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STATEMENT OF  
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BEFORE THE  
SUBCOMMITTEE ON GOVERNMENT INFORMATION  
AND INDIVIDUAL RIGHTS  
OF THE  
HOUSE COMMITTEE ON GOVERNMENT OPERATIONS  
ON  
THE IMPACT OF NATIONAL ARCHIVES  
AND RECORDS SERVICE'S BUDGET REDUCTIONS  
ON ITS PRESERVATION ACTIVITIES  
AND OTHER ACTIVITIES



Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss some of our recent work concerning the National Archives and Records Service's (NARS) preservation activities. As you requested, we will also discuss the impact of budget cuts on these and other NARS' activities.

We believe preservation is one of the most important and critical issues facing NARS. The preservation of records documenting our national heritage is a challenge that will not

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be easily met. It involves basic policy and organizational issues and raises questions that lie at the heart of the archival profession. If this were not enough, NARS, like other agencies, is faced with budgetary curtailment and technological uncertainty.

During our recent evaluation of NARS' preservation activities, we found that NARS has made progress toward meeting some of the concerns addressed in our earlier audit reports and during hearings held by your subcommittee. However, the volume of records which must be preserved in conjunction with budget reductions at NARS make for an uncertain future.

In December 1981, NARS' holdings included three billion paper documents, 1.6 million maps, 5 million photographs, 102 million feet of motion picture film, 108,000 sound recordings, 9.7 million aerial photographs, and 1,000 reels of ADP tape. The different types of media used for these "records" have greatly varying life spans and require different types of preservation treatment. Some need treatment today, some a year or 10 years from now, and some may last another 100 years with no active preservation treatment. It depends upon the quality of the paper or other media, the condition of the record, and its use.

The results of our work leave us with great concern for NARS' ability to cope with its responsibilities. In medical terms, I think one would say that the patient is alive, but the vital signs are weak and the prognosis is guarded, at best.

Mr. Chairman, today I would like to discuss briefly the current status of several preservation issues. Then I would like to describe some of the problems which have arisen because of the rather severe budget cuts NARS is facing.

#### PRESERVATION ACTIVITIES

In two earlier reports issued in 1978 1/ and 1979, 2/ we addressed a variety of issues and problems with NARS' preservation activities. These issues included

- funding levels provided for preservation activities,
- developing criteria for selecting records for preservation,
- preserving records by greater use of microfilming,
- converting nitrate base film to safety base film, and
- improving environmental conditions at the National Archives Building.

#### Preservation funding

We expressed concern in our earlier reports about the rather small portions of NARS' funds being expended for preservation activities. Similar criticisms were made by members of the archival profession.

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1/"Valuable Government-Owned Motion Picture Films Are Rapidly Deteriorating" (LCD-78-113 June 19, 1978).

2/"Improvements Are Needed In the Management of the National Archives Preservation and Trust Fund Activities" (LCD-80-13 October 26, 1979).

Until 1979, NARS went 10 years without an increase in preservation funds. NARS' funds for preservation have gone from an average of \$200,000 per year in the 1960s, to about \$1 million per year during the 1970s, and from about \$1.8 million in 1979 to a planned expenditure of over \$4 million in fiscal year 1982.

NARS has increased the portion of its budget allocated to preservation activities, both as a percentage of the total budget and, more significantly, as a percentage of its operating program budget. As indicated on the chart at the podium, Mr. Chairman, you can see that for fiscal years 1980 and 1981 NARS expended about 5 percent of its total budget for preservation activities. The chart also shows that NARS plans to maintain preservation funding in fiscal year 1982 at the 1981 level despite a sharply reduced total budget.

A somewhat more meaningful analysis is to compare the amounts expended for preservation to the operating program funds available to NARS. This comparison shows that for fiscal years 1980 and 1981, NARS expended respectively, 7 and 8 percent of its operating budget for preservation. For fiscal 1982, even though the total program dollars available are sharply reduced, NARS plans to expend about 10 percent of its program budget for preservation activities, thereby maintaining the 1981 funding level.

Mr. Chairman, we believe NARS has responded to our concerns about the portion of its funding being provided for preservation.

The question now becomes one of whether NARS' preservation activities can be maintained at a reasonable level in view of the budget cuts it is facing.

#### Criteria for records preservation

In our 1979 report, we stated that original records judged to have "intrinsic value" should be preserved in both their original and microfilm form. We recognized the difficulty in making contemporary judgments about what may have intrinsic value for future generations, but we also noted that procrastination would only make the problem worse because records of all types were subject to equal neglect.

Since our report, NARS has devoted a great deal of effort in attempts to develop criteria for determining which records have intrinsic value and those which need to be preserved only for their informational value. Despite these efforts, which have included several internal studies, little progress has been made toward developing specific criteria for defining intrinsic value.

Currently, NARS division directors or chiefs of regional archives branches develop long-range programs for the physical restoration of records under their control in the following general order of priority:

- Deteriorating records that have unique intrinsic value which will be lost if preservation measures are deferred.
- Records in current demand likely to be damaged by ordinary use.

- Records requiring attention in connection with the microfilm publication and exhibit programs.
- Records of great intrinsic or research value that are likely to be damaged in future use.

In essence, judgments about which records have intrinsic value are made by the experienced archivists in each NARS division. We recognize that these judgments are subjective, and they may change over time. However, as long as judgments are made by professional archivists and priorities are established within existing NARS guidance, we do not believe the absence of detailed criteria for determining the intrinsic value of records is detrimental.

#### Microfilming

Our 1979 report recommended that NARS develop a plan for increased microfilming of textual records and disposing of the originals having no intrinsic value. NARS has made considerable progress since our report. Funding has increased substantially for this effort, with an estimated \$800,000 expended during fiscal 1981 as compared with only about \$50,000 during fiscal 1979.

NARS' officials became concerned about the microfilming effort following an inspection of a small sample of film by NARS' employees during 1981 which showed a significant number of defects in the microfilm records. NARS then undertook a comprehensive reassessment of microfilming as a preservation technique which included an inspection by an expert in the field.

This inspection indicated that

--the NARS microfilm collection was, overall, in good condition;

--properly processed and stored microfilm did not contain any defects; and

--microfilming is a stable method for preserving NARS' records and should be continued.

Recommendations were made for copying some older microfilm onto more suitable current film and for changes in storage conditions.

We believe NARS has made progress in this area and should continue emphasizing microfilming as a preservation technique.

#### Nitrate film conversion

In our 1978 report to the Congress, we described problems in the NARS program to care for valuable motion picture film. These problems included badly deteriorated nitrate motion picture film, lack of a sound film preservation program, and inadequate storage conditions. Among other things, we recommended that the Archivist take action to convert dangerous nitrate base film to fire-resistant safety base film.

The dangers associated with nitrate film were dramatically illustrated in December 1978, when fire destroyed 12.7 million of the 26 million feet of motion picture film stored in the Suitland, Maryland, film vaults. Since that time, NARS has converted about 8 million of the remaining 13.3 million feet deserving long-term preservation to safety base film. The remainder was disposed of, because it had no archival value. About 1.5 million feet of nitrate base aerial film continues to be held at the Suitland facility. NARS' officials are

exploring the possibility of expediting conversion of this aerial film by adding another Federal agency and a contractor to the Federal agency now performing the work. Conversion of this film could take as long as 5 years if the current effort cannot be supplemented.

We believe NARS should expedite its efforts to convert the remaining nitrate film to safety base film. This would eliminate the fire hazard posed by the nitrate film. Also, after conversion, NARS would avoid costs of about \$16,000 per year that it pays for special vaults for storing the nitrate base film.

#### Environmental conditions at the Archives Building

As we indicated in our earlier reports, we believe environmental control is the cornerstone to effective preservation of records reflecting our Nation's historical and cultural heritage. The National Archives Building does not meet NARS' standards for temperature and relative humidity--70 degrees Fahrenheit  $\pm$  4 degrees and 50 percent relative humidity  $\pm$  4 percent. GSA's Public Buildings Service (PBS), which is responsible for maintaining the Archives Building, has made numerous piecemeal efforts over the years to correct these environmental conditions. To date these efforts have not been effective.

We analyzed temperature and humidity readings in the Archives Building for 2 weeks--1 week in August 1981 and 1 week in December 1981. For the 1-week period in August, temperature was out of tolerance for some period of time



in an average of 12 of the 52 storage areas and humidity was out of tolerance for some period of time in an average of 30 of the 52 areas. Temperature ranged from a low of 66 degrees to a high of 84 degrees. Humidity readings ranged from a low of 34 percent to a high of 71 percent.

Similar conditions were noted during the 1-week period in December. Temperature ranged from 64 to 79 degrees and humidity from 28 to 62 percent.

Other environmental problems continue to plague the Archives Building. Dust and soot from the building's air ducts can seriously damage paper records. NARS requested a \$178,000 contract to clean the ducts; however, PBS rejected this request, stating that stack areas showed no excessive dust or soot. The building's air handling system has no capability for removing toxic or acidic gases, such as sulfur dioxide, hydrogen sulfide, ozone, and carbon monoxide from the air stream. NARS has not developed standards for determining acceptable limits of either particulates or pollutant gases, although it is well known that such pollutants can adversely affect paper records.

PBS' most recent effort to improve environmental conditions in the Archives Building is the installation of a computerized monitoring and control system for temperature and humidity. Work on this over \$900,000 project is nearing completion. The system will provide much better information on temperature and humidity conditions throughout the building. It does not,

however, have the capability to make fully automatic temperature and humidity corrections.

NARS' and PBS' officials believe the new system is a major improvement because it indicates what and where the problems are. They are not, however, certain that the system will enable them to maintain proper temperature and humidity conditions in the Archives Building.

Mr. Chairman, despite past efforts to improve the Archives Building, environmental problems persist. We believe the only way these problems can be corrected is for PBS to develop--and implement--a comprehensive plan for meeting the environmental conditions required for proper records storage. Implementing such a plan will likely be very costly and may take several years to complete, but it seems clear that piecemeal actions will not do the job. Furthermore, continued improper environmental conditions will accelerate deterioration of archival records and increase their preservation costs.

IMPACT OF BUDGET REDUCTIONS AND  
INCREASED SPACE CHARGES ON NARS' PROGRAMS

Budget reductions and increased charges for space will severely restrict NARS' ability to fulfill its mission. Since the beginning of fiscal year 1982, NARS has received several constantly reduced targets for its budget. As a result, program cuts needed to remain within the reduced funding levels are constantly changing and, in some cases, final decisions have not been made.

Since the initial 1982 budget submission by the Administration, a 12-percent budget cut was imposed. However, the continuing resolution which presently governs NARS activities reflects a 16-percent reduction in NARS budget.

NARS current funding for fiscal year 1982 is \$75,138,000, a reduction of over \$12.9 million (14.6 percent) since fiscal year 1981. The significance of the reduction is magnified by changes within the budget. The high fixed costs of maintenance, security, and operation of NARS' facilities by PBS have increased as a percentage of NARS' budget. In fiscal year 1981 these costs were 31 percent of NARS' budget. By comparison, they are 41 percent of the budget for fiscal year 1982. As a result, NARS' operating programs are receiving less of the budget. NARS' programs were 60 percent of the fiscal year 1981 budget, they are now only 54 percent for 1982. Stated another way, funds for NARS' operations have declined by \$12.5 million, or 23 percent, from fiscal year 1981.

Now I would like to discuss for a moment the reason for the high facilities charges paid by NARS before I address some of the possible effects of the reduced program funding.

#### Standard level user charges

NARS is a space-intensive agency with records storage comprising much of its space requirements. NARS' Federal Records Centers occupy about 3.9 million square feet of space, and the Archives Building contains over 845,000 square feet. Offices and other NARS' space needs are relatively minor by comparison.

Since archival and other Federal records storage requirements are largely determined by others, NARS has relatively little control over its space needs. Of most importance, NARS has no control over the amount it pays for its space.

Public Law 92-313, dated June 16, 1972, directs GSA to charge agencies rent for space GSA provides. The rental payments are officially called standard level user charges (SLUC). The law states that charges to agencies "shall approximate commercial charges for comparable space and services." The law does not contain criteria or guidance for computing comparable commercial charges.

In implementing the law, GSA contracts with appraisers to estimate comparable commercial charges. In developing such charges for fiscal year 1978, each Government-owned and leased building was appraised and a rate, referred to as a fair annual rental rate, was established. Each year since fiscal year 1978, about one-third of the buildings have been reappraised and new fair annual rental rates established.

Because of the way SLUC charges are assessed, they are still increasing in an environment of overall budget reductions. While NARS' overall budget has decreased by 14.6 percent from 1981, SLUC and related space charges have increased by 12.6 percent to \$30.5 million. The combined impact of the budget reduction and increased space charges on NARS' programs is substantial.

Lower funding, will have a substantial  
Impact on NARS' programs

Actions already taken and proposed by NARS to absorb a \$14.9 million (16 percent) reduction from the Administration's initial 1982 budget submission will have a significant impact on its programs. NARS has already reduced its staff by about 140 people through reductions-in-force. In addition, furloughs of staff are planned. These as well as other steps to live within the budget will affect NARS' services to agencies and the public, as well as its preservation activities.

A group of concerned NARS' employees recently prepared an assessment of the possible impact of NARS budget reductions. Following are three of the possible impacts they identified.

- NARS may no longer be able to provide 24-hour-a-day environmental controls critical to archival preservation in the nine presidential facilities which house material from the administrations of presidents Hoover through Carter.
- Work on preserving more than 1.3 million original color negatives maintained by the Office of Presidential Libraries may be halted.
- A contract with the National Bureau of Standards was let to design a survey system to identify NARS most pressing conservation priorities. If there is no staff to implement the Bureau's recommended procedures, preservation work may continue to be reactive to the

emergency of the moment, rather than rationally focused on established priorities.

We talked to NARS officials who agree to the factual nature of the information contained in the assessment. However, since NARS does not yet have an appropriation for fiscal year 1982, final decisions on budget cuts have not been made; hence precise budgetary impacts remain uncertain.

Budget cuts, reductions-in-force, and furloughs will adversely affect NARS' ability to provide service to the public, likely resulting in complaints to both NARS and the Congress. For example, during our study we found that NARS employees were constantly faced with additional work and revised plans due to the reduced funding level. Despite these problems, NARS employees were very cooperative and helpful. However, working in such an unstable and unsatisfying environment often breeds low morale and low performance.

Furthermore, the loss of experienced and trained staff through reductions-in-force reduces NARS' ability to perform its mission. Ultimately such severe budget cuts can only serve to promote the deterioration and ultimate loss of valuable historic records.

Mr. Chairman, although not a subject of this evaluation, budget cuts will be taking a serious toll on services NARS' Federal Records Centers are able to provide to agencies. We recently testified before your subcommittee on the success of NARS' Federal Records Centers in terms of producing

Government-wide savings. However, restrictions in Federal Records Centers' services will likely result in increasing the Government's record storage costs by encouraging agencies to keep records in higher cost office space. In addition, NARS' officials have advised us that studies are underway to consider ways of charging Federal agencies for records storage.

In our earlier testimony we stated that records storage charges would not be a significant enough part of total agency operations to encourage reduced storage periods. And even if they were, agencies could frustrate their intent by using higher cost office space as an alternative. Under the present arrangement, since NARS pays for the storage, it has some leverage, as well as the incentive, to encourage agencies to reduce their records retention periods. Therefore, we would not be in favor of charging for records storage as a stopgap method for solving short-term funding problems at the expense of the long-term problems which could result.

#### SUMMARY

As is evidenced by this testimony, NARS has made some progress in its preservation activities. However, increased SLUC charges and budget reductions have taken their toll on NARS, reducing program funds by 23 percent from fiscal year 1981. These constraints have led to reductions-in-force and planned furloughs. In addition to a reduced workforce, low morale is widespread. Workers see an increasing inability of NARS to fulfill its mission to preserve our heritage and serve

the public. Further, in spite of increased SLUC charges, poor environmental conditions persist in the Archives Building.

At a minimum, we see a need for the GSA to develop a comprehensive plan to improve the Archives Building's conditions. Such improvements can minimize the deterioration of archival records. Furthermore, funding decisions should be based on assessments of program impact, and not made across-the-board. We believe GSA officials should recognize the unique nature of NARS with its relatively uncontrollable, yet increasing space costs when making funding decisions.

In the long run, we believe hard decisions must be made in establishing preservation priorities. If NARS does not get the funds it needs, some records will, of necessity, not be preserved and portions of the documentation of our nation's heritage will be lost. The public officials making their funding decisions must consider the impact of their actions in this context and they should plan accordingly. Such plans will require establishing priorities for preserving certain bodies of records and minimizing the diversion of resources to other areas. They may also involve the disposal of records which, while nice to have, are not worthy of the expenditure of severely limited resources.

Mr. Chairman, this concludes my statement. We would be happy to respond to any questions you or other members of the subcommittee may have.



Selected Items  
NARS O.E. Direct  
(\$000)

	FY 1980		FY 1981		FY 1982		FY 1982		FY 1982		FY 1982		President's Jan. 82 Budget	
	Actual	FTE	Actual	FTE	Carter	FTE	Reagan	FTE	8% cut <sup>c/</sup>	12% cut <sup>c/</sup>	1982	16% cut	1983 Estimates	
	\$		\$		\$		\$		\$	\$	\$	FTE	\$	FTE
NARS, O.E.:														
NN (Preservation)	\$12,267 (2,941)	454	\$12,767 (2,780)	423	\$11,641 (2,435)	448	\$11,399 (2,435)	444	\$ 10,452 (2,435)	\$ 9,952 (2,435)	\$ 8,627 (2,435)	384	\$11,461 (2,435)	388
NL (Preservation)	5,317 (214)	215	6,275 (468)	202	6,873 (734)	228	6,218 (734)	248	5,683 (734)	5,503 (734)	5,248 (734)	214	6,212 (734)	222
NT (Other Preservation)	(739)		(780)		(870)		(870)		(870)	(870)	(870)		(870)	
(Total Preservation)	(3,894)		(4,028)		(4,039)		(4,039)		(4,039)	(4,039)	(4,039)		(4,039)	
Other Operating Programs	36,471	1,900	34,969	1,612	39,276	1,818	33,505	2,025	29,983	27,182	26,666	1,425	29,670	1,396
Grants	3,742	-	4,303	-	0	-	0	-	0	0	1,032	-	-0-	-
TOTAL PROGRAMS	\$57,797	2,569	\$58,314	2,237	\$57,790	2,494	\$51,122	2,717	\$ 46,118	\$42,637	\$41,573	2,023	\$47,343	2,006
SLUC TOTAL (Archives Bldg. SLUC)	\$20,028 (4,762)		\$22,694 (4,762)		\$30,619 (9,259)		\$30,544 (9,259)		\$ 29,201 (9,259)	\$28,851 (9,259)	\$26,887 (7,328)		\$28,931 (7,303)	
Recurring Reimbursables <sup>a/</sup>	3,454		4,421		6,220		5,340		4,775	4,705	3,651		5,756	
Common Distributables <sup>b/</sup>	2,535		2,643		3,117		3,101		3,032	3,032	3,027		3,263	
TOTAL NARS (DIRECT)	\$83,814	2,569	\$88,072	2,237	\$97,746	2,494	\$90,107	2,717	\$ 83,126	\$79,225	\$75,138	2,023	\$85,293	2,006

a/ Recurring Reimbursables - payments to the Federal Buildings Fund for services above the SLUC rate. SLUC covers a standard 40 hr. week for rent, utilities, cleaning, etc. Includes special heating, ventilation, air conditioning, special space alterations, burglar alarms, cleaning beyond normal levels, and security guards.

b/ Common Distributables - costs consolidated in central office and/or regions which are distributed back to programs on a pro-rata basis. Includes items such as: postage, local phones, FTS phones, administrative equipment, etc.

c/ No FTE's were distributed at these levels.

Source: National Archives and Records Service