes, sir, I do.

Senator CAMPBELL. All right. I have some questions I would like to ask. But I would also like to note with interest the former chairman, Senator Bennett, is here. And if Senator Bennett or Senator Stevens either has a statement, why, if they would like to proceed.

Senator BENNETT. No, sir, Mr. Chairman. We are just admiring the expert way in which you are handling——

Senator CAMPBELL. You mean the way Dr. Billington is handling me.

Senator STEVENS. It was Harley-Davidson that the rich folk bought. There was another one. It was called the JD, the Junior Davis. Did you know about the Junior Davis?

Dr. BILLINGTON. Well, that looks like it will have to be another website.

Senator STEVENS. JD. They were, what, 80 horsepower?

Senator CAMPBELL. Yes, they were small.

[The statements follow:]

#### PREPARED STATEMENTS OF JAMES H. BILLINGTON

I appreciate the opportunity to discuss the Library of Congress budget request for fiscal year 2004. The Congress of the United States has created the largest repository of human knowledge in the history of the world and has preserved the mint record of American intellectual creativity. The Library's mission of making its resources available and useful to the Congress and the American people and sus-

taining and preserving a universal collection of knowledge and creativity for future generations is more important than ever in today's environment.

The Library is supporting the war effort by making available to the Congress information resources that continue to gain in importance as a critical strategic asset as people are turning to on-line digital resources for more and more information, and Congress and the nation are using the Library of Congress's expanding digital resources at an ever-increasing rate. The Library processed more than two billion electronic transactions on our Web sites in fiscal year 2002, and that number seems likely to exceed three billion in fiscal year 2003. Technology has made it possible for the Library to extend its reach far beyond the walls of its buildings in Washington to every corner of the world.

Our founding fathers linked governance to learning, and legislation to libraries, from the first time the Continental Congress convened—in a room opposite a library—in Philadelphia on Monday, September 5, 1774. Article I, Section 8 of the Constitution was designed to promote “the progress of science and useful arts.” The first joint committee of the Congress in the new capital of Washington, D.C., was created for its library. Congress created the world's first nationwide network of library-based higher educational institutions in 1862 when the Morrill Act built land grant universities—underscoring the basic Jeffersonian belief that democracy, to be dynamic, had to be based on more people using knowledge in more ways.

The Library of Congress is uniquely positioned to support the work of the Congress and the creative dynamism of America in the early 21st century. Three central features of the Library point the way.

- The Library of Congress (through its Congressional Research Service and Law Library) provides the principal research support for the Congress. The Library also serves the American people, along with other institutions, as a source of knowledge navigation for the increasingly chaotic profusion of information and knowledge flooding the Internet.
- The Congress's Library is America's strategic reserve of the world's knowledge and information. With more than 126 million items in its collections, the Library is the only institution in the world that comes anywhere close to acquiring everything important for America (except for medicine and agriculture, which have their own national libraries) in whatever language and format it is produced. The Library's unique web of international exchanges, and of overseas procurement offices (Islamabad, Cairo, Jakarta, New Delhi, Nairobi, and Rio de Janeiro), together with purchases and its U.S. copyright deposits, generate an estimated inflow of 22,000 items a day, of which we retain 10,000.
- The Congress's Library is the central hub of two important knowledge networks: America's national network of libraries and other repositories, and an international network of major libraries. The Library of Congress is recognized as a leading provider of free, high-quality content on the Internet. Just as the Congress endorsed the Library of Congress providing other libraries its cataloging data for print material in the early 20th century, so it has now mandated its Library in the early 21st century to create the metadata and plan for a distributed national network for storing and making accessible digital material.

The Library is a knowledge center for accumulating information and helping distill it into scholarly knowledge and practical wisdom. We are constructing a national collaborative effort, at Congress's behest, to preserve digital materials for our national information reserve. The Library submitted a National Digital Information Infrastructure and Preservation Program (NDIIPP) plan to the Congress for establishing a national network of committed partners who will collaborate in a digital preservation architecture with defined roles and responsibilities. The plan was approved in December 2002, and the Library now plans to launch practical projects and research that will develop a national preservation infrastructure. Funding for the NDIIPP plan has already been appropriated by the Congress. Most of it will require matching private sector contributions.

Thanks to the continuing support of the Congress, its Library is in a position both to sustain its historical mission in the new arena of electronic information and to make major new contributions to the global and domestic needs of the United States in an increasingly competitive and dangerous world. In the new networked world, the Library must combine leadership functions that only it can perform with catalytic activities relying on new, networked partnerships with both other nonprofit repositories and the productive private sector. The Library will need the staff, the structures, and the focus to perform only those roles that are central to its mission and which it is uniquely equipped to perform. To do so the Library must sustain most of its present operations but at the same time face three major changes that will reach across all aspects of the Library in the next decade.

- The Library's marvelous workforce must to a large extent be retrained or renewed. Facing a disproportionately large number of experienced personnel at or nearing retirement age, we must create a workforce that will in the aggregate provide an even greater diversity of both backgrounds and technical skills. The staff for the 21st century must include highly skilled and well-trained experts in both new technologies and the traditional scholarly and substantive subjects required by the richness and variety of the collections. This personnel need is, in many ways, the most important single requirement the Library will face in the next decade.
- The Library will have to create new structures, both technical and human, of sufficient flexibility to enable the Library to deal with the fast-moving ever-changing electronic universe, and to integrate digital materials seamlessly into the massive analog collections of the Library. These structures must be set up in such a way that they can work effectively in an increasingly distributed and networked environment, and simultaneously guarantee fast and full global coverage for the Congress. The Library has been largely able to provide information in the analog universe; but it may have to share this responsibility with others in the digital network if they can guarantee quick responses to Congressional and CRS requests.
- The Library must concentrate more of its overall energies and talents on developing the deep substantive scholarly expertise that will enable the staff to navigate, authenticate, and analyze knowledge for the Congress and the nation. It will be important in the future not only to provide access to the Library's collections, but to extend and deepen the objective guidance that both the Congress and the scholarly world will need in confronting the inundation of unfiltered electronic information.

For fiscal year 2004, the Library continues to face daunting challenges in: (1) implementing security measures and a police force merger; (2) acquiring, preserving, and storing—and ensuring rights-protected access to—the proliferating materials that are produced in both analog and digital formats; (3) planning to replace the 42 percent of our current staff who will become eligible to retire between now and the end of fiscal year 2008; and (4) changing the Library's operations by incorporating constantly evolving methods for communicating information.

The Library's budget request is driven primarily by our mission to acquire, process, make accessible, and store some three million new artifactual items annually, while at the same time harvesting the exponential growth of electronic materials. Additional fiscal year 2004 budget resources are needed mainly for managing our growing collections, incorporating rapidly changing technology into our operations, and covering mandatory pay raises and unavoidable price increases. The Library seeks support in its fiscal year 2004 budget request not for any new functions, but simply for the resources needed to perform our historic service in a radically changing environment.

To meet these challenges, the Library requests additional fiscal year 2004 budget funds to improve physical security and support collections security and management (including the construction of the National Audio-Visual Conservation Center at Culpeper, Va.); to support the Copyright Office's reengineering efforts; and to enhance access to Congressional Research Service (CRS) products and increase CRS research capacity in critical areas.

For fiscal year 2004, the Library of Congress requests a total budget of \$576.6 million (\$540.1 million in net appropriations and \$36.5 million in authority to use receipts), a net increase of \$44.5 million above the fiscal year 2003 level. The requested increase includes \$23.6 million for mandatory pay and price-level increases, and \$48.3 million for program increases, offset by \$27.4 million for nonrecurring costs. The Library's fiscal year 2004 budget request is a net increase of 8.4 percent above fiscal year 2003.

Requested funding will support 4,365 full-time-equivalent (FTE) positions, an increase of 124 FTEs over the fiscal year 2003 target of 4,241. The Library is assuming staffing at the fiscal year 2003 target level and requesting the additional FTEs largely to implement security standards and to support the Library's massive artifactual collections.

The fiscal year 2004 budget increase is needed to fund the following major initiatives (which I will address in detail later in this statement):

- Physical Security (\$17.5 million and 62 FTEs).*—Additional police are required to staff new posts and implement Capitol Hill security standards. Funding is also required to implement the new alternative computer facility, a new public address system, and enhanced emergency preparedness procedures.
- Collections Security and Management (\$14.1 million and 30 FTEs).*—The National Audio-Visual Conservation Center (NAVCC) at Culpeper, Va., will enable



the Library to redress significant limitations in its ability to store, secure, preserve, and provide access to more than 900,000 films and 2.6 million audio materials. The NAVCC will be constructed in two phases: in 2004, storage building and infrastructure; and in 2005, processing building and nitrate storage. Additional NAVCC funding of \$11.1 million and 8 FTEs is required in fiscal year 2004 to maintain the construction schedule. It is essential to demonstrate this level of public support if we are to secure the unprecedentedly large private-sector support that we expect to receive when this facility is conveyed to the U.S. Government. The Library also requires \$3 million and 22 temporary FTEs to improve the collections security and management of its other vast collections, including reducing the arrearage of unprocessed items.

—*Copyright Office (\$7.8 million).*—Funding is required to restore the one-time \$5.7 million fiscal year 2003 base reduction resulting from the availability of fiscal year 2002 supplemental no-year funding, and \$2.1 million is required to support the ongoing reengineering project.

—*Congressional Research Service (\$2.7 million).*—The Congress must have uninterrupted access to the policy expertise and information resources needed to address key public policy issues. CRS is requesting additional resources to ensure continuity of business operations, to enhance capacity for database management, and to reform workforce practices that add incentives to encourage staff retention, which in turn will enhance the quality, access, and timeliness of its Congressional research and information services.

—*Other Core Programs and Mandated Projects (\$6.2 million and 28 FTEs).*—Several of the Library's core programs require additional resources, including the mass deacidification program, the Integrated Library System, the Law Library acquisitions program, the talking books program, the Office of Inspector General, and the Library's space management program. In addition, several congressionally mandated programs require the resources adequate to accomplish their assigned missions: the Veterans History Project; the Meeting of Frontiers program, the National Film Preservation Foundation, and the retail sales program.

Concurrent with the submission of this budget request, the Library has submitted an fiscal year 2003 supplemental appropriations request of \$7.4 million for two physical security items that are included in our fiscal year 2004 physical security budget request of \$17.5 million. If approved, the two items would immediately support our emergency management program and alternative computer facility, and the Library's fiscal year 2004 budget request could be reduced by \$7.4 million.

#### THE LIBRARY OF CONGRESS TODAY

The core of the Library is its incomparable collections and the specialists who interpret and share them. The Library's 126 million items include almost all languages and media through which knowledge and creativity are preserved and communicated.

The Library has more than 28 million items in its print collections, including 5,706 volumes printed before the year 1500; 12.3 million photographs; 4.9 million maps; 2.6 million audio recordings; 900,000 motion pictures, including the earliest movies ever made; 5.1 million pieces of music; and 56.1 million pages of personal papers and manuscripts, including those of 23 U.S. Presidents, as well as hundreds of thousands of scientific and government documents.

New treasures are added each year. Notable acquisitions during fiscal year 2002 include: one of the earliest maps to identify the United States as an independent country (*Carte des Etats De L'Amerique Suivant le Traite de paix de 1783, Dediee et presentee a s. Excellence Mr. Benjamin Franklin*), with extensive marginal text reporting the military events of the American Revolution; the comprehensive papers of Jackie Robinson, including more than 7,000 items on all aspects of his life; 26 rare Afghan monographs smuggled out of Afghanistan during the Taliban era; 67 North Korean movies and additional North Korean videos; and the Prelinger Collection of more than 48,000 historical motion pictures, which brings together a variety of American ephemeral advertising, educational, industrial, amateur, and documentary films of everyday life, culture, and industry in 20th century America.

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

Every year the Library delivers more than 800,000 research responses and services to the Congress, registers more than 520,000 copyright claims, and circulates

more than 23 million audio and braille books and magazines free of charge to blind and physically handicapped individuals all across America. The Library annually catalogs more than 300,000 books and serials, providing its bibliographic records inexpensively to the nation's libraries, thus saving them millions of dollars annually.

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

#### FISCAL YEAR 2002 ACCOMPLISHMENTS

Fiscal year 2002 was an exciting year for the Library of Congress. Major achievements include the completion of the congressionally mandated National Digital Information Infrastructure and Preservation Program plan; the addition of 14 new multimedia historical collections to the American Memory Web site, increasing to more than 7.8 million the number of items freely available on-line; responding to the September 11th terrorist attack and subsequent anthrax incidents by providing focused research support for the Congress on terrorism and homeland security and by acquiring and preserving historically significant items for a worldwide record of the events and their aftermath; improving the security of the Library's people, collections, and buildings; reducing the Library's arrearage of uncataloged collections by more than one million items; and recording more than 2 billion electronic transactions on the Library's Internet Web sites.

#### PHYSICAL SECURITY

The Library is requesting a \$17.5 million and 62-FTE increase to support improved security of the Library's people, collections, and buildings. Components of the increase are:

- Police Staffing.*—The Library is requesting \$4.8 million and 54 FTEs as the first increment of increasing the Library's police force by 108 FTEs, including four support personnel. The increase in police staffing cannot wait until the merger with the Capitol Police is completed. Enhanced security and new posts require more police to ensure that all building entrances are staffed at the standard level, that new and enhanced exterior posts are staffed, and that overtime is not excessive.
- Alternative Computer Facility (ACF).*—The Library is requesting \$2,759,000 and 2 FTEs for ongoing operational costs of the ACF, including hardware and software maintenance and networking and telecommunications costs. In addition, \$1,863,000 is required for CRS to implement its portion of the ACF, including the purchase of hardware, software, and contract staff to plan, design, and establish data linkages with the Library's Capitol Hill computer center and to reprogram its request tracking system. The Library's computer operations remain vulnerable to a Capitol Hill disaster until the ACF is brought on-line.
- Public Address System.*—To provide effective communications for all emergency situations, the Library is requesting \$5.5 million to implement a public address system for its three Capitol Hill buildings and for the special facilities center. The current inadequate public address system is built into the existing fire alarm system, maintained by the Architect of the Capitol (AOC). While improvements to the fire alarm system are being considered; by 2007, the proposed upgrades would not meet the Library's current operational requirements. These include: communicating effectively in emergency and non-emergency situations; reaching all areas throughout the Library buildings; providing accurate and timely information; advising staff appropriately to mitigate risk and potential loss of life; and evacuating buildings expeditiously and in an orderly manner. To protect its staff and visitors in today's uncertain environment, the Library needs these improvements now.
- Security Enhancement Plan Additional Requirements.*—The Capitol Hill security enhancement implementation plan approved by the Congress in 1999 called for the consolidation of the Library's two police command centers, the installation of a new intrusion detection system, and improved police communications. The Library is requesting \$2.1 million and one FTE to meet additional requirements associated with these tasks, including \$1 million for additional card readers and door alarms.
- Emergency Management.*—The Library is requesting \$511,000 and 5 FTEs to establish an Office of Emergency Management and create a medical emergency

coordinator position. The part-time collateral duty for the Library's existing staff who perform emergency management responsibilities is inadequate for today's challenges. The office would coordinate emergency planning, training, and operations (response and recovery). The medical emergency coordinator would provide research, analysis, and interpretation of medical issues. Funding the Library's security request will enhance the Library's ability to protect its priceless staff and collections and lessen the vulnerability of the entire Capitol Hill complex by making the Library's security more compatible with that of the complex as a whole.

#### COLLECTIONS SECURITY AND MANAGEMENT

A total of \$14.1 million and 30 FTEs is requested for the preservation, security, and management of the Library's collections. Funding is requested for the following:

- \$11 million for the National Audio-Visual Conservation Center.*—The National Audio-Visual Conservation Center (NAVCC) located in Culpeper, Va., will be a world-class, state-of-the-art conservation center that will, for the first time, consolidate and integrate the Library's Motion Picture, Broadcasting, Recorded Sound Division (MBRS) administrative, acquisitions, processing, storage, preservation, laboratory transfer, and reformatting activities in one central facility. Audiovisual materials contain an ever-increasing percentage of the historical record. Principally funded by what will be the largest private gift in the history of the Library, it is essential at this stage to demonstrate Congressional sustaining support for this largely privately funded public resource. The NAVCC will enable the Library to redress significant limitations in its current ability to store, preserve and provide access to its moving image and recorded sound collections in the following ways:
  - Collections Storage.*—The Library's moving image and sound collections are currently housed in storage facilities in four states and the District of Columbia. When the NAVCC is opened, the Library for the first time will be able to consolidate all its collections in a single, centralized storage facility that provides space sufficient to house projected collections growth for 25 years beyond the NAVCC move-in date.
  - Preservation Reformatting.*—The NAVCC Film and Sound & Video Preservation Laboratories are being designed to increase significantly the number of items preserved for all types of audiovisual formats. Without the NAVCC, the Library's current preservation rate would result in the preservation of only 5 percent of its total endangered sound and video materials by the year 2015. By contrast, we project that the new NAVCC laboratories will enable us to preserve more than 50 percent of these endangered collections in the same 10-year period after move-in.
  - Digital Repository and Access.*—The NAVCC will also include a Digital Audio-Visual Preservation System that will preserve and provide research access to both newly acquired born-digital content, as well as analog legacy formats. This new system is contributing to the Library's overall development of a digital content repository and uses a new paradigm of producing and managing computer-based digital data.

The bulk of the \$11 million fiscal year 2004 NAVCC budget request is for collections storage shelving. This includes \$3.6 million for high-density mobile shelving that will be used to fill the large vault rooms in the main collections building and \$4.1 million for special shelving to outfit the more than 120 smaller vaults that will be separately constructed and dedicated to the storage of nitrate motion picture film. The shelving will maximize storage capacity for the many moving image and recorded sound formats held by the MBRS Division. The fiscal year 2004 request also includes \$1 million for telecommunications equipment and cabling; \$1,285,000 and 6 FTEs for digital preservation; \$694,000 for security equipment; and \$240,000 and 2 FTEs for administrative support. Collections shelving, security equipment, and telecommunications cabling and equipment (regular Library operational costs) are required to maintain the schedule for implementing this critical facility, which will ultimately hold more than 900,000 films and 2.6 million audio materials. The facility will be constructed in two phases: in 2004, non-nitrate storage building; in 2005, processing building and nitrate storage. Funding this year is critical to meeting this construction schedule as well as helping to finalize the private-sector investment in this facility, which is estimated to exceed \$120 million. The AOC contribution of \$16.5 million for the acquisition of the facility has already been appropriated, but the AOC requires \$1.3 million in additional fiscal year 2004 resources for operations and maintenance of the facility.

- \$1,900,000 to secure the collections by improved inventory management.*—The Library's collections security plan requires tracking incoming materials using the Library of Congress Integrated Library System (LC ILS). The Library has embarked upon a multiyear program to enhance the accountability of collections serials and several special-format collections. Additional contract resources are requested to check in serial issues as they are received, create item records for serials as individual issues are bound, barcode and link each self-contained serial volume and incoming non-rare monographs, and convert 10,000 Japanese, Chinese, and Korean serial titles from manual files to the LC ILS. Using the LC ILS, the Library also proposes to use contract resources to: establish on-line records for 2,500 American Folklife Center ethnographic collections; achieve effective tracking, circulation, and inventory control for the 850,000 items in the collections of the Rare Book and Special Collections Division; and prepare holdings records for nearly 250,000 manuscript boxes in the Manuscript Division.
- \$1,157,000 and 22 FTEs to reduce the Acquisitions Directorate arrearage.*—The Library has not received a sizable infusion of new staff to help meet its obligation to reduce the arrearage for more than a decade. The current level of staffing will not permit the Library to meet the congressionally mandated arrearage reduction goals for fiscal year 2004 and beyond. The Library is asking for a three-year extension in meeting its non-rare print and non-print arrearage targets, along with the temporary staff needed to meet the targets within the revised time frame.

#### COPYRIGHT OFFICE

The Library's Copyright Office promotes creativity and effective copyright protection, annually processing more than 520,000 claims. Each year, the office transfers about 900,000 works, with an estimated value of more than \$30 million, to the permanent collections of the Library. The office also records more than 10,000 documents referring to approximately 250,000 titles and responds to more than 360,000 requests for information a year.

In fiscal year 2002, the Copyright Office was provided \$7.5 million in supplemental appropriations to cover potential receipt shortfalls due to the disruption of U.S. mail delivery following the anthrax incidents. Once all the mail was processed, at the end of fiscal year 2002, \$5.6 million of the supplemental appropriations remained available and was subsequently used to offset the fiscal year 2003 appropriation, requiring the Copyright Office to use its remaining no-year funds for basic operations in fiscal year 2003. For fiscal year 2004, restoration of the funds is needed to support the Copyright Office's operations. The Library also requests \$2.1 million to keep the Copyright Office's re-engineering project on schedule, which is critical to meeting its mission in the digital age. The Copyright Office must replace outdated information systems that have evolved over the past 20 years with modern technology that promotes the use of electronically received applications and works. The Register of Copyrights will provide more details about this critical project in her statement.

#### CONGRESSIONAL RESEARCH SERVICE

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

In addition to funding for the CRS portion of the ACF, CRS is requesting additional resources in three areas: (1) \$1,460,000 to develop technical solutions that ensure that the Service's materials are available to the Congress whenever and wherever they may be required; (2) \$759,000 to add specialized technical capacity for database management activities; and (3) \$535,000 for incentives that encourage staff retention. The resources respond to the Congressional mandate and will enhance CRS effectiveness and efficiency through improved business processes and updated workforce policies. The CRS Director will provide more details of the request in his statement.

#### OTHER CORE PROGRAMS AND MANDATED PROJECTS

The Library is requesting a total increase of \$5.2 million and 28 FTEs for core programs and projects and for congressionally mandated projects. Components of the increase are:

### *Core Programs*

*Mass Deacidification.*—The Library requests \$919,000 to support the fourth of five increments required in our 30-year (one generation) mass deacidification program. The Congress approved the first three increments of this critical preservation program, and the Library requests a planned increase of \$919,000 to continue to scale up to \$5.7 million by fiscal year 2005. By 2005, the Library plans to have reached the capacity to deacidify 300,000 books and 1,000,000 manuscripts annually.

*Law Library Purchase of Materials.*—The Library is requesting \$360,000 to increase the fiscal year 2003 budget of \$1.5 million for purchasing law materials above the normal inflationary increase. The current base is not sufficient to acquire a comprehensive collection to support the Congress, and as a result, the Law Library is no longer able to respond quickly to key Congressional questions on issues such as anti-terrorism, foreign taxation, international criminal court, etc.

*Library of Congress Integrated Library System.*—The Library is requesting a total fiscal year 2004 budget of \$1,289,000 for the LC ILS, an increase of \$384,000. The increase would support implementation of this mission-critical system for collections control and security, including additional bar code scanners and printers.

*Space Moves.*—The Library is requesting \$1.3 million for contract services to expand our capacity to handle space moves within the Library's three Capitol Hill buildings. As the Library re-engineers its business processes, additional capacity is required to make space changes to facilitate the new work flows. This additional capacity would enable the Library to avoid serious delays in the implementation of space improvements, which reduce the effectiveness and efficiency of operations.

*Inspector General Computer Security Audits.*—The Office of the Inspector General (OIG) is requesting an increase of \$200,000 and 2 FTEs to ensure that agency-wide and system-level information technology security reviews covering operational and technical controls, policy, and management are performed. The new auditors are required to address the Library's longstanding weaknesses in information technology security.

### *Congressionally Mandated Projects*

*Veterans History Project (VHP).*—In fiscal year 2003, the Congress approved \$476,000 and 6 FTEs for this massive project. The overwhelming nationwide reaction to this popular program has exceeded our expectations, and the Library requests an additional \$579,000 and 7 FTEs to respond to the demands of this mandated program for interviews of a potential veteran population of 18 million.

*Meeting of Frontiers.*—In fiscal year 1999, the Congress appropriated \$2 million to digitize and place on-line materials from both Russia and United States to tell the story of the American exploration and settlement of the West, the parallel Russian exploration and settlement of Siberia and the Far East, and the meeting of the Russian-American frontier in Alaska and the Pacific Northwest. To date, the Web site for the project includes about 100,000 images. The Library is requesting \$375,000 and 3 FTEs to continue the project in fiscal year 2004, including digitizing more items and continuing and promoting the educational use of the materials in both countries.

*National Film Preservation Foundation.*—Authorization for the National Film Preservation Board and the National Film Preservation Foundation expires on October 11, 2003. As part of the reauthorization legislation for the film foundation, the Library is seeking to increase the government's matching contributions from \$250,000 to \$500,000. The film foundation has a proven track record of preserving our film heritage through matching private-sector grants, which is a cost-effective way to address this critical need. The foundation has supported a large number of small preservation centers all across America.

*Retail Sales Programs.*—The Library requests \$715,000 and 5 FTEs to provide capital for the retail sales program, including the Sales Shop and the Photoduplication Service. The added funding would support additional e-commerce and marketing efforts designed to generate profits from the Library's retail sales program, which would be used to benefit the Library's core programs. Without an initial infusion of capital, the Library will be able to implement only incremental improvements toward making these programs into profit centers that can support other Library activities.

### NATIONAL LIBRARY SERVICE FOR THE BLIND AND PHYSICALLY HANDICAPPED

The Library administers a free national library program of braille and recorded materials for blind and physically handicapped persons through its National Library Service for the Blind and Physically Handicapped (NLS). Under a special provision of the U.S. copyright law and with the permission of authors and publishers of

works not covered by the provision, NLS selects and produces full-length books and magazines in braille and on recorded disc and cassette. The Library distributes reading materials to a cooperating network of regional and subregional (local, non-federal) libraries, where they are circulated to eligible borrowers. Reading materials and playback machines are sent to borrowers and returned to libraries by postage-free mail. Established by an act of Congress in 1931 to serve blind adults, the NLS program was expanded in 1952 to include children, in 1962 to provide music materials, and in 1966 to include individuals with other physical impairments that prevent the reading of standard print.

The fiscal year 2004 budget maintains program services by funding mandatory pay and price-level increases totaling \$1,068,000 and restores a \$1 million one-time base reduction for purchase of talking book machines, which is offset by a \$1 million decrease for a one-time payment to the National Federation of the Blind. Restoring the one-time base cut and funding the fiscal year 2004 increase is necessary to ensure that all eligible individuals are provided appropriate reading materials and to maintain a level of sound reproduction machines able to satisfy basic users' requirements without delays. The budget continues to support the exploration of alternative digital technologies, which will ultimately lead to a new delivery system to replace the current analog cassette tape technology.

#### LIBRARY BUILDINGS AND GROUNDS

The AOC is responsible for the structural and mechanical care and maintenance of the Library's buildings and grounds. In coordination with the Library, the AOC has requested a fiscal year 2004 budget of \$47.1 million, an increase of \$9.8 million. The AOC budget includes funding totaling \$4.2 million in appropriations for four projects that were requested by the Library.

As mentioned earlier in this statement, the National Audio-Visual Conservation Center in Culpeper, Va., is being constructed, and the AOC requires operations and maintenance funding of \$1,263,000 during fiscal year 2004 to support this critical project. Assurance of the government support is critical in leveraging the far larger amount (which has now increased to well over 75 percent of the total) that we are raising privately for this project.

The three other Library-requested projects support the security of the Library's collections, the design of a logistics warehouse at Fort Meade, Maryland, and space modifications in the James Madison Building. Library-requested projects are prioritized based on critical need and in accordance with both the security needs and the strategic plan of the Library. I urge the committee to support the Architect's Library Buildings and Grounds budget, which is critical to the Library's mission.

#### AUTOMATED HIRING SYSTEM

Fiscal year 2002 was the first full year of operation for a new hiring process that was implemented to resolve outstanding motions pending in the Federal District Court related to the Library's hiring and selection procedures for professional, administrative, and supervisory technical positions. As I reported last year, the Library encountered implementation problems associated with the new hiring process, including a new automated hiring system. I am pleased to report that significant progress has been made. Managers made 300 professional, administrative, and supervisory technical competitive selections in fiscal year 2002 using the new process. This compares favorably with 187 such selections during fiscal year 2001 and a five-year average of 190 positions during the period of fiscal year 1996–2000. The new process is content-valid (i.e., a strong linkage exists among job requirements, application questions, and interview questions developed by subject matter experts), and the new process enables the Library to reach a wider applicant pool because of its on-line capabilities.

We are absolutely committed to a fair hiring system that meets both competitive selection requirements and timeliness goals.

#### FEDLINK PROGRAM

The Library's FEDLINK revolving fund program coordinates services and programs on behalf of federal libraries and information centers, including the purchase of library materials. The Faxon Company, a FEDLINK vendor that provides subscriptions to participating libraries, filed for Chapter 11 bankruptcy protection on January 27, 2002. As part of the bankruptcy case, the Library has established a claim of approximately \$2.5 million for unfilled orders for FEDLINK libraries.

Faxon and its bankrupt parent company, RoweCom, Inc., intend to submit a reorganization plan that calls for the purchase of their operations by EBSCO Industries

and the resumption of service to libraries. At the time of the preparation of this statement, the ultimate liability for the Library or the FEDLINK revolving fund customers is unknown, but the Library believes a substantial portion of the orders will be filled and the claim thereby satisfied. The Library will continue to update the committee on the status of this issue and any potential need for a deficiency supplemental for the FEDLINK revolving fund.

#### SUMMARY

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

Technology change and the growth of our collections will continue to drive our budget plans. The Congress deserves great credit for supporting all the work that the Library of Congress is doing to preserve and make accessible the nation's creative heritage and the world's knowledge. Consistently for 203 years, on a bipartisan basis, our national legislature has been the greatest single patron of a library in the history of the world. As the keeper of America's—and much of the world's—creative and intellectual achievements, the Library of Congress is keenly aware of the awesome responsibility it has been given as we embrace the wonders and opportunities of the digital age.

With Congressional support of our fiscal year 2004 budget, the Library of Congress will continue its dedicated service to the work of the Congress and to the creative life of the American people.

On behalf of the Library and all its staff, I thank the Committee for its support, and look forward to working for and with the Congress to acquire and transmit knowledge for America.

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#### CENTER FOR RUSSIAN LEADERSHIP DEVELOPMENT

Chairman Campbell, Senator Durbin and Members of the Subcommittee: The Open World Russian Leadership Program began as a pilot exchange program in the Library of Congress in 1999 (Public Law 106–31). The Open World Program is now conducted by an independent legislative branch entity, the Center for Russian Leadership Development—soon to be re-named the Open World Leadership Center. June 2003 marks the beginning of the fifth year of the program, which already has 6,265 alumni (as of April 1, 2003) from all 89 political units of the Russian Federation.

Funding for Open World in fiscal year 2003 was finalized only on February 20, 2003, in Public Law 108–7, which also authorized a number of significant changes. The program's scope was expanded to include the 11 remaining Freedom Support Act countries, as well as the three Baltic states. The Center's name will change on May 15th to the Open World Leadership Center to reflect this expanded mission. The scope of the Russian program has also been expanded to include cultural, as well as political, leaders. The Center's fiscal year 2004 request of \$14.8 million will allow the program to continue to operate in Russia, to maintain its efficient operations and low per capita outlay, and to develop pilot expansion programs in two to three countries of the former Soviet Union and the Baltics if Congress so authorizes after Open World pilots are undertaken in fiscal year 2003.

The Center's proposed expansion pilots must be approved by this subcommittee before being implemented. Let me outline for the members of the subcommittee the approach we are taking toward this planning and what we expect shortly to recommend to the Center's board and ultimately to you. The program expansion requires a number of steps before and after the subcommittee's approval:

- strategic assessment of U.S. foreign policy goals and objectives for each country, as well as an assessment of past and planned U.S. government aid;
- assessment of success factors, including the availability of appropriate nominating and host organizations, and logistical and language support;
- consultation with the Department of State and an assessment of the availability of assistance from the U.S. Embassy for each new pilot country;
- publication of grant hosting guidelines and review of submitted proposals;
- grant awards and program implementation, including travel logistics and visas;
- development of appropriate evaluation tools.

Once approval has been granted to proceed with expansion pilots, implementation will take a minimum of 16 weeks. Tightened visa regulations in almost all U.S. em-

bassies necessitate a lead time of 12 weeks, which takes into account the possible need for in-person interviews for a substantial number of delegates. We hope to have all travel for this year's exchanges completed by October 2003, although this target could change depending on when the pilots are approved. In our Russia program, we have already brought 357 participants this year through April 9, 2003.

Our implementation schedule will not allow the results of the pilots to be considered by this subcommittee before action is expected to be completed on the fiscal year 2004 budget. Because the Center's appropriation is made to its Treasury Department trust fund, funding is not restricted to fiscal year obligations. The Center proposes, therefore, to maintain a reserve of \$2 million to be available to fund additional countries. A total of 1,600 participants would be brought from the Russian Federation since the beginning of 2003; a total of 160 participants would be brought from expansion states with an evaluation mechanism sufficient to support a decision with regard to program continuation or further expansion. The Open World Program might serve as a useful model for programs to accompany significant U.S. aid to nations in support of democratic reforms and institutions. A draft timetable and assessment chart are included as Attachments A and B, respectively.

We are requesting \$14.8 million for fiscal year 2004, an increase of 14.8 percent over the fiscal year 2003 funding level in order to be able to expand the fiscal year 2003 pilot programs in as many as three new countries into more full-fledged programs. The decision on how many and which programs will be so developed will be based on our assessment of the successes of the pilots, and the need to maintain the hosting of Russian civic leaders at a level comparable to previous years. The fiscal year 2004 request is also premised on the continued and modest growth of the Russian Cultural Leaders program, another element of expansion mandated in the appropriations for fiscal year 2003.

#### *2002 Program Overview and Highlights*

In 2002 Open World welcomed its largest number of participants since the program's inception—2,531—more than ten times the number of participants in 2001, when the Center was being created as an independent entity, and a 58 percent increase over 2000. A fact sheet for the Open World Program is included as Attachment C, but let me highlight elements of the 2002 program.

- The program's reach in both the Russian Federation and the United States is broad and deep.

- We continue to find young leaders with increasingly significant political experience behind them: 50 percent are working in local, regional, and federal government entities; 21 percent, in education and the media (an area exploding in both number and diversity of outlets in Russia); 17 percent, in Russia's still nascent NGO sector.

- Home hosting in 2002 has been sustained for 85 percent of participants and the availability of new American host sites continues to expand each year.

A new theme-focused recruitment effort attracted a higher-caliber candidate and allowed host organizations and local host communities to develop programs with greater professional benefit for participants. This focus increased satisfaction with programs and built professional as well as personal ties across the two countries—creating in many cases ongoing links that expand the benefit of the 10-day intensive training program.

Eight themes were developed in collaboration with the U.S. Embassy in Moscow and with U.S. organizations and foundations working in Russia: rule of law, economic development, women as leaders, health, education reform, environment, federalism, and youth issues (including drug, alcohol, and HIV/AIDS intervention programs). Rule of law (17 percent) and women as leaders (14 percent) were among the largest theme-groupings.

- 2002 Participants represented 47 ethnic groups and 86 of 89 regions (total program representation now reaches 55 ethnic groups and 89 of 89 regions).

- Average age of delegates in 2002 was 38.

- The Center hosted 53 arriving groups (on unique travel dates) comprised of 464 delegations.

- Most groups arriving in Washington, D.C., received a political and cultural orientation at the Library of Congress.

- At the suggestion of our Board members and in recognition of the importance of including more of the Muslim population of Russia in Open World, we have made a significant effort to recruit participants from such traditionally Muslim regions as Adigei, Bashkortostan, Dagestan, Karachaevo-Cherkesskaia, and Tatarstan, and have selectively chosen delegates from Chechnia and Ingushetia. The proportion of Open World delegates who are Muslim reflects the percentage of Muslims in the Russian population, and Open World is prepared to increase



- its recruitment of this population if Members of Congress and our Board request such action.
- Women comprised 54 percent of the delegates, reflecting the addition of the “women as leaders” theme in 2002.
- Participants in 2002 were hosted in 372 communities in 48 states (including Alaska and Hawaii); overall Open World hosting has reached all 50 states.
- Colorado hosted 113 participants; Illinois, 168; Utah, 91; Alaska, 59; South Dakota, 24.
- Eighteen host organizations received grants in 2002 (eight organizations were first-time hosts, including the Alaska State Legislature. This is the first elected body to serve as a collective host. We hope to expand the model to other state legislatures as the significance of Russia’s regional legislatures grows).
- Grant applications to host in 2003 (with only civic guidelines posted) already total 23, with hosting capacity of over 4,200 participants—and with 10 organizations requesting to host for the first time.

#### *History*

The Open World Russian Leadership Program was initiated as a result of a discussion among key Members of Congress in April 1999 and launched six weeks later with press announcements in Washington and Moscow. The original sponsor of the legislation that created Open World (Public Law 106–31) was Senator Ted Stevens (R-Alaska), who now serves as Honorary Chair of the Center’s Board of Trustees. The program continued as a pilot at the Library of Congress until December 2000, when Congress created the independent Center for Russian Leadership Development (Public Law 106–554) and authorized the Library of Congress to continue housing the center and providing administrative support for its operations.

From its inception, Open World has enjoyed strong support from Members of Congress. Five members serve on its Board of Trustees (Attachment D). This year 34 Members of Congress and five justices of the Supreme Court welcomed Open World delegations, joined by 13 governors; 33 mayors of major cities; state legislators; and community and civic leaders in 48 states. At a time when the United States has an enhanced understanding of the value of public diplomacy, Open World stands as the largest “people-to-people” exchange since the establishment of the Fulbright-Hays Program and the Peace Corps.

The Open World Program was created in a few short weeks at a time when U.S.-Russian relations were at a particularly difficult point during the late spring of 1999. In the intervening years, relations between Russia and the United States improved, particularly after the tragic events of September 11, 2001.

Unfortunately, relations between Russia and the United States in April 2003 are again strained, and anti-American sentiment is again evident in Russia. The percentage of Russians holding unfavorable opinions of the United States has risen to a level roughly equivalent to opinion tracked during the NATO bombing of Yugoslavia in the spring of 1999 (Attachment E). At that time, Congress expressed its judgment on the importance of this country’s relations with Russia by appropriating funds for a new Russian Leadership Program—which the Library of Congress organized. We brought 1,975 young emerging political leaders from Russia to the United States for the first time for brief stays to observe America’s democracy and market economy firsthand. The participants were active leaders, not scholars; they stayed in homes, not hotels; they saw the United States with their own eyes and made their own judgments; they immersed themselves in a single community.

Open World participants are the leaders of a struggling but emerging democracy in all 89 regions of Russia—not just in Moscow with its veneer of fast food restaurants and American television and films. Open World participants stay in, and establish often continuing links with communities all over America—not just with New York and Washington. Thanks to Open World, there are now hundreds of cities and towns whose mayors, regional and city legislators, judges, prosecutors, educators, entrepreneurs, women leaders, and NGO leaders have been welcomed into American communities and homes. While here, these Russian leaders have observed and discussed jury trials, health care delivery, AIDS prevention, high school drug intervention programs, the nature of federalism in emerging democracies, and the financing and building of small and medium-sized businesses.

#### *Then and Now*

The Open World Program was initiated in 1999 and is even more important today—because cementing Russia’s engagement with the West is one of the most critical continuing challenges for American foreign policy. Russia has a geopolitical position bordering on many of the most potentially threatening regions in the world; and it has one of the world’s largest stores of weapons of mass destruction and of

untapped natural resources. It is aggressively trying to replace a long authoritarian tradition with a fragile democracy; and surprisingly few of its leaders have had any experience of how an open society operates.

The State Department—with whom we consult and work closely (the Open World Program is housed in the U.S. Embassy in Moscow) has testified this year that Russia is now well on its way in its transition to democratic governance and a market economy. Because Freedom Support Act assistance to Russia is being phased out over the next several years, in part to devote funding to Central Asia, the State Department is looking to other assistance and exchange programs, such as Open World, to continue to support fundamental change in Russia. It is clearly an important priority for the United States to engage in public diplomacy and provide increased aid to the states of Central Asia, which have understandably received greater attention since September 11, 2001. But the work of Russia's emerging and still struggling generation of future leaders is not over—it has scarcely begun. Opportunities to bring the next generation of Russian leaders—committed to democracy and real progress—remain strong.

U.S. visits offered by the Open World Program remain the single most important and cost-effective means of continuing a positive and productive Russian engagement with the United States whatever the fluctuations in our diplomatic relations. The program's home in the Legislative Branch secures not only the involvement of Members of Congress but a direct connection to the communities and states members represent—communities that host Russian Open World leaders in unprecedented numbers in American homes and that directly reflect American values and ideals.

A closer look at three program areas will help members of the subcommittee better appreciate its reach and impact in Russia:

#### *Rule of Law*

Since launching the Open World specialized rule of law program in 2001, the Center for Russian Leadership Development has quickly become one of the premier organizations working to support Russian jurists as they implement judicial reforms. In 2002, 213 Russian judges participated in Open World's specialized program in which five Supreme Court justices and two Supreme Commercial Court justices participated. Each delegation was hosted for a week in the court of a prominent U.S. federal or state judge, who planned and participated in the delegate's intensive agenda. In 2002, 42 U.S. judges hosted their Russian counterparts, and dozens more—including U.S. Supreme Court Chief Justice William H. Rehnquist and Associate Justices Sandra Day O'Connor, Anthony M. Kennedy, Ruth Bader Ginsburg, and Stephen G. Breyer—played an active role in the Russian jurists' professional programs.

Activities included observing court proceedings; shadowing American judges; visiting corrections facilities, police departments, and law schools; and participating in roundtables with judges and other legal professionals. Topics covered included judicial ethics and independence, court administration and security, case management and trial procedures. Several delegations also used their Open World visits to establish or strengthen sister-court relationships with their host courts. Participants were prepared for their community visits by a two-day orientation program in Washington, D.C., conducted by U.S. judges and judicial staff with the Administrative Office of the U.S. Courts and the Federal Judicial Center, the federal courts' research and education arm.

U.S. federal host judges were recruited by, and in many cases members of, the International Judicial Relations Committee of the U.S. Judicial Conference, the federal courts' policy-making body. State host judges were members of the Russian American Rule of Law Consortium, a network of partnerships among the legal communities of seven Russian regions and seven U.S. states.

Open World worked closely with the Russian Federation Council of Judges (the policy-making body for the country's all-federal courts of general jurisdiction) and the Supreme Commercial Court of the Russian Federation in selecting candidates for the program.

A special focus of this Open World rule of law programming in 2002 was jury-trial procedure. The jury-trial system, which was banned throughout the Soviet era, was reinstituted on a pilot basis in the early 1990s in nine Russian regions. The recent passage of President Putin's judicial reform package includes the nationwide expansion of jury trials for serious criminal cases. Judges, prosecutors, and defense attorneys throughout Russia must now quickly become familiar with jury procedures. In response, Open World 2002 included programming and hands-on exposure to observe how American-style jury trials are conducted for three delegations made up of teams of prosecuting attorneys, defense attorneys, and judges.

Open World 2002 included a new focus on legal education. Twenty-four deans and faculty of Russian law schools participated in visits hosted by Cleveland State University College of Law, George Washington University Law School, Rutgers Law School, University of the Pacific McGeorge School of Law, University of Maine School of Law, and Vermont Law School. Court administrators were also included in the Open World 2002 specialized rule of law programming, with one delegation participating in a court management program hosted by the National Center for State Courts in Arlington, Virginia, and in Portland, Oregon (where they attended the annual meeting of the National Association of Court Managers), and several more high-level court administrators joined other delegations.

#### *Women as Leaders*

The women as leaders theme was a major new focus for the 2002 Open World Program in recognition of the markedly increased role of women in the new generation of emerging Russian leaders. Aiming to promote the professional advancement of women in many fields, the women as leaders program gave 361 Russian women new leadership skills, resources, and training. The 2002 program targeted specific groups of women, including politicians; entrepreneurs; journalists; and activists addressing human trafficking and domestic violence. Many women were recommended by first-time Open World nominating organizations recruited to nominate for this new theme, such as the League of Women Voters, the Alliance of American and Russian Women, the Association of Women Journalists, and Russia's Ministry of Labor and Social Development.

During their U.S. visits, participants job shadowed their American counterparts, attended leadership training seminars, met with prominent researchers and specialists in their given fields, and visited women's organizations and other NGOs to learn new strategies for fundraising, membership, volunteer recruitment, and advocacy. For example, Vital Voices Global Partnership, which works to expand women's roles in politics, civil society, and business, conducted an effective training program for a group of thirteen Russian women working against the serious problem of human trafficking as researchers, counselors, activists, and NGO and government leaders. While in the United States, the Russian women not only learned about practical strategies to fight trafficking, they also built new partnerships with their American counterparts involved in this issue, as well as among themselves. The importance of creating a support network with other anti-trafficking advocates in Russia was summed up by one participant from a small city in Russia's Far East, who said, "I found out we are not alone. I'm from so far away, but there are so many of us."

#### *Election 2002*

The fall 2002 election cycle enabled the Open World Program to show delegates American democracy in action as part of the program's federalism and women as leaders themes. Delegations visited polling stations; met with candidates, campaign officials, and journalists; received demonstrations on voting technology; and observed candidates campaigning. To prepare these delegations, a special presentation on American elections and the media was given at the D.C. orientation session.

One such delegation included a department head from the Russian Federation Presidential Press Service and prominent women journalists. This delegation met with the White House Communications Director, attended a White House briefing, visited the Baltimore Sun, met with Maryland candidates and political campaign officials and attended election night receptions. The Alaska State Legislature hosted two delegations of regional legislators and elections officials from the Russian Far East for elections-related activities that included following candidates as they campaigned door-to-door and analyzing the election results with state legislators.

#### *Links to Open World Alumni*

Open World seeks to extend the value and significance of the brief U.S. visit for its 6,265 alumni with continuing links to American hosts and opportunities to meet and work collaboratively with other Open World alumni and alumni of other U.S. government-funded exchange programs. Open World made a commitment from its inception to track all program participants; ours is the single largest and most current database of such alumni in Russia. Because of the number of Open World alumni, their distribution throughout all regions, and our ability to locate them quickly through the database, U.S. government officials at the embassy, consulates, Regional Initiative offices, U.S. Foreign Commercial Service offices and other federal agencies meet and work regularly with them. Ambassador Vershbow recently met with our alumni in Perm and at American Corner openings in Arkhangelsk, Kaliningrad, Saratov, and Saint Petersburg.

Open World's alumni bulletins and English-Russian website provide the means for communication and enhanced professional opportunities. Alumni are eager to provide Open World with topical articles and to report on their projects. Privately-funded efforts in 2003 will expand opportunities for training, professional development, and communication. Particular efforts will be made to link Open World alumni with Muskie and FLEX alumni in order to increase and multiply the strong U.S.-Russian political and cultural ties these programs each embody.

Alumni are also contributing to local and regional newspapers, sharing their experiences and bringing a new perspective on America to local readers. In several cities alumni have organized thematic conferences upon their return to Russia. One such example was a conference on youth policy in America held in Barnaul on International Students' Day. Open World alumni explained how local government, the business community, and the nonprofit sector in the United States all work together to educate young people. Conference attendees received lists of American organizations eager to cooperate with them on youth issues. One of the youth leaders in Barnaul, Aleksey Ustiugov, said that "on Open World I was able to study all aspects of the U.S. educational system and establish relations with youth organizations. The program not only fosters mutual understanding, but also strengthens trust and friendship between our nations."

#### *Achievements and Goals*

Open World has engaged and connected American and Russian leaders and citizens at all levels of our political system in unprecedented numbers.

Open World has engaged Americans in more than 900 communities in all 50 states in public diplomacy. The United States has no finer advocates than our own citizens and community leaders who are actively involved in the public, private, and voluntary sectors.

Opportunities to host Open World participants have expanded each year in communities all over America. Interest in building mutual understanding has increased. Many communities have hosted every year since the program began and maintain strong ties to communities and colleagues in Russia.

The effectiveness of the Open World Program has been recognized by the Congress, which has now authorized new nation pilots beyond Russia.

Open World provides a new, cost-effective model for both encouraging democratic development abroad and encouraging citizen engagement in public diplomacy at home. This model can probably be expanded to many other nations.

Open World's visitors and hosts express best the program's focus and results:

#### *U.S. Ambassador to Russia Alexander Vershbow*

I would just like to thank Open World for giving Russians the chance to take part in these exchanges, which in turn help them transform the social and economic life of their regions, and this vast country as a whole. Your program touches the lives of individuals, but their good works in turn will affect and inspire an entire generation of Russians.

#### *Supreme Court Justice Sandra Day O'Connor*

Nothing holds more promise for achieving the long-term security and prosperity of the world community than the rule of law. Nations that adhere to the rule of law share certain common understandings that reach across cultural and political divides. The Open World Russian Leadership Program plays a vital role in this dynamic process.

#### *Judge Paul A. Magnuson, District of Minnesota*

Through this demanding program, Russian judges and legal personnel immerse themselves in the U.S. system of justice by partnering with a leading Federal or State judge and living as part of an American community. Besides the intensive study and knowledge gained relating to case management, scheduling, court administration, jury selection, plea agreements, pretrial detention procedures, the adversarial process, etc.—there are also profound lessons learned about American society, the esteemed position of Judges, and the principles of the rule of law. It is clear to me, that the judges and legal professionals participating in Open World are taking these lessons home with them and sharing them with their colleagues, multiplying many times the effectiveness of the Open World rule of law exchange program.

#### *Chairman of the Council of Judges of the Russian Federation and Supreme Court Justice Yuriy I. Sidorenko*

During the course of the visits, the Russian judges were successful in forming solid, fundamental, long-lasting, and fully productive relationships between the Rus-

sian and American judiciaries. The programs allowed the Russian judges to get acquainted with the system of justice in the United States and, because of this, they were able to further progressive legal reform in Russia. Last year's program provided us with a special opportunity to familiarize ourselves with the jury trial system in the United States, which, as is well known, is once again being introduced in Russia.

*Open World "Women as Leaders" Participant Irina Zamula, City of Ulan Ude, Buryat Republic, Aide to Russian State Duma Deputy*

The U.S. Library of Congress Open World program is unique. The program makes it possible to strengthen relations between our two countries at the level of interpersonal relations, and through contacts between ordinary citizens, who are able to see, hear and understand one another. The many meetings—gave us a lot. But the most important thing—they provided us the opportunity to change our stereotypical views toward American society.

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#### PREPARED STATEMENT OF MARYBETH PETERS, THE REGISTER OF COPYRIGHTS

Mr. Chairman and Members of the Subcommittee: Thank you for the opportunity to present the Copyright Office fiscal year 2004 budget request. This budget provides the resources for the Copyright Office to continue to play a leadership role in addressing, with the Congress, the increasingly important and complex copyright issues arising from the expanding use of digital technology and computer networks, and to fulfill the statutory responsibilities given the Copyright Office in our Nation's copyright law.

In my testimony last year, I urged action on a \$7.5 million supplemental appropriation request to offset a potential loss of receipts due to the anthrax-related disruption of U.S. Postal Service mail delivery on Capitol Hill. I begin my testimony this year by thanking the committee for approving that request. This funding enabled us to maintain our basic operations and ensured that we continued to meet public service requirements. We are very grateful that the committee recognized the need for this funding and acted so promptly to meet it.

The held mail began to arrive in late April and we made a concerted effort to process it, and the fees it contained, as quickly as possible. We met our goal of processing all of this held mail by September 30th. As a result, the Office only used \$1,850,000 by the end of fiscal year 2002, and \$5,650,000 of the supplemental funds remained available. The Office is now, as directed by Congress, using the remaining supplemental funds for basic operations in fiscal year 2003. Our fiscal year 2003 annual appropriation was reduced by the same amount. A principal part of the fiscal year 2004 request I put before you today is to restore this \$5,650,000 in base funding.

Our only program change request for fiscal year 2004 is for \$2,100,000 in new net appropriations and spending authority to build integrated information technology systems to support our reengineered Copyright Office business processes. The Office is designing these IT systems to improve our services to the public and to meet the demand for these services online. Copyright Office online services can be a major source for the deposit of digital works to the Library of Congress. The new net appropriation will be part of the \$4.61 million in fiscal year 2004 spending for IT systems analysis, design, and development. I will address our reengineering program in greater detail later in my testimony.

#### THE COPYRIGHT OFFICE MISSION

The Office's fiscal year 2004 budget request supports the Copyright Office's mission to promote creativity by administering and sustaining an effective national copyright system. The Office carries out the following functions:

- Administration of the United States Copyright Law.*—It processes claims for copyright registration, documents for recordation, and works deposited under the mandatory deposit provisions of the law. It creates public records of these actions and provides copies of deposited works for the Library's collections. For more than 130 years, copyright deposits have been a primary source of works for the Library, especially works by American authors. The Office also administers the law's compulsory licensing provisions, and convenes arbitration panels to determine royalty rates, terms and conditions of licenses, and the disposition of royalties.
- Policy Assistance, Regulatory Activities, and Litigation.*—The Office assists congressional committees in drafting and analyzing legislation relating to intellectual property; carries out important regulatory activities under the Digital Mil-

lennium Copyright Act; represents the U.S. Government at international meetings and diplomatic copyright conferences; advises the U.S. Trade Representative, the State Department, and the Commerce Department on domestic and international copyright laws; and assists the Courts and the Department of Justice in litigation involving copyright issues.

—*Public Information and Education.*—The Copyright Office provides information to the public about United States copyright and related laws and Copyright Office practices and procedures, and conducts searches, which may be certified, of the copyright records. The Office conducts outreach to inform the public discussion of copyright issues.

#### FISCAL YEAR 2004 BUDGET REQUEST SUMMARY

For fiscal year 2004, Offsetting Collections Authority remains at the same level as fiscal year 2003—\$23,321,000. This authority is based on projected annual fee receipts of \$21,500,000, and the use of \$1,821,000 from the Copyright Office no-year account.

The Copyright Office no-year account balance totaled \$3,850,000 as of September 30, 2002. In the current fiscal year the Office will use \$1,821,000 from the no-year account to partially fund the ongoing reengineering program. In fiscal year 2004, the Office proposes to continue using no-year account funds for the reengineering program: (1) \$1,441,000 to partially fund the IT improvements; and (2) \$380,000 to implement other aspects of reengineering. The use of the no-year funds will essentially deplete this account.

#### REVIEW OF COPYRIGHT OFFICE ACCOMPLISHMENTS AND FUTURE PLANS

I would like to briefly highlight some of the Office's current and past work, and our plans for fiscal year 2004.

##### *Policy and Legal Responsibilities*

The policy and regulatory work of the Copyright Office is largely dictated by the Congress, through responsibilities it gives the Office directly in the Copyright Act and through its setting of the legislative agenda in this area. Digital technology brings both opportunities and problems to the use of copyrighted works. Much is at stake in policy deliberations in this area—both in economic terms and in advancing education and learning. As such, our policy and regulatory work in this area is both increasingly technical and often contentious. The proceeding we completed last year on setting rates and terms for “webcasting” and the anticircumvention rulemaking now underway are illustrative of this trend.

On the legislative front, we are pleased that the Technology, Education and Copyright Harmonization (TEACH) Act was signed into law last year. The TEACH Act promotes digital distance education by implementing the recommendations made in my May 1999 report to Congress titled “Report on Copyright and Digital Distance Education.” At the request of the Senate Judiciary Committee, the Copyright Office played a key role in bringing about the compromise reflected in the legislation by facilitating negotiations between the affected parties.

We also worked closely with the Judiciary Committees of both houses on the issues raised by two 1999 rulings in which the Supreme Court determined that the doctrine of sovereign immunity prevents states from being held liable for damages for violations of the federal intellectual property laws even though states enjoy the full protection of those laws. Under current law, copyright owners are unable to obtain monetary relief under the copyright law against a state, state entity, or state employee unless the state waives its immunity. I testified on February 27, 2002, in support of S. 1611. At the request of the Judiciary Committees, the Office moderated negotiations between intellectual property owners and public universities over the proposed legislation, convening a series of meetings over a period of several weeks. Through this process, the affected parties were able to reach tentative agreement on some issues.

In a similar manner, over the past year we have advised Members and staff on important issues such as piracy in peer-to-peer networks and the protection of authentication measures affixed to or embedded in certain copyrighted works.

Congress is also continuing to study options for reform of the copyright arbitration royalty panel (CARP) system which the Office administers. CARPs are temporary panels composed of hired arbitrators who set or adjust royalty rates and terms of statutory licenses, and determine royalty distributions. These panels have been operating under the auspices of the Copyright Office and the Library of Congress since Congress eliminated the Copyright Royalty Tribunal (CRT) in 1993.

I testified at a June 13 hearing before the House Subcommittee on Courts, the Internet, and Intellectual Property to consider how effective the CARP process has been thus far and ways in which it can be improved. In that testimony, I reviewed the findings of a report on CARP reform that the Office had prepared in 1998 at the request of the Subcommittee, and I commented on the need to reform the CARP process. The Subcommittee held another hearing on this topic this month, and I provided testimony then as well. I would note that changes in the arbitration system could result in functions that are now funded from royalty pools being funded from appropriations. If reform legislation is enacted this session with new requirements, our fiscal year 2004 request would need to be adjusted accordingly.

As I mentioned, this past year we completed what was perhaps the most widely-noticed, and one of the most controversial, CARP proceedings the Office has ever undertaken. It involved setting rates and terms of payment for two statutory licenses that allow for the public performance of a sound recording by means of digital audio transmissions, "webcasting", and the making of ephemeral recordings in furtherance of these transmissions. Under CARP procedures, the panel proposes rates and terms and I make a recommendation to the Librarian on whether to accept these proposals, or to reject them if they are arbitrary or contrary to law. The Librarian, in a June 20 order, accepted my recommendation to halve the CARP-proposed rates applicable to Internet-only transmissions made by webcasters and commercial broadcasters, while accepting the CARP-proposed rates for Internet retransmissions of radio broadcasts made by these same services.

Later in the year, Congress passed into law the Small Webcaster Settlement Act. This Act declares that all payments to be made by non-commercial webcasters during the period of October 28, 1998 until May 31, 2003, which have not already been paid, shall not be due until June 20, 2003. With respect to small webcasters, SoundExchange was authorized to negotiate agreements with small webcasters; such agreements would cover the period from October 28, 1998 through December 31, 2004. Once the terms of such agreements were published by the Copyright Office in the Federal Register, they would be effective. The law required that the royalty payments in these agreements be based on a percentage of revenue or expenses, or both, and include a minimum fee. These terms would apply in lieu of the decision by the Librarian. To encourage agreements, payments of small webcasters would be delayed up to December 15, 2002, the date for any agreements to be concluded. An agreement was concluded on December 13 and published by the Office in the Federal Register of December 24, 2002.

The section 1201 anticircumvention rulemaking we are currently conducting is mandated by the Digital Millennium Copyright Act, which provides that the Librarian may exempt certain classes of works from the prohibition against circumvention of technological measures that control access to copyrighted works. The purpose of this proceeding is to determine whether there are particular classes of works as to which users are, or are likely to be, adversely affected in their ability to make non-infringing uses due to the prohibition on circumvention of access controls. The first anticircumvention rulemaking under the DMCA was completed in October 2000. The current rulemaking will conclude this October.

The Copyright Office continues to provide ongoing assistance to executive branch agencies on international matters, particularly the United States Trade Representative (USTR), the Patent and Trademark Office (PTO), and the Departments of State and Commerce. There is a full agenda of international intellectual property issues in international fora, such as those presented in free trade agreements, and bilateral negotiations.

Copyright Office staff were part of the U.S. delegation in the May 13-17, 2002, and November 4-8, 2002 meetings of the World Intellectual Property Organization (WIPO) Standing Committee on Copyright and Related Rights, which is considering among other things, a possible treaty on the protection of broadcasting organizations. In cooperation with the PTO, staff prepared a proposed treaty text that became the U.S. proposal and which differed in its scope from the proposals of others because of its inclusion of certain activities of webcasters.

Staff served as part of the U.S. delegation in the World Trade Organization (WTO) Council on TRIPS (trade-related aspects of intellectual property rights), which met in November 2001 and March, June, and September 2002. The TRIPS Council is responsible for monitoring the operation of the TRIPS Agreement, and, in particular, how members comply with their obligations under it. The Council reviews the intellectual property laws of member countries for compliance with TRIPS obligations.

Copyright Office staff were members of the U.S. delegation to the November 2001 and September 2002 meetings of the Intellectual Property Negotiating Group of the Free Trade Area of the Americas and were instrumental in preparations, including

the redrafting of U.S. treaty proposals. We also participated in the drafting and negotiation of the intellectual property provisions of bilateral Free Trade Agreements with Chile and Singapore, including the drafting of proposed text, and have also taken part in preliminary discussions concerning a possible bilateral agreement with Morocco and multilateral agreements with groups of nations in Central America and southern Africa.

As part of its responsibility to provide information and assistance to federal departments and agencies and the Judiciary on copyright matters, the Copyright Office has assisted the Department of Justice in a number of cases, most notably in defending the challenge to the Copyright Term Extension Act (CTEA), resulting in the recent decision by the Supreme Court in *Eldred v. Ashcroft* upholding to CTEA.

#### *Registration, Recordation and Cataloging Operations*

The Copyright Office registered and cataloged more than one-half million claims for copyrighted works during fiscal year 2002, despite the effects of anthrax incidents on Capitol Hill mail and the subsequent postal disruption which hampered the flow of claims into the Office. The Office received 526,138 claims to copyright covering more than 800,000 works and registered 521,041 claims. The Cataloging Division received 520,752 registrations in fiscal year 2002 and created cataloging records for 578,658. The Division reduced the amount of registrations awaiting cataloging from 183,204 to 78,379, a decrease of 57 percent.

The Documents Recordation Section received 12,600 documents for recordation and cleared 10,506, covering nearly 218,000 titles of works.

During the fiscal year, the Copyright Office transferred to the Library of Congress for its collections 896,504 copies of registered and unregistered works valued at \$31,302,048.

#### *Licensing Activities*

During fiscal year 2002, the Copyright Office administered eight CARP proceedings that included five rate adjustment proceedings and three distribution proceedings. Of the five rate adjustment proceedings, four involved setting rates and terms for the section 114 digital performance right in sound recordings, and the section 112 statutory license for the making of ephemeral recordings to facilitate these transmissions. The fifth proceeding involved setting rates and terms for the section 118 statutory license for the use of certain copyrighted works in connection with noncommercial broadcasting.

The Copyright Office administers the compulsory licenses and a statutory obligation under title 17. The Licensing Division collects royalty fees from cable operators for retransmitting television and radio broadcasts, from satellite carriers for retransmitting "superstation" and network signals, and from importers and manufacturers of digital audio recording products for later distribution to copyright owners. In fiscal year 2002, the Office distributed approximately \$110 million to copyright owners. The Division deducts its full operating costs from the royalty fees and invests the balance in interest-bearing securities with the U.S. Treasury.

#### *Copyright Education*

Copyright education is a particularly important aspect of our work, as more and more people implicate copyright laws in their daily online activities. The Copyright Office responds to public requests for information in person, through its website, and via email, telephone, and correspondence. It also engages in outreach programs to educate the public about copyright issues.

In fiscal year 2002, the Office as a whole responded to 358,604 requests for direct reference services, including 57,263 email inquiries, of which some 10,000 were on the issue of webcasting. The Public Information Section assisted 25,005 members of the public in person, taking in 17,644 registration applications and 2,884 documents for recordation. The Section answered 123,106 telephone inquiries, 10,783 letter requests, and 31,681 email requests for information from the public, representing an over 100 percent increase in the use of email communications. This increase in electronic mail requests is partly a result of the public using an alternative means of communication during the mail disruption and website modifications that made it easier to contact the Office by email.

The Copyright Office website continued to play a key role in disseminating information to the copyright community and the general public, with 13 million hits on key pages during the year, an 8 percent increase over the prior year.

#### *Reengineering Program*

Over the past three years, we have been undergoing intensive planning and design to improve each of the public services I have just described. The Office's Re-



engineering Program will reshape the delivery of our public services. We are very grateful for the support this Committee has given this important effort.

The program is progressing along four fronts: process, organization, facilities, and information technology. All of these areas are linked to each other and have to proceed together. We are making good progress and our request for fiscal year 2004 will allow us to maintain this momentum. Our goal is to complete implementation of our new processes and IT systems in fiscal year 2005.

This budget requests \$2,100,000 to support the development of integrated information technology systems for our reengineered public services. This request will augment the \$2,500,000 to be obtained from the Office's base budget. The entire re-engineering program depends on the development and implementation of new information technology systems. So many of the efficiencies we will gain will be from using new and better technology, and having all our systems integrated rather than working through numerous stand-alone systems as we do now.

Our fiscal year 2004 request, and our information technology work as a whole, is based on careful planning that has been done over the past two years. We have completed an extensive study and planning effort to design business processes which improve the delivery of our public services and allow the public to secure these services online to the maximum extent possible. Once we developed processes that we believe will enable us to best serve the public, we completed an IT requirements analysis, which identified logical systems components and potential software packages. This year we plan to award a contract, through a government-wide agency contract (GWAC), to begin the work of building integrated information technology systems.

The \$2.1 million in new net appropriations will be part of an overall \$4.61 million budget for this IT systems development work.

#### CONCLUSION

We expect this will be a busy Congressional session addressing copyright matters; we will continue our close collaboration with the committees and individual Members on these often complex and wide-reaching issues. As we continue to fulfill the responsibilities given us under the copyright law, including making over one-half million registrations each year, we are also intent on maintaining the progress of our Reengineering Program to improve these services. Our fiscal year 2004 request permits us to meet these challenges.

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PREPARED STATEMENT OF DANIEL P. MULHOLLAN, DIRECTOR, CONGRESSIONAL  
RESEARCH SERVICE

Mr. Chairman and Members of the Subcommittee: I appreciate the opportunity to appear before you today to present the fiscal 2004 budget request for the Congressional Research Service (CRS). Our request focuses on two areas of critical importance to the mission and continued success of CRS: ensuring continuity of business operations and investing in a new generation of workers who choose public service. Before discussing the details of our request, however, I would like to thank the Subcommittee for its generous support of our fiscal 2003 budget.

#### ASSISTING THE CONGRESS IN A CHANGED WORLD SETTING

I come before you today at a time of unprecedented circumstances for the Congress, for our Nation, and for the world. We are a Nation at war. Beyond increasing efforts to ensure the safety and security of our staff and systems here on Capitol Hill, CRS continues to work closely with Members and Committees in both Houses on a multitude of issues. The mission of CRS is to contribute to an informed national legislature—a mission of critical importance during a time of foreign turbulence and domestic uncertainties. Our country's past experience, from the Civil War to Vietnam, suggests that during wartime Congress faces enormous challenges in exercising its constitutional legislative and oversight responsibilities. During the Civil War the Congress created the Joint Committee on the Conduct of the War to investigate military operations. Although subject to criticism for its procedures and operations, some scholars have credited the Committee for contributing significantly to the war effort. The experience of World War II, which saw the creation of the so-called "Truman Committee" to oversee an unprecedented growth in military spending, led to a determination by Congress that it required independent, objective analytical support in order to design legislative solutions to the problems facing the country and to evaluate effectively the proposals, policies, and operations put forward by the Executive Branch. Consequently, the Legislative Reorganization Act of

1946 included the first statutory charter for CRS with a commitment that Congress would have access to research expertise at the same level of quality available to the President.

Similar developments occurred during the Vietnam War, when Congress was again forced to make critical decisions on issues affecting U.S. foreign policy, military capability, economic policy, and domestic stability. Congress again concluded that it needed additional support in order to evaluate the implications of competing legislative proposals and to monitor the myriad programs administered by the Executive Branch. As a result, the Legislative Reorganization Act of 1970 enhanced the mission and functions of the Legislative Branch by expanding the roles and mandates of the Congress' support agencies, including CRS, leading to a rapid increase in our staff and research capabilities.

The United States is engaged in a period of international conflict that is likely to be more complex and threatening than any we have faced before. While traditional and conventional military action may be intense, as exemplified by Iraq and Afghanistan, the combination of world-wide terrorist networks and rogue states possessing lethal weaponry leaves us with the prospect of continuing risks and uncertainty, both at home and abroad—this war on terrorism is a war without boundaries and with no end in sight. In all of the times that the U.S. government has had to confront a war and organized terrorism, the challenges have never been as great, nor the consequences of failure more potentially catastrophic. The budgetary implications of this war on terrorism and the needs of homeland security are enormous and will continue to rise, as will numerous questions about how much is adequate, how priorities should be set, and how resources should be allocated. New policies and programs may be needed to defend against conventional, biological, chemical, and nuclear attack by improving our threat assessment and response capabilities, federal coordination, law enforcement capabilities, and public health services. Indeed, most of the issues on the Administration and Congressional agendas are being reexamined and reshaped. Congress must be prepared to address these challenges in both the short and long term, and CRS must be prepared to help you.

Building on our already close working relationship, my goal is for CRS to be there with you at every step of the way as you examine a range of critical issues with vital consequences for all Americans. The activities supporting the war and homeland security may involve difficult tradeoffs between the need for greater security on the one hand, and important economic, social, and constitutional considerations on the other. Similarly, budgetary realities may well require tough choices among competing priorities, as new responsibilities for establishing stable and democratic regimes overseas are superimposed on multiple requirements for military preparedness, domestic and social programs, counter-terrorism and intelligence capabilities, and economic stimulus.

Mr. Chairman, I am grateful for the opportunity CRS has had to serve you during this difficult time in our nation's history, and I am proud that so many Members and staff have called upon us to deliver the type of objective, nonpartisan assistance that only CRS can provide. Each Member who has called to request a briefing, and each staffer who has called to discuss the implications of a particular policy issue or problem, has given us an opportunity to contribute. We identify the policy problems the Congress is likely to face, seek out solutions to those problems and analyze the implications of those solutions for policy. We undertake this legislative research often in anticipation of the legislative agenda and in collaboration with you, your colleagues, and staff. Thus, we are ready to offer the full analytic/research capacity of the Service to you when you need it. Congress can continue to rely on CRS to advise and assist the Congress in the analysis, appraisal, and evaluation of legislative proposals, in order to assess the advisability of enactment, estimate the probable consequences of such enactment, both intended and unintended, and examine alternative options. This work must be done in a manner that is confidential, objective, and nonpartisan, and that offers a balanced treatment of the issues involved and a range of options for legislative action. Our statutory charter makes it clear that our sole mission is to serve the Congress. The financial investment that I seek in this year's budget request is an investment with multiple benefits: (1) to continue to serve the Congress whenever and wherever you need us—within a flexible and secure technical infrastructure; (2) to enhance our research by establishing capacity to procure, create, maintain and manipulate the large data sets upon which CRS analysts rely to conduct their public policy assessments of legislative proposals and specific program implementation; and (3) to provide CRS managers with flexible tools and incentives that can be used to encourage staff retention.

CONTINUITY OF BUSINESS OPERATIONS TO SERVE THE NEEDS OF CONGRESS AT ALL  
TIMES

Much of your attention today is focused on security matters—both here at home and abroad. The first set of initiatives that I present to you relates to safeguarding further the Service's infrastructure to ensure that CRS will be ready to support your work needs at any time, any place, and in any situation.

The tragic events of September 11, 2001, and the anthrax incidents on Capitol Hill, mandate different and additional organizational procedures for every business entity, in both the public and private sectors, to confront and guard against the ongoing threat of terrorism. Through a shared effort with the House and Senate, CRS and the Library of Congress will implement an Alternative Computing Facility and Disaster Recovery site. With the additional funding that we are seeking, we will plan, design, and implement a backup facility that can support CRS and the Congress by mirroring the current technical environment. The alternative site will provide us with the functionality to resume service to Congress in the event that the Madison Building computer facilities are no longer available.

Second, like most government information technology organizations, CRS has mission-critical technical applications that need to be available in a secure environment 24 hours a day and 7 days a week (24/7) under a variety of threat scenarios. Our Inquiry Status and Information System—ISIS—is the mission-critical application used to receive confidential requests from Congress, assign the work to CRS analysts, track the work status through completion, and provide managers with key performance statistics and indicators. The current architecture of the ISIS application cannot support secure 24/7 access from remote locations or when the Library's computer facilities are not available, a condition that we will have corrected by the end of fiscal 2004 if funded.

The last initiative is in response to a Congressional requirement stated in the fiscal 2003 Appropriations Act. The Congress directed CRS to take steps to ensure that the Service's materials are available to Congress whenever and wherever they may be required. Meeting this congressional mandate requires that CRS staff—the creators of the research and information materials—be as mobile as Congress and be able to work from a variety of places other than their own offices. This need can arise in a number of different circumstances—including normal work situations as well as emergencies.

Under normal circumstances, for example, a CRS staffer working closely with a conference committee late at night in the Capitol may require secure access to statistical data that the committee needs to decide the final version of a distribution formula for a particular program. An example of an emergency situation is the anthrax incident that occurred in October 2001 and forced the evacuation of a number of congressional and Capitol Hill buildings, including the Madison Building. All CRS staff and many congressional staff had to work from alternative locations for varying amounts of time. During this period, CRS staff could not access information and research materials stored on their personal computers or on CRS servers and, had the emergency lasted much longer, they would not have been able to support Members and committees as required.

In both normal and emergency work situations, CRS staff need secure access to the full range of information and research systems currently available through the Library's computer center and CRS' servers. From wherever they might be located, our staff need to be able to receive and track requests that Members and committees place by phone or via the CRS Web site. To respond to these requests and perform the required analyses, staff need access to the full text of their research and information sources as well as to their raw data and databases to which the Service subscribes or which it builds in-house. CRS staff need to be able to create reports and other products that respond to congressional requests and they need to get those reports and products to Congress by uploading them to a Web site or including them in a secure email message for delivery. I am requesting funds to develop and implement technical solutions that will provide staff with remote access, from a variety of alternative work sites, to electronic research and information resources so that analysis can be conducted wherever CRS staff may have to work.

Our goal is continuity of basic business operations. Accordingly, I am requesting \$3.3 million to establish the CRS alternative computing facility, to make ISIS portable, and to develop technical solutions to support the Congress at any time, at any location. Concurrent with the submission of this budget request, the Library submitted a fiscal 2003 supplemental appropriation request, on behalf of CRS, for \$1.863 million. If that request is approved, CRS can begin immediately with implementation of our portion of the ACF and the ISIS reprogramming, leaving \$1.460 million for our fiscal 2004 needs.

#### ADDING CRS CAPACITY FOR DATA BASE MANAGEMENT ACTIVITIES

Congress looks to CRS for analysis and information that is derived from large data sets and surveys because much of the data needed is not collected by executive branch agencies or the states. CRS relies increasingly on quantitative analysis to support its work for committees and Members. Examples of some of the Service's most recent efforts include: analysis of caseload data in the TANF program, simulation of alternative policy options for child care tax credits, and a historical analysis of foreign aid. To meet this growing demand most efficiently, CRS must build permanent, skilled capacity to assign basic data collection, acquisition, maintenance, cataloging, data manipulation, and processing tasks.

In fiscal 2002, the Congress provided CRS with funding to enhance its research capacity by building a more powerful technical infrastructure and adding staff who could perform high-level statistical analyses. Given the growing number, size and complexity of data sets, the maintenance of these data sets now requires a Service-wide investment that ensures sound data management practices and supports the integrity and authoritativeness of the data. The data management activities include data acquisition, data library functions and data preparation—a professional skill set with industry standards. CRS is at a point where we need to add capacity to handle these new, increasing, and on-going, critical business functions that support the research efforts being performed by top analytic staff. Our fiscal 2004 proposal will enhance our overall research by establishing specific capacity to procure, create, maintain and manipulate large data sets upon which CRS analysts rely. The proposal includes contract staff for the technical data upkeep of these data sets and one new permanent librarian to ensure business continuity and integrity of the data content. The additional staff, with specialized data skills, will implement industry-standard practices for data management uniformly throughout the Service. This new capacity will assure: (1) authoritativeness and timeliness of the data through regularly scheduled, and often frequent, data refreshment activities; (2) rapid access to the data through use of industry-standard data base structure, cataloging, and maintenance activities; and (3) consistent use and interpretation of the content through standard cataloging and data manipulation activities. To establish a new capacity and a formal structure for data base management activities, I am requesting \$0.759 million.

#### INVESTING IN THE FUTURE: INCENTIVES THAT ENCOURAGE STAFF RETENTION

The last, albeit no less important, focus of our fiscal 2004 budget request addresses updating management tools that meet the work needs and expectations of a new generation. We are making substantial progress in hiring new staff and meeting our FTE targets. With Congress' help over the past several years, CRS has made significant staffing investments through our multi-year succession initiative and new staffing approvals for experts in information technology, combating terrorism, and multiple policy aspects of or related to the aging of the American population. We have integrated the concepts of succession and transition staffing into our formal strategic and annual program planning efforts and I want to assure you that I continue to adjust existing staff and resources to align with the Congress' legislative needs. We are asking Congress' assistance to help us to enhance the productivity, efficiency, and attractiveness of CRS as both a first choice research service-provider to the Congress and as a first choice work-place to a new generation of workers who are electing public service as a career. To maximize fully our research capacity and talent, we must provide the requisite "work tools" that staff need to produce the highest analytic quality product for the Congress, and we must do our best to retain a highly skilled, well-trained, and motivated workforce.

In terms of retaining the talent drawn to CRS, I am requesting funding to initiate a Loan Forgiveness Pilot Program. Retention is a top priority for CRS because the Service will need a large number of stable, experienced staff to replace those who will be retiring in the next few years. CRS has already invested considerable money and effort to acquire and develop its current work force to prepare for the upcoming retirements. Expanding this investment plan to retain a high quality staff makes good business sense and ensures our ability to maintain our capacity to serve the Congress as retirements of senior staff occur. This program will allow CRS to initiate a pilot program that provides for the repayment of student loans. Assisting staff in repaying student loans allows us to use this benefit selectively to ensure continuity of service over the next years. During the one-year pilot, CRS would determine eligibility, against a set of pre-determined criteria, for no more than 70 percent of analysts and computer specialists hired over the past three years, plus 20 incumbents in selected at-risk positions whose loss would seriously impair CRS' ability to achieve its strategic goals and objectives.

We are also seeking a modest increase to our travel, training, and awards budget allocations—again as retention incentives. CRS currently has approximately half the training funds per employee when compared to Executive Branch agencies. An attendant benefit of this modest investment is to provide new staff with continuing training experiences that foster their ability to assume quickly the responsibilities of the veteran staff they are replacing. Members of this bright new generation seek out organizations that are willing to offer opportunities for continued training and to provide learning experiences that foster professional growth, development, and rapid integration into the business content and culture. Further, travel and training opportunities are vital to the veteran research staff to keep them abreast of often changing research approaches, information, and research results. These off-site experiences keep them networked into policy research communities and enrich their analysis through exposure to new ideas, techniques, and information research tools. To establish incentives to encourage staff retention, I am requesting \$0.535 million.

#### STATUS OF FISCAL 2003 NEW CAPACITY INITIATIVE

I want to thank you once again for providing CRS with the half-year funding in fiscal 2003 to acquire 12 additional research staff to address terrorism, homeland security, and an aging U.S. population. We expect to have 11 of these staff selected by the end of this fiscal year, with the last one to be hired by the end of the calendar year. They bring capacities such as biotechnology, epidemiology, physics, engineering, gerontology, and transportation safety. Given the current world situation, the addition of this new expertise will be invaluable to the Congress with the work CRS undertakes to support your deliberations.

#### CONCLUSION

In closing, Mr. Chairman, I appreciate the opportunity to appear before you and your colleagues today. CRS is the only source of public policy information and research analysis focused solely on the Legislative Branch. We take seriously our mission to contribute substantively to the overall knowledge base of the Congress by providing comprehensive and reliable analysis, research, and information services that are responsive, confidential, objective, authoritative, and timely. As a shared staff resource for the entire Congress, CRS is a cost-effective means of enhancing the Legislative Branch's capacity for meeting its constitutional responsibilities during this time of continued challenge.

Once again, CRS continues to adjust existing resources to align with the Congress' needs. Our fiscal 2004 request reflects new measures and capacities that cannot be drawn from existing resources. I hope you find that we are meeting our mission, and that we are doing so in a way that warrants your continued trust and support.

#### RUSSIAN LEADERSHIP PROGRAM—OPEN WORLD

Senator STEVENS. Have you called attention to the letter you filed about the Open World Program?

Dr. BILLINGTON. No, but I am happy to—

Senator STEVENS. I just want to call to the attention of the members that this is a program created by a bill I introduced that was Dr. Billington's idea, a very successful one. And I say that advisedly. Dr. Billington and I will go over and have a celebration in Russia concerning this program over the weekend. And I look forward to that. And maybe you will help me get out of here.

Senator CAMPBELL. I think it works the other way around, Senator. You have to help me get out of here.

#### POLICE MERGER

Let me proceed with a few questions myself. We talked at length about the Library Police merging with the Capitol Police. I am particularly interested in that, I guess maybe because I was a deputy sheriff years ago. I had an opportunity to talk to Speaker Hastert a couple days ago, because I understood that he was not supporting that merger.

He said he did not see the need for merging them and having all the training go to the Library of Congress Police that would be simply checking books in and out. So I think there has been a disconnect on information somewhere. Would you explain to the committee which people are going to merge that work for the Library of Congress, which would actually need police training, which will not merge and do not need training? Because I want to pass that on to him.

Dr. BILLINGTON. Yes. I think I will defer——

Senator CAMPBELL. General Scott.

General SCOTT. Yes, sir.

Mr. Chairman and members of the committee, our Library of Congress Police consists of 131 police officers. These police officers are empowered with the full force of the law on the premises of the Library of Congress. Their primary responsibilities are to man the entrance and exit points in the Library of Congress.

In that context, they differ, their duties differ, from other police on Capitol Hill, in that not only are they concerned with what comes in the building, but they are very concerned about what goes out of the building. They conduct exit inspections, looking particularly for library properties, such as manuscripts, books, records, all that make up our collections.

Of that number, 131 police, all of them have to have training as police officers in order to maintain their credibility and their status. Of that number, about 70 percent man the entrances and exits. Then there is another percentage that operates the police command center. But, that is basically what our police do that is different than what the other police officers do.

Senator CAMPBELL. I see. I understand that Speaker Hastert does not support that 3-year effective date that I understand is now pending in the supplemental conference. So we need to do some work with him apparently.

#### LIBRARY OF CONGRESS POLICE FORCE

Let me go on with some more police questions that are of interest to me, too. The Library is requesting 51 additional officers in the fiscal year 2004 budgets. Are they needed now at this state, or is there any particular deadline by which you think it is going to be imperative that they are online?

General SCOTT. Yes, sir. We are requesting 51 police officers in this particular fiscal year 2004 budget. These officers were identified as part of the Library's coordination with the Capitol Police back in 1999. At that time, we were all looking at our security requirements to ensure that, one, we had all of our positions currently identified and those that we expected to bring online in 2004.

We submitted our request for 51 new officers because we have new posts that we have to man. We have not coordinated the hiring of these new officers with the Capitol Police. We are not resisting doing that. As a matter of fact, we look forward to doing that, because, where we can, we attempt to meet the hiring standards of the Capitol Police.

## POLICE STAFFING STUDY

Senator CAMPBELL. Is that what you call a posting study?

General SCOTT. Posting study?

Senator CAMPBELL. Yes. I am not sure what that term means. Do you recognize that term?

General SCOTT. I do not recognize it, but I will ask my director of security, if you do not mind.

Senator CAMPBELL. Yes. Please identify yourself for the record.

Mr. LOPEZ. Kenneth Lopez, Director of Security, Library of Congress. And the question was, sir?

Senator CAMPBELL. What is a posting study?

Mr. LOPEZ. A posting study is essentially what we do—we call it a staffing study. It is where you look at your posts, and you determine what your minimum staffing level is for that particular post, depending on the function of the post and the time of the day.

Senator CAMPBELL. I see.

Mr. LOPEZ. And that is essentially what we do, too. The term is different than what we use, but it is the same principle.

Senator CAMPBELL. I see. Well, any additional officers that you bring on, they will not negatively impact that impending time frame for the merger, will they?

Mr. LOPEZ. I do not know what the time frame is that has been identified.

Senator CAMPBELL. Is it 3 years? A minimum of 3 years, yes.

Mr. LOPEZ. It would not negatively impact us, if we were able to hire the people. Because we are asking for approval to hire these new police officers in fiscal year 2004, and were able to bring them onboard, then it would not leave any weaknesses in our perimeter.

## DIGITAL FUTURE INITIATIVE

Senator CAMPBELL. Let me go back to you, Dr. Billington. This might not be in your mission but, the rebuilding of Iraq is on everybody's minds now. You told me that you will not be taking on any new functions. Is there anything that the Library of Congress does for new and emerging democracies? For example, Iraq does not obviously have libraries that experience a kind of total freedom of expression that we have in this country. Is there any connection at all with the Library of Congress and emerging or rebuilding or new democracies?

Dr. BILLINGTON. Well, yes. There is quite an historic connection to that part of the world. We have six overseas offices. It is not quite formally our responsibility, but since these offices are in the region for instance, we have offices in Islamabad, Cairo, New Delhi, Jakarta, Nairobi, and Rio de Janeiro—there may be a role for us to play.

After the first Gulf War, for instance, a good deal of the reconstruction of the National Library of Kuwait was from our duplicates in the Cairo office. And we would certainly want to be helpful with whatever we have in Cairo, Islamabad, and New Delhi.

I mentioned the example of the Law Library replenishing the basic law codes of Afghanistan. This is very frequently the case. As far as the countries of the Middle East are concerned, our overseas offices—where we do the procuring, not only for the Library of Con-

gress, but for other research libraries in America that cover the Middle East—may be useful in helping Iraqi Libraries. I note that we are in fact the largest Arabic language library in the world. We can, and we want to be, helpful in any way that we can.

In addition, we are exploring with our online services ways to connect to the Middle East. We are going international with a project called Global Gateways; one of our leading Arabic curators is in Cairo at the moment, exploring a joint project with the National Library of Egypt, which is encouraging.

#### EMERGING DEMOCRACIES

Finally, in the former Communist countries, at the direction of the Congress, we sent over teams, largely from the Congressional Research Service, to explore the possibility of, where they were establishing new parliaments, to advise them how they can establish a nonpartisan research base.

Senator CAMPBELL. Is that under the provision that Senator Stevens had talked about?

Dr. BILLINGTON. No. That is an earlier program than the one that Senator Stevens mentioned, Open World, which is a new and even larger initiative which the Library launched in 1999 with Russia. The former effort was aimed at building a kind of miniature Congressional Research Service for Eastern European nations. One of the things people do not remember is when people have not had freedom, and they set up a legislature, if they do not have any information, they do not have any knowledge. Democracy has to be knowledge based. I mean, it is one of the great lessons of the American experience.

And so—and after the war, for instance, in Japan and Korea, they set up diet libraries. They had not had them before, but it was an imitation of the Congress' initiative in Japan and South Korea. So this has also been done for all of the countries of the former Soviet empire.

Now more recently, the very visionary legislation which Senator Stevens championed, resulted in the emergence of what is now called Open World. Congress recently changed the name from the Russian Leadership Program. Open World has been expanded this year. Both Houses have approved the idea of exploring two or three new countries for pilot programs. And we are now analyzing where they are most needed. Talking with the State Department and with others, we have narrowed the list down to five.

And two of the five being considered, for instance, are the former Islamic republics of Kyrgyzstan and Uzbekistan, both of which have American bases in them and have been very supportive to the United States, both of the war on terrorism and more recently with Enduring Freedom in Iraq. So—as well as looking into the Ukraine, Lithuania, and other—

Senator CAMPBELL. Is Belarus a candidate for that?

Dr. BILLINGTON. Yes, Belarus is one of the five being considered—Belarus, Lithuania, Ukraine, Uzbekistan and Kyrgyzstan. And since Congress has changed the name to Open World, we now have a mandate to expand beyond Russia. I know CRS has had people from Mexico saying they would like to explore the possibility at various times of looking into this.



When Nigeria moved in a democratic direction, we had a delegation from Nigeria that came into my office and was very interested in how CRS functions. But, of course, they are thinking in more modest terms.

I think there is a great deal the Library can do and has done, both in terms of restocking and helping their libraries develop and also in terms of the Internet, where we have this big international presence, but also in terms of possibly helping them support their legislatures.

In many of these emerging democracies, the executive branch has engulfed all the other branches of Government. I might just say that the experience in the last year with the Russian Leadership, the Open World Program, has been particularly good because we have invited judges over, to help develop an independent judiciary. We have had 300 or so judges over, and many of them have established sister court relationships with American courts. And it has been a very stimulating thing.

That program, the Russian Leadership Program, which is now being modeled out for possible other areas, has the great virtue of bringing people to see how the American system works. It is not travel. They stay in one community. And they have come from all 89 regions of Russia and stayed in all 50 States. Our participants reflect more than 50 different ethnic groups participating from Russia. We forget that Russia is a big, multi-ethnic society, as are we.

So it has been very successful—more than 40 percent of these have been women, which is totally new. And, of course, as you look around the world, that is another area ripe for more full democratic development in many emerging democracies. So I think exposure to the American system, through Open World which is modeled on the 1.5 percent of the Marshall Plan that was designated for training young Germans after the war, is successful because it brings young Russian leaders over here to see for themselves how America works. They see things that we take for granted.

And so I think there are a number of ways in which the Library, for one reason or another, has gotten into this kind of activity and we would want to be helpful at the Congress' instruction in terms of where the legislative branch sees its priorities. All I would stress is that for a new democracy, a functioning legislature is essential. One of the progressive things that has happened in Russia is they moved from ruling by presidential decree, which is basically what President Yeltsin—for all his other good qualities—was doing in the last years—to getting through laws that are stamped by a legislature which broadly represents the whole country. Even if the legislature is weak and even if maybe there are other things wrong with it, it is still a great step forward and one of the more decisive steps in making sure you do not revert to kind of absolute autocratic rule.

Senator CAMPBELL. Oh, I think the effort we have put forward as a nation to help any of the emerging democracies is really important. The last few years, I have been the Chairman of the Helsinki Commission.

And speaking of Belarus, I have met five times with a young legislator of Belarus, three times in international meetings and twice

he came here. Interesting enough, every time after I met with him, he got put in jail, which does not speak very well to my prestige in Belarus, I guess. But he told me that two of his colleagues, who were taken out of the parliament, were never heard of again. Two more that he served with are still in prison. So they have a real adversarial relationship with the president of Belarus.

But any kind of information we can get in to their hands that would help promote democracy are probably really well received by the people.

Dr. BILLINGTON. We have a classic problem in choosing—take Belarus and Lithuania. One is quite a repressive society, as you know, Belarus. The other is a very open, democratic society, even going into NATO and so forth. And you want to reward the good guys, but you also want to help the people who are having difficulty.

Exactly the same juxtaposition between Uzbekistan and Kyrgyzstan. Kyrgyzstan is an amazingly progressive, functioning democracy in very difficult circumstances. Uzbekistan is much more authoritarian. So how do you judge which one to invest your small pilot efforts in? There is an argument can be made for both, but it is not easy to decide.

#### SECURITY—CAPITOL VISITOR CENTER

Senator CAMPBELL. Let me do this in rounds, so that Senator Bennett can participate in this, too.

Senator, if you would like to ask a few questions?

Senator BENNETT. Well, thank you, Mr. Chairman. I do not have any specific questions.

I am glad you are pursuing the Russian project, because that is one that is near and dear to Senator Stevens' heart. And during my stewardship, we kept a warm blanket around to keep it going. And I am glad to see that it still receives the support that I think it deserves.

The only question I would have, going back to the issue of the police merger, I am assuming, Dr. Billington, General Scott, that as the visitors center progresses, you are paying attention to the integration between the Library and the Capitol that will occur as a result of the visitors center and the tunnel. I do not know if you have any feel for how many visitors to the Library will come through the tunnel or if you are planning to steer all of your visitors through the visitors center, as a security measure.

Because from a terrorist point of view, the Capitol campus is the number one target in the world. And while the Capitol is the symbol that the terrorists want to take down on television, the Library of Congress, particularly the Jefferson Building, is close enough that they would take that, if they could not get into the Capitol. So—well, you understand all this. We have had this conversation.

But have you looked into the visitors center, or are you making plans for the impact on the visitors center? And I would be interested in knowing if you are planning to redirect traffic yourself to the Library through the visitors center or if you are going to keep separate entrances open.

Dr. BILLINGTON. I would just say I think this is going to greatly increase the security and the efficiency and also the convenience to

people who want to see the exhibits and see the beauty of the great hall and so forth, because very often they have to wait out in the snow or in the cold in rather long lines. The efficiency of having one major entry point for visitors is very good.

We also hope that the Capitol Visitor Center will be able to dramatize not so much something about the Library of Congress, but something about the Congress that is insufficiently appreciated and understood, namely that this legislature has preserved the mint record of private creativity in the United States through the copyright deposit system.

This is a unique thing. No legislature has ever done this in any other part of the world. We have the largest performing arts library in the world, music and movies and all of this. To demonstrate this, not as a Library of Congress collection, but as a work of preservation of the legislative branch of Government, will be a great thing.

So we anticipate a great increase in visitors, but at the same time a commensurate increase in security protection by having this main entry point to the whole complex and relating it. I do not know if General Scott has further comments.

General SCOTT. Well, I would just add, Senator, that we certainly will comply and cooperate, fully cooperate, with whatever standards there needs to be in order to make sure that we do not have a weak link at any point in the entry or exit of this Capitol complex. I am not aware that we have come to any final conclusion as to where visitors are going to be routed yet. I think that is yet to be planned and coordinated.

But I just want to share with the committee that Dr. Billington has always stressed that we will cooperate fully with securing the Capitol complex.

Mr. LOPEZ. I would like to say, sir, that we are meeting on an ongoing basis with the Capitol Police and the Architect of the Capitol to facilitate passage between the two entities, even if there were separate entrances, to use the connecting tunnel for our exit inspection and also utilizing the Capitol's entrance into the visitors center as essentially our entrance into the Library, if they came through the visitor center tunnel. But we have not reached the point about talking about that as the only entrance until a decision is made.

Senator BENNETT. Thank you, Mr. Chairman.

#### AUTOMATED HIRING SYSTEM

Senator CAMPBELL. In 2001, the Library installed a new automated hiring system that was required by a court order. What is the status of that system? And will you be able to hire up to the level that Congress authorized for fiscal year 2003?

Dr. BILLINGTON. Well, we have increased both the quantity and the speed of our hiring very dramatically after some initial problems with adjustment to it. But General Scott can speak to the details, because he has been watching this very closely.

General SCOTT. Thank you, Dr. Billington.

Senator CAMPBELL. Yes, please.

General SCOTT. Yes, sir, Mr. Chairman. Yes, we have made substantial progress in using the automated hiring system to fill our

hiring needs. This past fiscal year, we hired 300 good quality applicants using the system. Now that compares favorably, very favorably, with only 190 hires in the administrative and professional categories of a year ago.

We continue to look at that system and develop a fully functioning merit selection system, so that we have a pool of applicants that are not only highly qualified, but a pool that gives us diversity and everything else that you would want to have in a modern system.

So yes, in summary, we are not satisfied with where we are, but the system has demonstrated that it is meeting our hiring needs.

Senator CAMPBELL. Thank you.

Dr. BILLINGTON. We used to have an average of 18 applicants for a position. We now have an average of 94. So getting it out electronically gives a much richer pool. And that is a real plus. That gives you added possibilities for diversity in every sense of the word and for surveying a very wide panel. So I think it does reach out much more effectively, as well.

#### NATIONAL DIGITAL INFORMATION INFRASTRUCTURE AND PRESERVATION PROGRAM [NDIIPP]

Senator CAMPBELL. Let me ask you something about the National Digital Information Infrastructure and Preservation Program. You recently received the committee's approval to proceed with spending \$25 million of the \$100 million that was appropriated for that program. What is the status of that effort now?

Dr. BILLINGTON. Well, the National Digital Information Infrastructure and Preservation Program is a three-stage process. The appropriation has already been made, just a few pennies under \$100 million, \$5 million of which was released to start this process. We have had a couple hundred experts involved. We had a whole series of strategy meetings with convened groups. We had a small group of Government agencies that we had to specially consult with under the legislation. And we have devised this—we submitted this plan, which was approved by five different Congressional committees. There is a thicker appendix backup to the plan as well.

And now we are going on to the next stage, which was designed to be a release of another \$20 million; and we asked to have included in that release the first \$15 million of the \$75 million which needs to be matched. So we are not starting on the match right away, but we will hope to be planning for that this summer and begin to see if we can get either in-kind or cash matching.

Now what has happened is that we have defined specific things that have to be accomplished in the next phase. We have developed a kind of base technical architecture for this network. And we have worked with a whole series of partners very effectively, in the information technology industry, libraries and archives, the producers of intellectual property, the consumers of the material, all the different interest groups.

So we have sort of a basic agreement that we will now further develop and refine the architecture. We will begin to form partnerships for a series of pilot projects. The aim of this, of course, is to acquire, find ways of acquiring and preserving and getting rights-protected access to the amazing amount of materials that is being

produced on the Internet that does not survive, and which very often is born digital, and only available in digital forms. The average life of a website is only about 44 days.

In addition to beginning the partnerships and perfecting the technical architecture, the National Science Foundation and other collaborating Government agencies also are going to be doing research. This is a tremendous conceptual problem as well.

We will come back to the committees once again with the results of this and hope to have the release of the remaining \$60 million. This is all money that is already appropriated. But we are moving ahead on the schedule that was established with what is a very complex problem and with the end result of which is going to be a distributed network of people who will work together to preserve what is of lasting importance on the Internet for future generations. The technical architecture will be based on an agreed set of protocols, support metadata, so that the content is preserved and secure. We will probably be having a lot of conversation with the Congress about possible legislation.

But this has been, I think, a very creative thing. It is moving ahead very well. We have had wonderful cooperation. I must say, the private sector has given a lot of help. There is the implication that everyone will participate and pitch in with something quite new, which is distributed responsibility for our public national trust.

The other thing that is important, is that the Library has unique experience. It is one of the reasons that I think they all agree that the Library of Congress should play a central role in this. We did not put them up to that, but they feel it is extremely important. We did set the standards for cataloging in the print world, so that all libraries could use it. Cataloging is a continuing benefit to the whole library system of America with the books and what we call analog artifactual containers of knowledge and creativity.

Now in the new digital world, it is going to be much tougher. But we still have the basic responsibility of working with the National Institute of Standards and Technology and Commerce and other Government agencies, and with the private sector, to set standards that will be uniform, even though the responsibility for executing it will be a distributive one.

#### VETERANS HISTORY PROJECT

Senator CAMPBELL. Thank you. You are also requesting approximately \$1 million for the Veterans History Project, which is something I think is really overdue and important. That was created to collect taped and written accounts of war veterans. I assume that means dead or alive going back throughout history. The budget you have requested is about double the current year's budget. Have you had any problems in trying to implement that program?

Dr. BILLINGTON. I think there are no problems that a little more help at the center of it would not mitigate, which is why we have made this request. It has been an extraordinary response.

Senator CAMPBELL. How do you start cataloging them? Do you go through the National Archives or the Department of Veterans Affairs or something to find people to interview?

Dr. BILLINGTON. We have working arrangements with several hundred national organizations and local organizations—all kinds of partners that we work with. We are archiving the whole business. They send in their accounts. We have sent out 100,000 instruction kits of how to prepare accounts and how to conduct the interviews. We work through any local organization that wants to partner with us. Forty-two of the 100 Senators have set up projects in their own States and have specified people that we can work with in their States or in their communities. About one-third of the House of Representatives has done that in their districts.

We have got a system whereby it is collected through the Archive of American Folk Life, which now has permanent status within the Library of Congress. They have some experience with the overall history and the recording of accounts, because they have recorded, as you probably know, some 10,000 wax disks dating back to the 1890s with the Native Americans and 3,000 long-playing records on which so much of that oral history is recorded.

Staff located in the Folklife Center are the people who are archiving these histories. They deal with multiple formats. We also accept diaries. Some people have moving testaments of letters written during the war.

Senator CAMPBELL. Do you work with tribes, too?

Dr. BILLINGTON. Yes, sir. We have some groups that we have worked with, both in Seattle and in Nebraska, if I remember correctly. Of course the famous Navajo Code Talkers have been the absolute heroes of our last two national books festivals. We are working with a wide variety of groups. We also work with—let me make sure I get the name right here.

General SCOTT. I can fill you in on that.

Dr. BILLINGTON. General Scott, needless to say has been intimately involved in overseeing this project.

General SCOTT. Yes, sir.

Dr. BILLINGTON. By the way, it is all wars, not just the 20th Century, that we are commemorating.

General SCOTT. Right. We do have one staff person who is dedicated for outreach with various minorities in our country. We do have several projects, and including one with a Native American tribe that is located in or is associated with the Oglala Lakota College on the Pine Ridge Indian Reservation.

We are also working with the Soaring Eagle Foundation in Seattle which also is involved with the Veterans History Project. We also are working closely with the National Congress of American Indians.

Our aim here is to not try to do all of the collecting of the various stories ourselves, but to have as many partnerships all across America as we possibly can. What we found is that in certain regions of the country you have very strong veteran service organizations. But we have also found that for many of those veterans organizations minorities do not usually flock to those organizations. That is why we have dedicated one of our service members as minority outreach.

Senator CAMPBELL. I might point out that they do not flock to the larger, maybe the larger things, for instance, like the VFW. Some of the minority groups might not join the downtown VFW.

But those VFW groups that are focused just on one ethnic background or something like that——

General SCOTT. Yes, sir.

Senator CAMPBELL [continuing]. They do join.

General SCOTT. Right.

Senator CAMPBELL. The largest VFW, for instance, in Montana, the largest VFW chapter is the Cheyenne Indian VFW. It is larger than any of them, in Billings or any other cities. So I guess it depends on how they feel, whether they identify with other people that are already in it or something.

I might mention to you, too, that there is a man, Dr. Herman Viola, and he used to be at the National Archives.

Dr. BILLINGTON. Oh, I know him very well.

Senator CAMPBELL. He has written dozens of books. And he is doing one now that I think ought to be really interesting that you might tell your staff person about, that deals with Indian veterans. You might want to contact Herman, because he is doing one now on American Indian veterans going clear back to the late 1800s. It is not out yet, but he has a lot of documentation that might be interesting.

General SCOTT. Yes, sir, we will. We will follow up on that.

Dr. BILLINGTON. That is very good. Actually, in the percentage of veterans in wars, the minority percentage is higher than the general population percentage. So this is a very important frontier. It is another reason, frankly, that we need a little more help at the center. We are not doing this all. We are just getting the instructions out.

One of the best things about it is the intergenerational quality. What is best is the various ways these interviews are conducted that involve young people interacting with seniors. The most moving is young people who discover things about their great uncle they never knew he had experienced. It really is a wonderful thing. It was unanimously endorsed by the Congress. We got \$3 million from the AARP when it started, although we got very little initially.

We do feel now it has reached a stage where more support is needed. We have about 75,000 of these accounts. But there are 19 million veterans; 1,500 die every day—we are racing against time. We want to get these stories—many of the veterans have never talked about their experiences. I can say, as a historian, just looking at some of this stuff—and I have conducted a few interviews myself—it is going to change the writing of history, because we will now see wars from the bottom up, rather than from just the top down.

Senator CAMPBELL. I think it is a really important program.

Let me yield to Senator Durbin.

#### USE OF LIBRARY RESOURCES

Senator DURBIN. Thank you, Senator. I apologize for being late. We had an emergency meeting of the Illinois and Iowa delegations over the future of an arsenal, and I wanted to be certain that I made an appearance there.

But I am glad I could join you here today. Thank you and thanks to Dr. Billington and General Scott for what you are doing at the Library of Congress.

I would like to address an issue which is near and dear to me that I have discussed with both of these gentlemen as recently as yesterday. If you read the latest issue of Atlantic Magazine, you may be surprised to learn, that Adolf Hitler was not only a megalomaniac, but he was also a bibliophile and collected a vast amount of books. When the Allied troops liberated Germany, they took that collection and turned it over to our friends at the Library of Congress. And across the street now is Adolf Hitler's book collection with his nameplates in the books.

Now the reason that that caught my attention was that I never dreamed that he was a book collector.

Dr. BILLINGTON. He burned a lot of them.

Senator DURBIN. Yes, he burned a lot. Nor did I know that—

Senator CAMPBELL. He was an art collector, too, of sorts.

Senator DURBIN [continuing]. His collection was across the street at the Library of Congress, amid probably other collections, but I think it is one of the major ones. We had a conversation yesterday. We talked about all of the treasures and assets of the Library of Congress that are virtually unknown to the rest of the world. I think it is time that we stopped hiding this light under a bushel. I think in order to let the American people and the world know what we have, we have to do a little better job of telling the story.

I think you do that. And I think websites are going to open up a lot of access that just did not exist several years ago. But there is another area that strikes me where we have great potential. If you visit the National Gallery or any of the Smithsonian or any of the museums, major museums, in any city in this country, you will find great collections of wonderful things and a great gift store that allows you, in leaving with that positive feeling about this institution, to take home something that caught your eye, a reproduction of a work of art or something that you want to treasure yourself and share with your family.

I think we can do more with the Library of Congress in this regard. I think there is an opportunity to take some of the more outstanding things in the collection of the Library of Congress and safely reproduce them in a form that will generate revenue for the Library, to be reinvested in its activities and also give the American people a better opportunity to understand what a great treasure we have in the Library of Congress.

And I might add, Mr. Chairman, this committee is really on the front line of this. In the not-too-distant future, maybe 2 years, we will have a Capitol Visitor Center. Within that Capitol Visitor Center, we will find millions of people accessing the United States Capitol again under the best circumstances, in a secure way, so that there is no doubt about their security or the security of the building.

#### RETAIL SALES ACTIVITIES

Attached to that Capitol Visitor Center will be tunnel access to the Library of Congress. So these same hundreds of thousands of visitors will have a chance to make a turn in their visit to Wash-



ington and come over to see the Library of Congress, many for the first time. I think that, too, is going to be another opportunity for access to the Library and access to perhaps some retail operation where they can leave the Library with something that means a lot to them.

I have not even touched on E-commerce, which I think I would like to ask you about, if I could. I have talked to some people. And they said, for example, if you took some of the extraordinarily rare maps in the Library of Congress and produce them in limited edition for sale, with the revenue coming back to the Library, there would be a lot of people interested in it.

Tell me what you have done so far—we have talked about this for a year or two—and what you envision the next step to be in this process.

Dr. BILLINGTON. Well, I will just say one word, because General Scott has been overseeing this. We have moved, and largely in response to your very effective and helpful suggestions, and done a test of online marketing. After 9/11, we had to close our Madison shop. We now have one in the Jefferson. It is small. We will certainly want to look into the idea of expanding it, as you suggest.

But on the question of E-commerce, since we are a huge web presence as it is, this is very clearly promising. And the experiments that General Scott supervised this past year have shown real promise with that. But I will let him tell the story, because he has been doing a good job for it, moving us into a more aggressive business posture, as you have suggested.

General SCOTT. Yes, sir. The first thing we have done is we have made some real progress towards making some profits on some of the items that we have marketed, particularly on the website. During last year, we marketed some of the gift shop items through Yahoo. And for a very modest investment, because we did not have additional money to really go out and hire somebody, we were able to make \$73,000, which really came out to be about a 24 percent return on the investment.

With that, we have also come out with a business strategy and an implementation plan that we feel confident that if we could have some seed money—that is what we have asked for in this budget—we could make this a much more profitable operation.

We did talk about a map, putting one of the rare maps up. I am pleased to say that Beacher Wiggins, who is our Acting Director for Library Services now, has started already to research that project. We are going to see where that is going to take us. I do think we have put together a plan that identifies what we need to do between now and the next couple of years. If we can get this seed money, I think we will be able to come back and tell you our progress next year.

Senator CAMPBELL. Is this the plan that the Congress directed in the fiscal year 2003 to—

General SCOTT. Yes, sir.

Senator CAMPBELL. And in your request this year, as I understand it, you are requesting \$715,000, 5 FTEs, and that it will be the seed money to—

General SCOTT. Yes, sir.

Senator CAMPBELL [continuing]. Do the infrastructure and the marketing and so on?

General SCOTT. That is correct, sir. It is just a 1-year request that we are asking for.

Senator CAMPBELL. And you had a 23 percent——

General SCOTT. We had a 24 percent return on investment.

Senator DURBIN. I want to just say, Mr. Chairman, I will not dwell on it any longer since I came in late, but I think we want to take care that we maintain our first responsibilities. You have a fiduciary responsibility to the contents of the Library of Congress. We all do as part of this effort, and that has to be protected.

We certainly do not want to see commercial exploitation of things that are very sensitive and important. We want to take care that we pick those items that can be merchandised in a tasteful and thoughtful and responsible way. And I trust that is exactly what you are going to do.

There have been some controversies in some agencies of government about commercialization. We are not going to get close to those. I think there are things that we can share with the American people and, with the revenue from that, enhance your great institution.

Thanks, Mr. Chairman.

Senator CAMPBELL. Let me add, too, though, I mean, some things you will market. But I have visited the Library a number of times. And I have traveled a lot, like Senator Durbin has. I have been to the Roman baths in Rome, for instance, and some of the great cathedrals in St. Petersburg. And I have to tell you that the mosaics on the floor of the Roman baths and the mosaics in the cathedrals of St. Petersburg I do not think are any nicer than the ones you have in this building.

And it would seem to me that part of the marketing ought to be to get people to come and see the things that you are not going to be able to send them as a souvenir. And, I would commend that. In fact, I do all the time. People come into our office and ask us, "We only have half a day. What do you think we ought to see around here besides the Capitol?" I always recommend the Library of Congress, specifically because of those outstanding mosaics that are on the wall.

So, from that standpoint, I do not really see that as commercialization. That is something they own, as American citizens and taxpayers. And it is certainly an educational experience for youngsters. And I think a lot could be done with that, if you want to increase the tourism over there.

#### ADDITIONAL COMMITTEE QUESTIONS

Well, I have two or three other questions. What I am going to do, since I do have another meeting, however, is submit those to you and ask you if you would get back to us to put on the record in writing.

General SCOTT. Yes, sir.

Dr. BILLINGTON. Yes, sir.

[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 BEN NIGHTHORSE CAMPBELL

## POLICE REQUEST

*Question.* The Library has approximately 130 police officers, which are to be merged with the U.S. Capitol Police over the next few years. The Library is requesting an additional 51 officers in its fiscal year 2004 budget. Why are these officers needed now? Have you asked the Capitol Police to undertake a postings study for these additional officers? How will you ensure bringing in these officers at this time will not negatively impact the impending merger?

*Answer.* The Library plans to open or expand ten new police posts in fiscal year 2004 in connection with the completion of 1999 supplemental appropriations perimeter security construction. Additionally, some of the requested FTEs would be used to bring current police posts to the minimum staffing level to ensure officer and staff safety. The Capitol Police have not been asked to conduct a postings study for the additional Library police officers. However, the Library has completed a comprehensive post staffing analysis supporting this request. The Library does not believe that bringing on the requested new officers would negatively impact an impending police merger. These additional FTEs would be needed under the current or a merged structure, as the requirements remain the same.

## HIRING PROBLEMS

*Question.* In 2001 the Library installed a new automated hiring system that was required by Court order. You reported in last year's hearing that it was resulting in some significant delays in hiring personnel with unqualified people getting through the initial screening process. What is the status of this system and will the Library be able to hire up to the level the Congress authorized for fiscal year 2003? What is the average amount of time required to hire a new person, and what accounts for the improvement over last year?

*Answer.* After various systems and process improvements, the Library is hiring quicker and in higher numbers than ever before. On average, fiscal year 2002 selections occurred 110 calendar days after postings opened, as compared to 178 calendar days under the previous hiring process. The Library achieved this savings largely by reducing processing time within Human Resources Services. The Library also made 300 selections in fiscal year 2002, a notable improvement over the previous 190-selection average. The Library is working hard to meet the fiscal year 2003 hiring requirements, despite working under eight continuing resolutions for almost 6 months of the fiscal year, which always impacts hiring.

## CRS—HIRING PROBLEMS

*Question.* Last year Congressional Research Service (CRS) identified some areas where it needed to increase its staffing—homeland security and terrorism, and aging-related issues. Have you been able to hire-up or otherwise fill the need you identified in these areas?

*Answer.* Of the twelve new positions approved for fiscal year 2003, five positions were posted by March 31, 2003: (1) Public Health & Epidemiology—Combating Terrorism; (2) Infrastructure Systems Analysis—Combating Terrorism; (3) Science & Technology, Biochemistry—Combating Terrorism; (4) Economics of Aging—Aging; and (5) Economics of Health Care—Aging.

Another six positions will be posted by early June 2003: (1) Islamic and Arabic Affairs—Terrorism; (2) Actuary—Aging; (3) Senior Demographer—Aging; (4) Bioethical Policy—Aging; (5) Genetics—Aging; and (6) Gerontology—Aging.

The projected on-board dates for the four positions supporting Combating Terrorism, that have already been posted, vary from July through September. The last Combating Terrorism position, a Librarian, will be posted in fiscal year 2004. The projected on-board dates for the seven Aging positions begin in August 2003, with the final two reporting in October 2003.

## DIGITAL INITIATIVES

*Question.* The Library has a National Digital Library program with funding of about \$20 million. Through this program the Library has digitized many parts of its collection and made them available through the Library's web site. In addition, the Library is shepherding a multi-agency, government/industry effort called the National Digital Information Infrastructure Preservation Program (NDIIPP). How do these two programs relate to one another? The Library recently received this Committee's approval to proceed with spending \$25 million of the \$100 million appropriated for NDIIPP. What is the status of this effort? The next step will be secur-

ing matching funds from other organizations, totaling \$75 million. Have you begun this process? Do you envision the need for significant additional appropriations in the next few years for digital initiatives or to implement the NDIIPP?

Answer. Through the Library's efforts to build a digital library, The National Digital Library (NDL) program, the Library learned how to convert analog materials and deliver content electronically. Building upon the know-how gained in developing a digital library and handling digital materials, the NDIIPP's goal is to develop a national strategy for collecting and preserving digital content. The NDIIPP program is a special program to develop a national strategy to collect and preserve current digital content that only exist in "born digital" form. NDIIPP is funded by a special appropriation, whereas, the NDL is an ongoing part of the Library's budget base.

The NDIIPP plan was accepted by Congress on December 3, 2002. The next phase of the NDIIPP plan has two major components: a network of cooperating institutions and partners, and the technical framework, communication networks, services, and applications that support the cooperating network of partners.

The plan envisages a three-tiered research and investment program which suggests targeted core capacity investments that will be subject to matching funds in pilot projects and experiments that will run for 1 to 5 years, beginning in fiscal year 2003. "Core capacities" refer to the shared knowledge, expertise skills, and consensus deemed essential to support collaborations among partners that comprise the digital preservation network.

The Library does not envision the need for appropriations support in the next few years for the NDIIPP beyond the \$100 million Congress has already appropriated for NDIIPP.

The Library is in the process of updating its internal digital initiative strategy. This includes identifying the need for any additional NDL appropriated base funding support for fiscal year 2005 and beyond.

#### CRS CONTRACTING

*Question.* CRS' budget includes a \$3 million increase for contracts—roughly 40 percent over the current year. Yet according to the Inspector General, in many instances CRS' consulting contracts are not cost effective and do not comply with regulations. The IG found at CRS consistent trends of limited or no competition, insufficient cost analysis and inadequate sole source justifications. Why should we provide this increase in view of these problems, and have these deficiencies been fixed?

Answer. Per the Library's Inspector General (IG), the information driving the question about the CRS contracting may have been taken out of context. The majority of the audit conditions and recommendations were focused on the Library's Contract Services, not the CRS. Two of the three contracting issues addressed in the Senate question, competition and inadequate sole source justifications apply exclusively to the Library's Contract Services functions. The remaining issue, which relates to insufficient cost analysis, pertains to and has been partially corrected by CRS through training of the CRS contract specialist.

The IG recognizes the absence of viable alternatives or competitors with regard to the highly specialized, interim research or analytic capacity for which CRS typically contracts under its statutory, non-competitive authority. The CRS non-competitive research capacity contracts are generally short-term and low dollar value contracts; therefore, performing extensive cost analysis on every individual contract would create an administrative burden and cost that could potentially exceed any savings. However, in following the spirit of the recommendation, CRS has consulted with the IG regarding the pricing of two unusual contracts—one contract was with a medical research corporation that included a sizable overhead fee, and the other contract was with an individual who cited a previously approved rate determination by an IG from another federal agency. The IG supported the CRS pricing concerns and we were able to achieve some savings on both contracts as a result.

CRS has agreed to include cost reviews—where appropriate—in their updated contract policy guidelines, which will satisfy the audit recommendation.

The CRS budget request included a \$2.7 million increase in contracts; however, \$1 million of that request was subsequently approved under the fiscal year 2003 supplemental. Of the \$1.7 million remaining, nearly all of it is for contract staff who will support the CRS technology infrastructure for research and the creation and dissemination of CRS products. CRS will acquire these services through one of the existing General Service Administration (GSA) pre-competed contract vehicles—most likely Federal Systems Integration and Management Center (FEDSIM). The remaining \$18,000 is for training contracts, which will be acquired competitively.

## REMOTE ACCESS TO CRS MATERIAL

*Question.* What is CRS doing to enable members of Congress and staff to access CRS from remote locations (e.g. traveling abroad)? What are the costs involved with making this possible?

*Answer.* The Senate Sergeant-At-Arms provides members and staff with the means for connecting remotely to the Senate network. Once connected to that network, members and staff have secure access to the entire CRS Web site and to CRS staff through the Senate email system. Over the last several years, CRS has put significant effort into ensuring that its Web site offers the full range of CRS services, including access to all CRS products arranged by issue area or by user search-term, and the names, phone numbers, and email addresses of CRS experts in specific issue areas. From the CRS Web site, members and staff can also place requests, register for CRS seminars, and access CRS reference services.

## BOOKS FOR THE BLIND AND PHYSICALLY HANDICAPPED

*Question.* Last year the National Library Service for the Blind and Physically Handicapped was planning to convert to digital format in lieu of cassette tape, the books and materials it provides to the blind community. With an inventory of more than 700,000 cassette tape machines, this will be very expensive. How much will you need and when will you request additional funds?

*Answer.* The National Library Service for the Blind and Physically Handicapped projects that a total of approximately \$75 million will be required to fund the transition from analog cassette to a digital format over a period of at least 5 years. An initial request will be submitted in fiscal year 2005.

## SUBCOMMITTEE RECESS

Senator CAMPBELL. With that, thank you so much for this material you brought me. I certainly do appreciate it. And I will read that 100-year anniversary of Harley-Davidson with great interest.

This subcommittee is recessed.

[Whereupon, at 2:23 p.m., Thursday, April 10, the subcommittee was recessed, to reconvene subject to the call of the Chair.]



## LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2004

THURSDAY, MAY 1, 2003

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

The subcommittee met at 10 a.m., in room SD-138, Dirksen Senate Office Building, Hon. Ben Nighthorse Campbell (chairman) presiding.

Present: Senators Campbell, Bennett, and Durbin.

U.S. SENATE

OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER

### STATEMENT OF WILLIAM H. PICKLE, SERGEANT AT ARMS

#### OPENING STATEMENT OF SENATOR BEN NIGHTHORSE CAMPBELL

Senator CAMPBELL. The hearing will come to order. We are going to try to start right on time. Senator Durbin is on his way, but I understand we have a 10:15 vote, and if we can, what we will do is I will have him run to vote, and I will keep things together, or I will go vote first, while he keeps the things together here, but in the essence of time, we will go ahead and start with my statement.

I appreciate hearing from Sergeant at Arms Bill Pickle and the Capitol Police Board today, which is chaired by Mr. Pickle. Thank you for being here. You hold down two jobs, in that respect, as Sergeant at Arms and the Head of the Capitol Police Board, but if you want to combine your statement on both, that will be fine. Whatever you would like to do would be fine.

#### SERGEANT AT ARMS BUDGET REQUEST

The Sergeant at Arms budget request totals \$198 million, a significant increase over the current level, largely due to the request for the new warehouse, the Capitol Visitor Center projects, as well as additional staffing. I certainly look forward to working with you.

#### CAPITOL POLICE BUDGET REQUEST

Our second panel will be testimony on the fiscal year 2004 budget for the Capitol Police, and you can either come back, or deal with it in your first comments. And on the second panel, you will be accompanied by board members, Bill Livingood and Alan Hantman. And Chief Terrance Gainer will also make a statement.

The request for the Capitol Police totals \$290 million, and provides 401 additional staff, for a total of 2,406 by the end of fiscal year 2004. Your plans to increase staffing, training, and improve professionalism of the force are very ambitious and, in general, I am very supportive, having been a former law enforcement officer. As a deputy sheriff years ago, I have always tried to emphasize the importance of training and professionalism, and having necessary manpower, too, but we certainly want to make sure that the effort is underpinned with a good, strong strategic plan in guiding those efforts.

I know I speak for all of my colleagues here when I say that we are very indebted to the Capitol Police force. They work some long shifts. When I come in the gate in the morning, I often talk to the people at the gate about their long hours, and I am sure they appreciate the overtime, but still, it does take a toll on the family when you are trying to get home to see your children, too.

When Senator Durbin gets here, I may cut in to your testimony, Mr. Pickle, for his opening statement. But in the meantime, why not go ahead?

#### SERGEANT AT ARMS STATEMENT

Mr. PICKLE. Thank you very much, Mr. Chairman. It is, indeed, an honor to be here today and I appreciate the opportunity. Also, it is an honor to have been elected as the 37th Senate Sergeant at Arms of the United States Senate. I will pledge to you today that I will be very forthright and responsive to you and this committee, and I will do everything I can to justify the Senate's faith in me.

As you said, Mr. Chairman, we are requesting \$198.2 million in this fiscal year 2004 budget. This is an increase of \$40.7 million, or just over 25 percent. It is a big increase, undoubtedly.

Fifty-six percent of the increase, or just over \$22 million, is for one-time acquisitions that provide long-term benefits to the Senate. This includes \$13.5 million for a new mail processing and warehouse facility. It also includes \$7.7 million to relocate the Senate recording studio to the new Capitol Visitor Center, and \$1.5 million to furnish and equip the Senate side of the Capitol Visitor Center.

#### WAREHOUSE FACILITY

The new mail processing and warehouse facility will enable us to eliminate \$700,000 in annual recurring costs. These costs include expenses for leases and package processing. The current warehouses are dispersed throughout the D.C. area, but they do not meet minimum GSA requirements, and the costs to do so would be very significant.

Besides meeting the GSA requirements, the new warehouse we are looking for will also provide more space so that the Senate can take advantage of volume purchases. It will also provide better quality storage, so that the Capitol's furniture and fixtures that are warehoused there will have a longer, useful life, and it will provide climate control and other features to meet the special needs of the Senate Curator and the Senate Librarian.



## RECORDING STUDIO

Looking at the recording studio, what we hope to do is move into a state-of-the-art facility when it relocates to the Capitol Visitor Center. Other offices will also move to the Capitol Visitor Center, and this budget request funds the purchase of furniture, fixtures, and equipment for all the offices that will occupy the new Visitor Center, the Senate side, that is.

## ONGOING INITIATIVES

The balance of this roughly 25 percent increase, or \$17.9 million, will fund ongoing initiatives. And of that amount, \$5.9 million will fund package processing and a full year of maintenance for the alternate computing facility. Once the mail processing and warehouse facility is approved and completed, the package processing funds will be eliminated.

Providing additional resources to install, support and maintain the Senate's computing infrastructure will cost \$4.7 million, and this will be accomplished through our IT support contract, a fairly new contract and one that has been extremely beneficial to us in the last few months.

Funding the COLA, or the cost of living adjustments, and salary increases will cost \$4.2 million, and the remaining \$3 million will be spread across various programs in the Senate Sergeant at Arms office.

## SERGEANT AT ARMS STAFF

Mr. Chairman, I have been here all of 7 weeks, and so I am a real expert as you can tell, but in that short time, I have seen some of the accomplishments of this extremely hard-working staff that I have. They are dedicated; they work long hours. And in all my years of public service and working for a number of what I think are just outstanding agencies, I do not think there is a better, more professional staff than what we have in the Sergeant at Arms Office.

They have a number of challenges before them. They have faced a number of challenges very successfully, and I am sure we are going to meet the challenges together, especially with the help of this committee.

## ROLE OF SERGEANT AT ARMS

Certainly, the role of the Sergeant at Arms Office has changed over the years. I was first exposed to it about 25 years ago, and when I was exposed to it at that time, it was a much different environment. Today, it has just enormous challenges, duties, and responsibilities.

We say that we balance the need to keep the people's house open so that the American public and the people around the world can see our democracy in action, and we do, indeed, do that, and we do it with the competing needs and interests for the safety of the members, staff, and the visitors. We balance providing efficient common services, with delivering individual services and solutions to Senate offices, and we work to use the taxpayers' money very responsibly, while providing outstanding service.

We will provide you, this committee and the Senate, with the best security, service, and support that we can. That is our challenge, and that is what we intend to do, sir.

My written testimony today will focus on the progress in two key areas, Senate security and emergency preparedness, and the services and the support that the Office of the Sergeant at Arms provides to the Senate community. I would like to offer that testimony for the record.

#### PREPARED STATEMENT

Senator CAMPBELL. Your complete written testimony will be included in the record. You can abbreviate it, if you would like.

Mr. PICKLE. Thank you. I would be happy to take any questions with the balance of my time, sir.

Senator CAMPBELL. Okay. Thank you.

[The statement follows:]

#### PREPARED STATEMENT OF HONORABLE WILLIAM H. PICKLE

##### INTRODUCTION

Mr. Chairman and Members of the Committee, thank you for inviting me to testify before the Committee on Appropriations as I begin my service to the Senate community. It is an honor to be elected the 37th Senate Sergeant at Arms, and I pledge to you that I will serve the Senate faithfully.

I am respectfully requesting a total budget of \$198,240,000, which is an increase of \$40,656,000, or 25.8 percent over the fiscal year 2003 budget. The \$40.6 million increase will fund a variety of programs.

Over half of this amount (56 percent, or \$22.7 million) is for one-time acquisitions that provide substantial long-term benefits to the Senate community. This includes \$13.5 million for a new mail processing/warehouse facility and \$9.2 million to relocate the Senate Recording Studio and furnish the Senate space in the Capitol Visitor Center (CVC).

The new mail processing/warehouse facility will enable us to eliminate \$1.5 million annually in recurring costs, including lease expenses and outsourcing expenses for package processing. The current warehouse facilities do not meet minimum GSA requirements and the costs to meet those requirements would be significant. Other long-term benefits this facility will afford are volume discounts for Secretary of the Senate and Sergeant at Arms purchases; a longer useful life for furniture and fixtures warehoused for use in the Capitol; and specialized storage to meet the needs of the Senate Curator and the Senate Librarian.

Relocating the Senate Recording Studio to the Capitol Visitor Center and furnishing the Senate side of the Visitor Center will move the Recording Studio into a state-of-the-art facility in the CVC and provide furniture, fixtures, and equipment to outfit and support its operation. The relocation will cost \$7.7 million and the furnishings will cost \$1.5 million.

The balance of the requested increase (44 percent or \$17.9 million) will fund initiatives that are ongoing. We are requesting \$5.9 million to fund a full year of maintenance of recent security enhancements at the Alternate Computing Facility and the outsourcing of package processing—upon approval and completion of the mail processing/warehouse facility, the funds for outsourcing package processing will be eliminated. The IT Support Contract will require \$4.7 million to provide additional resources to install, support, and maintain the Senate's computing infrastructure. Funding of the COLA and salary increases will cost \$4.2 million. The final \$3.1 million are spread across the programs in the Office of the Sergeant at Arms.

Mr. Chairman, I come before you with six weeks of experience as Sergeant at Arms. In that short time, I have already seen some of the accomplishments this hardworking and dedicated office has achieved. I have also seen some of the challenges that we face and some of the opportunities that present themselves. Our budget request will enable us to meet the challenges we face.

The role of this office has changed dramatically over the years. The duties and responsibilities of the Sergeant at Arms have expanded, become more complex, and increasingly interdependent, requiring us to balance the Senate's competing needs.

We balance the need to keep the “People’s House” open so that the American people and the world may see our great democracy at work with the need to keep the Capitol safe for Members, staff and visitors. We balance providing efficient, common services with delivering individual services and solutions to Senate offices. We work to use the taxpayers’ money responsibly while providing outstanding service and support to the Senate. The Office of the Sergeant at Arms will provide you the best security, service, and support that we can, and we will work with this Committee in doing so.

Our testimony today will focus on the Senate’s progress in two key areas: the Senate’s security and emergency preparedness and the services and support the Office of the Sergeant at Arms provides to the Senate community.

#### SECURITY AND EMERGENCY PREPAREDNESS

Before September 11, 2001, the preparedness of the Capitol complex paralleled the preparedness of the rest of the United States. While we had more security in place than the rest of the country, we pursued it on an as-needed basis, not in a comprehensive or integrated way. When we identified specific threats, we responded. For example, the Capitol Police implemented security upgrades in the three years following the tragic shootings of Detective John M. Gibson and Officer Jacob J. Chestnut in July 1998. We had also started working on security of the mail, and had some rudimentary continuity of operations plans in place, but we had no comprehensive strategy for ensuring the safety of the Senate. No one had ever attacked the Senate at the level we experienced in 2001, so we did not fully comprehend how much we needed additional security measures to save lives and restore Senate operations.

September 11, 2001, provided a wake-up call, and we responded. Thankfully, with the preliminary work we were doing, we were in a position to respond rapidly when the bioterrorist anthrax attacks occurred on October 15, 2001.

#### *Security Strategy*

The wake-up call of September 11 and the Senate’s experience with our nation’s largest bioterrorist attack on October 15 underscored the need for an enhanced, comprehensive security strategy for the Senate in 2001. The strategy that emerged ensures the continuation of the Senate under any circumstance and protects Members, staff, and visitors, while maintaining the essential public nature of the Senate. I am committed to continuing that tradition and strategy.

Our strategy accomplishes its objectives by establishing a layered defense based on threats that we know and those we can anticipate. It creates security plans and takes actions to prevent incidents from occurring. It includes training and exercise programs to ensure preparedness. And the strategy identifies the resources we need to manage the consequences and respond appropriately to ensure the Senate’s continuity of operations if an incident does occur. It eliminates single points of failure, and develops system redundancy, mobility, and flexibility to ensure that the Senate can continue to function even in the face of an emergency.

The programs and resources to implement this strategy are in place. The people who implement the programs know the urgency of completing them, and continue to move forward quickly, and deliberately.

Our Office of Security and Emergency Preparedness (OSEP) coordinates its activities with those of the U.S. Capitol Police and other agencies to implement Senate security, emergency preparedness, and continuity of operations plans and programs. It combines its efforts with other offices within the Sergeant at Arms organization to make sure that all of our work takes security concerns into account. And OSEP works with every Senate office, here and in Senators’ home states, to bring the Senate community the equipment, information, assessments, and training it needs.

The Senate funded many of our programs with an emergency supplemental appropriation to support life-safety, threat reduction, emergency preparedness, continuity of government and operations, and consequence management and recovery programs. The emergency appropriation totaled \$632.9 million for the entire legislative branch. The Office of the Sergeant at Arms received \$58.2 million to fund Senate-specific security and continuity-related programs. We worked with this Committee and the Committee on Rules and Administration to establish the best ways to use these funds, and I want you to know that we are using them wisely.

My office and the Office of the Secretary of the Senate are working with the Architect of the Capitol, the Attending Physician, and the United States Capitol Police to ensure that all of our interdependent, but separately funded, programs are integrated and synchronized. The efforts of these groups have substantially improved the Capitol’s overall security posture and established a solid foundation for future improvements. We could not have done this without the dedicated support of the

Senate Leadership, this Committee, and the Committee on Rules and Administration

#### *Security*

A hallmark of the Senate's comprehensive security strategy is taking reasonable precautions to prevent incidents from occurring. Risk assessment falls under this area, as do perimeter security, many activities of the USCP, mail and package handling, and the security assessments we have done for virtually all Senate state offices across the country.

*Risk Assessment.*—To increase our understanding of the threats we face, we assembled a Legislative Branch Emergency Preparedness Task Force (LBEPTF) that started a thorough threat and vulnerability assessment of the Senate in September 2001. The Task Force expanded its assessment to House facilities in October 2001. LBEPTF completed the assessment in January 2002 and published it in April 2002. It resulted in many immediate improvements (e.g., fire alarm markings and functionality, exit markings, and publication of evacuation plans). The assessment also identified long-term actions for the Senate's security and preparedness and we have moved forward on those actions.

*U.S. Capitol Police.*—One urgent need that has been identified is that the U.S. Capitol Police force (USCP) was not sufficiently staffed, trained, or equipped to accept the expanded duties the new threat situation required. To address this problem, with agreement of the Congress, the U.S. Capitol Police force will increase its full-time equivalent (FTE) staff positions and its capabilities. There were 1,481 FTEs in 2001, and the size of the force is growing. At the same time, the USCP increased its internal ability to respond to hazardous devices and materials by adding personnel, equipment, and vehicles to its Hazardous Devices Section.

The USCP also increased the number of posts and added more roving patrols including vehicle, bicycle, and K9 patrols. Importantly, the USCP has established or increased its liaison positions and officer exchanges with intelligence organizations and other law enforcement agencies throughout local and federal government. The Office of the Sergeant at Arms works closely with the USCP on increased security procedures for daily and special events, access control, and screening measures.

I am a member of the Capitol Police Board, and this year, I chair the Board (the chairmanship alternates with the House Sergeant at Arms annually). My position on the Police Board helps ensure that the security efforts of the USCP align with the priorities and direction of the Office of the Sergeant at Arms.

*Perimeter Security.*—I am pleased to inform you that the implementation of the initial phase of the Perimeter Security Plan, first proposed in 1998, was completed in 2002. After September 11, 2001, we were asked to develop a plan to provide a similar level of protection to Senate Office buildings. My office and other security experts developed a plan, and the Committee on Rules and Administration recently approved it. The Architect of the Capitol will soon begin implementation of the enhanced perimeter security plan.

Physical security measures represent one aspect of perimeter security and the Capitol Police force represents another. The physical security measures include bollards and pop-up vehicle barriers. The Capitol Police force staffs the revised access checkpoints and enforces procedures, staffs the expanded use of K9 patrols, enforces the restriction of oversized vehicles, and supports other measures that safeguard against vehicle-borne threats. Together, the Police and enhanced physical security measures prevent attacks from vehicles or their contents.

To prevent other attacks, we improved visitor access and screening procedures for all Senate Office Buildings. When we offer public Capitol tours, we screen the visitors outside the Capitol. We enhanced that screening as well as the screening of visitors on staff-led tours coming from the Senate Office Buildings.

The Office of the Sergeant at Arms has also undertaken other, less visible, security improvements and safety systems that significantly improve the Senate's overall security posture. We implemented extensive security at the Capitol Visitor Center project during its construction that includes background checks of workers, off-site vehicle screening, physical inspections, a vehicle x-ray system, K9 explosive detection sweeps, and strict access control and monitoring measures.

*Mail Handling.*—Throughout the October 2001 anthrax event, we gathered information that would be useful in our efforts to prevent similar incidents; to prepare in the event an incident does occur; and to create plans, training, and resources to manage the consequences and respond appropriately to an incident and ensure the Senate's continuity of operations. We worked with the Department of Defense, the White House Office of Science and Technology Policy, the United States Postal Service, package delivery service companies, local couriers, the Committee on Rules and

Administration, and Senate offices to develop procedures to improve the safety and security of Senate mail.

During January 2002, this office established the Legislative Mail Task Force (LMTF), made up of representatives from medical and scientific agencies as well as those described above. Its purpose is to ensure safe and timely mail delivery. The LMTF remains operational and is still investigating ways to provide better and safer mail delivery to the legislative branch.

We sealed mailing chutes and removed unmonitored mailboxes in the Senate Office Buildings and the Capitol to eliminate the possibility of a harmful agent being deposited in them. We also adopted mail handling safety procedures that include irradiating, x-raying, testing, and holding all mail until we receive negative test results.

We worked with all offices across the Senate, conducting briefings and providing information so staff would know how to identify suspicious mail and report it promptly to the Capitol Police and Senate postal officials. We also advised Senate offices that they should only accept letters and packages from uniformed Senate Post Office employees displaying a valid ID, or from bona fide couriers.

These procedures have become the model for other agencies in the legislative branch. Since resuming mail delivery to the Senate, we have delivered over 25,000,000 safe letters and have reduced the time to deliver them from an average of several weeks to six days. Moreover, we leveraged our existing people and resources to create our own mail-handling program, costing the Senate several million dollars less than other legislative branch agencies that outsource their mail handling programs.

*Package Handling.*—The Package Tracking and Management System that we developed and implemented last summer is a great example of cooperation within the Office of the Sergeant at Arms to bring new services to the Senate community. Our IT Support Services staff developed this new Web-based system using requirements from the Senate Post Office, the Committee on Rules and Administration, and our user community, along with vital participation from our Customer Support and Training areas. The system enabled us to deliver more packages during its first four weeks of use than our vendor had been able to deliver during the previous five months. The technology cost less than \$50,000 to implement, compared to our package vendor's proposed \$1.5 million solution. Using the system we developed in-house, we deliver safe packages three days (on average) after we receive them, which is considerably less time than the several weeks that was the norm under the previous system. We are working with the Committee on Rules and Administration to see if we can reduce that time even further.

*Capitol Visitor Center (CVC).*—Congress had planned to build a Capitol Visitor Center for several years, not only to improve security, but also to provide better visitor services. Until September 11, the project moved slowly. After September 11, as part of the emergency supplemental appropriation, funds for the CVC were approved, and construction began.

In 2000, almost three million people visited the Capitol and during peak season over 18,000 people visited the Capitol each day. Tons of equipment, food, and other material move into and out of the Capitol daily. These provide critical services but they also create risks to the Capitol complex.

The CVC will help us better control the flow of visitors and material moving in and out of the Capitol, without reducing public access. Once the CVC is completed, we will have just as much public access through fewer access points, and we will have better screening and control of everyone and everything that comes into the Capitol. That screening will take place in the CVC instead of near Capitol doors.

Because of the design of access points, we will be able to better screen, and isolate and remove an individual or group that poses a security risk. Deliveries to the Capitol will go through the CVC, which will include a remote delivery-vehicle screening facility. This facility will make it both easier to deliver goods to the Capitol and safer to accept those goods. The design incorporates many blast-resistant features as well as systems that will minimize the risk of airborne hazards within the CVC and the Capitol.

CVC construction and the implementation of the 1998 Perimeter Security Plan created one challenge: Parking. When the CVC construction project was approved, planners found that as many as 350 staff members would have to move to parking spaces farther from the Capitol. Our Parking team worked with the Architect of the Capitol, the U.S. Capitol Police, and the Committee on Rules and Administration to create 359 parking spaces. Many of the spaces came from reconfiguring existing parking spaces (i.e., converting parallel parking spaces to diagonal spaces and converting the former locations of construction trailers into parking lots). These efforts have already saved over \$1 million in leases for parking spaces, and we expect that

they will save over \$3 million before the CVC construction is finished. The solution is secure, near the Capitol, and convenient for Senators and staff. It also makes good use of existing resources and taxpayers' dollars.

*State Offices.*—In 2001, we had little information on the level of security of Senators' state offices. Some assessments had been done over several years, but we had old, inconsistent information. We moved aggressively to address this problem by establishing a plan to conduct comprehensive, on-site security assessments at all Senators' state offices. We finished the assessments for all offices that were in place in the fall of 2002, and implemented a system whereby every newly established office will be assessed as well.

These surveys will enable the Sergeant at Arms to understand fully the security needs of our state offices, make recommendations, prioritize security needs, and improve security. This will be an on-going, multi-year project and will involve physical modifications, monitoring, and staff training.

As we think about the security of the Senate since the tragic events of September 11, 2001, we are proud of our progress. We have moved forward on a wide range of initiatives, and as a result, have the pieces in place to keep threats out of the Capitol and the Senate Office Buildings.

#### *Emergency Preparedness*

Emergency preparedness addresses how people will learn about an event and respond to it. Since September 2001, the Office of the Sergeant at Arms has enhanced the Senate's preparedness through alarms and equipment, emergency notification, and training.

*Alarms and Equipment.*—In response to the LBEPTF Risk Assessment, we worked with the AOC and the USCP to test and, where necessary, upgrade the alarms and emergency equipment in every Senate Office Building. We worked with Senate offices to ensure each has an emergency action plan, we implemented evacuation procedures and assembly areas for every building, and we regularly conduct evacuation drills. We also recently added wireless annunciators to notify people of an incident, provide instructions on appropriate steps to take, and provide more information as an event unfolds. The Architect of the Capitol is upgrading building fire alarms, and is integrating both the alarms and the annunciators into the USCP command center system. With the Capitol Police, we are conducting office security briefings to review and reinforce office emergency action plans.

*Emergency Notification Procedures.*—We have established redundant and flexible communications, taking advantage of existing systems and expanding them to enhance and streamline our emergency notification capabilities. We provided BlackBerry devices and updated electronic pagers to Senators and key staff. The USCP has a telephone system that can call individuals at pre-designated numbers in case of emergency. Approximately 1,000 Senate telephones are connected to the Group Alert System, which the USCP controls and can activate when needed, under direction from the Sergeant at Arms. A wireless alert broadcast system and the ongoing upgrade of building alarms and public address systems will further improve emergency notification. The evacuation alarm systems already include both audible and visual alarms. Together, these systems provide broad emergency notification capabilities to the Senate. With the establishment of the Alternate Computing Facility, we will be able to implement additional emergency notification measures.

*Chemical, Biological, and Radiological Protection.*—In the fall of 2001, the Capitol Police Board recognized the need to expand protection in this area. One result was the purchase of a large number of Quick2000 Escape Hoods, which provide rapid protection from chemical, biological, or other hazardous particulates for Members, staff, and visitors to the Capitol. We have distributed Quick2000 Escape Hoods to each office and throughout the Senate Office Buildings. Along with the Capitol Police, we have trained almost 6,000 Members and staff on the notification process and on the donning of these hoods. We are undertaking other projects that further expand our ability to protect the Senate from chemical, biological, radiological, and other airborne hazards.

#### *Continuity of Operations and Government*

The events of the fall of 2001 underscored the need for strong continuity of operations and continuity of government planning. The Senate has demonstrated its ability to respond to attacks, but we need to enhance and rehearse our plans so we will know what to do in advance of an incident.

As part of the Legislative Branch Emergency Preparedness Task Force, the Defense Threat Reduction Agency assessed our infrastructure and recommended ways to improve it. We are now working to implement their recommendations. This will help ensure that the Senate can continue to function even in extreme emergencies.

*Infrastructure Protection.*—The Office of the Sergeant at Arms was working to protect essential infrastructure services in the summer of 2001. We accelerated that work significantly after September 11. We are implementing alternate locations for critical communications services, we upgraded our telecommunications backbone, and we expanded our conferencing capability. We also created continuity plans for critical enterprise computing and data services and have security measures in place for computing networks.

One recommendation of the Defense Threat Reduction Agency was to procure a new fiber system. We are working to procure a new fiber system that will enhance the Senate's day-to-day network operations and enhance Briefing Center operations.

*Alternate Computing Facility.*—In conjunction with the House and other legislative branch agencies, we are establishing an Alternate Computing Facility that will back up the computing and telecommunications infrastructure.

Other initiatives to enhance the Senate's telecommunications infrastructure include projects to ensure that essential telecommunications services will be available in the event Capitol Hill is evacuated and to provide redundant and mobile communications and broadcast capabilities. One example is the ongoing fitting-out of the mobile recording studio vehicle and procurement of mobile communications vans to ensure the Senate maintains flexibility and mobility in these communications and broadcast services.

*Fly-away Kits.*—We are creating a recommendation for a suite of technology that offices should acquire for their continuity of operations. The suite will include standard and supported portable computers, storage devices, printers, and network components that offices can use in an emergency situation. The offices will be able to configure the equipment off-site if they no longer have access to their Capitol Hill spaces and local IT resources.

*Information Security.*—The Office of the Sergeant at Arms has a significant focus on information security. Sergeant at Arms IT security experts worked with experts from the General Accounting Office to evaluate the Senate's security controls and to recommend improvements. We implemented the recommendations and significantly improved the Senate's overall computer security. Because of good technical and management controls, the Senate computing infrastructure remained secure despite threats from various viruses and worms, including the "SQL Slammer" worm in January 2003 (SQL stands for Structured Query Language).

*Briefing Centers.*—We have established Briefing Center facilities for emergencies that deny the use of the Senate Office Buildings and the Capitol. All Briefing Centers are within walking distance of the Capitol. In the event of an emergency, one Briefing Center will be activated and all Senators informed of that location.

Briefing Centers will provide security, communications, information, and caucus space for Members (and one designated staff member because of the limited space available) during the critical period immediately following an incident. The essential function of accounting for Senators also takes place at this location. While we envision a Briefing Center being in place only for a brief period, the Sergeant at Arms and the Secretary of the Senate have provided the ability for the Senate to do legislative business, if necessary.

*Alternate Chambers.*—We have established Alternate Chamber facilities if the Capitol is not available but the Senate needs to be in session. The Sergeant at Arms and the Architect of the Capitol have completed all the modifications of the infrastructure, including connectivity to the Legislative Information System, communications, and broadcast systems so that the Secretary of the Senate can provide the full range of legislative services in an Alternate Chamber.

An additional Alternate Chamber location is established off Capitol Hill and that site is on-track to be available this year. Alternate Chamber locations on and off Capitol Hill, as well as other continuity of government locations, will enable the Senate to continue to meet its Constitutional obligations in the event that the Capitol or District are not available.

*Transportation.*—We expanded our transportation resources to make sure we can move Senators and key staff in an emergency. We added three 24-passenger buses, two 15-passenger vans, and a 10-passenger van to our fleet. Additionally, we have arrangements to provide additional transportation and support if the Senate needs to move away from Capitol Hill.

*Continuity Planning.*—Senate offices are well along in developing continuity of operations plans, and we are working to complete this critical program as soon as possible. These plans are updated every year. The Office of the Sergeant at Arms continues to conduct training and provide assistance to offices as they enhance their plans and the supporting documents.

*Exercise of Plans.*—The Office of the Sergeant at Arms, with the Secretary of the Senate, conducted a series of seminars and small-scale exercises from May 2002 to

July 2002 culminating in a successful full-scale exercise in August 2002 that tested continuity plans and procedures. This exercise tested alert and notification systems and the activation of a Briefing Center and the Alternate Chamber. It demonstrated that the Senate's supporting legislative systems will operate in the Briefing Center and Alternate Chamber environments. In December 2002, the USCP completed an exercise of its internal command and control operations. The Sergeant at Arms' Office of Security and Emergency Preparedness regular exercise program will help institutionalize these plans and provide the framework to evaluate and adjust them as needed.

#### *Preparing for the Future*

The Senate established necessary plans and programs to meet its security, emergency preparedness, and continuity planning requirements. We need to maintain the momentum of the last 18 months to be prepared now, and to meet evolving threats. We have a framework to ensure the process continues.

The Office of Security and Emergency Preparedness (OSEP) is the group of professional staff within the Sergeant at Arms Office charged to build on that framework. OSEP's mission is to consolidate and sustain the Senate's security, preparedness, and continuity planning. These efforts will ensure that this great body is able to adapt to the changing threat environment, to develop and coordinate security and emergency plans and policies, and to implement change. We trust the Senate will continue to provide the resources for OSEP to conduct necessary, periodic exercises that rehearse mission-critical systems and evaluate Senate readiness. OSEP should also conduct semi-annual Leadership briefings to report on the state of preparedness of the Congress and on the progress of evolving security plans.

The United States must have enduring Constitutional government. By working with common goals and the strong support of the Senate and Congressional Leadership, we have created the foundation to make sure that our Constitutional government will ensure. We must build on that foundation, so this institution continues and our security remains effective.

#### SERVICE AND SUPPORT FOR THE SENATE

My office has dozens of other accomplishments that support the Senate. Let me highlight some of them.

The Office of the Sergeant at Arms has a long tradition of providing customer support, infrastructure improvements, and transition support. We work with the Senate community to streamline and simplify Senate processes. This work sometimes may be invisible, but it provides the infrastructure that supports this very public institution. We employ a staff of dedicated, innovative, and cost-conscious individuals who are committed to the best interests of this institution and those we serve.

We also have a long tradition of introducing new technologies to the Senate that serve as platforms for great forward-looking improvements in productivity and constituent services. Some brief examples are the microcomputer, which was not adopted by Senate offices as automatically as you might imagine today; the introduction of local area networks, and then connecting them using a Senate Fiber Network; and the Internet. These technologies have been leveraged to radically change the way we do our jobs.

#### *Implementing the Senate Messaging Infrastructure (SMI)*

The Senate Messaging Infrastructure is another of the fundamental technologies that will alter the way we do our jobs, though we cannot yet foresee all the benefits. Its implementation will support many of our security initiatives and enable us to provide services that support key Senate functions. The Office of the Sergeant at Arms is almost finished with the full implementation of this important program.

Even though we have not quite completed our implementation, the Senate already has a much more robust, reliable, and maintainable e-mail infrastructure. Since the end of January 2003, we have seen almost no enterprise-wide e-mail problems and Senate offices have received their e-mail reliably, quickly, and efficiently.

Let me briefly describe the history of the Senate Messaging Infrastructure. In the summer of 1998, we began a project to investigate and implement a replacement for Lotus cc:Mail, which the Senate had been using since 1987, and which the vendor would no longer support. The project's goal was to establish an enterprise-wide system as the basis on which the Senate could deploy multiple services far into the future. Although e-mail is currently our principal focus, the Senate Messaging Infrastructure will support the Senate in ways we cannot yet foresee in addition to the ways we are already anticipating.



After studying the alternatives and consulting with the Senate community, we recommended to the Rules Committee that the combination of Microsoft Outlook and Exchange was the best choice for the Senate. In May 2000, the Sergeant at Arms asked for Rules Committee approval to begin implementation.

In June 2000, the Committee approved a \$6.4 million contract with Compaq Computer Corporation to begin implementing Outlook and Exchange. These systems include functionality and capabilities far beyond basic electronic mail, including calendaring and group scheduling, contacts management, note organization, and task management. The systems also provide a base infrastructure for other Senate applications, including the BlackBerry Communications system. Many other products are available to add to enterprise messaging systems, such as instant messaging and video conferencing.

After a successful pilot, the migration from Lotus cc:Mail to Microsoft Exchange began in August 2002 and is now 80 percent complete. We have migrated 110 of 138 Senate offices, and 28 remain to be migrated. E-mail flows smoothly, even as the volume of e-mail continues to grow larger and larger. We now process nearly two million Internet e-mail messages a week and we have processed as many as 500,000 in a single day.

The messaging infrastructure encountered periods of instability last fall and at the beginning of this year. We stopped the migrations in mid-January to find out why. We found two reasons: (1) our migrations reached previously unknown product limitations and (2) we had to upgrade our software. By March 15, we successfully stabilized the centralized system components and all 110 migrated offices by making the necessary upgrades. On March 26, we presented technical options to the remaining 28 offices for completing the migration. We expect that all offices that choose to migrate will be completed before the summer begins, and we are exploring more long-term design alternatives to overcome the product limitations. We regularly brief the Senate offices' systems administrators and administrative managers on our progress.

We expect that we will soon integrate Exchange with other systems. For example, integrating the Senate Voice Mail system into SMI would enable the system to translate messages into a computer-readable format that could be forwarded as an attachment to an electronic mail message, or be put on a Web page for retrieval over the Senate intranet. Voice mail could even be set up to receive incoming fax transmissions and route them to the proper destination via electronic mail. We are also working with vendors to procure applications to support wireless e-mail and data; these applications will not rely on the Internet to communicate.

Integrating InfoXchange, the Senate's fax broadcast system with Outlook and Exchange would enable offices to maintain their broadcast lists themselves, receive faxes in a centralized place, and distribute incoming faxes via e-mail. Offices could also keep their existing fax numbers but route them to a pool of telephone lines that could handle large numbers of calls. The system could translate incoming faxes into electronic files, the offices could identify their faxes, and the system could electronically mail the incoming faxes to the offices.

Through all of our work, our priorities are to establish a stable Senate-wide system that works well and can support our disaster recovery and Continuity of Operations plans, while ensuring that personal office data remains private and secure.

#### *Serving Our Customers in the Senate Community*

The Office of the Sergeant at Arms provides Senate offices the information, tools, and support they need to work efficiently and effectively. We assign customer support analysts to each office; we produce materials to help staff learn about equipment, policies, and the Senate; and we develop and host the Senate's intranet Web site and information services.

The Joint Office of Education and Training, and Office Support Services help the Senate take advantage of the services we offer. These groups distribute information, promote new services, and arrange for briefings, including briefings on security, mail handling, SMI implementation, package management, Computers for Schools, Web services assessments, and wireless modems.

We overhauled the Senate's intranet home page and the Sergeant at Arms sections of Webster to make them much more user-friendly and more function-based rather than hierarchical. We renewed our information services contracts and executed an ongoing promotional project to ensure that all Senate staff members know about the information resources available to them. We are also visiting every Senate office to promote Web-related support services and to gather information about offices' Web requirements.

Finally, we developed a new publication, SAA Update that provides timely information about new and ongoing Sergeant at Arms projects to Senate offices.

*Improving the Senate's Infrastructure & Capabilities*

We have enhanced the Senate's infrastructure and capabilities with improvements in every area of the Sergeant at Arms organization. I will point out some of the highlights.

*Recording and Photo Studio Digital Migration.*—We are continuing with the migration of the Recording Studio and the Photo Studio to digital technologies. This will provide Senators with higher quality pictures and services for their constituents. The Recording Studio project modernizes the way the Senate provides the broadcast signal of both the Senate proceedings and individual Senators' productions by utilizing an enhanced digital television signal. It will also provide expanded desktop access to television news, Senate proceedings, and Committee hearing coverage. The Photo Studio modernization project replaces analog-, chemical- and film-based processes and systems with networked digital imaging capabilities. This will provide more immediate access for printing, ordering, and downloading images by Senate offices and will enable customers to track photo orders online.

The Recording Studio successfully relocated its operations over the past year to accommodate the Capitol Visitor Center service tunnel construction. We took advantage of the move to improve our studio facilities by accomplishing part of the digital migration. Once the CVC is complete, the Recording Studio will move into that facility, and we will finalize the digital migration project. Relocating to the CVC will enable us to cover 12 Committee hearings simultaneously, up from the four we can cover currently.

Printing, Graphics and Direct Mail (PGDM) instituted an online ordering process for all printing, photocopying, and graphics services, and produced over 1 million documents for the Senate that were ordered from desktop computers. During the past three years, we made process improvements that reduced PGDM's staff by 13 percent, reduced operating expenses by \$2.5 million, and saved Senate offices over \$4 million in postage expenses. These improvements include establishing Quality Improvement Teams that reduced errors 86 percent and employee absenteeism 40 percent; converting leased, analog, stand-alone photocopiers to purchased, digital, networked printers that have improve service and reduced expenses by \$1.2 million; and educating Senate staff on letter-addressing procedures enabling outgoing mail to qualify for maximum mailing discounts.

We enhanced our document archiving capability by introducing CD-ROM and DVD services for Senate offices. These services enable offices to access and retrieve archived information from their desktops, and send and print information, as they need it.

The IT support we provide the Senate improved when we signed a new support contract that covers the acquisition, installation, and ongoing support of Senate offices' networks. We have seen much better performance from our new vendor. The February 2003 customer satisfaction surveys show that 94 percent of customers described the IT Help Desk's services as either very satisfactory or excellent. The IT Help Desk receives an average of 1,428 customer trouble calls per month.

We have instituted an online catalog to begin streamlining the process of ordering IT products. We also replaced the servers and software that handle all incoming and outgoing Internet e-mail with more powerful servers. This improves the Senate's ability to handle large peaks of Internet e-mail traffic.

*Supporting the Transition*

The transition from the 107th to the 108th Congress was a success. The 108th Congress brought 11 new Members to the Senate, and the Sergeant at Arms organization supported them in myriad ways during the transition.

*Transition Office.*—We coordinated all the activities of the Transition Office for the new Senators of the 108th Congress, providing full-time staff to support the new Senators until they could retain their own staffs, and assisting offices with their moves into swing suites.

*Office Support During the Transition.*—The end of the 107th Congress and the opening of the 108th Congress saw 93 state office openings, closings, or moves, all of which we accomplished with minimal disruption. We provided demonstrations of constituent correspondence management systems to staff representing all of the new Members, and successfully installed their selections. These new installations were the first to integrate fully with the Senate Messaging Infrastructure.

The State Office Liaison helped the offices of newly elected Senators acquire and negotiate leases for commercial and federal office space in their home states. The Liaison also helped re-elected Senators negotiate renewal or relocation leases and did so in connection with security assessments.

We moved the ten new Members to their temporary suites in the Senate Office Buildings. We also have moved a total of 21 Members from their temporary or former locations into new permanent office space.

For departing Senators, the Office of the Sergeant at Arms staff met with administrative managers to provide information on archiving requirements, provided microfilm and CD-ROM services to archive Members' documents, shipped Members' archives to depository libraries, moved packages and mail items to Senators' home states, and scanned more than 26,000 photo images to CD-ROM.

In addition to providing logistical and technical support, departments across the Sergeant at Arms organization provided information and guidance to new offices. Our administrative services department developed materials and our Joint Office of Education and Training provided training for administrative managers on the functions and services available to them at the Senate and on the rules and regulations of this institution.

#### *Working Collaboratively to Improve Services to the Senate*

The Office of the Sergeant at Arms is committed to overcoming organizational barriers to do what is best for the Senate. We work with Senate colleagues to provide support for training and procurement, and many of our initiatives dovetail with those of other organizations, especially the Secretary of the Senate.

Our Joint Office of Education and Training, which the Sergeant at Arms and the Secretary of the Senate jointly sponsor, provides training that supports the work being done in all Senate offices, both in Washington D.C. and in the states. The training offered includes general professional development, Senate-specific information, computer training on Senate supported software, support for security and emergency preparedness initiatives, and health promotion.

Just over the past year, the Sergeant at Arms Procurement group supported contracting for upgrades to the studios of the Republican Conference and the Democratic Technology and Communications Committee. It worked with the Secretary of the Senate to procure a new point-of-sale application for the Senate's gift shop. And it helped the Appropriations Committee acquire a new appropriations tracking system.

In addition, the Procurement group, along with the Technology Development group, worked with the Secretary of the Senate to procure a product and the related vendor support to upgrade the Senate's external Web site, [www.senate.gov](http://www.senate.gov). The Secretary of the Senate manages the site and the Sergeant at Arms provides the infrastructure. Together with the Secretary's office, the Office of the Sergeant at Arms redesigned and redeveloped an all-new [www.senate.gov](http://www.senate.gov) that integrates a powerful content management tool and improves the organization of information on the site.

#### BUDGET BUILT ON BUSINESS MODEL

Mr. Chairman, in constructing our budget request, I instructed staff to use the same business model as my predecessor and his predecessor. This means that each department conducts a top-down and bottom-up review when it constructs its long-range program and budget planning activities. All of our department directors and managers look for program efficiencies and cost-cutting savings in all mission areas. They evaluate and eliminate duplication and redundancy wherever practical. We leverage technology to achieve greater efficiencies and improve program effectiveness. We believe that the fiscal year 2004 budget will provide the resources necessary to meet the needs and requests of the Senate.

#### CONCLUSION

Mr. Chairman and Members of the Committee, the Office of the Sergeant at Arms is in a unique position: We balance keeping the "People's House" open so that all of America and the world can see our great democracy in action against the need to keep the Capitol safe. We balance providing efficient, common services against delivering individual services and solutions to Senate offices. We work to use the taxpayers' money responsibly while providing outstanding service and support.

As our testimony today shows, and their work—particularly over the last year and a half—demonstrates, the more than 700 people who work in the Office of the Sergeant at Arms are extraordinary public servants. On their behalf, my commitment to you and the Senate is that the Office of the Sergeant at Arms will provide you the best security, service, and support we can.

## ATTACHMENT I.—FINANCIAL PLAN FOR FISCAL YEAR 2004

OFFICE OF THE SERGEANT AT ARMS—UNITED STATES SENATE

## EXECUTIVE SUMMARY

[Dollars in thousands]

	TOTALS		Variance Fiscal Year 2004 vs. Fiscal Year 2003	
	Fiscal Year 2003 Budget	Fiscal Year 2004 Request	Amount	Percent Incr/ Decr
General Operations & Maintenance:				
Salaries .....	\$43,161	\$48,271	\$5,110	11.8
Expenses .....	\$38,013	\$47,025	\$9,012	23.7
Total General Operations & Maintenance .....	\$81,174	\$95,296	\$14,122	17.4
Mandated Allowances & Allotments .....	\$55,113	\$59,731	\$4,618	8.4
Capital Investment .....	\$16,779	\$38,019	\$21,240	126.6
Nondiscretionary Items .....	\$4,518	\$5,194	\$676	15.0
TOTAL .....	\$157,584	\$198,240	\$40,656	25.8
Staffing .....	829	846	17	2.1

To ensure that we provide the highest levels and quality of security, support services and equipment, we submit a proposed budget of \$198,240,000, up \$40,656,000, or 25.8 percent. The salary budget request is \$48,271,000, up \$5,110,000 or 11.8 percent and the expense budget request is \$149,969,000, up \$35,546,000 or 31.1 percent. The staffing request is 846, up 17 FTEs.

For the second consecutive year, we have increased funds for security initiatives. The fiscal year 2004 budget request for security is \$20,891,000, an increase of \$5,912,000 or 39.5 percent over fiscal year 2003. The most significant aspects of the total security request are the alternate computing facility (\$1,154,000 in salaries for 17 FTEs and \$4,096,000 in expenses); enhanced communication services (\$3,900,000); secure mail and package processing protocols (\$631,000 in salaries 17 FTEs and \$3,079,000 in expenses); personnel and operating expenses requested for the Office of Security and Emergency Preparedness (\$987,000 in salaries for 10 FTEs and \$2,352,000 in expenses); and security upgrades for Member state offices (\$2,744,000 in expenses).

We present our budget in four categories: General Operations and Maintenance (Salaries and Expenses), Mandated Allowances and Allotments, Capital Investment, and Nondiscretionary Items.

—The General Operations and Maintenance Salaries budget request is \$48,271,000, an increase of \$5,110,000 or 11.8 percent. The increase includes \$1,870,000 to fund a 3.9 percent COLA, \$1,095,000 to fund merit increases, \$884,000 to add 17 FTEs, and \$1,261,000 to fund other adjustments. The additional staff will augment our security team, improve operations, expand services, and meet new requirements for the Senate community.

—The General Operations and Maintenance Expenses budget request for existing and new services is \$47,025,000, an increase of \$9,012,000 or 23.7 percent. The increase includes \$3,700,000 for the higher costs of the Senate's new IT support contract, which was awarded in Spring 2002 and which provides additional resources to install, support and maintain the Senate's PCs; \$2,000,000 to screen Senate packages ensuring the safety and security of Senate staff and property; \$947,000 for maintenance on data communication networks and systems; \$618,000 for maintenance costs on mainframe software; \$502,000 for increased management consulting services for security initiatives; \$332,000 to procure software and hardware for Internet and Intranet services; \$311,000 for maintenance support for the Senate Messaging Infrastructure; and \$210,000 for professional services to support financial management projects that will enable us to meet all appropriate audit standards and to enhance budget and contract management systems.

—The Mandated allowances and allotments budget request is \$59,731,000, an increase of \$4,618,000 or 8.4 percent. The increase includes \$1,934,000 to pay the rent for federal and commercial office space which has been increasing at an annual rate of approximately 8 percent nationwide; \$1,313,000 for enhanced telecommunications; \$1,111,000 for local and long distance services for Wash-

ington D.C. and state offices; \$968,000 for Desktop/LAN installation and support; \$745,000 for computer equipment for Members, Committees, Officers, and Leadership; and \$100,000 for the Appropriations Analysis and Reporting System. These increases are partially offset by a decrease of \$1,669,000 for Member mail systems maintenance.

- The Capital investments budget request is \$38,019,000, an increase of \$21,240,000 or 126.6 percent. We request \$13,500,000 for the acquisition of a new mail processing/warehouse facility that will replace and consolidate our three warehouse locations. Our current facilities do not meet GSA minimum requirements, are functionally obsolete, and our largest location in Alexandria has an expiring lease which the landlord will not renew on a long-term basis. The new support facility will consolidate the Alexandria warehouse and the two smaller warehouses into one space that will meet the Senate's long-term space needs. It will include modern physical security, optimal storage configuration, and material handling equipment. In this facility, we will be able to implement efficient operating procedures and an inventory control system. Importantly, the new facility will meet all the space needs of the Secretary of the Senate and the Sergeant at Arms. It will include museum quality environmental controls for the Senate Curator and climate control for the Senate Gift Shop, Stationery Store and the Senate Library. The new support facility will include a mail and package screening area for the Senate Post Office. This will enable the Senate to save \$750,000 in operating costs annually and improve service by assuming responsibility for the package screening service that is currently performed by a vendor. The Senate Post Office will also upgrade the existing mail screening infrastructure to current standards.

The budget request includes \$7,675,000 to relocate the Recording Studio to the Capitol Visitor Center. The relocation will enable expended coverage of up to 12 simultaneous committee hearings through a central production facility. Concurrent with the relocation, we plan to upgrade the chamber audio system and our television and radio production facilities. As a result of this and the final phase of the Digital Migration Project, the Senate will have a truly state-of-the-art studio for Senate and Committee broadcasts as well as for communication with constituents.

Facilities will need \$1,485,000 to acquire furniture and equipment for core Senate space in the CVC.

IT Research and Deployment will require \$1,500,000 for consulting services and analysis of software for the redesign of the CCMS, which will better enable Senate offices to efficiently communicate with constituents. Increased functionality for the CCMS/Email filtering system will cost \$185,000 and list server capabilities will cost \$154,000.

Operations will start several additional projects: Replacement of outdated publishing equipment will cost \$745,000; replacement of a 12-year old outgoing mail sorter with updated equipment will cost \$500,000; replacing the current data collection and job tracking systems will cost \$500,000; and replacing the outdated ID system will cost \$150,000. Updating the equipment will enable us to reduce maintenance and postage costs, track job costs, and produce higher quality products. The Post Office will acquire a custom designed mail sorter for \$750,000 and a mail delivery truck that will expedite the sorting and delivery of incoming mail for \$60,000.

Network Engineering requires \$3,432,000 for upgrades to network switches, firewalls, the Network Management System, and the state office wide area network.

- Nondiscretionary items fiscal year 2004 budget request is \$5,194,000, an increase of \$676,000 or 15.0 percent compared to fiscal year 2003. The request consists of three projects that support the Secretary of the Senate: contract maintenance for the Financial Management Information System (FMIS), \$2,596,000; enhancements to the Legislative Information System (LIS), \$1,968,000; and requirements definition for enhancements to the Senate Payroll System, \$630,000.

#### ATTACHMENT II.—FISCAL YEAR 2004 BUDGET REQUEST BY DEPARTMENT

The following is a summary of the SAA's fiscal year 2004 budget request on an organizational basis.

[Dollars in thousands]

Department	TOTALS		Variance Fiscal Year 2004 vs. Fiscal Year 2003	
	Fiscal Year 2003 Budget	Fiscal Year 2004 Request	Amount	Percent Incr/Decr
Capitol Division .....	\$10,942	\$12,351	\$1,409	12.9
Operations .....	\$28,584	\$55,618	\$27,034	94.6
Technology Development .....	\$29,578	\$36,667	\$7,089	24.0
Senate Messaging Infrastructure Project .....	\$5,165	\$945	(\$4,220)	81.7
IT Support Services .....	\$49,915	\$55,269	\$5,354	10.7
Office Support .....	\$26,502	\$29,330	\$2,828	10.7
Staff Offices .....	\$6,898	\$8,060	\$1,162	16.8
TOTAL .....	\$157,584	\$198,240	\$40,656	25.8

Each department's budget is presented and analyzed in detail beginning on the next page.

## CAPITOL DIVISION

[Dollars in thousands]

Capitol Division	TOTALS		Variance Fiscal Year 2004 vs. Fiscal Year 2003	
	Fiscal Year 2003 Budget	Fiscal Year 2004 Request	Amount	Percent Incr/Decr
General Operations & Maintenance:				
Salaries .....	\$5,783	\$6,689	\$906	15.7
Expenses .....	\$1,915	\$2,418	\$503	26.3
Total General Operations & Maintenance .....	\$7,698	\$9,107	\$1,409	18.3
Mandated Allowances & Allotments .....	\$2,744	\$2,744	\$0	.....
Capital Investment .....	\$500	\$500	\$0	.....
Nondiscretionary Items .....	\$0	\$0	\$0	.....
TOTAL .....	\$10,942	\$12,351	\$1,409	12.9
Staffing .....	135	137	2	1.5

The Capitol Division consists of the Executive Office, Media Galleries and the Office of Security and Emergency Preparedness.

Operations and maintenance salaries increase \$906,000, or 15.7 percent, to \$6,689,000. This increase will fund the addition of two FTEs, \$170,000; an expected 3.9 percent COLA, \$416,000; merit funding, \$115,000; and other adjustments, \$205,000. The Office of Security and Emergency Preparedness requires two FTEs to direct, develop and monitor the processes and procedures needed to ensure security on Capitol Hill and to work on the Continuation of Operations Plan (COOP).

Operations and maintenance expenses increase \$503,000, or 26.3 percent, to \$2,418,000 primarily for increased management consulting services for security initiatives.

The allowances and allotments budget request for state office security initiatives remains flat for fiscal year 2004.

The capital investments budget request for COOP related purposes remains flat for fiscal year 2004.

## OPERATIONS

[Dollars in thousands]

Operations	TOTALS		Variance Fiscal Year 2004 vs. Fiscal Year 2003	
	Fiscal Year 2003 Budget	Fiscal Year 2004 Request	Amount	Percent Incr/Decr
General Operations & Maintenance:				
Salaries .....	\$15,658	\$17,209	\$1,551	9.9
Expenses .....	\$6,629	\$8,893	\$2,264	34.2

## OPERATIONS—Continued

[Dollars in thousands]

Operations	TOTALS		Variance Fiscal Year 2004 vs. Fiscal Year 2003	
	Fiscal Year 2003 Budget	Fiscal Year 2004 Request	Amount	Percent Incr/ Decr
Total General Operations & Maintenance .....	\$22,287	\$26,102	\$3,815	17.1
Mandated Allowances & Allotments .....	\$0	\$0	\$0	.....
Capital Investment .....	\$6,297	\$29,516	\$23,219	368.7
Nondiscretionary Items .....	\$0	\$0	\$0	.....
<b>TOTAL .....</b>	<b>\$28,584</b>	<b>\$55,618</b>	<b>\$27,034</b>	<b>94.6</b>
Staffing .....	353	363	10	2.8

The Operations Division consists of the Central Operations Group: Printing, Graphics and Direct Mail, Parking Office, ID Office, Photo Studio, and Hair Care Services; Recording Studio, Post Office, and Facilities.

Operations and maintenance salaries will increase by \$1,551,000 or 9.9 percent to \$17,209,000. This increase is due to the addition of ten FTEs, \$400,000; budgeting for an expected COLA, \$609,000; merit funding, \$408,000; and other adjustments, \$134,000. Central Operations is increasing its staff by four FTEs. Three FTEs will be required to properly staff the warehouse facility and one additional FTE is needed to provide administrative support. The Post Office is requesting four FTEs to ensure that packages and mail are accurately tested, sorted and delivered in a timely manner and two FTEs to provide administrative support to the Superintendent of Package Delivery and Special Services.

Operations and maintenance expenses budget request is \$8,893,000, an increase of \$2,264,000 or 34.2 percent compared to fiscal year 2003. This increase is due to costs to screen Senate packages by a contractor providing more secure package processing, \$2,000,000; uniform parking lot and street signage, \$100,000; and to update furniture inventory, \$100,000.

The capital investment budget request is \$29,516,000, an increase of \$23,219,000 or 368.7 percent compared to fiscal year 2003.

We request \$13,500,000 for the acquisition of a new warehouse/mail processing facility that will replace and consolidate our three warehouse locations. Our current facilities do not meet GSA minimum requirements, are functionally obsolete, and our largest location in Alexandria has an expiring lease which the landlord will not renew on a long-term basis. The new support facility will consolidate the Alexandria warehouse and the two smaller warehouses into one space that will meet the Senate's long-term space needs. It will include modern physical security, optimal storage configuration, and material handling equipment. In this facility, we will be able to implement efficient operating procedures and an inventory control system. Importantly, the new facility will meet all the space needs of the Secretary of the Senate and the Sergeant at Arms. It will include museum quality environmental controls for the Senate Curator and climate control for the Senate Gift Shop, Stationery Store and the Senate Library. The new support facility will include a mail and package screening area for the Senate Post Office. This will enable the Senate to save \$750,000 in operating costs annually and improve service by assuming responsibility for the package screening service that is currently performed by a vendor. The Senate Post Office will also upgrade the existing mail screening infrastructure to current standards.

The budget request also includes \$7,675,000 to relocate the Recording Studio to the Capitol Visitor Center. The relocation will enable expended coverage of up to 12 simultaneous committee hearings through a central production facility. Concurrent with the relocation, we plan to upgrade the chamber audio system and our television and radio production facilities. As a result of this and the final phase of the Digital Migration Project, the Senate will have a truly state-of-the-art studio for Senate and Committee broadcasts as well as for communication with constituents.

Facilities will begin to acquire furniture and equipment for core Senate space in the CVC, \$1,485,000.

Several additional projects will commence in Operations: \$745,000 to replace outdated publishing equipment; \$500,000 to replace a 12-year-old outgoing mail sorter with update equipment; \$500,000 to replace existing data collection and job tracking systems; and \$150,000 to replace the outdated ID system. The updated equipment will enable us to reduce maintenance and postage costs, allow job cost tracking and produce higher quality products. The Post Office will acquire a custom designed

mail sorter to provide better accuracy, expedited sorting, and a safer working environment and a mail delivery truck which will expedite the delivery of incoming mail, \$750,000 and \$60,000, respectively.

### TECHNOLOGY DEVELOPMENT SERVICES

[Dollars in thousands]

Technology Development Services	TOTALS		Variance Fiscal Year 2004 vs. Fiscal Year 2003	
	Fiscal Year 2003 Budget	Fiscal Year 2004 Request	Amount	Percent Incr/Decr
General Operations & Maintenance:				
Salaries .....	\$8,768	\$9,809	\$1,041	11.9
Expenses .....	\$11,934	\$17,420	\$5,486	46.0
Total General Operations & Maintenance .....	\$20,702	\$27,229	\$6,527	31.5
Mandated Allowances & Allotments .....	\$0	\$0	\$0	.....
Capital Investment .....	\$4,358	\$4,244	(\$114)	2.6
Nondiscretionary Items .....	\$4,518	\$5,194	\$676	15.0
TOTAL .....	\$29,578	\$36,667	\$7,089	24.0
Staffing .....	125	126	1	0.8

The Technology Development Services Department consists of the Systems Development Services, Network Engineering and Management, Enterprise IT Systems, Internet/Intranet and Research Services, and IT Security.

Operations and maintenance salaries will increase \$1,041,000, or 11.9 percent, to \$9,809,000. This increase is due to the addition of one FTE, \$74,000; funding for an expected COLA, \$352,000; merit funding, \$234,000; and other adjustments, \$382,000. Systems Development is adding two FTEs for a Senior Information Technology Specialist to support and maintain new and existing enterprise servers and a Senior Software Specialist to assist with the Legislative Information System. Partially offsetting this increase is a decrease of one FTE in Network Engineering.

Operations and maintenance expense budget request is \$17,420,000, an increase of \$5,486,000 or 46.0 percent compared to fiscal year 2003. This increase is due to funding the operational support for the Senate Messaging Infrastructure Project, \$3,400,000; maintenance on data communication networks and systems, \$947,000; maintenance costs on mainframe software, \$618,000; delivery of an expanded Sergeant at Arms organization intranet portal, \$300,000; and increased maintenance costs for voice equipment, \$298,000.

Capital investments budget request is \$4,244,000, a decrease of \$114,000 or 2.6 percent compared to fiscal year 2003.

Network Engineering requires \$3,432,000 for upgrades to network switches, firewalls, the Network Management System, and the state office wide area network.

Nondiscretionary items budget request is \$5,194,000, an increase of \$676,000 or 15.0 percent compared to fiscal year 2003. The request consists of three projects that support the Secretary of the Senate: contract maintenance for the Financial Management Information System (FMIS), \$2,596,000; enhancements to the Legislative Information System (LIS), \$1,968,000; and requirements definition for enhancements to the Senate Payroll System, \$630,000.

### SENATE MESSAGING INFRASTRUCTURE PROJECT

[Dollars in thousands]

SMI Project	TOTALS		Variance Fiscal Year 2004 vs. Fiscal Year 2003	
	Fiscal Year 2003 Budget	Fiscal Year 2004 Request	Amount	Percent Incr/Decr
General Operations & Maintenance:				
Salaries .....	\$423	\$441	\$18	4.3
Expenses .....	\$3,593	\$504	(\$3,089)	86.0
Total General Operations & Maintenance .....	\$4,016	\$945	(\$3,071)	76.5
Mandated Allowances & Allotments .....	\$0	\$0	\$0	.....
Capital Investment .....	\$1,149	\$0	(\$1,149)	100.0



## SENATE MESSAGING INFRASTRUCTURE PROJECT—Continued

[Dollars in thousands]

SMI Project	TOTALS		Variance Fiscal Year 2004 vs. Fiscal Year 2003	
	Fiscal Year 2003 Budget	Fiscal Year 2004 Request	Amount	Percent Incr/Decr
Nondiscretionary Items .....	\$0	\$0	\$0	.....
TOTAL .....	\$5,165	\$945	(\$4,220)	81.7
Staffing .....	5	5	0	.....

Operations and maintenance salaries will increase \$18,000, or 4.3 percent, to \$441,000. This increase is due to funding for an expected COLA, \$16,000, merit funding, \$10,000, and other adjustments, (\$8,000).

Operations and maintenance expenses decrease \$3,089,000, or 86.0 percent, to \$504,000. The SMI Project is expected to move into the maintenance phase by fiscal year 2004. Technology Development Services is funding maintenance for SMI beginning in fiscal year 2004. The SMI project team will be redeployed to address other initiatives for the Sergeant at Arms. An organizational structure and charter will be developed. The project is requesting \$504,000 in operations and maintenance funding, mainly for consulting services supporting major initiatives.

Capital investments decrease \$1,149,000, or 100.0 percent due to the completion of the SMI project.

## IT SUPPORT SERVICES

[Dollars in thousands]

IT Support Services	TOTALS		Variance Fiscal Year 2004 vs. Fiscal Year 2003	
	Fiscal Year 2003 Budget	Fiscal Year 2004 Request	Amount	Percent Incr/Decr
General Operations & Maintenance:				
Salaries .....	\$5,694	\$6,274	\$580	10.2
Expenses .....	\$12,446	\$15,547	\$3,101	24.9
Total General Operations & Maintenance .....	\$18,140	\$21,821	\$3,681	20.3
Mandated Allowances & Allotments .....	\$27,750	\$29,689	\$1,939	7.0
Capital Investment .....	\$4,025	\$3,759	(\$266)	6.6
Nondiscretionary Items .....	\$0	\$0	\$0	.....
TOTAL .....	\$49,915	\$55,269	\$5,354	10.7
Staffing .....	101	102	1	1.0

The IT Support Services Department consists of the Desktop/LAN Support, IT/Telecom Support, IT Research and Deployment, and Equipment Services branches.

Operations and maintenance salaries increase \$580,000, or 10.2 percent, to \$6,274,000. This increase is due to the addition of one FTE, \$75,000; budgeting for an expected COLA, \$223,000; merit funding, \$153,000; and other adjustments, \$130,000. IT Research and Deployment is adding one FTE as a senior information technology specialist to support the new CCMS applications.

Operations and maintenance expense budget request is \$15,547,000 in fiscal year 2004, an increase of \$3,101,000, or 24.9 percent compared to fiscal year 2003. This increase is primarily due to an increase in the cost of a new IT contract awarded in Spring 2002, \$3,700,000, which provides additional resources to install, support, and maintain the Senate's PC's.

Allowances and allotments budget request is \$29,689,000 in fiscal year 2004, an increase of \$1,939,000 or 7.0 percent compared to fiscal year 2003. This budget supports voice and data communications for Washington D.C. and state offices, \$17,941,000; maintenance and procurement of Members' constituent mail systems, \$4,255,000; procurement and maintenance of office equipment for Members' Washington D.C. and state offices, \$3,475,000; Desktop/LAN installation and specialized support, \$3,418,000; and the Appropriations Analysis and Reporting System,

\$400,000. The increase in Telecom Services costs is attributed to major new initiatives that include upgrading older telephone systems in state offices, improving service over wide-area network to provide multimedia capabilities and to take advantage of new technology and continued efforts to ensure critical telecommunications can be maintained under any circumstance.

Capital investments budget request is \$3,759,000, a decrease of \$266,000, or 6.6 percent compared to fiscal year 2003.

IT Research and Deployment will require \$1,500,000 for consulting services and analysis of software for the redesign of the CCMS which will better enable Senate offices to efficiently communicate with constituents. Increased functionality will be added to the CCMS/Email filtering system and list server capabilities will be added, \$185,000 and \$154,000 respectively.

The Wireless PDA project will commence with enhancements to BlackBerry type systems, \$300,000. The Public Key Infrastructure Project will commence, \$250,000, and will provide an encryption and authentication system to secure outbound electronic messages to constituents.

#### OFFICE SUPPORT SERVICES

[Dollars in thousands]

Office Support Services	TOTALS		Variance Fiscal Year 2004 vs. Fiscal Year 2003	
	Fiscal Year 2003 Budget	Fiscal Year 2004 Request	Amount	Percent Incr/Decr
General Operations & Maintenance:				
Salaries .....	\$1,846	\$1,995	\$149	8.1
Expenses .....	\$37	\$37	\$0	0
Total General Operations & Maintenance .....	\$1,883	\$2,032	\$149	7.9
Mandated Allowances & Allotments .....	\$24,619	\$27,298	\$2,679	10.9
Capital Investment .....	\$0	\$0	\$0	.....
Nondiscretionary Items .....	\$0	\$0	\$0	.....
TOTAL .....	\$26,502	\$29,330	\$2,828	10.7
Staffing .....	28	28	0	.....

The Office Support Services Department consists of the Customer Support, Help and IT Request Processing, and State Office Liaison branches.

Operations and maintenance salaries will increase \$149,000, or 8.1 percent, to \$1,995,000. This increase will fund an expected COLA, \$70,000, merit funding, \$47,000, and other adjustments, \$31,000.

Operations and maintenance expenses will remain flat at \$37,000.

The allowances and allotments budget request increases \$2,679,000 or 10.9 percent to \$27,298,000. Factors contributing to this increase are projected increases in rent for federal and commercial office space, \$1,934,000 and funding for computer allocations, \$745,000.

#### STAFF OFFICES

[Dollars in thousands]

Staff Offices	TOTALS		Variance Fiscal Year 2004 vs. Fiscal Year 2003	
	Fiscal Year 2003 Budget	Fiscal Year 2004 Request	Amount	Percent Incr/Decr
General Operations & Maintenance:				
Salaries .....	\$4,989	\$5,854	\$865	17.3
Expenses .....	\$1,459	\$2,206	\$747	51.2
Total General Operations & Maintenance .....	\$6,448	\$8,060	\$1,612	25.0
Mandated Allowances & Allotments .....	\$0	\$0	\$0	.....
Capital Investment .....	\$450	\$0	(\$450)	.....
Nondiscretionary Items .....	\$0	\$0	\$0	.....

## STAFF OFFICES—Continued

[Dollars in thousands]

Staff Offices	TOTALS		Variance Fiscal Year 2004 vs. Fiscal Year 2003	
	Fiscal Year 2003 Budget	Fiscal Year 2004 Request	Amount	Percent Incr/ Decr
TOTAL .....	\$6,898	\$8,060	\$1,162	16.8
Staffing .....	82	85	3	3.7

The Staff Offices Division consists of Education and Training, Human Resources, Administrative Services, Financial Management, Special Projects, and Information Technology.

Operations and maintenance salaries increase \$865,000, or 17.3 percent, to \$5,854,000. This increase is due to the addition of three FTEs, \$166,000; budgeting for an expected COLA, \$185,000; merit funding, \$128,000; and other adjustments, \$387,000. Financial Management will be adding two FTEs to support the audited financial statement project and to support contract administration. Administrative Services is adding one FTE to provide administrative support to the Office of Security and Emergency Preparedness and for Special Projects.

Operations and maintenance expenses increase \$747,000, or 51.2 percent, to \$2,206,000. Information Technology increases \$280,000 for management consultants. Financial Management increases \$210,000 for the audited financial statement project, contract management support, budget system enhancements, and software maintenance. Special Projects increases \$100,000 for miscellaneous expenses. Human Resources increases \$75,000 for physical abilities and medical guidelines updates and labor relations training for management and supervisors. Administrative Services increases \$25,000 for the fare subsidy increase and the installation and monthly service fees for TV cabling in the Conference Center.

All capital investments will be completed by fiscal year 2004.

Senator CAMPBELL. You have been here 7 weeks. Okay. We will give you 1 more week to figure out a plan to protect all Americans who visit the Capitol. Would that be enough time?

Mr. PICKLE. We will master that, sir.

Senator CAMPBELL. You will master it.

Well, I say that somewhat in jest, but I understand that the demands of your job have risen considerably since the last Sergeant at Arms was here. It is not going to be easy, and the committee will certainly give you all the support and help that we can.

## BUDGET PRIORITIES

In the categories of your budget, you have significant increases, but the subcommittee allocation might not be up to the task. More than likely, it is going to be below what is going to be proposed for the Legislative Branch agencies. So we may have to make some reductions.

Do you have a priority list, things that you literally have to have, and those things that could be put off?

Mr. PICKLE. I think we do, but I think rather than give you a quick answer now, I think we really ought to look at this—there are some things that are impacted by the Capitol Visitor Center's complete date that may give us some breathing room here, and funding could be made available later, and that's only come to light within the last week or so, but I think we certainly would prioritize, if you so directed us to.

Senator CAMPBELL. Okay. Well, I would like to, and I am sure Senator Durbin would also like to know more about it, if you do prioritize.

Mr. PICKLE. Yes.

## ALTERNATE COMPUTING FACILITY

Senator CAMPBELL. What is the status of the alternate computing facility that was funded in the fiscal year 2002 supplemental?

Mr. PICKLE. We had a walk-through this past week. We should be taking occupancy, along with the House and the Library of Congress, sometime in May. And we hope to start the installation of telecommunications equipment and data systems by June or July. It is a very important aspect of security for this body.

You have to wonder—being new here, you have to wonder why this was not done before, and maybe 9/11 and October 15, 2001, shed some light on the vulnerability. It was a vulnerability. It is no longer a vulnerability.

## MAIL PROCESSING

Senator CAMPBELL. You mentioned the mail processing system. Is that system going to be equipped to detect traces of things like Anthrax, and so on?

Mr. PICKLE. All mail that comes to the Capitol is irradiated by the Post Office. When we take custody or receive that mail, we do additional testing, but I would be somewhat reluctant to, in an open forum like this—

Senator CAMPBELL. Yes.

Mr. PICKLE [continuing]. Talk about—

Senator CAMPBELL. I do not want you to. That is good. All right.

## WAREHOUSE

The warehouse is the largest item in your budget, \$13.5 million for that warehouse. Why is that needed, and when would it be operational? Have you identified the site, or got the plans done, or anything of that nature?

Mr. PICKLE. We do not have a firm site. The dilemma that we face, and the Senate, in particular, faces, all the offices here, is: We have three very separate and distinct locations, one of which is part of the Russell Building. None of these are very suitable as warehouses. None have climate control or environmental controls. They are not up to GSA standards, which are fairly strict.

We also pay leases. We are paying for these. At one point, we were in jeopardy of losing the largest warehouse we have, which is down in Alexandria.

What we are attempting to do is consolidate in one location, and realize a cost savings in the outyears for the Senate, and also do a better job of providing for service to the Senate.

Senator CAMPBELL. All right. As I mentioned before, what we are going to do, since we have a 10:15 vote, is take turns chairing this while one votes, and the other ones stay here.

But if I can cut in, did you have an opening statement, Senator Durbin?

Senator DURBIN. I will just submit it for the record.

Senator CAMPBELL. Okay. We will put that in the record.

[The statement follows:]

## PREPARED STATEMENT OF SENATOR RICHARD J. DURBIN

Mr. Chairman, thank you for scheduling today's budget oversight hearing on the Senate Sergeant at Arms and the U.S. Capitol Police Board.

First of all, I want to welcome you, Mr. Pickle, and congratulate you on your appointment as the 37th Sergeant at Arms. It is certainly an honor for us to have someone with your background serving us here in the Senate. In this time of heightened security enhancements and measures, your knowledge and expertise are truly appreciated.

I am also delighted to see Mr. Keith Kennedy, Deputy Sergeant at Arms back here in the Senate. You served as Staff Director of the Senate Appropriations Committee under Senator Hatfield, and did a wonderful job. It is a pleasure to have you back in the Senate and here with us today. I know that you and Mr. Pickle will make a great team.

I also want to welcome Chief Gainer, a native of my home state of Illinois. It is good to have you here representing our Capitol Police force.

The excellent work of your predecessors is very apparent today in the Senate. When we met in this subcommittee exactly one year ago today, the talk of anthrax, major mail delays and health risks associated with irradiated mail dominated a great deal of our hearing. Today we don't have to deal with any of those subjects. This is a tremendous relief.

The subject of security around the Capitol, however, is now, more than ever, a serious one. You both have your work cut out for you in this difficult time of international unrest. I am glad to see the plans that you have outlined to assure that our security needs are being addressed.

I want to congratulate the Capitol Police on its recognition by the Commission on Accreditation for Law Enforcement Agencies. This is a well-deserved and highly-respected honor, and we who are fortunate enough to be under your watchful eye, are thrilled for you.

I am glad to see the aggressive increase in officers and civilians at the Capitol Police. I understand that the staffing study you are conducting is nearly complete. I look forward to receiving the results of this study.

## SENATE MESSAGING SYSTEM

Senator CAMPBELL. Let me ask you one other thing on the Senate messaging system. There are 28 officers who have yet to be migrated over to the new E-mail system, owing to production limitations. What are those product limitations, and are there future problems that we might expect with the Senate messaging system? How much have you spent to date on that project?

Mr. PICKLE. To date, we have spent \$26 million on the SMI project. There have been problems.

Senator CAMPBELL. What kind of problems?

Mr. PICKLE. Well, I think that the Senate poses a very unique challenge, even to the quality of the vendors that we are using, and we are using two of the most recognizable names in the country, and certainly two of the most technologically-advanced companies in the country.

We do pose some unique challenges to the Senate. When you view the Senate as being a large corporation with—when you look at 138 offices here in Washington, and approximately 440 or so spread around the country, and you are supporting over 8,000 PC desktops, not to mention laptops, and you have some very unique needs at each committee and each member office, even the finest technology companies find this a unique challenge.

There are architecture problems, and there are software problems that are being addressed. Our vendors are working around the clock with us, and they have been here. They have been very supportive, and we are relying on their expertise to get us through this.

We hope to have the migrations complete by the first part of June. That is our goal. It is working very well. There have been bugs, and you are going to have bugs.

Senator CAMPBELL. Are you going to need additional funds to ensure its operation?

Mr. PICKLE. It is premature at this time to say. I believe this: We will need maintenance funds to maintain it, but the final design, and the final architecture has not been arrived at yet. We want a system that is flawless, and we are not flawless yet.

Senator CAMPBELL. Okay. Senator Durbin, did you have any questions?

Senator DURBIN. I only have one question. I would like to apologize to Mr. Pickle that we did not have a chance to get together yesterday, but I certainly look forward to sitting down with you.

#### MAIL PROCESSING

Are you keeping track, are records being kept of the mail processing for the Senate, to give us any indication as to whether or not we are back up to speed as to where we were before the Anthrax problem?

Mr. PICKLE. Yes, we are. We are not where we were before in that a letter earmarked for the Senate today will take approximately 6 days, on average, to arrive here, from postmark to delivery. Now, of course, that is probably not faster than it was prior to October 15th, but we are back up as far as processing. The mail handling is safe, it is efficient, and we are actually saving money over where we were right after October 15th.

I want to, if I could just for a minute, give credit to the Sergeant at Arms Office for something that people call Yankee ingenuity. When we looked at that time on how we could get packaging, or packages and cargo delivered here in a safe manner, we had some very large cost estimates from vendors, in excess of \$1.5 million annually. The Post Office and the operations folks here, led by Rick Edwards and Harry Green, our Postmaster, came up with a wonderful idea at a cost of \$30,000, which is more state of the art and more efficient than the vendor was able to provide for us.

So we are making progress, but the fact that we have so many processes and procedures to go through to ensure safe mail delivery are going to certainly slow down mail delivery.

Senator DURBIN. I have two other questions. Is our approach to dealing with mail different than the House's approach?

Mr. PICKLE. Yes. Very much so. The House is much more reliant on vendors at a much higher cost.

Senator DURBIN. Can you give us a comparative cost on our mail system, as opposed to their mail system?

Mr. PICKLE. I would have to come back to you later with that, Senator. I would be happy to.

Senator DURBIN. They have contracted out to a firm to handle this.

Mr. PICKLE. They use a vendor for most of theirs, and they do have—of course, we have a different amount of the mail volume than they have, but their process, I do know from dealing with them and talking with them, is much more expensive than ours.

Senator DURBIN. What kind of complaints do you receive from Senate offices from the workers who are opening mail and processing it, as to health complaints, or concerns about fumes, or reaction, or that sort of thing?

Mr. PICKLE. There have been, I believe I am correct, about 200-plus complaints received from Senate staff, who complained of breathing problems, rashes, that type of complaint, smelling fumes. We brought in a unit of the CDC, the National Institute of Safety and Health, who did a very comprehensive study in conjunction with the Attending Physician's Office. We found a couple of things. There are, as they say, aromatic, hydrocarbon fumes being given off by this mail that has been irradiated. However, the levels are such that they do not pose a health hazard, but be that as it may, there are still a small percentage of people who are complaining and believe that they do have some illness from this, and the Attending Physician is monitoring this very carefully.

Senator DURBIN. Okay. Thank you.

Mr. PICKLE. Thank you.

Senator DURBIN. Thanks, Mr. Chairman.

#### STAFFING INCREASES

Senator CAMPBELL. All right. Just maybe one more before we are done. Your budget includes 17 additional staff over fiscal year 2003. As I understand it, you have not reached the approved 2003 level of 829; therefore, the real increase of number of people that you will be hiring will be 49. What are they going to be working in, if you can say that in the public forum?

Mr. PICKLE. Well, first of all, there are going to be—out of the 17 that we have asked for this year, 6 are earmarked towards security functions. Some of these will be working in mail processing and mail handling. The others will be working in the area of technology and central operations, to take on some of the additional responsibilities that we have taken on since September and October of 2001.

We have not filled those positions, as you indicated, which we were given last year. There are a number of reasons for that. First of all, my predecessor was very fiscally responsible. He did not want to go out front and start hiring people, unless he knew that we had the funding for it, and I concur wholeheartedly. We have approximately 73 postings out there now, and we are not just hiring people who apply. We are looking for the best people to work here. We are doing it very aggressively, but we are doing it in a very deliberate fashion.

Senator CAMPBELL. I see. Okay. Before Sergeant at Arms Pickle is done, Senator, did you have any questions or comments?

#### COMMUNICATION DEVICES

Senator BENNETT. Did you talk about the Blackberries and the beepers being—

Senator CAMPBELL. No.

Senator BENNETT. Let us get to the real important stuff.

Senator CAMPBELL. I had hoped I got away from that one. Do you want to do that?

Senator BENNETT. Okay. I feel like I am wearing a bandolier, with all kinds of grenades hanging on it, with——

Senator CAMPBELL. Cell phone.

Senator BENNETT [continuing]. And a cell phone, and a Blackberry, and so on.

I have stopped carrying the beeper now, because the Blackberry will tell me when there is a vote. Are we moving forward on anything to——

Mr. PICKLE. We are, Mr. Chairman. I do not want to sound like a broken record.

Senator BENNETT. I am no longer the chairman.

Mr. PICKLE. I am sorry. I do not want to——

Senator BENNETT. There are days when I saw the allocation to the Ag Subcommittee that I wished for the chairmanship of the Legislative Branch, because we got whacked a whole lot worse than this subcommittee.

Mr. PICKLE. I do not want to sound like a broken record on this response, but, yes, we are looking. The Blackberry, at the time it was selected, really was the best device out there. More recently, there are several competitors who offer a product, several products, which we are looking at now.

We agree that to have two, three, four instruments on your body is just not very productive, and it is a problem, but trying to eliminate that single point of failure, and get it down to one device, or two at the most, is what our goal is.

Senator BENNETT. Thank you. It is a very serious, major national problem.

Mr. PICKLE. Yes.

Senator BENNETT. International.

#### EMERGENCY PREPAREDNESS

Senator CAMPBELL. Okay. Without giving away any information that you should not in a public forum, how do you feel about our readiness for the Capitol complex, compared to 1 year, 1½ years ago?

Mr. PICKLE. I think there is no comparison. Post-9/11 and post-10/15/2001, Al Lenhardt, then Sergeant at Arms, and his staff, did an outstanding job, along with the police department, of preparing the Capitol for preventing future attacks.

There are, as you say, a large number of highly classified projects ongoing. There are many things that we are doing which are visible and not classified, such as posting barriers, badging, mail processing, mail handling, but there are many things that we are doing which are not visible, and I feel that the posture of the police department is at the highest it has ever been, the alert is high, and we are doing all we can to support them.

Senator CAMPBELL. Well, I know there have been a lot of changes, and I still remember 9/11, when a policeman came running into our office and told us we had to evacuate, but that there was no evacuation plan, so I know we have come a long way. Thank you.

If there are any further questions, we will put those in writing to you, if any other members have a question.



## CAPITOL POLICE BOARD

### STATEMENT OF WILLIAM H. PICKLE, CHAIRMAN, CAPITOL POLICE BOARD

#### ACCOMPANIED BY:

TERRANCE GAINER, CHIEF, U.S. CAPITOL POLICE  
WILSON LIVINGOOD, HOUSE SERGEANT AT ARMS  
ALAN HANTMAN, ARCHITECT OF THE CAPITOL

#### OPENING STATEMENT OF SENATOR BEN NIGHTHORSE CAMPBELL

Senator CAMPBELL. We will go on and take the testimony of Chief Gainer now, if you could come to the table there.

Did you not have an additional statement for this, Mr. Pickle?

#### STATEMENT OF WILLIAM H. PICKLE

Mr. PICKLE. I was going to, but realizing that time is short, I am going to dispense with that, and just introduce, if I can, the other members of the Police Board.

Senator CAMPBELL. Okay.

Did Mr. Livingood also have a statement, too?

Mr. PICKLE. No. It will just be myself very briefly, and Chief Gainer.

To my left is Bill Livingood, House Sergeant at Arms, Chief Terry Gainer, who was sworn in last June, and to my right, Alan Hantman, Architect of the Capitol. This board is very committed to doing the right thing for the Congress. We are very committed to supporting this police department in any way we can. We think they have done an outstanding job, and rather than take up time telling you what I think, I am going to turn it over to Chief Gainer, sir.

Senator CAMPBELL. Chief, welcome to the committee.

#### STATEMENT OF CHIEF TERRANCE W. GAINER

Chief GAINER. Thank you, Mr. Chairman and members of the subcommittee. I am honored to appear before you today to discuss the United States Capitol Police fiscal year 2004 budget request.

Mr. Chairman, I would first like to thank the committee for their continued support of the Capitol Police. The pay and other incentives received in the fiscal year 2003 appropriation are a significant advantage in recruiting, hiring, and retaining good men and women in officer positions, as well as attracting highly qualified civilian professionals for key support roles and functions.

We would also like to thank the committee for support of the acquisition of the new offsite delivery facility, and the new headquarters building, and we have been working with the Architect of the Capitol to develop our requirements for the new facilities, and

look forward to the day when we can occupy facilities that are capable of meeting our expanded needs.

I am pleased and proud to announce a recent and important accomplishment that the men and women of the Capitol Police have achieved. The Capitol Police is the first full-service federal law enforcement agency to become fully accredited by the Commission on the Accreditation for Law Enforcement Agencies, otherwise known as CALEA.

The Capitol Police voluntarily subjected themselves, and were accredited after a lengthy process by CALEA. This accreditation by CALEA is a means of matching and scoring the Department against cutting edge, professionally recognized standards of law enforcement excellence. I congratulate the men and women of the Capitol Police for this outstanding accomplishment, and their dedication to the mission of this organization, and the wisdom of the previous chiefs to engage in this process.

The United States Capitol Police, as you know, is in a period of transition. Due to the ever-increasing and underlying threat to Congress, the role of the Capitol Police has expanded to ensuring the continuity of the Legislative Branch of Government, and the national legislative process, as well as extending a sense of safety and protection to all who work in and visit the Capitol complex. We work very closely with the Sergeant at Arms, and with the leadership of both the House and Senate, to ensure that the security of the Congress is appropriately managed.

The ability of the United States Congress to meet its constitutional responsibilities is very much intertwined with the ability of the Capitol Police to meet its mission. The Capitol Police are ready and willing to meet the challenges a changing environment poses to the structure of our operations.

Our budget request, as you have noted, is approximately \$290.5 million, which as a result of the supplemental, can be reduced to \$275.5 million. It represents a reasonable, necessary, and balanced plan to directly address the threats of today, and proposes the utilization of resources to ensure the protection of Congress, its members, staff, visitors, and the legislative process in the future.

Our proposal is robust. The implementation of the United States Capitol Police strategic plan, which this budget supports, will ensure the uninterrupted continuation of the Congress. This committee has begun funding, and the Capitol Police are engaging in an aggressive increase, in both police officers and civilian support personnel.

This increase in staff is the largest and most important part of our budget, and hence, our plans. The attainment of our goals depends, in part, on having the right people in the right strength and numbers, organized into an effective and flexible blend of capabilities and skills. In order to meet this goal, and provide a measured approach to adequately staff the Department to meet the threats and challenges we face in security operations, we have undertaken and are in the process of finalizing a comprehensive staffing study of all areas within the Department. This study, which is tied to our strategic plan, represents our professional recommendations for adequately staffing the Capitol Police, with the right mix of sworn

and civilian personnel, to meet the needs of the current threat environment.

We will provide the committee copies of the study, with the appropriate staff briefings, upon its approval and review by the Capitol Police Board. The Capitol Police, as of today, has 1,393 sworn personnel, and we are anticipating concluding fiscal year 2003 with 1,569, and a budget request to finish fiscal year 2004 with 1,833 sworn officers.

We also have 227 civilians, with the goal to finish fiscal year 2004, with 573 onboard professionals. This substantive and substantial increase in the staff is the backbone of the plans to fully staff all the necessary law enforcement areas around the Capitol complex, and to be able to provide sufficient intelligence capabilities, robust physical security, and response functions, as well as adequate administrative and logistic support services within the Police Department.

The fiscal year 2004 estimate for salaries is \$218.3 million, or a 25.1 percent increase over the previous year. Our general expense request of approximately \$72.2 million will be reduced by the \$15 million related to the fiscal year 2003 supplemental, for a total of approximately \$57.2 million to fund the operational and administrative capacity of the Department.

We have designed and implemented security systems to protect and prevent unauthorized physical and electronic access around this complex. A good portion of this budget will go to maintaining these systems at peak performance, and creating necessary expansions. Maintenance, life-cycle replacement, and expansions of services will cost approximately \$8 million over the previous year.

Also included is the equipment required of the new off-site delivery facility. The Capitol Police will incorporate in the facility cutting-edge technologies to examine all incoming deliveries, and stop any harmful package from entering the Capitol complex. The equipment and technology required to appropriately complete this facility will cost approximately \$4.3 million.

Funding is also requested for the accommodations, such as personnel, equipment, new staff, modernization of core information technology systems, and creation of the Capitol's first six-person mounted horse unit. We are also developing a Hazardous Materials Response Team, HMRT. This highly trained team, with civilian professionals will stand ready to deal with any chemical, biological, or radiological threat which could occur in the Hill.

We have other highly trained elements that deal with explosives, armed intruders, unruly crowds, disturbed individuals, or other individuals who make threats. All of our response teams and, in fact, all of our operations rely on effective communications. The technological world of communications is constantly changing, and we need to keep in step with advances in this area.

The Capitol Police employ several modalities of communication for effectiveness and redundancy. This budget plan requests additional funds to expand and update our communications capabilities to provide increased effectiveness in our operations. Whether it is effective communications, effective incident response, effective staffing strengths, or simply effective operations, we value being the best.

The men and women of the Capitol Police are talented, motivated, and engaged professionals who take great heart in protecting this Congress. As Chief of the Capitol Police, and on the Department's 175th anniversary, I take great pride in the many years of service that the United States Capitol Police have provided the Congress.

Building on that legacy, we at the United States Capitol Police look forward to continuing to safeguard the Congress, staff, and visitors to the Capitol complex during these challenging times, and we look forward to working with the Congress, and particularly this committee.

#### PREPARED STATEMENTS

I thank you for your time, and I am ready to take any questions you might have.

Senator CAMPBELL. Okay. Thank you.

[The statements follow:]

#### PREPARED STATEMENT OF WILLIAM H. PICKLE

Mr. Chairman and members of the Committee, we are honored to appear before you to discuss the fiscal year 2004 Budget Request for the United States Capitol Police. With me today are the other members of the U.S. Capitol Police Board, Mr. Bill Livingood, Mr. Alan Hantman, and Chief Terrance Gainer. As you know Chief Gainer was sworn in as Chief of Police in June of last year.

Having been appointed on March 17, 2003, I have been a member and the Chairman of the Capitol Police Board for a relatively short period of time. During that time, and based on past experiences, I have developed a strong respect for the capabilities and professionalism of the men and women of the United States Capitol Police. I would also like to express my appreciation to Bill Livingood, Alan Hantman, and Chief Gainer for their outstanding contributions and for their wise counsel during this learning period I am traversing. We have developed an excellent working relationship in this short period of time. A spirit of cooperation and unity has developed between us that will be evident in the future and I feel will best serve the Members of Congress, staff and visitors to the Capitol complex during these times of uncertainty and heightened security.

This spirit of cooperation is strengthened by our shared focus and mission to protect and support the Congress in meeting its Constitutional responsibilities. The three thrusts that the Department has identified—Prevention, Response, and Support are key to meeting their mission. I support the vision of the United States Capitol Police to be a model federal law enforcement agency, leveraging partnerships, and being in the forefront in developing and implementing state-of-the-art security, law enforcement, and incident response programs to ensure the continued protection of the Congress and legislative process in a changing threat environment. I further support training and other measures being taken to enable the men and women of the Department to meet the increasing challenges, and to perform at the highest levels of professionalism. I will undoubtedly have these items in mind when making decisions that impact the security of the Congress and impact the Capitol Police.

I know that there are issues facing the Capitol Police. Facilities and space requirements are one of the critical issues. It appears that progress is being made in this area and in the not too distant future we could have movement on a new headquarters facility, and an offsite delivery center. I feel it is critical that we make sure that this momentum continues, because other plans are dependent upon it. One plan, which is dependent upon facilities and space, is staffing increases. The Capitol Police began, with committee support, an aggressive staffing increase. This budget addresses critical security needs for more officers and support staff to carry out the mission of the Capitol Police. These staffing increases are vital and I urge your support of the staffing strengths laid out in this budget plan, as well as coming decisions regarding facilities.

Mr. Chairman and members of the Committee, I want you to know that I am very excited to be here and that I am looking forward to working with this Board, and the Committee on the security of the Capitol complex and the issues facing the Capitol Police. Thank you for this opportunity to appear before you today, Chief Gainer

will present his remarks regarding current operations and Capitol Police plans for the coming fiscal year.

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PREPARED STATEMENT OF TERRANCE W. GAINER

Mr. Chairman and Members of the Subcommittee, I am honored to appear before you today to discuss the United States Capitol Police fiscal year 2004 budget request.

Mr. Chairman, I would first like to thank the Committee for their continued support of the Capitol Police. The pay and other incentives received in the fiscal year 2003 appropriation are a significant advantage in recruiting, hiring and retaining good men and women in officer positions, as well as attracting highly qualified civilian professionals for key support roles and functions.

We would also like to thank the Committee for its support of the acquisition of a new off-site delivery facility and a new headquarters building. We have been working with the Architect of the Capitol to develop our requirements for the new facilities and look forward to the day when we can occupy facilities that are capable of meeting our expanding needs.

I am pleased and proud to announce a recent and important accomplishment of the men and women of the Capitol Police. The Capitol Police is the first full-service federal law enforcement agency to become fully accredited by the Commission on Accreditation for Law Enforcement Agencies otherwise known as CALEA. The Capitol Police voluntarily subjected themselves and were accredited after a lengthy process by CALEA. This accreditation by CALEA is a means of matching and scoring the Department against cutting edge, professionally recognized standards of law enforcement excellence. I congratulate the men and women of the Capitol Police for this outstanding accomplishment and their dedication to the mission of this organization.

The United States Capitol Police is in a period of transition. Due to the ever increasing and underlying threat to the Congress, the role of the Capitol Police has expanded to ensuring the continuity of the Legislative Branch of government and the national legislative process as well as extending a sense of safety and protection to all who work in and visit the Capitol complex. We work very closely with the Sergeants at Arms and with leadership of both the House and the Senate to ensure that the security of the Congress is appropriately managed. The ability of the U.S. Congress to meet its constitutional responsibilities is intertwined with the ability of the Capitol Police to meet its mission. The Capitol Police is ready and willing to meet the challenge this changing environment poses to the structure of our operations. Our budget request of approximately \$290.5 million, which as a result of the supplemental can be reduced to \$275.5 million, represents a reasonable, necessary and balanced plan to directly address the threats of today and proposes the utilization of resources to ensure the protection of Congress, its Members, staff, visitors and the legislative process into the future. Our proposal is robust. The implementation of the USCP strategic plan, which this budget supports, will ensure the uninterrupted continuation of the Congress.

This Committee has begun funding, and the Capitol Police are engaging in, an aggressive increase in police officers and civilian support personnel. This increase in staff is the largest and most important part of our budget, and hence our plans. The attainment of our goals depend, in part, on having the right people, in the right strength and numbers, organized into an effective and flexible blend of capabilities and skills. In order to meet this goal and provide a measured approach to adequately staff the Department to meet the threats and challenges that face security operations of the Congress we have undertaken, and are in process of finalizing, a comprehensive staffing study of all areas within the Department. This study, which is tied to our strategic plan, represents our professional recommendations for adequately staffing the Capitol Police with the right mix of sworn and civilian personnel to meet the needs of the current threat environment. We will provide the Committee copies of the study with appropriate staff briefings upon completion, which is expected within the next few weeks. The Capitol Police, as of April 5th had 1,393 sworn personnel and we anticipate concluding fiscal year 2003 with 1,569 and a budget request to finish fiscal year 2004 with 1,833 sworn officers. We also have 227 civilians with a goal to finish fiscal year 2004 with 573 on-board professionals. This substantive increase in staff is the backbone of plans to fully staff all necessary law enforcement areas around the Capitol complex and to be able to provide sufficient intelligence capabilities, robust physical security and response functions as well as adequate administrative and logistical support services within the Police De-

partment. The fiscal year 2004 estimate for salaries is \$218.3 million or a 25.1 percent increase over the previous year.

Our general expense request of approximately \$72.2 million will be reduced by \$15 million, related to the fiscal year 2003 supplemental, for a total of approximately \$57.2 million to fund the operational and administrative capacity of the Department. We have designed and implemented security systems to detect and prevent unauthorized physical and electronic access around the complex. A good portion of this budget will go to maintaining these systems at peak performance and creating necessary expansions. Maintenance, life cycle replacement and expansion of services will cost approximately \$8 million over the previous year. Also included is the fit out of the new offsite delivery facility. The Capitol Police will incorporate, in the facility, cutting edge technologies to examine all incoming deliveries and stop any harmful package from entering the Capitol complex. The equipment and technology required to appropriately complete this facility will cost \$4.3 million. Funding is also requested for the accommodation, such as personal equipment, of new staff, modernization of core IT systems and creation of the Capitol's first six person mounted horse unit.

We are also developing a Hazardous Materials Response Team (HMRT). This highly trained team of civilian professionals will stand ready to deal with any chemical, biological, or radiological incident, which might occur on the Hill. We have other highly trained elements that deal with explosives, armed intruders, unruly crowds, disturbed individuals, and individuals who make threats, etc.

All of our response teams and, in fact, all of our operations depend on effective communications. The technological world of communications is constantly changing and we need to keep in step with advances in this area. The Capitol Police employ several modalities of communication for effectiveness and redundancy. This budget plan requests additional funds to expand and update our communications capabilities to provide increased effectiveness in our operations.

Whether it is effective communications, effective incident response, effective staffing strengths, or simply effective operations, we value being the best. The men and women of the Capitol Police are talented, motivated, and engaged professionals who take great heart in protecting this Congress.

As Chief of the Capitol Police on the USCP's 175th anniversary, I take great pride in the many years of service this Department has provided to the Congress. Building on that legacy, we at the USCP look forward to continuing to safeguard the Congress, staff, and visitors to the Capitol complex during these challenging times. And we look forward to working with the Congress and particularly this Committee.

I thank you for your time and am ready to take any questions you may have.

Senator CAMPBELL. Did you have any additional comments, Mr. Pickle?

Mr. PICKLE. No.

#### MOUNTED HORSE UNIT

Senator CAMPBELL. Okay. Well, we have got our second call to vote. Senator Durbin will be back in 1 minute, and he will chair until I get back.

I have got a number of questions. Let me ask you one that I am particularly interested in first, and that is: You included in your budget funds to start a mounted horse unit. Long before I was ever in public office, that is what I did. I was a training officer in Sacramento, and part of my responsibility was to train police horses.

In fact, I wrote the manual for the Sacramento Sheriff's Department and the Law Enforcement Academy, and we did not have the budget to do that, but we watched other departments, like San Francisco, the success they had with crowd control during the riots years before that, and we were convinced, based on what other departments were doing, that one mounted patrolman in a crowd control situation is the equivalent of about ten on foot. But it requires some additional problems, like transportation, stabling, all the rest of the stuff.

We did not have the budget to do it, so we might just put that in your think cap. It is probably a little different here, because a lot of people in this part of the country, they do not ride. Further out West, as you probably know, a lot more people do ride. What we did is: We found the police officer who had an interest and who owned his own horse, and the department leased them, not for much. I think it was \$15 a day, as I remember, and the officers provided their own transportation to get them to work, and it saved the department a ton of money in not buying horses, not worrying about stabling, not worrying about feed, and doing all of the rest of the things.

So I remember, we had about 30 on the mounted division of patrol. They only worked summers, and then we trained them in the wintertime, but they made a terrific impact for that department. And most big departments now use horses, not only because they are great with crowd control, but people like them, too. We found that they were public relations tools in dealing with visitors in our county parks.

The only bad experience we ever had, I would have to tell you, is that we had this old cowboy that was also a policeman, and he was a team roper, and we were out on patrol one day by the parks, and we had this guy in a motorbike that kept zipping through, and we could not get him to stop. He would outrun us, because he was on a light motorcycle.

Unbeknownst to the rest of us, this one sheriff, one deputy, he brought a rope with him one day, and he tied one end to his saddle horn, and when the guy went by, he roped him, and jerked him off his motorbike.

He did not come back, by the way. He did not do that any more. So that was the only bad experience we ever had with them. All of the rest of the experiences with mounted patrol horses were good, so I want to do whatever I can to help you. I think it would just be a real benefit.

The Park Police get horses donated, and they have a stable, as you know, down here. They have one up in Rock Creek Park, and they have another one right down here on the mall, too. I do not know what you had in your long-range plans to get a unit going, but I just want to commend you for doing that, and I think it is really going to make a very strong addition to the department.

Chief GAINER. Thank you, Mr. Chairman. In light of that, I would like to double the request from six to twelve.

Senator CAMPBELL. I just got you a whole bunch of motorcycles. We have to do one thing at a time here. I will be back in just a moment.

#### STATEMENT OF SENATOR RICHARD J. DURBIN

Senator DURBIN [presiding]. How are you?

Chief GAINER. Good. Thank you, sir. It is good to see you.

Senator DURBIN. Please proceed. I see your family all the time in Chicago. They are doing well.

Chief GAINER. Thank you, Senator. I just concluded my remarks, and I am available for questions, sir.

## ADDITIONAL OFFICERS

Senator DURBIN. Good. Now, it is my turn. Let me ask you, I think it was 1 or 2 years ago, maybe last year, we talked about 800 new officers in the Capitol Police. Tell me what the goal is today, how many more officers we are talking about.

Chief GAINER. We have just completed our staffing plan. It took us a number of months to do that, and it was done from top to bottom within the Department, and it built off an earlier plan that the Department had done, as well as an outside vendor, who came in and did an analysis. We have just submitted that plan in the last couple of days to our Sergeant at Arms, so they have not had a chance to really digest it, but as you know, our current sworn strength is 1,393, and we anticipate finishing fiscal year 2003 with 1,569, and we would like to move towards 1,833 at the end of 2004. That is just the sworn I am talking about. I know that is a substantial increase. I would like to break down the larger areas of that.

We would need 138 officers to staff in accordance with that 1998 study that we did, which was done in concert with the Secret Service, and the Bureau of Alcohol, Tobacco and Firearms, and the U.S. Marshals Service, and the outside vendor, but that would permit us to post one officer outside an entrance for deterrence and surveillance, one officer at a magnetometer, one officer at the X-ray machine, and then another officer for surveillance behind that. Some of that was born out of our experience when our officers were killed in 1998.

One hundred and six additional officers then would be required to fully staff our explosive detection equipment, so that the itemizers that we think should be at each of the entrances for staff, or civilian, or visitors would have that additional capability.

The Capitol Visitor Center will require 135 additional officers, given at least eight new posts, the magnetometer positions that will be there. The Botanical Garden, when it is fully staffed, and all of our officers are deployed there, would require an additional 27 officers. All these additions end up meaning you need more first- and second-line supervisors, so that would require 63 more.

In addition, because of the different vulnerability in attacks, and the threat of attacks that we have, we would put 119 more officers in and about the area, this includes increased visibility posts, our threats section, and to our protection unit.

Senator DURBIN. So the original estimate of 800, I do not know if you are familiar with that, and I—was that last year or the year before last year? Has that number changed? I believe we are talking about uniformed officers in 800. The goal of finding 800 officers over a given period of time, I do not know how many years it was—

Chief GAINER. That has remained about the same then.

Senator DURBIN. About the same.

Chief GAINER. Yes, sir.

## ADDITIONAL CIVILIAN STAFF

Senator DURBIN. The civilian requirement, though, has gone up.



Chief GAINER. It has gone up significantly. We have 227 on board now, and we would like to finish 2004 with 573, and, again, I know that is a whopping increase, but let me just hit the highlight of those areas which are above our current authorization.

Some 59, nearly 60, would be just in the physical security area alone, whether it is physical security systems, countermeasures, and construction security. Another 143 would be in the administrative support area. Our Human Resource Division, with some of the growth, and taking over the responsibilities that were heretofore done by either the Senate or House, both our financial, our procurement, and the management of personnel, is very taxed. I think some of the GAO reports and others have appropriately criticized us for not having enough people to do the job there. So that administrative support, physical services, legal, additional trainers, would be 143.

Logistics, whether it is property, vehicles, or facility, would require another 23.

Our strategic operations and planning and incident management would require another 56 people, let me break that down. As I have indicated, the accreditation process in my remarks, we have just been approved for accreditation. It does require some people to maintain that. Our HMRT would grow. It is a new unit, that I believe has been previously authorized for 60 people, and our strategic operation and planning, where we are really merging a lot of the different planning functions, and adding, I think, to there, would require a total of 56. Our canine, off-site, investigations, and security aides would add an additional 15.

Senator DURBIN. If you attain these goals, what will be the total complement of the Capitol Police?

Chief GAINER. The total number ultimately would be 1,833 sworn, and 573 civilians, for a fiscal year 2004 total of just over, as my adders are adding behind me, and we project some of the civilian growth that I discussed above would occur in fiscal year 2005.

Senator DURBIN. It is 2,400, roughly, somewhere in that range.

Chief GAINER. It is 2,929 at the end of fiscal year 2005.

Senator DURBIN. Historically, give me an idea, what was it 1 or 2 years ago, before September 11th, let us say? Do you have any idea?

Chief GAINER. I do not have that immediately in front of me, Senator. I will get that for you, sir. [As of September 30, 2001, the Department had a total of 1,364 employees].

Senator DURBIN. It is clear, it is substantially—

Chief GAINER. It is a big growth.

#### RECRUITING OFFICERS

Senator DURBIN. I will be the first to acknowledge that the men and women who serve in the Capitol Police have done an extraordinary job since September 11th at great sacrifice, personal and family sacrifice. We cannot thank them enough. We had a little button made. That did not say it. I mean it was—our gratitude is genuine.

I need to ask a question, though, because when we asked at an earlier panel—I am not sure that you were part of it—how many

people have to be interviewed before you find, successfully find a new uniformed officer in the Capitol Police. I believe the number was ten. Is that still—

Chief GAINER. That is an accurate number, but I am really delighted to say that we are not having any problems with the recruitment issue, and I think that is in a large part due to a couple of things.

The pay package that you have agreed to, especially in the last year, has put us in the forefront in this area, plus the Department continues to gain a reputation of a good place to work, with a lot of different opportunities. And to the extent that other departments, whether it is the city or the surrounding states are not hiring, it is to our advantage.

So at the moment, our impediment to getting people sworn in is our ability to get them through the police academy at Glynco. We anticipate, I think, about 360 people completing that program next year. In addition, we are looking at a lateral entry process that may permit us to bring any number of people in who are already trained either at FLETC or other certified academies, and bring them in through an instruction program that we would have here, so we could even grow quicker.

#### STAFFING ALTERNATIVES

Senator DURBIN. This is a personnel-intensive effort. What efforts are you making to find alternatives that would deal with security in a way that would require fewer people?

Chief GAINER. Well, one of the ways you would do that is through overtime. There has to be a balance between the right number of people and the amount of overtime that is acceptable, this is more of an operational and cost issue than hiring people.

Senator DURBIN. I do not think my question was clear. What I am looking for is: Is there an alternative to this personnel-intensive increase? Have you looked to technology, and other means to establish security that would not require as many FTEs?

Chief GAINER. Yes. I mean technology is key to how we are managing what we do, but at the moment, we are leveraging the technology to the greatest extent we can. But given the number of doors, and garages, and entrances, that is where a lot of this labor-intensive deployment comes in. Even as we get to the opening of the Capitol Visitor Center, there is no indication at this point that other doors and entrances would be closed, so that all the technology and security that the Capitol Visitor Center brings would just be added personnel.

#### PUBLIC ACCESS

Senator DURBIN. At this time, we still have limited public access, do we not, to Capitol Hill and some of its buildings?

Chief GAINER. Well, the total numbers are limited, but all staff, member, and public tours are open.

Senator DURBIN. In terms of Capitol tours as well, is that back up to the level that it was before September 11th?

Chief GAINER. It is not.

Senator DURBIN. Is it envisioned that we will open the Capitol again to that same group or same number in the near future?

Chief GAINER. I think we have to look at that on a weekly or monthly basis, and work with the Senate and the House Sergeant at Arms to determine what the appropriate number ought to be. Even as the war in Iraq was beginning to wind down, and we had anticipated that the threat level to the United States was going to be changed, we were examining that and working with both the Sergeant at Arms in moving towards opening further. I think as security information changes, hopefully, we will be able to suggest allowing more people in the Capitol.

#### LOC POLICE MERGER

Senator DURBIN. Some people would be surprised to learn that there are several different police forces on Capitol Hill, one of them being at the Library of Congress, and this committee has asked to see if we can integrate the Capitol Police with the Library of Congress security force. Can you tell me what progress has been made on that?

Chief GAINER. Well, we are moving along with that rapidly, as you know, the law requires that I propose a plan to this committee and others by mid-August, I believe August 19th. I have had a series of personal meetings with the Librarian of the Congress and the Deputy Librarian. We have formed committees to work through the major issues, like the joint operations, personnel issues, and legal issues. We have hired a contractor, a former chief of police, who participated in a large merger of a city police department and county agencies.

So, I believe we are well on track to present the plan, and the costs, and the implication of doing that. I also would make the record clear, from my point of view, that having a single department, under the command of the Capitol Police and under our budget control is better for security, and is very doable, as we work through all those technical issues to achieve that.

Senator DURBIN. I support it, of course, but I want to ask you two questions that have come up. One is: What are the different standards that we have, for retirement, for example, between the Library of Congress, security, and Capitol Police? Are you taking that into consideration, so that there is some accommodation or grandfathering of security officers currently at the library?

Chief GAINER. Senator, that is one of the things we would be looking at. I met personally on two different occasions with most of the sworn employees at the Library of Congress, and assured them that my understanding of the intent of the committee, or the Congress, of our effort would not be to harm anyone in this, and that during all these committee meetings, as we develop our plan, we are going to have to figure out who can make the cut and meet our standards, who might need additional training, who might be grandfathered in, or who might be pensioned out.

Senator DURBIN. The other concern that the Library of Congress has made, I think, a valid observation is that their responsibility is a little different than the responsibility in other places in the Hill. They have a fiduciary responsibility when it comes to the collections that are priceless and irreplaceable, and view their security requirements somewhat differently than perhaps someone who is guiding hundreds of people through a Capitol Hill building.

Are you taking that into consideration, in terms of the complement for security standards that will be used, and the supervision that will be sensitive to that need?

Chief GAINER. Very much so. One of the ways we are doing that, again, is: All of our subcommittee working groups have people both from our agency and theirs, and I know there are things that we can learn from them, and them from us. I have also detailed an inspector over to that building, and the Library of Congress was good enough to give us space there, and we have offered to do some exchange programs now with our personnel, and we have invited them to participate in any of the in-service training classes that we have. But I have also pointed out to them that there is a lot of very important and historical items that we are responsible for in this Capitol complex, so in many respects, there is commonality of tasks.

Senator DURBIN. There are some similarities, no doubt about it.

Chief GAINER. Yes, sir.

Senator DURBIN. I might also note that if I am not mistaken, the Capitol Visitor Center is going to create an underground access to the Library of Congress. It just makes sense for us to have a common security force that works together and complements one another, in terms of their responsibilities in that regard.

Chief GAINER. Yes, sir.

#### APPLICANT ATTRITION

Senator DURBIN. I do not have any further questions here. I do not know if there are any for the record that the staff has prepared that they would like me to consider.

You have stated for the record, Chief Gainer, that recruitment retention efforts have been improved because of the pay package and benefits that are available, but you said that it also, I hope I am not misstating this, that there were still some ten applicants for every person who was finally accepted to the Capitol Police force.

Chief GAINER. That is correct, Senator.

Senator DURBIN. What are the reasons why people do not make the Capitol Police force?

Chief GAINER. Well, the first cut you need to make is the written exam. So you need to get past the written exam, a physical, a background check, a psychological test and a polygraph examination. Once you get past all those, and there is an offer of employment, the candidate is then sent down to FLETC. So in that process is where people continually are weeded out.

Senator DURBIN. Can you give me ideas, percentages of those who would fail the written exam, physical exam or, when offered, not accept the position?

Chief GAINER. I would have to get back to you with the specifics of that, Senator.

[The information follows:]

## UNITED STATES CAPITOL POLICE RECRUITMENT STATISTICS FOR FISCAL YEAR 2002

[As of May 1, 2003]

	Number	Percent
Candidates Tested .....	3,578	.....
Candidates Passed .....	2,697	75.4
Candidates Applied .....	1,959	<sup>1</sup> 72.6
Disposition of Candidates Who Applied:		
Disapproved Prior to Conditional Offer .....	571	29.1
Declined Prior to Conditional Offer .....	257	13.1
Disapproved After Conditional Offer .....	545	27.8
Declined After Conditional Offer .....	185	9.4
Background Investigation Pending .....	46	2.4
Appointed .....	315	16.1
Scheduled for Appointment .....	11	.6
Recommended for Appointment .....	29	1.5
TOTAL .....	1,959	100.0
Total Appointed, Scheduled & Recommended .....	355	.....
Percent of Candidates Tested .....		9.9
Ratio of Appointed to Tested .....		1 of 10

<sup>1</sup> Percent of those that passed.

## NOTES:

A Conditional Offer is given prior to the polygraph exam, physical exam, and psychological evaluation.

Appointments from the 46 candidates currently pending completion of background investigation would slightly increase the percentage. If all were appointed the Percentage would increase to 11.2.

## STUDENT LOAN REIMBURSEMENT

Senator DURBIN. Let me ask you: One of the things that we talked about is student loan reimbursement, and that has been a program that I have pushed, and there are some skeptics on the Hill. I think people with children in college, or recent graduates, understand how important this element is when you start talking about a job. Can you tell me whether this has been used by the Capitol Police?

Chief GAINER. Well, we just, in the past 30 days, completed the regulations that would put that into effect, and we, in fact, anticipate that it will be fully operational by the 30th of July. I think the mandate of that would have it in effect by June. June is when the educational assistance program will be ready to be completely available. So we have laid out the regulations, the amount of money has been budgeted to do that, and now it is a matter of putting it into our recruitment efforts, and making it available to our current employees.

## DIVERSITY OF THE WORK FORCE

Senator DURBIN. Can you give me any indication of the diversity of the Capitol Police force?

Chief GAINER. Let me see if I have that.

I am sorry, sir. I will have to get back to you on that.

Senator DURBIN. If you would. What efforts are being made to promote diversity in recruitment for the Capitol Police?

Chief GAINER. Part of what we do there is, where we advertise, and where we visit. Over the course of 1 year, I believe there will be about 200 visitations our recruiters will make throughout the United States. I think it is 200. They will go to various colleges, universities, military bases. And that will be done, whether it is a

college that is traditionally African American, or looking at recruiting from Puerto Rico, to try to increase the Hispanic level. So we target where we might find the most minorities or gender differences.

[The information follows:]

#### UNITED STATES CAPITOL POLICE GENDER AND RACE OR ETHNICITY STATISTICS

[In percent]

Number of Officers	Gender		Race/Ethnicity				
	Male	Female	White	American Indian	Black or African American	Asian or Pacific Islander	Hispanic or Latino
AS OF MAY 12, 2003							
1,436 .....	81.6	18.4	65.3	.3	29.6	1.3	3.5
AS OF JUNE 2000							
1,199 .....	82.2	17.8	67.3	.3	28.8	1.1	2.5

Note: Per Department of Justice statistics, in June 2002 the USCP had the second highest percentage of black police officers of all federal law enforcement agencies.

#### PAY SCALE COMPARISON

Senator DURBIN. How does your pay scale compare to the D.C. Police Department?

Chief GAINER. Actually, we are above the D.C. Police Department in our entry-level pay, and our step increases, and the fact I happen to have a son who is a member of the Metropolitan Police Department, and was just shocked to learn, as he completed his 18 months, that he would not be getting a step increase because of budget problems that they are having there. That is not an issue we have.

I will give you some examples. The entry level for a United States Capitol Police Officer is \$43,166. For a Park Police Officer, it is \$40,345. For a Secret Service Uniform Division, it is \$40,349, and for the Metropolitan Police, it is \$39,644. So just over the MPD, we are slightly better than \$4,000.

Senator DURBIN. Forty-three—

Chief GAINER. It is \$43,100 for us and \$39,600 for MPD.

Senator DURBIN. There was a time when we were losing Capitol Police officers to the Transportation Security Administration. Now, I see they are laying off people. Some 3,000 more were announced yesterday, if I am not mistaken. Obviously, this may create a pool of talent looking to apply to come back to the Capitol Police. Have you noted that from any of the previous layoffs?

Chief GAINER. Actually, some of the personnel that we lost that went over there had made inquiries about coming back here and, again, fortunately, the legislation that was passed by both the House and Senate recently permits us to do that.

I might add that flying home from Chicago, where I was taking a son to look at a college, last night, I happened upon one of the officers who formerly worked for us. He was on that flight doing his duty, and we had a chance to kibbitz a little bit, and I suggested to him that he ought to come back home. He was lamenting about the travel, and some of the promises were not quite there, and I said we would welcome him back with open arms.

Senator DURBIN. Thank you, Chief.  
Mr. Chairman.

#### MOUNTED HORSE UNIT SUPPORT

Senator CAMPBELL [presiding]. Thank you, Chief. I understand Senator Durbin asked a number of questions that I was going to, too.

I have a few more. While I was walking over to vote, I got to thinking I might have given you the wrong impression a little bit about the use of horses. I am very, very supportive of it, by the way, but I reflect back on my days when I was a training officer for those horses. And, you know, you see those old Westerns where these cowboys are running around shooting. Well, I want the record to reflect you can shoot off any horse once, and the next time you even look at your gun, you are probably going to go to a rodeo unless you have an awful lot of training.

Chief GAINER. Noted.

Senator CAMPBELL. You will take that into consideration. We used to get a lot of help from, of all the strange places, from the Boy Scouts of America, and we got the local Boy Scout troops—and they loved it, by the way—to act as crowds. And, of course, it was kind of scripted, but we had them crumble up newspapers, for instance, and fill small water balloons, and throw them at us, do all kinds of stuff to get the horses used to these very unusual circumstances, but if they are trained right, they are going to do you a lot of good. So I hope you pursue that—

Chief GAINER. Yes, sir.

#### LOC POLICE MERGER

Senator CAMPBELL [continuing]. And I will certainly help you.

Let me talk a little about the merger of the Library of Congress. I do not know if Senator Durbin hit on that or not, but Speaker Hastert had a problem with that, based primarily on the difference of training, whether it was necessary for the police over at the Library of Congress to go through the same training or not. Do you find some additional challenges you had not expected in this merger?

Chief GAINER. Well, there are a lot of issues to be worked through yet, and to develop the plan that we owe you by August 19th, none the least of which is how you transfer individuals and make them meet our standards. One of the things that is in the legislation requires that any new hires would meet the standards of the United States Capitol Police, and we have talked with them about that.

So some of our subcommittees will be working on the issue of who can make the cut and simply put on our uniform rather quickly, with a minimal amount of training, and who, because of either background, or physical ability, or age, would not do that. Then we would have to work through, if that is the case, if there is a group of those individuals, are there things that can augment the security that needs to be done either in the Library of Congress, or elsewhere, that would accommodate them, or offer them buyouts, or early retirements.

I do not think there are any impediments, except some of the public statements that I have heard that would indicate that the Library of Congress supports the notion that the budget for this unit would be within their budget. I could not support that, and I would not recommend that to either the Police Board or this committee, or the notion that the ultimate commander of that unit, whether it is an inspector, if it is similar to our other divisions, would report directly and outside of the chain of command of the police department. I think those are two very key issues of command and control that would be essential for the successful merging of the agencies.

Senator CAMPBELL. When they hire, do they have the same age requirements as the Capitol Police?

Chief GAINER. At the current moment, they do not.

Senator CAMPBELL. They do not. They have requested 54 additional officers, as I understand it, in the fiscal year 2004 budget. Can you, or do you, or have you done an analysis about the need for those positions, and how the hiring of their officers might affect this planned merger, for instance, if they are hiring of an age that is above the age restriction you have? Is that going to be a problem?

Chief GAINER. The analysis of that is in the embryonic stage. We have to do more work on that, and figure out what the implication is, and why they would want that number.

Senator CAMPBELL. Is that included in your manpower study that you are doing?

Chief GAINER. It is not.

#### STRATEGIC PLAN

Senator CAMPBELL. It is not. In your manpower study, is that part of your strategic plan?

Chief GAINER. The merger of the Library of Congress police?

Senator CAMPBELL. Yes.

Chief GAINER. It is, sir.

Senator CAMPBELL. It is. Has there been an outside agency hired to do that, or are you doing that in-house?

Chief GAINER. The merger process, or the——

Senator CAMPBELL. The strategic plan, in general.

Chief GAINER. The strategic plan, the one we just completed, was done largely in-house, based on earlier work the police department had done. But only in the last 24 hours have we had some conversations with the GAO to ask them to both please help us with the strategic plan and the staffing plan to make sure that they coalesce, as we think they do, and to ultimately deliver a strategic plan that is in conformity with the recent legislation that requires something done by sometime this summer.

#### FACILITIES

Senator CAMPBELL. This summer. Okay. On your facility needs, did we not last year provide money for a training building for you?

Chief GAINER. Yes, sir.

Senator CAMPBELL. What is the disposition of that? Is that going to also house your new headquarters, or just the training?



Chief GAINER. It is out in Cheltenham, Maryland. It was opened just about 1 year ago, this past summer, and it is part of the Federal Law Enforcement Training Center properties. We completely occupied, and staffed it. That is where we are training the individuals. But also in the supplemental budget, there was money given for a new training facility out there that would accommodate live fire and tactical training of our officers.

#### TRAINING

Senator CAMPBELL. Do they do 80 hours of training there? I thought I saw 80 hours somewhere in my notes.

Chief GAINER. One of our goals is to increase in-service training for everybody to 80 hours. Now, we have fallen short of that thus far, mainly because of the overtime requirements, and the threat conditions we are operating under. Most police departments, progressive police departments, like 40 hours. Again, we want to be the best.

Senator CAMPBELL. Forty?

Chief GAINER. We want to be on the cutting edge, and have 80 hours. The average, some officers have had 80 hours. Most officers right now have only had 40. We instituted a training day. Every single day is a training day, where at a roll call, everybody gets 8 minutes on some type of subject. We still have work to do to get everybody up to 80 hours, which also, I might add, is one of the reasons for the manpower increase.

So the 40-hour in-service training, morphing to 80 hours, is in addition to the firearms training we get. In order to do that, you have to have people not on post, and not working overtime.

#### RETENTION OF EMPLOYEES

Senator CAMPBELL. For a while, you had a retention problem. I think you alluded to it earlier. People were going through your training, and then trying to get into another agency, air marshal, or something of that nature, and that, I understand, has slowed down. Have you had any people who want to transfer in from other departments?

Chief GAINER. We have. I just mentioned, I happened to fly in a plane last night with an individual who is a former member of our agency of 10 years, and went over to the sky marshals. I invited him back, and he was at least thinking it over. We also had some inquiries by about a half-dozen other employees who have left the Department.

Senator CAMPBELL. He was one of your former officers.

Chief GAINER. Yes.

#### LATERAL ENTRY PROCESS

Senator CAMPBELL. Have you had some that were not your own former officers? If they come in, do they go through the same amount of training, or the same type, or do they have some abbreviated lateral transfer consideration, or something in lieu of that?

Chief GAINER. It is a great question, sir. It was only in the past year that we received the ability to do that, and in the past 30 days, we have sat down with both our recruiters and trainers to

implement a program that we hope that by the fall will introduce a class of only lateral-entry officers, who have either gone through FLETC under some other Federal agency, or some accredited agency, that would then only be trained from 8 to 10 weeks at our academy at Cheltenham.

Senator CAMPBELL. Eight to 10 weeks. As I remember, years ago, our training was around 12 weeks, which was kind of an average in California in those days.

Chief GAINER. Universally, it has grown. Our officers do, I believe, 12 down at FLETC, and another 12 up here.

Senator CAMPBELL. When they do the 12 up here, do they live at home, or are they in a dorm facility?

Chief GAINER. They do not stay at the facility.

Senator CAMPBELL. I have a few other questions, that I do not know if Senator Durbin touched on or not. So that I do not duplicate those, the remaining ones I will submit. If you will answer them in writing, I would appreciate that.

Chief GAINER. Thank you, Senator.

#### SHINING LIGHT OF THE NATION

Senator CAMPBELL. I just want to tell you that it is my personal hopes that the Capitol Police become the shining light of the police departments nationwide. There are a lot of good police departments out there, and since I used to be the Chairman of the Treasury Subcommittee, I used to visit a lot. I worked with the HYDA program, and the ATF, and a lot of groups, the CTECH transfers. I have seen a lot of them, and there are some really good ones.

It has always seemed to me that the Capitol ought to be a step above and ahead in terms of what the American public sees when they think of an American police officer. I have carried, I think, more legislation in this Senate than any of my colleagues on police bills, the bulletproof vest bills, the cops in schools programs, I mean a hell of a bunch of them.

One of the things I still remember from the days when I was a deputy, I was teaching school at the same time, and that was in the days when the word "pig" was a common word for a police officer. It used to bother me that so many young people, at least in those days, did not see policemen as people who have a family, and had kids, and were Dad, and coached Little League, and did all the stuff that normal dads or moms do.

Part of the job, it seems to me, of a good progressive police department is trying to bridge that gap with young people, so that they could grow up respecting policeman, because in this day and age, I also have the view that since 9/11, policemen, as well as firemen, EMTs, and others, they are going to be the real front line warriors in this whole new defending-America-system that we find ourselves in. And I cannot think of a department I would rather have be the kind of shining light of all police departments than our Capitol Police.

I want to tell you that I intend to be very, very vocal and very forceful of the things that you want to do with the police department.

Chief GAINER. Senator, I appreciate that. I neglected to take this opportunity to say: There are many members of this department,

union representatives, both civilian and sworn, in the room with me, and they have done a tremendous job over these years, and I am so proud to be here with them, and I will pass your comments on to them.

#### ADDITIONAL COMMITTEE QUESTIONS

Senator CAMPBELL. Well, pass that on. I am particularly happy that you are going to upgrade the protection of members, because I am getting too old to wrestle guys down and handcuff them, like I did for Strom Thurmond about 5 years ago.

With that, I have no further questions, but I will submit some in writing. I appreciate you being here.

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

#### QUESTIONS SUBMITTED BY SENATOR BEN NIGHTHORSE CAMPBELL

##### MANPOWER STUDY

*Question.* Your agency has been working on a manpower study to identify staffing needs.

Why haven't you completed the strategic plan prior to making staffing decisions? Answer. We are approaching the Strategic Plan development in 2 phases:

—Phase 1—update of the October 1999 Plan by reaffirming our mission, vision and values, reviewing strategic direction and goals to ensure the plan addresses the changing threat environment; and considering changes to format as well.

We have completed Phase 1 and the plan has been presented to the Board who is currently reviewing the document.

—Phase 2—Summer 2003. Rewrite the plan and prepare an accountability report that shows our progress against the plan.

The staffing study was started after the initiation of Phase I of the Department's strategic plan. After the initial draft of Phase I was completed, the Department's Command Staff performed a review of both the strategic plan and the draft-staffing document. This review tied the staffing requirements identified in the staffing analysis to the mission, vision and goals of the organization as stated in the Phase I of the strategic plan to ensure that there were no inconsistencies between the two documents.

*Question.* What are the criteria you used in determining staffing needs? Have you figured out what each position is going to do and what contribution it will make toward accomplishing your vision for the Department?

Answer. Assessing the staffing requirements of the Department included two components, a thorough analysis of sworn staffing requirements and civilian staffing requirements. Each analysis was done separately but each used some similar methods to derive the needed staffing levels of the Department. Both analyses looked at the current staffing needs, as well as projected needs in fiscal years 2004 and 2005, as determined by the Department's Strategic Plan, and included input from key personnel throughout the Department. The analyses also drew on information from other staffing analyses and studies, done either internally or by outside consultants. Outlined below are the specific methodologies used for deriving sworn staffing requirements, and the methodology used for civilian staffing requirements.

##### *Summary of Sworn Staffing Methodology*

In order to determine the requirements for sworn staffing levels of the United States Capitol Police, discussions were held with Bureau, Division and Section Commanders. Determining sworn staffing requirements is a constant project due to the every changing needs of the Department and is based on new assignments, additional protection details based on threats or directions of interest, visiting dignitaries, staffing for unexpected security requirements and, more recently, the Homeland Security threat levels. The methodology used is outlined below.

—Discussed with Bureau, Division and Section Commanders to determine how their responsibilities have changed since 9/11, the anthrax incident and the increased threat to the Capitol complex due to terrorism, chemical, biological and radiological threats.

—Discussed with Bureau, Division and Section Commanders how technology could assist and be incorporated within their area of responsibility.

- Used recommendations from the 1998 United States Capitol Police Security Review and the Booz-Allen & Hamilton Personnel Audit of Security Operations at the Capitol complex to establish standardized criteria to compute the number of officers necessary at each post throughout the Capitol Complex.
- Reviewed the supervisory ratio within each Bureau to meet the standard ratio of 1 sergeant for every 10 officers and 1 lieutenant for every 40 officers.
- Standardized the posts within the Uniformed Services Bureau to allow for one officer per piece of equipment i.e., x-ray, itomizer, podium, magnetometer at all access points and, in addition to the previous, a pre-screener at all visitor access points.
- Reviewed the staffing levels in Dignitary Protection Division to allow for 2 agents per protectee per shift. In addition to increased manpower, allowed for sufficient advance personnel for both in and out of town operations.
- Standardized protection details into three levels. Level one—Individual, who as a result of their leadership position, public profile, recorded threat activity or related factors, is deemed to require protection while in the Washington Metropolitan Area. Level two—Individual, who as a result of their leadership position, public profile, recorded threat activity or related factors, is deemed to warrant protection within and outside the Washington Metropolitan Area. Level three—Individual, who as a result of their status as a Presidential successor, leadership position, public profile, recorded threat activity or related factors, is deemed to require around-the-clock protection at all locations.
- Determined the minimum number of instructors necessary to conduct training programs, by the using a staffing formula. The formula begins with the total number of classes/programs multiplied by the number of program hours divided by the number of hours an instructor is available for classroom/practical exercise instruction. In utilizing this method for determining staffing requirements, the Training Services Bureau can ensure that it meets its mission with a calculable and logical approach.

#### *Summary of Civilian Staffing Methodology*

In order to determine the requirements for civilian staffing levels within the USCP, we initiated a project team consisting of staff from the Offices of Financial Management (OFM), and Human Resources (OHR), specifically the Director of OFM, the Budget Officer, the Deputy Director of OHR and the Staffing Classification Specialist. The project was carried out over a period of five months and began as a zero-based civilian staffing analysis of the entire Department. The methodology used by the project team is outlined below.

- Met individually with each Office Director or Bureau Commander and their respective Division managers to determine the unit's role in meeting/advancing the Department mission and how those responsibilities have changed since the September 11th and the Anthrax incidents and whether those changes in responsibilities have impacted the need for civilian staffing.
- Interviewed the Office/Bureau staff about all aspects of their staffing requirements, leading to constructive discussions and analysis on workload and staffing issues.
- Analyzed, during workgroup sessions, how such items would impact staffing needs: mission changes, paradigm shifts and new requirements.
- Discussed and analyzed the existing and needed administrative support for the Bureaus/Offices, and benchmarked an administrative structure in each Bureau/Office. The standard office (or model office) would include the following administrative positions: one office manager, one administrative assistant and possibly one management analyst, depending upon the size, complexity and unique needs of the Office/Bureau.
- Analyzed the potential for civilianization, based upon our three-prong criteria.
  - Does the position require police powers to effectively carry out the duties assigned?
  - Does the position require law enforcement training?
  - Does the position provide required background for the upward mobility of sworn staff?
- Reviewed and analyzed any studies and analyses that have been performed either internally or by outside consultants to determine the optimal staffing levels for civilians within the USCP. Documentation reviewed included desk audits, previous staffing studies, other agency comparisons, and workload assessments.
- Developed staffing needs for each Bureau/Office. The staffing requirements were broken out by immediate needs and out-year needs.

*Question.* What is wrong with existing security practices that requires change and why does that revision require additional staff?

Answer. In 1998/99 Booz Allen Hamilton performed a validation of our staffing model and a standard was developed for staffing posts. Since that initial study, the Department had been working to achieve the developed standard, but had not achieved the level of staffing required by the model. The recent staffing study incorporated that model which is still appropriate for the Department. In addition to standard model staffing, there have been many changes since 9/11—we have added a significant number of posts and have been tasked with several additional duties, which require additional staff to adequately perform. The following summarizes, in general, the types of activities we are supporting and plan to support. Should your staff require more detailed information, we will be happy to provide in a closed forum.

- Ability to fully staff posts according to a model standard—A 1998 study conducted by the United States Capitol Police, in concert with the United States Secret Service, the Bureau of Alcohol, Tobacco and Firearms, and the United States Marshall Service, developed a standard for staffing of entrance posts to buildings within the complex. Booz Allen Hamilton subsequently validated this standard in an independent review.
- Responsible for operating multiple technologies and sources for the collection and dissemination of critical information utilizing multi-media technologies to maintain situational awareness of ongoing events as well as our expanding role in Hill-wide communications and emergency notifications.
- Expansion of the intelligence and investigative capabilities of the Department to enable a more comprehensive analysis of intelligence data and threats against Members of Congress as well as an increased level of involvement and coordination with Dignitary Protection Division who provide protection for Congressional leadership.
- Management of the increasing threats caseload of almost 3,000 threats and direction of interest cases per year.
- Expansion of specialized tactical response capability for the Congress, enhanced protection during evacuations occurring on the Capitol complex, coordinated reconnaissance operations for visiting Heads of State/Dignitaries, participation/coordination of assault operations occurring on the Capitol complex. Conduct of counter-sniper operations during special events that require enhanced protective measures, and provision of specialized response capabilities during hostage/barricade situations.
- Implement new training initiatives for increases in staff and the complexities of incident response and management as well as other technical training requirements resulting from the increasing complexity of our responsibilities.

*Question.* What activities are envisioned for facilities management (especially given AOC's role in this)?

Answer. The Architect of the Capitol currently manages the facilities for the United States Capitol Police. There are currently no plans to assume the functions of the AOC with respect to USCP facilities. However, we have established a good working relationship with AOC staff, since close coordination with the AOC on all projects is critical. As such, the coordination of projects, the defining of operational requirements and the facilitation of work to reduce the impact on operational effectiveness and OSHA and other safety reporting and inspection responsibilities requires Capitol Police resources. In addition, we envision that the facilities group, which would fall under the Physical Securities umbrella, would coordinate with the AOC on physical construction site security issues. Activities envisioned for facilities management include:

- Coordinating all office, lab, training and warehouse space needs for the Department. To accomplish this, we would perform space analysis to meet USCP operational requirements; review and verify program requirements; recommend innovative and efficient use of existing space; and work with the AOC and contracted vendors who supply maintenance services to the Department. Coordinating the daily maintenance and improvement of space occupied by USCP employees by providing innovative and efficient use of existing buildings, rooms and work space.
- Planning and managing all construction activity for the USCP by performing site evaluations, overseeing the development of a conceptual site plan and building plan, reviewing construction documents, reviewing/establishing schedules, serving as the initial point of contact for security systems, data connectivity and telecommunications and furnishings integration.

*Question.* Has consideration been given to contracting for some services on an as-needed basis rather than establishing a permanent capability to do everything in house—assuming that is what these numbers intend.

Answer. The Architect of the Capitol currently manages the facilities for the United States Capitol Police. There are currently no plans to assume the functions of the AOC with respect to USCP facilities. Contracts for facility maintenance, etc. will continue to be managed and funded by the AOC.

*Question.* Who outside of the agency did you consult with in developing your manpower study?

Answer. As indicated in the response above, we leveraged any previous studies performed on staffing levels in the Department to determine appropriate personnel levels. In addition, we consulted with GAO staff on general project direction, while we were performing the study. Also, at the request of the Committees, we are working with GAO, which is currently performing a review of our study.

#### FISCAL YEAR 2004 STAFFING

*Question.* Your budget assumes the addition of 301 additional sworn positions next year. Is it realistic that you will be able to recruit, train and accommodate this many new officers next year?

Answer. We believe we can both hire and accommodate the requested number of officers for fiscal year 2004 due to the success of our recruitment efforts and lower than expected attrition rates. We will be filling the 360 slots that we have been allocated at the Federal Law Enforcement Training Center (FLETC). In addition, attrition has been down substantially from fiscal year 2002. As a result of these factors, we are currently projecting to end fiscal year 2003 with 1,569 sworn personnel, which is 27 above the level planned when the fiscal year 2004 budget request was developed.

We have been coordinating with the AOC and additional space has been identified in the Government Printing Office facilities. Funding for additional interim leased space was provided to the Architect of the Capitol in the fiscal year 2003 supplemental and we anticipate utilizing the space very soon.

*Question.* Will these additional positions allow you to eliminate overtime? How much in savings will be achieved by eliminating or reducing overtime?

Answer. The new positions will reduce our overtime needs but because of special events, late sessions, extended hours of the dignitary protectees, demonstrations, and normal vacancies, overtime never will be eliminated. We have calculated that the cost of covering the 1,656 average productive hours of an officer with overtime is almost comparable to the annual cost of an employee when benefit and leave costs are factored in. Therefore, covering posts with overtime is not more expensive. However, operating and morale issues make regular staffing the preferred option.

In fiscal year 2002, \$27.25 million was spent on overtime. We currently are projecting that we will spend approximately \$24.5 million in fiscal year 2003 for some 568,000 hours of overtime. Our fiscal year 2004 budget request, including COLA increases, includes approximately \$23.5 million for an estimated 513,000 hours of overtime. We have estimated that at full staffing levels we will be required to work approximately 260,000 hours of overtime to cover those type of items discussed above. At today's salaries, this would cost approximately \$11.6 million. We should point out that because not all posts are being covered, some new staff would be assigned to cover currently unmanned posts.

#### CIVILIAN STAFFING

*Question.* You are requesting 573 civilian positions next year—a 76 percent increase above this year and a much more dramatic increase over prior years. Can you explain why this is necessary?

Answer. The civilian staffing levels requested have been adjusted since the development of the fiscal year 2004 budget request to 491 to accommodate the most critical staffing needs and to provide for a rational implementation phase-in. Additional civilian positions will be requested in future budget years. The requested civilians will allow the Department to expand and improve critical ongoing functions as well as provide for important new initiatives. The additional staff will play a vital role in ensuring that each operational function is carried out in a manner that would ultimately enhance the Department's ability to fulfill its mission of protecting the Congress. In addition, the position of the CAO is only two years old and many new functions required to operate a sound administrative infrastructure are provided for in the request. The following summarizes the types of activities civilians in the Department are supporting or are proposed to support over the next two years.

- Expansion of security related systems due to the dramatic increase in the importance, size and complexity of physical security and technical security programs to counter the threat of terrorist actions. Areas of significant activity in

- this area include: Physical security; Security support; Security surveys; Technical and electronic countermeasures; and Construction security.
- Expansion of the investigative capabilities of the Department will enable a more comprehensive analysis and tracking of intelligence data and threats against Members of Congress, as well as an increased level of involvement and coordination with the various task forces associated with Homeland Security and intelligence gathering efforts.
  - The consolidation of the Command Center and Communications Center and related activities.
  - Bureau and Office Administrative Support to enable officers currently filling administrative functions to return to the field.
  - Coordination of planning within the Department for scheduled major events and unexpected emergencies throughout the Capitol complex as well as consolidating strategic and operational planning
  - The Hazardous Material Response Team (HMRT) is being staffed and will provide a response capability for detection, identification, litigation, and decontamination for the Capitol complex. When there is a report of a suspicious item, a team comprised of sworn hazardous devices and civilian hazardous material response personnel will respond to the scene. HMRT also will be capable of conducting tests and sampling to determine the extent of any contamination.
  - The Off-site Delivery Center (OSDC) currently utilizes civilians to handle freight and as administrative assistants. In the next fiscal years, 15 officers who currently screen the freight and trucks will be replaced with civilian truck screeners who were hired for the CVC project. These truck screeners will assume the screening role at the OSDC in a phased approach over the next two years. As the CVC project nears completion, the truck screeners will be phased in and the officers will be phased back into other assignments.
  - GAO and our external auditors have identified human resource management as an area of significant weakness. The proposed staffing is aimed to address the identified weaknesses, provide resources to handle the significant staff increases throughout the Department and build a best practices human capital function.
  - Anticipated staff for the newly created Office of Employment Counsel and augmentation of the Office of General Counsel to provide legal counsel and representation to the Capitol Police Board before federal courts and the Office of Compliance.
  - The USCP Vehicle maintenance function has grown significantly since September 11th. At the direction of the Committees, we have implemented a vehicle take home program for K-9, which has significantly increased the maintenance cycle of these vehicles. In addition, we have acquired additional, and more complex, vehicles, which require personnel to maintain.
  - Property and asset management functions have increased due to increased workload and the increase in equipment purchases since 9/11.
  - Additional instructors are necessary to provide training to new sworn positions requested to ensure all recruit and incumbent officers meet training standards. Areas include lethal and non-lethal weapons training, legal instruction, and response to nuclear, chemical, biological, and radiological threats. These training initiatives require periodic re-training and remediation to meet training and accreditation standards.
  - Modernization of fiscal services is necessary to provide better accountability over budgets and budget execution, address the backlog and delay of procurement actions, and improve the Department's ability to effectively carry out the acquisition planning process and move from crisis mode operations to an orderly acquisition process. In addition, there are several critical accounting functions which are either not being performed or are not adequately being performed such as : completion of full set of GAPP financial statements and all treasury reporting.
  - Expansion and modernization of information technology efforts will allow for the continuation and expansion of the business systems modernization program to update and support legacy systems as well as maintain existing systems and develop new system capabilities.

#### FACILITY NEEDS

*Question.* The Capitol Police have identified many facility needs, as your agency grows and improves its capabilities, including the need for a new headquarters building and a new off-site delivery facility. This Committee has provided partial funding for the headquarters facility and full funding for the delivery facility. Please

update us on where you are with these two facilities including recent setbacks you have had.

Answer.

#### *Headquarters*

On March 12, 2003, the Capitol Police Board approved Square 695 (New Jersey Ave. and I Street SE) as the site location for the new headquarters building. The Architect of the Capitol (AOC) is preparing letters requesting permission to proceed to negotiate for the purchase of the property. The Facilities Master Plan will require an update to reflect increased staffing levels requested in the fiscal year 2004 budget submission and relative impact on the space required in the new headquarters.

#### *Off-Site*

In October 2002, the Capitol Police Board approved the USCP/AOC submitted proposal to the Board for a new site for the off-site delivery facility to be located in NE Washington, DC. In November 2002, the AOC submitted letters to Senate Committee on Rules and Administration and the House Office Building Commission (HOBC) requesting approval to negotiate for the purchase of the property. However, the AOC did not receive approval to negotiate due to the elections and subsequent change in leadership. In January 2003, the AOC received approval to reprogram funding to purchase the property. The AOC also resubmitted requests to negotiate to HOBC and Senate Rules, and received Senate Rules approval in early February. Unfortunately, in April 2003 before all approvals could be received, the property owners sold the property to another entity. Currently, the AOC has no prospects on a suitable site that meets the unique characteristics associated with an off-site delivery center.

*Question.* What is the interim solution for addressing space deficiencies and do you have the space you need to accommodate the additional staffing you have requested for next year?

Answer. The USCP has taken several steps to accommodate increases in staff until a permanent headquarters solution is found. There have been ongoing requests through the AOC to the respective oversight committees for additional space in the Capitol complex to accommodate our growth. However, these requests have not proved fruitful. The USCP has identified space located in the Government Printing Office building at 732 North Capitol Street that could support some administrative functions and storage. The USCP has requested the AOC submit a request to the authorizing committees to secure this space as a partial interim solution until a new headquarters can be built. The USCP continues to compact existing space, exacerbating already over crowded conditions. In preparation of projected space deficiencies, the USCP has attempted to develop an interim space plan to bridge the gap until a new headquarters building is completed. The plan is a "cut to the bone" approach, with recommendations for utilization or, in most cases, over-utilization of existing space assigned to the Department. The Department has reduced the size of training and roll call space to create administrative space. Emergency equipment has been re-located out of 119 D street and been placed in a storage container box outside. The closing of a corridor in 119 D has provided additional space for lockers, and gymnasium equipment is being relocated to an attic area to provide additional space for lockers. However, the adjustments within the current headquarters are insufficient to meet our needs. In addition, we are exploring possible alternatives to achieving space requirements by looking to other federal entities for space and then finally to identify lease options in proximity to the Capitol complex.

#### DIGNITARY PROTECTION

*Question.* During consideration of the recent supplemental spending request, the Board decided to pull back its request for additional protective details. What is the status of your review of the adequacy of the dignitary protection program and when will you submit those results to the Committee?

Answer. The Capitol Police maintains dignitary protection for Leadership and for other Members of Congress based on intelligence information and review of threats that warrant increased protection levels. This policy remains in place and remains appropriate for operations at this time.

#### CAPITOL POLICE BOARD

*Question.* In the fiscal year 2003 appropriation bill, Congress required the Capitol Police Board to undertake a review of its mission and effectiveness.

What is the status of that review?

Answer. The Board currently is evaluating the implications of the Congressional directive contained in Public Law 108-7 and is confident that it can meet the statu-



tory time requirements (initial review and report due August 20, 2003) to provide the necessary report and recommended adjustment to the Appropriations Committees. At this point in time, our staff has reviewed the GAO report and associated recommendations as well as potentially relevant corporate governance statutes and related materials to assess and evaluate their impact on the future mission, processes and direction of USCP Board. Based on the results of the review, recommendations will be forthcoming in August as required by the Statute. A vacancy announcement for the Executive Assistant for the Capitol Police Board has been approved by the Board. The implementation of administrative processes that are being developed will be greatly enhanced by this position.

*Question.* Do you have any preliminary ideas as to whether there ought to be any changes to the mission and duties of the Board, including whether the term of the chairman ought to be a full Congress, rather than a session of Congress?

*Answer.* Since a comprehensive analysis is ongoing and not yet completed, it may be premature to conjecture on additional specifics regarding final recommendations.

#### SUBCOMMITTEE RECESS

Senator CAMPBELL. The subcommittee is recessed.

Chief GAINER. Thank you.

Senator CAMPBELL. Thank you.

[Whereupon, at 11:05 a.m., Thursday, May 1, the subcommittee was recessed, to reconvene subject to the call of the Chair.]



## **LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2004**

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**THURSDAY, MAY 8, 2003**

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

The subcommittee met at 1:23 p.m., in room SD-124, Dirksen Senate Office Building, Hon. Ben Nighthorse Campbell (chairman) presiding.

Present: Senator Campbell.

U.S. SENATE

OFFICE OF THE SECRETARY

**STATEMENT OF EMILY J. REYNOLDS, SECRETARY OF THE SENATE**

**ACCOMPANIED BY:**

**MARY JONES, ASSISTANT SECRETARY OF THE SENATE**

**DIANE SKVARLA, SENATE CURATOR**

**TIMOTHY S. WINEMAN, FINANCIAL CLERK OF THE SENATE**

OPENING STATEMENT OF SENATOR BEN NIGHTHORSE CAMPBELL

Senator CAMPBELL. The subcommittee will be in session.

We have had a vote rescheduled two or three times. It was supposed to be at 1:15. I understand it is postponed again now, and I am not quite sure when we are going to have to go. But we are going to get started a little bit early and hopefully finish as much as we can. Senator Durbin was not sure if he was going to get here or not. So we will go as far as we can.

We will first hear from Ms. Reynolds who is requesting roughly \$20 million for her operations. Then we will also hear from the Architect of the Capitol a little bit later.

Ms. Reynolds' request for the Secretary of the Senate is a decrease from the current year, something we obviously rarely see, due to the one-time appropriation last year for the Senate's financial management information system.

Ms. Reynolds, your operation has responsibility for everything from Senate security to the Parliamentarian. We welcome you. This is your first hearing before this subcommittee. You certainly have a large deal on your plate not the least of which is helping to oversee the Capitol Visitor Center. We wish you well in your new task.

Following you, we will take testimony from Mr. Alan Hantman on the Architect's fiscal year 2004 budget. The budget request to-

tals \$513.9 million, with three major projects leading to the increase: the purchase of the alternate computing facility; a project to replace high-voltage switchgear in a number of buildings; and the Capitol Building master plan design. Funding is also requested to complete the West Refrigeration Plant expansion.

There are a number of items in this budget we will have some questions about, but I think what I am going to do is just put the rest of my opening statement in for the record so we can at least get started before we are called over there to vote.

So, Emily, if you would like to go ahead. I appreciate your being here.

[The statement follows:]

PREPARED STATEMENT OF SENATOR BEN NIGHTHORSE CAMPBELL

The Subcommittee will come to order. We meet this afternoon to take testimony from the Secretary of the Senate, Emily Reynolds, and the Architect of the Capitol, on the fiscal year 2004 budget requests. We welcome everyone here today.

We will hear first from Ms. Reynolds, who is requesting roughly \$20 million for her operations. This is actually a decrease below the current year—something we rarely see around here due to a one-time appropriation last year for the Senate's Financial Management Information System.

Ms. Reynolds, your operation has responsibility for everything from Senate Security to the Parliamentarian. We welcome you to your first hearing before this Subcommittee. You have a great deal on your plate—not the least of which is helping to oversee the Capitol Visitor Center project for the Majority Leader and the Capitol Preservation Commission, and we wish you the best in your new role.

Following Ms. Reynolds, we will take testimony from Alan Hantman on the Architect's fiscal year 2004 budget. The budget request totals \$513.9 million with 3 major projects leading to the increase—the purchase of the alternate computing facility, a project to replace high-voltage switchgear in a number of buildings, and the Capitol Building Master Plan design. Funding is also requested to complete the West Refrigeration Plant expansion.

There are a number of items in your budget we have questions with—such as whether we need to proceed with a Capitol Building Master Plan at this time, whether there has been sufficient plans for purchasing the alternate computing facility, and whether there are projects we can put off pending completion of the Capitol Visitor Center project and other major ongoing projects around this campus.

Clearly we are interested in the status of the CVC, and your efforts to improve the management of your agency and follow-up on recommendations made by the General Accounting Office in the last year.

I will turn to my ranking member, Senator Durbin, and then Ms. Reynolds will proceed with her opening statement.

Ms. REYNOLDS. Thank you, Mr. Chairman. It is a pleasure to be with you this afternoon.

As you know, we have a lengthy full statement prepared for the record as well.

Senator CAMPBELL. That will be included in the record.

Ms. REYNOLDS. Thank you.

But I would like to just give a brief overview this afternoon. With me is Mary Jones, our very able Assistant Secretary; Tim Wineman, who of course is a longtime fixture here in the Senate, our Financial Clerk; and a number of our very able department heads.

I would be remiss also, Mr. Chairman, if I did not thank my predecessors in this job. As you know, I have been on the job about 4 months now as the 31st Secretary of the Senate, and it is a huge honor for me to serve in this capacity. Several of my predecessors have been a huge help to me in navigating these waters for the last few months, and I am very grateful for their counsel.

## BUDGET OVERVIEW

As you pointed out, our budget request this year is roughly \$20 million, and thanks to the very generous appropriation last year on FMIS, that does take us to about a \$4 million-plus decrease in this year's budget.

The committee last year also appropriated \$500,000 to us in some nonrecurring costs that will enable us to make this year some very badly needed, much needed technology upgrades. So overall, out of that roughly \$20 million, \$18 million is our salary cost. That will enable us to continue to attract and retain the very best individuals possible for our myriad of functions from the legislative to financial and our many administrative services.

In addition, our operating budget will be about \$1.7 million. That will not only enable us to meet the bottom line needs of the Senate, the job that we perform every day, but also will help us to provide for some new initiatives, primarily for the curator and to continue to enhance our Senate Web site, both for our Senate community and the general public.

## MANDATED SYSTEMS

The two mandated systems that we have—and again, we have mentioned FMIS, the \$5 million that you all provided us last year. On the financial management information side, our goal ultimately is to move to a paperless voucher system and also provide the Senate with the ability to prepare an auditable consolidated financial statement. At all times, one of the primary things we keep in mind for all of our offices here in the Senate is to increase efficiency and accountability and ease of use. So with those goals in mind, this year, with the \$5 million in multi-year funds, we will roll out approximately seven either new releases or pilot projects within the FMIS activity. So we are making substantial progress.

On the legislative information side, our second mandated system that this committee, once again, has been very generous in funding—and that was a \$7 million no-year fund appropriation some 2 years ago—the LIS augmentation project will give us the ability, our entire Senate community over time, to implement Extensible Markup Language, or XML, as the data standard with which we will author and exchange all documents among the Senate, House, the Government Printing Office, and other legislative agencies. To date we are working with what we call the pioneer group, a group within the Senate Legislative Counsel's Office and our own enrolling clerks, in implementing this transition to the LIS project. Ultimately we will have documents that can be more easily shared, reused, and repurposed. So this is a huge plus for our Senate community overall over time.

We will begin to work, hopefully, even this summer with the Appropriations Committee. We are coming to you all first to work with you all on the LIS augmentation project in determining what your requirements are going forward. As I said, there will be more conversation about that here in the coming weeks.

## HIGHLIGHTS OF OFFICE OF SECRETARY

I certainly this afternoon, given our brief time together, will not run through all 25 departments within the Office of the Secretary, and there are many accomplishments over the course of the last year. But I did want to just point out a few highlights, and the other details are obviously in our department reports.

## CURATOR PROJECTS

The curator. For example, we have work underway on the portraits of Senators Dole and Mitchell for our leadership collection. In addition, we have underway and hope to install and unveil next year the portraits of Senator Vandenberg and Senator Robert Wagner in our Senate Reception Room.

One item that is coming this summer that we are particularly excited about is a catalog of our U.S. Senate fine arts collection, featuring the 160 items in our fine art collection in the Senate. This will be a new resource for all of us and something that is eagerly anticipated over the summer.

The restoration of the Senate desks. That project continues with 61 restored to date.

## HISTORIAN'S OFFICE

In addition, from our historian's office, they have been involved in a tremendous project that was released this week by the Permanent Subcommittee on Investigations. Our Historical Office had the opportunity to help edit and annotate the 3,800 pages of the McCarthy executive hearings from 1953–54. So we are particularly proud of that accomplishment. And in addition, they will be working with our colleagues on the House side, hopefully next year, for the first time since 1989, to reprint and update the biographical directory of the U.S. Congress.

## SENATE LIBRARY

Our Senate library, another outstanding resource for us here in the Senate community. It is interesting to note, since the library was moved to the Russell Building, unlike other information centers across the country that are actually seeing a downward trend in usage, our Senate library is seeing an upward tick in usage. That includes about 10,000 walk-in visits last year alone and a total of about 40,000 users over the course of the last year. So it is a wonderful resource.

## EDUCATION OF PAGES

I also just want to briefly mention, because this is one of the joys of the Secretary's operation, and that is the opportunity to educate our Senate pages. I had the chance yesterday to go over yesterday morning, as the pages were packing these wonderful care packages they have been putting together for our troops. This is the third class that has taken on this project, and watching them work for an hour yesterday morning, putting everything from licorice to eye drops in these great boxes to go overseas, and to see their enthusiasm for the project that really our entire Senate community has responded to was great fun.

## CONTINUITY OF OPERATIONS PLANS

On a more serious note, one of the high priorities of our office, of course, involves the continuity of operations planning. Here is where we have a very dynamic relationship with the Senate Sergeant at Arms. Our predecessors, Al Lenhardt and Jeri Thomson, certainly set the standard for Bill Pickle and me in terms of that cooperation, the collaboration between our two offices with the COOP planning. And it is my hope, obviously, that we will continue to meet that standard.

When it comes to continuity of operations, our staff meets at least weekly, and in addition, there are numerous informal conversations and meetings over the course of the weeks as well. Each of our departments within the Secretary's office has their own individual COOP plan, and in addition to that, we will continue to work with the Sergeant at Arms, just like last year, on a series of tabletop exercises that will culminate hopefully later in the year in an overall mock session for the Senate, just as one was staged last year.

We recognize obviously in the Secretary's Office that the most important role we can play in COOP planning is to ensure that the Senate can continue to carry out its legislative responsibilities, its constitutional responsibilities. So that is our primary goal in our COOP planning, and certainly continuing the financial operations of the Senate is first and foremost in our minds as well.

I would like to close just by saying that in the 4 months that I have been in this job one of the great joys has been working with a tremendous team of people, 232 employees in the Secretary's Office, who are devoted to this institution, and combined, they have a very impressive 2,221 years of service to the United States Senate. I know they share our ultimate goal and that is simply to continue to provide the best possible legislative, financial, and administrative services to the Senate.

With that, Mr. Chairman, I thank you for your time and I welcome your questions.

[The statements follow:]

## PREPARED STATEMENT OF EMILY J. REYNOLDS

Mr. Chairman, Senator Durbin and Members of the Subcommittee, thank you for your invitation to present testimony in support of the budget request of the Office of the Secretary of the Senate for fiscal year 2004.

Detailed information about the work of the 25 departments of the Office of the Secretary is provided in the annual reports which follow. I am pleased to provide this statement to highlight the achievements of the Office and the outstanding work of our dedicated employees.

My statement includes: Presenting the Fiscal Year 2004 Budget Request, Implementing Mandated Systems: Financial Management Information System (FMIS) and Legislative Information System (LIS), Capitol Visitor Center, Continuity of Operations Planning, and Maintaining and Improving Current and Historic Legislative, Financial and Administrative Services.

## PRESENTING THE FISCAL YEAR 2004 BUDGET REQUEST

I am requesting a total fiscal year 2004 budget of \$19,999,000 which is a \$4,157,000 decrease from the fiscal year 2003 total budget for the Office of the Secretary. Last year's budget included a five million dollar multi-year appropriation for the Senate's Financial Management Information System.

The fiscal year 2004 budget request in the amount of \$19,999,000 is comprised of \$18,299,000 for salary costs and \$1,700,000 for the operating budget of the Office

of the Secretary. The salary budget represents an increase over the fiscal year 2003 budget request as a result of (1) the costs associated with the annual Cost of Living Adjustment in the amount of \$687,000; and (2) an additional \$533,000 for merit increases and other staffing. The operating budget represents a decrease of the fiscal year 2003 budget request in the amount of \$377,000.

The net effect of my total budget request for fiscal year 2004 is an increase of \$156,000 plus funding for the annual Cost of Living Adjustment.

Our request in the operating budget is a sound one, enabling us to both meet our operating needs, and provide us with the opportunity for new projects and initiatives. In that regard, we will use a portion of our operating budget, for example, to professionally photograph all 100 restored Senate Chamber desks, both for historical documentation and emergency preparedness plans. Estimated cost is approximately \$35,000. In addition, we hope to perform a finishes survey on the architectural features within the Senate wing of the Capitol for better documentation and historic interpretation. The first phase of this project, which would include the public spaces in the Senate wing, is estimated at \$60,000.

In addition, there are several special exhibits and presentations we would like to add to www.senate.gov in our continuing effort to improve and enhance the Senate's website. These include an online exhibit of the Senate's Issac Bassett collection, an online exhibit on the Senate desks, the expansion of the Virtual Tour of the U.S. Capitol, and converting exhibits prepared by the Curator (the political cartoons of Puck, a 19th century satirical magazine and the drawings of Lily Spandorf illustrating the filming of the motion picture "Advise and Consent") to a format for posting. Approximate costs of these projects for website enhancement is \$76,000.

In reference to the salary budget, first and foremost, this request will enable us to continue to attract and retain talented and dedicated individuals to serve the needs of the U.S. Senate through our legislative, financial and administrative offices. We are in the process of completing a substantial internal compensation study for the Office of the Secretary which will further document our ongoing staffing requirements, appropriate levels of compensation, and additional staffing needs.

#### OFFICE OF THE SECRETARY APPORTIONMENT SCHEDULE

ITEM	AMOUNT AVAIL- ABLE FISCAL YEAR 2003, PUB- LIC LAW 108-7	BUDGET ESTIMATE	
		FISCAL YEAR 2004	DIFFERENCE
DEPARTMENTAL OPERATING BUDGET:			
EXECUTIVE OFFICE .....	\$397,800	\$525,000	+ \$127,200
ADMINISTRATIVE SERVICES .....	1,422,900	1,100,000	(322,900)
LEGISLATIVE SERVICES .....	256,300	75,000	(181,300)
TOTAL OPERATING BUDGET .....	2,077,000	1,700,000	(377,000)
SENATE MANDATED PROJECTS: FINANCIAL MGMT. INFO. SYSTEMS			
MULTI-YEAR .....	5,000,000	.....	(5,000,000)
TOTALS .....	7,077,000	1,700,000	(5,377,000)

#### IMPLEMENTING MANDATED SYSTEMS

Two systems critical to our operation are mandated by law, and I would like to spend a few moments on each to highlight recent progress, and to thank the committee for your ongoing support of both.

##### *Financial Management Information System (FMIS)*

The Financial Management Information System, or FMIS, is used by approximately 100 Senate offices, 20 Committees and 20 Leadership and support offices. As a result of a five year strategic plan devised by the Disbursing Office, my predecessor recommended, and the Appropriations Committee subsequently approved, a \$5 million appropriation for a multi-year program to upgrade and expand FMIS for the Senate.

With these funds, the Disbursing Office is modernizing processes and applications to meet the continued demand by our Senate offices for efficiency, accountability and ease of use. Our goal is to move to a paperless voucher system, improve the FMIS-Web system, and make payroll and accounting system improvements. In addition, we are working cooperatively with the Sergeant at Arms to meet the mandate to prepare auditable financial statements for the Senate.



In fiscal year 2002, specific progress made on the FMIS project included:

- Three Web FMIS releases, one of which changed the accounting for travel and petty cash advances to be obligations of Senate offices.
- Senate-wide implementation of the Senate Automated Vendor Inquiry System, or SAVI, which enables Senate staff to check the status of their reimbursements. In July 2002, Senate employees were given the opportunity to receive all expense reimbursement through direct deposit, and were informed of this change in a Senate-wide mailing.
- For vouchers of \$35 or less, a new document approval process was instituted. The time required to pay such vouchers has been cut considerably as the vouchers are routed directly to certifying accounts payable specialists in Disbursing for review and posting.
- The ability to produce auditable consolidated financial statements is a primary objective of the Senate's Strategic Plan for Financial Management. The Disbursing Office took a significant step toward that objective by initiating a contract to develop a draft or pro-forma Senate wide financial statement which includes all supporting schedules and reports for fiscal year 2002. The required deliverables of this initiative were completed in April 2002, and a number of corrective actions necessary to meet our objectives were identified. As some of these corrective actions impact the Sergeant at Arms Finance Office, the Disbursing Office is working with them to develop an implementation plan. For example, a Senate-wide capitalization policy has been drafted and is currently under review by both offices.

During fiscal year 2003, the following FMIS activities are planned:

- Implement a new Web FMIS release in April 2003 (completed) that includes the functionality for:
  - A pilot of online sanctioning of vouchers by the Rules Committee staff. During this pilot, vouchers from all standing, select, special and joint committees will be sanctioned online;
  - Senate-wide implementation of online Travel Expense Summary Reports (ESR) for all Senate staff. Staff who travel are now able to complete the required documentation for travel expense reimbursement via a Web Site; and
  - Senate-wide implementation of the Travel ESR-import feature in Web FMIS. This function enables Office Managers and Chief Clerks to create a travel voucher by "importing" data from an online Travel ESR, thus eliminating duplicate data entry.
- As requested by the Rules Committee, implement online sanctioning of vouchers for all offices that prepare vouchers via Web FMIS (e.g., Senators, Leadership offices).
- Generate a random sample of vouchers \$35 or less for the Rules Committee post payment audit.
- Implement a new release of online Travel ESR that will incorporate suggestions made by pilot users.
- Implement a new release of the Senate Automated Vendor Inquiry (SAVI) system that incorporates suggestions made by users.
- Conduct a pilot of direct deposit payments to vendors, without online notification. This means that these vendors would be paid by direct deposit but would not be able to look at deposit information via the Senate Automated Vendor Inquiry (SAVI) system, which would remain inside the Senate's firewall.
- Revise requirements for imaging of supporting documentation and electronic signatures.

During fiscal year 2004 the following FMIS activities are planned:

- Implement new technology for Web FMIS, "Thin Client," which will provide a substantially streamlined architecture, upgrade the technology used, provide simpler disaster recovery, and provide the platform for imaging of supporting documentation and electronic signatures. In general, we will re-write the Web FMIS functions implemented in the early releases to eliminate the use of Cold Fusion and Client/Server technology. When completed, all components of Web FMIS will use Intranet technology on a single platform, Web Sphere. This is a substantial effort, and is planned in two phases:
  - Phase I—(Winter 2004).*—In this release we will implement a roles-based security scheme enabling users to access specific functions based on the activities they perform, re-write the local list maintenance functions (used by offices) and system administrative functions (used by DO) to eliminate Cold Fusion, update the underlying technology for Web FMIS reports, and archive data for lapsed fiscal years so that users can still generate reports after the data is archived from the general ledger.

—*Phase II—(Summer 2004).*—In this release we will re-write the budget entry and document entry functions of Web FMIS to eliminate the Client/Server technology. These are the functions used most by Office Managers and Chief Clerks, so this will be most visible to them.

—Begin using laser checks. This significantly simplifies our disaster recovery activities.

—Implement a new release of the Senate Automated Vendor Inquiry (SAVI) system that enables e-mail notification of payments to staff and vendors.

A more detailed report on FMIS is included in the departmental report of the Disbursing Office which follows.

#### *Legislative Information System (LIS)*

Our second mandated system, which this Committee has generously supported, is the Legislative Information System, or LIS, which provides Senators and staff with text of Senate and House legislative documents from their desktop computers. In addition, LIS provides real-time access to legislative amendments and the current status of new legislation within 24 hours. LIS originates from the 1997 Legislative Branch Appropriations Act, which also established a requirement for the broadest possible exchange of information among legislative branch agencies. This exchange process is now the focus of the LIS Augmentation Project, or LISAP.

The overall objective of the LISAP is to implement the extensible markup language, or XML, as the data standard to author and exchange legislative documents among the Senate, House of Representatives, the Government Printing Office and other legislative agencies. Two years ago, the Appropriations Committee appropriated \$7 million to the Secretary for the LISAP, designed to carry out the Senate portion of the December, 2000, directive given to both the Secretary and the Clerk of the House by the Senate Rules Committee and the House Administration Committee respectively. Thus far, we have spent approximately \$3 million of our appropriation, and I am pleased to report that considerable progress has been made and the project is on budget and running smoothly.

The project is currently focused on Senate-wide implementation and transition to a standard system for the authoring and exchange of legislative documents, including an XML authoring system for the Office of Senate Legislative Counsel (SLC) and the Enrolling Clerk for bills, resolutions and amendments. A database of documents in XML format and an improved exchange program will mean quicker and better access to legislative information and will provide documents that are more easily shared, reused and repurposed.

The LISAP project team has demonstrated the Senate's legislative editing XML application (LEXA) for the Office of Legislative Counsel where it was greeted with enthusiasm. Over the next several months, the LISAP project team will continue to refine and enhance this editing application, release a document management system for the Senate Legislative Counsel, and complete the data conversion projects. The team will also develop and deliver a training program for the SLC, and begin to address the needs of other Senate offices and Committees, starting with the Appropriations Committee.

A more detailed report on LIS follows the departmental reports.

#### CAPITOL VISITOR CENTER

While the Architect of the Capitol directly oversees this massive and impressive project, I would like to briefly mention the ongoing involvement of the Secretary's office in this endeavor. My colleague, the Clerk of the House, and I continue to facilitate weekly meetings with senior staff of the joint leadership of Congress to address and hopefully quickly resolve issues that might impact the status of the project or the operations of Congress in general.

In addition, I also facilitate weekly meetings with the Architect's office for the senior staff of the Senate Sergeant at Arms, Capitol Police, Rules Committee and Appropriations Committee, to address the expansion space plans for the Senate and any issues with regard to the CVC's construction that may directly impact Senate operations.

Although the construction creates numerous temporary inconveniences to Senators, staff and visitors, completion of the Capitol Visitor Center will bring substantial improvements in enhanced security and visitor amenities, and its education benefits will be tremendous.

#### CONTINUITY OF OPERATIONS PLANNING

The Office of the Secretary maintains a Continuity of Operations (COOP) program to ensure that the Senate can fulfill its Constitutional obligations under any cir-

cumstances. Plans are in place to support Senate floor operations both on and off Capitol Hill, and to permit each of the 25 departments within the Office of the Secretary to perform its essential functions during and following an emergency.

COOP planning in the Office of the Secretary has been an ongoing process since late 2000. Working in close cooperation with the Sergeant at Arms and the General Services Administration, employees in each department were trained to evaluate COOP requirements and subsequently write COOP plans specific to their departments. By the summer of 2001, each department had completed the first draft of a COOP plan, which included the identification of records, databases, equipment and supplies necessary to conduct essential functions, and plans to duplicate and store essential items offsite or to provide for their timely replacement. Information from all final departmental plans has been integrated into an overall plan for the Office of the Secretary.

Several departments had completed their plans prior to the terrorist attacks of September 11, 2001, and the anthrax contamination in the Hart Senate Office Building in October 2001. As a result, both the Disbursing Office and the Office of Public Records, as well as other departments located in Hart, were able to continue operations throughout the 96 days that Hart was closed. Every payroll was met, all bills were paid, and every filing deadline was met.

The implementation of COOP plans that fall provided valuable experience in emergency management. Both the Secretary and the Sergeant at Arms' operations continued to formulate plans to deal with the possibility of subsequent emergencies. In the spring and summer of 2002, our offices participated in a series of tabletop drills and live exercises to test and refine existing emergency preparedness plans. Alert and notification procedures using emergency communications systems were tested; Emergency Operations Centers and a Briefing Center were activated in a trial run; and a mock Senate session was conducted in an alternate Senate Chamber.

As a vital part of COOP planning, we have identified equipment, supplies and other items critical to the conduct of essential functions, and have assembled "fly-away kits" for the Senate Chamber, and for each department of the Office of the Secretary. Multiple copies of each fly-away kit have been produced with storage in both our offices and at appropriate off-site locations. This will enable the Office of the Secretary to resume essential operations within twelve hours or less.

In the event of an emergency, the Office of the Secretary is prepared to do the following: activate an Emergency Operations Center within one hour, support Briefing Center operations within one hour, support Senate Floor operations in an alternate Senate Chamber (within twelve hours onsite and within 24 to 72 hours offsite, depending upon location).

Working with Leadership offices, the Sergeant at Arms, and the Capitol Police, we continue to refine COOP and emergency management plans. All COOP plans are reviewed and updated at least annually to ensure their continued viability. A second series of tabletop drills is planned for this year to culminate in another mock exercise of the activation of an alternate Senate Chamber.

The central mission of the Office of the Secretary is to provide the legislative, financial and administrative support required for the conduct of Senate business. Our COOP and emergency preparedness programs are necessary to ensure that the Senate can carry out its Constitutional duties under any set of circumstances.

#### MAINTAINING AND IMPROVING CURRENT AND HISTORIC LEGISLATIVE, FINANCIAL AND ADMINISTRATIVE SERVICES

##### LEGISLATIVE OFFICES

The Legislative Department of the Office of the Secretary of the Senate provides the support essential to Senators in carrying out their daily chamber activities and, most importantly, to carry out the Constitutional responsibilities of the Senate. The department consists of eight offices: Bill Clerk, Captioning Services, Daily Digest, Enrolling Clerk, Executive Clerk, Journal Clerk, Legislative Clerk, and the Official Reporters of Debates. The Legislative Clerk is the overall supervisor, providing a single line of communication to the Assistant Secretary and Secretary, and is responsible for coordination, supervision, scheduling and cross-training between the eight offices. In addition, the Parliamentarian's operation also works in close coordination with the Legislative Department.

Each of the eight offices within the Legislative Department is supervised by experienced veterans of the Secretary's office. The average length of service of legislative supervisors in the Office of the Secretary of the Senate is nineteen years. The experience of these senior professional staff is a great asset for the Senate. In order to

ensure continued well-rounded expertise, the legislative team has cross-trained extensively among their specialities.

#### 1. BILL CLERK

The Office of the Bill Clerk collects and records data on the legislative activity of the Senate, which becomes the historical record of official Senate business. The Bill Clerk's Office keeps this information in its handwritten files and ledgers and also enters it into the Senate's automated retrieval system so that it is available to all House and Senate offices via the Legislative Information System (LIS). The Bill Clerk records actions of the Senate with regard to bills, reports, amendments, co-sponsors, public law numbers, and recorded votes. The Bill Clerk is responsible for preparing for print all measures introduced, received, submitted, and reported in the Senate. The Bill Clerk also assigns numbers to all Senate bills and resolutions. All the information received in this office comes directly from the Senate floor in written form within moments of the action involved, so the Bill Clerk's Office is a timely and accurate source of legislative information.

The Bill Clerk's Office continues to provide to Senate offices and the public information on Senate legislative status with a high degree of accuracy and speed, both through the Senate LIS system and over the telephone. The information provided is the most quickly available and the most accurate information on Senate legislative activity available to staff.

Here is a final cumulative summary of the 107th and the 106th Congresses:

	107th Congress	106th Congress
Senate Bills .....	3,181	3,287
Senate Joint Resolutions .....	53	56
Senate Concurrent Resolutions .....	160	162
Senate Resolutions .....	368	393
Amendments Submitted .....	4,984	4,367
House Bills .....	562	697
House Joint Resolutions .....	29	46
House Concurrent Resolutions .....	175	151
Measures Reported .....	653	765
Written Reports .....	351	513
Total Legislation .....	10,516	10,437
Roll Call Votes .....	633	672

#### *Current Projects*

*Amendment Tracking System.*—In the fall of 2001, Rules Committee staff approached our office with the task of scanning submitted amendments onto the Amendment Tracking System on LIS. The Rules Committee has identified a need for Senate staff to have all amendments submitted in the Senate made available to them online shortly after being submitted, especially during cloture. The Rules Committee also requested that the Secretary, through the Bill Clerk, assess the feasibility of lifting the page limitation for scanning amendments onto the ATS Indexer. In response, the Bill Clerk contacted the Technology Development division of the Sergeant-at-Arms office to outline the technical requirements needed to implement such a request; a draft has been completed. Once the final version is delivered, the Secretary, through the Bill Clerk, and in consultation with the Legislative Clerk, will ascertain the legislative requirements needed in order for the staff to implement this request. The system must be designed and implemented without sacrificing critical services to the functioning of the Senate Chamber, specifically the amendment process.

*Electrical Ledger System.*—Shortly after the September 2001 attacks and the subsequent anthrax attacks in the Capitol complex, the Bill Clerks identified the need to have an electronic version of the official Senate ledgers in order to ensure the integrity of the information recorded in the ledgers. The electronic version will be portable for use during possible emergency scenarios. The Technology Development division of the Sergeant at Arms is working to develop two separate functions of this electronic ledger system. One is an electronic data entry system which will mimic the layout of the current Senate ledgers printed by the Government Printing Office; the other is a search function. Both of these programs will be housed on a separate server to maintain the integrity of the ledger data. The electronic ledger system is currently under development.

## 2. CAPTIONING SERVICES

Since 1991, the Office of Captioning Services has provided real-time captioning of Senate Floor proceedings for the deaf and hard-of-hearing along with unofficial electronic transcripts of those proceedings to Senate offices via the Senate Intranet. The primary focus of the Office of Captioning Services is caption accuracy. Selected on-air turns are printed and reviewed to constantly monitor quality and consistency.

*Technology Update*

The Senate Recording Studio continues to refine a system that captures our caption data stream, time stamps the captions and stores them in a searchable database. This database contains links to the corresponding audio files which can be listened to over the Senate Intranet in Senate offices.

During 2002, all available real-time captioning technologies were evaluated for the purpose of replacing our existing outdated technology. As a result, all captioning hardware and software will be replaced in 2003, using monies appropriated in fiscal year 2003 for this purpose.

Voice writing (voice recognition) technologies are improving and the Office of Captioning Services is on the cutting edge of testing and evaluating these products as they evolve.

*Current Projects*

There are two main objectives for the Office of Captioning Services in 2003. The first is to replace existing DOS-based steno-captioning technology with Windows-based steno-captioning technology. Second, we will continue to work out the details of a proposed pilot project to caption hearings for the Judiciary Committee.

## 3. DAILY DIGEST

The Daily Digest section of the Congressional Record provides a concise accounting of all official actions taken by the Senate on a particular day. All Senate hearings and business meetings (including joint meetings and conferences) are scheduled through the Daily Digest office and published in the Congressional Record.

*Chamber Activity*

During the second session of the 107th Congress, the Senate was in session a total of 149 days, for a total of 1,043 hours and 23 minutes. There were 253 recorded votes. (For additional details, a Comparison of Senate Legislative Activity follows).

CHART ONE: YEARLY COMPARISON OF THE SENATE LEGISLATIVE ACTIVITIES

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Senate Convened .....	1/3	1/23	1/3	1/3	1/5	1/25	1/4	1/3	1/3	1/27	1/6	1/24	1/3	1/23
Senate Adjourned .....	11/21	10/28	1/3/92	10/9	11/26	12/01	1/3/96	10/4	11/13	10/21	11/19	12/15	12/20	11/20
Days in Session .....	136	138	158	129	153	138	211	132	153	143	162	141	173	149
Hours in Session .....	1,003'19"	1,250'14"	1,200'44"	1,091'09"	1,269'41"	1,243'33"	1,839'10"	1,036'45"	1,093'07"	1,095'05"	1,183'57"	1,017'51"	1,236'15"	1,043'23"
Average Hours per Day .....	7.4	9.1	7.6	8.5	8.3	9.0	8.7	7.8	7.1	7.7	7.3	7.2	7.1	7.0
Total Measures Passed .....	605	716	626	651	473	465	346	476	386	506	549	696	425	523
Roll Call Votes .....	312	326	280	270	395	329	613	306	298	314	374	298	380	253
Quorum Calls .....	11	3	3	5	2	6	3	2	6	4	7	6	3	2
Public Laws .....	240	244	243	347	210	255	88	245	153	241	170	410	136	195
Treaties Ratified .....	9	15	15	32	20	8	10	28	15	53	13	39	3	17
Nominations Confirmed .....	45,585	42,493	45,369	30,619	38,676	37,446	40,535	33,176	25,576	20,302	22,468	22,512	25,091	23,633
Average Voting Attendance .....	98.0	97.47	97.16	95.4	97.6	97.02	98.07	98.22	98.68	97.47	98.02	96.99	98.29	96.36
Sessions Convened Before 12 Noon .....	95	116	126	112	128	120	184	113	115	109	118	107	140	119
Sessions Convened at 12 Noon .....	14	4	9	6	9	2	15	12	31	17	25	10	12	4
Sessions Convened after 12 Noon .....	27	17	23	10	15	17	12	7	7	2	19	24	21	23
Sessions Continued after 6 p.m. ....	88	100	102	91	100	100	158	88	96	93	113	94	108	103
Sessions Continued after 12 Midnight .....	9	13	6	4	9	7	3	1	.....	.....	.....	.....	2	3
Saturday Sessions .....	1	3	2	2	2	3	5	1	1	1	3	1	3	.....
Sunday Sessions .....	.....	2	.....	.....	.....	.....	3	.....	1	.....	.....	1	.....	.....

Prepared by the Senate Daily Digest—Office of the Secretary.

### *Committee Activity*

Senate committees held a total of 961 meetings in the first session of the 107th Congress, and 888 meetings in the second session.

#### 4. ENROLLING CLERK

The Enrolling Clerk prepares, proofreads, corrects, and prints all Senate passed legislation prior to its transmittal to the House of Representatives, the National Archives, the Secretary of State, the United States Claims Court, and the White House.

During 2002, 43 enrolled bills (transmitted to the President) and 10 concurrent resolutions (transmitted to Archives) were prepared, printed, proofread, corrected, and printed on parchment.

A total of 526 additional pieces of legislation in one form or another, was passed or agreed to by the Senate, requiring processing from this office.

Efforts continue on both sides of the Capitol to generate, process, manage and share data on a more uniform basis. XyWrite is the software editor currently utilized by House and Senate Enrolling Clerks, House and Senate Legislative Counsels, and the Government Printing Office. Ultimately both Chambers will generate data using an Extensible Markup Language (XML) editor acceptable to all involved.

#### 5. EXECUTIVE CLERK

The Executive Clerk prepares an accurate record of actions taken by the Senate during executive sessions (proceedings on nominations and treaties) which is published as the Executive Journal at the end of each session of Congress. The Executive Clerk also prepares daily the Executive Calendar as well as all nomination and treaty resolutions for transmittal to the President. Additionally, the Executive Clerk's office processes all executive communications, Presidential messages and petitions and memorials.

#### *Nominations*

During the second session of the 107th Congress, there were 1,010 nomination messages sent to the Senate by the President, transmitting 23,045 nominations to positions requiring Senate confirmation and 10 messages withdrawing nominations previously sent to the Senate during the 107th Congress. Of the total nominations transmitted, 463 were for civilian positions other than lists in the Foreign Service, Coast Guard, NOAA, and Public Health Service. In addition, there were 1,565 nominees in the "civilian list" categories named above. Military nominations received this session totaled 21,017 (5,813—Air Force; 6,182—Army; 6,044—Navy; and 2,978—Marine Corps).

In total, the Senate confirmed 23,633 nominations this session. Pursuant to the provisions of paragraph six of Senate Rule XXXI, 193 nominations were returned to the President during the second session of the 107th Congress.

#### *Treaties*

There were 18 treaties transmitted to the Senate by the President during the second session of the 107th Congress for its advice and consent to ratification, which were ordered printed as treaty documents for the use of the Senate (Treaty Doc. 107-3 through 107-21).

The Senate gave its advice and consent to 17 treaties with various conditions, declarations, understandings and provisos to the resolutions of advice and consent to ratification.

#### *Executive Reports and Roll Call Votes*

There were 12 executive reports relating to treaties ordered printed for the use of the Senate during the second session of the 107th Congress (Executive Report 107-4 through 107-15). The Senate conducted 42 roll call votes in executive session, all on or in relation to nominations.

#### *Executive Communications*

For the second session of the 107th Congress, 4,854 executive communications, 143 petitions and memorials and 60 Presidential messages were received and processed.

#### 6. JOURNAL CLERK

The Journal Clerk takes notes of the daily legislative proceedings of the Senate in the "Minute Book" and prepares a history of bills and resolutions for the printed

Senate Journal as required by Article I, Section V of the Constitution. The Senate Journal is published each calendar year.

The Journal staff take 90 minute turns at the rostrum in the Senate Chamber, noting by hand for inclusion in the Minute Book (i) all orders (entered into by the Senate through unanimous consent agreements), (ii) legislative messages received from the President, (iii) messages from the House of Representatives, (iv) legislative actions as taken by the Senate (including motions made by Senators, points of order raised, and roll call votes taken), (v) amendments submitted and proposed for consideration, (vi) bills and joint resolutions introduced, and (vii) concurrent and Senate resolutions as submitted. These notes of the proceedings are then compiled in electronic form for eventual publication of the Journal, usually at the end of each calendar year.

In 2002, the Journal Clerk completed the production of the 1,022-page 2001 Senate Journal. The 903-page 2002 Journal was sent to the Government Printing Office for printing on March 19, 2003.

#### 7. LEGISLATIVE CLERK

The Legislative Clerk sits at the Secretary's desk in the Senate Chamber and reads aloud bills, amendments, the Senate Journal, Presidential messages, and other such materials when so directed by the Presiding Officer of the Senate. The Legislative Clerk calls the roll of members to establish the presence of a quorum and to record and tally all yea and nay votes. This office prepares the Senate Calendar of Business, published each day that the Senate is in session, and prepares additional publications relating to Senate class membership and committee and subcommittee assignments. The Legislative Clerk maintains the official copy of all measures pending before the Senate and must incorporate into those measures any amendments that are agreed to. This office retains custody of official messages received from the House of Representatives and conference reports awaiting action by the Senate. This office is responsible for verifying the accuracy of information entered into the LIS system by the various offices of the Secretary.

Additionally the Legislative Clerk acts as supervisor for the Legislative Department providing a single line of communication to the Assistant Secretary and Secretary, and is responsible for overall coordination, supervision, scheduling, and cross training.

#### *Summary of Activity*

The second session of the 108th Congress completed its legislative business and adjourned sine die on Wednesday, November 20, 2002. During 2002, the Senate was in session 149 days, over 1,043 hours and conducted 253 roll call votes. There were 653 measures reported from committees, 523 total measures passed, and there were 311 items remaining on the Calendar at the time of adjournment. In addition, there were 2,287 amendments processed.

#### 8. OFFICIAL REPORTERS OF DEBATES

The Official Reporters of Debates prepare and edit for publication in the Congressional Record a substantially verbatim report of the proceedings of the Senate, and serve as liaison for all Senate personnel on matters relating to the content of the Record. The transcript of proceedings, submitted statements and legislation are transmitted in hard copy and electronically throughout the day to the Government Printing Office.

#### 9. PARLIAMENTARIAN

The Parliamentarian's Office performs extensive legislative duties. These include advising the Chair, Senators and staff, as well as committee staff, House members and staff, administration officials, the media and members of the general public, on all matters requiring an interpretation of the Standing Rules of the Senate, the precedents of the Senate, unanimous consent agreements, as well as provisions of public law affecting the proceedings of the Senate. The Parliamentarians work closely with the staff of the Vice President of the United States and the Vice President himself whenever he performs his duties as president of the Senate. The Parliamentarians monitor all proceedings on the floor of the Senate, advise the Presiding Officer on the competing rights of the Senators on the floor, and advise all Senators as to what is appropriate in debate. The Parliamentarians keep track of the amendments offered to the legislation pending on the Senate floor, and monitor them for points of order. In this respect, the Parliamentarians reviewed both more than 1,000 amendments during 2002 to determine if they met various procedural requirements



and thousands of pages of conference reports to determine what provisions could appropriately be included.

The Office of the Parliamentarian is responsible for the referral to the appropriate committees of all legislation introduced in the Senate, all legislation received from the House, as well as all communications received from the executive branch, state and local governments, and private citizens. In order to perform this responsibility, the Parliamentarian conducts extensive legal and legislative research. During 2002, the Parliamentarian and his assistants referred 1,584 measures and 5,058 communications to the appropriate Senate committees. The office works extensively with Senators and their staffs to advise them of the jurisdictional consequences of particular legislative drafts and evaluates the jurisdictional effect of proposed modifications in drafting.

#### FINANCIAL OPERATIONS: DISBURSING OFFICE

##### DISBURSING OFFICE ORGANIZATION

The mission of the Senate Disbursing Office is to provide efficient and effective central financial and human resource data management, information and advice to the distributed, individually managed offices, and to Members and employees of the United States Senate. To accomplish this mission, the Senate Disbursing Office manages the collection of information from the distributed accounting locations in the Senate to formulate and consolidate the agency level budget, disburse the payroll, pay the Senate's bills, prepare auditable financial statements, and provide appropriate counseling and advice. The Senate Disbursing Office collects information from Members and employees that is necessary to maintain and administer the retirement, health insurance, life insurance, and other central human resource programs to provide responsive, personal attention to Members and employees on a unbiased and confidential basis. The Senate Disbursing Office also manages the distribution of central financial and human resource information to the individual Member Offices, Committees, and Administrative and Leadership offices in the Senate while maintaining the appropriate control of information for the protection of individual Members and Senate employees.

To support the mission of the Senate Disbursing Office, the organization is structured in a manner that is intended to enhance its ability to provide quality work, maintain a high level of customer service, promote good internal controls, efficiency and teamwork, and provide for the appropriate levels of supervision and management. The long-term financial needs of the Senate are best served by an organization staffed with highly trained professionals who possess a high degree of institutional knowledge, sound judgement, and interpersonal skills that reflect the unique nature of the United States Senate.

##### DEPUTY FOR BENEFITS AND FINANCIAL SERVICES

The responsibility of this position is to serve as the Senate's expert on Federal retirement and benefits, payroll and front office processes. Coordination of the interaction between the Financial Services, Employee Benefits and Payroll sections is a major responsibility of the position. Planning and project management of new computer systems and programs is also a primary responsibility. Ensuring that job processes are efficient and up to date, modifying computer support systems, implementing regulatory and legislated changes, designing and producing up to date forms for use in all three sections are additional areas of responsibility.

The first order of 2002 was to reestablish operations in the Hart Building after being displaced for three months following the anthrax incident.

Various work during the year included working with the Computer Center to expand and change payroll programs, edits, and screens to administer: New Offset-CSRS deductions (as well as extensive payroll program modification), LWOP for Military Personnel, the Long Term Care Program, new FEGLI age bands, and major changes in TSP processing for new hires as well as new open TSP seasons.

In February, the office managed a project to renovate the Senate's Personnel Folder Filing System. New automated, vertical storage filing cabinets were installed. This project included electrical work, file storage, cabinet removal, installation, archival and refiling, transportation of cabinets and archived files to an offsite storage facility, rebuilding of storage cabinets and reorganization of files.

In September, work on the scanning of the Senate's Official Personnel & Office Folders began as part of our disaster planning. The plans include scanning all payroll related documents for offsite retrieval in the event of an emergency.

New mainframe operating system upgrades for O/S 390 were implemented in December and a full set of payroll system tests were run to ensure that they functioned properly.

Planning for new programs, which are due to be implemented this calendar year, began for flexible spending accounts for child care and medical expenses, as well as catch-up TSP payments for staff over age 50.

Also under the Deputy for Benefits and Financial Services is the Student Loan Repayment Program, which was included in the fiscal year 2002 Legislative Branch Appropriations Bill. Implementation of the Senate Program began April 1, 2002, with 25 Senate employees and 10 Senate offices participating. As of March 31, 2002, 816 Senate employees and 113 Senate offices are participating.

The legislation establishing the Student Loan Repayment Program gives each Senate employing office the authority to implement the Program. In the educational sessions provided on the Program, the twofold purposes of the law—retention and recruitment—are stressed.

#### FRONT COUNTER—ADMINISTRATIVE AND FINANCIAL SERVICES

The Front Counter is the main service area of all general Senate business and financial activity. The Front Counter maintains the Senate's internal accountability of funds used in daily operations. Reconciliation of such funds is executed on a daily basis. The Front Counter provides training to newly authorized payroll contacts along with continuing guidance to all contacts in the execution of business operations. It is the receiving point for most incoming expense vouchers, payroll actions, and employee benefits related forms, and is the initial verification point to ensure that paperwork received in the Disbursing Office conforms to all applicable Senate rules, regulations, and statutes. The Front Counter is the first line of service provided to Members, Officers, and employees. All new Senate employees (permanent and temporary) who will work in the Capitol Hill Senate offices are administered the required oath of office and personnel affidavit and provided verbal and written detailed information regarding their pay and benefits. Authorization is certified to new and state employees for issuance of their Senate I.D. card. Advances are issued to Senate staff authorized for an advance for official Senate travel. Cash and check advances are entered and reconciled in the Funds Advance Tracking System (FATS). Repayment of travel advances is executed after processing of certified expenses is complete. Travelers' checks are available on a non-profit basis to assist the traveler. Numerous inquiries are handled daily, ranging from pay, benefits, taxes, voucher processing, reporting, laws, and Senate regulations, and must always be answered accurately and fully to provide the highest degree of customer service. Cash and checks received from Senate entities as part of their daily business are handled through the front counter and become part of the Senate's accountability of federally appropriated funds and are then processed through the Senate's general ledger system.

In sum, for 2002:

- The Front Counter issued approximately 2,700 cash advances for official Senate travel.
- Received more than 19,200 checks from Senate entities.
- Administered oath and personnel affidavits to more than 3,200 new Senate staff.
- Maintained brochures for 11 Federal health carriers and distributed approximately 6,000 brochures to staff during the annual FEHB open season and to new employees.
- Provided 38 training sessions to new Office Managers.

After a smooth transition back into the Hart Building, Front Office operations continued to provide the Senate community with prompt, courteous and informative advice regarding Front Office functions. A reconstruction and audit of the Funds Advance Tracking System were successfully completed. This was necessitated by the separate locations of operations used during the Hart closing. The ramifications of the changes to the Thrift Saving Plan's (TSP) open season to employees was emphasized this year. Results of the November elections prompted eleven new offices that needed training in both Senator-elect regulations and assistance in the transition into member status in 108th Congress.

#### PAYROLL SECTION

The Payroll Section maintains the Human Resources Management System and is responsible for the following: processing, verifying, and warehousing all payroll information submitted to the Disbursing Office by Senators for their personal staff, by Chairmen for their committee staff, and by other elected officials for their staff;

issuing salary payments to the above employees; maintaining the Automated Clearing House (ACH) FEDLINE facilities for the normal transmittal of payroll deposits to the Federal Reserve; distributing the appropriate payroll expenditure and allowance reports to the individual offices; issuing the proper withholding and agency contributions reports to the Accounting Department; and transmitting the proper (TSP) information to the National Finance Center (NFC), while maintaining earnings records for distribution to the Social Security Administration, and maintaining employees' taxable earnings records for W2 statements, prepared by this section. The Payroll Section is also responsible for the payroll expenditure data portion of the Report of the Secretary of the Senate.

Calendar Year 2002 started with the usual processing of TSP forms, effective January 1, 2002. With the implementation of new TSP regulations, the May 15-July 31, 2002 Open Season reflected a 60 percent increase in the number of TSP 1 forms submitted for processing.

The events of September 11, 2001 lingered on as the Payroll Section reversed the Offsite operational process by moving all the paperwork processed at the alternative location back to the Hart building location. The work flow of completed transactions had to be sorted, while storage and filing requirements were reviewed for necessary changes. Systems like the ACH Fedline program had to be switched back to Hart Building IT equipment. Alternative methods of receiving correspondence from employees and other agencies had to be expanded in order to receive printed data in a timely manner.

The onset of the Student Loan Program created new objectives for the Section. It was first believed that all of the Financial Institutions issuing student loans would be able to process the loan payment via the ACH Fedline System. To the contrary, we found out that only 20 percent of the loans could adequately be processed through the Federal Reserve, and most of those payments also required a separate listing to be faxed to the processing unit. The remaining 800+ payments must be processed by individual checks and composite listings.

The NFC modified its regulations by allowing payroll deductions for employees who have just begun Federal Service. New categories of deductions were programed into the Payroll/Personnel System for the TSP deduction classes not receiving agency contributions. As each form is processed, the Payroll Specialist must further analyze the employee's service history and determine if the employee is eligible for agency contributions. The TSP also changed the open season periods by moving them up one month.

Members of the Payroll Section worked with members of the Accounts Payable Section to establish in-house procedures for processing voucher payments directly to vendor and employee bank accounts. Procedures were set up for transmitting payments, processing rejections and returns and balancing accounts with the Accounting Section.

The final project of the year was the processing of both incoming and outgoing offices under the jurisdiction of S. Res. 344 and 458.

#### EMPLOYEE BENEFITS SECTION

The primary responsibilities of the Employee Benefits Section (EBS) are administration of health insurance, life insurance and all retirement programs for Members and employees of the Senate. This includes counseling, processing of paperwork, research, dissemination of information and interpretation of benefits laws and regulations. In addition, the sectional work includes research and verification of all prior federal service and prior Senate service for new and returning appointees. EBS provides this information for payroll input and once Official Personnel Folders and Transcripts of Service are received, verifies the accuracy of the information provided and reconciles as necessary. Transcripts of Service including all official retirement and benefits documentation are provided to other federal agencies when Senate Members and staffers are hired elsewhere in the government. EBS processes employment verifications for loans, the Bar Exam, the FBI, OPM, and the Department of Defense, among others. Unemployment claim forms are completed, and employees are counseled on their eligibility. Department of Labor billings for unemployment compensation paid to Senate employees are reviewed in EBS and submitted by voucher to the Accounting Section for payment. Designations of Beneficiary for FEGLI, CSRS, FERS, and unpaid compensation are filed and checked by EBS.

The year began with EBS still located in our temporary quarters at Postal Square (PSQ) due to the continued closure of the Hart Building. Upon our return to the Hart Building in late January, our initial priorities were to locate and respond to anything that had remained undone in the Hart Building and to perform those functions that could not be completed from our displaced location. It was necessary to

pack up and move all the files, reports and documents from our stay in PSQ and combine and coordinate them with our regular information in a seamless fashion.

Based on the continued call to active duty of military reservists and the passage late in 2001 of a Leave Without Pay (LWOP) status for Senate employees, EBS worked to construct and develop LWOP procedures, informational sheets and notices, tracking devices and computer modifications to accommodate this new employment status. These procedures were monitored and modified as needed throughout the year.

During 2002 the new Federal Long Term Care Insurance (LTCI) Program was introduced and implemented government wide. EBS worked diligently to become educated in all aspects of the program. This required constant interaction with LTC Partners and OPM to establish and implement procedures and coordination with the Senate Computer Center to apply modifications and establish parameters for the implementation of the program. Effective introduction of LTCI required extensive notification to employees, which included several mail-outs, electronic notifications and use of streaming video on Webster. In addition, we hosted two seminars on the LTCI program.

Government-wide implementation of the Centralized Enrollment Clearinghouse System (CLER) program for health insurance enrollment reconciliation occurred in 2002. The program is still a work in process and has required diligent efforts at detecting and eliminating errors.

In 2002, we began an upgrade to our file room. We had our outdated file cabinets replaced by a new automated rotary filing system. The installation required the removal and return of all employee personnel folders, as well as the retirement to our offsite filing facility, of a portion of the older files.

Based on the lessons learned during our displacement about what could and could not be recovered and used offsite, we began to aggressively investigate the development and implementation of a document imaging system for use in electronically reproducing employee personnel folders. Development with the Senate Computer Center is well under way and the purchase of the hardware has been made with implementation of the process scheduled this year.

While retirement case processing was about average for the year, retirement planning and counseling were very heavy in the second half of 2002 due to the impending retirement of 10 Senators and the death of Senator Wellstone, and the dissolution of their staffs and the potential changes to committee staffs. This resulted in the counseling of hundreds of employees including extensive research and calculation of Statements of Tentative Retirement Computations. Approximately 100 retirement cases were processed (including 9 death cases).

Seminars were held for outgoing Members' staffs, as well as committees facing potential reorganization. Information disseminated spanned retirement, TSP, health and life insurance, and unemployment compensation. Full support was also provided to Senator Wellstone's staff and his next of kin following his tragic death. Due to the large post-election turnover, EBS also hosted a seminar with the D.C. Office of Employment Services for outgoing staff who wished to apply for unemployment compensation. This opportunity for staff was well received.

During the annual FEHB Open Season, approximately 700 employees changed plans. These changes were processed and reported in record time. Once again, we hosted a FEHB Open Season Health Fair, attended by about 650 employees. As an additional service, it was open to all other federal employees on the Hill, including House, Capitol Police, Architect of the Capitol and Senate Restaurant employees.

There were two TSP Open Seasons in 2002 during which employees could change their rate of contribution. The number of changes was higher during the end of year Open Season, as the allowable rates of contribution increased. In addition, a change to the effective dates of the TSP Open Seasons was implemented.

Much additional information and many downloadable forms were added to the Disbursing Office Webster site, as well as the use of newer video technologies and links.

In addition, EBS has been developing many computer-based forms and calculators for use in providing benefits information and estimates.

Two detailed Power Point retirement seminars on CSRS and FERS were developed and conducted for interested Senate staff. The seminars were well attended and well received. Additionally, EBS staff regularly provided a panel participant for the monthly New Staff Orientation seminars and quarterly Senate Services Fairs held by the Office of Education and Training.

Interagency meetings were attended on the implementation of the Federal LTCI Program, CLER program, and continuing TSP program enhancements.

There was a great deal of turnover and rehire in 2002, as employees left staff to work on campaigns and then returned to the Senate after the elections. This caused

an increase in appointments to be researched and processed, retirement records to be closed-out, termination packages of benefits information to be compiled and mailed out, and health insurance registrations to be processed. Transcripts of service for employees going to other federal agencies, and other tasks associated with employees changing jobs remained constant this year. These required prior employment research and verification, new FEHB, FEGLI, CSRS, FERS and TSP enrollments, and the associated requests for backup verification.

Mortgage rates kept employment verifications coming in at a rapid pace, averaging over 100 per month. Unemployment verifications remained constant throughout the year with a notable spike in December.

Telephone inquiries, though not specifically tracked, continued at record levels.

#### DISBURSING OFFICE FINANCIAL MANAGEMENT

Headed by the Deputy for Financial Management, the mission of the Disbursing Office Financial Management (DOFM) is to coordinate all central financial policies, procedures, and activities to produce an auditable consolidated financial statement for the Senate and to provide professional customer service, training and confidential financial guidance to all Senate accounting locations. In addition, the Financial Management group is responsible for the compilation of the annual operating budget of the United States Senate for presentation to the Committee on Appropriations as well as for the formulation, presentation and execution of the budget for the Senate. The DOFM is segmented into three functional departments: Accounting, Accounts Payable, and Budget. The Deputy coordinates the activities of the three functional departments, establishes central financial policies and procedures, acts as the primary liaison to the HR Administrator, and carries out the directives of the Financial Clerk of the Senate.

#### ACCOUNTING DEPARTMENT

During fiscal year 2002, the Accounting Department approved nearly 129,000 expense reimbursement vouchers, processed 1,055 deposits for items ranging from receipts received by the Senate operations, such as the Stationery Room and the Senate Gift Shop, to canceled subscription refunds from Member offices. General ledger maintenance also prompted the entry of thousands of adjustment entries that include the entry of all appropriation and allowance funding limitation transactions, all accounting cycle closing entries, and all non-voucher reimbursement transactions such as payroll adjustments, stop payment requests, travel advances and repayments, and limited payability reimbursements.

In March of 2002, the Accounting Department completed the testing of the student loans payroll interface and the set-up in FAMIS needed for the tracking of the student loan balances. During January 2002, the Accounting Department with assistance from our contractor, Bearing Point, completed the 2001 year end process to close and reset revenue, expense and budgetary general ledger accounts to zero and during July 2002, a rollover was performed to update in FAMIS' tables and create the index codes needed to accommodate data for fiscal year 2003. During the summer, the Deputy for Financial Management worked on the task force headed by the Senate Gift Shop Director and the Assistant Secretary of the Senate to procure and select a contractor to replace the Gift Shop point-of-sale retail, inventory and accounting control system. Solicitations and written proposals were reviewed and discussed and a contractor was selected by the end of October.

The Accounting and Accounts Payable Department also assisted the IT Department in the testing and implementation of the new travel advance reporting. The new travel advance reporting became effective in September 2002, and with this new process, started accounting for travel advances as obligations.

The Accounting Department was able to test and implement the first document purge process in Federal FAMIS. The testing was performed during December and the production purge was done successfully last month.

#### *Financial Reporting Requirements—External*

Monthly financial reporting requirements to the Department of the Treasury include a Statement of Accountability that details all increases and decreases to the accountability of the Secretary of the Senate, such as checks issued during the month and deposits received, as well as a detailed listing of cash on hand. Also reported to the Department of the Treasury is the Statement of Transactions According to Appropriations, Fund and Receipt Accounts that summarizes all activity at the appropriation level of every penny disbursed by the Secretary of the Senate through the Financial Clerk of the Senate. All activity by appropriation account is reconciled with the Department of the Treasury on a monthly and annual basis. The

annual reconciliation of the Treasury Combined Statement is also used in the reporting to the Office of Management and Budget (OMB) as part of the submission of the annual operating budget of the Senate.

Annually, the Accounting Department transmits all Federal tax payments for Federal, Social Security, and Medicare taxes withheld from payroll expenditures, as well as the Senate's matching contribution for Social Security and Medicare to the Federal Reserve Bank. The Department also performs quarterly reporting to the Internal Revenue Service (IRS) and annual reporting and reconciliation to the IRS and the Social Security Administration. Payments for employee withholdings for state income taxes are reported and paid on a quarterly basis to each state with applicable state income taxes withheld. Monthly reconciliations are performed with the National Finance Center regarding the employee withholdings and agency matching contributions for the TSP. Monthly, all employee withholdings and agency contributions for life and health insurance, and federal retirement programs are transmitted to the Office of Personnel Management. Any adjustment to employee contributions for any of the health, life, and retirement plans from previous accounting periods are also processed by the Accounting Department.

On a semiannual basis, the Accounting Department prepares necessary reports and information to be included in the Report of the Secretary of the Senate. All organizations and appropriation accounts reported are validated 100 percent to the financial system. During 2002, no major changes were incorporated to the Secretary's Report. The Accounting Department is also working with our contractor, Bearing Point, on several new reports that are expected to be completed before the end of the fiscal year.

#### *Financial Reporting Requirements—Internal*

Monthly, the Accounting Department prepares and reviews ledger statements to all Member offices and all other offices with payroll and non-payroll expenditures. These ledger statements detail all of the financial activity for the appropriate accounting period with regard to official expenditures in detail and summary form. The reformatting of the monthly ledgers was completed during April 2002 to comply with the requirements of the Senate Offices.

In addition, to better assist Senate offices and to facilitate the research of voucher payments within Disbursing Office, the Accounting Department reviewed and completed requirements to implement four new WEB inquiries. The new inquiries (payment number, document number, service date and vendor payment) were tested and moved to production in September 2002. The following month, the Disbursing Office financial management staff was trained on how to use the new inquiries.

#### *Pro-forma Financial Statements and Auditability Assessment*

During 2001, the Disbursing Office initiated a contract with the outside firm (KPMG Consulting) to develop the first U.S. Senate wide pro-forma consolidating financial statements. This initiative was based on the desire to adopt to the extent possible the financial reporting requirements of the Government Management Reform Act of 1996 (GMRA), the Chief Financial Officers (CFO) Act of 1990, and comply with the Statements of Federal Financial Accounting Standards (SFFAS) promulgated by the Federal Accounting Standard Advisory Board (FASAB). The main objective of this contract is to develop the first pro-forma financial statements of the United States Senate as required by OMB Bulletin No. 01-09, "Form and Content of Agency Financial Statements." This project was kicked off in November 2001. The final report and all required deliverables of the Senate wide financial statements for fiscal year 2000 were completed in April 2002. Based on the results of this exercise, suggestions for corrective actions were given and the Disbursing Office is working in conjunction and with full cooperation from the SAA Finance Division to establish a corrective action plan and schedule, including a Senate-wide capitalization policy. Another corrective action was the need to have written accounting procedures for the Secretary's Revolving Funds. With the assistance of the Deputy for Financial Management, all the Secretary's revolving funds completed their written procedures by December 2002.

### ACCOUNTS PAYABLE

#### *Audit Department*

One of the two sections under the Accounts Payable Department is the Audit Section. The Accounts Payable Audit Department is responsible for auditing vouchers and answering questions regarding voucher preparation and the permissibility of the expense, providing advice and recommendations on the discretionary use of funds by the various accounting locations, identifying duplicate payments vouchered by offices, monitoring payments related to contracts, training new Office Managers

and Chief Clerks about Senate financial practices, training Office Managers in the use of the Senate's Financial Management Information System, and assisting in the production of the Report of the Secretary of the Senate. The Section also monitors the Fund Advance Tracking System (FATS) to ensure that advances are charged correctly, vouchers repaying such advances are entered, and balances adjusted for reuse of the advance funds. An "aging" process is also performed to ensure that advances are repaid in the time specified by the advance travel regulations.

The Accounts Payable Audit Department, currently a group of eleven, has the responsibility for the daily processing of expense claims submitted by the 160 accounting locations of the Senate. During the first months of the year, the Accounts Payable Audit Department had some turnover and some new auditors were hired. The new audit staff has been fully trained and during fiscal year 2002, the Department has processed approximately 129,000 expense vouchers. The voucher processing ranges in scope from providing interpretation of Senate rules, regulations and statute, applying the same to expense claims, monitoring of contracts and direct involvement with the Senate's central vendor file. After relocating back to the Senate Hart Building and once again being fully staffed, the Department was able to audit vouchers within two days of receipt. On average, and as long as the voucher did not have any issues or questions, vouchers were received, audited, sanctioned by Rules and paid within the required directive of 10 business days.

During December 2002, the Chairman of the Committee on Rules and Administration delegated the sanctioning authority of vouchers \$35.00 or less to the Financial Clerk of the Senate. These vouchers are sanctioned by the Certifying Accounts Payable Specialists and are received, audited, and paid within 5 business days of receipt.

The Accounts Payable Audit Department provided training sessions in the use of new systems, the process for generation of expense claims, the permissibility of an expense, and participated with seminars sponsored by Secretary of the Senate, Sergeant at Arms, and the Library of Congress. The Section was trained 12 new Office Managers and Chief Clerks and conducted 4 informational sessions for Senate staff through seminars sponsored by the Congressional Research Service (CRS).

The Accounts Payable Department also assisted the IT Department in the testing and implementation of the new travel advance reporting. The new travel advance reporting became effective in September 2002 and with this new process, travel advances are accounted for as obligations. The Accounts Payable Audit Department has been fully trained in the new travel advance system and in the use of the four new WEB inquiries. Disbursing staff participated in the SAVI (Senate Automated Vendor Information) system training to assist Senate staff with any questions related to their reimbursements paid either by ACH (Automated Clearing House) or by check.

#### *Disbursements Department*

The second department under the Accounts Payable Department is the Disbursements Department. The Accounts Payable Disbursements Department consists of four individuals whose primary responsibility is the receipt of more than 129,000 individual expense vouchers and the writing and delivery of the resulting 53,000 checks in payment thereof.

During the month of April, the Disbursing Office started making payments to Senate staff via ACH (Automated Clearing House). From April through December, the Department issued approximately 9,500 wire transfers for expense reimbursements. The Department also took over and currently maintains the Senate's central vendor file that includes the addition of approximately 2,000 to 3,000 new vendors per year to an existing vendor file of more than 30,000.

The Disbursement Department is responsible for researching returned checks as vendors request additional information relating to payment allocation. The department also prepares the forms required by the Department of Treasury for stop payments. These stop payments result from employees not receiving salary or expense reimbursements, and vendors claiming non-receipt of expense checks.

This year, the group processed approximately 330 stop pays. During the summer, a stop pay tracking table was created in Excel to better track their status. The process of reissuing checks and/or subsequent collection of erroneously issued checks also falls within the scope of this department. On a semiannual basis, the staff here is also responsible for filing, rotating and archiving all expense vouchers processed and paid by the Disbursing Office.

Monthly, the Accounts Payable Disbursement Department assists the Accounting Department in the preparation and distribution of the monthly ledger statements for delivery to the 160 accounting locations throughout the Senate. This includes the maintenance of a central file of office contacts and the maintenance of a list of spe-

cial instructions for handling the distribution of the statements. The ledger statements are produced, sorted, and ultimately delivered or picked up according to the list of special instructions.

The Disbursements Department has been tasked to prepare the quarterly State tax returns. The amounts are provided in spreadsheet form and payment coupons are prepared for the 43 State jurisdictions. The payment coupons are obtained from each jurisdiction either in hardcopy format or on-line via the Internet. Vouchers are prepared from the payment coupons and checks are generated from the vouchers. Once the checks are written, letters of transmittal are prepared and mailed to the appropriate State jurisdictions and the District of Columbia.

The Accounts Payable Disbursements Department also assisted the IT Department in the testing and implementation of the new travel advance reporting which became effective in September 2002. This Department also has been fully trained in the new travel advance system and in the use of the four new WEB inquiries. They also participated in the SAVI (Senate Automated Vendor Information) system training to assist Senate staff with any questions related to their reimbursements paid either by ACH (Automated Clearing House) or by check.

Currently, the Accounts Payable Disbursements Supervisor is in the process of training one newly hired staff person and implementing the Department of Treasury—Financial Management Service (FMS) on-line stop pay process called PACER. This PACER system provides on-line access to digital images of negotiated checks for viewing and printing.

#### BUDGET DEPARTMENT

The third component of the Disbursing Office financial management group is the Budget Department. The primary responsibility of the Budget Department is to compile the annual operating budget of the United States Senate for presentation to the Committee on Appropriations. The Budget Department is responsible for the preparation, issuance and distribution of the budget justification worksheets (BJW). This year the budget justification worksheets were mailed to the Senate accounting locations during January and responses were received in the first week of February. This department is also responsible for the formulation, presentation and execution of the budget for the Senate and provides a wide range of analytical, technical and advisory functions related to the budget process. The Budget Department acts as budget officer for the Office of the Secretary, assisting in the preparation of testimony for the hearings before the Committee on Appropriations and the Committee on Rules and Administration. The group is also responsible for reporting to the Office of Management and Budget, via the MAX database, the budget baseline estimates that were developed for fiscal year 2004.

#### DISBURSING OFFICE INFORMATION TECHNOLOGY

##### FINANCIAL MANAGEMENT INFORMATION SYSTEM

The Disbursing Office Information Technology (IT) Department, currently operating with a staff of four, provides both functional and technical assistance for all Senate Financial Management activities. Activities revolve around support of the Senate's Financial Management Information System (FMIS) which is used by approximately 140 Senate accounting locations (i.e., 100 Senator's offices, 20 Committees, 20 Leadership & Support offices, and the Disbursing Office). Responsibilities include:

- Supporting current systems;
- Testing infrastructure changes;
- Managing and testing new system development;
- Planning;
- Administering the Disbursing Office's Local Area Network (LAN); and
- Coordinating the Disbursing Office's Disaster Recovery activities and Continuation of Operations Plan (COOP).

The activities associated with each of these responsibilities are described in more detail in the sections that follow. Work during 2002, was supported by the Sergeant at Arms (SAA) Technology Services staff, the Secretary's Information Technology staff, and contracts with Bearing Point (formerly known as KPMG).

The SAA Technology Services staff is responsible for providing the technical infrastructure, including hardware (mainframe and servers), operating system software (mainframe and servers), database software, and telecommunications; technical assistance for these components, including migration management, and database administration; and regular batch processing. Bearing Point is responsible, under the contract with the SAA, for operational support, and under contract with the Sec-



retary, for application development. The DO is the “business owner” of FMIS and is responsible for making the functional decisions about FMIS. The three organizations work cooperatively.

Highlights of the year include:

- Implementation of three Web FMIS releases, one of these made Travel and Petty Cash advances obligations of the office which required substantial revisions to the accounting for advances (March, July and September 2002);
- Articulation of a five year Disbursing Office Strategic Initiatives plan, which formed the base for Secretary of the Senate’s request for \$5 million in multi-year funds for further work on the FMIS project (April 2002);
- Pilot and Senate-wide implementation of the Senate Automated Vendor Inquiry system (SAVI), a Web site on which all Senate staff can lookup the status of reimbursements (Pilot—Spring 2002; Senate-wide availability—July 2002);
- Pilot of Web-ESR, a sub-system of SAVI that enables Senate staff to create a travel expense summary form on-line and submit it electronically to their office manager (Fall 2002);
- Implementation of a revised Office Information Authorization form and scanning of this form. The new form combines three old forms, which significantly simplifies the paperwork required by the DO. Scanning the forms make them immediately available to all DO staff which has improved our efficiency (October 2002);
- Implementation of a new document approval process for vouchers of \$35 or less. Under this, vouchers of \$35 or less do not go to the Committee on Rules and Administration for sanctioning, but instead are routed to certifying Accounts Payable specialist for review and posting to FAMIS. This has reduced the amount of time required to pay a voucher (December 2002); and
- Implementation of Outlook as the DO’s e-mail system (December 2002).

In the past four years many subsystems providing additional functionality have been added. These subsystems are outlined in the table on the following page.

## SENATE FINANCIAL MANAGEMENT INFORMATION SYSTEM

Subsystem	Functionality	Source	Primary Users	Implementation
FAMIS (Mainframe)	Financial general ledger ..... Vendor file ..... Administrative functions ..... Security functions .....	Off the shelf federal system purchased from Bearing Point.	Disbursing Office .....	October 1999
ADPICS (Mainframe)	Preparation of requisition, purchase order, voucher from purchase order, and direct voucher documents. Electronic document review functions Administrative functions .....	Off the shelf federal system purchased from Bearing Point.	Sergeant at Arms ..... Disbursing Office ..... Secretary of the Senate .....	October 1999
Checkwriter (Client-server)	Prints checks and check registers .....	Off the shelf state government system purchased from and adapted to Senate's requirements by Bearing Point. Custom software developed under Senate contract by Bearing Point.	Disbursing Office .....	October 1999
Web FMIS (Client-server and intranet)	Preparation of vouchers, travel advances, vouchers from advance documents, credit documents and simple commitment and obligation documents. Entry of detailed budget Reporting functions (described below) Electronic document submission and review functions Administrative functions .....	Custom software developed under Senate contract by Bearing Point.	All Senators offices ..... All Committee offices ..... All Leadership & Support offices ..... Secretary of the Senate ..... Sergeant at Arms Disbursing Office .....	October 2000
FATS (PC-based)	Tracks travel advances and petty cash advances (available to Committees only). Tracks election cycle information .....	Developed by SAA Technology Services.	Disbursing Office .....	Spring 1983
SAVI (Intranet)	As currently implemented, provides self-service access (via the Senate's intranet) to payment information for employees receiving reimbursements via direct deposit. Administrative functions .....	Off the shelf system purchased from Bearing Point.	Senate employees .....	Pilot—Spring 2002 Senate-wide—July 2002
Web ESR (Intranet)	A component of SAVI through which Senate employees can create on-line Travel Expense Summary Reports and submit them electronically to their Office Manager/Chief Clerk for processing.	Custom software developed under contract by Bearing Point.	Senate employees .....	April 2003

Secretary's Report (Mainframe extracts, crystal reports, and client-server "tool box"). Ledger Statements (Mainframe database extracts, and crystal reports). Web FMS Reports (mainframe database extracts, crystal reports, client server, and Intranet).	Produces the Report of the Secretary of the Senate. Produces monthly reports from FAMS that are sent to all Senate "accounting locations". Produces a large number of reports from Web FMS, FAMS and ADPICOS data at summary and detailed levels. Data is updated as an overnight process and can be updated through an on-line process by accounting locations.	Custom software developed under contract by Bearing Point. Developed by SAA Technology Services. Custom software developed under contract by Bearing Point.	Disbursing Office ..... Disbursing Office Senate Accounting Locations. Senate Accounting Locations .....	Spring 2000 Winter 2000 October 2000
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### *Supporting Current Systems*

The IT section supports FMIS users in all 140 accounting locations, and the Disbursing Office Accounts Payable, Accounting, Disbursements and Front Office Sections. The activities associated with this responsibility include:

- User support—provide functional and technical support to all Senate FMIS users; staffs the FMIS “help desk”; answer hundreds of phone calls a year; and meet with Office Managers and Chief Clerks as requested;
- Technical problem resolution—ensure that technical problems are resolved;
- Monitor system performance—check system availability and statistics to identify system problems and coordinate performance tuning activities for parallel load and database access optimization;
- Training—provide functional training to all Senate FMIS users. During 2002, the IT Department conducted 37 classes, seminars, and demonstrations on Web FMIS. The class schedule is issued quarterly and the classes offered were:

Introduction to Web FMIS—conducted eight times. This hands-on class covers the basics of preparing, printing, and submitting vouchers and travel vouchers, and managing your inbox. Also covered are adding items to an office’s lookup tables (e.g., vendor and expense category), using search to find records, and what information goes in the Unique Invoice Number and Account Number fields.

Web FMIS Budget & Reports Seminar—conducted eight times. This demo-style seminar covers how to enter and change an office’s budget, and how different budgets show on an office’s Summary of Financial Status Report. Several budgets, from simple to complex are discussed, based on the interests of the attendees. Also discussed are the on-line reporting functions including refreshing report data and exporting report data into another application (e.g., Excel). In addition, we look in detail at the Analysis by Vendor, Analysis by Expense Category, and Analysis by Office Control Number Reports, at the Changed Document Report, and other reports based on the interests of the attendees.

Web FMIS Reconciliation Class—conducted five times. This hands-on class covers how to reconcile an office’s Web FMIS balance with the DO’s balance on a monthly basis.

Web FMIS Special Topics—conducted three times. Occasionally a “special topics” seminar covering different subjects is held. Twice, in May and November, the seminar topic was how to use commitments and obligations. This seminar is offered at the points in the year when offices are most likely trying to estimate expenses through the end of the fiscal year.

User Demos—In advance of each Web FMIS release, we demonstrate at a Joint Office Manager Chief Clerks meeting, the new functionality included in the release. In addition, we repeat this demo for those unable to attend the meeting and conduct a “hands-on” class covering the same material for those who prefer to “do it” rather than “see it”. For Web FMIS release 5, we presented this material four times; for release 6 we presented this material three times; and for release 7 only a demo was offered. The release 7 demo also included a demo of SAVI functionality.

DO Staff Training—During 2002 the DO staff received the same training as Office Managers and Chief Clerks. For the DO staff, the DO IT section conducted a Web FMIS release 5 class twice; the Budgets & Reports seminar twice; and the Reconciliation class once.

- Security—30 ADPICS, FAMIS and 80 Web FMIS users and other users as requested by Senators and Chairmen, added, deleted, and changed user rights for, as well as, maintaining the document approval paths and creating new approved paths for vouchers less than \$35. One of the most important functions the DO IT staff perform is maintaining user rights for all ADPICS, FAMIS, and Web FMIS users.
- System Administration—design, test and make entries to tables that are intrinsic to the system (i.e., preparation for change in fiscal year, change in Senate organization tables or new office, new accounting transaction codes, new approval path for vouchers of \$35 or less, 108th Congress); and
- Support of Accounting Activities—provide assistance in the cyclic accounting system activities. During 2002, the following activities were performed—Upload of files into FAMIS, Year End rollover, SAVI Information Letter, and Ad hoc queries.

### *Infrastructure changes*

The SAA provides the infrastructure on which FMIS operates, including the mainframe, the database, security hardware and software, the telecommunications net-

work, and a hardware and software installation crew and help-desk provider. During 2002, the following components of this infrastructure were changed:

- Mainframe hardware and software—upgrade of the mainframe security software (ACF/2), database (DB/2v7), and operating system (OS390/2.10 [including CICS and CA/7 upgrades], OS Upgrade for mainframe upgrade, and Mainframe Upgrade) required that the Disbursing Office extensively test all FMIS subsystems both in a testing environment and in the production environment which in turn enabled installation of a new mainframe in December 2002;
- Printing online via “Reveal”—installation of the “Reveal” software enables the DO staff to examine mainframe reports online and eliminated daily printing of large reports; and
- Senate “Helpdesk” support vendor—the SAA contracted with a new company, Signal/Veridian, to provide hardware and software installation services for offices and to provide a “helpdesk”. Met with representatives of the company to demonstrate the Web FMIS application and answer questions about system implementation.

#### *Managing and testing new system development*

During 2002, we supervised development, performed extensive integration system testing and implemented changes to the following FMIS subsystems: Web FMIS; Senate Vendor Information (SAVI); Web ESR; and Checkwriter.

*Web FMIS.*—Three major releases of Web FMIS were done in 2002, and one mini release was completed in 2002 but not implemented until the beginning of January 2003, detailed requirements for a fourth were completed, and general requirements for a fifth were begun. These are:

- Web FMIS r5—Implemented in March 2002.*—This release included a number of ease-of-use features in the document entry function (e.g., automatic population of end date from start date) and in the inbox functions, the ability to refresh report data on user demand (i.e., instead of having to wait for the nightly batch report cycle to run), the ability to unsubmit a document, and the ability to void a document;
- Web FMIS r6—Implemented in July 2002.*—This release included nine new or revised reports, the most important of which are two cross-FY summary reports that enable easy comparison of data from up to four funding periods; a FY-independent research function; and improvements in the status and history information shown on each document;
- Web FMIS r7a—Implemented in September 2002.*—This release included six new or revised reports, the most important of which is the Summary of Financial Status by Month; submitting travel advance requests and treating advances as obligations of the office, which required substantial changes to the accounting underlying the travel advance and voucher from advance transactions; introduction of a credit document to accompany repayments; addition of equipment certification language which eliminates stamping the invoice that the equipment is Senate-owned or leased; and addition of disbursement type information (i.e., check or direct deposit) in the payment information field on each document and in the vendor file;
- Web FMIS r7a for Windows XP—Implemented in January 2003.*—This was a technical release that made changes necessary for Web FMIS to run on Windows XP PCs, which is the operating system that new Senators’ offices received. No new functionality was involved in this release, but Bearing Point made technical changes to the software which we tested;
- Web FMIS r7b—Implemented April 2003.*—This release enables the Rules Committee to review documents and perform sanctioning on-line. During 2002, we met with Rules Committee Audit staff and Bearing Point to complete requirements and detail design discussions for this new functionality. Bearing Point completed the programming for this functionality as well. Implementation of this release was originally scheduled for December 2002, but was postponed to April 2003, due to installation of a new mainframe computer in November 2002, during the time that this release was scheduled for testing. Due to the timing of this release, it will also include technical changes to the underlying mainframe software, WebSphere, from “compliance mode” to “compatibility mode,” which is required before the software can be upgraded to WebSphere release 4, currently scheduled for June 2003, and will apply the changes required for the Windows XP PC operating system to all supported PC operating systems;
- Web FMIS r8—Release not currently scheduled.*—During 2002, we began requirements discussions on changing the underlying security paradigm of Web FMIS. This would allow us to more exactly control the user rights to different kinds of Web FMIS users. Implementation was originally scheduled for April

2003, but has been postponed due to the revised release 7b implementation date;

—*Senate Automated Vendor Inquiry (SAVI)*.—One of the Senate’s goals in implementing FMIS was reimbursing employee expenses and paying vendors via direct deposit. We have been prepared to pay via direct deposit for some time, however the benefit of doing so was limited if a notice acknowledging payment still had to be sent to the employee. In other words, if we have to send a check stub-like notice via mail, why not just send the check with check stub via mail? With the Spring 2002 pilot and then the Senate-wide implementation of SAVI in July 2002, the Senate resolved this issue and took a major step towards meeting the direct deposit payment goal. SAVI, an intra-net enabled system, allows Senate employees to inquire on the status of payments, and provides the deposit information that would be on a check stub.

Since this system is inside the Senate’s firewall, it is available only to Senate staff. As of July 2, 2002, all Senate employees who receive their paycheck via direct deposit were given an option to receive any expense reimbursements via direct deposit. Implementing direct deposit reimbursements required coordination with the Federal Reserve and the Senate Credit Union. All Senate staff were notified of this change in a Senate-wide mailing, and new staff are notified in a new employee mailing. Provisions were made for Senate staff who preferred to continue to receive check reimbursements and for staff who wanted reimbursements to be deposited to an account different from the account for their paychecks. Thus, staff “opt-out” if they don’t want to receive reimbursements via direct deposit. On the other hand, Senators have to “opt-in” if they want to receive reimbursements via direct deposit.

Two releases of SAVI were implemented in 2002. The first was used by the pilot and for the July Senate-wide implementation. Based on comments from the pilot, we also defined requirements for a second release of SAVI that substantially improved the display of payment information and provided more useful search criteria. This was released in September 2002;

—*Web ESR*.—This system, a subsystem of SAVI, enables Senate staff to complete an on-line Travel Expense Summary Report (ESR) and submit it so that their office manager can “import” the data and create a voucher, without retyping the ESR data. As of the end of December 2002, it was in use by employees in 10 pilot offices and was to be implemented in new Senators offices and in offices with new office managers. Currently, this application is Intra-net based, but its first implementation, to a pilot group in the Spring of 2002, was as a client-server application. The original application was well received, but the pilot users requested enhancements that were difficult to provide in a client-server application. We decided to re-write the application and tie it to SAVI so that Senate staff could use one system to create ESRs and to check the status of reimbursements. In the Fall of 2002, the pilot offices gave us additional feedback on Web ESR, and during 2002 we began defining requirements for the next release of Web ESR. Implemented with Web FMIS r7b in April 2003; and

—*Checkwriter*.—During 2002, we defined requirements for, tested and implemented several new versions of the checkwriter software, which enables printing U.S. Treasury Checks, and compiling the direct deposit file transmitted to the Federal Reserve. We also defined requirements for additional checkwriter releases that will be implemented in 2003. In addition, we began investigating alternatives for the checkwriter printer to find one that provides more flexibility in the event of a disaster.

### *Planning*

There are two main planning activities: schedule coordination—planning and coordinating a rolling 12 month schedule; and strategic planning—setting the priorities for further system enhancements.

*Schedule Coordination*.—While we were evacuated from the Hart Building due to anthrax contamination, the DO staff worked at Postal Square in the same space as the SAA and Bearing Point staff. This enabled ad-hoc meetings and easy communication. When the DO staff returned to the Hart Building in January 2002, we wanted to continue the effectiveness of our co-location. Meetings with the DO, SAA and Bearing Point staff have evolved into three types of meetings:

- Project specific meetings—a useful set of project specific working meetings, each of which has a weekly set meeting time and meets for the duration of the project (e.g., Document Purge meetings and Web FMIS requirements meetings);
- Technical meeting—a weekly meeting among the DO staff (IT and functional), SAA Technical Services staff, and Bearing Point to discuss co-ordination among the active projects, including scheduling activities and resolving issues; and

—“Project Office”—a monthly meeting among senior Senate staff (e.g., the Financial Clerk, Rules Committee staff), the Bearing Point engagement partner, SAA technical and functional staff, DO IT and functional staff, and Bearing Point staff to discuss progress on each project.

*Strategic Planning.*—The FMIS strategic plan has a longer time horizon than the rolling 12-month time frame of the technical meeting schedule. It is designed to set the direction and priorities for further enhancements. In 2002, a five year strategic plan was written by the IT and Accounting staff for Disbursing Office Strategic Initiatives. This detailed description of five strategic initiatives formed the base for Secretary of the Senate Jeri Thomson’s request for \$5 million in multi-year funds for further work on the FMIS project. The five strategic initiatives are:

- Paperless Vouchers—Imaging of Supporting Documentation and Electronic Signatures.*—Beginning with a feasibility study and a pilot, implement new technology, including imaging and electronic signatures, that will reduce the Senate’s dependence on paper vouchers. This will enable continuation of voucher processing operations from any location, should an emergency again occur;
- Web FMIS—Requests from Accounting Locations.*—Respond to requests from the Senate’s Accounting Locations for additional functionality in Web FMIS;
- Payroll System—Requests from Accounting Locations.*—Respond to requests from the Senate’s Accounting Locations for on-line real time access to payroll data;
- Accounting Sub-system Integration.*—Integrate Senate-specific accounting systems, improve internal controls, and eliminate errors caused by re-keying of data; and
- CFO Financial Statement Development.*—Provide the Senate with the capacity to produce auditable financial statements that will obtain an unqualified opinion.

#### *Administering the Disbursing Office’s Local Area Network (LAN)*

The DO administers its own Local Area Network (LAN), which is separate from the LAN for the rest of the Secretary’s Office. We facilitated two major upgrades to our LAN during 2002, installation of new PCs and migration of our e-mail to Outlook, completed several projects for the Payroll and Employee Benefits sections, and installed new software for the DO staff working on the Report of the Secretary of the Senate.

- New PCs and Laptops.*—In August 2002, the 50 DO staff received new PCs with the Windows 2000 professional operating system. In order for all PCs to be identical, it is our practice to create a DO-specific PC template, which is used when the new PCs are set up by the vendor. This enables testing of all applications that the DO uses, including mainframe applications that are used solely by the DO. Thus conflicts between the new operating system and the applications we use can be identified and resolved prior to installation of 50 PCs. The creation and testing of the DO Windows 2000 professional workstations was completed before the August 2002 installation date. Following this, we coordinated the purchase, installation and testing for replacement of the DO’s ten laptops with laptops using the Windows 2000 professional operating system;
- Outlook.*—In December 2002, we migrated our e-mail system from cc:Mail to Outlook. This upgrade required installation of a new server, training for all the DO staff, and extensive work to recreate office mailing lists;
- Projects for Payroll and Employee Benefits Sections.*—We supported activities of the Payroll and Employee Benefits sections with four specific projects:
  - Coordinated the development of a Payroll Imaging system to electronically capture payroll documents turned in at the DO front counter, including ordering all required system components. This system is still being implemented;
  - Installed the required software and worked with the SAA to establish proper communication protocols to provide the Employee Benefits section the ability to transmit employee health plan information electronically to the National Finance Center in order to participate in a new program called Centralized Enrollment Clearinghouse System (CLER);
  - Posted Overtime Schedules for different work weeks along with a generic time sheet on the DO website. This eliminated maintaining hard copies of the various work weeks at our front counter;
  - In October 2002, we implemented a revised permissions form, the Office Information Authorization form, which combined three old forms. This significantly simplified the paperwork that offices are required to submit in order to add, delete or change user rights for Web FMIS users. Additionally, these forms are now scanned and therefore available to all DO staff the same day

that the document is received. This has eliminated the need for a database of users and improved efficiency; and  
 —Migrated the DO Fedline system from a DOT matrix printer to a laser printer.

—*Software for the Report of the Secretary of the Senate.*—Several DO staff review and edit data for the Report of the Secretary of the Senate. This requires special software and dictionaries. We performed the following on this software: Coordinated the update and installation of the “Toolbox” software (provided by Bearing Point) on the new PCs; reviewed existing spell check dictionaries, and worked with Bearing Point to make the required updates; and established procedures to ensure that dictionaries are maintained after each reporting cycle.

#### *Coordinating the Disbursing Office’s Disaster Recovery Activities*

The DO’s disaster recovery activities include two related activities:

—Disaster Recovery Testing—participating in the computer system disaster recovery tests conducted by the SAA; and  
 —Coordinating the Continuation of Operations Plan (COOP)—the COOP is the broader focused activity and addresses all aspects of DO operations, not just computer operations.

*Disaster Recovery Testing.*—Since 1995, the SAA has contracted with an offsite contractor for backup services in case of a disaster affecting the Senate’s main data center. The Senate’s Payroll system and FMIS are included in this recovery process. Since the contract’s inception, the Senate has tested its ability to restore systems and perform normal activities at least once, and often twice a year. Disbursing Office staff and SAA Procurement staff are active participants in the planning and execution of these tests. For 2002 two tests were planned: one in late February and one in the late fall. Only one test, the February test, was actually held. In this test, the mainframe subsystems of FMIS (i.e., ADPICS and FAMIS) were tested successfully, but two critical subsystems, checkwriter and Web FMIS, were not tested successfully. The checkwriter testing failed for the second disaster recovery test in a row, and Web FMIS was not tested at all. Both were scheduled to be included in the fall 2002 test, but that test was cancelled because the contractor’s computer was not running the same version of the mainframe operating system, OS390 v2.10, which the Senate implemented in August 2002. The tests were subsequently rescheduled for February of 2003 and subsequently conducted with favorable results.

*Disaster Recovery Background.*—Every night, data and software from the Senate’s mainframe computer systems are backed up to a magnetic cartridge and taken to First Federal Corporation, which provides a secure off-site facility. In the event of a disaster in the SAA computing facilities at Postal Square, SAA technical staff would immediately arrange to have the data, software, and appropriate operating instructions forwarded from the off-site facility to one of the contractor’s data centers. Senate staff would travel to this facility to oversee the restoration of all software and data on the contractor’s computer. By contract, restoration would be complete within 24 hours and systems would then be available to users. Sungard’s facilities can currently support up to 48 concurrent Senate users.

*Disaster Recovery of the Payroll System.*—Several key components are necessary for access to the payroll system after the restoration of data at the contractor’s facility is complete. At least one terminal identification (term-ID) must be coded in the payroll system to allow CICS access because the payroll application has an internal security module that ties a user to a specific term-ID that controls user access. Another key component is FTP software that allows the movement of files from point to point.

Most payroll payments are made via Direct Deposit to the Federal Reserve Bank using the Automated Clearing House (ACH). After the payroll system is closed-out for the payroll period, the SAA programmers provide an ACH data set which is transmitted to the Federal Reserve Bank in Atlanta, Georgia, via a specially configured PC containing an encryption board and a specialized modem. During our evacuation from the Hart Building, the DO did not have access to the Fedline PC. The DO entered into an open-ended agreement with the Senate Federal Credit Union that allows the DO to transmit from their facility in Alexandria, VA. The Federal Reserve Bank of Atlanta must be notified prior to any transmission changes, but this agreement gives us the flexibility to transmit from an alternate access point in the event we encounter transmission problems in the future.

*Disaster Recovery for FMIS.*—The DO has participated in disaster recovery testing of mainframe FMIS facilities since the system was implemented in October 1998. For the February 2002 test, DO and SAA Procurement staff tested the various modules of the mainframe application to ensure they were functioning correctly at the back-up site. Using workstations connected to the Senate’s fiber network as well as



laptop computers dialing into the offsite location, users have tested various types of document preparation and posting to FAMIS. In addition, batch report testing, and system inquiries into both the procurement and financial modules were tested. Finally, various batch processing tasks were tested to ensure that they perform as expected. In the February 2002 testing, these tests were completed satisfactorily.

Three components of FMIS, checkwriter, Web FMIS, and printing of ADPICS purchase orders and vouchers, have not been tested satisfactorily. Testing of the "checkwriter" process, which generates checks in payment to vendors, failed in the February 2002 test because communications between the check writing facilities in the Hart Building and the contractor's data center could not be completed in the testing time frame allowed under the Senate's contract. This was a repeat of the problem experienced in the spring 2001, despite a longer testing time frame for the February 2002 test.

No disaster recovery testing of Web FMIS was accomplished during 2002. Such testing required installation of additional hardware and software at the contractor's facility. Testing of Web FMIS was scheduled for the fall 2002 recovery testing, but did not happen due to the cancellation of the fall 2002 disaster recovery test described above.

Printing of ADPICS purchase orders and vouchers is not possible with the current disaster recovery communications infrastructure of "dial-up" lines. Workaround facilities or a revised infrastructure have not been finalized for this functionality. As a result, entities that prepare ADPICS purchase orders and vouchers, primarily the Secretary of the Senate and the SAA, would not be able to print these documents in the event of a disaster. The proposed Alternate Computer Facility would have more advanced infrastructure and thus such documents would be able to be printed.

*Coordinating COOP.*—During the summer of 2001, the DO staff wrote a Continuation of Operations Plan (COOP). This document addresses issues beyond the scope of disaster recovery. The plan was activated on October 21, 2001, when the DO staff were evacuated from the Hart Building due to anthrax contamination, and deactivated in January 21, 2002, when we returned. Prior to our reoccupation of our Hart office space, we tested all DO office systems to ensure that they were operational and facilitated a review of our office space by a disaster restoration specialist from an outside contractor. Additionally, we participated in the planning and execution of the June 22, 2002 COOP exercise.

#### ADMINISTRATIVE OFFICES

##### 1. CONSERVATION AND PRESERVATION

The Office of Conservation and Preservation develops and coordinates programs directly related to the conservation and preservation of Senate records and materials for which the Secretary of the Senate has statutory authority. Initiatives include: deacidification of paper and prints, phased conservation for books and documents, collection surveys, exhibits, and matting and framing for the Senate Leadership.

As part of several Senate traditions, for more than 22 years, this office has bound a copy of Washington's Farewell Address for the annual *Washington's Farewell Address* ceremony. In 2002, a volume was bound and read by Senator Jon S. Corzine, and this year, Senator Saxby Chambliss read the Address and received a copy of the bound edition.

In addition, the office continued its work for the Leader's Lecture Series with the fabrication of two speech holder boxes and leather notebooks. The office also fabricated for the Office of Interparliamentary Services, seven marbled paper slipcases for the book, *The United States Capitol: Photographs* by Fred J. Maroon.

At the direction of the Secretary of the Senate, and the Senate Gift Shop, marbled paper liners were fabricated for twelve mahogany boxes to house a ceremonial gavel presented at the Commemorative Joint Meeting of the Congress of the United States in New York City. A Bible was gold embossed for the occasion on September 6, 2002.

The Office of Conservation and Preservation also completed the following: gold-embossed 148 mats for the Senators' group picture of the 107th Congress, embossed 140 books for the Senate Leadership, and matted and framed 406 items for the Senate Leadership.

As mandated in the 1990 *Senate Library Collection Condition Survey*, the office continued to conduct an annual treatment of books identified by the survey as needing conservation or repair. In 2002, conservation treatments were completed for 95 volumes of a 7,000 volume collection of House hearings. Specifically, treatment involved recasing each volume as required, using alkaline end sheets, replacing acidic tab sheets with alkaline paper, cleaning the cloth cases, and replacing black spine

title labels of each volume as necessary. In 2003, the Office of Conservation and Preservation will continue preservation of the remaining 4,277 volumes.

In addition, this office sent 481 books from the Senate Library to the Library section of Government Printing Office for binding, and assisted the Senate Library with four exhibits located in the Senate Russell building basement corridor. For the Curator's office, Conservation and Preservation assisted with the Brumidi exhibit located on the first floor of the Capitol.

On an ongoing basis, this office assists Senate offices with conservation and preservation of documents, books, and various other items.

## 2. CURATOR

The Office of Senate Curator, under the direction of the Secretary of the Senate, who is the Executive Secretary of the Senate Commission on Art, administers the museum programs of the Senate for the Capitol and Senate office buildings. The curator and staff suggest acquisitions, provide appropriate exhibits, engage in research, and write and edit publications. In addition, the office studies, identifies, arranges, protects, preserves, and records the historical collections of the Senate, including paintings, sculpture, and furnishings; and exercises supervisory responsibility for the chambers in the Capitol under the jurisdiction of the Senate Commission on Art. All records of research and documentation related to these areas of responsibility are available for use by Senators' offices, the media, scholars, and the public. With the establishment of the United States Capitol Preservation Commission, the Senate Commission on Art has become the designated recipient of objects with Senate association received by the Preservation Commission, and is tasked to "provide to the Capitol Preservation Commission such staff support and assistance as the Preservation Commission may request."

### *Collections: Commissions, Acquisitions, and Management*

The Senate Commission on Art unveiled new portraits of Senators Blanche Kelso Bruce and James Eastland last year. Other commissions currently in progress include paintings of Senators Bob Dole and George Mitchell for the Senate Leadership Portrait Collection; Senators Arthur Vandenberg and Robert Wagner for the Senate Reception Room; and Margaret Chase Smith.

Thirty-one objects were accessioned into the Senate collection this year. These included three notable items associated with 19th century Assistant Doorkeeper Isaac Bassett: a snuff box; walking stick; and scrapbook of news clippings, letters, and various mementos related to Bassett's Senate years. The majority of the newly accessioned objects were historic prints.

Twenty-six new foreign gifts were reported to the Select Committee on Ethics and deposited with the Curator's Office. These have been catalogued and are maintained by the office in accordance with the Foreign Gifts and Decorations Act. Many of these gifts reflect the historic, unprecedented visit of senators to countries such as Uzbekistan and Afghanistan.

The Senate collection and Foreign Gifts collection were inventoried in 2002. A cyclical schedule to complete a wall-to-wall inventory of all collections every three years was established by the Registrar. Every year all objects on display in the Capitol and all Senate Office Buildings are inventoried in order to verify that no changes in location or condition have occurred. In addition, an inventory was completed of all fine and decorative arts, memorabilia, publications, and manuscripts located in a 4th floor storage room in the Capitol and the offsite warehouse. In 2003, all prints, drawings, and advertising images in storage will be inventoried.

The Sergeant at Arms also approved the Secretary's request to obtain a lease through General Services Administration (GSA) for museum quality off-site storage, as the Senate Curator was asked to vacate its existing space. Fifty-one items, primarily historic furniture, which had been stored at the warehouse were temporarily relocated in October 2002, to an off-site until such time as a GSA lease is negotiated. The final result will be an environmentally controlled storage space suitable for the storage and preservation of historic objects.

The Associate Registrar and Curatorial Assistant initiated a project to professionally photograph the more than 1,000 historic prints in the Senate's collection. For emergency purposes, a pair of 4" x 5" color transparencies will be created for each print, allowing for one complete set to be stored off-site. The in-office working copy will be used for image requests, future publications, and new web site postings. This year, the transparencies will be transferred to CD's, along with adding the images and associated database information to the Senate web site, and compiling an updated checklist publication of the Senate's entire historic print collection. 861 prints have been photographed to date.

### *Conservation and Restoration*

A total of 25 objects received conservation treatment in 2002. These included three historic clocks, one gilded window valance, fifteen Senate Chamber desks, and six Russell Senate Office Building chairs.

This year the major project of conserving all one hundred Senate Chamber desks passed the halfway point. Twice a year, during Senate recess periods, desks are removed from the Senate Chamber and sent out for restoration. Treatment is extensive, and follows a detailed protocol developed in 1997 to address the wear and degradation of these historic desks due to continued heavy use. Sixty-one desks have been restored to date, and the project is on schedule for completion in August 2005. The program also involves thorough documentation of the condition, construction details, wood type, and measurements. Additional initiatives will include: professional photography; posting desk information on the Senate web site; developing a maintenance program to continue to preserve the desks; and treating the inkwells and sand blotters located in each desk. As part of its preventive maintenance program, the Curator's office continues to work with the Senate Sergeant at Arms Cabinet Shop to install rubber bumpers on the end of the Senate Chamber chairs to further eliminate damage to the desks.

Six historic chairs, originally purchased for the Russell Senate Office Building in 1909, were studied and restored. The chairs were examined by professional conservators in order to determine the original finish and upholstery methods, and to serve as prototypes. A detailed protocol treatment to restore all 1909 Russell chairs to their historic appearance was established.

A comprehensive *Collection and Historic Structures Care* manual has been developed. The manual will provide basic, practical information needed to enable non-curatorial staff within the Capitol complex to plan and implement sound collections care and building maintenance programs. The primary purpose of the manual is to teach specialized handling practices, identify acceptable repair, maintenance, and care treatments, and establish necessary monitoring and maintenance schedules. In addition, the Associate Curator and Registrar conducted training sessions for the Capitol Police on the care and protection of art in the Capitol. The staff also continues to work with housekeeping personnel on maintenance issues related to the fine and decorative arts collection.

### *Historic Preservation*

One of the office's directives is to work with the Architect of the Capitol to ensure the preservation of the architectural and decorative elements within the Senate wing of the Capitol, with emphasis on those spaces of primary historic and architectural significance. After making substantial progress in 2001, on the development of the Senate Preservation Program by defining a policy and procedures, the office spent much of the year focusing on the functionality of the program and how it could effectively interact with the Office of the Architect of the Capitol and congressional offices. Based on such considerations, the office identified infrastructure systems and effective procedures that will allow the staff to conduct and collect research, document current projects, respond to and approve upcoming project scopes in a timely manner, and develop and direct preservation projects. The results of those efforts include: an historic structures report program; a detailed index to Bill Allen's *History of the U.S. Capitol*; a draft historic context and period of significance statement for the Capitol; paint analysis guidelines; and office attendance at the Architect of the Capitol's project update meetings.

In an effort to significantly advance the preservation program by putting policies and procedures into practice (in order to test and refine them), the office outlined two Senate-controlled preservation projects as test cases: the Senate Reception Room preservation project and the Historic American Building Survey (HABS) documentation project. The first phase of the Reception Room project, the development of an Historic Structures Report, is currently underway and will continue through 2003. Regarding the HABS project, the office has developed a plan and first phase proposal for review.

Along with the important work of developing and implementing a Senate Preservation Program, the Curator's office, working in partnership with the Architect of the Capitol, continued to serve as project coordinator for the Democratic leadership suite rehabilitation project. Over the past year, the following tasks were completed: application of tinted varnish on the S-223 and S-224 enframements; painting the walls and enframements in S-222; painting the enframements in S-221; application of gold leaf in S-222, S-223, and S-224; restoration of the ceiling murals in S-222 and S-223; consolidation of the ceiling plaster in S-221; conservation of the crystal chandeliers in S-222, S-223, and S-224; restoration of three 1909 Russell Senate Office Building chairs for S-223; installation of gilded window cornice replicas in S-

221 and S-223; and installation of new curtains in S-222 and new rugs in S-222 and S-224.

Serving as the Senate's authority on preservation, the office has extended professional advice, guidance, and services to the Architect of the Capitol and various congressional offices on numerous upgrade, renovation, preservation, and repair projects in the Senate wing of the Capitol. These projects include testing and stabilization planning for the President's Room ceiling plaster; preservation of the second floor corridor; mural conservation and restoration of the Brumidi Corridors; handicap access for the Old Supreme Court Chamber; and renovation of S-312.

#### *Historic Chambers*

The Curator's staff maintains the Old Senate and Old Supreme Court Chambers, and coordinates periodic use of both rooms for special occasions. By order of the U.S. Capitol Police, the Old Senate Chamber has been closed to visitors since September 11, 2001. Twenty-nine requests were received from current Members of Congress for after-hours access to the chamber. Four special events were held in the room. Of significance was former Vice President Walter Mondale's lecture delivered in the chamber as part of the Leader's Lecture Series. In addition, the Chamber was used for an educational interview with former Majority Leader Bob Dole conducted by the National Constitution Center in Philadelphia regarding the history of debate in the Senate. Senate Historian Richard Baker also presented a lecture to the newly-elected Senators of the 108th Congress. The Chamber was also used for the re-enactment swearing-in ceremony for Senator Dean Barkley of Minnesota, and again on January 7, 2003, for the opening of the 108th Congress. In addition, B-roll footage of the room was taken by NBC to illustrate the historic significance of the 19th century Senate Disbursing Office ledgers recently found.

On April 1, 2002, the Old Supreme Court Chamber was opened to the public for the first time since September 11, 2001. Nineteen requests were received by current Members of Congress for admittance to the Old Supreme Court Chamber after-hours. New carpeting was installed in the public area of the Old Court, and two exhibits were de-installed to allow easier access to the room for visitors.

#### *Loans To and From the Collection*

A total of 63 historic objects and paintings are currently on loan to the Curator's office on behalf of Senate leadership in the Capitol. The Curator's staff returned eleven paintings to the South Dakota Art Museum at the expiration of their loan period, and requested nine new paintings from the museum for display in the Democratic leadership suite. One outgoing loan from the Senate collection was approved for the Octagon Museum; two objects from the collection and two replicas were loaned for display as part of the exhibition, *Inside the Temple of Liberty*.

The Curator's office began work to assemble information on Senate objects under consideration for loan to the exhibition space in the main gallery of the Capitol Visitor Center. Approximately 50 objects have been identified at this time. In addition, the office facilitated a loan request to the Smithsonian Institution's National Museum of American History on behalf of the Senate Commission on Art. The Curator's office has identified two large, historic vases for display in the public area of the Capitol Visitor Center, and tentative approval was received from the Smithsonian pending final confirmation of conditions in the display location.

The Secretary's china was distributed and returned three times in 2002. It was used for events such as a dinner for the retiring Republican Senators of the 107th Congress and a Senate leadership dinner. The official Senate chinaware was inventoried and used at 31 receptions for distinguished guests, both foreign and domestic.

#### *Publications and Exhibitions*

Much of the office's focus in 2002, was devoted to producing the five-hundred page catalogue entitled *U.S. Senate Fine Art Collection*, which will provide previously unpublished information on the 160 paintings and sculptures in the U.S. Senate. Each work of art is illustrated with a full-page color photograph, accompanied by an essay and secondary images that place the object in historical and aesthetic context. The publication features an introductory essay by art historian and principal author William Kloss to provide a comparative perspective on the collection. The book is the definitive new resource on the fine art in the United States Senate. Staff worked with the Government Printing Office on all aspects of the design and proofing of the publication. A printer has been selected and delivery of the publication is expected in the summer of 2003.

Several brochures were reprinted, including: *The United States Congress & Capitol: A Walking Tour Handbook, volumes I and II*; *The Senate Vestibule*; and *The President's Room*. In addition, the office published a new brochure, *The Republican Leadership Suite*.

The office deinstalled *I Do Solemnly Swear*, an exhibition of presidential inauguration images and a photographic diary of Inauguration Day 2001, and reinstalled the exhibition *The United States Capitol: Photographs by Fred J. Maroon*. The first phase of the exhibition *Constantino Brumidi: Artist of the Capitol* was installed under the west stairwell of the Brumidi Corridors, on the first floor of the Senate wing. The second phase of the exhibit will be completed in 2003.

#### *Policies and Procedures*

The office undertook a major initiative to create a strategic plan, and started by reorganizing and prioritizing office objectives and developing a mission statement.

Progress continued on preparation of a Collections Management Policy to be approved by the Commission on Art. The introductory section of the policy was reorganized to create a clear statement of the principles and goals that guide the Office of Senate Curator in the development and care of the Senate collections.

#### *Collaborations, Educational Programs, And Events*

As part of the seminar series conducted under the auspices of the Secretary of the Senate and the Sergeant at Arms, the Curator's staff continued to deliver periodic addresses on various aspects of the Senate's art and history. Staff conducted or assisted with several sessions, including "Congress & the Capitol: Tour Guide Series" and "The Vice Presidential Bust Collection."

Curator staff participated as team members for the redesign of the Senate web site, which was launched in the fall of 2002. For the first time, visitors to the Senate web site can view images and catalogue information for all fine art in the Senate collection. Results of this increased visibility have already been seen, as the number of requests from the public for images of art in the Senate collection has nearly doubled.

#### *Objectives for 2003*

Conservation and preservation concerns remain a priority. Projects in 2003, will include the restoration of 15 Senate Chamber desks during the August and fall recess periods, conservation of the frame for *Pocahontas*; and the restoration of two historic overmantel mirrors.

Policy initiatives and strategic planning are a major endeavor. Additionally, the Collections Management Policy will be completed and submitted for peer review by museum professionals.

A comprehensive restructuring of the Senate collection database will be completed. Once an outside contractor has organized the files and reports to the specifications of the office, collections staff will complete the work of cleaning up data contained in fields and create all additional reports and layouts needed for current collections related projects. An additional goal is to evaluate the options for display of object images in the layouts used to view the Senate collection database and to establish image field standards.

Regarding the Senate Preservation Program, the Curator's office will begin to establish the systems necessary for the office to meet its preservation responsibilities and to function as the Senate's authority on preservation issues. The office will complete the first phase of the Senate Reception Room preservation project. In addition, the office will present to the Senate Commission on Art a proposal for the HABS documentation project, with emphasis on the establishment of CAD-related databases and documentation procedures. In the area of physical preservation, the office will continue to serve as the project coordinator for the Democratic leadership suite renovation and provide assistance with preservation issues related to Architect of the Capitol's Senate projects. In conjunction with the Architect of the Capitol, the office will develop a system that will assure the involvement of the Curator's staff in all Senate wing project planning. Such a plan will require the Curator's office to review all Senate wing projects for their effect on historic resources.

Publications scheduled for 2003, include a brochure on the history of the Senate Democratic leadership suite; the Senate Appropriations Committee, Room S-219; and on 19th century Senate employee Isaac Bassett. The office will install informational panels for important Senate art work as part of its educational mandate with the paintings of *George Washington at Princeton* and *The Recall of Columbus* the first to be highlighted.

Internet exhibits scheduled include web sites on the political cartoons of *Puck*, a 19th century satirical magazine, the drawings of Lily Spandorf illustrating the filming of the motion picture *Advise and Consent*, the Senate Chamber desks, and information on current conservation/preservation projects.

As part of its emergency preparedness plan, the office will microfilm several important record series. Collections and history files, and the Isaac Bassett Papers,

will be reproduced in microfilm or fiche, as well as digitized for both research and web publication.

### 3. JOINT OFFICE OF EDUCATION AND TRAINING

The Joint Office of Education and Training, a shared responsibility between the Secretary of the Senate and the Sergeant at Arms, provides employee training and development opportunities for 7,000 Senate staff both in Washington D.C. and in the states. There are four branches within the department:

- The technical training branch is responsible for providing technical training support for approved software packages used in either Washington or the state offices.
- The computer training staff provides instructor-led classes; one-on-one coaching sessions; specialized vendor provided training, computer based training; and informal training and support services.
- The professional training branch provides courses for all Senate staff in areas including: management and leadership development, human resources issues and staff benefits, legislative and staff information, new staff and intern information.
- The health promotion branch provides seminars, classes and screenings on health related and wellness issues. This branch also coordinates an annual Health Fair for all Senate employees and four blood drives each year.

In 2002, The Joint Office of Education and Training offered 565 classes with 5,566 Senate employees participating. The registration desk handled 13,248 requests for training and documentation.

Of the above total, in the technical training area 321 classes were held with a total attendance of 1,883 students. An additional 1,686 staff received coaching on various software packages and other computer related issues.

In the professional development area, 244 classes were held with a total attendance of 3,683 students. Individual managers and supervisors were also encouraged to request customized training for their offices in areas of need.

The Office of Education and Training made itself available to work with teams on issues related to team performance, communication or conflict resolution. During 2002, 50 requests for special training or team building were met. Professional development staff also traveled to State offices to conduct specialized training/team building during the year.

In health promotion, 896 Senate staff participated in Health Promotion activities throughout the year. These activities included: cancer screening, bone density screening and seminars on health related topics. Additionally 1,163 staff participated in the Annual Health Fair held in September.

The Office of Education and Training continues to coordinate with the Office of Security and Emergency Preparedness to provide security training for Senate staff. In 2002, the Office of Education and Training coordinated 87 sessions of Escape Hood Training for 3,514 Senate staff.

Since most of the classes offered are practical only for D.C. based staff, the Office of Education and Training continues to offer the "State Training Fair," now three years old. In 2002, three sessions of this program were offered to state staff. We also implemented the "Virtual Classroom," an internet based training library of 300+ courses. To date, 134 state office staff representing 49 Senators are using the training option.

### 4. CHIEF COUNSEL FOR EMPLOYMENT

The Office of the Senate Chief Counsel for Employment ("SCCE") is a non-partisan office established at the direction of the Joint Leadership in 1993 after enactment of the Government Employee Rights Act ("GERA"), which allowed Senate employees to file claims of employment discrimination against Senate offices. With the enactment of the Congressional Accountability Act of 1995 ("CAA"), Senate offices became subject to the requirements, responsibilities and obligations of 11 employment laws. The SCCE is charged with the legal representation of Senate offices in all employment law cases at both the administrative and court levels. Also, on a day-to-day basis, the office provides legal advice to Senate offices about their obligations under employment laws. Accordingly, each of the 180 offices of the Senate is an individual client of the SCCE, and each office maintains an attorney-client relationship with the SCCE.

#### *Background*

Each of the SCCE attorneys came to the office after having practiced as employment law litigators in major, national law firms representing Fortune 100 corpora-

tions. All services the office provides are the same legal services the attorneys provided to their clients while in private practice. The areas of responsibilities of the SCCE can be divided into the following categories: Litigation (Defending Senate Offices in Federal Court); Mediations to Resolve Lawsuits; Court-Ordered Alternative Dispute Resolutions; Preventive Legal Advice; Union Drives, Negotiations and Unfair Labor Practice Charges; OSHA/Americans With Disability Act ("ADA") Compliance; Layoffs and Office Closings In Compliance With the Law; and Management Training Regarding Legal Responsibilities.

#### *Litigation, Mediations, Alternative Dispute Resolutions*

The SCCE represents each of the 180 employing offices of the Senate in all court actions (including both trial and appellate courts), hearings, proceedings, investigations, and negotiations relating to labor and employment laws. The SCCE handles cases filed in the District of Columbia and cases filed in any of the 50 states. The SCCE represents a defendant Senate office from the inception of a case through U.S. Supreme Court review. The office handles all work internally without the assistance of outside law firms or the Department of Justice.

During 2002, the SCCE defended Senate offices against 33 lawsuits, which required approximately 11,000 attorney work hours<sup>1</sup>. No case was lost.

#### *Preventive Legal Advice*

At times, a Senate office will become aware that an employee is contemplating suing, and the office will request the SCCE's legal advice and/or that the SCCE negotiate with the employee's attorney before the employee files a lawsuit. The successful resolution of such matters substantially reduces an office's liability.

Also, the SCCE advises and meets with Members, chiefs of staff, office managers, staff directors, chief clerks and general counsels at their request. The purposes of the advice and meetings are to educate and inform Members, officers and employees and to prevent litigation and to minimize liability in the event of litigation. For example, on a daily basis, the SCCE advises Senate offices on matters such as disciplining/terminating employees in compliance with the law, handling and investigating sexual harassment complaints, accommodating the disabled, determining wage law requirements, meeting the requirements of the Family and Medical Leave Act, and management's rights and obligations under union laws and OSHA.

#### *Union Drives, Negotiations, and Unfair Labor Practice Charges*

The Office provides the following with respect to a union drive: conducts training sessions for managers and supervisors regarding their legal obligations during a union campaign, negotiates an election agreement with the union, advises the client in selecting its representatives for the election, conducts training sessions for the employer representatives regarding improper conduct at elections, and conducts an investigation to determine whether ground rules exist to challenge the election results.

#### *OSHA/ADA Compliance*

The SCCE provides advice and assistance to Senate offices by assisting them with complying with the applicable OSHA and ADA regulations; representing them during Office of Compliance inspections; advising State offices on the preparation of the Office of Compliance's Home State OSHA/ADA Inspection Questionnaires; assisting offices in the preparation of Emergency Action Plans; and advising and representing Senate offices when a complaint of an OSHA violation has been filed with the Office of Compliance or when a citation has been issued. In 2002, the SCCE handled 8 OSHA complaint procedures.

#### *Layoffs and Office Closings in Compliance with the Law*

The SCCE provides legal advice and strategy to individual Senate offices regarding how to minimize legal liability in compliance with the law when offices reduced their forces.

In addition, pursuant to the Worker Adjustment and Retraining Notification Act ("WARN"), offices that are closing must follow certain procedures for notifying their

<sup>1</sup>Attorney hours spent on each case include, but are not limited to, time for conducting the initial investigation of allegations; mediation with employee; negotiating settlements; reviewing employing office files; interviewing witnesses; investigating and responding to the complaint; preparing for pretrial and trial proceedings, including taking witness depositions, conducting extensive discovery with opposing counsel (propounding and responding to interrogatories, requests for production of documents, etc.), interviewing expert witnesses, preparing, researching and filing any necessary motions with the court, preparing witnesses for trial, preparing exhibits for trial; trying the case; preparing post-trial briefs; preparing appellate briefs; arguing before the appellate courts.

employees of the closing and for transitioning them out of the office. The SCCE tracks office closings and notifies those offices of their legal obligations under the WARN. In 2002, the SCCE advised 10 Senate offices of their legal obligations under this law.

#### *Management Training Regarding Legal Responsibilities*

The SCCE conducts legal seminars for the managers of Senate offices to assist them in complying with employment laws, thereby reducing their liability. In 2002, the SCCE gave 59 legal seminars to Senate offices. Among the topics covered were: Preventing and Addressing Sexual Harassment in the Workplace; The Congressional Accountability Act of 1995: What Managers Need to Know About Their Legal Obligations; Managers' Obligations Under the Family and Medical Leave Act; The Legal Pitfalls of Hiring the Right Employee: Advertising, Interviewing, Drug Testing and Background Checks; Disciplining, Evaluating and Terminating an Employee Without Violating Employment Laws; Management's Obligations Under the Americans With Disabilities Act; and Equal Pay for Equal Work: Management's Obligations Under the Equal Pay Act.

#### *Administrative/Miscellaneous Matters*

The SCCE provides legal assistance to employing offices in preparing and updating employee handbooks, office policies, supervisors' manuals, sample job descriptions, interviewing guidelines, and job evaluation forms to ensure that they are legally compliant.

#### *Technological Advances*

The SCCE is continuing its implementation of two electronic systems that put the office at the forefront of electronic offices. First, the SCCE has installed and implemented a comprehensive document management system. The system profiles and indexes every document in the office, regardless of whether the document was created internally or received from an outside source. Thus, the office maintains all-electronic files. The system saves hours of time by eliminating electronic directory/folder-type searches, and filing cabinet searches. It also is instrumental in preserving institutional knowledge.

Second, the SCCE continues its conversion to a "paperless" office. It has completed Phases I and II and most of Phase III of the 3-phase process, which involves scanning and OCRing every document the office receives from an outside source. This means that all paper in the office, whether created on our computers or received from outside the office, is electronically accessible. This paperless system saves time and office space. In addition, it allows staff members to access electronically every office document from remote locations, such as a courtroom, and it allows the office to remain fully operational in the event of an unanticipated closing of the Hart building.

### 5. GIFT SHOP

With each successive year since its establishment, the Senate Gift Shop has continued to provide outstanding products and services that maintain the integrity of the Senate as well as increase the public's awareness of the mission and history of the U.S. Senate. The Gift Shop provides services to Members, Officers and employees of the Senate, as well as constituents and visitors. Products include a wide variety of souvenirs, collectibles, and fine gift items created exclusively for the Senate. Services include special ordering of personalized products and hard-to-find items, custom framing, gold embossing, engraving, and shipping.

#### *Facilities*

For several years, the services offered by the Senate Gift Shop were over-the-counter sales to walk-in customers at a single location. Today, after 10 years in operation, and as a result of extended services and continued growth, the Gift Shop now provides service from three different locations. Services from these locations include walk-in sales, telephone orders, fax orders, mail orders, and a variety of special order and catalog sales.

#### *Sales Activity*

The Gift Shop's gross sales for fiscal year 2002 are recorded at \$1,418,065.88. The cost for goods sold during this same period was \$1,102,433.12. This accounts for a gross profit of \$315,632.76. Records show total gross sales in fiscal year 2001 were \$1,585,062.49. This represents a decrease in sales of \$166,996.61 from fiscal year 2001 to fiscal year 2002, largely due to the impact of September 11, 2001, and the anthrax incident.



In addition to tracking profit from gross sales, the Senate Gift Shop maintains a revolving fund and a record of on-hand inventory. As of October 1, 2002, the balance in the revolving fund was \$880,022.88 with on-hand inventory valued at \$1,997,419.86.

At the request of the Secretary, the General Accounting Office will conduct an audit of the fiscal year 2002 transactions of the Senate Gift Shop's Revolving Fund.

#### *Technology Upgrades*

One of the most important objectives for 2003, is replacing our outdated software application, Basic Four, which is more than 20 years old and no longer meets the increasingly unique needs of the Gift Shop. During the first three quarters of 2002, the Secretary of the Senate, through the Senate Gift Shop, and with the assistance of staff from the Senate Offices of Disbursing, and the Customer Support Division of the Sergeant at Arms, studied proposals in search of an outside vendor who would provide and install the most suitable retail and financial management software package. The necessary funds for this upgrade were included in the Secretary's budget request for fiscal year 2003 and have been appropriated. The selected vendor will provide required technical assistance during implementation, training of Gift Shop staff, and continued technical support of the new system.

#### *Accomplishments and New Products in 2002*

##### *Official Congressional Holiday Ornaments*

The year 2002 marked the beginning of the Gift Shop's third consecutive "four-year ornament series." Each ornament in the 2002–2005 series of unique collectibles will feature an architectural milestone of the United States Capitol with each image of the Capitol and corresponding historical text taken from the book, *History of the United States Capitol: A Chronicle of Design, Construction, and Politics* by William C. Allen, architectural historian in the office of the Architect of the Capitol.

The 2002 ornament, our 10th annual ornament, pictures the original architectural design of the Capitol by William Thornton. In keeping with tradition, the authentic colors of the original drawing were reproduced onto white porcelain stone and set with a brass frame finished in 24kt gold.

Holiday sales of this ornament in 2002 were strong and additional sales are expected throughout 2003. Revenue from the sale of more than 35,000 of these ornaments has generated more than \$40,000 in scholarship funding for the Senate Child Care Center.

##### *Pickard China Porcelain "Liberty" Box*

The "Liberty" box is the first in a series of four porcelain boxes that will display different images from the Constantino Brumidi fresco painted on the ceiling of the President's Room located in the Senate Wing of the United States Capitol. "Liberty" is one of four allegorical figures that represents the foundations of the government—the other three are Executive, Religion, and Legislation. These boxes will be released on an annual basis.

##### *Temple of Liberty Greeting Cards*

Peter Waddell, a local artist, created the "Temple of Liberty" collection. His oils on canvas depict the interiors of the Capitol Building, and the visitors to it, as they might have appeared in the 19th century when the Capitol was still in its early years of construction. The Senate Gift Shop secured exclusive rights to reproduce these images onto greeting cards which are now sold as boxed sets. The beautiful tones and colors of Mr. Waddell's works have been faithfully reproduced on the face of the cards. On the reverse of each of these cards is the artist's written interpretation of that particular painting. The Gift Shop reviewed the written interpretation to confirm both clarity and factuality.

##### *Capitol Visitor Center Coins*

When the U.S. Mint terminated its promotion and sale of the Capitol Visitor Center (CVC) coin in June 2002, the Gift Shop, with the assistance and guidance of Senate Legal Counsel, arranged to purchase the balance of the more than 22,000 already minted CVC coins. In order to better promote the CVC and to better showcase the CVC coins, the Gift Shop has successfully incorporated the coin into a variety of appropriate gift items:

- CVC coins encased in Lucite paperweights have sold well since their development last year.
- During the latter half of 2002, the Gift Shop worked with a vendor/manufacturer to create ladies' and men's wristwatches and pocket watches with CVC coins serving as the face.

—Other items incorporating the use of the coins are in various stages of development and will be introduced later in 2003.

*Products Created for the Commemorative Joint Session of Congress*

The Secretary of the Senate worked with the Senate Gift Shop to create and develop an official gavel and a variety of presentation and gift items suitable for the Commemorative Joint Session of Congress held in New York City on September 6, 2002.

In an attempt to create a unique gavel that appropriately defined this moment in history, the Gift Shop first consulted with the masonry team under the Architect of the Capitol to determine if marble that was once part of the Capitol could be used. Next, the Gift Shop selected a contractor to produce a replica of the original ivory gavel used to preside over Senate proceedings. Upon completion of the prototype of the gavel, the Senate Gift Shop enlisted the assistance of the Senate Office of Conservation and Preservation to modify a wooden box, provided by the Gift Shop, to showcase the commemorative gavel. In the meantime, the Senate Gift Shop researched appropriate historical text and composed custom insert cards that were reproduced with the assistance of the Senate Service Department. A dozen marble gavels were presented at the Commemorative Joint Session.

*Projects and New Ideas for 2003*

*United States Senate Fine Art Guide*

The Gift Shop is working with the Senate Curator in order to secure copies of the forthcoming publication, *United States Senate Fine Art Guide*. The book will be sold in both the Dirksen and Capitol Gift Shops.

*Capitol Trees*

During the early construction stages of the CVC, the Senate Gift Shop contracted with a company to recover felled trees from the Capitol grounds. The recovered trees have been milled and kiln dried. The resultant 12,000 board feet of cut lumber is stored in a warehouse in West Virginia. The Gift Shop is in the process of developing products from the recovered trees. Items will include presentation pieces for official use and a variety of commemorative collectors' items available for sale to the general public.

*108th Congressional Plate*

The series of *Official Congressional Plates* will continue this year with the design, development, and manufacture of the *108th Congressional Plate*. The first stage of choosing a design for the *108th Congressional Plate* will begin soon. After reviewing proofs and working through the many design changes, the goal is to have a finished product arrive in mid-November, in time for holiday sales.

## 6. HISTORICAL OFFICE

Serving as the Senate's institutional memory, the Historical Office collects and provides information on important events, precedents, dates, statistics, and historical comparisons of current and past Senate activities for use by Members and staff, the media, scholars, and the general public. The Office advises Senators, officers, and committees on cost-effective disposition of their non-current office files and assists researchers in identifying Senate-related source materials. The Office keeps extensive biographical, bibliographical, photographic, and archival information on the 1,775 former Senators. It edits for publication historically significant transcripts and minutes of selected Senate committees and party organizations, and conducts oral history interviews with key Senate staff. The photo historian maintains a collection of approximately 40,000 still pictures, slides, and negatives that includes photographs and illustrations of most former Senators, as well as news photographs, editorial cartoons, photographs of committees in session, and other images documenting Senate history. The Office develops and maintains all historical material on the Senate website.

*Fiscal Year 2002 and Continuing Editorial Projects*

*The Senate Leader's Lecture Series.*—This series brings distinguished speakers to the Senate to present insights about the Senate's recent history and long-term practices. From 1998 through 2002, lectures featuring former Senate presidents and party floor leaders on the topic of Senate leadership were held in the Capitol's historic Old Senate Chamber before an audience of current Senators and invited guests. The Historical Office has provided editorial and production support for the series, including the September 4, 2002, lecture by former Vice President Walter

Mondale. Text and video of all nine lectures are available on the Senate's website, and the Historical Office is preparing a book edition for publication in 2003.

*Executive Session Transcripts of the Permanent Subcommittee on Investigations, 1953–1954.*—The Historical Office completed editing and annotating 3,800 pages of previously unpublished executive-session hearing transcripts produced by the Senate Permanent Subcommittee on Investigations (PSI) under the chairmanship of Senator Joseph R. McCarthy (1953–1954). The Government Printing Office has recently delivered all five volumes to the PSI for a public announcement and press conference within the next few weeks. This publication will allow researchers nationwide to have equal access to these highly sought after and richly revealing historical documents.

*Biographical Directory of the United States Congress.*—Since the most recent printed edition of the *Biographical Directory of the United States Congress* appeared in 1989, the assistant historian has added dozens of new biographical sketches and has revised and updated most of the database's 1,875 Senate entries. A current version of the database is available online at <http://bioguide.congress.gov>. The assistant historian has recently completed necessary revisions and additions of data to allow for expanded online search capabilities. Work is proceeding on the next print edition, tentatively planned for publication in 2004.

*Administrative History of the Senate.*—During 2002, the assistant historian revised an earlier chapter structure and focused on the years 1789 to 1861 in this historical account of the Senate's administrative evolution. This study traces the development of the offices of the Secretary of the Senate and Sergeant at Arms, considers nineteenth and twentieth-century reform efforts that resulted in reorganization and professionalization of Senate staff, and looks at how the Senate's administrative structure has grown and diversified over the past two centuries.

*Documentary History of the Senate.*—The Historical Office is conducting an ongoing documentary publication program to bring together fundamental source materials that will help explain the development of the Senate's constitutional powers and institutional prerogatives. Currently in production are volumes on Senate impeachment trials, the Senate's consideration of controversial treaties, and the evolution of the Senate's standing rules. For the impeachment trial volume, working drafts have been prepared to summarize each case, with selection of key documents and writing of textual notes underway. For the controversial treaties volume, much of the research has been completed and major chapters have been drafted. Work on the rules volume has proceeded to provide coverage from 1789 through the 1850s.

*"The Senate of the United States".*—Between 1988 and 1994, the Government Printing Office published *The Senate, 1789–1989*, a four-volume reference work by Senator Robert C. Byrd. During 2002, the Historical Office began work on a consolidated, updated, and illustrated one-volume edition of "Byrd's History." This work will be available for distribution in 2005 through the Senate Gift Shop.

*Senate web site redesign.*—Historical Office staff played a key role on history content in the redesign of the Senate web site. The history content amounts to about 60 percent of the static content on the site, or more than 5,000 pages. The office has continuing responsibility for expanding and updating the history content and for adding history-based features to illuminate ongoing Senate news events, as well as coordinating efforts among the various content teams.

*"Idea of the Senate".*—This narrative book will be based on the memoirs of Senators, providing eyewitness accounts of the Senate from its early years to the modern era. Each chapter in the book will focus on the writings of one Senator. Additional primary and secondary sources will be examined for contextual information. The Historical Office's researcher-writer has completed preliminary project research and has begun drafting the first chapter on John Quincy Adams.

*Capitol Visitor Center Exhibition Content Development.*—The Senate historian assisted in preparing detailed plans for the 20,000 square-foot exhibition gallery of the Capitol Visitor Center. Three staff historians prepared scripts for major exhibitions on the historical role of Congress in helping to realize the nation's basic aspirations and on the chronological history of the Senate.

*Member Services.*—At the request of the Senate Democratic Leader, the Senate historian prepared and delivered a "Senate Historical Minute" at each of thirty-five Senate Democratic Conference weekly meetings during the year. These four-hundred-word Minutes are designed to enlighten members about significant events and personalities associated with the Senate's institutional development, and with familiar objects and places within the Capitol. The nearly 200 Minutes prepared since 1997, are available as a feature on the Senate website.

*Members' Office Records Management and Disposition Assistance.*—The Senate archivist continued to assist Members' offices with planning for the preservation of their permanently valuable records, with special emphasis on archiving electronic

information from computer systems and transferring valuable records to a home state repository. Forming a team with customer support service staff from the Office of the Sergeant at Arms, the archivist worked with all Senators' offices that closed at the end of the 107th Congress, including the office of Senator Paul Wellstone, to prepare the collections for donation. The handbook entitled "Closing a Senate Office" was updated, and assistance was given in the compilation of "Opening a Senate Office." The latter was published and also broadcast on the transition office intranet site. As a follow-up to the Congressional Papers Forum that was held in August 2001, the archivist edited *The Congressional Papers Forum: The Third Report of the Advisory Committee on the Records of Congress*. The archivist began a comprehensive revision of *Records Management Handbook for United States Senators and Their Archival Repositories* which will be published in 2003.

*Committee Records Management and Disposition Assistance.*—The Senate archivist provided each committee with staff briefings, record surveys, guidance on preservation of information in electronic systems, and instructions for the transfer of permanently valuable records to the National Archives' Center for Legislative Archives. Over 3,000 feet of records were transferred to the Archives. The Office's archival staff continued to provide processing assistance to committees and administrative offices in need of basic help with noncurrent files. The archivist worked with the House of Representatives' archivist to inventory the records of the anthrax contamination cleanup and is working with Secretary of the Senate and Clerk of the House counsels to develop protocols for the transfer of these records to the Center for Legislative Archives. In 2003, a records disposition guidelines for the offices under the Secretary's jurisdiction will be published.

*Oral History Program During Fiscal Year 2002.*—The Historical Office concluded its series of twenty-three debriefing interviews with staff involved with the dislocation following the attacks of September 11, 2001, and the October 2001 delivery of letters containing anthrax to the Hart Senate Office Building. This adds to the already extensive collection of oral history interviews that provide personal recollections of Senate careers dating from 1910 to the present. Oral history interviews were also conducted with Tom C. Korologos, former administrative assistant to Senator Wallace Bennett and White House Senate liaison; Jade West, former staff director of the Republican Policy Committee; and J. Stanley Kimmitt, former Secretary for the Majority and Secretary of the Senate.

*Photographic Collections.*—The photo historian continued to expand the Office's 40,000-item photographic collection by obtaining images of former Senators not previously represented in the collection, and documenting Senate life by photographing historically significant Senate events, including hearings of Senate committees. Digital images of frequently used photographs were created in order to promote their use and safeguard the originals. Images can now be transmitted to patrons via e-mail or CD, or can be printed onto photographic paper in the Historical Office. The photo historian also continued to catalog photographic negatives into an image database in order to increase intellectual control over the Office's image collection.

*Conference of Congressional Research Center Directors.*—The Senate Historical Office, the Center for Legislative Archives at the National Archives, and the Robert C. Byrd Center for Legislative Studies just completed a conference at the Byrd Center in Shepherdstown, West Virginia. This first-of-its kind meeting brought together the directors of 20 university-based congressional research centers. Among those who attended were the directors of center associated with the public service careers of the following U.S. Senators: Howard Baker, Bob Dole, Everett Dirksen, Margaret Chase Smith, Strom Thurmond, George Aiken, Thomas Dodd, Wendell Ford, Hubert Humphrey, Richard Russell, John Stennis, John Glenn and Robert C. Byrd.

*Historic Senate Salary and Mileage Ledger, 1790: 1880.*—The Library of Congress has scanned all 400 pages in an electronic version of this major resource, which documents the administrative operations of the Senate during its first 90 years. It will be available to researchers on senate.gov within the next few weeks.

## 7. HUMAN RESOURCES

The Office of Human Resources (HR) was established in June 1995, as a result of the Congressional Accountability Act. The Office focuses on the development and implementation of human resources policies, procedures, and programs for the Office of the Secretary of the Senate, both to fulfill the legal requirements of the workplace and to complement the organization's strategic goals and values.

This includes recruiting and staffing; providing guidance and advice to managers and staff; training; performance management; job analysis; compensation planning, design, and administration; leave administration; records management; employee

handbooks and manuals; internal grievance procedures; employee relations and services; and organizational planning and development.

HR also administers the Secretary's Public Transportation Subsidy program and the Summer Intern Program that offers college students the opportunity to gain valuable skills and experience in a variety of Senate support offices.

#### *Classification and Compensation Review*

The Secretary of the Senate is conducting a complete classification and compensation study which entails a thorough review of the entire system. This classification study will include a comprehensive collection of current job classifications and specifications for every position in the Office and the pay plan and bands will reflect the accurate and equitable layout of all staff within the organization. HR staff has conducted job audits/interviews with each incumbent to ensure all roles and responsibilities are accurately factored into the study.

#### *Policies and Procedures*

HR will annually update and revise the Employee Handbook of the Office of the Secretary.

#### *Assisting the Secretary and Department Heads*

HR continues to work with the Executive Office and department heads to establish objectives that reflect the mission of the Senate and the Secretary's Office. HR has met with each department head and discussed their departmental and personal objectives, challenges and results of the past year, and to assist each department head in establishing new objectives for this calendar year and beyond.

#### *Attraction and Retention of Staff*

HR is responsible for the advertisement of new vacancies or positions, screening applicants, interviewing candidates and assisting with all phases of the hiring process. HR works closely with the applicable department to ensure the process moves smoothly and expeditiously. HR acts as the liaison to the Secretary before any payroll actions are presented, so that the Secretary has ample knowledge of all hiring decisions or recommendations. As new staff joins the office, HR is in charge of the orientation to the office's policies.

HR is also responsible for the management of performance-related issues. In addition, the HR staff finds ways to solicit suggestions and feedback from the Secretary's department heads and staff in an ongoing effort to continually improve processes and procedures.

#### *New Programs*

HR has initiated development of an Elder Care Fair that will be available for all Senate staff interested in learning more about local and nationwide services available to assist the elderly and those responsible for their care. HR is working closely with the Senate Office of Education and Training and the Employee Assistance Program to identify and contact agencies that may be of assistance to Senate staff.

#### *Training*

In conjunction with the Senate Chief Counsel for Employment, HR has worked to prepare training for department heads and staff. Some of the topics include Sexual Harassment, Interviewing Skills, Conducting Background Checks, Providing Feedback to Employees and Goal Setting. These skills will further enhance the ability of our staff to comply with office policies and advance in their professional development.

### 8. INFORMATION SYSTEMS

The staff of the Department of Information Systems provide technical hardware and software support for the Office of the Secretary of the Senate. Information Systems staff also interface closely with the application and network development groups within the Sergeant at Arms (SAA), the Government Printing Office (GPO), and outside vendors on technical issues and joint projects. The Department provides computer related support for the all LAN-based servers within the Office of the Secretary of the Senate. Information Systems staff provide direct application support for all software installed workstations, evaluate new computer technologies, and implement next generation hardware and software solutions.

The primary mission of Information Systems Department is to continue to provide the highest level of customer satisfaction and computer support for all departments within the office of Secretary of the Senate. Emphasis is placed on the creation and transfer of legislation to outside departments and agencies.

The Senate chose Windows NT as the standard network operating system in 1997. The continuing support strategy is to enhance existing hardware and software support provided by the Information Systems Department, and augment that support with assistance from the Sergeant at Arms whenever required. The Secretary's Network supports approximately 300 user accounts and patron accounts in the Capitol, Hart, Russell and Dirksen, along with the Page School.

For information security reasons, Secretary departments implement isolated computer systems, unique applications, and isolated local area networks. The Secretary of the Senate network is a closed local area network to all offices within the Senate. Information Systems staff continue to provide a common level of hardware and software integration for these networks, and for the shared resources of inter-departmental networking. Information System staff continue to actively participate in all new project design and implementation within the Secretary of the Senate operations.

In addition, the staff of Information Systems has continued to expand its responsibilities. Information System staff has helped to backfill the retirement of Senate Library technical personnel. Improved diagnostic practices were adopted to stretch support across all Secretary departments. Several departments, namely Disbursing, Office of Public Records, Chief Counsel for Employment, Office of Public Records, Page School, Senate Security, and Stationery/Gift Shop have dedicated information technology staff within those offices. Information Systems personnel continue to provide first level escalated hardware and software support for these office staff members.

#### *Summary*

##### *Senate Mail Infrastructure Project (SMI)*

The original plan involved replacing all CC:MAIL servers and gateways with a de-centralized Microsoft Outlook solution. The Secretary's office previously had six post offices in six different server domains. There was no central Public Address Book for all Secretary employees. Additionally, Secretary mail requirements needed to be refined to insure the implemented solution was both cost-effective and reliable for the Office of the Secretary.

The Microsoft Outlook Client implementation began in August within the Disbursing Office. The SAA scheduled implementation for the remainder of the office staff occurred in December 2002. The initial plan, which outlined all staff employees be enrolled in one central server, was modified to implement three independent Mail servers; the first for Disbursing, the second for Chief Counsel, and all other office staff enrolled in the third post office. Support for each Exchange server is provided by that appropriate office. Five of the six cc:mail post offices were completed in 2002. The Office of Employment Counsel is pending further review by the SAA Design Team.

##### *Disbursing Office Hardware/Software Upgrade*

Desktop systems in the Disbursing Office were over 4 years old and required replacement. New hardware and web-based applications, along with several legacy applications were installed in 2002. All workstations, monitors, and printers were replaced for Disbursing office staff.

##### *Office of Public Records Upgrades*

FileNet servers were retired in fiscal year 2002. This was based on the SAA Application Development Branch rewriting the existing OPR software. Three Microsoft SQL servers were consolidated into one server configuration, and then replicated at the Postal Square location. For archival purposes, a Volkswagen-size optical jukebox was retired and replaced with Quantum snap server Updated scanners. Software was purchased to upgrade existing office equipment. In the event of a possible office relocation, arrangements have been made for the OPR staff to operate and continue their scanning operation.

##### *Digital Sender Project*

A Secretary wide-initiative was developed to provide all staff with the ability to scan, save, and electronically capture paper documents in pdf format for archival purposes. In 2002, six additional HP Digital sender scanners were purchased for the following departments: Chief Counsel, Stationery, Gift Shop, Page School, Webmaster, and Bill Clerk.

##### *Hardware and Software Upgrades*

Approximately 88 percent of all department computer workstations were upgraded and all legacy applications migrated to the Microsoft Windows 2000 operating system in 2002. These departments include: Disbursing, Human Resources,

Public Records, Historian, Chief Counsel, Interparliamentary Services, Bill Clerk, Legislative Clerk, Enrolling Clerk, Parliamentarian, Daily Digest, Executive Clerk, Senate Library, Stationery, Gift Shop, and Webster Hall.

#### 9. INTERPARLIAMENTARY SERVICES

The Office of Interparliamentary Services (IPS) has completed its 21st year of operation. IPS is responsible for administrative, financial, and protocol functions for all interparliamentary conferences in which the Senate participates by statute, for interparliamentary conferences in which the Senate participates on an ad hoc basis, and for special delegations authorized by the Majority and/or Minority Leaders.

The statutory interparliamentary conferences are: 1. NATO Parliamentary Assembly; 2. Mexico-United States Interparliamentary Group; 3. Canada-United States Interparliamentary Group; and 4. British-American Parliamentary Group.

In May 2002, the 43th Annual Meeting of the Canada-U.S. Interparliamentary Group was held in Rhode Island. Arrangements for this successful event were handled by the IPS staff.

Planning is now underway for the 42nd Annual Meeting of the Mexico-U.S. Interparliamentary Group and the British-American Parliamentary Group meetings to be held in the United States in 2003. Advance work, including site inspection, will be undertaken for the 45th annual Canada-U.S. Interparliamentary Group meeting to be held in the United States in 2004. Preparations are also underway for the spring and fall sessions of the NATO Parliamentary Assembly.

All foreign travel authorized by the Leadership is arranged by the IPS staff. In addition to delegation trips, IPS provided assistance to individual Senators and staff traveling overseas. Senators and staff authorized by committees for foreign travel continue to call upon this office for assistance with passports, visas, travel arrangements, and reporting requirements.

IPS receives and prepares for printing the quarterly financial reports for foreign travel from all committees in the Senate. In addition to preparing the quarterly reports for the Majority Leader, the Minority Leader, and the President Pro Tempore, IPS staff also assist staff members of Senators and committees in filling out the required reports.

Interparliamentary Services maintains regular contact with the Office of the Chief of Protocol, Department of State, and with foreign embassy officials. Official foreign visitors are frequently received in this office and assistance is given to individuals as well as to groups by the IPS staff. The staff continues to work closely with other offices of the Secretary of the Senate and the Sergeant at Arms in arranging programs for foreign visitors. In addition, IPS is frequently consulted by individual Senators' offices on a broad range of protocol questions. Occasional questions come from state officials or the general public regarding Congressional protocol.

On behalf of the Leadership, the staff arranges receptions in the Senate for Heads of State, Heads of Government, Heads of Parliaments, and parliamentary delegations. Required records of expenditures on behalf of foreign visitors under authority of Public Law 100-71 are maintained in the Office of Interparliamentary Services.

#### 10. LIBRARY

The Senate Library provides legislative, legal, business, and general reference services to the United States Senate. The Library's comprehensive legislative collection consists of congressional documents dating from the Continental Congress. In addition, the Library maintains executive and judicial branch materials and an extensive book collection on politics, history, and biography. These sources, plus a wide array of online systems, assist the Library staff in providing nonpartisan, confidential, timely, and accurate information services.

##### *Information Services*

##### *Patron Services*

Information Services responded to 40,359 requests during 2002, a 4.6 percent increase above the 2001 total. This total included 24,205 phone, fax, and e-mail requests and 10,145 walk-in visits by Senate staff who used resources in the Library. Tabulated for the first time are the 6,009 times Hill staff accessed the *Hot Bills List* on LIS. Patrons borrowed 1,952 books and documents and 4,467 information packages were delivered to Senate offices.

The Library's request totals have increased at an annual rate of four percent over the past two years. The Senate's information needs are dramatically changing with desktop access to major online services and research products. The Library has responded to these changing information needs by offering new services and products and by continuing an aggressive outreach program to the Senate community. New

services include the LIS training sessions, regularly scheduled, two-hour sessions which utilize the librarians' extensive online skills and considerable legislative experience. The Library's LIS telephone help line provides continuing assistance. The Library has also made many key sources available through the Senate Intranet, such as *Information Resources in the Senate Library*, a 55-page annotated bibliography that is tailored to the needs of Hill offices; and *Presidential Vetoes*, a two-volume set that traces the legislative history of every veto since 1789. The provision of this effective database training and valuable access to resources quickens the transition for new Senate staff in particular.

Additional indicators that reflect the continued strong activity are the 3,847 faxes sent and the 132,903 photocopies produced by the Library. In addition, the Micrographics Center produced 4,421 printed pages from the extensive collection of newspapers, magazines, and executive branch and congressional materials.

Phone, Fax, E-mail .....	24,205
Walk-in Visitors .....	10,145
Hot Bills List on LIS .....	6,009
<b>TOTAL REQUESTS .....</b>	<b>40,359</b>

#### *Client Relations*

Public relations has always been an integral part of the Library's activities. The constant arrival of new staff underscore the importance of successful outreach programs. Senate staff were introduced to the many Library services during the 44 tours and seminars conducted during 2002. The schedule includes the quarterly "Services of the Senate Library Seminars," two "State Fairs," five "District-State Seminars," and eight "New Staff Seminars." In addition, the Library conducted two special seminars for the Senate Page School. The success of these efforts can be seen in the 364 new Library accounts that were established for Senate staff during 2002.

The Library regularly assists researchers, authors, and academics, and gives special tours to professional groups and students. During 2002, scholars from Tokyo University and the University of Cairo conducted research in the Library. Researchers from England included Paul Lennon, a House of Commons staff member, and author Dr. Michael Dunne from Cambridge University. Special tours were given to staff from the State Department, Government Printing Office, Congressional Research Service, Justice Department, and Trinity College, and to Parliament librarians from India and representatives from Tokyo's Far Eastern Booksellers.

For the fifth year, the Library hosted activities in honor of National Library Week. The events for 2002, included an open house, dessert reception, and a book discussion. The guest speaker for the book discussion was Senator Bill Frist, who discussed his book *When Every Moment Counts: What You Need to Know about Bio-terrorism from the Senate's Only Doctor*. Forty-seven staff attended the book discussion and 125 attended the afternoon dessert reception. These annual events are an excellent public relations tool that appeal to frequent users and also introduce new Senate staff to the wide array of Library services.

The Russell Building corridor displays continue to be popular, informative, and educational. The displays provide staff and visitors an excellent opportunity to enjoy rare and unique books from the Senate's rich collection. During 2002, the displays included *The Nine Capitals of the United States*; *Montgomery C. Meigs, Capitol Builder*; and one honoring African-American History Month.

A major goal is to provide the Library's online catalog through Webster, the Senate's Intranet site, to the entire Senate community. The catalog has more than 150,000 items providing access to the books, legislative documents, periodicals, newspapers, and legal materials. With funds appropriated for fiscal year 2003, new Oracle-based software will be purchased, as soon as it is available, to move this project along. Patron access to library catalogs is a standard service and the Library will continue to work to make the catalog available to every Senate office. In other outreach activity, the Library received a new Webster address that makes it easier for Senate staff to access the valuable information posted on the site ([webster.senate.gov/library](http://webster.senate.gov/library)).

#### *LIS*

A major Library objective is to increase and improve access to the wealth of data and information on the Legislative Information System (LIS). Two key sources were added to the LIS homepage: the *Hot Bills List* and the *Fiscal Year 1988 to Fiscal Year 2003 Appropriations Tables*. These two sources list legislation and key documents associated with the legislation, along with links to the full text of documents.



The availability of LIS to every Capitol Hill office ensures that all congressional staff will be able to access these resources.

The Library's role in LIS development continues to expand as staff work closely with the Congressional Research Service, Senate Computer Center, and Senate staff. The Library teamed with CRS on major redesigns of the bill summary and status pages; provided definitions and documentation for the Amendment Tracking System; and initiated a numbering system for issues of the Senate Executive Calendar. Other ongoing projects include improvements in the Congressional Record search requirements, LIS Alert Service training, and a proposed database tracking congressional committee hearings. In all of these efforts, the Library's 28 years of experience in legislative systems (starting with Aquarius 1975) is invaluable to the success of LIS.

#### *Senate.gov*

The 2002 redesign of senate.gov involved extensive participation by Library staff. The Library has developed and maintains more than 200 site pages that provide informative text and hundreds of information links to additional source material. The staff's extensive knowledge of the legislative process was critical to the success of *Active Legislation*, a selective listing of key legislation with electronic links to the full text of all related documents through Thomas and GPO Access. The *Virtual Reference Desk* is an online vertical file that traces 200 years of American history, congressional activity, and legislative initiatives. Other contributions include annotated bibliographies on a variety of subjects including books by current Senators, Capitol art and architecture, and key sources on Congress and politics. Informative *How To* guides have been expertly developed to assist researchers identify and locate government documents online and through local libraries.

#### *Technical Services*

##### *Acquisitions*

The Library acquired 9,797 new items in 2002, which includes books, congressional and executive branch documents, and microforms. This represents a 4 percent increase over the previous year. Included in the new items were 628 books and reference volumes (an 80 percent increase from last year), 5,799 congressional documents, and 3,370 executive branch publications. The 80 percent increase in new book arrivals was due to the fourth quarter 2001 mail delivery embargo and the resulting large number of arrivals during the first quarter of 2002.

Two major acquisitions were the *Unpublished U.S. Senate Committee Hearings, 1977–1980* and *Presidential Executive Orders and Proclamations, 1921–1983*. The 1,040 unpublished Senate hearings were previously only available at the National Archives, and the executive orders completes a collection that totals more than 58,000 presidential documents. These titles, which provide the full text of the documents with excellent indexes, are important additions to the permanent collection.

The Acquisitions Librarian selected several titles for the Library's collection throughout 2002. Works on the early republic, constitutional history, biographies of the founders, and American expedition were very prominent. Representative titles include *Journals of Benjamin Henry Latrobe, 1795–1820*; *Latrobe's View of America, 1795–1820*; *John Marshall and the Heroic Age of the Supreme Court*; *Aaron Burr: Conspiracy to Treason*; *Original Journals of the Lewis and Clark Expedition, 1804–1806*; *John Adams and the Founding of the Republic*; *Martin Van Buren and the Emergence of American Popular Politics*; and *John Hancock: Merchant King and American Patriot*. New acquisitions are announced in the monthly *New Books List*. The list is available through the Library's Intranet site and distributed to Senate offices.

In other acquisitions activity, the Congressional Documents Clerk captured 2,000 pages from committee Web sites. Congressional sites are carefully monitored for those elusive materials that are only available online and often only available for a limited time. The Senate Finance Committee made a significant addition to the permanent collection by donating materials dating from the 1930s, and the Clerk prepared five volumes of hearings and 11 volumes of committee prints from these previously unavailable materials. The Library received 100 committee print volumes from the House Appropriations Committee following the loss of their storage area due to the Capitol Visitor Center construction. These volumes were reviewed, prepared and added to the Senate's collection.

##### *Cataloging*

The cataloging team added a total 4,558 new titles to the Library's catalog, which included 3,451 congressional publications. Efforts focused on rare Senate treaties, executive reports, and older committee hearings. The Senate Library is often the

only depository for these rare items and the cataloging requires great skill and considerable experience with legislative materials. This original cataloging is extremely time consuming and demands great care to meet the Library's quality standard. As the important retrospective cataloging project continues, the overall cataloging totals will decline, which occurred during 2002 with a 22 percent decline.

#### *Government Publications Collection*

Although the total number of government documents received during 2002 was virtually unchanged from the previous year's level, a dramatic change did take place: there is a one-third decline in paper documents in favor of electronic dissemination. The Cataloging Technician and the Reference Librarians are reviewing the list of electronic titles provided through GPO. Once selections are finalized, URL links to the documents will be added to the Library's online catalog.

This is the second year of the Library's ongoing review of executive branch publications received through the Federal Depository Library Program. In this two-phase project, librarians review every title received and then evaluate the existing holdings. The review team is headed by the Cataloging Technician, who is joined by the Government Documents Clerk and the Head of Information Services. In 2002, 6,730 outdated, superseded, or surplus items were withdrawn from the collection, and 4,385 of these items were offered to other federal depository libraries. It was gratifying that 2,587 items (59 percent) were claimed and delivered to requesting libraries. During the second phase, 185 item numbers were deselected from the Library's depository selection list. Retention or removal decisions are determined by patron use and alternative access, primarily online availability.

#### *Warehouse*

A detailed review of the Library's offsite storage requirements was submitted to the Sergeant at Arms in September 2002. The proposal considered growth for both ten and twenty years, utilized fixed shelving, and provided for industry standard environmental controls and security. Current storage facilities are less than optimum, creating some potential risk to our rare collections. However, the Library continues to work with the Sergeant at Arms to address this issue.

#### *Library.Solution, the Library's Integrated Online Catalog*

The Library's computerized catalog, Library.Solution, provided by The Library Corporation (TLC), was installed in January, 2000. The system houses 152,149 items containing bibliographic records to legislative and legal materials, books, periodicals, serials, and microforms. Through the watchful oversight and perseverance of the Head of Technical Services, the system's performance has dramatically improved. In 2002, there were several new software upgrades for circulation and serials that improved module flexibility and functionality. The increased functionality reduced daily maintenance and improved search capabilities (regular catalog maintenance is necessary for efficient and accurate retrieval). During 2002, 25,495 maintenance transactions were recorded, which included creating and editing authority headings, editing existing records, barcoding new volumes, editing PURLs from electronic resources, and withdrawing records for discarded materials.

#### *Collection Maintenance, Preservation, Binding, and Equipment*

Maintenance and preservation projects have resulted in a better-organized and environmentally protected collection. The Library's historic collection of more than 125,000 volumes requires constant monitoring of environmental conditions. The prevention of mold is accomplished by maintaining temperatures below 70 degrees and humidity levels below 50 percent. However, these levels can be very difficult to achieve in the Russell Building location. Dehumidifiers operate 24 hours a day and satisfactorily control the humidity, but the ventilation system is not always capable of maintaining acceptable air quality and temperature levels. Another major concern is the crisscrossing maze of century-old water pipes hovering just a few feet above the historic collection. To mitigate this concern, constant monitoring is necessary and historic volumes have been moved to safer areas.

The Library has begun to develop in-house expertise in regard to bookbinding and paper conservation. The Congressional Documents Clerk works closely with the Secretary's Department of Conservation and Preservation to learn basic skills.

In response to the Senate's transition to electronic access to information, the Library acquired a book scanner and a second microform reader printer. It is now possible to scan documents from text sources and microform and electronically transmit those images to any workstation anywhere. The versatility of this technology cannot be overstated since images can be stored, edited, or reproduced to meet the individual needs of the user.

### *Staff Development*

During 2002, Library staff participated in 58 training sessions, workshops, and professional development seminars. New Library staff have a particularly active training schedule and veteran staff are required to maintain and upgrade skill levels. Database training sessions included Lexis-Nexis, Westlaw, OCLC, Excel, CQ Online, PhotoShop, and Web publishing. Technical Services staff attended several skill enhancement classes including copy cataloging, Library of Congress subject headings, serial holdings, and cataloging concepts. Reference Librarians completed the CRS Advanced Legislative Process Institute in November, and other staff completed Documentum Web Publishing Training in October. Other activities included seminars on the legislative process, bookbinding techniques, legal research, disaster recovery, effective writing, and several seminars focused on Capitol history.

### *UNUM, Newsletter of the Office of the Secretary of the Senate*

UNUM, Newsletter of the Office of the Secretary of the Senate, was published four times during 2002. The Chief Editor continues to lead a team of talented volunteers and cope with constant deadlines and revised text. Joined by two experienced co-editors, along with other contributors from the Library staff, the newsletter includes detailed profiles of offices and individuals within the Secretary's Office, institutional histories and book reviews, in addition to other current and pertinent topics of interest to the Senate community.

### *Other Projects*

The Library continued to support the Friends of Tyler School, a tutoring program for Capitol Hill's Tyler Elementary School, by making weekly donations of unneeded magazines. These are basic educational resources that would be unavailable to most of the children. Other surplus magazines were sent to the Senate Page School for inclusion in the packages sent to soldiers stationed overseas.

The Senior Reference Librarian proofread and copyedited the soon-to-be published catalog of the Office of Senate Curator.

### *Budget*

The sixth year of aggressive budget reviews delivered reductions totaling \$12,511.52. The targeted expenditure categories were subscriptions and standing orders (\$5,011.52) and online service contracts (\$7,500.00). The reductions for the past six years total \$59,205.34, and these efforts have been critical in offsetting cost increases for core materials. The Senate's ever-changing information needs require comprehensive annual reviews of collection expenditures. These evaluations can be difficult, but they ensure that the Senate will receive the highest level of service using the latest technologies and the best available resources. These considerable goals will be accomplished within budget and without compromising service.

### *Major Library Goals for 2003*

Major 2003 goals are the continuation of the active client relations program and personalized service that have been key to the Library's success. Our long-term goal of 40,000 annual requests was reached in 2002. The goal now is to build on this success with an additional 3 percent increase in 2003.

The aggressive budget review program will continue in 2003, with the target for another three percent reduction. During the six years of budget reviews, most of the major reductions have been implemented, so future reductions will be less substantial. The key to all reductions is that they not comprise information services to the Senate.

Document preservation is a critical issue, and the Library will continue working with the two major recovery firms, BMS Catastrophe and Munters. These firms can restore critical working papers and historic documents that have suffered from fire or water damage.

The senate.gov design team will continue to maintain existing pages and expand the offerings made available to the public. The site will provide many new products, including several that will provide a greater understanding of Congress, the legislative process, and representative democracy.

Teams from Technical Services and Information Services will continue the review of executive branch materials and significant portions of that collection will be deaccessioned. The titles will be discontinued from Library's depository selections list and deleted from the online catalog. All deaccessioned holdings will be offered to other libraries and information centers.

## SENATE LIBRARY STATISTICS FOR CALENDAR YEAR 2002—ACQUISITIONS

	Books		Government Documents		Congressional Publications				Total
	Ordered	Received	Paper	Fiche	Hearings	Prints	Bylaw	Reports/Docs	
January .....	20	37	194	53	300	12	23	114	733
February .....	27	35	179	108	154	15	21	61	573
March .....	30	25	201	23	223	10	25	62	569
1st Quarter .....	77	97	574	184	677	37	69	237	1,875
April .....	20	44	301	43	294	18	65	166	931
May .....	16	45	183	230	267	11	72	119	927
June .....	25	51	175	80	235	18	76	169	804
2nd Quarter .....	61	140	659	353	796	47	213	454	2,662
July .....	28	60	296	138	244	10	79	107	934
August .....	5	65	134	86	284	13	29	196	807
September .....	30	67	144	41	364	9	36	287	948
3rd Quarter .....	63	192	574	265	892	32	144	590	2,689
October .....	30	81	167	135	237	13	99	421	1,153
November .....	15	73	151	43	241	10	25	120	663
December .....	17	45	162	103	251	13	26	155	755
4th Quarter .....	62	199	480	281	729	36	150	696	2,571
2002 Total .....	263	628	2,287	1,083	3,094	152	576	1,977	9,797
2001 Total .....	321	347	3,431	724	3,054	293	391	1,225	9,465
Percent Change .....	-18.07	80.98	-33.34	49.59	1.31	-48.12	47.31	61.39	3.51

## SENATE LIBRARY STATISTICS FOR CALENDAR YEAR 2002—CATALOGING

	Hearing #s Added to LEGIS	OCLC Records Produced							Total Records Produced
		Books	Government Documents		Congressional Publications				
			Paper	Fiche	Hearings	Prints	Docs./Pubs.		
January .....	0	53	10	85	130	14	41	333	
February .....	15	35	51	1	437	3	69	596	
March .....	1	33	17	13	249	7	50	369	
1st Quarter .....	16	121	78	99	816	24	160	1,298	
April .....	23	29	13	1	207	16	30	296	
May .....	10	24	29	43	388	3	33	520	
June .....	9	33	8	2	255	17	55	370	
2nd Quarter .....	42	86	50	46	850	36	118	1,186	
July .....	0	39	30	10	384	6	55	524	
August .....	0	11	35	0	134	6	26	212	
September .....	5	35	203	7	205	13	59	522	
3rd Quarter .....	5	85	268	17	723	25	140	1,258	
October .....	0	60	20	0	144	17	12	253	
November .....	36	48	18	0	215	14	21	316	
December .....	0	30	54	21	125	7	10	247	
4th Quarter .....	36	138	92	21	484	38	43	816	
2002 Total .....	99	430	488	183	2,873	123	461	4,558	
2001 Total .....	103	772	411	531	3,668	236	207	5,825	
Percent Change .....	-3.88	-44.30	18.73	-65.54	-21.67	-47.88	122.71	-21.75	

## SENATE LIBRARY STATISTICS FOR CALENDAR YEAR 2002—DOCUMENT DELIVERY

	Volumes Loaned	Materials Delivered	Facsimiles	Micro- graphics Center Pages Printed	Photocopiers Pages Print- ed
January .....	219	384	743	651	10,436
February .....	155	386	631	356	8,230
March .....	200	406	650	966	10,125
1st Quarter .....	574	1,176	2,024	1,973	28,791
April .....	203	511	389	195	14,912
May .....	142	366	640	139	11,026
June .....	203	402	648	733	14,524
2nd Quarter .....	548	1,279	1,677	1,067	40,462
July .....	284	410	732	160	9,220
August .....	97	322	482	252	10,647
September .....	127	310	625	208	15,976
3rd Quarter .....	508	1,042	1,839	620	35,843
October .....	154	429	622	275	9,626
November .....	96	261	486	342	9,295
December .....	72	280	500	144	8,886
4th Quarter .....	322	970	1,608	761	27,807
2002 Total .....	1,952	4,467	7,148	4,421	132,903
2001 Total .....	2,148	4,791	4,551	7,810	168,769
Percent Change .....	-9.12	-6.76	57.06	-43.39	-21.25

## 11. SENATE PAGE SCHOOL

The United States Senate Page School provides a smooth transition from and to the students' home schools. The pages are given as sound a program, both academically and experientially, as possible during their stay in the nation's capital, balancing a unique work situation with the Senate's demanding schedule.

*Summary of Accomplishments*

Accreditation for the page school continues until December 31, 2008. The Middle States Commission on Secondary Schools reviewed the progress report filed by the U.S. Senate Page School and determined no further reports are required.

In the last school year, two page classes successfully completed their semester curriculum. Closing ceremonies were conducted on June 7, 2002, and January 24, 2003, the last day of school for each semester.

Extended educational experiences were provided to pages. Nineteen field trips, seven guest speakers, opportunities to compete in writing contests, to play musical instruments, and to continue foreign language study with the aid of tutors were all afforded pages. Twelve field trips to educational sites were provided for summer pages as an extension of the page experience. National tests were administered for qualification in scholarship programs as well.

Given the uniqueness of the pages' roles, greater coordination of communication among all responsible parties—the Secretary's Office, the Sergeant at Arms, Page Program, Page School, and Cloakrooms—has been established. In addition, an evacuation plan and COOP have been completed. Pages and staff have practiced evacuations to primary and secondary sites. Escape hood training is provided to all pages, staff, and tutors and staff have been retrained in CPR.

Faculty have also pursued professional development opportunities with additional courses.

A community service project has been embraced by pages and staff, now for three classes. Items for gift packages were collected, assembled, and shipped to military personnel in Afghanistan, Kuwait, Oman, Germany, Japan and the U.S.S. *Essex*. Pages included letters of support to the troops participating in Operation Enduring

Freedom. In gratitude, letters, a certificate of appreciation and flags were sent to the Page School by the 145th and the 774th Expeditionary Airlift Squadrons.

#### *Summary of Goals*

For the coming year, the goals of the administration and staff of the Senate page school include:

- Tutoring by teachers on an as-needed basis, and individualized small group instruction will be offered.
- Foreign language tutors will provide instruction in French, Spanish, and German.
- The focus of field trips will be sites of historic, political, and scientific importance.
- Staff development options will include additional computer training, seminars conducted by Education and Training, subject matter conferences conducted by national organizations, and formal graduate work.
- Creation of curriculum to support a summer academic session will be completed for consideration.

#### 12. PRINTING AND DOCUMENT SERVICES

The Office of Printing and Document Services is responsible for managing the printing and/or distribution of the Senate's official Title 44, U.S. Code printing requirements. The office manages Senate Printing expenses, and functions as the Government Printing Office (GPO) liaison to schedule and/or distribute Senate bills and reports to the Senate Chamber, staff, and the public. The department provides page counts of Senate hearings to commercial reporting companies and Senate committees; orders and tracks all paper and envelopes provided to the Senate; provides general printing services for Senate offices; and assures that all Senate printing is in compliance with Title 44, U.S. Code, as it relates to Senate documents, hearings, committee prints, and other official publications.

During 2002, OPDS staff maintained all services and fulfilled all daily requirements of the office. Additionally, the office has continued to implement efforts to consolidate duties and cross-train personnel, thereby ensuring office continuity. Under this "cross-working" program newly learned skills are continually honed and customer service is upgraded. Printing department staff and document specialists work hand-in-hand to provide quick response to changes within the department and provide better human resource management.

During 2002, OPDS provided commercial reporting companies and corresponding Senate committees a total of 952 billing verifications of Senate hearings and business meetings. This is an average of 50 hearings/meetings per committee, a 4.1 percent increase over 2001. Billing verifications are how the reporting committees request payment from a Senate committee for transcription services. Although some hearings are cancelled or postponed, they still require payment to the reporting company.

The OPDS utilizes a program developed in conjunction with the Sergeant at Arms Computer Division that provides more billing accuracy and greater information gathering capacity, while adhering to the guidelines established by the Senate Committee on Rules and Administration for commercial reporting companies to bill the Senate for transcription services.

#### HEARING TRANSCRIPT AND BILLING VERIFICATIONS

	2000	2001	2002	PERCENT CHANGE 2002/2001
Billing Verifications .....	910	1,004	952	- 5.4
Average per Committee .....	43	48	50	4.1
Total Transcribed Pages .....	61,898	72,799	71,558	- 1.7
Average Pages/Committee .....	2,814	3,467	3,766	8.6
Transcribed Pages Cost .....	\$401,231	\$479,921	\$471,807	- 0.2
Average Cost/Committee .....	\$18,238	\$22,853	\$24,832	8.6

During fiscal year 2002, the OPDS prepared 5,794 printing and binding requisitions authorizing the GPO to print and bind the Senate's work, exclusive of legislation and the Congressional Record. This is an increase of 8.2 percent over the number of requisitions processed during fiscal year 2001. Because the requisitioning done by the OPDS is central to the Senate's printing, the office is uniquely suited to perform invoice and bid reviewing responsibilities for Senate Printing. Within the

OPDS cost accounting duties lies its ability to review and assure accurate GPO invoicing as well as play an active role in helping to provide the best possible bidding scenario for Senate publications.

In addition to processing requisitions, the Printing Services Section coordinates job scheduling, proof handling and job tracking for stationery products, Senate hearings, Senate publications and other miscellaneous printed products, as well as monitoring blank paper and stationery quotas for each Senate office and committee. The OPDS also coordinates a number of publications for other Senate offices, including the Curator, the Historian, Disbursing, and Legislative Clerk, along with the U.S. Botanic Garden, U.S. Capitol Police and the Architect of the Capitol. Last year's major printing projects included the Report of the Secretary of the Senate, the New Senator's Guide, the Senate Manual, Leader's Lecture Series brochure, the U.S. Senate Catalogue of Fine Art, as well as a 500 page four-color case bound book, History of the United States Capitol.

The Service Center within the OPDS is staffed by experienced GPO detailees that provide Senate committees and the Secretary of the Senate's Office with complete publishing services for hearings, committee prints, and the preparation of the Congressional Record. These services include keyboarding, proofreading, scanning, and composition. The Service Center provides the best management of funds available through the Congressional Printing and Binding Appropriation as committees have been able to decrease or eliminate additional overtime costs associated with the preparation of hearings.

The DocuTech Service Center within the OPDS is also staffed by experienced GPO detailees that provide Member offices and Senate committees with on-demand printing and binding of bills and reports, as well as supplementing depleted legislation. In 2002, the DocuTech Center produced 656 jobs for a total of 801,888 printed pages.

The Document Services Section coordinates requests for printed legislation and miscellaneous publications with other departments within the Secretary's Office, Senate committees, and the GPO. This section ensures that the most current version of all material is available, and that sufficient quantities are available to meet projected demands.

#### DOCUMENT SERVICES—CONGRESSIONAL RECORD

	2000	2001	2002
Total Pages Printed .....	28,232	25,051	29,690
For the Senate .....	12,469	14,084	14,489
For the House .....	15,763	10,967	15,201
Total Copies Printed & Distributed .....	1,300,000	1,300,000	1,268,603
To the Senate .....	450,842	318,572	439,953
To the House .....	308,842	459,477	301,383
To the Executive Branch and the Public .....	540,316	492,915	532,813
Total Production Costs .....	\$14,966,755	\$15,428,530	\$13,488,381
Senate Costs .....	\$6,364,265	\$7,452,933	\$6,339,539
House Costs .....	\$7,920,490	\$7,333,134	\$6,609,307
Other Costs .....	\$682,000	\$642,462	\$539,535
Per Copy Cost .....	\$11.51	\$12.14	\$10.63

In 2002, a total of 29,690 pages were printed in the Congressional Record. Of this total, 14,489 were printed for the Senate, and 15,201 pages were printed for the House of Representatives. These page counts are comprised of the Proceedings of the Senate and the House of Representatives, Extension of Remarks, Daily Digest and miscellaneous pages. This is 4,639 more pages than were produced in 2001, an increase of 18.5 percent. A total of approximately 1.3 million copies of the Congressional Record were printed and distributed in 2002. The Senate received 439,953 copies, the House 301,383, with the remaining 532,813 delivered to the Executive Branch agencies and the general public.

The OPDS continually tracks demand for all classifications of Congressional legislation. Twice a year the office adjusts the number of documents ordered by classification. The goal is to adjust numbers ordered in each classification to closely match demand and thereby reduce waste. In recent years, the OPDS has taken a more aggressive approach to reducing waste of less requested legislation. The office supplements depleted legislation where needed by producing additional copies in the DocuTech Service Center as previously mentioned. While OPDS curtails waste, at the same time, the office pledges never to run out of copies of legislation.



The primary responsibility of the Documents Services Section is to provide services to the Senate. However, the responsibility to the general public, the press, and other government agencies is virtually indistinguishable from these services provided to the Senate. Requests for material are received at the walk-in counter, through the mail, by fax, phone, and e-mail. Recorded messages, fax, and e-mail operate around the clock and are processed as they are received, as are mail requests.

#### SUMMARY OF ANNUAL STATISTICS

CALENDAR YEAR	CONGRESS/ SESSION	CALLS RE- CEIVED	PUBLIC MAIL	FAX RE- QUEST	E-MAIL	COUNTER REQUEST
1999 .....	106/1st	27,570	6,872	5,162	N/A	156,454
2000 .....	106/2nd	17,356	4,066	3,129	112	95,186
2001 <sup>1</sup> .....	107/1st	16,186	3,449	2,093	621	88,769
2002 <sup>1</sup> .....	107/2nd	15,732	3,637	1,866	662	55,930

<sup>1</sup> NOTE: From October 17, 2001 until January 22, 2002, the Document Room was displaced to the Capitol and operated with one telephone and one computer.

#### Online Ordering

The OPDS is continuing to seek new ways to use technology to assist Members and staff with added services and enhancements to current methods. Beginning in late 2000, Senate offices, by way of a link to the Secretary of the Senate's home Web page, could order legislative documents online. Via the same link, a Legislative Hot List Link was launched where Members and staff can confirm arrival of printed copies of the most sought after legislative documents. The site is updated several times daily, and each time new documents arrive from GPO in the Document Room. Efforts are also under way to provide the capability of online ordering of blank paper for Member offices and Senate committees.

#### 13. PUBLIC RECORDS

The Office of Public Records receives, processes, and maintains records, reports, and other documents filed with the Secretary of the Senate involving the Federal Election Campaign Act, as amended; the Lobbying Disclosure Act of 1995; the Senate Code of Official Conduct: Rule 34, Public Financial Disclosure; Rule 35, Senate Gift Rule filings; Rule 40, Registration of Mass Mailing; Rule 41, Political Fund Designees; and Rule 41(6), Supervisor's Reports on Individuals Performing Senate Services; and Foreign Travel Reports.

The office provides for the inspection, review, and reproduction of these documents. From October, 2001, through September, 2002, the Public Records office staff assisted more than 2,000 individuals seeking information from reports filed with the office. This figure does not include assistance provided by telephone, nor help given to lobbyists attempting to comply with the provisions of the Lobbying Disclosure Act of 1995. A total of 95,630 photocopies were sold in the period. In addition, the office works closely with the Federal Election Commission, the Senate Select Committee on Ethics and the Clerk of the U.S. House of Representatives concerning the filing requirements of the aforementioned Acts and Senate rules.

#### Fiscal Year 2002 Accomplishments

The office deployed its disaster recovery plan prepared in fiscal year 2001 with the closure of the Hart Senate Office Building. Based upon the review of that plan and a "look backward" to see how the plan worked, the office made changes to the plan in order to be even better prepared. An off-site scanning facility was established in coordination with the Sergeant at Arms. Additionally, the identical hardware and software are nearly in place in the Public Records office to allow for reciprocity for Public Records and SAA scanning functions. The office staff was also involved as participants on the content teams for senate.gov.

#### Automation Activities

During fiscal year 2002, the Senate Office of Public Records transferred its public financial disclosure and FECA records from WORM disk storage to digital storage on a server by rewriting these two applications. The value to the Senate is that in the event of a COOP activation, these records become easily accessible off site.

#### Federal Election Campaign Act, as amended

The Act required Senate candidates to file quarterly reports in an election year. Filings totaled 3,320 documents containing 213,968 pages. The page count represents a greater than 100 percent increase over last year. This was due to changes

in the FECA forms that reduced the amount of information that could be disclosed on a page.

*Lobbying Disclosure Act of 1995*

The Act requires semi-annual financial and lobbying activity reports. As of September 30, 2002, 5,536 registrants represented 17,575 clients and employed 21,089 individuals who met the statutory definition of "lobbyist." The total number of lobbying registrations and reports were 36,587.

*Public Financial Disclosure*

The filing date for Public Financial Disclosure Reports was May 15, 2002. The reports were available to the public and press by Friday, June 14th. Copies were provided to the Select Committee on Ethics and the appropriate State officials. A total of 2,457 reports and amendments were filed containing 14,084 pages. There were 359 requests to review or receive copies of the documents.

*Senate Rule 35 (Gift Rule)*

The Senate Office of Public Records received over 1,320 reports during fiscal year 2002.

*Registration of Mass Mailing*

Senators are required to file mass mailings on a quarterly basis. The number of pages was 655.

*Plans for Fiscal Year 2003*

The Public Records office plans to enhance its lobbying web site by offering an on-line tutorial video that provides e-filers with information that makes the program easier to use. The office is also in the process of developing a manual detailing the policies and procedures of the Public Records Revolving Fund. In addition, at the request of the Secretary, the General Accounting Office will conduct an audit of the fiscal year 2002 transactions of Public Records' Revolving Fund. At the request of the Secretary, the General Accounting Office will conduct an audit of the fiscal year 2002 transactions of the Public Records' revolving fund.

#### 14. SENATE SECURITY

The Office of Senate Security is responsible for the administration of classified information programs in Senate offices and committees. In addition, OSS serves as the Senate's liaison to the Executive Branch in matters relating to the security of classified information in the Senate.

*Personnel Security*

In 2002, OSS processed 1,833 personnel security actions. Seventy-two investigations for new security clearances were initiated last year, and eighty security clearances were transferred from other agencies. Senate regulations, as well as some Executive Branch regulations, require that individuals granted Top Secret security clearances be reinvestigated at least every five years. Staff holding Secret security clearances are reinvestigated every ten years. During the past 12 months, reinvestigations were initiated on 59 Senate employees. OSS processed 140 routine terminations of security clearances during the reporting period and transmitted 288 outgoing visit requests.

The remainder of the personnel security actions consisted of updating access authorizations and compartments. In addition, 206 records checks were conducted at the request of investigative agencies supporting the personnel security program.

*Security Awareness*

OSS conducted or hosted 78 security briefings for Senate staff. Topics included: information security, counterintelligence, foreign travel, security managers' responsibilities, office security management, and introductory security briefings.

*Document Control*

OSS received or generated 2,419 classified documents consisting of 69,670 pages during calendar year 2002. Additionally, 114,712 pages from 3,244 classified documents which were no longer required for the conduct of official Senate business were destroyed. OSS transferred 674 documents consisting of 27,275 pages to Senate offices or external agencies. Overall, Senate Security completed 6,337 document transactions and handled over 211,657 pages of classified material in 2002, an increase of 17.2 percent.

In addition to the classified documents destroyed by OSS, approximately 866 linear feet of sensitive but unclassified material was destroyed for various committees.

Secure storage of classified material in the OSS vault was provided for 106 Senators, committees, and support offices. This arrangement minimizes the number of multiple storage areas throughout the Capitol and Senate office buildings, thereby affording greater security for classified material.

#### 15. STATIONERY ROOM

The Senate Stationery Room's principal functions are: (1) to sell stationery items for use by Senate offices and other authorized legislative organizations, (2) to select a variety of stationery items to meet the needs of the Senate environment on a day-to-day basis and maintain a sufficient inventory of these items, (3) to purchase supplies utilizing open market procurement, competitive bid and/or GSA Federal Supply Schedules, (4) to maintain individual official stationery expense accounts for Senators, Committees, and Officers of the Senate, (5) to render monthly expense statements, (6) to insure receipt of all reimbursements for all purchases by the client base via direct payments or through the certification process, (7) to make payments to all vendors of record for supplies and services in a timely manner and certify receipt of all supplies and services, and (8) to provide delivery of all purchased supplies to the requesting offices.

	Fiscal Year 2002 Statistical Oper- ations	Fiscal Year 2001 Statistical Oper- ations
Gross Sales .....	\$4,628,342	\$3,610,804
Sales Transactions .....	61,479	62,970
Purchase Orders Issued .....	6,218	6,770
Vouchers Processed .....	7,376	7,951
Metro Fare Media Sold .....	41,558	19,621
\$20.00 Media .....	(36,943)	.....
\$10.00 Media .....	(1,978)	.....
\$5.00 Media .....	(2,637)	.....

The Stationery Room continues to work on the final phase of the voucher upload process. Fiscal year 2002 was the first full year in which voucher information was submitted using a customized spreadsheet interface with the Disbursing Office to pay vendors. This process has eliminated the duplicate efforts previously required in the voucher payment process between the Stationery Room and the Disbursing Office. The final phase to be completed in fiscal year 2003 will incorporate an automated voucher payment reconciliation.

During fiscal year 2002, the Stationery Room completed the formation, development and deployment of its automated physical inventory process. This process utilizes radio frequency technology which is transmitted from the inventory data collectors back to the application software residing on the servers. This new process has eliminated the download time which was previously required to transfer data.

The Accounts Receivable interface with the Disbursing Office was finalized after development and testing. Initially started in the middle of fiscal year 2000, this process involves importing expenditure information from each customer account that is certified for reimbursement in a Disbursing Office system format. It is then transmitted via e-mail and uploaded to the Disbursing Office system for reimbursement to the Stationery Room Revolving Fund. This process has eliminated the need for issuance of paper checks which required considerable staff time for both organizations in the past.

Implementation of the Web FMIS access for the Stationery Room was installed for testing during March 2002, and additional programming was needed to address issues to accommodate Revolving Fund accounts. This project will eventually allow for key Stationery Room staff to access the Disbursing Office via the Web to perform a number of operations, which were previously time consuming and staff intensive. This project has been three years in the making due to the sheer volume of transactions generated by the Stationery Room. Time-out errors also occurred because of this volume and were recently resolved by the FMIS project team.

The Stationery Room will draft a requirements report during fiscal year 2003, that will outline upgrading to new application software for the operation, using appropriated monies for fiscal year 2003. It is envisioned that this document will be all inclusive and will take into account the latest technologies in the industry and the unique needs of the Senate.

In addition, at the request of the Secretary, the General Accounting Office will conduct an audit of the fiscal year 2002 transactions of the Stationery Room's Revolving Fund.

## 16. WEBMASTER

The Webmaster is responsible for the three web sites that fall under the purview of the Secretary of the Senate: the public Senate Web site, [www.senate.gov](http://www.senate.gov) (except individual Senator and Committee pages); the Secretary web site on the Senate intranet, Webster; and an intranet site currently under construction that is intended for use by Secretary staff only. The focus of the past year was a redesign of the Senate Web site.

*The Senate Web Site: <http://www.senate.gov>*

*Background*

The [senate.gov](http://www.senate.gov) Web site was created in 1995. A 1998 redesign for the 106th Congress included a database for Senator/Committee information; daily updates on legislative activities; roll call vote tallies; and an expanded section, Learning About the Senate section. A project to redesign [www.senate.gov](http://www.senate.gov) and implement a Web Content Management System (WCMS) began in the fall of 2001 and continued through 2002. The new web site was launched October 30, 2002, and work continued through the rest of the year on further enhancements. Plans are underway to launch special presentations and micro-sites in phased launches in 2003 and 2004.

Implementation of a Web Content Management System provided many advantages to the Senate including: allowing content to be published by content owners without web formatting skills; completing a content analysis and restructuring using XML tags allowing for repurposing of content; a new design and navigation structure based on the content analysis, best practices and customer usability studies; and the creation of seven content teams to identify new content and maintain current content on the site. Over thirty Senate staff worked on the project.

*Training and Support Requirements*

Documentation and how-to manuals for working with the WCMS were provided by a contractor. Senate staff are continually training and are constantly working to support the WCMS and the Web site.

*Future [www.senate.gov](http://www.senate.gov) Projects*

Possible further enhancements to the web site over the next two to three years include increasing content, improving content presentation, and creating special multimedia presentations such as using XML to structure and present the Isaac Bassett collection; converting to a web format two animated features developed by the Curator for the Capitol kiosk; developing a special feature on Senate desks; and producing a retrospective on inaugurals. These special presentations are small projects that may be priced and contracted separately.

*Webster*

Webster, the Senate Intranet, is available only to Senate staff within the Senate complex and in state office locations. The Webster intranet navigation is currently divided by organization. Senate staff must know which organization provides a service in order to locate information about that service on the web site. The Secretary and the Sergeant at Arms are currently evaluating the feasibility of initiating a project to redesign Webster to include a comprehensive list of services across all service organizations and a common navigation and user interface that would be agreed on by the major contributors.

The Secretary's presence on Webster would be redesigned accordingly. A requirements analysis would be necessary to determine which of the Secretary's many services Senate staff want to access online and how best to deliver them. The Disbursing Office and the Office of Public Records already offer fillable forms online and staff can order documents from the Document Room via an online ordering form. Any redesign plan will likely include development of an online ordering system for Stationery supplies. The Documentum 4i Content Management System used for [senate.gov](http://senate.gov) could also be used for Webster.

LEGISLATIVE INFORMATION SYSTEM (LIS) PROJECT

The Legislative Information System (LIS) is a mandated system (Section 8 of the 1997 Legislative Branch Appropriations Act, 2 U.S.C. 123e) that provides desktop access to the content and status of legislative information and supporting documents. The 1997 Legislative Branch Appropriations Act (2 U.S.C. 181) also established a program for providing the widest possible exchange of information among legislative branch agencies. The long-range goal of the LIS Project is to provide a "comprehensive Senate Legislative Information System" to capture, store, manage, and distribute Senate documents. Several components of the LIS have been imple-

mented, and the project is currently focused on a Senate-wide implementation and transition to a standard system for the authoring and exchange of legislative documents that will greatly enhance the availability and re-use of legislative documents within the Senate and with other legislative branch agencies. The LIS Project Office manages the project and oversees the Senate's outside contractors.

*Background: LIS*

An April 1997 joint Senate and House report recommended establishment of a data standards program and recommended the Standard Generalized Markup Language (SGML) as "an appropriate technology on which to base the preparation of legislative information and document management systems." Since that time, as anticipated, a subset of SGML known as the eXtensible Markup Language (XML) became an industry standard, and in December 2000, the Senate Committee on Rules and Administration and the Committee on House Administration jointly accepted XML as the primary data standard to be used for the exchange of legislative documents and information.

Following the implementation of the Legislative Information System (LIS) in January 2000, and the transfer of operations and maintenance of the LIS to the Office of the Sergeant at Arms (SAA) in March 2000, the LIS Project Office shifted its focus to procuring system development services in support of an LIS Augmentation Project (LISAP). The LISAP is focused on the data standard component to provide a Senate-wide implementation and transition to XML for the authoring and exchange of legislative documents. This component of the LISAP also includes the review and update of existing document type definitions (DTD), development of new DTDs, the conversion of legacy documents to XML formats, and conversion of documents in other formats to XML.

A database of documents in XML format and an improved exchange process will result in quicker and better access to legislative information and will provide documents that can be more easily shared, reused, and re-purposed. Parts of one XML document can be reused in another XML document because the document structure is similar and the format of the data (XML) is standard. As more and more documents are created in the XML format, the necessity for re-keying or converting from one format to another (HTML to WordPerfect or XyWrite locator to Word or Word to WordPerfect, etc.) will disappear.

The LISAP incremental development approach has helped the LIS Project Office build user acceptance, manage costs and adjust quickly when needed. The initial focus for the LISAP is to develop an XML authoring system for the Office of the Senate Legislative Counsel (SLC) and the Office of the Enrolling Clerk for bills, resolutions and amendments. Collaboration of Secretary of the Senate and Sergeant at Arms staff, augmented with strong contractor support, provides a great team effort and much progress has been achieved in the past year.

*LISAP: 2002*

In October 2001, the LIS Project Office added a software engineer and provided oversight for two consultants to conduct an eight week evaluation of an XML authoring application being built by the Office of the Clerk for the House Office of the Legislative Counsel and the House Enrolling Clerk. The application, built in XMetaL, was in limited use for House simple resolutions, and the Senate contract looked at its applicability for Senate simple resolutions, as well as its potential for use for larger, more complex documents. Although the House application proved to be a very ambitious, well-conceived effort that provided most of the high priority requirements identified by the SLC, it did not support their general editing activities in an easy, straight-forward manner. Following a briefing for the Clerk and House developers, the Senate chose to move forward with XMetaL as the XML editor on which the Senate authoring application would be built.

Two Senate staff were added to the LIS Project Office in 2002. A systems analyst was hired by the Office of the Sergeant of Arms in February and a systems analyst was hired by the Office of the Secretary in June. Two consultants returned in March to assist in the design and development of several functions with the editor to address the general editing requirements of the SLC. By the end of the contract, the project team had determined that it was possible to solve the SLC's general editing issues, and the Senate staff began building the authoring application in June. The first release of the Senate's Legislative Editing in XML Application (LEXA) was completed in September, followed by a release of additional functionality in December. In January 2003, eight attorneys and one staff assistant from the SLC began testing LEXA and providing feedback to the developers. LEXA was greeted with praise and enthusiasm from the SLC, and the testing/feedback cycle has yielded valuable information for the Senate development team. The development team will con-

tinue to refine and enhance LEXA over the next few months, adding the ability to create amendments, reported bills, and documents with tables.

While LEXA was being developed by Senate staff, a contractor was engaged in June 2002 to begin addressing the requirements and design of a Document Management System (DMS) for the SLC. The first phase of development will be completed in February, and a second phase of development and implementation is planned to begin in March. The DMS, which will be integrated with LEXA, will provide the ability for the SLC to track and manage all work requests, legislative drafts, and internal office documents in a variety of formats including XML, XyWrite, Word, WordPerfect, e-mail, and PDF. The DMS will also provide search and retrieval and a means to exchange documents with the Senate Enrolling Clerk, the GPO, the House Office of the Legislative Counsel, and the Senate Appropriations Committee. The expansion of a DMS approach into other Senate offices will facilitate greater accessibility to legislative documents.

Prior to roll-out of LEXA and the DMS, the contractor will develop a training program that will provide transition training for the entire office of the SLC and the Senate Enrolling Clerk, a printed and online reference manual, and computer-based training for new hires. The Contractor completed a short contract in January 2003, to gather the training requirements and prototype the products. Training will begin late this year, most likely immediately following adjournment.

Another important element of the LISAP involves data conversion. In June 2002, the Senate contracted to convert Senate bills and resolutions and the SLC's drafts from the 106th and 107th Congresses from their current "locator-coded" format to XML. This conversion effort is to be completed by the end of March, and the documents will be loaded into the SLC's DMS for use in subsequent legislative documents authored in XML. The conversion software will be integrated into LEXA/DMS in order to provide the ability to convert a single document or batch of documents from earlier Congresses as needed. The Senate has also contracted on a project to convert the XML data back to locator codes for printing through GPO's Microcomp composition software and for exchange with offices that are still working in Xywrite and not yet ready to work with XML documents. Concurrent work on the bi-directional conversions has greatly benefitted both conversion projects.

Another project undertaken in 2002 was a move toward creating the Congressional Record in XML. The Congressional Record is an important research tool and historical document, and having the electronic data available in XML format will one day provide the ability to produce a much more useful and powerful searchable database than is possible today. One of the first steps in that direction is to create a document type definition (DTD) that describes the structure and contents of the Record. The Senate contracted to create a DTD for the Senate portions of the Record. The contractor also developed a high level strategy for a phased transition to an XML Congressional Record including time and resources required, hardware and software requirements, and change management considerations.

To support the applications and interfaces for the authoring and exchange of legislative documents, LISAP deliverables include project plans; requirements and design documents; implementation, deployment and training plans; documentation; training materials; and training classes.

#### *LISAP: 2003*

Plans for 2003, include the completion and deployment of LEXA and the DMS for the SLC and the Enrolling Clerk. Deployment to those offices must include the development and delivery of the training program and conversion of documents already created for the 108th Congress. One other set of documents that needs to be converted is the compilation documents of existing law that are created and maintained by the House and Senate Legislative Counsels.

Completion of LEXA for the SLC for bills, resolutions and amendments will establish a framework on which to build applications for other offices and other legislative documents. Elements in bills are common to other legislative document types including conference reports, compilations, committee reports, the U.S. Code and the Congressional Record. Authoring applications for additional document types produced in other offices can be constructed by reusing certain functions built for the bill's application where common elements and requirements exist.

The LISAP will also begin to address the needs of other Senate offices, starting with the Appropriations Committee. A contract project to determine unique requirements for drafting appropriations bills and to assess the feasibility and requirements for a document management system for the Committee is under development.

The legislative process yields other types of documents such as the Senate and Executive Journals and the Legislative and Executive Calendars. Much of the data and information included in these documents is already captured in and distributed

through the LIS/DMS database used by the clerks in the Office of the Secretary. The LIS/DMS captures data that relates to legislation including bill and resolution numbers, amendment numbers, sponsors, co-sponsors, and committees of referral. This information is currently entered into the database and verified by the clerks and then keyed into the respective documents and reverified at GPO before printing. An interface between this database and the electronic documents could mutually exchange data. For example, the LIS/DMS database could insert the bill number, additional co-sponsors, and committee of referral into an introduced bill while the bill draft document could supply the official and short titles of the bill to the database.

The Congressional Record, like the Journals and Calendars, includes data that is contained in and reported by the LIS/DMS database. Preliminary DTDs have been designed for these documents, and applications could be built to construct XML document components by extracting and tagging the LIS/DMS data. These applications would provide a faster, more consistent assembly of these documents and would enhance the ability to index and search their contents. The LIS Project Office will coordinate with the Systems Development Services Branch of the Office of the Sergeant at Arms to begin design and development of XML applications and interfaces for the LIS/DMS and legislative documents. As more and more legislative data and documents are provided in XML formats that use common elements across all document types, the Library of Congress will be able to expand the LIS Retrieval System to provide more useful searches.

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PREPARED STATEMENT OF TIMOTHY S. WINEMAN

Mr. Chairman, I appreciate the opportunity to present to your Committee, the Budget of the United States Senate for fiscal year 2004.

Mr. Chairman, the fiscal year 2004 budget estimates for the Senate have been included in the Budget of the United States Government for fiscal year 2004. This Budget has been developed in accordance with requests and proposals submitted by the various offices and functions of the Senate. The total budget estimates for the Senate are \$753,747,000 which reflect an increase of \$79,416,000 or 11.78 percent over the amount appropriated for fiscal year 2003 and does not reflect any adjustments to these estimates which may be presented to your Committee during these hearings. The total appropriations for the Senate for fiscal year 2003 are \$674,331,000. An individual analysis of the budget estimates for all functions and offices has been included in the Senate Budget Book, previously provided to your Committee.

The budget estimates for fiscal year 2004 are divided into three major categories as follows:

Senate Items .....	\$133,968,500
Senate Contingent Expense Items .....	612,279,500
Senate Joint Items .....	7,499,000
<b>TOTAL .....</b>	<b>753,747,000</b>

Specifically, Mr. Chairman, the fiscal year 2004 budget estimates reflect increases over the fiscal year 2003 enacted levels as a result of: (1) the anticipated 3.9 percent cost-of-living adjustment for fiscal year 2004, and the annualization costs of the fiscal year 2003 4.27 percent cost-of-living adjustment; (2) the cumulative under funding of previous fiscal years in the Senators' Official Personnel and Office Expense Account due mainly to increases in population categories of various states and increases in the Administrative and Clerical Assistance Allowance authorized by the Legislative Branch Appropriations Acts, 1999, 2000, 2002, and 2003; (3) personnel adjustments, other than the cost-of-living; (4) increases in agency contributions applicable to the cost-of-living adjustments and other personnel increase requests; and (5) other miscellaneous and administrative expense increases.

Mr. Chairman, I submit for the consideration of your Committee, the Budget of the United States Senate for fiscal year 2004.

Senator CAMPBELL. Thank you. Some of the questions require an extensive answer, so I will submit them in writing since we have a very short time. That is unless you want to wait until we get done voting twice, which will be 45 minutes or more with you sitting around.

Ms. REYNOLDS. Your preference. So whichever you would like.

## SELECTION OF ARTISTS FOR PORTRAITS

Senator CAMPBELL. Let me ask you a couple of easy ones first because I am particularly interested in the arts, having made my living in it for years and years before I ever got in public office. How are the portraits you mentioned of Senator Dole and one other.

Ms. REYNOLDS. Mitchell?

Senator CAMPBELL. Yes. Are those done by bid or how do you pick who does those?

Ms. REYNOLDS. I am going to defer, if I might, to our curator on that. She is here to come up and educate us on that.

Senator CAMPBELL. Please, your name for the record.

Ms. SKVARLA. Diane Skvarla.

Senator CAMPBELL. Why don't you come up here, Diane.

Ms. SKVARLA. Diane Skvarla, Senate curator.

We select an advisory group of curators and historians to help us in the selection process of the artists. In the case of Mitchell and Dole, there are such curators as the curator of the National Portrait Gallery, the director of the National Gallery of Art, and a variety of other curators from the home State.

Senator CAMPBELL. So that becomes a committee and they decide? If an artist is out there and wants to have his name in the hopper, what do they do? Write a letter saying I—

Ms. SKVARLA. That is it exactly. They send their portfolio to our office and we consider them. Absolutely. And we keep them on file.

Senator CAMPBELL. And is there a standard fee that you pay them?

Ms. SKVARLA. The Senate Commission on Art has established a standard fee for the leadership work.

Senator CAMPBELL. How much is it for a painting?

Ms. SKVARLA. \$40,000.

## CURTIS CHAIR

Senator CAMPBELL. Thank you. Another thing that I want to become one of the joys of the Secretary's Office is retrieving some things for the new visitor center. I talked to you about it before. One was a chair. That sounds kind of crazy, thinking of a chair as an art piece. But it was hand-carved years ago for Charles Curtis who was the Vice President of the United States. It was a chair he used on the podium. Somebody called me about it 15 or 18 years ago. I may have mentioned this. It was a private antique store I think, and they wanted to sell it to me. And I was not in the market to buy a chair for the price they wanted. I could have bought a car cheaper than that chair. So I passed on it, but I know that Senator Dodd and several others now are really trying to get some interest going to reacquire some of the things that historically were in the Senate and now are somewhere else.

I have gotten a couple of partial pictures of that chair, and I do not know where it is, but I understand it is in private hands somewhere now. I would hope maybe you would help us try to find the owner of that and see if they would like to sell it to the Senate or donate it and get a tax write-off or do something where we could reacquire that with some of the other things we are looking for.



Ms. REYNOLDS. With the help of the curator's office, I can tell you we are very much in the hunt for that chair.

Senator CAMPBELL. A good chair.

Ms. REYNOLDS. Your chair.

Senator CAMPBELL. No, it is not mine. It was a good chair.

Ms. REYNOLDS. Senator Curtis' chair I should say. That is right. The chair.

As of close of business yesterday, we had talked with the just-previous owner and we are in hopes of—

Senator CAMPBELL. Was it an antique store or a private owner?

Ms. SKVARLA. It was the antique store that we actually had spoken to, the owner of the antique store, but it now is in private hands and she is trying to locate it. She sold it about 2 years ago.

Senator CAMPBELL. Well, hopefully when we do find that, maybe we can convince them of the importance to not only the Senate but to the country to try to preserve some of the things where all Americans will be able to see things like that in the new visitor center.

#### CAPITOL VISITOR CENTER

Speaking of the visitor center, I know you have only been here 4 months. What is your assessment on how it is coming along? I know they have had to make some changes after 9/11 and that is going to add to the cost of it. When I look out there, not being an engineer, it just looks like a big hole so far, but I know there is definite progress being made and you are much more tuned in to it than I am.

Ms. REYNOLDS. Thank you for asking. Obviously, I know we will all look forward to hearing Mr. Hantman's comments this afternoon on the visitor center.

I will tell you that in my time here the work on the visitor center in terms of the time that it occupies on my own schedule and our staff, as we facilitate weekly meetings, both a joint meeting with our colleagues on the House side and then again here on the Senate side, both on Mondays and Thursdays, the time that it takes is extraordinary, but certainly worthwhile. The project is one of such complexity and magnitude. I share your thoughts. As someone who is obviously not an engineer, not a construction manager, it is mind-boggling in many respects.

Again, I know Mr. Hantman will address this. Clearly the awarding of the sequence 2 contract was a major goal that we got through just before the recess.

They are making tremendous progress. You may notice as you come in, even in the mornings—and I have noticed this. I walk to work sometimes and come up the Hill. As early now as 6:30 in the morning, those big dumptrucks are loaded up to move that dirt out of here every day. So they are making progress. But again, it is a project of enormous complexity and magnitude and one that each day, there is a different moving piece to the puzzle, if you will. But it is an exciting project.

And it is for all of us to remember that at the end of the day, we moved in this direction for security concerns when we lost our officers here in that tragic shooting, but clearly since 9/11, since October 15th with our anthrax incident, the world has changed for

us once again. So the security enhancement, both for our whole community here, in addition to our visitors—you know, the short-term pain and long-term gain will be well worth this.

And in addition, the educational component for our visitors will be so greatly enhanced.

So I think we will end up in 2005 with a project of which we can all be very proud and one that will serve this institution very well in the years to come.

Senator CAMPBELL. Well, I am excited about that too. Before 9/11, the halls were just full of children. You almost could not get through to get to vote because there were so many. I really miss the little buggers now.

I did not realize how I could miss those crowds of kids, but I do. When that visitor center is opened, I am sure that is going to one of the main places they go before they come into the Capitol.

#### ADDITIONAL COMMITTEE QUESTIONS

Well, thank you, and I will submit some questions for you dealing with employment retention and two or three other things, if you could get back to us on those. Thank you.

Ms. REYNOLDS. Thank you, sir. I appreciate it.

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

#### QUESTIONS SUBMITTED BY SENATOR BEN NIGHTHORSE CAMPBELL

*Question.* Secretary Reynolds, your office has numerous initiatives underway to improve the operations of the Senate. What are your highest priorities for the year ahead?

*Answer.* Our single highest priority is to continue to provide the best possible legislative, financial and administrative services to the U.S. Senate. To that end, in the year ahead, I would cite five specific areas of concentration:

1. We will continue to make significant progress on our two mandated projects, the Financial Management Information System and the Legislative Information System Augmentation Project, for which we have received substantial appropriations.

2. Our ongoing work with the Sergeant at Arms in Continuity of Operations and Continuity of Government planning will enable us to support carrying out the Senate's constitutional functions in the event of an emergency or some unforeseen circumstance.

3. We will continue to strengthen our bench in each of our 25 departments to ensure that our personnel continue the tradition of outstanding talent and skill in serving the Senate. Succession planning and cross-training, especially among our legislative specialities, remain a critical component of this focus and our overall operation.

4. We take very seriously our curatorial role in protecting and preserving the Senate wing of the Capitol, and through the Historical Office, providing the Senate's institutional memory. With the approval of the Senate Commission on Art, we hope to approve a preservation policy this year and develop initiatives that will allow us to further enhance the Senate's collection with historic furnishings and fine art acquisitions.

5. Using our appropriated dollars from fiscal year 2003, we will make much needed technology upgrades, particularly in Captioning Services and the Gift Shop. In addition, we hope to enhance [www.senate.gov](http://www.senate.gov), for the further benefit of the general public.

*Question.* The fiscal year 2002 legislative branch bill provided authority for repayment of student loans to Senate employees. It is my understanding that 109 of the roughly 900 employees participating in the first year of the program were terminated from the program. Termination occurs if one fails to meet the one-year service requirement. This is an extraordinarily high termination rate. What is your sense as to the effectiveness of the student loan program as a recruitment and retention

tool for the Senate? Could your office proceed with a study of the program, through a survey of offices, to determine how it is operating?

Answer. Since the program is so new, it has yet to reach the maturation point where one could point definitively to its impact. In addition, while my office has responsibility for establishing the sample student loan agreement and addressing payment issues, each Senate office oversees the program in regard to its own employees.

Although the rate of those breaking the student loan repayment contract appears substantial, continued favorable responses from Senate offices give us an overall impression that the program has been well-received. Moreover, we know that the number of offices using the program and consequently, the number of employees participating, has grown steadily during each month of this past year. Anecdotal evidence from participating offices also seems to indicate that the program has been used, at least through the first year, almost exclusively for retention purposes.

In the next few days, I will meet with Senate office managers and administrators, and plan to discuss this subject. My goal is to create a small working group from several Senate offices to devise a means, perhaps through an informal, confidential survey, to give us both additional anecdotal evidence and statistical evidence of the program's use and effectiveness as a retention and recruitment tool. I look forward to reporting back to the Committee on our progress and results.



## ARCHITECT OF THE CAPITOL

### STATEMENT OF ALAN M. HANTMAN, FAIA, ARCHITECT OF THE CAPITOL

Senator CAMPBELL. We will now hear from Mr. Hantman. If you will come up and just grab a chair and pull it up there.

As we did with Ms. Reynolds, if you want to submit your complete written testimony, that will be fine because we are going to simply run out of time unless you want to wait around for an hour. That does not appeal to me either.

Mr. HANTMAN. No. I appreciate that, Mr. Chairman. I would appreciate doing that.

Mr. Chairman, I welcome this opportunity to testify today and I thank this committee for its support over the years. It has allowed us to complete many critical projects and assure continuously improving service at the Capitol, the Senate office buildings, and throughout the Capitol complex.

My budget request for fiscal year 2004 meets my responsibilities for facilities management, for project delivery, and the stewardship at the Capitol complex.

But just as importantly, it responds to the demands of our customers, the requirements for fire and life safety, as well as new security requirements. It has been a challenge, Mr. Chairman, to build this budget request in this fiscally constrained environment and balance these requirements against our current workload.

We are requesting \$513.9 million for fiscal year 2004, which is \$57 million, or 12.5 percent, above the enacted fiscal year 2003 budget, including the fiscal year 2003 supplemental. The most significant factor in this increase is the request for funds to purchase the shared alternate computer facility at some \$61 million.

Other significant projects in this request include \$40.8 million to continue with the West Refrigeration Plant expansion project, \$26.5 million for phase two of the design of the U.S. Capitol Building master plan, and \$18.7 million to replace the high-voltage switchgear in nine buildings on the campus. Some other key items include \$6.5 million to improve Capitol power plant operations, and \$4.7 million for steam humidifiers in the Hart Senate Office Building. Details of each project, of course, are included in the formal statement so I will not go into them.

These projects are in addition to more than 200 projects now underway. Among them are substantial projects necessary to meet the demand for heightened security as a result of our ongoing war on terrorism. In this environment, the AOC is carrying out its mission to provide Congress and the public with a wide range of professional expertise and services to preserve and enhance the Capitol complex and related facilities by completing many important projects.

We have also undertaken significant efforts to improve the agency and take on what I like to call the magnificent challenges associated with maintaining and preserving our Capitol. One of our greatest challenges, Mr. Chairman, is to sensitively incorporate modern systems for health, safety, security, and accessibility into these historic buildings.

Although our workload is immense, I am proud to say in the first quarter of 2003, 98 percent of our projects were completed within budget.

Not only are we working to complete projects on time and within budget, we are doing our work much more safely, and with the generous support of Congress, we have increased our safety and our professional staff. We have modified our work practices and procedures and reduced our total injury and illness rate by some 53 percent and our lost time injury/illness rate by 36 percent in just the last 2 years.

There is an awful lot of good story over there, Mr. Chairman, and most of it is in the written record. So I will end my public testimony at this point in time and welcome any questions you might have.

[The statement follows:]

PREPARED STATEMENT OF ALAN M. HANTMAN, FAIA

Mr. Chairman, members of the Committee, I welcome this opportunity to testify before you today. The Office of the Architect of the Capitol (AOC) has always worked closely with the Sub-Committee for the Legislative Branch on Appropriations in a successful and collaborative relationship. I thank the Committee for its generous support which has allowed us to complete many critical projects, provide exemplary service, and assure continuity of operations at the Capitol, the Senate Office Buildings and throughout the Capitol complex. My budget request for fiscal year 2004 meets my responsibilities for facilities management, project delivery, and the stewardship of the Capitol complex. But just as importantly this budget responds to the demands of our customers, the requirements for fire and life safety, as well as new security requirements. It has been a challenge to build this budget request in this fiscally constrained environment and balance these requirements against our current workload. I have personally reviewed the budget request with each of my Superintendents to ensure we fulfill our responsibilities as effectively and efficiently as possible reviewing the base amounts and looking for areas of savings.

We are requesting \$513.9 million for fiscal year 2004, (\$447.1 million excluding the items for the House of Representatives)—\$57.1 million or 12.5 percent above the enacted fiscal year 2003 budget including the fiscal year 2003 supplemental. This does not include the authority to use \$4.4 million reimbursement of utilities provided to non-legislative branch agencies. The most significant factor in this increase is the request for funds to purchase the shared Alternate Computer Facility at \$61 million. Other significant projects in this request are: \$40.8 million to continue with the West Refrigeration Plant Expansion project; \$26.5 million for Phase II of the design of the U.S. Capitol Building Master Plan; \$18.7 million to replace the high-voltage switchgear in nine buildings; and \$12.6 million for the design of new Library of Congress facilities and a condition assessment for the Library of Congress Buildings and Grounds. Other key items in my budget request include \$6.5 million to improve Capitol Power Plant operations; \$4.7 million to replace steam humidifiers in the Hart Senate Office Building; \$4.3 million to refurbish Bartholdi Park; \$4.2 million to prepare a Capitol Complex Master Plan; \$4.2 million to build an underground fuel storage tank for the Capitol Power Plant, and \$4.1 million to install a fire protection water tank at Ft. Meade.

PROJECT DESCRIPTIONS

*Alternate Computer Facility—\$61,000,000*

This request will fund the purchase of the land and buildings for the Alternate Computer Facility (ACF). Per Public Law 107-206, Section 905(a), the AOC is authorized, subject to the availability of appropriations, to acquire buildings and facili-

ties for use as computer backup facilities for offices in the legislative branch. The AOC entered into a 10-year lease in November 2002, with a single option of an additional ten years, for such a facility in Manassas, Virginia. The facility selected was one of two adjoining buildings, with the legislative branch occupying one building and the other occupied by commercial tenants. Included in the lease, is an option for the AOC to buy both buildings and the surrounding land within the first five years. Due to the design and interdependencies between the two buildings (e.g., common utility systems and mechanical rooms) it is not feasible to buy only one of the two buildings. Based on preliminary analysis in June of 2002, it is more advantageous to the government to procure both buildings than to continue a full 20-year lease for one building based on comparing the present value of the cost of ten years worth of lease payments to the cost of purchasing the entire building. We will undertake full due diligence in support of this purchase this summer. Continued leasing of the ACF will result in fiscal year 2005 acquisition costs rising to \$63,000,000 as priced in the lease agreement.

*West Refrigeration Plant Expansion—\$40,800,000*

This project provides funding for the final increment for the West Refrigeration Plant Expansion Project. The total project cost is \$81.8 million. The existing West Refrigeration Plant operates at its maximum capacity during peak summer load conditions and if the project is not funded, the Capitol Power Plant will be unable to meet the cooling needs of the Capitol complex. The Capitol Visitor Center (CVC) will also impose additional loads when it becomes operational in 2005. These demands make it critical that this project be completed before the CVC is completed. Construction of the West Refrigeration Plant Extension will accommodate new chillers and include all necessary auxiliary equipment, such as cooling towers, pumps, heat exchangers, piping and controls. It is imperative that this project be completed in time to meet future demands.

*U.S. Capitol Master Plan Phase II—\$26,500,000*

This project will provide initial design funding to implement the U.S. Capitol Master Plan which addresses upgrades to the infrastructure/support systems of HVAC; fire protection and life safety; security; electrical; lighting; vertical transportation; telecommunications; system integration; and plumbing systems throughout the Capitol Building. The scope is fundamentally an infrastructure upgrade coupled with limited architectural changes designed to meet fire and life safety codes for the interior of the U.S. Capitol. The proposed work includes upgrades to the Senate and House Chambers; a building-wide sprinkler system; an upgrade of the HVAC system to include smoke evacuation features; an essentially new electrical system to include new distribution wiring and panels and new or refurbished lighting and special electronic systems; additional vertical circulation; and upgraded public toilet facilities. The new special electronic systems include security, fire alarm, information technologies fiber optic backbone and legislative call systems. The Master Plan will not affect existing architectural design except in those areas where upgrades necessitate architectural modifications. We are currently in the process of engaging a consultant to conduct a feasibility and constructability analysis for construction phasing with emphasis on accelerating the life safety, fire protection, and other Master Plan recommendations and initiatives that can be accomplished with minimum disruption to building occupants and business operations. The analysis will also include the feasibility of accelerating life safety and fire protection recommendations on the House and Senate Chambers. If this phase of the Master Plan is not funded, the correction of basic fire and life safety deficiencies will be deferred, potentially resulting in harm to human life in the event of a fire or emergency evacuation.

*Replace High Voltage Switchgear in Nine Buildings—\$18,672,000*

This project will provide funds to replace High Voltage Switchgear in nine Capitol complex buildings. High Voltage Switchgear ensures adequate reliable electric power supply through power distribution interfaces with the PEPCO incoming feeders. It works at 13,800 volts and contains high voltage power breakers and system protective metering devices and constitutes the backbone of the electric power distribution system. The replacement switchgear will ensure maximum technical uniformity between switchgear in different buildings and simplify maintenance. The switchgear in all buildings are very old (in most cases 42 to 50 years old) and are either at the end of their life expectancy or are no longer logistically supported by the manufacturer. Currently, a single failure of high voltage equipment will not, in most cases, interrupt normal power supply. However, two consecutive failures (if the first one cannot be promptly fixed) would result in a major power supply breakdown to a building, possibly for days entailing significant costs to repair.

*Design, Study and Condition Assessment for Library of Congress—\$12,602,000*

This line item provides flexibility to meet the needs of the Library of Congress by performing studies, designs and condition assessments to improve project planning and programming. Specific initiatives under this category are:

- Replace Drinking Water System.*—Design revisions to the drinking water system to ensure long-term safety and reliability of water supply.
- Logistics Warehouse Facility, Ft. Meade.*—New warehouse facility at Ft. Meade enabling the LOC to consolidate, increase service and eliminate current leased facilities.
- Offsite Storage Facility.*—Design of new off-site facility to house platinum level collections for the LOC.
- Book Storage Module 5, Ft. Meade.*—Design new Book Storage Module 5 at Ft. Meade to house general collections to alleviate safety and overcrowding issues.
- Master Plan, Ft. Meade.*—Continuation of conceptual level master plan study at Ft. Meade to plan and resolve utility issues.
- Replace Bathroom Exhaust Systems, Jefferson Building.*—Design upgrades to mechanical exhaust system to alleviate building code violations.
- Upgrade Book Conveyor System.*—Design upgrades to the book conveyor system fire wall penetration resulting from a Citation from the Office of Compliance.
- Study, Damper Smoke Control.*—Design a comprehensive smoke management system to ensure safe egress of building occupants and respond to a Citation from the Office of Compliance.
- Upgrade Emergency Lighting.*—Design upgrades to all emergency lighting systems to ensure code compliance and the safety of building occupants.
- Steam-to-Steam Humidification.*—Design upgrades to all building humidification systems to improve operations, indoor air quality and collections preservation.
- Repair/Replace Copper Roof, Adams Building.*—Design repairs to deteriorated copper roof currently leaking and at the end of its expected life cycle.
- ADA Bathroom Renovations, Adams Building.*—Design upgrades to bathrooms in fire stairs resulting from a Citation from the Office of Compliance.
- Repair Clean Convactor Units.*—Study methods to clean existing convactor units to increase indoor air quality.
- Provide Electrical Upgrade, Madison Building.*—Study alternatives to increasing available power throughout the Madison Building.
- Conservation of Murals.*—Ongoing study and conservation of historic artwork in LOC facilities.
- Design, Replace Windows.*—Design and install prototype windows for evaluation in accordance with the Capitol Police Blast-Cad Study.
- Condition Assessment.*—Comprehensive condition assessment of all facilities and equipment to facilitate a capitol improvement plan & preventative maintenance plans.

*Installation of Distributed Control System—\$6,500,000*

This project will replace the existing pneumatic controls in the Capitol Power Plant Boiler Plant with digital controls. Existing obsolete controls utilize mercury, which is an environmental hazard. A “fieldbus” protocol will be used in the new control system, which will allow accurate and remote monitoring of the plant. The controls to a boiler must be fully functional and accurate to ensure safe plant operation and compliance with environmental restrictions. Due to the age, inaccuracy, and unavailability of replacement parts, the system must be replaced. If not funded, the Capitol Power Plant will continue to use unreliable controls. The plant will not operate as safely or as efficiently as it should. Also, this installation will support future potentially more restrictive permit limits for environmental compliance.

*Replace Steam Humidifiers, Hart Building—\$4,715,000*

This project will fund the removal of the existing humidification systems in 25 major air handling units and retrofit them with new “Clean Steam” chemical-free humidification equipment in the Hart Building. To enhance steam quality and reduce maintenance by in-house personnel, a water softening system will be incorporated to work in conjunction with the steam generators. The remaining air handlers will be supplied with cabinet-style humidifiers (located adjacent to air handlers) that will enable “clean steam” humidification. If not funded, a “clean steam” chemical-free humidification system, intended to improve indoor air quality, will not be installed.



*Bartholdi Park Fountain Restoration and Park Renovations—\$4,280,000*

This project will provide funding to restore the Bartholdi fountain which was purchased from the 1876 International Centennial Exhibition in Philadelphia, and was moved to Washington, DC in 1877. The restoration of the fountain to its cast iron metal base in 1986, was expected to last approximately 10 years. The four top coatings have disintegrated and the cast iron is exposed in areas. Although the fountain is functional, both the top and lower basins leak and many of the water sprays function sporadically. This project will renovate and restore the existing fountain and basin. This includes providing and applying a coating treatment to the deteriorating metal finish; upgrading and replacing all plumbing; upgrading the electrical components; installing a new utility vault, basin, light fixtures, and 19th century replicas of the original light fixtures and basin standards. All irrigation to the fountain and Bartholdi Park will be replaced. Most of the park does not have an irrigation system and requires high maintenance and manpower during the summer months. Additionally, the deteriorating sidewalk will be removed and replaced. If not funded, the Bartholdi sculpture will continue to deteriorate and the fountain will become inoperable.

*Capitol Complex Master Plan—\$4,200,000*

This project provides funding to prepare a Capitol Complex Master Plan. The existing master plan is 22 years old and does not address facility requirements brought about by the Congressional Accountability Act, nor does it relate to the present need for a heightened security environment. A comprehensive Facilities Conditions Assessment (FCA) has not yet been performed, and there is insufficient global input to fully address all necessary decision factors. Therefore, a new master plan for the Capitol complex needs to be developed to:

- Assess the present physical condition of the buildings;
- Assess the buildings' capacities and functionalities to accommodate current and future Congressional occupant requirements;
- Identify and document current and future Congressional programmatic needs;
- Address code, environmental, and security requirements;
- Address visitor and traffic circulation (including parking) and;
- Address new technology opportunities.

The resulting master plan will serve as a blue print to aid the AOC and Congress in determining capital expenditure requirements and priorities. Funding for the Facilities Conditions Assessment is being provided in fiscal year 2003 for the Capitol, Senate, and House facilities. In addition, a workshop was convened by the National Academy of Sciences to assist in identifying key issues and factors that need to be addressed by a master plan for the Capitol complex. Based on the results of the workshop, a Request for Proposal will be developed to solicit proposals from firms with demonstrated expertise in campus-type master planning. The scope will include identifying and documenting all of the critical factors that will affect the planning, funding, and implementation of future capital projects on the campus. The scope will also call for recommendations on a means of prioritizing the factors. Without this comprehensive master plan for the Capitol complex, capital projects will not be planned, developed, or prioritized within an appropriate comprehensive framework.

*Install Oil Storage Tanks—\$4,200,000*

This project will provide funding to install a 400,000-gallon underground fuel oil storage tank in the Capitol Power Plant auxiliary coal yard. The fuel oil tank will supply oil to the Capitol Power Plant boilers through a utility tunnel being installed as part of the Interim Coal Handling Project. The current fuel oil storage on the site does not provide sufficient capacity in the event of a gas curtailment. This additional 400,000 gallons of storage along with the existing 200,000 gallons of storage will give a total of seven days storage at full load operation. Environmental restrictions have effectively limited the flexibility of burning coal, thus making the plant more dependent on fuel oil to stay within limits. If not funded, the Capitol Power Plant will be forced to continue to pay higher costs for natural gas. The plant would continue to operate on limited fuel storage capacity.

*Water Tank, Ft. Meade—\$4,103,000*

To meet fire code requirements of the Book Storage Module 2 Project at Fort Meade, a water tank is necessary as a second reliable water source for this and future projects. This project will include a 500,000 gallon on-grade water tank, pumps and an associated distribution network. This is a code-required installation and Book Storage Module 2 cannot be occupied until the water tank and associated pumps and distribution network are provided.

## EMPLOYEE SAFETY

Not only are we working to complete our projects on time and within budget, we also want to complete them safely. I am pleased to report that, according to the most recent figures from the Occupational Safety and Health Administration, we have cut our total injury/illness rate by 53 percent and our lost time injury/illness rate by 36 percent in the last two years. Our lost time rate for fiscal year 2002 was only slightly higher than the Federal agency average—a substantial achievement for a predominantly shop-oriented, blue collar work force. These significant injury reductions are a result of the priority I have placed on safety, the attention and commitment of the AOC management team, the hard work and dedication of AOC employees, and the ongoing support of this Committee.

With the generous support of Congress, since 2000 we have increased our safety professional staff, modified work practices and procedures, and provided protective equipment and safety training to our employees. We also have greatly improved our ability to anticipate and prevent injuries and illnesses from occurring. While this is a substantial achievement, I believe our total injury rate remains high. I am committed to continue reducing this rate and achieving my ultimate goal of eliminating all injuries and work-related illnesses.

Another achievement of note: There were no citations issued by the Office of Compliance (OOC) to the AOC in 2002. In fact, in its 2002 Biannual Report, the OOC noted the “improved workplace safety” it witnessed during its inspections.

## SENATE OFFICE BUILDINGS IMPROVEMENTS

Over the past two years, we have made significant improvements to the three Senate Office Buildings. We have been systematically modernizing the passenger and freight elevators to improve their performance and reliability. As part of the overall security plan, we expeditiously installed blast resistant film on all the office windows. The Dirksen Building has undergone a major renovation to modernize the building systems in the areas of fire protection, life safety, electrical power, telecommunications, heating, ventilation, and air conditioning. Major improvements include new telecommunications systems infrastructure to support the upgrade of equipment and technologies; expansion of the existing sprinkler system to provide 100-percent building sprinkler protection for increased life safety and property protection; and energy-efficient lighting. Many of the restrooms in the Dirksen and Hart buildings are now fully ADA compliant, and the modular furniture replacement program was recently rolled out in the Hart Building.

The AOC has made significant improvements to the Senate Office recycling program by implementing a combined paper program recommended as a best practice by an industry consultant. The combined paper program allows mixing of different types of paper which simplifies separation and collection, thereby increasing participation and reducing contamination. As a result, contaminated waste has been reduced from a high of 75 percent in fiscal year 2000 to nine percent in the first half of fiscal year 2003. There has been a 21 percent increase in the amount of combined paper products collected; a 200 percent increase in the number of bottles and cans recycled; a 1,300 percent increase in newspapers recycled; and a 66 percent increase in the amount of scrap metal recycled.

In June 2002, we asked our Legislative customers to provide us with feedback regarding their satisfaction with the level of building services we provide. This will be an on-going process with the second survey scheduled for June 2003. In response to the feedback we received, we have modified and improved our cleaning procedures. Specific inspection procedures have been implemented to identify consistency and quality of cleaning operations, specific cleaning goals are set, and we are recognizing outstanding employee performance. As a result of the process changes, from July 2002 to January 2003, the Senate Office Buildings night cleaning division reached a performance score of 96.8 percent. (The performance score is the percentage of satisfactorily cleaned items over total inspected items based on stated objective criteria.)

## CAPITOL AND CAPITOL GROUNDS IMPROVEMENTS

In the Capitol Building, we have orchestrated hundreds of projects from painting rooms, to the first phase of the Dome rehabilitation, and the preparation of construction documents for the major work yet remaining. One of the larger projects we have undertaken is the modernization of all elevators. Work has been completed on nine elevators, three are currently under construction, and the remaining one is scheduled for modernization in fiscal year 2004. In addition, we will complete the

stairwell extension from the third floor to the fourth floor on the Senate side on time and within budget.

We have achieved full compliance with ADA requirements at all the main building entrances and in the public restrooms. Smoke detectors, strobe signaling devices, emergency lighting, and other fire safety devices are continually being installed throughout the building. We are busily cleaning, restoring, and preserving the artwork, statues, and architectural features inside the Capitol Building. Outside the building, we have been tending to the grounds to assure that pathways were cleared of ice and snow during the many snow storms we endured this winter and planting bulbs so that we would be graced with a beautiful array of flowers now that spring has finally arrived.

This is only a short list of our many accomplishments. I expect an even more significant list of successes through the implementation of our Strategic Plan which will help unify the Agency's priorities and provide the business management tools needed to accomplish our organizational goals.

#### STRATEGIC PLANNING

When I testified before this Committee last year, I discussed the AOC's continuing improvements in planning and managing its projects and resources more effectively. Over the past year, the AOC has undergone a management review by the General Accounting Office (GAO). In January 2003, GAO issued its final report that validates the initiatives that we had underway, such as structuring and implementing a Strategic Plan and a Performance Management Plan, and makes additional recommendations that we are incorporating into our operations. These plans will assure that the Agency better achieves its mission; improves its performance; reaches its goals; and employs best practices to achieve results. We are in the process of obtaining stakeholder feedback on drafts of both plans and we will finalize them shortly. In unifying the Agency's priorities, the Strategic Plan will concentrate the AOC's efforts on planning and excellence in the most critical areas of our work: state-of-the-art facilities management and project management; business processes; and human capital planning and allocation.

The foundation of our Strategic Plan is a commitment to our stakeholders to provide exceptional client service and to preserve and protect the national treasures entrusted to our care. It is our pledge to respond quickly to requests; to find the most efficient way to solve problems; to provide the services necessary for Members of Congress and their staffs to perform their jobs; and to appropriately accommodate the many visitors to the Capitol complex each year.

#### HUMAN CAPITAL

We employ a diverse workforce consisting of individuals with a variety of skills and institutional knowledge. Because we are a service-based organization, these individuals comprise AOC's most valuable assets and are most critical to its success. AOC's focus on the strategic management of human capital covers all aspects of our staff assets, from recruitment to skill development to job motivation and satisfaction. We believe this strategic focus on human capital will ensure AOC's ability to deliver on our promises now and in the future.

As part of our strategic planning initiatives, we have published a number of new or revised human capital policies and will continue to review and identify others that may need to be updated or developed. We are also focusing on further improvement in areas of recruitment and employee development, and on significantly increasing the quantity and quality of data collection to enable us to develop better projections of our workforce needs—in terms of succession planning, recruitment, and development—based on our strategic goals.

Fiscal year 2003 marked the beginning of the third annual cycle of our individual performance management program for employees. The Performance Communication Evaluation System (PCES) has enabled AOC to complete non-executive employee performance plans and evaluations regularly and systematically.

We developed and implemented a Performance Review Process that provides for performance plans and evaluations for our executives. We now plan to align our executive performance plans with our Strategic Plan to enable a top-down approach to cascading strategic goals throughout AOC.

Establishing formal processes to gather and respond to employee feedback is extremely important. As we implement new programs and processes as part of our transition to a performance-based organization, there will likely be many changes. An established feedback process will ensure that AOC leaders and employees both understand and respond to each other's concerns. This form of communication will assist the AOC in achieving its mission in the fairest and most efficient way. We

have formed a team to develop a comprehensive employee feedback program that will utilize focus groups, surveys, and other feedback mechanisms.

In addition to these communications efforts, we continue to provide outreach and support to employees through the ombudsperson, and our EEO/CP and Human Resources Offices.

#### INFORMATION TECHNOLOGY

We are committed to adopting an agency-wide approach to managing Information Technology (IT) to provide the consistent direction needed to enhance mission performance across the agency. As such, we are implementing a portfolio-based approach to IT investment decision making; developing an Enterprise Architecture (EA) that will help drive the agency-wide approach to IT management while aligning business processes with IT; revising our structured system life cycle to include processes for IT system acquisition and development with quality standards built in during each phase of the process; monitoring the performance of AOC's information technology programs and activities; and building a comprehensive information security program.

#### FINANCIAL MANAGEMENT

One key IT investment has been the implementation of the Financial Management System (FMS). The GAO noted in its management review report that the financial team has made great strides in improving the flow of financial data. The fiscal year 2004 budget continues to support this effort with funds to build policies and procedures and move us toward auditable financial statements. Our budget reflects the structure implemented under FMS with program groups and provides the recommended budget schedules and analysis of change formats from the Legislative Branch Financial Managers Council that details the individual appropriation budget requests.

#### FACILITY MANAGEMENT

The ability to measure performance related to strategic goals will be improved by the continuing implementation of the Computer-Assisted Facilities Management (CAFM) system. In 2004, the application will be upgraded to a web-enabled environment, preventative maintenance will be rolled out for electrical and plumbing systems, handheld scanners will help employees in the field maintain more up-to-date work order information, and we are planning to interface the facility management system to the financial management system to help insure accurate material, labor, and asset costs associated with maintenance work.

#### CAPITOL VISITOR CENTER

The most significant and most challenging project that began construction since I last appeared before this Committee is the Capitol Visitor Center (CVC). This is a much-needed project of momentous and historic importance. As the ninth increment of growth of the "People's House," it will offer free and open access to all people in a safe and secure atmosphere so that they may witness the workings of democracy and the legislative process.

This is a brief status report on the very significant progress we have made. The work is proceeding in several overlapping phases. In the winter of 2001–02, project bids were sought and the first major construction contract was awarded in spring 2002. This contract, called "Sequence 1—Foundation/Structure" and worth \$99 million, was awarded to a Northern Virginia contractor. The contract involves site demolition, slurry wall construction, excavation, installation of site utilities, construction of the concrete and steel structure, waterproofing, and construction of a new truck service tunnel.

The contractor has nearly completed the installation of the perimeter foundation walls and has begun major excavation activities that will continue through the summer of 2003. The outer perimeter wall is essentially complete and full excavation of the site is beginning as some 300–400 truckloads of soil are being removed daily in a manner least invasive to our Capitol Hill neighbors. Excavation will continue into the summer and the contractor will begin erecting steel columns and begin pouring portions of the roof slab later this summer.

With Sequence 1 moving at full throttle, we have just recently awarded the contract for Sequence 2, which includes installation of electrical, mechanical, and plumbing services, and all stone and architectural build-out and finishes of the CVC. A Source Selection Evaluation Board, headed by the General Services Admin-

istration (GSA), evaluated the bid proposals for this contract and I made the award with the approval of an obligation plan for Sequence II.

While the contract award is approximately 10 percent above the government estimate, a range that is considered to be within an acceptable and reasonable range per GSA and Department of Defense governmental standards, I am currently reviewing the entire project scope and the total cost-to-complete with the assistance of an outside independent contractor and oversight by the General Accounting Office.

#### *CVC Budget*

With regard to the overall budget, the original CVC project budget of \$265 million was established in 1999. At that time, the budget provided for the core CVC facilities, including the Great Hall, orientation theaters, exhibition gallery, cafeteria, gift shops, mechanical rooms, unfinished shell space for the future needs of the House and Senate, and the truck service tunnel. After September 11, 2001, new security requirements, pedestrian tunnels, et cetera, prompted the appropriation of \$38.5 million in additional funds, which were provided in the Emergency Supplemental Appropriation. In November 2001, the CVC team was then tasked to design and build-out the House and Senate shell space, requiring an additional \$70 million, which was provided in the Legislative Branch Appropriations bill. These additional requirements to the original scope bring the total amount of the project to date to \$373.5 million. I would like to emphasize this point—despite how these figures may have been reported in the papers—additional new requirements to the original scope have resulted in the appropriation of additional funds.

#### *Project Complexities*

As I mentioned, this project is arguably our most challenging. For example, many utility lines crisscrossing beneath the East Front Plaza had to be rerouted out of the project footprint before excavation could begin. During the past 100-plus years, water, sewer, electrical, and communication lines have been installed, and many of these lines were poorly or inaccurately documented on the existing building drawings—some of them dating back to the early 1900s. As a result, we encountered many unforeseen site conditions related to this effort, including an incorrect elevation for the top of the Amtrak tunnel as it crosses beneath First Street, N.E. This necessitated a costly rerouting of a 30-inch water main that needed to cross above it. As it became increasingly apparent that existing drawings were unreliable, much of the utility work was completed at night or on weekends. To some extent, we also worked around the legislative calendar in an effort to minimize disruption to the business being conducted in the Capitol.

There were many other tasks that we needed to accomplish before we put the first shovel in the ground. We are committed to preserving and protecting the trees on the East Capitol Grounds, and therefore hired a full-time tree preservation contractor; erected fencing and installed canopy misting systems to keep the trees free from dust; installed a new irrigation system; and relocated many significant, affected trees to safe locations. We removed and stored all of the original Frederick Law Olmsted features, including the fountains, lanterns and retaining walls. All of these historic features will be restored and reinstalled in their original locations on the Plaza. New visitor screening facilities were constructed on both the north and south sides of the Capitol and ramps were installed along the West Front to provide a respectful and ADA accessible visitor path into the building.

To assure as little disruption as possible to the day-to-day activities in and around the Capitol, we continued to work closely with the Leadership, the Sergeants-at-Arms, the Capitol Police, and other key offices to address the following:

- Alternate parking and pedestrian zones for the Senate and House.*—The CVC team successfully offset every parking space that has been impacted by construction activities.
- Noise reduction.*—Noise reduction window units were installed over every window on the East Front. These windows have cut the construction noise down significantly to the extent that Senate-side occupants have not voiced a single noise complaint since construction began.
- Relocated staff.*—A number of offices located in the East Front Extension have been temporarily closed or relocated due to the construction, with staff moves coordinated to assure smooth transitions into alternate space.
- Media Sites.*—New media sites off the Plaza were established to allow press operations to continue.
- Security.*—All of our pre-construction activities were accomplished in an atmosphere of extremely tight security following the terrorist events of September 11, 2001. Increased screening requirements and more secure site logistics proce-

dures presented additional challenges. However, the Capitol Police have been very accommodating in assisting us in maintaining a secure site without impacting the work schedule.

#### *Schedule*

Despite these many challenges—including the fact this was one of the wettest winters on record—with the timely award of Sequence 2, we are on schedule to complete the project in 2005 and to support the Inaugural in January 2005. We are in meetings now with the Rules Committee to determine what level of support is required. We will partner with the Sequence 2 contractor to examine what is needed for the Inaugural and determine the associated costs, if any.

Regarding the schedule for substantial completion of the CVC in the fourth quarter of 2005, the Sequence 2 contract documents clearly stipulate that the facility will be—and I quote—“substantially complete and capable of being occupied and used by the Government for the intended purpose.”

#### MASTER PLAN

In recent years the number and magnitude of our projects has greatly increased. Therefore, we are improving our ability to coordinate and efficiently complete our many projects by taking steps to implement a series of project management plans. These initiatives will help the AOC to baseline and compare building conditions; plan and evaluate funding requirements; set goals; and track progress. To formulate the shorter term plan for project prioritization and implementation, a five-year Capital Improvements Plan is under development. This effort began with the development of a process for project prioritization and will ultimately incorporate the findings of the facility condition assessments which will begin later this year.

To provide consistent management and oversight of these efforts, a new Director of Planning and Programming has recently been hired. He has direct responsibility for both the Capitol Complex Master Plan and the Capital Improvements Plan as well as coordination of all planning and programming efforts.

Additionally, a new Project Management Director has been hired to support and manage a myriad of on-going projects. For example, following an expansive “best practices” analysis of AOC project delivery processes, we have published several manuals to improve the consistency of design and project delivery processes including: the *AOC Design Standards Handbook* to assure consistency in our project designs; an *A/E Design Manual* to assist our architects and engineers with project design and delivery processes; and an *AOC Project Manager's Manual* to help institutionalize the project management process. We are also conducting “lessons learned” studies on several of our projects and are incorporating the results into these manuals to assure they remain current and practicable.

#### U.S. CAPITOL POLICE MASTER PLAN

In 1999, the AOC and the United States Capitol Police (USCP) published the United States Capitol Police Master Plan. Since that time, other events have necessitated a comprehensive update of that plan as well as a clear implementation strategy that reflected the new demands on the Capitol Police.

This implementation strategy focuses on two issues: changes to the USCP operational scenario and the need for a new Police Headquarters facility that responds to those changes. A specific site for this new structure has been identified and approved by the Capitol Police Board.

Other ongoing Police projects include the construction of new chemical explosives handling and K-9 structures at D.C. Village; a new vehicle maintenance facility at 67 K Street, S.W.; reconfiguration of existing areas within the Capitol, Senate and House Office buildings and existing Police Headquarters; and the site selection for an Off-Site Delivery Screening Center to replace the current P Street Warehouse.

We have contracted with the Naval Facilities Engineering Command to assist us in project management and delivery for these projects to assure that this additional workload is addressed in a responsive and timely manner.

#### SENATE RESTAURANTS

The Senate Restaurants have made strides in reducing economic dependency over the last five years through cost reductions and the marketing of its services. The effects of September 11, 2001, on the number of visitors to the Capitol complex have delayed our ability to reach the objective of a self-sufficient operation. The Senate Restaurants are committed to continuing its efforts to improve the quality of service, reduce costs, and market services.

In the past year, the cash register stations in the Dirksen cafeteria have been redesigned to allow greater customer flow. We began offering new services designed to provide Senate offices with new menu options when planning small, in-office functions that are less expensive than fully catered events. We have also introduced a "heart healthy" menu in the Senate Dining Room. Senate staffers can log on to our expanded web site and check out the daily specials in each restaurant and look for special events. The site is registering more than 5,000 hits per month. We've also made available to the public our famous Senate Bean Soup mug. They have sold well and have appeared in stories in the Wall Street Journal and on NBC's "Today" show.

In addition, we have installed the Food Trak inventory and cost control software package to enhance our operating systems. This program, together with the upgraded point-of-sale system, gives us the capability of interfacing our various systems to match items sold with up-to-date cost data and provides nutritional content information from the U.S. Department of Agriculture's data base.

Finally, I am especially pleased to inform you that for the fifth straight year, independent auditors have found no reportable conditions or material weaknesses in financial controls.

#### CONCLUSION

Mr. Chairman, the AOC has undertaken significant new projects and responsibilities, while at the same time improving the safety and efficiency of our employees. Our request for funds are in direct response to customer requests and the level of cleanliness, preservation, safety and security expected on the Capitol Complex. We have met challenges, developed a Strategic Plan, and hired skilled managers and employees to help us achieve our immediate and future goals. We have completed thousands of work orders, become more responsive to our clients, and are adjusting to the heightened security demands of a post-September 11th world.

I am dedicated to providing a safe, secure, and productive environment for all who work in the Capitol complex and for all those who visit each year. We would not have made the progress we have without the dedication of all of our AOC employees. I am very privileged to lead a hard-working and professional team committed to exceeding the expectations of Congress and the American people.

The Committee's support in helping us achieve these goals is greatly appreciated. Once again, thank you for this opportunity to testify today. I'm happy to answer any questions you may have.

Senator CAMPBELL. Thanks. I will also submit some questions in writing for you too. But we will go as far as we can before the bell rings.

#### GAO MANAGEMENT REVIEW

Senator CAMPBELL. The GAO issued a general management review of your operation in January and they made a number of recommendations to improve management. I believe one of them had to do with hiring a chief operating officer. Are you making progress on that?

Mr. HANTMAN. We absolutely are, Mr. Chairman. I have gone through many dozens of resumes. In fact, we are starting the interview process next week. We have some good candidates from a variety of backgrounds in Government and in the private sector as well.

Senator CAMPBELL. They also found some problems with facilities management, day-to-day activities such as cleaning, moving offices, maintenance and preservation of buildings, things of that nature. What do you consider the biggest challenges in facilities management, and have you started a plan for improving those areas that they noted?

Mr. HANTMAN. We basically accepted all of GAO's recommendations, Mr. Chairman, and our plan is to complete the vast majority of them by the end of this year. Some of them are going to go into

the following year's annual performance plan, and the most major of them, of course, is the completion of a strategic plan. We are currently reviewing our draft with stakeholders on both the Senate and the House side, and we clearly plan to incorporate the changes and the input from those stakeholders into the strategic plan before we finalize it.

Also, as we select the COO, we plan to review this strategic plan with the COO and look at what potential organizational changes need to flow from that, so that person can buy into it and play a key role in the agency as we go forward.

#### CAPITOL VISITOR CENTER

Senator CAMPBELL. Looking through my notes, it says that you have over 200 projects underway at this time, the biggest one, obviously, being the visitor center. One of them proposes \$26 million for the initial design of overhauling the Capitol Building to address life-safety and other deficiencies. Some of these large items like this—do we need to move them at the same time as the visitor center?

Mr. HANTMAN. If we never did a visitor center, Mr. Chairman, we would still need to make these changes. It is really a question of the fact that over 200 years our Capitol has grown in eight different increments of growth, and we actually need additional stairways, additional means of egress, things to make the building safe on a primary level, including sprinkler systems in that building. So whether or not, again, we did the CVC, this work would have to be done.

Our problem, of course—and we have talked to stakeholders on both the Senate and the House side—is how much discomfort, how much dislocation can the Members take while we are still completing the visitor center and doing the perimeter security and other things on the Capitol grounds. So what we have done is we have redirected the plan to take a look at the low-hanging fruit, if you will, that really would not require major dislocations to how the Capitol Building works so that the business of the Capitol can be done on a day-to-day basis. So that is what we are looking at.

Senator CAMPBELL. Was the last kind of major overhaul of the rotunda a few years ago?

Mr. HANTMAN. There certainly was scaffolding going from the floor of the rotunda up to the *Apotheosis of Washington* at the top and that was cleaned, conserved and repainted.

In fact, we had a project, Mr. Chairman, several years ago where we did the first phase of restoration of the Capitol dome. The second phase actually would require doing major patches of existing cracks and things of that nature, repainting the exterior of the Capitol dome once we stripped it down to its base metal, all those kind of things. That major piece of work we put on hold also just because of the level of dislocation we have currently with the CVC.

What we are really concerned with in the Capitol Building itself is safety, and we plan to look at some projects with the funding we are requesting in 2004 to be able to make it safer, again without dislocating the Senate and the House and allowing them to continue their business.



## CAPITOL POLICE HEADQUARTERS

Senator CAMPBELL. You have also been working with the Capitol Police to develop a master facilities plan, including a new headquarters building. The Capitol Police testified last week about it. We have already appropriated roughly \$60 million for that project. What is the status? Have you found a place yet that you expect to build on?

Mr. HANTMAN. The Capitol Police Board has accepted a recommendation from the Capitol Police for square 695 at the corner of New Jersey Avenue and I Street, Southeast. We believe it meets the best requirements for the new headquarters facility.

There was a potential conflict, Mr. Chairman, with the use of square 695, though. There was a Department of Energy study that recommended that same site for construction of a new replacement power plant. Now, in separate—

Senator CAMPBELL. What is there now? Is it just bare ground?

Mr. HANTMAN. Basically it is low-use industrial works, some vacant land, truck storage area, things like that. It is a privately owned lot at this point in time, a couple of lots adjacent to our coal storage yard for the Capitol power plant. We agree that this is the right location for the Capitol Police headquarters.

The recommendations coming out of this DOE study had talked about putting a replacement power plant potentially and a cogeneration plant on that site. We believe that the hundreds of millions of dollars that would be required by this project is really not necessary, that we continue to use our tri-fuel approach to running our power plant for using coal as a primary fuel, also oil and gas so that we can meet the EPA criteria for the site. But we think we can retrofit our existing buildings, use the existing site we have our Capitol power plant on, and release the site for the use of the Capitol Police headquarters.

Senator CAMPBELL. Well, when you are working with them, safety and security have got to be paramount in your plans and theirs too, and also some of the things that they are talking about but have not implemented but probably will be at a later time. They are expanding, as you know, very quickly. When taking their testimony the other day, it looks to me like anything we put in place now is going to be too small 5 years from now at the rate they are growing. So we will consider that too.

Mr. HANTMAN. One of the things we do have to do, Mr. Chairman, is take a look at the program size of that building itself. The House has indicated that they prefer that the Capitol Police move out of the Capitol area and the House office buildings, and if we need to take those components of the police into the headquarters, the police are currently looking at that criteria right now so we can take a look at the magnitude of the size, just in response to what you are saying.

## ADDITIONAL COMMITTEE QUESTIONS

Senator CAMPBELL. Thank you.

The rest of the questions I will submit. If you could answer them in writing at your earliest convenience, I would appreciate that.

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

#### QUESTIONS SUBMITTED BY SENATOR BEN NIGHTHORSE CAMPBELL

##### STATUS OF GAO RECOMMENDATIONS

*Question.* Mr. Hantman, GAO issued a general management review of your operation in January and made a number of recommendations to improve management. Can you provide an update on the implementation of GAO's recommendations and the progress you have made in the last year? How will you ensure that there is accountability for implementing the strategic plan you are developing?

*Answer.* Our work with the GAO on the Management Review resulted in a number of recommendations which we have integrated into our Strategic Plan and Annual Performance Plan. We accepted all of GAO's recommendations. Our plan is to complete the vast majority of the recommendations by the end of this year; some carry over into the following year's Annual performance plan. The GAO recommendations include:

- Completion of an AOC Strategic Plan;
- Continuing to strengthen Human Capital policies and procedures;
- Continuing to improve Financial Management processes and systems;
- Developing and implementing a strategic approach to IT management;
- Continuing initiatives to achieve a safer workplace;
- Institutionalization of best practices in Project Management;
- Continue to improve the Recycling Program.

We are in the final phase of implementing a performance management approach that includes strategic planning, annual planning and reporting, and assessment of our performance based on meeting specific milestones and measures. The Strategic Plan serves as the cornerstone of this process.

We are currently soliciting stakeholder feedback on drafts of our first Strategic Plan and Annual Performance Plan. Our goal is to finalize the Strategic Plan and Performance Management Plan shortly.

The Strategic Plan and Annual Performance Plan will concentrate the Agency's focus to continue to improve productivity and service excellence. To ensure accountability and results we are: establishing specific goals and milestones for each of the strategic objectives; linking our senior managers' performance standards to the milestones of the performance plan; identifying and developing specific business process improvements based on client feedback (i.e. office cleanliness, timeliness of response to requests, and quality of work); identifying and developing new workplace programs/policies based on employee feedback; integrating best practices into our operational strategies (i.e. facilities management, project management; and IT systems development and implementation).

A significant challenge, once we reach agreement with our stakeholders on our Strategic and Annual Performance Plans, will be to address the unexpected construction, renovation, or other mission impacting requests from our customers. In order to be responsive to the high priority needs of our customers and to be able to initiate and complete projects on time, we will need to use the strategic and performance plan as a basis to shift already agreed to projects to meet new or unexpected demands.

##### FACILITIES MANAGEMENT

*Question.* GAO found problems with facilities management. What are your biggest challenges in facilities management and what is your plan for improvement?

*Answer.* The Architect of the Capitol (AOC) is entrusted with preserving, maintaining, and enhancing the national treasures that make up the Capitol complex. The Capitol complex is comprised of more than two dozen buildings, nearly 14 million square feet of space, and more than 270 acres of grounds. AOC is responsible for the maintenance, renovation, and new construction in and around the Capitol Building, the House and Senate office buildings, the Library of Congress, and the Supreme Court. The historic nature and high-profile use of these buildings creates a complex environment in which to carry out AOC's work. AOC must also perform its duties in an environment that requires balancing the needs of multiple stakeholders, including congressional leadership, committees, individual members of Congress, congressional staff, other clients, and the visiting public.

Facilities Management is one of four focus areas that embody our Mission and Vision. Aligned with the facilities management area is a strategic goal that emphasizes core services and critical processes to deliver effective and efficient support and services.

There are several focus areas in facilities management that were identified as areas of concern. Three major objectives were identified to facilitate improvements in facilities management: (1) Develop a comprehensive understanding of the condition of facilities under AOC's jurisdiction; (2) Address maintenance and care needs proactively; and (3) Preserve significant and historic heritage assets.

In our effort to develop a comprehensive understanding of the condition of these facilities we are developing a scope of work and requirements document to procure consultant services to conduct a full conditions analysis and document current conditions of the facilities in the Capitol Complex. The assessment will be conducted in two phases. The first phase will include the Capitol Building, House Office Buildings, and Senate Office Buildings. The second phase will incorporate the remaining buildings in the AOC's jurisdiction.

To address maintenance and care needs proactively, we have resolved several of the issues raised through procedural controls. Instituting these controls established a more consistent process for generating work schedules and providing feedback to the client as to when work will be accomplished. We also follow up with the client upon completion of work to ensure their requirements have been met and we ask them to complete a customer survey form to evaluate the work performed.

To address general maintenance concerns, we are instituting a preventive maintenance tracking and scheduling program. The Architect of the Capitol's Office of Facilities Management is working with the Office of the Superintendent to begin loading assets into the preventive maintenance system program. The first phase for loading assets is scheduled for completion in fiscal year 2003. Full implementation of this system will be directly dependent upon funding availability. The program implementation will provide a systematic and consistent approach for performing routine recurring maintenance. The system will enable maintenance work to be effectively and efficiently planned and performed. In addition, the system will provide information for performance measures that can be used as a management tool to evaluate and effectively manage work performance.

In addition, the following are the areas and the actions taken to address other concerns:

*Cleanliness.*—Quality inspections are being performed regularly and the results of the inspections are forwarded to the Quality Manager for analysis and recommended actions. Also, monthly management meetings have been established to review inspection results and to discuss actions instituted to correct any noted patterns of concern.

*Wayfinding Signs.*—A project is scheduled for award in fiscal year 2003 to address the wayfinding signage concerns. The project will include the installation of interior and exterior signage for building directions, building exits, elevator locations, ADA access, etc. Completion of this effort is scheduled for fiscal year 2005.

*Elevators.*—A project to modernize all the elevators in the Capitol is underway. The effort commenced in fiscal year 2002, and to date, 19 of 27 elevators have been modernized and 3 are currently under construction. The remaining 5 will be completely modernized by fiscal year 2004.

*Heating, Cooling, Air Quality.*—Air quality studies have been performed and continue to be performed on a case-by-case basis whenever there is a concern raised regarding air quality. Air monitoring/sampling is performed and actions are recommended and implemented to address any negative air quality results.

*Preserve significant and historic heritage assets.*—This effort is underway and will include defining the standards, verifying assets, establishing and facilitating a Congressional Working Group to define responsibilities for subcollections in question, and developing a memorandum of understanding. This effort was begun in January 2003 and is scheduled for completion in the third quarter of fiscal year 2004.

*Senate Office Buildings.*—For the Senate Office Buildings there are many challenges in the daily management of these facilities. Cleaning and policing of public areas is challenging due to the heavy intermittent loading of our buildings. As waves of visitors move through the Senate Office Buildings, at various times of the day the need for immediate cleaning and policing becomes necessary, often after area cleaning cycles have been completed and at the expense of normal operations. Other challenges that face our cleaning operations include intensive contractor oversight and contractual administrative requirements to facilitate and manage contractor performance. Additionally, this type of work has a high personnel turnover rate resulting in reduced productivity and/or quality. To help resolve these conditions, additional staffing has been added to the day policing contract to increase the level and frequency of cleaning of public areas such as restroom facilities, entry ways and stairwells. The Senate Superintendent's Office has also increased its inspection efforts of public spaces in and around the Senate Office Buildings and im-

plemented processes to facilitate quick remedies to identified deficiencies as part of a comprehensive Quality & Assurance Program.

#### MAJOR PROJECTS—MASTER PLAN CAPITOL BUILDING

*Question.* The Architect's office has over 200 major projects under way at this time—the most visible one being the Capitol Visitor Center. Your budget proposes \$26 million for the initial design for overhauling the Capitol building to address various deficiencies. Why do we need to proceed with this very large undertaking at this time? Can you give me an idea of the magnitude of this proposed project, what would be involved, and a rough estimate of the cost to implement the master plan for the Capitol after you complete the design?

*Answer.* The U.S. Capitol Building Master Plan Study proposes to coordinate five projects into one that would consist of (1) Capitol Infrastructure Master Plan, (2) Sprinkler System installation throughout the building, (3) House Chamber Study, (4) Senate Chamber Study, and (5) Security Work. As a once-in-a-lifetime project, coordination of these five projects ensures that the disruption of these spaces occurs only once.

Public Law 104-1 passed on January 23, 1995, established the "Congressional Accountability Act (CAA) of 1995." Since Congress enacted this Act, the Office of Compliance (OOC) has conducted periodic inspections of the facilities under the AOC's jurisdiction. Those inspections identified a series of fire and life safety code deficiencies requiring corrective action. Most of these deficiencies have been corrected, but there are some that would require in-depth analysis and study to determine how best to integrate the solutions with the Capitol's unique architectural configuration and historical features. Since it is the AOC's responsibility to take necessary corrective actions to abate violations identified by the OOC and/or those identified through self-inspection and analysis, it became necessary to undertake a study to review the existing building conditions against the applicable building, life safety, and fire codes.

The main purpose of this study (Capitol Building Master Plan) is to review code deficiencies and develop a series of recommendations on the corrective actions necessary to comply with the codes in a prescriptive manner or through alternate means called "equivalencies," while upgrading the Capitol Building's support systems and infrastructure.

The Capitol Building Master Plan Study is significantly complete pending identification of final security requirements and funding. The Master Plan addresses the provision of: adequate means of egress to safely evacuate building occupants during emergency situations; a building-wide sprinkler system; smoke control at vertical openings such as the Grand Stairs; security controls at all outside fresh air intakes entering the building's ventilation systems; ducted air return; and infrastructure improvements such as: electrical power and lighting upgrades, emergency power needs, elevator upgrades, smoke detectors, evacuation alarms, telecommunications & cable TV upgrades, plumbing renovations, and modernization to the heating, ventilation, and air conditioning systems to meet energy standards and security related requirements.

The Capitol Building Master Plan Study, as proposed conceptually will take at least seven years to implement based on a phased approach and will require emptying sections of the building for periods of time to allow for full implementation of the recommended upgrades. This approach will require that swing space outside the Capitol Building be provided to house persons and functions displaced during a given phase of the project. The Master Plan Study's conceptual schedule recommends six construction phases.

To achieve the proposed construction phasing suggested by the Capitol Building Master Plan Study, design development and the preparation of construction documents need to commence in fiscal year 2004 and continue through fiscal year 2006 in the order reflected by the construction phases. Prior to beginning the design development and preparation of construction documents, extensive graphic documentation of the existing systems of the building's infrastructure and development of schematic designs are necessary to form the basis of the construction documents. Currently, the fiscal year 2003 budget includes funding necessary to begin the graphic documentation of existing building systems. The fiscal year 2004 budget submission included a request for \$26.5 million to initiate design development and construction documents preparation for a phased approach.

Prior to and during a March 21, 2003, briefing to House and Senate leadership staff, we sought feedback on the Capitol Building Master Plan Study recommendations and the proposed construction phases. The main concern of leadership staff is the physical impact of this project in addition to disruptions as a result of CVC con-

struction. They noted the need to accomplish those recommendations while having a minimum impact on the building's occupants and operations. With these concerns in mind, the AOC was asked to explore options for the incremental implementation of Capitol Building Master Plan Study recommendations.

Based on the recommendations from leadership staff, and upon approval to utilize available fiscal year 2003 funding we will initiate a Constructability and Phasing Analysis that emphasizes those life-safety, fire protection, and security recommendations and initiatives that could be accomplished with minimum disruptions to the building occupants and business operations. Emphasis also will be placed on accelerating similar work for the House and Senate Chambers.

#### MAJOR PROJECTS—POSSIBLE DEFERRALS

*Question.* Are there any areas in your budget request that could be deferred in order to allow you to complete the CVC and other major projects currently underway?

*Answer.* There are several projects which could be deferred or phased in to reduce the workload during fiscal year 2004 and subsequent years. The projects listed below, by appropriation, could be eligible for deferral or phased approaches, if agreed to in consultation with our clients:

##### *General Administration*

###### *Conduct Energy Survey of Capitol Complex, \$1,600,000*

The Legislative Branch Appropriations Act, Public Law 105-275, Section 310 requires the Architect to perform an energy survey of the Capitol complex. A total of \$1.6 million is requested to perform the energy survey.

The survey could be phased by jurisdiction, if so directed. The Architect could develop a phasing plan to accomplish the energy survey over a two or three year period based on the Committee's direction.

###### *Replace High Voltage Switchgear in Nine Buildings, \$18,672,000*

Replacement of the high voltage switchgear is a critical project due to its advanced age. Failure of any of the switchgear units would result in power failure in the building. Additionally, the poor condition of the equipment creates a hazard to the employees who must perform routine maintenance. However, the funding stream could be phased over three years. The project ideally would be bid as a base option for the first year, with two succeeding option years. This would allow for a single procurement for construction to occur. A single contract will streamline the procurement process, project management, construction management, and contract administration functions. It will also increase the likelihood that equipment manufacturers remain consistent throughout the AOC, saving future training costs and replacement parts.

Due to the age of the switchgear, and in some cases, its dilapidated condition, the period of phasing should not exceed three years. A potential funding stream is fiscal year 2004—\$7.5 million, fiscal year 2005—\$6.8 million, and fiscal year 2006—\$4.3 million. The work would be based on a prioritization of age and condition of the buildings.

###### *Alternate Computer Facility, \$61,000,000*

The request to purchase was presented because the initial lease purchase analysis indicates that purchasing the facility sooner rather than continuing to lease it will save the government money. Also because of the critical and sensitive nature of the facility and the operations it houses, the security of the building, and the grounds surrounding it would be further enhanced if it is for legislative branch or government use only. As such, the \$61 million could be executed in fiscal year 2004. However, deferring the purchase will allow time to resolve due diligence issues which will take about six months. We also need to work the landlord/tenant authority legislation and better understand the costs of being the landlord.

###### *Senate Office Buildings—Replace Steam Humidifiers, HSOB, \$4,717,000*

While all projects this office requests are important and necessary, our project request Replace Steam Humidifiers, in the Hart SOB, could be deferred with moderate impact. We plan to install local steam generators to provide necessary capacity for building humidification following industry best practices. Currently, the Hart Building is humidified via plant steam which is not an industry best practice. This current system is capable of humidifying to acceptable guidelines, however it does not have the capacity to humidify to desired levels which can cause indoor air quality complaints during colder days of the winter.

*Capitol Building—Capitol Building's Master Plan, \$26,500,000*

A phased approach to this project could be taken based on feedback from key leadership staff. Based on this approach, the original fiscal year 2004 request of \$26.5 million would be reduced to \$10.7 million. This will provide for the design of short-term incremental work; perform a space utilization study for the House and Senate sides of the Capitol; construct the means of egress by the West Brumidi corridor; develop to 100 percent completion construction documents for the House and Senate Chamber restorations; perform additional plaster assessments; and construct a back-up fire pump.

## MAJOR PROJECTS—PERFORMANCE BY NON AOC ENTITIES

*Question.* What percent of your major projects are not being handled “in-house”, through the Corps of Engineers or other outside entities?

*Answer.* There are currently 24 projects of which a major portion of the project management or construction management efforts are being performed by those other than AOC permanent staff. They include: the Capitol Visitor Center; the West Refrigeration Plant Expansion; the various Perimeter Security projects; several projects for the Library of Congress at Fort Meade; several projects for the USCP located at D.C. Village and elsewhere; and security-related projects at the Library of Congress. While these projects represent approximately 11 percent of the current AOC projects, they represent the majority of the project funding and include over \$700 million of total project costs. They are being managed, partially or fully, by temporary employees assigned to the specific project, construction management firms hired for the specific project, firms which are providing project and construction management to the AOC on an IDIQ basis, the Army Corp of Engineers, NAVFAC and other external entities. The AOC continues to evaluate the services which can be provided by these entities and will utilize them where we believe they can provide the best project delivery support.

## CAPITOL VISITOR CENTER

*Question.* You have indicated that the CVC will cost more than has been appropriated to date. Can you explain why this is?

*Answer.* Before discussing the need for additional funds, it is important to understand that the original project budget of \$265 million, which included the core CVC facilities, the service tunnel, and only the shell space for the House and Senate, was established four years ago. That estimate was made based on the best information available at that time, but I must stress that the estimate was made before the construction drawings were finished, before the first shovel was put in the ground, and before we had the chance to really look long and hard at what it would take to keep the Capitol fully operational while the CVC was constructed. No one could have anticipated or predicted the myriad of challenges we faced, in particular, encountering unforeseen site conditions, adapting to changes in scope, mitigating project impacts, maintaining Capitol operations, and accommodating increased security requirements following the events of 9/11.

The first challenge we encountered during pre-construction activities, neither my team, nor our construction manager, Gilbane Building Co., nor two independent estimators, could have anticipated. The level of work that was required went above and beyond our original pre-construction expectations. We've had additional requirements related to our tree preservation effort, our historic preservation effort, our visitor screening, parking accommodations for Members and staff, noise reduction, and requirements related to alternate House and Senate media sites. But by far, our greatest challenge has been in the area of utility relocation.

Utility lines within the project footprint needed to be relocated prior to excavation of the project site. Many of these lines have been installed at various times during the last 100 years as technology changed and new utility systems were installed. Relocation of these lines, while keeping the Capitol itself fully functional, has proved to be a delicate and, complex pre-construction task. Part of the difficulty is due to the fact that many of the utility lines were poorly or inaccurately documented on the building drawings that were available to us, some of which date to the early 1900s. As it became increasingly apparent that existing drawings were unreliable, we attempted to do much of the utility work at nights or on weekends, and to some extent, we worked around the legislative calendar, all in an effort to minimize disruption to the Capitol and its occupants. Those restrictions, however, do have a cost associated with them. Yet, despite all these challenges, it is a credit to our team that we were able to avoid any significant disruption to the Capitol building operations during this process. Last summer, the project footprint was successfully cleared of utilities.

—A specific example: on First Street NE, we had intended on rerouting a large water line across the road at a location we believed suitable to accommodate the necessary excavation. City drawings showed an existing Amtrak tunnel to be approximately 18 feet below ground at this location, more than enough clearance to reroute our water line. Upon excavation, we found the Amtrak tunnel wall to begin, in fact, less than 2 feet below the surface. We were forced to back away, reroute the line again, adding a few hundred feet to the overall length to the utility line and a few extra weeks of work, and nearly \$400,000 in extra costs. Though not as dramatic as this, we have had many other occurrences of utility lines not being where they were expected, or being where they weren't expected at all. But I must emphasize, all the costs associated with this work were valid and reasonable, they just weren't predictable.

There also were challenges as a result of 9/11. First, the tragic events of that day prompted a reassessment of the projects' security elements. As a credit to the original design by our architectural firm, RTKL, the team recommended no significant changes to the overall design. However, additional requirements, which necessitated more robust mechanical systems, were imposed. Structural changes were needed to accommodate these new systems and these changes came at a very late stage in the design process. In fact, Sequence 1 design documents were already complete and Sequence 2 documents were about one month from completion. Despite these changes, our completion milestones did not change.

There has also been an increase in site logistics security. New security screening measures imposed on all vehicles coming to the construction site, while necessary, add time to every trip made. When we reach the peak of excavation, we will have approximately 50 dump trucks working at the same time, each attempting to make six to eight trips a day to and from the site each day. Additional time to make these trips translates to an extension of the excavation period. Further, we were required to build a new screening station. That meant adding telecommunications conduits, additional paving, additional fencing and installation of security elements. Design and construction of the new screening facility required significant planning and coordination with the Capitol Police, but again, our completion milestone did not change.

Finally, we are all aware that we had one of the wettest winters on record. Rain and snow have the potential to wreak havoc on a construction site, especially one involving excavation and very large equipment, which tends to get bogged down in the mud. Nevertheless, our construction crews have tried to offset any time lost due to weather by working, at times, 24 hours a day, 7 days a week, the Sequence 1 project has been impacted by approximately 48 days due to unforeseen challenges and other conditions I noted. However, to date, our major completion schedule milestones still have not changed. One thing to note, subsequent to the 48-day delay impact, last month, we hit a 200-year old stone well situated directly in the path of our perimeter wall and just a few feet away from the Capitol. The demolition of the stone and attempts to reestablish a solid foundation for the perimeter wall has proved extremely difficult. In short, what was scheduled to last four days, for the routine construction of three wall panels, required weeks instead. Our construction manager is currently gathering facts and is in the process of assessing the impact to the project's milestones, if any. We will report the results to Leadership after we have completed this assessment.

If four years ago we knew, what we know today, we would have had the information necessary to budget for the project more accurately. However, the project has received two clean audit opinions from the General Accounting Office, and we have put additional controls in place on the budgeting process for the project.

*Question.* As you know, we are looking to mark up the fiscal year 2004 appropriations bill shortly and we need your best estimate for completing the project as soon as possible. When will you have the cost-to-complete? When will you need the additional funds?

*Answer.* We have been working with the General Accounting Office (GAO) and an independent consultant to thoroughly analyze the CVC project's budget, expenditures, future requirements, and contingencies to provide a firm cost-to-complete analysis. The GAO is planning to have the results in early June 2003.

The funding timeline for the project is being updated to reflect the obligation plan authority we received for Sequence 2. The project team, including our construction manager who maintains our overall project schedule, has identified the next immediate need for additional funding in June 2003. This request includes funding for the East Front interface portion of the CVC project and to keep Sequence 1 moving forward. The East Front work includes a number of tasks and is not currently part of the Sequence 1 or 2 contracts. With the award of the Sequence 2 contract we are proceeding with maintaining our milestone schedule. However, we still have a crit-

ical portion of the project, within the East Front interface, that needs to be funded, or funds reprogrammed, to allow us to keep on schedule. The East Front portion of the CVC project is work that was always part of the base project, and includes complex structural and mechanical/electrical elements to support the vertical transportation (elevators and stairways) and air shafts that connect the CVC to the Capitol building. This work was not included in the contracts for Sequences 1 or 2 since the requirement to extend the existing east front elevators was given to the CVC at the time the Sequence 1 design was being finalized, thus it was too late to include in the Sequence 1 bid documents. During design development of the East Front (which was originally planned to be part of Sequence 2) the engineers realized how extremely complex the structural work was to extend the existing elevators. An acceptable engineering solution could not be found which would mitigate the risk to the existing Capitol building, thus I made a decision to reduce the depth of these elevators and the new air shafts. The engineers revised their design which reduced the risk. We have finalized the design and have obtained three independent estimates for this work. We plan to negotiate this work with one of the contractors on-site and will incorporate it into their contract.

The next need for funds is anticipated to be in October/November 2003 to meet the other elements of the project. We are currently reviewing the updated schedule, which includes the Sequence 2 contractor, to obtain a more precise spending plan for October 2003 and beyond. We plan to have this completed by the end of the month also.

*Question.* What major challenges might you encounter as you continue the project, and the biggest risk areas that could lead to budget pressures?

*Answer.* Unforeseen site conditions remain our biggest risk. Whenever you dig a 50-foot hole over an area covering five acres immediately adjacent to our nation's most historic building, it is difficult to predict exactly what we will find. As an example is the underground well I mentioned in a prior response.

Additional security requirements also present another risk to budget and schedule. Increased security requirements or work stoppages prompted by external events can certainly have a significant impact on the project.

Other potential risks are those associated with additional changes in scope and requirements. We can only change so much while executing day-to-day management of the project before changes have real impacts to budget and schedule. Providing additional funds for additional work doesn't necessarily mean we can maintain our original schedule. So many elements of this project are tied together where a new requirement, for example, could have a ripple effect on several other elements.

Also, based on our recent experience with the demolition of the well, we are concerned that work along and within the East Front can be disruptive to the point that we must perform much of the work during off hours. Obviously, such restrictions reduce the opportunity to keep on schedule.

*Question.* What procedures have you put in place to ensure that you keep a tight reign on the budget?

*Answer.* The biggest areas of budget pressures are directly related to the challenges I previously enumerated. However, there is also a risk to the schedule if additional funds are not made available or reprogrammed to start the East Front construction this summer. If additional unforeseen conditions arise during construction that require contingency funds, that too can prevent the project from moving forward. We will work with the Committees to provide detailed budget information. We also will work closely with House and Senate Leadership to reconcile the budget based on the conditions I discussed in a cost-to-complete estimate with an independent consultant. We meet every Monday with the Capitol Preservation Commission (CPC) to provide a current update on the project, discuss issues of concern, and resolve problems. Let me take this opportunity to thank them for their steadfast support and consistent leadership as we have moved from design and into construction.

We are currently working on revising the monthly financial report to follow the format and funding of the approved obligation plans to clearly show where the funds have been used. Also, I have put in place budget monitoring procedures that include reviewing potential construction change orders (PCOs) on a daily basis within my CVC project office. Our CVC project team reviews these changes daily, to determine if they are within the scope of the project and to code them by funding source and to be noted as client requested, unforeseen condition, or design change due to existing conditions (or other categories as yet to be defined). Then with support from my AOC budget office, who will ensure that the changes are in line with the obligation plans, the CVC team will assess the impact to the future budget and determine if there is a cause for concern. I will review this with the CVC project team on a week-



ly basis (or sooner if the need is great) and will brief the CPC leadership staff on the potential changes and their impact to the project.

Through the monthly reports and controls, cost-to-complete estimate and GAO oversight, our construction management staff has placed the highest priority to ensure the successful completion of the project in a fiscally responsible and timely manner.

*Question.* What is being done to prepare for the operations of the CVC when it opens in 2005?

Answer. A consultant is developing options and suggestions for a CVC operations plan which will provide the following information:

- Three-year estimate of operating expenses;
- Facility management plan;
- Food service plan;
- Visitor experience plan, including wayfinding, visitor flow and Guide Service recommendations;
- Space allocation recommendations;
- Recommendations for in-house staffing vs. contracting out for certain services; and
- Training schedules and pre-opening recommendations.

The operations plan is scheduled to be completed this summer and will be referred to the CPC for review.

#### CAPITOL POLICE FACILITY NEEDS

*Question.* You have been working with the Capitol Police for some time to develop a master facilities plan, including a new headquarters facility. As I understand it, a site has been identified. This Committee has already appropriated roughly \$60 million for the project. What is the status of the project and how much in additional funding will be needed? Will that be part of your fiscal year 2005 request? When can we expect the facility will be complete? What is the status of the off-site delivery facility which has been fully funded (\$22 million)?

Answer. The Capitol Police Board has recommended a specific site, to best meet the needs of a new Capitol Police headquarters facility, based on current requirements identified in the facilities master plan. Our plan is to use existing funds to pursue due diligence and purchase real property, with appropriate oversight committee approvals, and design the facility. We will then program the remaining funds in our normal budget cycle. We anticipate the earliest request for funds to complete the project will be in fiscal year 2006. The total funding will construct and fit-out the new headquarters facility and the command center. We will initially need to hire two temporary full-time equivalents (FTE) exceeding our FTE ceiling to assist with this project. The conference report accompanying Public Law 108-11 directs us to use the Naval Facilities Command to execute this project.

It is important to bring to your attention two issues that could affect the remaining cost of the new Capitol Police headquarters, currently estimated at \$113 million, as well as the identification of the preferred site. The current estimate is based on the Capitol Police operational model used for the recently completed facilities master plan. This operational model recommended retaining a significant portion of existing police spaces in the Capitol, House and Senate Office Buildings. The Capitol Police are currently assessing the operational impacts of reducing their footprint within existing facilities, as well as substantially reducing their surface parking requirements within the jurisdictions. Once this assessment is complete, we will then analyze the impact to the overall facilities master plan. If relocating functions to the new Police headquarters requires additional space and ancillary facilities, the cost of the project will increase accordingly. Offsetting costs for release of existing space are minor in comparison. The second issue that could affect the new headquarters' cost is the recently completed Capitol Police Comprehensive Staffing Analysis for Sworn and Civilian Personnel. This analysis recommends significant increases in the number of sworn and civilian personnel and, if approved, some of these people would be located in the new Police headquarters building along with their additional parking requirements. We will work with the Capitol Police and our oversight committees to resolve these issues.

Given the early stages of this project, it is too early to establish an estimated completion date. Once requirements are finalized and property acquired, we will work with the Navy to establish a realistic completion date.

The Offsite Delivery/Screening Facility is now fully funded. Unfortunately however, the Capitol Police Board recommended site was sold by the owner to another entity before we received approval to make an offer. We are working with the Cap-

itol Police to identify and evaluate options for an alternative location. Once our evaluation is complete, we will work with our oversight committees to move forward.

#### ALTERNATE COMPUTER FACILITY

*Question.* The single largest project request in your budget is \$61 million to purchase the alternate computer facility, currently being leased. Could you explain why it makes sense to buy this facility rather than continue to lease it? If a decision is made to buy the building, we will have double the space at that location than is currently available (2 connected buildings rather than one). What is the status of plans for using the additional space? Who is leading the effort to develop those plans?

*Answer.* Project background: Following the attacks of September 11, 2001, for continuity of operations, the Architect of the Capitol received authorization and funding to acquire an alternate computer facility in case primary data centers became inoperative. The AOC entered into a ten-year lease agreement for a facility within a 50 mile radius of the Capitol in November 2002. We also have a single option for a second ten years within the lease. The building under lease is one-half of a twin building complex with the other building available for lease to other tenants by the owner. The AOC has the right to a security suitability review of any potential tenants in the other building. The primary tenants within the Alternate Computer Facility are the House of Representatives, Senate, Library of Congress, and Architect of the Capitol. The building owner was given five months from November 2002 to design and construct modifications to the facility to meet tenant requirements for individual data centers. The target completion date for these modifications was April 19, 2003.

Why should we purchase the facility? In short, the need is permanent. The building is sound and very desirable as determined by the ACF task force. Security is enhanced and, by purchasing it, we save the federal government money.

There are several advantages to buying the building:

First, the need for a backup data center is perpetual.

Second, the very same reasons the building is attractive to purchase are the same reasons the particular building was attractive to lease.

- Remote, but convenient location (within 50 miles of the Capitol);
- Strength and redundancies in infrastructure and utilities;
- On-site land around the building and excellent setback from public roads;
- Building in overall good condition;
- Building contained millions of dollars of prior-tenant build-out that we re-used without much additional expense;
- Secure facility type of building layout, i.e., no room has an exterior wall;
- Excellent Aesthetics;
- Available for quick occupancy;
- Floor load capacity of the building (1st floor) is 300 psf (which is very high);
- Electrical feeders from 2 separate power substations, for redundancy;
- 30 Mega Volt-Amperes (MVA) of electrical capacity per transformer; building electrical capacity of 50 watts psf; and
- Diversity of fiber optic providers available.

Third, purchase would increase security by allowing the legislative branch to control both halves of the building, and the land around it. It would also prevent the landlord from developing the large tract of land around the building (which if we do not exercise the purchase option he can develop intensely up to 200 feet from our leased space). Purchase would allow us to control the common heating, ventilation and air conditioning, power, and water utility systems of the building, which are located in the side of the building that we do not lease.

Fourth, based on a simple cost/benefit analysis, ten years of rent, taxes and security premium equates to about \$55 million. This, coupled with our more than \$10 million investment in fitting out the facility to accommodate our specific requirements means that we will have invested approximately \$65 million in the facility over the 10 year lease and not own anything. If we purchase the facility at the maximum price of \$61 million, we double our building space and gain control of 91 acres of undeveloped land around the facility. We also save the second ten-year lease costs, which will exceed \$58 million over the term of the lease. To leverage our purchase, it would be ideal to use the other half for other legislative branch requirements, for the Senate, House, Library, AOC, GPO or GAO for data center expansion, backup data centers, or other legislative branch requirements, such as continuity of operations. Of course, if other legislative branch requirements are not sufficient to fill the other building, then we could lease the remaining space to other government agencies, or commercial tenants. If the other half of the building is

leased to other tenants, we would desire a statutory provision allowing us, rather than Treasury, to retain the rent to offset operating costs. Based on market rental rates, we could conservatively expect to lease the other building for approximately \$20-\$30 per square foot per year. For 167,831 square feet, this equates to over \$3 million per year in revenue. There is no lead agency for developing plans for the other half of the building as no firm decision has been made to acquire it. Should that decision be finalized, the AOC will be happy to take the lead in developing plans for its use if so directed. We are, however, working with another legislative branch agency to determine the feasibility of developing part of the surrounding 91 acres, or an adjacent 25-acre parcel under the same owner.

Another issue centers around existing and future development of the other building. The building owner has the right, and intends to exercise it, for leasing available space within the facility. While we have the right, and pay a premium for that right, to review potential tenants for security suitability, we do not have authority to prevent the landlord from leasing available space. As the landlord acquires new tenants, purchase of the facility becomes more complicated and potentially more costly as lease terminations may be required, with appropriate compensation. This potentially increases our financial liability as new leases are granted and space is encumbered.

#### WEST REFRIGERATION PLANT

*Question.* Your budget includes \$40.8 million for the final increment for the West Refrigeration Plant Expansion. Is this project on time and on budget? When will it be completed? What are your plans for the East Refrigeration Plant, which will be decommissioned, and what cost requirements can we expect?

*Answer.* The coal handling relocation project, which was phase I of the West Refrigeration Plant Expansion project is approximately 90 percent complete, within budget and on schedule for a June 15th completion date.

Phase II of this critical project, construction of the actual refrigeration plant expansion, was competitively bid and subsequently awarded to HITT Construction who is subcontracting the mechanical work out to Poole & Kent Inc, mechanical contractor who has worked with HITT on other projects. Notice to proceed (NTP) with construction was issued on March 26, 2003. Subsequent to contract award and prior to NTP, two of the unsuccessful offerors, Bell Construction and Fru-Con construction filed bid protests with the General Accounting Office (GAO). GAO declined to hear the cases on an expedited basis and Bell Construction filed in Federal Claims Court to stop construction and revisit the procurement and bid selection process. On May 9th, the court declined to issue a restraining order against the project and commented in the order that, "It is clear from the arguments this morning (court, 5/9), that plaintiff does not have a likelihood of prevailing on the merits".

Construction is proceeding with demolition of existing structures and site civil work. The general contractor has obligated approximately 75 percent of the awarded fiscal year 2003 funding, the project is within budget and on schedule to be completed in May 2005.

The fiscal year 2004 budget submission has requested appropriated funds to conduct a comprehensive utilization study for the East Refrigeration Plant which will generate a report with the best available options to utilize the building after decommissioning. Options under consideration include addition of limited on-site power generation or relocation of existing industrial and repair shops from the Capitol Hill complex.

#### PERIMETER SECURITY

*Question.* What is the status of the second phase of perimeter security work on the Senate side of the Capitol, funded in the fiscal year 2002 emergency response fund? When is construction scheduled to complete? Are funds on-hand sufficient to complete the project as planned?

*Answer.* Approval of the conceptual plan for the second phase of the perimeter security project for the Senate Office Buildings was recently received and final designs and schedules are currently being developed. It is anticipated that work will begin this summer and will take 2 to 3 years to complete. Without the final design it is not possible to be certain that there is adequate funding for this project, however, based on similar projects, it is anticipated that the current funding will be adequate. When final designs are developed and cost estimates are completed, they will be fully coordinated with the Senate.

## CONCLUSION OF HEARINGS

Senator CAMPBELL. Since we will be getting our second beep to vote in just a minute, if there are no further things before the committee, the subcommittee will be called recessed. Thank you.

[Whereupon, at 1:50 p.m., Thursday, May 8, the hearings were concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

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