

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

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**THURSDAY, APRIL 10, 2003**

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

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

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

### **LIBRARY OF CONGRESS**

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

#### **ACCOMPANIED BY:**

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

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

Senator CAMPBELL. The subcommittee will come to order.

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

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

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

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

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

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

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

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

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

Senator STEVENS. No, thank you.

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

#### EMERGENCY SUPPLEMENTAL APPROPRIATIONS

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

#### UPCOMING CHALLENGES

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

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

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

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

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

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

#### LIBRARY OF CONGRESS FUNDING PRIORITIES

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

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

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

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

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

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

#### NEW WEBSITE

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

Dr. BILLINGTON. Hog Heaven——

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

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

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

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

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

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

Senator CAMPBELL. I will keep that one.

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

Dr. BILLINGTON. Thank you.

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

General SCOTT. Yes, sir, I do.

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

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

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

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

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

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

Senator CAMPBELL. Yes, they were small.

[The statements follow:]

#### PREPARED STATEMENTS OF JAMES H. BILLINGTON

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### THE LIBRARY OF CONGRESS TODAY

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

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

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

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

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

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

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

#### FISCAL YEAR 2002 ACCOMPLISHMENTS

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

#### PHYSICAL SECURITY

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

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



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

#### COLLECTIONS SECURITY AND MANAGEMENT

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

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

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

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

#### COPYRIGHT OFFICE

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

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

#### CONGRESSIONAL RESEARCH SERVICE

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

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

#### OTHER CORE PROGRAMS AND MANDATED PROJECTS

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

### *Core Programs*

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

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

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

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

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

### *Congressionally Mandated Projects*

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

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

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

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

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

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

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

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

#### LIBRARY BUILDINGS AND GROUNDS

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

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

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

#### AUTOMATED HIRING SYSTEM

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

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

#### FEDLINK PROGRAM

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

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

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

#### SUMMARY

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

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

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

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

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#### CENTER FOR RUSSIAN LEADERSHIP DEVELOPMENT

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

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

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

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

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

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

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

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

#### *2002 Program Overview and Highlights*

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

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

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

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

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

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

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

- Average age of delegates in 2002 was 38.

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

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

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

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

#### *History*

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

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

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

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

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

#### *Then and Now*

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

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

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

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

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

#### *Rule of Law*

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

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

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

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

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



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

#### *Women as Leaders*

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

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

#### *Election 2002*

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

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

#### *Links to Open World Alumni*

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

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

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

#### *Achievements and Goals*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### THE COPYRIGHT OFFICE MISSION

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

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

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

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

#### FISCAL YEAR 2004 BUDGET REQUEST SUMMARY

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

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

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

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

##### *Policy and Legal Responsibilities*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### *Licensing Activities*

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

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

#### *Copyright Education*

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

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

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

#### *Reengineering Program*

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

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

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

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

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

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

#### CONCLUSION

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### STATUS OF FISCAL 2003 NEW CAPACITY INITIATIVE

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

#### CONCLUSION

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

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

#### RUSSIAN LEADERSHIP PROGRAM—OPEN WORLD

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

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

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

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

#### POLICE MERGER

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

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

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

Senator CAMPBELL. General Scott.

General SCOTT. Yes, sir.

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

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

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

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

#### LIBRARY OF CONGRESS POLICE FORCE

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

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

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

## POLICE STAFFING STUDY

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

General SCOTT. Posting study?

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

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

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

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

Senator CAMPBELL. What is a posting study?

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

Senator CAMPBELL. I see.

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

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

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

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

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

## DIGITAL FUTURE INITIATIVE

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

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

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

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

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

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

#### EMERGING DEMOCRACIES

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

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

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

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

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

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

Senator CAMPBELL. Is Belarus a candidate for that?

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

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

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

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

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

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

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

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

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

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

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

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

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

#### SECURITY—CAPITOL VISITOR CENTER

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

Senator BENNETT. Thank you, Mr. Chairman.

#### AUTOMATED HIRING SYSTEM

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

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

General SCOTT. Thank you, Dr. Billington.

Senator CAMPBELL. Yes, please.

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

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

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

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

Senator CAMPBELL. Thank you.

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

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

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

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

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

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

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

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

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

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

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

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

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

#### VETERANS HISTORY PROJECT

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

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

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

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

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

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

Senator CAMPBELL. Do you work with tribes, too?

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

General SCOTT. I can fill you in on that.

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

General SCOTT. Yes, sir.

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

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

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

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

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

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

General SCOTT. Yes, sir.

Senator CAMPBELL [continuing]. They do join.

General SCOTT. Right.

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

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

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

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

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

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

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

We do feel now it has reached a stage where more support is needed. We have about 75,000 of these accounts. But there are 19 million veterans; 1,500 die every day—we are racing against time. We want to get these stories—many of the veterans have never talked about their experiences. I can say, as a historian, just looking at some of this stuff—and I have conducted a few interviews myself—it is going to change the writing of history, because we will now see wars from the bottom up, rather than from just the top down.

Senator CAMPBELL. I think it is a really important program.

Let me yield to Senator Durbin.

#### USE OF LIBRARY RESOURCES

Senator DURBIN. Thank you, Senator. I apologize for being late. We had an emergency meeting of the Illinois and Iowa delegations over the future of an arsenal, and I wanted to be certain that I made an appearance there.

But I am glad I could join you here today. Thank you and thanks to Dr. Billington and General Scott for what you are doing at the Library of Congress.

I would like to address an issue which is near and dear to me that I have discussed with both of these gentlemen as recently as yesterday. If you read the latest issue of Atlantic Magazine, you may be surprised to learn, that Adolf Hitler was not only a megalomaniac, but he was also a bibliophile and collected a vast amount of books. When the Allied troops liberated Germany, they took that collection and turned it over to our friends at the Library of Congress. And across the street now is Adolf Hitler's book collection with his nameplates in the books.

Now the reason that that caught my attention was that I never dreamed that he was a book collector.

Dr. BILLINGTON. He burned a lot of them.

Senator DURBIN. Yes, he burned a lot. Nor did I know that—

Senator CAMPBELL. He was an art collector, too, of sorts.

Senator DURBIN [continuing]. His collection was across the street at the Library of Congress, amid probably other collections, but I think it is one of the major ones. We had a conversation yesterday. We talked about all of the treasures and assets of the Library of Congress that are virtually unknown to the rest of the world. I think it is time that we stopped hiding this light under a bushel. I think in order to let the American people and the world know what we have, we have to do a little better job of telling the story.

I think you do that. And I think websites are going to open up a lot of access that just did not exist several years ago. But there is another area that strikes me where we have great potential. If you visit the National Gallery or any of the Smithsonians or any of the museums, major museums, in any city in this country, you will find great collections of wonderful things and a great gift store that allows you, in leaving with that positive feeling about this institution, to take home something that caught your eye, a reproduction of a work of art or something that you want to treasure yourself and share with your family.

I think we can do more with the Library of Congress in this regard. I think there is an opportunity to take some of the more outstanding things in the collection of the Library of Congress and safely reproduce them in a form that will generate revenue for the Library, to be reinvested in its activities and also give the American people a better opportunity to understand what a great treasure we have in the Library of Congress.

And I might add, Mr. Chairman, this committee is really on the front line of this. In the not-too-distant future, maybe 2 years, we will have a Capitol Visitor Center. Within that Capitol Visitor Center, we will find millions of people accessing the United States Capitol again under the best circumstances, in a secure way, so that there is no doubt about their security or the security of the building.

#### RETAIL SALES ACTIVITIES

Attached to that Capitol Visitor Center will be tunnel access to the Library of Congress. So these same hundreds of thousands of visitors will have a chance to make a turn in their visit to Wash-

ington and come over to see the Library of Congress, many for the first time. I think that, too, is going to be another opportunity for access to the Library and access to perhaps some retail operation where they can leave the Library with something that means a lot to them.

I have not even touched on E-commerce, which I think I would like to ask you about, if I could. I have talked to some people. And they said, for example, if you took some of the extraordinarily rare maps in the Library of Congress and produce them in limited edition for sale, with the revenue coming back to the Library, there would be a lot of people interested in it.

Tell me what you have done so far—we have talked about this for a year or two—and what you envision the next step to be in this process.

Dr. BILLINGTON. Well, I will just say one word, because General Scott has been overseeing this. We have moved, and largely in response to your very effective and helpful suggestions, and done a test of online marketing. After 9/11, we had to close our Madison shop. We now have one in the Jefferson. It is small. We will certainly want to look into the idea of expanding it, as you suggest.

But on the question of E-commerce, since we are a huge web presence as it is, this is very clearly promising. And the experiments that General Scott supervised this past year have shown real promise with that. But I will let him tell the story, because he has been doing a good job for it, moving us into a more aggressive business posture, as you have suggested.

General SCOTT. Yes, sir. The first thing we have done is we have made some real progress towards making some profits on some of the items that we have marketed, particularly on the website. During last year, we marketed some of the gift shop items through Yahoo. And for a very modest investment, because we did not have additional money to really go out and hire somebody, we were able to make \$73,000, which really came out to be about a 24 percent return on the investment.

With that, we have also come out with a business strategy and an implementation plan that we feel confident that if we could have some seed money—that is what we have asked for in this budget—we could make this a much more profitable operation.

We did talk about a map, putting one of the rare maps up. I am pleased to say that Beacher Wiggins, who is our Acting Director for Library Services now, has started already to research that project. We are going to see where that is going to take us. I do think we have put together a plan that identifies what we need to do between now and the next couple of years. If we can get this seed money, I think we will be able to come back and tell you our progress next year.

Senator CAMPBELL. Is this the plan that the Congress directed in the fiscal year 2003 to—

General SCOTT. Yes, sir.

Senator CAMPBELL. And in your request this year, as I understand it, you are requesting \$715,000, 5 FTEs, and that it will be the seed money to—

General SCOTT. Yes, sir.

Senator CAMPBELL [continuing]. Do the infrastructure and the marketing and so on?

General SCOTT. That is correct, sir. It is just a 1-year request that we are asking for.

Senator CAMPBELL. And you had a 23 percent—

General SCOTT. We had a 24 percent return on investment.

Senator DURBIN. I want to just say, Mr. Chairman, I will not dwell on it any longer since I came in late, but I think we want to take care that we maintain our first responsibilities. You have a fiduciary responsibility to the contents of the Library of Congress. We all do as part of this effort, and that has to be protected.

We certainly do not want to see commercial exploitation of things that are very sensitive and important. We want to take care that we pick those items that can be merchandised in a tasteful and thoughtful and responsible way. And I trust that is exactly what you are going to do.

There have been some controversies in some agencies of government about commercialization. We are not going to get close to those. I think there are things that we can share with the American people and, with the revenue from that, enhance your great institution.

Thanks, Mr. Chairman.

Senator CAMPBELL. Let me add, too, though, I mean, some things you will market. But I have visited the Library a number of times. And I have traveled a lot, like Senator Durbin has. I have been to the Roman baths in Rome, for instance, and some of the great cathedrals in St. Petersburg. And I have to tell you that the mosaics on the floor of the Roman baths and the mosaics in the cathedrals of St. Petersburg I do not think are any nicer than the ones you have in this building.

And it would seem to me that part of the marketing ought to be to get people to come and see the things that you are not going to be able to send them as a souvenir. And, I would commend that. In fact, I do all the time. People come into our office and ask us, "We only have half a day. What do you think we ought to see around here besides the Capitol?" I always recommend the Library of Congress, specifically because of those outstanding mosaics that are on the wall.

So, from that standpoint, I do not really see that as commercialization. That is something they own, as American citizens and taxpayers. And it is certainly an educational experience for youngsters. And I think a lot could be done with that, if you want to increase the tourism over there.

#### ADDITIONAL COMMITTEE QUESTIONS

Well, I have two or three other questions. What I am going to do, since I do have another meeting, however, is submit those to you and ask you if you would get back to us to put on the record in writing.

General SCOTT. Yes, sir.

Dr. BILLINGTON. Yes, sir.

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



## QUESTIONS SUBMITTED BY SENATOR BEN NIGHTHORSE CAMPBELL

## POLICE REQUEST

*Question.* The Library has approximately 130 police officers, which are to be merged with the U.S. Capitol Police over the next few years. The Library is requesting an additional 51 officers in its fiscal year 2004 budget. Why are these officers needed now? Have you asked the Capitol Police to undertake a postings study for these additional officers? How will you ensure bringing in these officers at this time will not negatively impact the impending merger?

*Answer.* The Library plans to open or expand ten new police posts in fiscal year 2004 in connection with the completion of 1999 supplemental appropriations perimeter security construction. Additionally, some of the requested FTEs would be used to bring current police posts to the minimum staffing level to ensure officer and staff safety. The Capitol Police have not been asked to conduct a postings study for the additional Library police officers. However, the Library has completed a comprehensive post staffing analysis supporting this request. The Library does not believe that bringing on the requested new officers would negatively impact an impending police merger. These additional FTEs would be needed under the current or a merged structure, as the requirements remain the same.

## HIRING PROBLEMS

*Question.* In 2001 the Library installed a new automated hiring system that was required by Court order. You reported in last year's hearing that it was resulting in some significant delays in hiring personnel with unqualified people getting through the initial screening process. What is the status of this system and will the Library be able to hire up to the level the Congress authorized for fiscal year 2003? What is the average amount of time required to hire a new person, and what accounts for the improvement over last year?

*Answer.* After various systems and process improvements, the Library is hiring quicker and in higher numbers than ever before. On average, fiscal year 2002 selections occurred 110 calendar days after postings opened, as compared to 178 calendar days under the previous hiring process. The Library achieved this savings largely by reducing processing time within Human Resources Services. The Library also made 300 selections in fiscal year 2002, a notable improvement over the previous 190-selection average. The Library is working hard to meet the fiscal year 2003 hiring requirements, despite working under eight continuing resolutions for almost 6 months of the fiscal year, which always impacts hiring.

## CRS—HIRING PROBLEMS

*Question.* Last year Congressional Research Service (CRS) identified some areas where it needed to increase its staffing—homeland security and terrorism, and aging-related issues. Have you been able to hire-up or otherwise fill the need you identified in these areas?

*Answer.* Of the twelve new positions approved for fiscal year 2003, five positions were posted by March 31, 2003: (1) Public Health & Epidemiology—Combating Terrorism; (2) Infrastructure Systems Analysis—Combating Terrorism; (3) Science & Technology, Biochemistry—Combating Terrorism; (4) Economics of Aging—Aging; and (5) Economics of Health Care—Aging.

Another six positions will be posted by early June 2003: (1) Islamic and Arabic Affairs—Terrorism; (2) Actuary—Aging; (3) Senior Demographer—Aging; (4) Bioethical Policy—Aging; (5) Genetics—Aging; and (6) Gerontology—Aging.

The projected on-board dates for the four positions supporting Combating Terrorism, that have already been posted, vary from July through September. The last Combating Terrorism position, a Librarian, will be posted in fiscal year 2004. The projected on-board dates for the seven Aging positions begin in August 2003, with the final two reporting in October 2003.

## DIGITAL INITIATIVES

*Question.* The Library has a National Digital Library program with funding of about \$20 million. Through this program the Library has digitized many parts of its collection and made them available through the Library's web site. In addition, the Library is shepherding a multi-agency, government/industry effort called the National Digital Information Infrastructure Preservation Program (NDIIPP). How do these two programs relate to one another? The Library recently received this Committee's approval to proceed with spending \$25 million of the \$100 million appropriated for NDIIPP. What is the status of this effort? The next step will be secur-

ing matching funds from other organizations, totaling \$75 million. Have you begun this process? Do you envision the need for significant additional appropriations in the next few years for digital initiatives or to implement the NDIIPP?

Answer. Through the Library's efforts to build a digital library, The National Digital Library (NDL) program, the Library learned how to convert analog materials and deliver content electronically. Building upon the know-how gained in developing a digital library and handling digital materials, the NDIIPP's goal is to develop a national strategy for collecting and preserving digital content. The NDIIPP program is a special program to develop a national strategy to collect and preserve current digital content that only exist in "born digital" form. NDIIPP is funded by a special appropriation, whereas, the NDL is an ongoing part of the Library's budget base.

The NDIIPP plan was accepted by Congress on December 3, 2002. The next phase of the NDIIPP plan has two major components: a network of cooperating institutions and partners, and the technical framework, communication networks, services, and applications that support the cooperating network of partners.

The plan envisages a three-tiered research and investment program which suggests targeted core capacity investments that will be subject to matching funds in pilot projects and experiments that will run for 1 to 5 years, beginning in fiscal year 2003. "Core capacities" refer to the shared knowledge, expertise skills, and consensus deemed essential to support collaborations among partners that comprise the digital preservation network.

The Library does not envision the need for appropriations support in the next few years for the NDIIPP beyond the \$100 million Congress has already appropriated for NDIIPP.

The Library is in the process of updating its internal digital initiative strategy. This includes identifying the need for any additional NDL appropriated base funding support for fiscal year 2005 and beyond.

#### CRS CONTRACTING

*Question.* CRS' budget includes a \$3 million increase for contracts—roughly 40 percent over the current year. Yet according to the Inspector General, in many instances CRS' consulting contracts are not cost effective and do not comply with regulations. The IG found at CRS consistent trends of limited or no competition, insufficient cost analysis and inadequate sole source justifications. Why should we provide this increase in view of these problems, and have these deficiencies been fixed?

Answer. Per the Library's Inspector General (IG), the information driving the question about the CRS contracting may have been taken out of context. The majority of the audit conditions and recommendations were focused on the Library's Contract Services, not the CRS. Two of the three contracting issues addressed in the Senate question, competition and inadequate sole source justifications apply exclusively to the Library's Contract Services functions. The remaining issue, which relates to insufficient cost analysis, pertains to and has been partially corrected by CRS through training of the CRS contract specialist.

The IG recognizes the absence of viable alternatives or competitors with regard to the highly specialized, interim research or analytic capacity for which CRS typically contracts under its statutory, non-competitive authority. The CRS non-competitive research capacity contracts are generally short-term and low dollar value contracts; therefore, performing extensive cost analysis on every individual contract would create an administrative burden and cost that could potentially exceed any savings. However, in following the spirit of the recommendation, CRS has consulted with the IG regarding the pricing of two unusual contracts—one contract was with a medical research corporation that included a sizable overhead fee, and the other contract was with an individual who cited a previously approved rate determination by an IG from another federal agency. The IG supported the CRS pricing concerns and we were able to achieve some savings on both contracts as a result.

CRS has agreed to include cost reviews—where appropriate—in their updated contract policy guidelines, which will satisfy the audit recommendation.

The CRS budget request included a \$2.7 million increase in contracts; however, \$1 million of that request was subsequently approved under the fiscal year 2003 supplemental. Of the \$1.7 million remaining, nearly all of it is for contract staff who will support the CRS technology infrastructure for research and the creation and dissemination of CRS products. CRS will acquire these services through one of the existing General Service Administration (GSA) pre-competed contract vehicles—most likely Federal Systems Integration and Management Center (FEDSIM). The remaining \$18,000 is for training contracts, which will be acquired competitively.

## REMOTE ACCESS TO CRS MATERIAL

*Question.* What is CRS doing to enable members of Congress and staff to access CRS from remote locations (e.g. traveling abroad)? What are the costs involved with making this possible?

*Answer.* The Senate Sergeant-At-Arms provides members and staff with the means for connecting remotely to the Senate network. Once connected to that network, members and staff have secure access to the entire CRS Web site and to CRS staff through the Senate email system. Over the last several years, CRS has put significant effort into ensuring that its Web site offers the full range of CRS services, including access to all CRS products arranged by issue area or by user search-term, and the names, phone numbers, and email addresses of CRS experts in specific issue areas. From the CRS Web site, members and staff can also place requests, register for CRS seminars, and access CRS reference services.

## BOOKS FOR THE BLIND AND PHYSICALLY HANDICAPPED

*Question.* Last year the National Library Service for the Blind and Physically Handicapped was planning to convert to digital format in lieu of cassette tape, the books and materials it provides to the blind community. With an inventory of more than 700,000 cassette tape machines, this will be very expensive. How much will you need and when will you request additional funds?

*Answer.* The National Library Service for the Blind and Physically Handicapped projects that a total of approximately \$75 million will be required to fund the transition from analog cassette to a digital format over a period of at least 5 years. An initial request will be submitted in fiscal year 2005.

## SUBCOMMITTEE RECESS

Senator CAMPBELL. With that, thank you so much for this material you brought me. I certainly do appreciate it. And I will read that 100-year anniversary of Harley-Davidson with great interest.

This subcommittee is recessed.

[Whereupon, at 2:23 p.m., Thursday, April 10, the subcommittee was recessed, to reconvene subject to the call of the Chair.]