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**Prepared Statement Before
the Subcommittee on Legislative
Branch Appropriations,
Committee on Appropriations
U.S. Senate**

*On the Appropriations Request
of the U.S. Government Printing
Office For Fiscal Year 2008*

138 Dirksen Senate Office Building

Friday, March 16, 2007

10:00 a.m.



Madam Chair and Members of the Subcommittee on Legislative Branch Appropriations:

It is an honor to be here today to present the appropriations request of the U.S. Government Printing Office (GPO) for fiscal year (FY) 2008.

Government Printing Office

As the Nation's printer and disseminator of official Federal documents, GPO has a long and rich history as the official producer of every great American state paper—and an uncounted number of other Government publications—since President Lincoln's time. Where once our products and services were confined to ink on paper, today we provide capabilities for the production of Federal documents in both electronic and conventional formats, utilizing a broad range of information technologies.

By law, GPO is 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 other documents used by the U.S. Senate and House of Representatives, are produced at GPO's main plant in Washington, DC.

Working under a longstanding partnership with the printing industry, GPO also maintains a pool of private sector vendors nationwide to produce the vast range of publications ordered annually by Federal agencies.

GPO's primary responsibility for the dissemination of Federal publications 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 1,250 public, academic, law, and other libraries located in virtually every congressional district across the Nation.

Along with that program, we also provide public access to the wealth of official Federal information through our cost-recovery public sales program, through various statutory and reimbursable distribution programs, and—most prominently—by posting more than a quarter of a million Federal titles online on *GPO Access* (www.gpo.gov/gpoaccess), our award-winning Web site that is used by the public to retrieve more than 40 million documents every month.

Preparing for a Digital Future

Continuing advances in information technologies have transformed the ways that Congress, Federal agencies, and the public obtain and make use of Government publications. As a result, printing is now secondary to our broader task of producing and providing access to the information products and services produced by the Federal Government, a task that today is rooted in digital rather than analog technologies. While printing remains an important information technology that continues to be required, it has become just one of a range of information product and service capabilities that GPO must transform itself to support in order to fulfill our mission requirements effectively in the digital era.

This development was confirmed by a June 2004 report of the Government Accountability Office (GAO), *Actions to Strengthen and Sustain GPO's Transformation*. The GAO recommended that GPO develop a plan to focus our mission on information dissemination as our primary goal; demonstrate to our customers the value we can provide; improve and extend partnerships with agencies to help establish the GPO as an information disseminator; and ensure that our internal operations—including technology, how we conduct business, information systems, and training—are adequate for the efficient and effective management of our core business functions and services.



To that end, in December 2004 we published our *Strategic Vision for the 21st Century*. This document provides a framework for how our transformation goals—including the development of a digital content system to anchor all future operations, reorganization of the agency into new product- and service-oriented business lines along with investment in the necessary technologies, adoption of management best practices agency-wide including retraining to provide needed skills, and the relocation and/or reconfiguration of GPO facilities—will be carried out, and since then GPO's operations and programs have been conducted in accordance with it.

Results of 2006

During the past year we made significant progress in carrying out the elements of our *Strategic Vision*:

- The core of our future operations will revolve around a GPO-developed Future Digital System—currently called FDsys—which is being designed to organize, manage, and output authenticated content of authenticated Federal documents—in text, audio, and even video formats—for any purpose. In 2006 we awarded contracts for master integrator services and equipment acquisition, and this project is on track to begin public operations this year.
- GPO's own production capabilities are focused in support of what we call the "Official Journals of Government," including the *Congressional Record* and *Federal Register*, Congress's requirements, and security and intelligent documents. To improve production efficiency and broaden the range of product and service options for Congress and Federal agencies, we've invested in a variety of new technologies.
- We continue to work closely with the library community to move the Federal Depository Library Program (FDLP) toward a predominately electronic basis as required by Congress, and today more than 90% of all new titles entering the program are electronic. In managing this transition we have taken care to ensure that documents in print formats that are required at this time by some libraries, particularly law libraries, continue to be supplied.
- We're now working with our customers in Federal agencies more cooperatively, offering them more flexibility in choosing and working directly with vendors, especially with small value purchases and complex purchases involving multiple functions such as data preparation, personalization, and distribution. In 2006 we augmented our expert printing procurement services by offering our customers GPO*Express*, a new capability that provides Federal agencies with innovative, digitally linked convenience duplicating and printing services across the country.
- Security and intelligent documents—including passports, Federal identification cards, and potentially other documents—today are an increasingly important business line for GPO, and could constitute as much as 50% of GPO's business in the future. The major product of this unit is U.S. passports, and in 2006 we began the successful production of the new e-passport for the State Department.
- We've established a Digital Conversion Services Branch within Customer Services to test document scanning services for the FDLP and Federal Agencies. In 2006, we began a pilot project to demonstrate our retrospective digitization capabilities and have recently completed that work. We look forward to sharing our results of this pilot project at your earliest convenience.

In addition to these strategic directions, over the past 4 years we have become a more efficient operation, our organizational structure has been streamlined for faster decision making, we have implemented enterprise-wide planning for our information technology systems, redundant facilities across the country have been consolidated or closed, and staffing levels have been significantly reduced utilizing early retirement authority authorized through Legislative Branch Appropriations



Acts. We also initiated planning and discussions with our oversight and appropriations committees on the future of GPO's current buildings on North Capitol Street in Washington, DC.

Perhaps most important, our finances have been restored to a positive basis, reversing a pattern of financial losses that reached \$100 million in previous years. For FY 2006, we generated a net income of \$9.8 million from operations, compared with a \$6.1 million gain the year before, the third straight year of positive financial results. We also recorded another reduction to our long-term liability for the Federal workers' compensation program, freeing additional funds for future investment. GPO is now on a solid financial footing.

FY 2008 Appropriations Request

For FY 2008, we are requesting a total of \$181,979,000, to enable us to:

- meet projected requirements for GPO's congressional printing and binding and information dissemination operations during FY 2008;
- recover from the impact of restricted funding for FY 2007 under the current continuing resolution;
- complete the development of our Future Digital System project and implement other improvements to GPO's information technology infrastructure;
- perform essential maintenance and repairs to our aging buildings; and
- continue retraining and restructuring GPO's workforce to meet changing technology demands.



Congressional Printing and Binding Appropriation: This account covers the cost of printing and other information services supporting the legislative process in the House of Representatives and the Senate. These services include production—in both print and online formats—of the daily and permanent *Congressional Record*, bills, resolutions, and amendments, hearings, committee prints and documents, miscellaneous printing and binding including stationery and document franks, and related products, as authorized by the public printing provisions of Title 44, U.S. Code.

We are requesting \$109,541,000 for this account, representing an increase of \$21,587,000 over the level provided by the current continuing resolution. The increase contains two primary components: \$9,251,000 to adjust this account to projected operating requirements for FY 2008, and an extraordinary requirement of \$12,336,000 to fund a projected shortfall for FY 2007 under the current continuing resolution.

For FY 2008, we project the need for \$96,460,000 to meet anticipated congressional printing and binding requirements known to typically occur in a second-session year. The current level of funding, or \$87,954,000, has remained essentially unchanged since FY 2005 in spite of increasing costs and changes in workload.

Under the continuing resolution for FY 2007, we anticipate incurring a significant shortfall in congressional printing and binding due to the unchanged level of funding since FY 2005, the requirement to produce the 2006 edition of the U.S. Code, the need to fully fund contractual pay raises, and a projected increase in workload consistent with a first-session year, including an anticipated increase in days in session under the new congressional leadership. We will be able to meet these requirements without disrupting service to Congress by temporarily financing the shortfall through GPO's revolving fund. As GPO has done in the past (most recently in FY 2001), however, we are seeking the restoration of the shortfall through subsequent appropriations.

Under our appropriations bill language, GPO has the authority—with the approval of the Committees on Appropriations—to transfer forward the unexpended balances of prior year appropriations. This remains an option to transfer to GPO’s revolving fund up to approximately \$4,000,000 from the unexpended balance of the Congressional Printing and Binding Appropriation remaining from FY 2004 and an estimated \$1,000,000 remaining from FY 2003. These funds could be used to offset part of the anticipated shortfall and if this option is exercised it would reduce our requirement for new funding for that purpose.

Congressional Printing and Binding

FY 2007 Approved	\$ 88.0 million
FY 2007 Request	109.5 million
Change	21.6 million

Change includes:

- Mandatory Requirements and Continuing Operations
- Investment Requirements

Salaries and Expenses Appropriation of the Superintendent of Documents: The largest single component of this appropriation is for the Federal Depository Library Program (FDLP). This account also provides for the cataloging and indexing of Government publications as well as the distribution of Government publications to international exchange libraries and other recipients as authorized by the documents provisions of Title 44, U.S. Code.



We are requesting \$45,613,000 for this account, representing an increase of \$12,517,000 over the level provided by the current continuing resolution. The increase is required to cover mandatory pay and price level increases, recover from the impact of restricted funding for FY 2007 under the current continuing resolution, and continue improving public access to Government information in electronic formats. Of the total increase, \$1,885,000 is for mandatory pay and price level costs.

Our requested increase provides \$3,250,000 to recover the cost impacts of restricted funding under the continuing resolution, principally the requirement to distribute the 2006 edition of the U.S. Code to depository libraries and cover increased overhead costs—primarily for information technology services—while striving to maintain our responsibility to distribute information products to libraries in the formats needed by their users.

As GPO continues to perform information dissemination through the FDLP on a predominately electronic basis, as mandated in the conference report accompanying the Legislative Branch Appropriations Act for FY 1996, we also need to make continuing investments in technology infrastructure and supporting systems. Our requested increase provides \$7,382,000 to cover projects for data migration and processing, FDLP program outreach, Web harvesting, data storage, authentication, and other modernization.

Salaries and Expenses

FY 2007 Approved	\$ 33.1 million
FY 2008 Requested	45.6 million
Change	12.5 million

Change includes:

- Mandatory Requirements and Continuing Operations
- Investment Requirements

Revolving Fund: We are requesting \$26,825,000 for this account, to remain available until expended, to fund essential investments in information technology infrastructure and systems development, workforce retraining and restructuring, and facilities maintenance and repairs.

The key projects covered by this request include \$10,500,000 to complete the development of GPO's Future Digital System, which is scheduled to go live later this year; \$9,375,000 to cover the replacement of GPO's 30-year old automated composition system, upgrade our Oracle enterprise business systems, and implement other improvements to our information technology infrastructure; \$3,000,000 to continue our program for workforce retraining and restructuring; and \$3,950,000 for maintenance and repairs to GPO's aging buildings.

Revolving Fund

FY 2007 Approved	\$1.0 million
FY 2007 Request	26.8 million
Change	25.8 million

Change includes:

- Mandatory Requirements and Continuing Operations
- Investment Requirements

Madam Chair and Members of the Subcommittee, with your support we can continue GPO's record of achievement. We look forward to working with you in your review and consideration of our request.