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the Subcommittee on Legislative
Branch Appropriations,
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*On Printing Technology
in the 21st Century and
GPO's Appropriations Request
for FY 2008*

H-144, The Capitol

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1:30 p.m.



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

It is an honor to be here today to discuss the plans of the Government Printing Office (GPO) to meet the demand for printing and other Government information products in the 21st century as well as our appropriations request for Fiscal year 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. Also produced there are the daily *Federal Register* and associated products including the *Code of Federal Regulations*, along with U.S. passports and other official documents.



Working in partnership with the printing industry in one of the Government's longest running, most competitive, and most successful procurement programs, GPO contracts out for the production of a vast range of publications ordered annually by Federal agencies, including tax forms and related products, Census materials, and a wide variety of Government documents and forms. GPO's Printing Procurement Program makes effective use of available capacity in the private sector while achieving significant savings for the Government's printing dollars.

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." Associated closely with the informing function of Congress envisioned by the Founding Fathers in Article I of the Constitution, this farsighted act established the antecedent for the Federal Depository Library Program (FDLP), a program funded through GPO's appropriations. Today this program provides millions of Americans with free public access to a comprehensive range of publications from all three branches of Government 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 public sales, 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 established by law (P.L. 103-40) in 1993. Today, this site—one of the Government's largest and one of the only such sites providing access to published information from all three branches of Government—is used by the public to retrieve more than 40 million documents free of charge every month.

Preparing for a Digital Future

GPO has long recognized and acted on advances in information technologies that have transformed the ways that Congress and Federal agencies produce their official publications, and the ways that the public obtains and makes use of them. More than a generation ago, GPO led the Federal Government in implementing electronic printing technologies to produce

congressional and agency publications, making significant and sustained savings possible while vastly increasing productivity. More than a decade ago GPO became a major provider of online access to Government publications via the Internet and we have continued to grow that role, providing the public with more access to Government information than ever before.

Continuing changes since then in technological capabilities throughout the printing and information industries, as well as a strong and ongoing preference by both the Government and the public for improved access to Government publications via the Internet, have led to further evolution in how GPO perceives its mission responsibilities. As a result, today we regard printing as 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 by Congress as well as most elements of the Federal establishment, it has nevertheless become just one of a range of information product and service capabilities that GPO will transform itself to support in order to fulfill our mission requirements effectively in the digital era.

Our transformation process is underpinned 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, business processes, information systems, and training—are adequate for the efficient and effective management of our core business functions and services.



With these recommendations in mind, and under the leadership of former Public Printer Bruce R. James, we have made a number of changes in the past 4 years to enable us to keep up with digital technology and incorporate it in service of our mission. The most noteworthy of these changes was the publication in December 2004 of 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. We continue to stand by this vision document and GPO's operations and programs continue to be conducted in accordance with it.

Recent Results

As Public Printer James said in his final annual report to Congress in December 2006, GPO's operations have been restructured around 6 business lines, each organized to take maximum advantage of digital technology. Each of these areas saw noteworthy progress in 2006:

- 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—in text, audio, and even video formats—for any purpose. Eventually, all known Federal documents, whether printed or born digital, produced both prospectively and retrospectively, will be cataloged and authenticated and then entered into the system according to GPO metadata and document creation standards, from which they can be retrieved in the format most convenient to the user. In 2006 we awarded contracts for master integrator services and equipment acquisition, and this project is on track to begin operations in 2007.

- 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* and associated products for Congress and Federal agencies. We maintain core staff expertise and equipment to produce the unique requirements of these products, utilizing technologies specifically developed and applied for that purpose. We've also sought to improve production efficiency and broaden the range of product and service options for Congress and Federal agencies by investing in a variety of new technologies, including digital and color production technologies. We're working closely with the offices of the Clerk of the House of Representatives and the Secretary of the Senate, the Library of Congress, and the Congressional Research Service, and other congressional offices in the development of technology initiatives at GPO that will benefit congressional users, including FDsys and our plan for the eventual replacement of our Microcomp compositions system.
- 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 a new program, called *GPOExpress*, that provides Federal agencies with innovative, digitally linked convenience duplicating and printing services across the country. This system, which is now in use at more than 50 departments and agencies, was adopted by the Federal Emergency Management Agency late last year to provide rapid, locally targeted printing to support their disaster response efforts.
- Security and intelligent documents—including passports, Federal identification cards, and potentially other documents—are an increasingly important business line for GPO. The major product of this unit is passports for the State Department, which by law must now include radio frequency identification (RFID) chips intended to contain biometric and identifying information, and in 2006 we began the successful production of the new e-passport. In our view, the same skills used for this product can be used to help our customers meet other security document requirements, such as the production of new Federal e-identification cards that must also contain RFID chips, and we are implementing a new capability for this product line.
- GPO's historic partnership with the library community nationwide continues to undergo significant change, principally as the result of online availability of Government documents. Using *GPO Access*, which was enacted into law with the strong support of the library community, we have continued to work with the community to move the FDLP toward a predominately electronic basis as required by Congress in 1996, in the process achieving significant savings (over the years, the modest costs of *GPO Access* have been funded entirely out of savings achieved from a reduction by more than 50% in the cost of print copies distributed through the FDLP) while expanding public access to Government publications exponentially (benefiting not only the users of the FDLP but also consumers of Government publications who previously purchased copies for their own use). Today, we estimate that more than 90% of all new titles entering the program are electronic. In managing the transition from print to electronic in the FDLP 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. As we bring FDsys into operation to upgrade and replace the capabilities of *GPO Access*, the new system's ability to provide for security and authenticity will eventually eclipse the need for print in many cases, while vastly improving access by these libraries to Government information.
- To help provide convenient online access to the vast body of all published Federal documents, we've established a Digital Media Services business unit that will provide document scanning services for the FDLP and Federal agencies. This unit will set the standards for digitizing tangible documents, acquire both the tangible documents and digitizing services, and provide quality assurance for the content. Working in concert with similar capabilities at the National Archives and Records Administration and the Library of Congress, GPO's Digital Media Services capability will make it possible to digitize all retrospective Government documents that can be authenticated



back to the earliest days of the Nation. In 2006 we began a project to demonstrate our digitization capabilities, and we expect to move forward with it in 2007. In the meantime, we have scaled back our publications sales operations consistent with reduced sales volume, and have been evaluating alternatives, including digital print on demand, to help reduce costs and improve services.

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, and redundant facilities across the country have been consolidated or closed. 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, which are aging and oversized for our current and projected needs.

Perhaps most important, our finances have been restored to a positive basis, reversing a pattern of financial losses resulting from operational losses as well as adjustments to GPO's long-term liability for Federal workers' compensation in previous years. This was achieved principally through 3 early retirement incentive programs in 2003, 2004, and 2005, using authority provided through various Legislative Branch Appropriations Acts. These programs reduced staffing at GPO by more than 600 positions, for a annual savings of approximately \$40 million. Using those savings, we were able to carry out necessary investments in technology and services and reshape our workforce to provide the skills and capabilities GPO needs today and in coming years.

The benefits of this program have been sustained: 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. Our appropriations request for FY 2008 is designed to continue advancing our strategic vision while fulfilling our mission requirements under the law.



GPO's 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 requested amount is inclusive of an additional \$745,000 provided by P.L. 110-5). The increase contains two primary components: \$13,334,000 to adjust this account to projected operating requirements for FY 2008, including \$4,828,000 to produce the 2006 edition of the *U.S. Code* which now is scheduled for FY 2008; and an extraordinary requirement of \$7,508,000 to fund a projected shortfall for FY 2007 under the current continuing resolution.

For FY 2008, we project the need for \$101,288,000 to meet anticipated congressional printing and binding requirements known to typically occur in a second-session year, and to produce the 2006 edition of the *U.S. Code*. 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 shortfall of \$7,508,000 in congressional printing and binding due to the unchanged level of funding since FY 2005, the need to fully fund contractual pay raises and other cost increases, 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. However, as GPO has done in the past (most recently in FY 2001), 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. Consequently, there 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 from FY 2004 and an estimated \$1,000,000 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.



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, fund the distribution of the *U.S. Code* to depository libraries, cover the costs of information technology services used by the FDLP and related programs, 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 fund the distribution of the 2006 edition of the *U.S. Code* to depository libraries and to cover the cost of information technology services utilized by the FDLP and related programs.

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.

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.

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, and we are prepared to answer any questions you may have.

