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Davita Vance-Cooks

Acting Public Printer

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the Subcommittee on
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Committee on Appropriations
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On the Government Printing Office, FY2014

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Chairman Alexander, Ranking Member Wasserman Schultz, and Members of the Subcommittee on Legislative Branch Appropriations, it is an honor to be here today to discuss the Government Printing Office and fiscal year 2014, including the results of the recently-released study of the National Academy of Public Administration and our plans to deal with the impending sequester. As background to these issues, my prepared statement also provides an overview of the functions and operations of the Government Printing Office.

Government Printing Office

The Government Printing Office (GPO) is the **OFFICIAL, DIGITAL, SECURE** resource for producing, procuring, cataloging, indexing, authenticating, disseminating, and preserving the official information products of the Federal Government.

Under Title 44 of the U.S. Code, GPO is responsible for the production and distribution of information products for all three branches of the Government, including the official publications of Congress and the White House, U.S. passports for the Department of State, and the official publications of other Federal agencies and the courts. Once primarily a printing operation, we are now a publishing operation and we now carry out our mission using an expanding range of digital as well as conventional formats. Total GPO employment today is about 1,900.



Along with sales of publications in digital and tangible formats to the public, GPO supports openness and transparency in Government by providing permanent public access to Federal Government information at no charge through our Federal Digital System (FDsys, at www.fdsys.gov), which today makes more than 700,000 Federal titles available online from both GPO's servers and links to servers in other agencies, and sees more than 37 million documents downloaded every month. We also provide public access to Government information through partnerships with approximately 1,200 libraries nationwide participating in the Federal Depository Library Program.

In addition to GPO's Web site, www.gpo.gov, we communicate with the public routinely via Twitter twitter.com/USGPO, YouTube <http://www.youtube.com/user/gpoprinter>, Facebook <http://www.facebook.com/USGPO>, and most recently Pinterest <http://pinterest.com/usgpo/>.

History GPO first opened its doors for business on March 4, 1861, the same day Abraham Lincoln was inaugurated as the 16th President. Our mission can be traced to the requirement in Article I, section 5 of the Constitution that "each House shall keep a journal of its proceedings and from time to time publish the same." We have produced and distributed the official version of every great American state paper—and an uncounted number of other Government publications—since Lincoln's time, including the Emancipation Proclamation, the legislative publications and acts of Congress, Social Security cards, Medicare and Medicaid information, census forms, tax forms, citizenship forms, military histories ranging from the *Official Records of the War of the Rebellion* to the latest accounts of our forces in Afghanistan, the 9/11 Commission Report, Presidential inaugural addresses, and Supreme Court opinions.

Technology Transformation GPO has continually transformed itself throughout its history by adapting to changing technologies. In the ink-on-paper era, this meant moving from hand-set to machine typesetting, from slower to high-speed presses, and from hand to automated bookbinding. These changes were significant for their time. Yet they pale by comparison with the transformation that accompanied our incorporation of electronic information technologies, which began 50 years ago in 1962 when the Joint Committee on Printing directed the agency to develop a new system of computer-based composition. That order led to the development of GPO's first electronic photocomposition system, which by the early 1980's had completely supplanted machine-based hot metal typesetting. Following the enactment of the GPO Electronic Information Access Enhancement Act in 1993, the databases generated by our composition system were uploaded to the Internet via GPO's first Web site, *GPO Access*, vastly expanding the agency's information dissemination capabilities. Those functions continue today with FDsys on a more complex and comprehensive scale.

As a result of these sweeping technology changes, GPO is now fundamentally different from what it was as recently as a generation ago. We are smaller, leaner, and equipped with digital production capabilities that are the bedrock of the information systems relied upon daily by Congress, Federal agencies, and the public to ensure open and transparent Government in the digital era. Our technology transformation is continuing with the development of new ways of delivering Government information, including apps and bulk data download files.

GPO and Congress

For the Clerk of the House, the Secretary of the Senate, and the committees of the House and the Senate, GPO produces the documents and publications required by the legislative and oversight processes of Congress. This includes, but is not restricted to the daily *Congressional Record*, bills, reports, legislative calendars, hearings, committee prints, and documents, as well as stationery, franked envelopes, memorials and condolence books, programs and invitations, phone books, and the other products needed to conduct business of Congress. We also detail expert staff to support the information product requirements of House and Senate committees and congressional offices such as the House and Senate Offices of Legislative Counsel.

Today the activities associated with creating congressional information databases comprise the vast majority of the work funded by our annual Congressional Printing and Binding Appropriation. In addition to using these databases to produce printed products as required by Congress, GPO uploads them to the Internet via FDsys, and they are the source of the apps we build for congressional information. Our advanced digital authentication system, supported by public key infrastructure (PKI), is an essential component for assuring the digital security of congressional documents.

GPO's congressional information systems also form the building blocks of other information systems supporting Congress. Our congressional information databases are provided directly to the Library of Congress (LOC) to support its THOMAS system—and the new Congress.gov system—as well as the legislative information systems the Library makes available to House and Senate offices. We are also collaborating with the Library on the digitization of previously printed documents, such as the *Congressional Record*, to make them more broadly available to Congress and the public; the development of a new process for updating the digital edition of the *Constitution Annotated*; and expanding the availability of House bill data in XML bulk data format.



GPO Cuts the Cost of Congressional Work The use of electronic information technologies by GPO has been a principal contributor to lowering the cost, in real economic terms, of congressional information products. In FY 1980—as we began replacing hot metal typesetting with electronic photocomposition—the appropriation for our Congressional Printing and Binding Appropriation was \$91.6 million, the equivalent in today’s dollars of \$255.9 million. By comparison, our approved funding for FY 2013 under the current continuing resolution is \$91.3 million, a reduction of *nearly two-thirds* in constant dollar terms.

Productivity increases resulting from technology have enabled us to make substantial reductions in staffing requirements while continuing to improve services for Congress. In 1980, GPO employment was approximately 6,450. Today, we have approximately 1,900 employees on board, representing a 31-year reduction of 4,550, *or more than 70%*. This is the smallest GPO workforce of any time in the past century.

Highlights of FY 2012 Congressional Work In 2012, we introduced our first app, the *Mobile Member Guide*, which provided the public with quick, easy access to information on Members of the 112th Congress. We also collaborated with LOC for the creation of an iPad app for the daily *Congressional Record*. Late in the year, we made *United States Policy and Supporting Positions*, or the *Plum Book* as it is popularly known, available for the first time as an app.



At the direction of the House Appropriations Committee, and in support of the task force on bulk data established by House report 112-511, we have begun making House bills available in XML bulk data format, beginning with the 113th Congress. Making information available in this format permits data to be reused and repurposed not only for print output but for conversion into ebooks, apps, and other forms of content delivery, including data mashups and other analytical tools by third party providers, which contribute to openness and transparency in Government. For users for whom access to the authenticated versions of congressional and other Government publications is critically important, we make available digitally-signed files in PDF format that match the printed document. We are currently working with LOC to make additional information available in XML bulk data format.

About a year ago we started work on the requirements for the 2013 Presidential inauguration, under the direction of the Joint Congressional Committee on Inaugural Ceremonies. We designed and produced approximately 80 different products for the event, including invitations, tickets, signs, pins, and other items that supported the organization and conduct of the inaugural ceremonies. We also produced secure credentials for the event.

GPO and Federal Agencies

Federal agencies are major generators of information content, and GPO produces their information products for official use and public access. Federal agencies and the public also rely on a growing variety of secure credentials produced by GPO, including travelers holding U.S. passports, frequent U.S. border crossers, Medicare beneficiaries in Puerto Rico, and other users. Our digital systems support key Federal agency publications, including the annual *Budget of the U.S. Government* and the *Federal Register* and associated products. As it does for congressional documents, our digital authentication system, supported by public key infrastructure (PKI), assures the digital security of agency documents.

Highlights of FY 2012 Agency Operations In 2012 we made the *Budget of the U.S. Government* available for the first time as a mobile app. The app had more than 53,000 visits in the first 24 hours. For this work, we received a Digital Government Achievement Award from the Center for Digital Government, which recognizes outstanding web sites and applications developed by Federal, state, and local Government agencies. With the Office of the Federal Register, we also developed an app for the Public Papers of the President. This app has search capabilities allowing users to access content about the President by searching by date, category, and subject, as well as a geolocation feature providing users with access to the most recent content near their location.

A major document that GPO produces is the U.S. passport for the Department of State, which we have been responsible for since 1926. At one time no more than a conventionally printed document, the U.S. passport since 2005 has incorporated a digital chip and antenna array capable of carrying biometric identification data. With other security printing features, this document—which we produce in Washington, DC, as well as a remote facility in Mississippi—is now the most secure identification credential obtainable. We also now offer a line of secure identification smart cards to support the credentialing requirements of Federal agencies. Our secure credential unit has been certified as the only government-to-government provider of credentials meeting the requirements of Homeland Security Presidential Directive 12 (HSPD-12).

In 2012, we passed the milestone of producing the 75 millionth electronic passport. We also received direction from the Department of State to proceed with the necessary investment in equipment and infrastructure to begin producing the next generation passport in 2015. During the year, we were approved by the Joint Committee on Printing to expand our card production operations to our facility in Mississippi. This new capability will be brought online in 2013.



Partnership with Industry Other than congressional and inherently governmental work such as the *Federal Register*, the *Budget*, and secure and intelligent documents, we produce virtually all other Federal agency information product requirements via contracts in partnership with the private sector printing and information product industry. This work currently amounts to nearly \$350 million annually. Approximately 16,000 individual firms are registered to do business with GPO, the vast majority of whom are small businesses averaging 20 employees per firm. Contracts are awarded on a purely competitive basis; there are no set-asides or preferences in contracting other than what is specified in law and regulation, including a requirement for Buy American. This partnership provides great economic opportunity for the private sector.

GPO and Open, Transparent Government

Producing and distributing the official publications and information products of the Government fulfills an informing role originally envisioned by the Founders, as James Madison once 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 which knowledge gives.

GPO operates a variety of programs that provide the public with “the means of acquiring” Government information that Madison spoke of.

Federal Depository Library Program GPO administers the Federal Depository Library Program, whose legislative antecedents date back 200 years to 1813. Across those years, depository libraries have served as critical links between “We the People” and the information made available by Federal Government. GPO provides the libraries with information products in digital and, in some cases, tangible formats, and the libraries in turn make these available to the public at no charge while providing additional help and assistance to depository library users. The program today serves millions of Americans through a network of approximately 1,200 public, academic, law, and other libraries located across the Nation, averaging nearly 3 per congressional district. Once primarily involving the distribution of printed and microfiche products, the FDLP today is primarily digital, supported by FDSys and other digital resources.

A major FDLP effort during the year was the State Forecasting Project, a collaborative research project between GPO and depository libraries, which surveyed all depository libraries to assess the current conditions of the program. Primary issues identified in the survey included budget constraints, use of physical space, staffing, and collection scope changes. GPO received responses from 775 depository libraries in 38 states. Results from this initiative will serve as a blueprint for developing a new national plan for the future of the FDLP.

Federal Digital System FDSys provides the majority of congressional and Federal agency content to the FDLP as well as other online users. This system has reduced the cost of providing public access to Government information significantly when compared with print, while expanding public access dramatically through the Internet. Public utilization of FDSys has grown to more than 400 million document retrievals by the end of FY 2012. Currently, the system provides access to nearly 700,000 individual titles from all three branches of the Government, the only system of its kind in operation today.

GPO is continually adding collections to FDSys to provide increased public access to Government information. In 2012, we had the opportunity to make audio content available for the first time on FDSys. The National Archives and Records Administration (NARA) asked us to host the audio tape recordings of communications between the White House and Air Force One following the assassination of President John F. Kennedy. As a result of hosting the audio recordings, there were a record number of visits to FDSys over a five-day period.

Publication and Information Sales Program Along with the FDLP and FDSys, which are no-fee public access programs, we provide public access to official Federal information through e-commerce public sales featuring secure ordering through an online bookstore, a bookstore at GPO headquarters in Washington, DC, and partnerships with the private sector to offer Federal publications as ebooks. Our presence in the ebook market continues to grow. We entered into two important agreements in 2012 with Barnes & Noble and Apple to make popular Government titles such as the *Public Papers of the President-Barack Obama*, the *Financial Crisis Inquiry Report*, and *Ponzimonium: How Scam Artists are Ripping Off America* available as ebooks. We now have agreements with Apple, Google’s eBookstore, Barnes & Noble, OverDrive, Ingram, Zinio, and other online vendors to sell Federal ebooks and magazines.



Reimbursable Distribution Program We operate distribution programs for the information products of other Federal agencies on a reimbursable basis, including General Services Administration (GSA) Consumer Information Center publications, from warehouses in Pueblo, CO, and Laurel, MD.

GPO and Social Media We use Facebook, Twitter, YouTube, and a book blog to share information about GPO news and events, and to promote specific publications and products. By the end of 2012, we had 2,000 likes on Facebook, 4,300 followers on Twitter, and 64,000 views across nearly 50 videos on YouTube. Our book blog, Government Book Talk, focuses on increasing the awareness of new and classic Federal publications through reviews and discussions. Recently, we started up a presence on Pinterest.

GPO's Finances

Revolving Fund. All GPO activities are financed through a business-like Revolving Fund. The fund is used to pay all of our costs in performing congressional and agency printing, printing procurement, and distribution activities. It is reimbursed from payments from customer agencies, sales to the public, and transfers from our two annual appropriations, the Congressional Printing and Binding Appropriation and the Salaries and Expenses Appropriation of the Superintendent of Documents. Our appropriations constitute approximately 16% of our annual revenues. All other revenues are earned from the production of goods and services for customer agencies.

Appropriated Funds. Our Congressional Printing and Binding Appropriation is used to reimburse the Revolving Fund for costs incurred in performing congressional work. Our Salaries and Expenses Appropriation of the Superintendent of Documents is used to pay for costs associated with depository library distribution, cataloging and indexing, statutory distribution, and international exchange distribution. The reimbursements from these appropriations are included in GPO's total revenue. Occasionally, we also receive direct appropriations to the Revolving Fund for specific purposes, including investment in digital technology development and repairs to our buildings.

FY 2012 Financial Results. For FY 2012, total revenue totaled \$713.8 million, and total operating expenses were \$708.6 million, excluding Other Operating Expense. Other Operating Expense was a \$2.4 million adjustment to increase our long-term workers' compensation liability as established by the Department of Labor. As a result, we realized net income of \$5.2 million for the year before Other Operating Expense, and net income of \$2.9 million after. Our financial statements are audited annually by an independent third party contracted for by our Office of the Inspector General, and we routinely receive an unqualified, or "clean," opinion.

FY 2013 Appropriations For FY 2013, we requested a total of \$126.2 million that would enable us to meet projected requirements for congressional printing and binding, operate GPO's statutory information dissemination programs, and provide investment funds to continue the development of FDsys and provide for necessary facilities repairs. Our request represented no increase over the level of funding provided for FY 2012. Under that cap, however, we proposed decreasing the funding for congressional printing and binding while increasing it for expanded investments in digital technology and other improvements. The continuing resolution froze our funding at the FY 2012 level plus .612% but did not change the distribution of funds among our accounts.



FY 2014 Budget Request We are currently finalizing our appropriations request for FY 2014 for submission to the House and Senate Committees on Appropriations by March 1. At this time, we are planning a request of \$128.5 million. A request at this level would represent an increase of \$1.5 million, or 1.2%, over the funding provided for FY 2013 in the continuing resolution. Significantly, this amount would include a decrease of \$11.5 million in Congressional Printing and Binding and an increase of \$12.4 million in investments in continued growth for our digital systems, transitioning our binding line to a digital system, and necessary IT and infrastructure repairs.

National Academy Of Public Administration Study

As directed by Congress in the conference report accompanying the Legislative Branch Appropriations Act for FY 2012 (P.L. 112-74), the National Academy of Public Administration conducted a study on “updating a review of GPO’s operations and additional cost saving opportunities beyond what GPO has already instituted, if any.” The Academy reported its findings to the Committees on Appropriations of the House of Representatives and the Senate and has released its report titled, *Rebooting the Government Printing Office: Keeping American Informed in the Digital Age*. We are pleased to see the report affirms that “GPO’s core mission of authenticating, preserving, and distributing Federal information remains critically important to American democracy” in the digital age, and we think the report offers a number of thoughtful, useful recommendations to strengthen our business model for the future.

Overseen by a panel of distinguished Academy fellows and conducted by a team of Academy professionals, the 10-month study involved extensive data analysis and review supplemented by interviews with GPO management, employees, and labor representatives as well as stakeholders from the congressional, Federal agency, library, and printing communities. The resulting report contains 27 findings and 15 recommendations.

The focus of the Academy’s report is the need for GPO—and the rest of the Federal Government—to continue “rebooting” for the digital age. While pointing out that “GPO’s leaders have made considerable progress in transforming the agency into an efficient, future-oriented organization,” and that the agency has “expanded products and services for the digital age and made difficult decisions to ensure that revenues are in line with expenditures,” the report makes recommendations designed to help position GPO and the Federal Government to continue meeting the challenges of an increasingly digital world.

The Academy’s report calls for GPO to “serve as a critical player in the collaborative development of a government-wide strategy” for managing the lifecycle of Government information. To strengthen GPO for the future, it recommends that we continue offering an expanded set of services for the digital age, preserve the viability of the Federal depository library program, retain the production of executive branch printing, improve strategic and staffing planning, further consolidate operations, automate more agency functions, and related measures. The report also recommends exploring alternate funding models for digital products and services, expanding the sales of publications into new markets, consideration by Congress of allowing GPO to respond to state and local government requests for smart cards, and increasing our program of leasing underutilized GPO building space.



The report's recommendations have been assigned to the responsible GPO business units for the development of plans for carrying them out. We are committed to our mission of Keeping America Informed and will continue to transform to meet the changing information needs of Congress, Federal agencies, and the public. Earlier this month, I sent a letter to the Academy thanking the panel of Academy fellows who oversaw the study and the Academy's professional staff for their thorough review of GPO's operations and the recommendations they have made to strengthen our mission and services.

GPO and Sequestration

We have been taking several steps to plan for the prospect of the sequester of Federal funding that is set to take place on March 1. Last August I designated a group of GPO managers to begin planning for the sequester, which at that time was scheduled for January 2013. Along with providing information to the Office of Management and Budget (OMB) to be made part of the President's report required by the Sequestration Transparency Act of 2013, they prepared options for spending reductions and other measures to offset the impact of the sequester on GPO resources and operations.

The President's report issued last year initially estimated an 8.2% reduction on GPO's direct appropriations, totaling about \$10 million. Following the agreement reached in the fiscal cliff legislation earlier this year the impact has been reduced to 5.3%, or approximately \$6.7 million. (Initially we were told by OMB that the operation of GPO's Revolving Fund would not be subject to the sequester. Recently, OMB informed us that the administrative expenses of our Publication and Information Sales Program, a Revolving Fund program, may be subject to the sequester, which would create an additional impact of slightly less than \$100,000. At this writing the issue remains under review.)

While GPO's direct appropriations comprise only 16% of our annual revenues, the impact of a sequester would be significant. Appropriated funds finance approximately one-third of our overhead expenses, which include other statutory and essential functions such as our Office of Inspector General, Equal Employment Opportunity, information technology and systems, police and physical security, human capital, finance, facilities maintenance and repair, acquisitions, and related costs.

Beyond that, we are deeply concerned that there may be a significant reduction in revenue to our Revolving Fund if Federal agencies order less work from GPO as a result of the impact of sequestration on their budgets (for example, the Department of Defense, which is facing a significant sequestration percentage, is one of our largest customer agencies). The extent of this reduction is uncertain at this time.

Management Plans We are prepared to implement freezes—with some limited exceptions for essential activities—on hiring, overtime, performance awards, training, administrative travel, and maintenance not required for health or safety. In order to minimize operational risks, we may also opt to defer up to 75% of all technology and infrastructure repair investments approved by the Joint Committee on Printing for FY 2013 (amounting to \$14.1 million of the approved total of \$18.8 million). This would delay the development of digital technologies, such as mobile apps, replacement of legacy systems, and the development of other digital products and services for Congress, Federal agencies, and the public. Repair work on GPO's buildings would be deferred, with projects limited to those related to safety and health issues.



If these actions prove to be insufficient to absorb the effects of the sequester and no other options remain available to us, we may be required to furlough employees. About 94% of GPO's 1,900 employees are located in the Washington, DC, metropolitan area. If a furlough is implemented, reductions would also be made to funding for contractors used in support of operations. A furlough would negatively impact our ability to carry out GPO's mission effectively. Equally as important, it would negatively impact the economic well-being of GPO's employees, their families, and the communities where they reside. Nevertheless, we have been compelled by circumstances to review furlough procedures as a preparedness measure. On February 6, in a series of town hall meetings spanning all 3 shifts, including meetings with GPO's union leaders and our details on Capitol Hill, we informed employees of this possibility and provided answers to their questions.

Impact by Appropriations Accounts

Impact on Congress Most of the funds sequestered (\$4.8 million) would be from the Congressional Printing and Binding appropriation. However, GPO would be required to continue performing all work requisitioned by Congress to support the legislative process; we do not control the ordering of congressional work. If congressional workload exceeds the funding available, a funding shortfall may result, requiring us to temporarily finance the work out of available resources in the Revolving Fund that otherwise would be utilized for necessary repairs and maintenance as well as investment in new technologies and equipment. We would then ask Congress to appropriate the shortfall in a subsequent fiscal year. If a furlough is implemented, essential support to Congress would continue but risks of reduced responsiveness and timeliness may result from reduced staffing.

Impact on Public Access to Government Information A sequester of funds in the Salaries and Expenses Appropriation of the Superintendent of Documents would reduce this account by \$1.9 million, causing the deferral of projects supporting improved public access to Federal information via Federal depository libraries and through FDsys. Other programs required by law, such as the cataloging and indexing of Government publications, the distribution of publications to recipients designated by law, and the distribution of official U.S. Government publications to foreign governments—which is required by both law and treaty—would also be affected by deferred projects. A furlough of employees in these programs would reduce responsiveness to requests for assistance from depository libraries and the public.

Impact on GPO's Investments for the Future Appropriations to GPO's Revolving Fund for investment in continued digital technology development and repairs to GPO's infrastructure would be reduced by \$27,000. These funds are used for projects to reduce printing costs and increase public access to Government information via digital formats. If these items are cut by the sequester and GPO has to defer acquiring items in its annual spending plan, the pace of our ongoing transformation to a digital platform will be delayed.

Impact on GPO Services for Federal Agencies GPO printing services to agencies and the public, including the issuance of Federal regulations and the President's annual



budget, as well as the maintenance of blank passports inventory, the development of next generation passports, the provision of essential secure identification credentials, and the production of other Federal publications and forms, could be placed at risk of delay by the sequester. We provide services to Federal agencies on a reimbursable basis. A furlough of GPO employees supporting the production of work for Federal agencies would increase the risk of reduced responsiveness and timeliness.

Impact on States and Localities Reductions in the work procured by GPO on behalf of Federal agencies could impact private sector printers nationwide, who will likely face reduced and unpredictable workloads as the result of the sequester. Currently, the Government Accountability Office is performing a study to evaluate the prospect of increasing the flow of procurable printing work from Federal agencies to the private sector by identifying inefficient and costly internal agency printing operations. The study was requested by the Joint Committee on Printing. A sequester may result in more printing work being diverted inhouse by agencies as they seek to offset the impact of reduced funding on their own workforces.

In summary, the sequester – should it occur – would have broad and unpredictable consequences and risks for GPO operations, services, and our employees, as well as our stakeholders in Congress, Federal agencies, the private sector printing industry, the library and information communities, and the public. We remain actively engaged in continued planning and evaluation to ensure we can continue to carry out mission-critical functions if the sequester goes ahead. Unfortunately, such plans may be undercut by the uncertainties that are associated with sequestration.

Chairman Alexander, Ranking Member Wasserman Schultz, and Members of the Subcommittee, thank you again for inviting me to be here today. This concludes my prepared statement, and I am prepared to answer any questions you may have.





U.S. GOVERNMENT PRINTING OFFICE

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