

LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2005

THURSDAY, MARCH 11, 2004

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

The subcommittee met at 11 a.m., in room SD-138, Dirksen Senate Office Building, Hon. Ben Nighthorse Campbell (chairman) presiding.

Present: Senators Campbell and Stevens.

LIBRARY OF CONGRESS

STATEMENT OF HON. JAMES H. BILLINGTON, THE LIBRARIAN OF CONGRESS

ACCOMPANIED BY:

DONALD L. SCOTT, DEPUTY LIBRARIAN OF CONGRESS
JO ANN C. JENKINS, CHIEF OF STAFF, OFFICE OF THE LIBRARIAN
LAURA CAMPBELL, ASSOCIATE LIBRARIAN FOR STRATEGIC INITIATIVES
RUBENS MEDINA, LAW LIBRARIAN
DANIEL P. MULHOLLAN, DIRECTOR, CONGRESSIONAL RESEARCH SERVICE
MARYBETH PETERS, REGISTER OF COPYRIGHTS
DEANNA MARCUM, ASSOCIATE LIBRARIAN FOR LIBRARY SERVICES
FRANK KURT CYLKE, DIRECTOR, NATIONAL LIBRARY SERVICES FOR THE BLIND AND PHYSICALLY HANDICAPPED
KENNETH E. LOPEZ, DIRECTOR OF SECURITY
MARY LEVERING, ACTING DIRECTOR, INTEGRATED SUPPORT SERVICES
JOHN D. WEBSTER, CHIEF FINANCIAL OFFICER
KATHRYN B. MURPHY, BUDGET OFFICER, OFFICE OF THE CHIEF FINANCIAL OFFICER

OPENING STATEMENT OF SENATOR BEN NIGHTHORSE CAMPBELL

Senator CAMPBELL. The subcommittee will come to order.

We meet today to hear from Dr. James Billington, Librarian of Congress, on the fiscal year 2005 request for the Library of Congress. Dr. Billington will also have testimony for the record on the Open World Leadership Program.

Dr. Billington is accompanied by the Deputy Librarian, General Donald Scott, and a team of others; and we welcome you this morning.

The Library is requesting almost \$563 million, an increase of 7.6 percent over the current year. In addition, a total of \$161 million

is requested by the Library buildings and grounds appropriation, under the Architect of the Capitol.

Clearly, there are many critical areas for which the Library seeks increases, including funding activation of the new audio-visual conservation center in Culpeper, Virginia, and increasing acquisition costs, in addition to routine payroll and inflationary increases. With the increases being requested, this budget will be very tough to accommodate in the budget environment we face this year, so we will be looking to you to prioritize and to help us make some very difficult choices as we move forward. Thank you very much.

The chairman of the full committee is here this morning and I would like to yield to him.

STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Well, thank you very much. I am glad to be here with Dr. Billington and General Scott, but I cannot stay long because of other matters. I did want to come and show my support, basically, for the programs that are outlined in the budget. And I agree with you, it is going to be a difficult year. I want to make sure that we do the best we can to help the Library. Thank you.

Senator CAMPBELL. Dr. Billington, if you would like to proceed. Your complete testimony will be included in the record; as General Scott's will, too, if he has any comments.

PREPARED STATEMENT OF SENATOR RICHARD J. DURBIN

Before you proceed, Dr. Billington, we have received a statement for Senator Durbin who could not make it today, but asked that his statement be submitted for the record.]

[The statement follows:]

PREPARED STATEMENT OF SENATOR RICHARD J. DURBIN

Mr. Chairman, thank you for scheduling today's budget oversight hearing on the Library of Congress and the Open World Leadership Center.

I want to welcome you Dr. Billington. It has been a pleasure working with you in your capacity as Librarian of Congress. My staff informs me that you are now in your 18th year as the Librarian. I would also like to welcome the Deputy Librarian, General Donald Scott, to today's hearing.

I recently had the opportunity to visit the Churchill Exhibit. It was extremely well done and I enjoyed it tremendously.

Your fiscal year 2005 budget request is 7.6 percent over the fiscal year 2004 enacted level. While this is not as high as some of our legislative branch agencies' requests, it is rather high. I hope you will shed some light on your priorities so we can make informed decisions in what promises to be a very tight year.

I understand that due to security upgrades at the Jefferson Building the retail store has been relocated. I hope you will talk a little bit about how the retail sales are going, both from the shop and from the Library's website, and what affect, if any, relocating the shop will have on its visibility to visitors to the Library.

I'd like to hear about how your security needs at the Library are being addressed. I noticed in your budget request that you are asking for an additional 45 police personnel. I hope you will address the need for these extra personnel to the subcommittee, particularly in light of the pending merger of your force with the Capitol Police.

I'm very happy with the continuing success of the Open World Leadership Center. The United States just hosted the first delegation from Lithuania and I understand it went quite well. I congratulate you on the success of this program, Dr. Billington.

I hope you will provide us with an update on the Culpeper National Audio-Visual Conservation Center. I noticed a request for \$5.28 million and 16 FTEs in your

budget. It would be helpful to know the particulars of the request and the need for extra personnel.

You are requesting \$160.7 million in Library of Congress building projects under the Architect of the Capitol. In light of our tight budget constraints, I hope you will explain to the subcommittee what your priorities are for these projects.

I'd also like to hear more about the Veterans' History Project.

I'm anxious to hear more about your technological advances to the Blind and Physically Handicapped Program. I hope you will describe to the subcommittee the Digital Talking Book Machine.

Thank you both for attending today's hearing. I look forward to hearing your testimony.

Thank you, Mr. Chairman.

INTRODUCTION OF THE ASSOCIATE LIBRARIAN FOR LIBRARY SERVICES

Dr. BILLINGTON. Thank you, Mr. Chairman. First, I would like to introduce Deanna Marcum, our new Associate Librarian for Library Services.

She is coming back to the Library from a decade-long position as President of the Council on Library and Information Resources, which is the only think-tank in the world, Mr. Chairman, devoted exclusively to library concerns.

She was with us before as Director of Public Service and Collection Management at the Library of Congress; and she was previously Dean of the Library School at Catholic University. So, we are very fortunate and grateful to have her with us.

OPENING STATEMENT OF THE LIBRARIAN

The Library, Mr. Chairman, in many ways can be seen as the Nation's strategic information reserve, at a time when our security, economic competitiveness, and our creative dynamism is increasingly dependent on information. The Library provides America with the world's largest and most diverse collection of retrievable human knowledge. At the same time, it is the mint record of American private sector creativity and a world leader in freely distributing high-quality material on the Internet.

From this time last year to this year, we estimate that we had about 3 billion electronic transactions. At the same time, we are digitally transforming our internal processes, ranging from re-engineering the Copyright Office to moving into new user-friendly digital materials for the blind and physically handicapped.

We are also developing a national plan to store digital collections, even as we continue to add 10,000 new analog items to the Library every day. We are doing all this with 7.7 percent fewer full-time equivalent staff than we had in 1992, before all this began, and with a magnificent but somewhat aging workforce, 25 percent of whom will be eligible for regular retirement by September of this year with potentially another 23 percent, if early retirement is offered as an option at the Library.

Guided by our strategic plan and a rigorous review process, we are requesting some resources needed to continue performing our statutory obligations and core mission for Congress and the Nation. We must increase our modest acquisition budget for traditional print materials, which are growing by an estimated 15 percent, particularly in troubled regions of the developing world that are of concern to American foreign policy.

ACQUISITION AND PRESERVATION OF LIBRARY MATERIALS

In our extraordinary Arabic collections, we discovered an autobiography of Osama Bin Laden and two volumes of Afghanistan's traditional laws, that were destroyed by the Taliban. These were, in part, reconstructed largely by our Law Library, which digitized them within 24 hours for distribution to 1,000 institutions in Afghanistan. So, these acquisitions are extremely important and we must also adequately preserve and store them. We have 128 million analog items.

NAVCC—CULPEPER

By far the largest private gift ever received by the Library, is an unprecedented \$120 million, which is being donated by the Packard Humanities Institute. This is to build a national facility for housing the audiovisual heritage of 20th century America, where much of the world's history and of our Nation's creativity is preserved, but in presently fragile and perishable forms at widely scattered locations.

This will be a state-of-the-art facility in Culpeper. The construction is already well underway but it requires some modest, largely one-time increases in our own budget to equip it, to prepare for the move, and to sustain for the future of the good relationship with our extremely generous donor.

FORT MEADE PROJECTS

We are also requesting in the Architect of the Capitol's budget, continuation of the Fort Meade storage project for specially formatted collections. About 15 million of them will be housed here in accordance with a plan previously discussed with the committee. We also need a copyright deposit facility for housing the vast, but presently scattered, creative record of America into one location. This is needed to fulfill our preservation obligations to depositors and to assure continuation of the voluntary deposit system that annually provides more than \$30 million worth of material for the Library's collections. These occur, actually, in the Architect's budget.

FLEXIBLE HIRING TOOLS

Now, the single greatest challenge facing the Library in the digital age is to develop a workforce that can think and work in new ways, without losing the immense inherited traditional knowledge and memory embedded in our staff. We will soon need the committee's support for a package of flexible human capital tools, in line with practices already in use within the Federal Government. The Library simply must be able to train a new type of objective knowledge navigator, to provide Congress and the Nation with seamlessly integrated old analog and the new digital materials.

POLICE MERGER

With regard to the police merger, Mr. Chairman, the Library is fully engaged in increasing security, integrating police operations, and improving budget economy here on Capitol Hill. We are, however, deeply troubled by the proposed plan that the U.S. Capitol

Police have issued for implementing the merger of the Library's police force with that of the U.S. Capitol.

The proposed plan that the U.S. Capitol Police have submitted for congressional approval does not protect the statutory responsibilities that we bear and the distinct problems connected with protecting the collections, as well as the buildings and people of the Library. The merger is happening de facto and is eroding the Library's authority to exercise this core task, since we no longer can hire our own police.

NATIONAL FILM PRESERVATION PROGRAM

The Library also submitted, during the first session of the 108th Congress, a request for re-authorization of the National Film Preservation Program that has brought 375 motion pictures into the National Film Registry, which was created by Congress in 1988. This program has played the leading role in identifying endangered films, and setting national preservation standards, and working with other archives to save American films of all kinds from otherwise irreversible deterioration.

PREPARED STATEMENTS

On behalf of the Library and all of its staff, I want to thank this committee for its continued support for, and interest in, the Library. Individual members of this committee have provided continuity and guidance for the Library. We are all in your debt and we will be happy to answer your questions.

Senator CAMPBELL. Thank you, Dr. Billington.

[The statements follow:]

PREPARED STATEMENT OF JAMES H. BILLINGTON

I appreciate the opportunity to discuss the Library of Congress budget request for fiscal year 2005. This unique institution has become increasingly important to the nation as the economic and security needs become increasingly dependent on knowledge and the wise use of information. All libraries—and especially the Library of Congress—must deal with the greatest upheaval in the transmission of information and knowledge since the invention of the printing press—the electronic onslaught of digitized information and communication. The Library is responding to this challenge, with program-focused goals and objectives contained in our new strategic plan, which was forwarded to the Congress in September 2003. The plan will undergo continuous improvement to ensure our place as the foremost library of the 21st century.

The Library's mission is unchanging—to make its resources available and useful to the Congress and the American people and to sustain and preserve a universal collection of knowledge and creativity for future generations. What is new is the need to acquire, sort, and provide access to the massive unfiltered content of the Internet in order to keep our collections universal and continue to provide full information and services to Congress and the American people.

The Library must continue to acquire, preserve, and provide access to analog collections with new storage facilities and mass deacidification. At the same time, the Library must implement fundamental technological changes to accommodate the digital revolution. Both collections and staff are being reconfigured by new initiatives in digital preservation, digital talking books, and Copyright reengineering, and by the increased reliance on digital services. The fiscal year 2005 budget request addresses this "Challenge of Change; Maintenance of Tradition."

The priorities of our fiscal year 2005 budget, reflecting the major objectives in the Library's strategic plan, are: to bring the National Audio Visual Conservation Center into operation; to restore the diminished acquisition capabilities for our collections; to regain full funding for the Congressional Research Service staff capacity at 729 full-time-equivalent (FTE) positions; to implement the Copyright Office's re-engineered processes; to support the conversion to digital talking book technology

for people who are blind and physically handicapped; to fund the fifth increment of the Library's mass deacidification program; to accelerate the Veterans History Program; to gain additional security for the Library's systems, staff, buildings, and collections; and to address critical infrastructure support requirements.

For fiscal year 2005, the Library of Congress requests a total budget of \$602.3 million (\$562.6 million in net appropriations and \$39.7 million in authority to use receipts), a total increase of \$43.0 million above the fiscal year 2004 level. The total increase includes \$20.5 million for mandatory pay and price-level increases and \$34 million for program increases, offset by \$11.5 million for non-recurring costs. The Library's fiscal year 2005 budget request is a net appropriations increase of 7.6 percent above that of fiscal year 2004. The Library has submitted a fiscal year 2005 budget amendment, which is reflected in the above numbers, that increases the net appropriations amount by \$1 million, which is discussed under the headings "Copyright Office" (\$.8 million) and the "Sustaining the Collections" (\$.2 million).

Requested funding supports 4,363 FTE positions, a net increase of 80 FTEs above the fiscal year 2004 level of 4,283. The 80 additional FTEs are requested to support the core needs of the collections, security, and management.

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 128 million items include almost all languages and media through which knowledge and creativity are preserved and communicated.

The Library has more than 29 million books and other print items; 12 million photographs; 4.8 million maps; 2.7 million audio materials; 925,000 films, television, and video items; and 57 million manuscripts.

Every workday, the Library's staff adds some 10,000 new items to the collections. Major annual services include handling more than 875,000 on-line and customized Congressional inquiries and requests, registering more than 534,000 copyright claims, and circulating approximately 23.8 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 and provides the bibliographic record inexpensively to the nation's libraries, saving them millions of dollars annually.

The Library also provides free on-line access, via the Internet, to its automated information files, which contain more than 75 million records, including more than 8.5 million multimedia items from its American Memory collections. The Library's acclaimed Web site (www.loc.gov) will record more than 3 billion hits in 2004.

21ST CENTURY LIBRARY

As impressive as the everyday work of the Library of Congress is, we recognize the need to address the future. All libraries are rapidly changing in response to new digital technologies. The Library of Congress, like other research libraries, is building digital collections, making them readily accessible on-line, and developing search services previously not feasible. Digital technology also benefits smaller libraries because it allows them to expand and enhance resources for their patrons in colleges, schools, and communities. Libraries, in effect, are moving their catalogs and collections from physical buildings into patron's computers and are transforming their individual storage repositories into collaborative information-service centers. As this transformation continues, 21st century libraries will develop in the following significant ways: libraries will collect at the point of creation rather than after publication; libraries will complement classification systems with simpler search services; libraries will work with information creators and publishers to create digital preservation repositories; libraries will work with legislators to balance copyright against access needs; and libraries will retrain print oriented staffs for digital information services.

In a world in which Google is the preferred search mechanism, the library of the future will be less the custodian of a collection in a physical building than a guide to Internet-accessible resources and a creator and provider of on-line information services. Realizing this library of the future depends on providing opportunities for today's librarians to learn to take advantage of digital developments and on integrating this new digital technology into the basic library processes of acquisition, cataloging, preservation, and reference services. The Library's strategic plan and this fiscal year 2005 budget request are helping guide us in making this inevitable change to a 21st century library.

FISCAL YEAR 2003 ACCOMPLISHMENTS

Even as the Library plans for a dramatic new future, the immediate challenges continue to be addressed. In fiscal year 2003, the Library provided concerted congressional research support in more than 150 major policy areas, including terrorism, health care, the U.S. economy, environmental and resource issues, and space exploration. The Library supported the war effort by making information and services available to the Congress as it executes its constitutional responsibilities, by documenting for future generations the war as it progresses, and by helping reconstruct the national libraries in Afghanistan and Iraq. Specifically, the Law Library helped reconstruct the destroyed law codes of Afghanistan from its collections.

The Library also received congressional approval for the plan for the National Digital Information Infrastructure and Preservation Program; expanded the Global Legal Information Network to include the laws of 48 countries and international organizations; added seven new multimedia historical collections to the American Memory Web site; increased to more than 8.5 million the number of items freely available on-line or in digital archives; recorded more than 2.6 billion electronic transactions on the Library's Web sites; registered more than 534,000 copyright claims; added more than 1.8 million items to our collections; opened the off-Capitol Hill storage facility at Fort Meade, Maryland; and produced more than 2,700 new braille, audio books, and magazine titles for the blind and physically handicapped. Private funding enabled the Library to make notable new acquisitions, including the great Alan Lomax collection of Americana, and brought into residence a distinguished new cohort of invited senior scholars and competitively chosen junior researchers in the Thomas Jefferson Building with the opening of the John W. Kluge Center.

NATIONAL AUDIOVISUAL CONSERVATION CENTER (NAVCC)

An increase of \$5.28 million and 16 FTEs is requested for the NAVCC, a projected state-of-the-art facility for audiovisual collections. These funds are needed to continue the construction of the NAVCC and to begin the move-in of collections and staff of the Motion Picture, Broadcasting and Recorded Sound Division of the Library. The Packard Humanities Institute (PHI) is generously providing the majority of the funding to build the NAVCC—consolidating in one place and enhancing film and recorded sound preservation. The Library continues to work closely with PHI representatives and the Architect of the Capitol (AOC) on this much-needed project.

Construction on this national repository for America's audiovisual treasures began in early September 2003, and the current schedule calls for the newly renovated Collections Building and Central Plant to be ready for collections to be moved in by summer 2005. The new Nitrate Vaults and Conservation (Laboratory) Building is scheduled to be ready for staff move-in by summer 2006. The Library's ability to procure, deliver, and install NAVCC furnishings, equipment, and infrastructure will require close coordination with PHI's construction schedule. The requested additional funding in the current budget is essential to maintain the construction schedule and the various components and procurements that support the transition to the new facility. Fiscal year 2005 funding will support staff relocation, collections relocation, and the design, procurement, and integration of the complex digital preservation systems within the NAVCC's audiovisual laboratories.

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. When the entire NAVCC complex is opened in 2006, the Library for the first time will be able to consolidate all of 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. 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. The NAVCC will also include a Digital Audiovisual Preservation System that will preserve and provide research access to both newly acquired born-digital content and analog legacy formats. This new system is contributing to the Library's overall development of a digital content repository and signals a new paradigm of producing and managing computer-based digital data.

The Packard Humanities Institute's contribution to building this new state-of-the-art facility will represent the largest private donation to the Library of Congress in its entire history.

SUSTAINING THE COLLECTIONS

Acquiring timely and comprehensive collections for the National Library and Law Library as well as the highly specialized research materials required for the Congressional Research Service (CRS) is among the most essential tasks the Library performs. All else depends on acquiring needed materials—preferably at the time they appear on the market. The rising tide of new kinds of knowledge and new formats make it essential that the Library address the already-serious catastrophic projected shortfalls in these areas. A total of \$4.462 million and seven FTEs are requested for addressing—for the first time in many years—this critical area. Lost purchasing power and the increased complexity and cost of acquiring proprietary electronic resources make this a critical problem that must be addressed.

Serial subscriptions prices alone have increased by 215 percent over a 15-year period ending in 2001, yet the Library's GENPAC appropriation—used to purchase library materials—has grown at an annual average rate of only 4 percent. These shortfalls accumulated because the Library understated annual price-level increases for research materials. The Congress, in most years, has supported the Library's modest requests for inflationary increases in research materials, but the Library's methodology did not adequately factor in the value of the dollar, the sharp escalations in market prices for serials, budget rescissions, and the changes in how research materials are packaged and sold. The Library's fiscal year 2005 acquisitions budget proposals include funding for the recovery of lost purchasing power (a one-time increase to the Law Library [\$205,000] and CRS [\$1 million], and a one-time and incremental increase in the National Library [\$2.333 million]), for a total of \$3.538 million. The \$3.538 million request includes a \$.2 million budget amendment for the CRS element; the original CRS catchup amount was determined through fiscal year 2004 rather than fiscal year 2005. During the next year, the Library will develop a new formula that will adequately reflect the inflationary increases for research materials beginning in fiscal year 2006.

In addition, \$479,000 and 7 FTEs are requested to support the new acquisitions methodology and policy that has been successfully piloted in China. Collecting materials published in China is difficult, but a three-year pilot project, funded by private donations, successfully demonstrated that the Library can acquire high quality, hard-to-obtain and politically sensitive materials, which traditional channels are not providing. Funding of \$479,000 is requested to establish six teams of experts in the social sciences, located at carefully selected sites throughout China. The teams will recommend materials from their regions, which will then be shipped by the Library's established vendors. The Library's pilot program has proven that important added information about China can be obtained in this way. The Library requests funding to make this a permanent acquisition process for the world's largest country as it assumes an even-greater world role.

Lastly, \$445,000 is needed to allow the Law Library to begin properly reclassifying 800,000 volumes or one-third of its legal collections from the "LAW" class—previously used to shelve legal materials—to the "Class K," (the new international standard for the classification of legal materials that was developed by the Library of Congress). Currently, one out of every four foreign legal documents cannot be located because of the outdated classification system, and the inevitable change to the new "Class K" cataloging system is required to effectively provide foreign legal research. The five-year project would enable the Law Library to meet its own cataloging standards before the few remaining staff with the experience and knowledge of the outdated "LAW" class cataloging leave or retire.

CRS STAFF CAPACITY

In fiscal year 2005, CRS must face the increased cost of sustaining the research capacity needed to meet the legislative needs of the Congress. CRS is requesting a base increase of \$2.71 million—the equivalent of about 25 FTEs. During the past ten years, the total size of CRS has decreased from 763 to 729. However, the salary costs per person have increased at a rate that exceeds the funding provided in the budget process. Without the proposed base increase, CRS would have to staff down further to a level of about 704 FTEs. The impact of this reduction would be a loss of CRS capacity in serving the Congress of about 275 hours a year in each of more than 150 major policy areas in which the Congress can be expected to be engaged. CRS would lose between eight and nine weeks of capacity per major policy area.

CRS has been evaluating workforce opportunities and authorities to improve the productivity, efficiency, and attractiveness of CRS as an employer. During fiscal year 2003, CRS hired approximately 90 new staff—nearly 13 percent of the total staff population. To enhance retention of new staff and to further staff development Service-wide, CRS is requesting \$546,000. This funding would be used to initiate a

pilot student loan repayment program, to increase slightly its training and related travel budgets, and to provide monetary incentive awards to the Service's most highly talented and productive employees. The CRS Director will provide more details of this request in his statement.

COPYRIGHT OFFICE

The Copyright Office's Reengineering Program, which will be completed in fiscal year 2006, requires additional funding authority for fiscal year 2005. The extensive multiyear Reengineering Program has redesigned the Office's business processes, developed a new information technology infrastructure, created new work-flows and new job roles, and developed a new facilities plan. The program will allow the Copyright Office to replace outdated information systems with technology that promotes the use of electronically transmitted applications and works. The Library requests \$3.66 million, in budget authority and equal offsetting collections authority (zero net appropriations), in order to implement the facilities portion of the Reengineering Program. This funding will support relocation of staff, redesign and construction of current space, and acquisition of furniture and other equipment.

In developing the fiscal year 2005 budget request, inflationary factors for mandatory pay and price level increases were applied to both the Copyright Office's net appropriated funds and receipts funds. In reviewing this approach and upon further analysis, the Library has determined that the increases needed to cover inflationary growth cannot be met by the initially requested receipt level. As a result, the Library is requesting, via a budget amendment, that the fiscal year 2005 receipt level be reduced by the inflationary adjustment of \$810,000, with a corresponding increase in net appropriations. The Register of Copyrights will provide in her statement more details about the Reengineering Program and this adjustment.

DIGITAL TALKING BOOK MACHINE

In support of the Blind and Physically Handicapped (BPH) program, the National Library Service (NLS) for the BPH is implementing a revolutionary change from analog to digital technology, which has been projected and planned since the early 1990s. The service will replace cassette tape players with Digital Talking Book (DTB) players and introduce a new medium for distributing the DTBs: solid-state ("flash") memory, replacing the present cassette tape.

NLS plans to introduce the DTB players to its customers by fiscal year 2008. The Library is requesting a total of \$1.5 million in fiscal year 2005, of which \$1 million will support the beginning of the design phase of the DTB player. In concert with the development of a DTB player, NLS will begin converting its current analog collection to digital format to ensure that its patrons will have a large and diverse collection of DTBs by fiscal year 2008. The balance of \$500,000 in the request is for the first installment of a three-year conversion of 10,000 audio titles from analog to digital format. Support for the fiscal year 2005 budget will help prepare the way for the new delivery system to replace the current analog cassette tape technology.

MASS DEACIDIFICATION

A total increase of \$948,000 is requested for the fifth increment of the Library's five-year, \$18 million initiative to save through deacidification one million endangered acidic books and five million manuscript sheets during the period 2001–2005. The Congress has approved the first four increments of this critical preservation program, and the Library requests the planned increase to continue to scale up to \$5.7 million annually. By 2005, the Library plans to have reached the capacity to deacidify 300,000 books and 1,000,000 manuscripts annually.

VETERANS HISTORY PROJECT

Additional funding of \$1.035 million and four FTEs is required for this important and growing project. Support is requested to increase public participation in interviewing veterans and creating the collection; to preserve accounts and documents for researchers, educators, and future generations; and to disseminate this compelling material to the public more widely. The overwhelmingly positive nationwide reaction to this program has exceeded our expectations, and will require additional resources to respond to the growing demands of this mandated program.

SECURITY

The Library is requesting an increase of \$7.306 million and 47 FTEs to support improved security of the Library's systems, staff, buildings, and collections. The Library continues to work with the Architect of the Capitol (AOC) to support major

perimeter security improvements, consistent with the entire Capitol Hill campus (e.g., garage barriers, bollards, entrance reconfigurations). Seventy-five percent of Phase I (Jefferson and Madison Buildings) perimeter security project construction has been completed. However, unforeseen structural conditions below the James Madison Building have resulted in a partial redesign and additional AOC costs to complete the Phase I work. The Library understands that the AOC is working with the Committee to fund the additional costs and complete the initial phase. We ask the Committee to support the funds required to bring our perimeter security fully up to Capitol Hill standards.

The Library is also working with the Capitol Police regarding the filling of 23 new police officer positions authorized by the Committee for the Library's campus. Capitol Police officers will be detailed to the Library to fill the new positions beginning in March 2004.

Components of the Library's fiscal year 2005 security budget request are:

Police Staffing.—The Library is requesting \$3.825 million and 45 FTEs for the continuation of the fiscal year 2004 hiring initiative, which identified a police staffing shortfall of approximately 100 FTEs. This is the second of three fiscal year requests for funding beginning in fiscal year 2004. For fiscal year 2005 funding and staffing are being requested in the Library of Congress's budget to ensure that this critical need is set forth to the Congress. The staffing requirements will not diminish if and when the Library's Police Force merges with the Capitol Police Force. The requirements will be the same, regardless of which force provides the service. The Library needs additional police positions to meet minimum staffing levels at all public building entrances; to staff new and enhanced fixed exterior posts; and to ensure an overtime rate that does not exceed 10–15 percent above the standard 40-hour workweek.

Police Merger.—On August 6, 2003, the Library responded in a letter to U.S. Capitol Police Chief Gainer regarding the U.S. Capitol Police Implementation Plan for the Merger of the U.S. Capitol Police and the Library of Congress Police. In this response, we relayed our concerns about how this proposed plan will impact the Librarian's statutory responsibility to protect Library assets.

The Library remains concerned about the how the merger of the Library of Congress Police Force with the U.S. Capitol Police Force diminishes the Librarian's authority to exercise his responsibilities. The current plan proposed by the Capitol Police does not take into account the statutory obligation of the Librarian of Congress to oversee the Library's collections and buildings. The Library's police force is focused not only on the physical safety of our staff, visitors, and buildings, but on the integrity and security of our invaluable collections and is the primary arm for the Librarian of Congress in discharging this responsibility. At the very least, the Library must have a presence on the Capitol Police Board in order to argue for the level of resources made available to protect the Library's assets. The Capitol Police officers that serve on Library property must also be under the technical direction of and accountable to the Librarian of Congress. The Library looks forward to working with this Committee and the authorizing Committees to ensure that the merger is completed in a manner that preserves the mandated authority of the Librarian.

Security Equipment Maintenance.—A total of \$930,000 is requested for the maintenance and repair costs of five new major electronic security systems, which will become fully operational in fiscal year 2005. Sustaining their operations will be crucial for Library security. The requested funding will ensure that these vital security systems, installed in accordance with the Library's Security Enhancement Plan, are adequately maintained and repaired by accepted best industry practices.

Intrusion-Detection System.—\$1 million is requested to build-out the electronic access control and primary intrusion detection systems requirements identified in the Library's Security Plan's risk framework and needed to mitigate safety risks within the Library.

Alternate Computer Facility (ACF).—An increase of \$622,000 is needed for CRS to support the annual recurring operating costs of this all-important facility. The ACF will provide for IT business continuity in the event of a catastrophic failure of the Library's computer center. In the event that the Library's primary computer center becomes inoperable, the ACF will also provide continued on-line service to the Library's remote/local users, preventing disruption of service to the Congress and its constituency.

IT Security Certification and Accreditation.—Security must be treated as an integral part of the Library's overall IT infrastructure if risks are to be systematically reduced. Accordingly, the Library has embarked upon a thorough review of its IT security. Funding of \$929,000 and two FTEs is requested in fiscal year 2005 for ITS to certify and accredit existing, mission-critical IT applications, systems, and facili-

ties of the Library (\$720,000) and to conduct computer security audits by the Inspector General Office (\$209,000/2 FTEs).

INFRASTRUCTURE SUPPORT

The Library is requesting \$6.531 million and nine FTEs to address critical support systems, space, and staff initiatives. These Library-wide initiatives support all organizational entities and are key to performing our varied tasks efficiently and to providing our customers with efficient and seamless services. Funding supports:

Information Technology (IT).—IT is a critical tool for achieving organizational success in the Library. An additional \$3.316 million is needed for the Library's IT infrastructure. To keep pace with the rapid increase in electronic traffic, ITS server processing power and associated storage has increased, and the corresponding funding for maintenance must also increase. A total of \$1 million is needed to cover ITS's actual and projected maintenance costs (we anticipate a 14 percent increase in hardware maintenance and a 6 percent increase in software maintenance in fiscal year 2005). The Library's technology needs change as services expand, and they require 24-hour support to satisfy the Library's customers, which sharply raises contract costs. The requested \$1.017 million will allow ITS to support the increasing costs of the IT service provider contract, which the current ITS budget cannot fund. Without added funding, ITS will have to either curtail services or dangerously cut back on equipment purchases or maintenance. One-time funding of \$1.299 million is also needed to implement a single integrated search function for the Library's primary on-line information sources (LIS/Thomas, American Memory, LC Web pages, and the Integrated Library System bibliographic catalogs). This initiative will support searching with the commonly used data standard (XML) that the Congress is now applying to the preparation of its publications. As the House and Senate develop and implement new authoring systems that support XML, the congressional clientele expect the Library to have a search engine and related software that can handle XML. CRS will be partnering with the ITS Office to identify the requirements, develop solutions, and procure, migrate, configure, and optimize the needed new search engine tools.

Facilities Management.—An increase of \$1.880 million and nine FTEs are requested to modernize the Library's facilities services, supporting space management (\$1.658 million/8 FTEs) and custodial services (\$222,000/1 FTE). The Library's Facilities Services Division cannot effectively meet current and future Library space support requirements, and lacks flexibility to respond to the Library's rapidly changing needs. Multiple internal and external audits and studies of Facilities Services have identified fundamental problems in facilities programs that only division-wide modernization and workforce development can improve. The funding request addresses the most urgent recommendations identified by the auditors, several outside expert consultants, the ISS Director, and the Facilities Services management team. Implementation of these recommendations will provide the Library with the basic support tools, previously not available to the Library but used throughout industry and by other government agencies, to increase the efficiency of all space-related projects, and enable rotated scheduling of preventive maintenance (reducing costly repairs Library-wide). These steps are especially important for the Offices of Safety Services, Security and Emergency Preparedness, and for ITS.

Reduced funding for custodial services in recent years has resulted in a general deterioration of building conditions, and an additional \$196,000 and one FTE (custodial work inspector) is needed to supplement the current contract. Since Fort Meade will add 335,000 square feet of space between fiscal year 2005–2009, the Library is requesting \$26,000 to fund the needed custodial services.

Personnel Management.—A total of \$1.335 million is requested to upgrade the Library's personnel hiring system. The future of all of the Library's efforts depends on our greatest asset the expertise, intellect, and dedication of a Library staff that makes our vast collections and services relevant and accessible. Library management must be able to train, develop and renew its staff and add fresh talent to sustain the Library's leadership role amid the massive technological changes in the 21st century. The Library's Human Resources Services (HRS) needs a fully integrated and comprehensive Web-based Human Resource Information System (HRIS) that interfaces with the Library's payroll provider. The added funding of \$1.335 million requested for fiscal year 2005 will procure and implement staffing and classification modules that will be integrated with the emerging HRIS and will improve the timeliness and efficiency of the Library's hiring and classification processes.

LIBRARY BUILDINGS AND GROUNDS

The Architect of the Capitol (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 in its fiscal year 2005 budget an increase of \$121.8 million for Library-related work and support. The AOC budget includes funding for six key projects requested by the Library. The two most crucial projects are (1) continuation of the Fort Meade construction program by the construction of Book Storage Modules 3 and 4 (\$38.5 million) and (2) construction of the Copyright Deposit Facility (\$59.2 million). Both of these capital improvement projects are critical in addressing basic storage and preservation deficiencies, as well as serious environmental, fire, and employee safety issues. Delay in funding this construction will make an already-critical situation worse and will increase the future cost of construction. Funding is also requested for increased space modifications (\$150,000), construction of six secure storage rooms/vaults (\$860,000), a dishwashing machine for the Madison cafeteria (\$210,000), and an integration and upgrade study (\$400,000) of our aging book conveyor system. The Library strongly recommends the approval of the AOC's Library Buildings and Grounds budget, which is essential for the effective functioning of the Library.

LEGISLATIVE INITIATIVES

The Library has proposed language to extend, by five years, the period for securing commitments from partners to join the National Digital Information Infrastructure and Preservation Program (NDIIPP), to provide the mandated matching funds, and to work out formulae to include grants, cooperative agreements, contracts, and other legally enforceable pledge agreements entered into before 2010.

The Library's strategy for meeting the requirements of the legislation revolves around making investments that require mutual participation and cost-sharing agreements with a wide variety of stakeholders. Given the current economic climate, the Library anticipates that a substantial volume of non-federal matches will be in the form of in-kind, cost sharing contributions to the joint NDIIPP projects that will be defined and developed by the Library over time. The Library seeks to extend the period of time in which these non-federal contributions can be solicited and received. The Library's ability to support these jointly funded projects will be substantially enhanced if the \$75 million that is subject to a matching requirement can be made available for obligation over the extended time frame in which the different schedules of pledge donations are likely to be fulfilled.

The Library is funding the NDIIPP by investing in a first set of practical experiments and tests. Following an assessment, we will fund a second set of investments as described in the plan that was submitted to and approved by the Congress in December 2002. The initial planning and fact-finding phase of NDIIPP made it clear that the entire amount available to NDIIPP could not be responsibly committed without the benefit of the earlier testing and iterative learning, followed by reinvestment in a second generation of work. The language we are proposing for fiscal year 2005 is required to implement this approach, which was needed for the Congressionally approved NDIIPP plan. Attaining the \$75 million of matching federal funding and achieving the desired results in the preservation of digital material requires investing the initial \$20 million in a series of practical projects that will unfold over a five-year period.

The creation of an attainable national preservation strategy will occur incrementally, because of the complexity of the challenge and the number and diversity of partners involved. The Library is taking actions to begin building the preservation infrastructure by: building the technical architecture that can support these multiple partnerships; developing a network of partners who will share the responsibility in the course of the next five years; and participating in joint collaborative research on long-term digital preservation and archiving issues.

A first formal call for network partners was released in August 2003, and we received final proposals on November 12, 2003. The Library, along with the National Endowment for the Humanities, is making selections among the proposed applicants to seed the NDIIPP network with partners for long-term preservation of digital content. The Library anticipates awarding up to \$15 million of the available \$20 million available in this initial round of investments.

The Library is simultaneously funding a test of existing architectures to assess how digital content can be shared and inter-operate among different institutions. This will result in a revised technical architecture and a second generation of investments in developing the overall technical preservation architecture.

The Library is partnering with the National Science Foundation (NSF) in a digital archiving and long-term preservation research program. The goal of the program is

to stimulate research that builds capacities for long-term management and preservation of digital materials. The intent of the program is to support both technical and economic, social, and legal research topics related to archiving digital materials. The Library signed a memorandum of understanding with NSF in February 2004.

Language is also proposed to prohibit transferring funds from the Library of Congress to the State Department (DOS) for the construction of embassies. The DOS has proposed establishing a Capital Security Cost-Sharing Program that, by fiscal year 2009, would cost the Library as much as and possibly more than the entire present cost of our overseas offices. Under the proposed new program, the Library would be paying DOS, by fiscal year 2009, approximately \$7.4 million for 202 positions located in 12 locations—95 percent of which are located in only six locations. This assessment would be equivalent to 90 percent of the Library's fiscal year 2004 total present overseas budget of \$8.231 million. The DOS proposal does not follow government cost-sharing standards and would unfairly leverage additional costs on the Library's overseas acquisitions programs that are essential for our continued understanding of the Near East and other foreign areas of national concern.

The budget before this subcommittee reflects important needs for the Library—preservation of its collections, expansion of its services to the Congress increasingly services for the nation. As the national library leading and working with a complex network of partners at the beginning of the 21st century, the Library's workforce—now and in the future—is an essential element to the success of our mission and goals. In previous appearances before this Subcommittee, I have stressed the need to transfer knowledge and expertise to a new generation of knowledge specialists. An estimated 40 percent of the Library's workforce will be eligible to retire by 2009. The Library must also be able to attract and retain the very best talent available—in CRS, the Law Library, the Copyright Office, in its core library management areas.

Elsewhere in the federal government—widely in the Executive Branch and within sister agencies such as GAO—the recruitment, management, and pay scales of the federal workforce are being changed. The Library will be seeking from the 108th Congress authorization for broad-based human capital tools and flexibilities, in line with practices already in use within the federal government. We need to ensure that the Library of Congress can attract, retain, motivate, and reward a top quality and high performing workforce to serve the Congress and to sustain and make even more usable the nation's strategic information and knowledge reserve. In order to meet the ambitious goals of our strategic plan and accomplish our goals, we must be able to compete on a level playing field within the federal government for the best talent. The Library's services to Congress and the nation are unique and multifaceted, and they require the Library's workforce to possess cutting-edge knowledge and skill sets.

SUMMARY

As the keeper of America's—and much of the world's—creative and intellectual achievements, the Library of Congress is keenly aware of its awesome responsibility. This Library is the research and information arm of the national legislature and contains the world's largest storehouse of knowledge and the mint record of America's creativity. The strategic plan and supporting fiscal year 2005 budget request will continue the Library's great tradition, which covers the world and has now been expanded to include Congressionally mandated leadership in the massive task of sorting and preserving digital material. All of this is needed to support the Congress, the public, and the democratic ideal.

The Library's vision for the 21st century is to lead the nation in ensuring access to knowledge and information by promoting the Library's creative use of its unmatched human and material resources for the Congress and its constituents. By 2008, the Library plans, with the support of the Congress, to have achieved the following:

- The Library's National Audiovisual Conservation Center is operating and is recognized as having assumed international leadership in providing film and recorded sound preservation and accessibility. The new storage facilities at Fort Meade are operating and are recognized as an outstanding example of how to perform off-site storage, long-term preservation, and rapid access to the material.
- The core national programs of Library Services and the Office of Strategic Initiatives are recognized to have sustained the breadth and depth of the universal artifactual and digital collections. These programs will also have provided positive, verifiable assurance that the Library is acquiring, establishing biblio-

graphic control, preserving, providing 24/7 access, and securing the collections for future generations regardless of the information's format.

- The Congressional Research Service has succeeded in restructuring both its permanent workforce and its supplemental interim capacity so that it is always the first-choice research provider of the Congress for authoritative, nonpartisan, timely, and objective research and public policy analysis in support of legislative deliberations. It will have improved both the quality of its analysis as well as its overall research capacity.
- The National Library Service for the Blind and Physically Handicapped has completed the development of digital talking book technology and has begun conversion to use of the technology through distribution of the new talking book machines.
- The Copyright Office is a leading advocate of an effective national copyright system that serves both creators and users of copyrighted works; is the primary advisor to the Congress on national and international copyright matters and is a relied-upon source of information and assistance to federal agencies and the judiciary on these matters; is providing its services, including registrations, electronically; and is creating registration records compatible with the Library's cataloging system.
- The Law Library of Congress will have achieved and maintained an enhanced electronic system involving almost all countries important to the U.S. Congress in order to provide it with more comprehensive, authoritative, and timely global legal information.
- The Library has implemented human capital management initiatives resulting in recruitment, development, and maintenance of a diverse, well-trained, highly skilled, and high-performing workforce to filter, navigate, analyze, and objectively interpret knowledge for the Congress and the nation. Further, the workforce functions in a management-supported environment characterized by open communication, innovative thinking, leadership in managing change, and effective and efficient program and supporting processes rivaling the best commercially available services. Special emphasis will be paid for providing flexible rewards and responsibility for staff with substantive expertise that leads to productivity improvements.

On behalf of the Library and all of its staff, I thank the Congress for its continued support of the Library and its programs. I ask for the support of the Library's fiscal year 2005 budget request as the next step in moving toward achieving these strategic outcomes.

PREPARED STATEMENT OF DANIEL P. MULHOLLAN

Mr. Chairman and Members of the Committee: I am pleased to appear before you today to discuss the work of the Congressional Research Service (CRS) and our fiscal year 2005 request. I want to thank this Committee for the confidence it has shown in CRS in the past and the support that has enabled CRS to serve the Congress during these difficult times of demanding policy deliberations, which have been made especially challenging because of our heightened need to provide for security at home and abroad, and because of greatly increased fiscal constraints.

As CRS completes its ninth decade of service to the Congress, we continue to uphold our sole mission: We work exclusively and directly for the Congress, providing research and analysis that is authoritative, timely, objective, nonpartisan, confidential, and fully responsive to the policy-making needs of the Congress.

The Congress continually and routinely calls on CRS research assistance as it examines policy problems, formulates responses, and deliberates on them across the broad range of complex and challenging issues on the legislative agenda. Our paramount concern, especially given the critical constitutional role of the Congress during a time of war, is preserving independent, accessible, and responsive analytic capacity in the legislative branch.

Mr. Chairman, my statement today highlights CRS accomplishments in supporting the Congress over the past year. My statement also outlines the fiscal challenges CRS will face in the upcoming year and reports on the steps we have been taking to contain costs. I am concerned about the Service's ability to continue providing the level of support Congress has come to rely upon. For the coming year, we seek to maintain our research support for the Congress including priorities targeted to meet major law-making needs as Congress faces continuing and unfolding policy concerns, as well as significant, unanticipated crises.

FISCAL YEAR 2003 HIGHLIGHTS IN CRS LEGISLATIVE SUPPORT

Throughout fiscal year 2003 Congress called on CRS as it confronted numerous, challenging public policy problems in its demanding schedule of legislative and oversight activities. Today I will touch upon some issues emanating from the war with Iraq and efforts to enhance homeland security last year. CRS has and continues to play a significant role in keeping the Congress abreast of policy questions, options and their implications during rapidly changing situations of vital importance to the Nation.

The War with Iraq.—U.S. involvement in Iraq—the diplomatic activities and military preparations leading up to the war, the war itself, and the war's aftermath—dominated the congressional foreign affairs and defense agenda during the year. CRS specialists responded to diplomatic, military, and postwar issues; provided briefings on the congressional joint resolution authorizing the President to use force against Iraq; and fielded queries on war powers, declarations of war, and the preemptive use of force under international law.

As military action began, CRS assisted with issues such as Iraq's relations in the Middle East, U.S. efforts to change the Iraqi regime, and the United Nations oil-for-food program. Analysts examined the postwar needs of Iraq for humanitarian and reconstruction assistance, the role of the international community and the United Nations, Iraq's economy and foreign debt, and the likelihood that any U.S. loans to future Iraqi governments would be repaid.

Homeland Security and the Potential for Terrorism.—To assist the Congress as it addressed homeland security and terrorism, CRS continued its Service-wide, coordinated response that draws upon a wide range of expertise. Following passage of the Homeland Security Act, CRS experts developed a comprehensive organization chart that identified statutory requirements for congressional staff who monitor the establishment of the Department of Homeland Security (DHS). As Congress began oversight activities pertaining to this new government agency, CRS provided help with procedural and jurisdictional questions, briefings on the operational and organizational aspects of DHS, and analyses on the protection, use, and disclosure of critical infrastructure information submitted to DHS. Anticipating the subsequent intense demand for information and analyses on new or expanded programs related to homeland security, CRS examined such matters as emergency management funding programs, federal disaster recovery programs, and federal assistance programs aiding state and local government in terrorism preparedness.

Other related domestic policy issues related to the war and terrorism arose late in the 107th and continued throughout the 108th Congresses. CRS responded to requests regarding bioterrorism and health issues, such as the public health system's ability to respond to health threats posed by chemical and biological agents; border and transportation safety; the continuity of Congress in the event of a catastrophic attack; critical infrastructure security including communications systems, oil and gas pipelines, electrical power grids, and highway systems; immigration concerns such as restructuring the issuance of visas; and legal ramifications of anti-terrorist enforcement, including the roles and authorities of law enforcement and the intelligence community.

The Service's overall productivity and performance in fiscal year 2003 are best illustrated by four measures of its workload during the year: (1) support for 160 major policy problems at all stages of the legislative agenda; (2) maintenance of 900 key products in major policy areas, representing a 30-percent increase over the 700 products maintained at the close of last fiscal year; (3) immediate 24/7 online access to key products and services through the Current Legislative Issues (CLI) system on the CRS Web site, with a 10-percent increase in congressional use of our electronic services over use last year; and (4) custom work for the Congress—thousands of confidential memoranda, in-person briefings, and telephone consultations. In fiscal year 2003, CRS delivered 875,197 research responses, a number that includes analysis and information requests, product requests, in-person requests and services at Research Centers, electronic services, and seminars.

COST CONTAINMENT EFFORTS

Over the past several years, in order to sustain the level of research support on issues such as those outlined above, CRS has conducted numerous management reviews to evaluate current operations, maximize value, and implement cost containment measures. As stewards of the taxpayers' money, it is our obligation to review continuously how we can work most cost-effectively. Our reviews identified opportunities for containing operational costs of current services: for example, closure of the Longworth Research Center and one copy center, elimination of the Info Pack, and reorganization of the Service's information professional staff. In addition, the Serv-

ice formed collegial research partnerships with major public policy universities to enhance research capacity, created a hiring strategy that does not routinely replace staff attrition one-for-one, but rather continually adjusts the work force composition to respond to the evolving needs of the Congress, and examined outsourcing of selected activities where cost efficiencies could be realized. I assure you that CRS has exhausted all reasonable means of realigning existing resources to maximize its efficiency and effectiveness in supporting the Congress. Yet despite these many efforts, our research priorities for the future remain in jeopardy without additional funding.

FISCAL YEAR 2005 BUDGET REQUEST

Mr. Chairman, I am requesting a total of \$100.9 million for fiscal year 2005. This represents a 10.7 percent increase in funding over fiscal year 2004. This funding request is critical to the continual delivery of high-quality analysis to the Congress. A 2001 congressional directive obligates the CRS director to: “. . . bring to the attention of the appropriate House and Senate committees issues which directly impact the Congressional Research Service and its ability to serve the needs of the Congress. . . .” [H. Rept. 1033, Cong. Rec. 146, H12228, November 30, 2001]. I am fully aware of the fiscal realities that the Congress faces and the hard choices that must be made in the coming months, and I make a request for this funding because I believe that these resources are critical to preserving our ability to provide the Congress with the level of expertise and breadth of services it has come to rely upon so heavily.

The remainder of my statement summarizes three critical challenges facing the Service this upcoming year preserving the Service’s research capacity, meeting congressional requirements, and funding uncontrollable increases for essential research materials.

PRESERVATION OF CRS RESEARCH CAPACITY

Preserving CRS’s research capacity is of the highest priority. Over the last several years, with the help of the Congress, the Service has been able to abate erosion of its workforce. The Service’s capacity—measured by the number of full-time equivalent positions (FTEs)—has decreased from 763 in 1994 to 729 this year. After delays due to the implementation of the Library’s new merit selection, the Service has nearly rebuilt its capacity by hiring much needed analytic staff. To preserve this capacity the Service is requesting two actions full funding for its mandatory pay and inflationary increases and a one-time adjustment to sustain its current ceiling of 729 full time equivalent staff.

CRS needs \$4.3 million to cover its mandatory and price-level cost increases. Without this adjustment, the Service would have to reduce its full-time equivalent (FTE) capacity by 37 staff. In addition, the Service’s budget request includes a one-time financial adjustment of \$2.7 million to sustain the CRS current FTE level of 729. Without the one-time funding adjustment, CRS would have to staff down further by another 25 FTEs.

Change in the CRS workforce composition is an increasingly significant factor affecting personnel costs. The nature of the work—reflecting the increasingly complex and specialized research and information requirements of the Congress—dictates that CRS hire individuals with high levels of formal education and specialized experience. In the period from fiscal years 1995 to 2003, the grade level of the average competitive CRS hire has increased from a GS–7, step 9, to a GS–13, step 1.

When Congress confronts unanticipated major policy events, it turns immediately to CRS to draw on the existing stock of knowledge of CRS experts and their proven ability to assess situations and options reliably and objectively. Congress gained significant, immediate support from CRS experts as the world listened to early reports of the Columbia Space Shuttle accident, during the electricity blackout last August, when Mad Cow disease was found in the United States, when ricin was discovered in a Senate office building, and on many other occasions.

Congress routinely turns to CRS as it engages in long-term policy endeavors for which precedents or experience is limited. Congress is receiving continuing assistance from CRS experts in formulating, implementing and overseeing a complex complement of provisions for homeland security; in grappling with major revisions in government personnel practices; in responding to an array of novel assaults on corporate and financial integrity; in responding to world health threats from SARS, avian flu, and AIDS; in assessing unique conditions in Iraq and Afghanistan relating to security, reconstruction and governance; in relating a mix of policy objectives across the use of the tax code and providing for a robust economy in a far more globalized setting than experienced before.

Without the full funding of our mandatory costs and the one-time adjustment to our salary base, CRS would lose a total of 62 full-time equivalent staff—a 9 percent reduction to its workforce. The results would be devastating. What could be said with certainty is that, overall, CRS would not be able to provide the Congress with 102,300 productive work hours per year. For example, for the 160 active policy areas for which CRS maintains ongoing research coverage, 682 productive work hours—more than 21 weeks per year—per major issue—would be unavailable to the Congress. While the Service would do its best to carry out its mission to serve the Congress as it carries out its legislative function, this outcome would, by the very scope of its effect, force the Service to reduce seriously or eliminate customized, timely, and integrative analyses of some critical policy issues. It would be difficult to predict what issues would be the most impacted but seasoned, expert staff working on high demand issue areas will likely leave and we would not be able to replace them.

MEETING CONGRESSIONAL REQUIREMENTS

Another challenge facing the Service is to support CRS business continuity and improved technological infrastructure activities as required by the Congress. I am seeking \$622,000 for continuing operations of the alternative computer facility (ACF) that houses back-up and emergency computer and other technology capacity for the Congress, the Library and CRS. With this facility CRS will be able to meet needs of the Congress in emergency situations while maintaining a secure and reliable technology environment.

The Service is also requesting \$549,000 to develop the XML international standard authorized by the Congress as the data standard for the creation and accessibility of all congressional documents through the Legislative Information System (LIS). CRS will continue to work with the House Committee on House Administration, the Senate Committee on Rules and Administration, and the Library's Information Technology Services to implement this much-needed capability. Without funds to replace the existing search system, the LIS will need extensive, costly, and proprietary modifications to be able to receive and index the legislative documents you need.

MEETING UNCONTROLLABLE INFLATIONARY INCREASES FOR ESSENTIAL RESEARCH MATERIALS

And the last challenge facing the Service is funding research materials. Providing accurate, timely, authoritative, and comprehensive research analysis and services to the Congress has become increasingly difficult due to the high annual increases in the costs of research materials. Thus our budget includes a one-time financial adjustment of \$1.0 million to meet cumulative increases over recent years in subscription and publication prices. Restrictive industry policies limit our alternatives for obtaining needed materials, especially electronic resources, in a more cost-effective manner. Information resources sought with the additional funding include those that provide information on port security, prescription drug pricing, and the nature and status of corporate financial reporting.

In closing, Mr. Chairman, I appreciate the opportunity to inform the Committee about the state of CRS. During a time of war, Congress, the First Branch of Government, must ensure that it maintains its independent capacity to analyze the complex challenges that the Nation confronts in combating terrorism and sustaining homeland security.

I trust that you agree that CRS contributes significantly to this independent capacity of the Congress. I also trust that you believe we are fulfilling our mission in a way that warrants your continued support. I am, of course, always available to answer any questions that the Committee might have.

PREPARED STATEMENT OF MARYBETH PETERS

Mr. Chairman and Members of the Subcommittee: Thank you for the opportunity to present the Copyright Office's fiscal year 2005 budget request.

For fiscal year 2005, the Copyright Office is seeking the Committee's approval of two major requests. First, we are requesting \$3,660,000 in new offsetting collections authority and spending authority to construct the new office space required to support our reengineered business processes. I am pleased that, with this Committee's support, we have been able to keep our Reengineering Program moving ahead and are now planning for full implementation in fiscal year 2006. Second, as part of the Architect of the Capitol's budget, we are requesting \$59.2 million to construct a Copyright Deposit Facility at Fort Meade. This facility will, for the first time, ensure

that copyright deposits not selected by the Library are stored for certain periods in environmental conditions that allow us to meet our legal requirements to retain, and be able to produce copies of, these works.

I will review these two areas in more detail, but first will provide an overview of the Office's work.

REVIEW OF COPYRIGHT OFFICE WORK AND ACCOMPLISHMENTS

The Copyright Office's mission is to promote creativity by sustaining an effective national copyright system. We do this by administering the copyright law; providing policy and legal assistance to the Congress, the executive branch, and the judiciary; and by informing and educating the public about the principles of our nation's copyright system. The demands in these areas are growing and becoming more complex with the rising use and evolution of digital technology.

I will briefly highlight some of the Office's current and past work, and our plans for fiscal year 2005.

Policy and Legal Work

We have continued to work closely with Members and committees on copyright policy and legal questions during the present Congress. During the past year, I testified at hearings on peer-to-peer networks, state sovereign immunity and the "broadcast flag" issue, and the Office's General Counsel testified at a hearing on additional protection for databases.

Last April, the House Subcommittee on Courts, the Internet, and Intellectual Property held a hearing on the Copyright Royalty and Distribution Reform Act of 2003 (H.R. 1417), a matter which could impact the operations and budget of the Office. This bill, which was reported to the House on January 30, would replace Copyright Arbitration Royalty Panels (CARPs) with three full-time independent Copyright Royalty Judges appointed by the Librarian of Congress. CARPs are ad hoc panels composed of arbitrators which determine royalty rates, distributions, and conditions of payment. Panels have been operating under Copyright Office auspices since Congress eliminated the Copyright Royalty Tribunal in 1993.

The current system authorizes the Copyright Office to deduct CARP administrative costs from royalty fees collected by the Office. The new program would require funding primarily from net appropriations. We estimate these new costs could approach \$1 million.

During the remainder of this session, the Office expects to assist Congress with legislation on and oversight of a number of copyright issues, including the extension of the Satellite Home Viewer Act (which expires December 31, 2004) and review and possible revision of section 115 of the Copyright Act, and in particular, the provisions of section 115 governing digital transmissions of music.

Last year, we assisted the Department of Justice in a number of important copyright cases, including cases before the Supreme Court. We also completed the bulk of our work on the second Section 1201 rulemaking to determine whether any particular classes of copyrighted works should be exempted from the protection afforded by the prohibition on circumventing technological protection measures that control access to such works. As a result of this rulemaking, four such classes of works were exempted, including one proposed by the American Federation for the Blind and supported by library organizations aimed at making sure that the blind and visually impaired gained meaningful access to literary materials.

The Copyright Office continues to provide ongoing assistance to executive branch agencies on international matters, particularly the United States Trade Representative (USTR), the Department of Commerce, and the Department of State.

As part of this work, our staff participated in U.S. delegations to negotiations of several bilateral and plurilateral Free Trade Agreements that have been recently concluded, including with Australia, Morocco, and a group of Central American countries, and will continue involvement with ongoing negotiation efforts, such as with the Free Trade Area of the Americas and Bahrain. We also were active in drafting and negotiating the intellectual property provisions of the bilateral Free Trade Agreements with Chile and Singapore signed in 2003.

We have also participated in U.S. delegations to multilateral fora such as meetings of the World Intellectual Property Organization's Standing Committee on Copyright and Related Rights and ad hoc Committee on Enforcement, and the preparatory meetings for the World Summit on the Information Society. We completed reviews of draft copyright laws for a number of countries and, for USTR, provided assistance to other nations in their World Trade Organization accession processes. In the past year, we also advised and assisted the Bureau of Customs and Border Protection in resolving issues and developing new procedures relating to border enforcement.

Registration and Recordation

In fiscal year 2003, we made it a priority to complete our recovery from the fiscal year 2002 mail disruption while also improving the timeliness of our registration and recordation services. During fiscal year 2003, the Copyright Office received 607,492 claims to copyright covering more than a million works. Of these, it registered 534,122 claims. The Examining Division reduced its registration work on hand by half and continued toward a goal of currency in correspondence. Two years ago, the Office required an average of approximately 200 days to issue a registration certificate. By the beginning of fiscal year 2003, we had shortened the average processing time to approximately 130 days. In January 2003, the Office began a focused effort, reducing the number of claims awaiting processing by nearly a third over the course of the last nine months of the fiscal year. At year's end, the average time to process a claim was 90 days.

We also reduced processing times in the Cataloging Division. The Division created cataloging records for 543,105 registrations in fiscal year 2003. Throughput time from receipt in the division until the completion of a public record was reduced from over seven weeks to less than five.

As part of its statutory recordation services, the Copyright Office creates records of documents relating to copyrighted works that have been recorded in the Office. These documents frequently involve works of significant economic value. During fiscal year 2003, the Documents Recordation Section recorded 16,103 documents covering approximately 300,000 titles of works. The majority of documents involve transfers of rights from one copyright owner to another. Other recorded documents include security interests, contracts between authors and publishers, and notices of termination of grants of rights. During the course of the year, the Section cut its processing time by more than half.

Licensing Activities

As part of our responsibilities for the copyright law's statutory licenses, we administered six Copyright Arbitration Royalty Panel proceedings. Five involved rate adjustments, and one was a distribution proceeding. The use of electronic funds transfer (EFT), including the Treasury Department's "Pay.gov" Internet-based remittance collection system, in the payment of royalties increased. The percentage of remittances made via EFT was 94.5 percent at the end of fiscal year 2003. The Licensing Division deducts its full operating costs from the royalty fees.

Public Information and Education

In fiscal year 2003, the Office responded to 371,446 in-person, telephone, and e-mail requests for information, a 4 percent increase. The Office web site received 16 million hits, a 23 percent increase. We were pleased to inaugurate new Spanish-language web pages on our site which provide basic information on copyright and instructions on how to register a work.

Finally, we worked throughout the year on a project to develop a new official seal and an updated logo for the Office. For more than 25 years, the Office's seal and logo has been a representation of a pen in a circle. The new seal and separate logo became effective on January 1, 2004.

FISCAL YEAR 2005 BUDGET REQUEST

I will now describe the two principal areas of our fiscal year 2005 request.

Reengineering Program

Since my testimony last year, we have made significant progress in our Reengineering Program:

- On August 22, we awarded a contract to SRA International to build a new integrated IT systems infrastructure which will support our new processes and public services. This work began in September; since then we have defined the system architecture, refined our system requirements to match the selected software environment, and completed the preliminary design of staff screens and the system's data model.
- We completed a facilities project plan, a program report identifying facilities and requirements across the Office, adjacency and blocking diagrams, and began detailed design work for each division.
- We completed much of the process of reviewing and revising the more than 135 position descriptions for jobs that will be changed, in some way, in our new processes.

Our challenge over the next two years is to coordinate our execution across the three reengineering fronts of information technology, facilities, and organization. Since our processes are changing so dramatically, our Office structure in each of

these areas will change dramatically as well to the point that our new processes cannot begin without full implementation of each front.

At the same time we are making this dramatic transition to our new processes, we need to make sure that we continue to provide our services to the public including registration, recordation, licensing activities, and acquisition of copyrighted works for the Library's collections. We realize that the most significant impact on our public services, in terms of the Office's transition, will be in the area of facilities. As such, we need to complete our facilities work as quickly as possible. We determined that under the fastest construction schedule, this redesign would take at least six months. We then concluded that, in order to keep providing our services to the public, the best option would be to move off site into rental space during the construction period.

Our plans are to begin construction in October 2005 and complete this work in April 2006.

We are including in our fiscal year 2005 approximately \$7.5 million in spending in the facilities area, consisting of both relocation and construction costs. As I mentioned, this budget submission requests an increase of \$3,660,000 in offsetting collections authority to allow us to use funds in the No-Year Account for these tasks.

We are working with the staff of the Architect of the Capitol on the overall facilities approach, and are very appreciative of their understanding of our requirements and willingness to work with us to address them. We are on schedule to fully complete the design and construction documents this year so that the Architect can request fiscal year 2006 funding to perform the structural and safety aspects of the construction work.

In addition to our facilities work, in fiscal year 2005, we will be piloting our new processes with the new IT systems, obtaining Library approval of our new organization, and completing bargaining with the unions.

While we still have a lot of work ahead of us, I believe the entire Copyright Office staff is excited that they are involved in building the Copyright Office of the future. The result will be better service to our customers, including more of our products being available online, and a better work environment for our staff.

Fort Meade Copyright Deposit Facility

The imperative for the Copyright Deposit Facility at Fort Meade is to fulfill the requirement under the Copyright Act for the Office to provide for long-term preservation of copyright deposits. The Copyright Office is required by statute to retain unpublished copyright deposits for the full-term of copyright, which is the life of the author plus 70 years, and to retain published deposits for the longest period considered practicable and desirable by the Register. Retention periods of 120 years for unpublished deposits and 20 years for the published deposits have been established to fulfill this legal requirement.

Deposits serve as evidence of what was registered; they reflect the nature and extent of the material that has been registered. Copies of copyright deposits, certified by the Copyright Office, are used in a variety of legal proceedings. The Office retrieves approximately 2,500 works from its offsite storage each year.

The present retention requirements took effect in 1978. If we continue to hold deposits under the conditions that have been in place since then, some works will deteriorate to such an extent that we would not be able to either ascertain the full work or make a copy.

The Office currently stores about 50,000 cubic feet of deposits at the Landover Center Annex, a GSA leased facility. In addition, the Office stores over 85,000 cubic feet of deposits at a commercial records management storage facility in Sterling, Virginia run by Iron Mountain.

The legal deposits consist of a variety of formats and types, which include: paper in varying quality and size such as books, architectural drawings, sheet music, and computer code printouts; magnetic tape (both audio and video); photographs; CD-ROMs, CDs, and LPs; and fabric.

The current storage space, both at the leased facility and the commercial records storage facility, fails to provide the appropriate environmental conditions necessary to ensure the longevity of the deposit materials. The storage space at the Landover Annex is subject to wide temperature variances, high humidity levels and water leaks. The commercial records storage facility is also subject to seasonal temperature fluctuations and uncontrolled humidity levels.

Continued storage under present substandard environmental conditions will accelerate the aging of the deposit material and reduce the useful life span by 75 percent, i.e., deterioration that would occur in 100 years occurs in 25 years. These conditions place these legal deposits at risk in the long term. This is particularly applicable to the video and audio magnetic tapes in storage which are especially sensitive

to environmental conditions. In addition, the current storage space at the Landover Annex and the commercial records storage facility does not meet the NARA fire protection requirements for storage of long-term records which must be in place by fiscal year 2009.

The Fort Meade facility would be a highly secured, environmentally controlled, high-density storage building with sufficient space for retaining current and future deposits. The facility has been 100 percent designed and construction documents are complete. It will be in full compliance with the NARA regulations for records storage facilities, and would bring together all copyright deposits in a single location, improving retrieval time and our service to the public.

The Fort Meade facility will allow for 245,000 cubic feet of storage. When the building is ready for occupancy in fiscal year 2007, we would immediately occupy about two-thirds of that space. Currently, the Copyright Office is adding an average of 3,500 cubic feet of deposits of published works and records and 3,500 cubic feet of deposits of unpublished works annually. Although it is difficult to estimate the volume of copyright deposits that we will receive in the future, we project that the facility would provide adequate storage space at least through 2020.

We consulted with the Library's Preservation Directorate to determine the climate control requirements to ensure that the useful life of the legal deposits would be sufficient to meet the legally mandated retention periods. Because published and unpublished deposits retention periods are different, the necessary environmental requirements are different as well. Published deposits need to be stored in a temperature of 68 degrees Fahrenheit (F), and 45 percent relative humidity (RH). Unpublished deposits must be stored in a climate-controlled area maintained at 50 degrees F and 30 percent RH.

We have briefed the Committee staff on our current storage problems and our need for this facility. The Committee staff has asked us to ascertain whether there are acceptable alternative storage options. We have contacted NARA and Iron Mountain to determine whether other storage options exist. All options need to be evaluated based on our requirements in the areas of environmental conditions, security and retrieval of deposits. We will report our findings to the Committee shortly.

FISCAL YEAR 2005 OFFSETTING COLLECTIONS AUTHORITY REQUEST

As I have mentioned, for fiscal year 2005 the Office is requesting a one time increase of \$3,660,000 in offsetting collections authority, to be funded by fee receipts in the No-Year Account, for the facilities work related to our Reengineering Program. In addition, the budget submission contained inflationary factors for mandatory and price level increases that were applied to both the Copyright's appropriated and receipt funds. This resulted in an additional \$809,594 increase to offsetting collections authority for a total increase of \$4,469,594.

In reviewing this approach, and upon further analysis of receipt projections, we have determined that inflationary increases cannot be met by the requested increase in offsetting collections authority. Receipts have generally been level since fiscal year 2001 and there does not appear to be any basis to believe they will increase in fiscal year 2005. As a result, we are requesting that the fiscal year 2005 offsetting collections authority be reduced by the inflationary adjustment of \$809,594, with a corresponding increase in net appropriations. We have submitted a formal budget amendment to make this change.

Certain factors support a conservative receipt projection in fiscal year 2005. Currently, there is no mail backlog, so all receipts have been accounted for. Recent delays in the delivery of mail, however, underscore the Office's vulnerability to unforeseen events and the need for conservatively projecting receipts. The relocation and construction phase of the Reengineering Program could disrupt fee processing for a few weeks, reducing the receipt level in fiscal year 2005.

In summary, I ask that the fiscal year 2005 budget request for Copyright Basic offsetting collections authority be reduced to \$26,843,406, and that net appropriations be increased by \$809,594 for a total of \$20,178,594. The use of the no-year funds to partially fund the facilities piece of the reengineering implementation will leave approximately \$620,000 in the account for unanticipated decreases in fee receipts.

I would be most grateful for the Committee's acceptance of this budget amendment.

CONCLUSION

Mr. Chairman, this fiscal year we are determined to continue the improvements we have made in providing public services and to maintain steady progress in our Reengineering Program.

Our fiscal year 2005 request permits us to move forward on the facilities work critical to the final implementation of our Reengineering Program. The new Copyright Deposit Facility at Fort Meade gives us the assurance that we will be able to meet the copyright law's requirement that deposits be retained under proper conditions.

I thank the Committee for its consideration of this request and for its support of the Copyright Office in this challenging time of transition and progress.

OPEN WORLD LEADERSHIP PROGRAM

Senator CAMPBELL. Since the chairman of the full committee is here, I would like to ask one question first, that I was going to get to a little later, but as the chairman of the Board for the Open World Program, this is a program that Senator Stevens was instrumental in helping move.

Would you give us a quick update on the program, since we authorized that expansion to new countries?

Dr. BILLINGTON. Yes, sir, Mr. Chairman. We will shortly be delivering the Open World's 2003 Annual Report to the Congress; but just a few highlights.

In 2003, a total of 1,201 families, in 542 communities in 46 States, hosted people from this program. We have completed pilot programs also in Ukraine, Uzbekistan, and Lithuania, launched a new cultural program in Russia, while continuing to bring political and civic leaders in Russia. Our alumni now total 7,547. There is also a group who came from Belarus.

This has been extremely useful. I think the addition of Russia's cultural leaders, who play an important role in the development of the country, has been an important new dimension; and it focused on vibrant areas outside of Moscow and Petersburg that have not previously had the opportunity to come. The first hosting was in North Carolina and Michigan, and it has already spurred some collaborative efforts in historic preservation and plans for exchanges of exhibitions. So, the spin-out, the roll-out, of this is very gratifying.

The focus on the rule of law continues. We have had 838 Russian judges and legal professionals hosted by Federal and State judges, and that has led to the establishment of sister courts and all kinds of relationships.

Senator CAMPBELL. Do they come over one time?

Dr. BILLINGTON. Yes, they come—well, there have been occasional repetitions but almost all of them are one time, yes, from—and that is just terribly important, because they have a lot of professional demands.

GAO REVIEW OF OPEN WORLD LEADERSHIP PROGRAM

Senator CAMPBELL. There is a GAO review of the program now; isn't there? Do you know what their preliminary findings are?

Dr. BILLINGTON. Yes. The GAO review, which has been completed, and we have had a chance to comment on it. I do not know that it has been published yet, but I have reviewed the draft, which should be published, I think, this week.

They spent a lot of time on this, and I want to give them full credit, traveling to Russia and Ukraine to interview State Department officials and Open World alumni. The draft report found that our delegates were highly favorable about their Open World pro-

gram, and noted that the congressional sponsorship was particularly important because it helped the program attract emerging leaders who might otherwise not have participated.

The program also came up with some recommendations for long-term strategic and business planning, which we have already begun on and will be incorporating into the next meeting of the board. So, I think it has been very helpful and it has generally reinforced the impressions we have had very distinctly. With the average age of 38, these people—large numbers of women, something totally new for Russia. It is really a different kind of exchange program—and it has been valuable to the American hosts, communities, families, and community leaders that have given so much in-kind support.

One of the GAO recommendations is that we try to quantify that. It is going to be hard to quantify it because it is real people from all 89 regions of Russia—

Senator CAMPBELL. Those are personal relationships that carry on.

Dr. BILLINGTON. Our American hosts are real people from all over the States, all 50 States, and the District. So, it has been a very rewarding program that has gotten good reviews and I think has been very successful.

We also had a group from Belarus that was very important. They met with the Governor of Virginia, with the Helsinki Commission.

Senator CAMPBELL. Yes. I met several from Belarus as Chairman of the Helsinki Commission.

Dr. BILLINGTON. Yes, sir.

FUNDING PRIORITIES AND CHALLENGES

Senator CAMPBELL. Dr. Billington, I guess I need to ask you what we have asked every agency that has come before the committee, and that is: What happens if we do get a freeze in the fiscal year 2004 level on your budget, and have you prioritized things that you are—I mean from the wants to the desperate; and are you prepared, if we have to, to make any cuts in your programs?

Dr. BILLINGTON. Well, if we had a freeze, the most immediate effect would be to radically reduce staff, since personnel costs represent, on average, almost 65 percent of our overall budget; and in the case of CRS, it is 89 percent. So probably, we would have to consider RIFs, furloughs, and so forth.

Without the requested \$20.5 million, for instance, for mandatory pay and price staff increases, we would have staff reductions that would be about 195 FTEs in the LC,S&E appropriation—a 7 percent reduction in capacity, 62 FTEs in CRS—a 9 percent reduction in capacity, and 26 FTEs in the Copyright Office.

Senator CAMPBELL. Well, the committee is thinking of staffing and hiring.

The committee understands that years ago you instituted a new hiring system; is that correct?

General SCOTT. Yes; that is correct.

Senator CAMPBELL. What is the status of that hiring system? I understood in your testimony, I am not sure if that was an across-the-board number you mentioned, of 7.7 percent fewer staff than 1992, was that—

Dr. BILLINGTON. Yes. We presently have 7.7 percent fewer FTEs now than we had in 1992, and we are doing a tremendous amount more work, as I think is evident. So, to have further reduction beyond that would be quite serious.

There would be all kinds of implications for many important ongoing initiatives, for example Culpeper—not to do our part that prepares for the processing and the movement of things into the building—when the construction is underway largely with private sector costs would upset a whole set of relationships there.

AGING WORKFORCE

Senator STEVENS. Yield to me right there. I must leave. But would you enlighten the chairman about the problem of the aging of your staff, and then assess these for really reaching out now to train people, to take the place of so many people? I think it is unique.

Also, the one thing I would like to see you consider is, I spent some time with the archivists the other evening, and they are now going through a digitalization program similar to what you have gone through. I wonder if you could find the opportunity to confer with them to see if you could assist them in the progress of their new program to go digital with all of their materials as possible, particularly in terms of the aging of the staff? That worries me considerably.

Dr. BILLINGTON. Yes, this is tremendous; 48 percent of Library staff by this September will be either eligible for regular retirement or eligible for early out retirement, if they are given that option. This is very serious, particularly at a time when we are, in effect, re-tooling people to get into the new electronic age and we are losing a lot of our subject expertise that has enabled us to find these important things, particularly in trouble spots around the world. But, I invite General Scott to comment on this. We hope to bring a package forward quite soon, and perhaps General Scott can elaborate on this.

General SCOTT. Yes, sir.

Senator CAMPBELL. General Scott.

General SCOTT. Thank you.

Senator CAMPBELL. Go ahead.

General SCOTT. Yes, Mr. Chairman. With respect to the Library's workforce, it is a highly qualified, aging workforce. By the end of September this year, 25 percent of our workforce, some 1,033 individuals, will be eligible to retire. We also estimate that another 23 percent would be eligible to retire if we had an early out this year.

For each year projected ahead, we would of course continue to have more employees eligible to retire. By 2009, or thereabout, we could be looking at one-half of our workforce that would be eligible to retire.

Dr. Billington has just referenced that our challenge is to retain those who we can, retrain staff to handle the new knowledge navigation requirements under the digital period, and remain competitive in the hiring process. We will be submitting a legislative proposal that would in addition to other management tools give Dr. Billington some flexibilities for handling the fluctuation with staff retirements that we expect to happen within the next 3 to 4 years.

Senator CAMPBELL. What is the average years of service of the people who are retiring?

General SCOTT. It ranges from 22 to 24 years.

Senator CAMPBELL. They stay a long time.

General SCOTT. Yes, sir.

Dr. BILLINGTON. This requires succession planning which includes both retraining current staff, and hiring new staff. To successfully accomplish our planing effort, we are going to need a great deal more flexibility. We will have a package to present to you, Mr. Chairman, very soon that will build on the recognition of this problem, capitalizing on HR initiatives that have been approved by Congress for other agencies.

The demands on this institution, with a very low training budget and an extremely high demand for skills dictate that we focus even more energy on succession planning; CRS has been in the forefront but this is an extremely important institutional issue that we gain greater flexibility and competitiveness. This is important because what our people are doing.

COLLABORATION WITH THE ARCHIVES

Incidentally, on the question on collaboration with the Archives, we would be very happy to do that. We have been talking with the Archives in connection with the digital preservation plan and with other Federal agencies, as well. So, we are happy to share our experience and to work collaboratively with other institutions.

FLEXIBLE WORKFORCE

But this is really the development of a flexible, well-trained workforce that is able to work seamlessly between the old traditional materials, of which we have unique copies, particularly in these trouble spots in the Third World that no other library really has the materials on, and at the same time, integrate it with the digital world, which is exploding at an exponential rate.

The demands on our people are going to be colossal. We will be coming back to you with proposals for legislation that can help us in that regard.

CRS STAFF CAPACITY

Senator CAMPBELL. Along the manpower line, I had a question relating to CRS and I did not know if you wanted to try to answer it; or Mr. Mulhollan, if he is with you here. Mr. Mulhollan, come on up to the table there.

Could you tell the committee why the CRS needs \$2.7 million for what is called "lost purchasing power"? What does that mean? Does it mean your average pay level has increased significantly, or are you requesting more staff, or what does lost purchasing power mean?

Mr. MULHOLLAN. Yes, sir, that refers to the budgetary resources needed to sustain the current CRS staff. You, the Congress, are facing more complex issues—whether it is the war on terrorism, homeland security issues, aging of the U.S. population, infrastructure problems, or nuclear proliferation—you require greater expertise on each of these complex issues. For many years, CRS and this

committee has been supportive of what Dr. Billington referred to with regard to succession planning. CRS faces the possibility of having half of our staff retire by 2006. We have already begun replacing them—in fact, last year, we filled 91 vacancies.

The cumulative financial impact of these two phenomena has been an overall shift in the composition of the CRS workforce. In 1995, aside from special recruiting programs, the average new hire was a GS-7, step 10. Today, it is a GS-13, step one. This increase is indicative of the greater level of expertise needed by the Congress. In addition, the vast majority of our losses are staff who are covered by CSRS, the older Civil Service Retirement System. Where the average costs of employer-paid benefits are 13½ percent.

Nearly all of new employees are covered under the newer retirement system, FERS, where the average benefit is 27 percent. That fact alone doubles the employer-paid benefit—which is significant in an organization where the average grade is a GS-13, step nine.

Another influence contributing to lost purchasing power is the gap on the pay raise. In fiscal year 2004, we requested, and you approved, a pay increase of 3.7 percent; however a 4.2 percent pay raise was enacted—creating a \$400,000 deficit in our fiscal year 2004 budget. That is four FTEs.

Finally, the rescission of 0.59 percent, in the CRS budget was \$540,000—equating to five FTEs. So, that is a loss of nine FTEs in fiscal year 2004 alone. We are looking for the committee to provide the Service with a one-time adjustment to sustain an FTE level of 729.

Senator CAMPBELL. I wish I had not asked that question.

I am just kidding. I appreciate that, for the record.

Mr. MULHOLLAN. You are welcome.

Senator CAMPBELL. Thank you, Mr. Chairman.

NAVCC—CULPEPER DONATION

Dr. Billington, the very generous donation that Mr. Packard did of \$120 million, how does that compare with what we are investing in that National Audiovisual Conservation Center?

Dr. BILLINGTON. Well, the original arrangement was that over a period of time, the Congress would provide \$16.5 million and the Packard Humanities Institute would match it with some \$50 million. That adds up to about \$66 million. The Congress has appropriated its part for that original investment but the costs overall have doubled to \$120 million—or, actually, more than that, but the Packard Humanities Institute has agreed to—very generously agreed to—absorb all the additional construction costs.

So, all we are asking for, in the current budget, is for added staff who can work on the processing and sorting of these materials, which is widely scattered. A lot of that is permanent value for—as well as to begin the move; because the train is moving very fast, thanks largely to their added investment in this. And we will be, by next summer, ready to move into the re-done vaults for storage; and the following year, a whole new building will come on stream. So, this is moving very rapidly and all the added construction costs have been absorbed by the Packard Humanities Institute.

What our part of the bargain is, it was attached to the agreement, the tripartite agreement among us, the Packard Humanities Institute; and the Architect of the Capitol, of course, is making sure that all of this conforms to all of the relevant standards and so forth.

We are asking for some FTEs and some added funding that will enable us to fully process this material and prepare for the move. A lot of that is one-time cost, which will not stay in the base; but it is essential that it be done now so that the schedule of moving these things in can be done immediately and will not hold up construction.

Let me see, a total of \$16.5 million was appropriated for the acquisition.

Senator CAMPBELL. \$16.5 million?

Dr. BILLINGTON. Yes, but we will need additional funding for the annual carrying costs, which must be covered. A lot of the requests that are included for this year will be one-time costs that will not be repeated but are essential to come on stream at this point, so that the whole process can go forward.

So, those are the basic outlines, Mr. Chairman. I can give you a full, detailed accounting and projection, if you would like, on this, for the record.

[The information follows:]

From fiscal year 2000 to fiscal year 2003, the Congress appropriated \$16.5 million to the Architect for the acquisition of the facility. In fiscal year 2004, the Congress appropriated \$14.8 million to the Library for the National Audio-Visual Conservation Center to support one-time equipment and other implementation costs. In fiscal year 2005, the Library is requesting an increase of \$5.3 million for a total project cost of \$20.1 million. Total Library funds through fiscal year 2008 are projected to be approximately \$77 million of which \$9.8 million reflect ongoing program costs for fiscal year 2009 and beyond.

LIBRARY BUILDINGS AND GROUNDS—BUDGET REQUEST

Senator CAMPBELL. Your budget request includes \$161 million for buildings and grounds, which is a 312 percent increase over the prior year appropriation for that activity. There are two projects which account for the majority of that money; \$39 million for the two new book storage modules at Fort Meade, and \$59 million for the new copyright storage facility.

Can you just briefly describe those two facilities? Are there any alternatives to those buildings?

Dr. BILLINGTON. Well, just briefly. The one—the copyright deposit facility is already essential for the reasons that I have indicated. They are examining some variant options but it does not appear that any will be cheaper than the presently projected one.

The other is dealing with basic storage for special format collections. For copyright deposit, the obligation to store unpublished works has been extended for 20 years, because of the extension of the copyright term. So, we have a much bigger pile-up even than we had before; the same is true of our special collections.

LEASED SPACE

Senator CAMPBELL. The storage now of all that material, is it mostly in leased space or in Government buildings scattered around?

Dr. BILLINGTON. It is in leased space, namely at Landover. I think I will let General Scott, who has been working most closely on these issues, elaborate, if he would.

Senator CAMPBELL. Okay.

General SCOTT. Thank you, sir. With respect to modules three and four, Mr. Chairman, those modules are for special collections. With special collections, we are talking about maps, and we are talking about microfilm, we are talking about prints and photographs.

Currently, those items are being stored in leased facilities, the largest of which is in Landover. Now, modules three and four—first, let me just make a statement that all of the construction for the modules is about 5 years behind, which sort of exacerbates the problem of deterioration, and making sure that we can preserve those items.

Now, we also are concerned that in a delay, particularly with the copyright deposit facility, any delay increases the risk of further deterioration. There is—

Senator CAMPBELL. Are those leased spaces climate controlled?

General SCOTT. Yes. Some of it is not climate controlled, others have minimal climate control.

Senator CAMPBELL. What is the cumulative cost of all that leased space to the Library of Congress, do you know off hand?

General SCOTT. I do not have the cumulative total, Mr. Chairman, but I will provide that for the record.

Senator CAMPBELL. I would like to know that, if you could get that to us.

General SCOTT. Yes, sir.

Senator CAMPBELL. It would help—

General SCOTT. Will do.

Senator CAMPBELL [continuing]. When we talk about that big increase for facility construction, if we would know the comparative costs of what it is costing us now. I think the committee would be interested in that.

[The information follows:]

Lease space for storage collections is costing the Library approximately \$1.293 million in fiscal year 2004 and \$1.390 million in fiscal year 2005.

COPYRIGHT DEPOSIT FACILITY

General SCOTT. Yes, sir. I will add that with the copyright deposit facility, that the Copyright Office is currently looking at three alternatives. The first is in Lenexa, Kansas, where the National Archives has leased some storage space.

Senator CAMPBELL. Kansas?

General SCOTT. Yes, sir. Lenexa, Kansas. There is a cave out there that meets some of the requirements for preservation controls, and that sort of thing.

Senator CAMPBELL. What is in that cave now?

General SCOTT. Some National Archives material. We are looking at it to come up with some cost comparisons. We are also looking at the alternative computing facility, which is new out at Manassas, Virginia. And the third site is a limestone cave at Iron Mountain. We expect to have our report completed within 2 or 3 weeks,

and we will certainly make sure that the Committee has access to all of that information.

Senator CAMPBELL. Okay. I appreciate that.

Dr. BILLINGTON. There are two considerations, Mr. Chairman, on this; one is effective preservation and the other is accessibility. One of the great things about Fort Meade module one, which is more than two-thirds filled now, is that every single request to retrieve has been answered successfully. They found it and brought it to the main reading rooms, where the stuff can be used fairly rapidly.

So, you may get excellent preservation at one of these distant locations but you will not get the access. We have to have continued access because you never can tell what is going to be important, German archaeological records—

PRESERVATION OF THE COLLECTIONS

Senator CAMPBELL. Let me ask you, in some of this leased space that is not climate controlled, have you been able to monitor deterioration of any of the things that you have stored there or have you lost anything, because of it being stored in places that are not controlled?

Dr. BILLINGTON. Well, we—yes. We do monitor our preservation department physically restores or does preservation treatment of some chemical or just physical sort to somewhere between 300,000 and 500,000 physical items every year. We have a very active program for deacidification but also transposition into more safety-based films and so forth. So, part of this whole process of moving into these things is to assure that we can get the highest state-of-the-art preservation protocols, which Congress has encouraged us to make, and for various formats, actually brought into place.

I mean Culpeper—for instance, an archive of radio and television materials was mandated by the Congress in 1976. Culpeper will finally enable us to realize that. It will also include film and recorded sound of all kinds. So, this preservation is of capital importance; it is monitored very heavily. We estimated that something like 75,000 or 77,000 printed volumes a year risk disintegration. So, we have turned the pages into—

Senator CAMPBELL. How many volumes?

Dr. BILLINGTON. So, these are problems that our preservation department works on very intensively; and we are making great progress thanks to the Congress' support. But without these facilities, we cannot be sure that the progress is uniform and that the immense 128 million item collections are going to be safely preserved for posterity.

EMBASSY CONSTRUCTION—BUDGETARY IMPACT

Senator CAMPBELL. I understand. Thank you. The last question, the Library has six overseas field offices for acquiring international publications, and you requested a provision exempting the Library from a State Department proposal to charge all U.S. Government agencies with an overseas presence to pay a portion of the Department of State's new building program.

Why do you believe the Library should be exempt from the State Department's proposal and what would be the budgetary impact if the State Department's proposal is enacted?

Dr. BILLINGTON. Well, the budgetary impact, I can give you the exact computations on this, Mr. Chairman. But let me just say that this would be really quite catastrophic. The way the assessment is computed, in any case, is based on constructing 150 Embassies—95 percent of the Library's staff is located in only six positions—none of which are a part of the proposed new construction. While the Library does have three positions in two locations where new Embassies are projected to be built, we question the \$7 million price tag for three positions.

So if you figure it up, this is an extremely cost-effective way, not only for the Library of Congress but for the other research universities that use these things. These offices are almost all in trouble spots in the so-called developing world, which are of extreme importance to the United States. We would have to reduce, immediately, the budget for actually gathering in these works.

I can give you some exact statistics. Let me see, the proposal would nearly double the cost of our overseas offices eventually to about \$15 million from the \$8.2 million they cost today. As I say, it is based on the number of all employees overseas, as opposed to the actual use of space and services.

Overseas offices are critical, as I say, to the gathering of the information of this developing world. So, I think we just have to block this inequitable charge from the State Department and we would appreciate your help—these overseas offices have never been more important. Islamabad, Delhi, Djakarta, Nairobi, Cairo, these are areas that are extremely important to the United States—there are very few secrets in the world. So much can be discovered from more effectively reading; and, to jeopardize the ability to put their maximum effort on acquiring materials, rather than just paying this inequitable surcharge, would make a huge difference.

ADDITIONAL COMMITTEE QUESTIONS

Senator CAMPBELL. Thank you. I appreciate it. I have no further questions, Dr. Billington. Thank you for appearing. There may be some in writing from other members of the committee. Senator Durbin, the ranking member, was tied up today and could not get here. He may have some questions that he will send to you in writing.

Thank you both for appearing.

General SCOTT. Thank you, sir.

Dr. BILLINGTON. Thank you.

Senator CAMPBELL. General Scott, thank you for being here.

[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 RICHARD J. DURBIN

RETAIL SALES

Question. Dr. Billington, as you know I have been a strong advocate of retail sales within the Library of Congress. Could you please update me on the status of the Library's retail activities initiatives?

Answer. The Congress appropriated \$335,000 per year for 3 years to the Library to support its retail initiatives, beginning in fiscal year 2004.

Both the Retail Sales Shop and the Photoduplication Service (PDS) ended fiscal year 2003 in the black.

Our online sales revenues have totaled \$105,000 in the year since the last hearings. This represents an increase on the \$73,000 we reported this time last year.

We have introduced a new website that allows visitors for the first time to purchase pre-selected images from the Library's collections.

We concentrated on major activities to implement the Business Enterprises strategy developed and presented to Congress last year.

We focused on (1) improving and expanding existing e-commerce operations; and (2) adding key infrastructure fixes to improve the financial management and operations of the Sales Shop and PDS.

We took actions that included: reducing operating costs, installing a new accounting application in PDS, and setting new pricing policies.

We have developed a "Strategic Plan Fiscal Year 2004–2006" and an "Implementation Plan Fiscal Year 2004" that provides a planning framework, goals, and implementation actions.

We have established a team dedicated to the development of this program in the areas of business, retail, finance, and marketing.

CONSTRUCTION IMPACT ON SECURITY

Question. I understand that the retail store is changing locations in the Jefferson Building due to new security initiatives. Will the new location be more visible to visitors to the Library of Congress? What impact, if any, has the construction related to the new security initiatives in the Jefferson Building had on the retail store?

Answer. The retail store is scheduled to move from its current location to one directly across from where it is now. The current move date is targeted for between mid-January and the end of February 2005, in order to minimize the impact of sales during the store's busy holiday season, late October through December. Its new location will be equally visible to visitors.

We do not expect the new security initiatives to have a negative impact on the retail shop. In fact, in its new location, it will be immediately accessible to visitors as they exit the Jefferson Building, which should be an advantage for sales purposes.

POLICE FORCE

Question. Dr. Billington, I notice you are requesting \$3.825 million and 45 FTEs for the Library of Congress' Police force. Given that there are relatively concrete plans in place to merge the Library's Police force with the Capitol Police, are you coordinating your plans with the Capitol Police Board to ensure a proper skills mix in the merged police force?

Answer. The Library did not coordinate its fiscal year 2005 staffing request with the Capitol Police Board, but the request is consistent with the Library's multi-year fiscal year 2004 request that was reviewed by the United States Capitol Police (USCP). The Library's fiscal year 2005 staffing request, which reflects year two of a three-year staffing request of 100 Library Police Officers, is consistent with the USCP minimum staffing standards.

HUMAN CAPITAL

Question. Dr. Billington, in your statement you indicate that the Library will be seeking broad-based human capital tools and flexibilities to enhance recruitment and retention activities. What new authorities will the Library be requesting? Are you working with the authorizing committees?

Answer. The Library seeks to exercise authorities that Congress has granted throughout the federal government, and to do so without seeking executive branch approval. For example, consistent with that already granted to both the executive and judicial branches, we will request authority to offer early outs and buyouts to Library employees. We will also be seeking authorities that will ease significant competitive disadvantages the Library would otherwise experience in recruitment and retention of senior managers, and skilled professionals, who would be better compensated or experience better leave, bonuses or training opportunities in the executive branch.

As Dr. Billington testified in his appearance before this subcommittee, as well as the Joint Committee on the Library, we will be sending our legislative request to the Library's House and Senate authorizing committees.

OPEN WORLD LEADERSHIP PROGRAM

Question. I understand that the United States recently hosted the first Open World Leadership delegation from Lithuania. How was the expansion received in Lithuania? When will other delegations from Lithuania be arriving?

Answer. The expansion of the Open World Program to Lithuania was received with great enthusiasm in Lithuania. U.S. Ambassador to Lithuania Stephen Mull and his colleagues at the U.S. Embassy were extremely supportive of the idea from the start, and planning this pilot would not have been possible without their assistance. A number of Lithuanian and American organizations nominated strong candidates under the theme "civil society." The first delegation traveled to the United States in February 2004 to examine topics such as business, community development, media, NGO development, and youth initiatives. Ambassador Mull spoke at their pre-departure orientation in Vilnius, and upon arrival in Washington D.C. the delegation was greeted by Ambassador Vygaudas Usackas Lithuanian Ambassador to the United States. Initial feedback from this delegation is very positive, the trip gave the Lithuanian participants the opportunity to build long-lasting professional partnerships and friendships with their American counterparts. The Open World Leadership Center plans to host its next delegation of Lithuanian leaders in the fall of 2004.

Question. How is the Open World program working in Russia and other former Soviet satellites? Do you believe it is workable in the rest of the former eastern bloc and elsewhere?

Answer. The Open World Program has made a considerable contribution to bettering United States-Russian relations as well as to the development of civil society and democracy in Russia. Since the program's inception in 1999, Open World has brought over 7,500 Russian leaders to the United States, allowing them to experience first-hand American style democracy and free enterprise. Now, these Russian leaders comprise an active Open World alumni network, a network that is working together for positive change in Russia.

In 2003, the Open World Program was expanded to Lithuania, Ukraine, and Uzbekistan. In total, 148 participants were hosted in the United States from the three countries under the theme "civil society." While each program was adapted to meet the specific needs of the country, these pilot exchanges prove that the Open World Program model is applicable and useful to countries around the world. Open World participants returned to their home countries with new contacts and fresh ideas and inspiration. In Uzbekistan, for example, Open World alumni are putting their Open World experience to work to better their communities by writing articles in the local press, establishing Rotary clubs, drafting proposals for developing child and maternity health care services, and planning new programs for children with disabilities.

The pilot exchanges demonstrate that leaders and activists from a variety of countries can benefit greatly from meeting and sharing ideas with their American counterparts. In addition, the Open World Program has contributed significantly to furthering bilateral relations between the United States and other countries.

CRS SCIENCE AND TECHNOLOGY CAPACITIES

Question. Mr. Mulhollan, what distinguishes the work done by the Congressional Research Service in providing analysis of science and technology issues for the Congress from those which were performed by the OTA, and are now conducted by the General Accounting Office, the Congressional Budget Office, the National Academy of Sciences, or other sources?

Answer. Each of the entities that you mention performs different activities serving different purposes. The sum total of the work being conducted by all is complementary in that each organization brings a different perspective or different scope of analysis to the same problem.

The Office of Technology Assessment (OTA) conducted technology assessments—a recognized and structured methodology that is very distinct from legislative and public policy support. These assessments addressed the multiple positive and negative impacts of technology on society and offered policy options.

OTA studies were performed at the request of any congressional committee Chairman. The Chairman may have requested work on behalf of a Ranking Minority Member or on behalf of a majority of committee Members. The OTA Board could also request assessments as could the OTA Director. In practice, most assessments were requested by the Chairman and the Ranking Minority Member of a Committee.

OTA assessments, which usually took over a year to complete, relied heavily upon groups of external experts and involved extensive external review, monitored by in-

ternal staff. The contracts issued to obtain information or to write parts of the reports could cost well over \$100,000 each—with the total costs of each study reported to range from \$500,000 to nearly \$1 million each.

OTA's enabling legislation permitted its reports to be made available to the public and its work typically was not prepared on a confidential basis.

The General Accounting Office's (GAO) current technology assessments are being conducted on a pilot basis, pursuant to law and report language originating in Legislative Branch appropriations.

To date, GAO has worked on three assessments—each of which has taken about a year to complete and has cost in the hundreds of thousands of dollars.

While GAO reports normally make recommendations, its assessment reports seem to offer policy options, together with a discussion of legislative implications.

The Congressional Budget Office (CBO) provides budgetary analysis on a wide range of issues related to science and technology, ranging from health policy to high-technology industries.

The National Academy of Science (NAS) conducts studies which are oriented to resolving technical issues or policy issues.

Most of the NAS science and technology studies are not mandated by Congress—even those which are requested by Congress, via statutory or report language, are contracted for by federal executive branch agencies. Seven such studies were mandated in public laws and completed for the 107th Congress.

The NAS studies usually cost several \$100,000 and take between one and two years to complete.

NAS retains control over the scope of these studies. The NAS typically convenes panels of scientific and technical experts to write reports, which undergo extensive Academy review prior to transmittal to the agency requestor.

NAS reports typically contain recommendations and advice and are not done on a confidential basis.

Extensive use is made of the expertise provided by the NAS and their staff, via contracts. The topics of assessments are typically suggested by a few interested Members of Congress.

The Congressional Research Service (CRS) undertakes analyses for both committees and Member offices in scientific and technological areas to: (1) assess the overall policy context on specific broad-scale legislative issues; (2) assess tradeoffs and alternatives; (3) evaluate proposals with heavy technical components; (4) help Congress to understand technical and scientific background and developments; and (5) provide program and institutional memory.

Because of the diverse and open-ended needs of Committees and Members, the Service must work carefully to ensure that the appropriate research capacity is available to the Congress when it needs it.

Some CRS analyses take several months to over a year to complete. The agency's specialization, however, is on integrative policy analysis that is legislatively oriented, client-focused, confidential, and decision-oriented in nature.

Science and technology support includes personal, confidential consultations, briefings, seminars, workshops, a variety of programs for Members of Congress and their staff, technical analytical memos, and background reports that assess oversight and legislative issues relating to technical subjects.

For instance, CRS staff have written analytical reports on such subjects as management and technical issues relating to the National Ignition Facility; vaccine policy issues for the 108th Congress; technical, trade, and policy issues for space launch vehicles; digital television; and bioterrorism policy issues posed by ricin and monkeypox, among many others.

Several projects involving science and technology in the aging area are under way including Medicare assessment of molecular technologies and interventions for coverage; biomedical issues in diagnosis and treatment of Alzheimers disease; chronic illnesses among older people and implications for health care programs; coverage of genetic testing by private payers; shifting of risk and responsibilities in an aging society; bioethical issues at the end of life; and factors driving health care costs; among others.

CRS has also developed more formal, comprehensive, and systematic assessments of technical and/or scientific issues

These assessments often address broad questions requiring foresight, analysis, and synthesis.

Examples of these in-depth studies include: children's environmental health; various global climate change studies; invasive species issues; ecosystems management; health benefits of air pollution control; electricity restructuring; external costs of oil used in transportation; chemical and biological agents and pathogens; and various studies on acid rain issues.

Such in-depth studies take several forms: some—including the ones on children’s environmental health, the health benefits of air pollution control, and ecosystems management—have been implemented through national symposia. Some in-depth studies have been undertaken with internal resources, but because of their scope and the effort required, others have been conducted under contract or through foundation grants typically in the range of \$20,000 to \$100,000.

CRS continues to monitor its science and technology requests and workload through close work with committee staff, discussions with nationally recognized scientists, and analysis of scientific developments. These actions help CRS anticipate issues as well as signal future needs for resources and technical capabilities. For example, concerns about terrorism in the 1990s led CRS to begin, before September 11, 2001, an assessment of chemical and biological agents and pathogens—a study that proved useful during the Homeland Security debates of 2002 and 2003.

CRS ONE-TIME FINANCIAL ADJUSTMENT

Question. Mr. Mulhollan, can you explain the \$2.7 million “one-time financial adjustment” in your budget request?

Answer. CRS is seeking a one-time budgetary adjustment of \$2.7 million to sustain a total capacity of 729 FTEs. Without the additional funding, we estimate that the current budget base will afford the Service approximately 704 FTEs in fiscal year 2005 and beyond—25 FTEs short of its current ceiling. Any reduction from the current level of 729 FTEs will result in a diminution in the Service’s ability to meet the needs of the Congress.

The basis for the one-time cost adjustment in fiscal year 2005 is the confluence of two dynamic influences:

A change in the work force composition is the most significant factor. During the past ten years, the total size of CRS has decreased from 763 FTEs to 729 FTEs. Within these shrinking resources, CRS has consistently produced “more with less” and demonstrated increased productivity in responding to congressional needs. Economies that were previously realized from technology and contractual assistance are no longer possible. Assisting the Congress as it addresses increasingly dynamic and complicated issues requires a cadre of highly skilled, knowledgeable, and motivated workers—a work force that is increasingly more expensive to sustain.

The second influence is related to the changing proportion of staff in the two federal retirement systems. CRS is behind the CSRS-to-FERS transition curve when compared to the rest of the federal sector. The CRS workforce has historically remained with the Service for the duration of their career—and often beyond their retirement-eligibility dates. Recent experience confirms that: (1) the majority of CRS retirements/separations are CSRS staff, and (2) the majority of CRS hires are from the private sector/school—eligible only to participate in the FERS. The employer-paid benefit rate for a FERS employee is nearly double that of CSRS employee making the same base salary. For fiscal year 2003, the benefits rate for a FERS employee was just over 27 percent of his/her salary versus 13.5 percent benefit rate for a CSRS employee making the same basic pay.

Without the one-time funding adjustment, CRS services to the Congress would be reduced by about 206 hours a year in each of over 150 major policy areas in which the Congress can be expected to be actively engaged—between 5 and 6 weeks of lost capacity per major policy area. Across the Service as a whole, this reduction would equate to a loss of about 365 productive hours per week that would not be available to provide critical research and analytical support for the Congress.

SUBCOMMITTEE RECESS

Senator CAMPBELL. This subcommittee is recessed.

[Whereupon, at 11:39 a.m., Thursday, March 11, the subcommittee was recessed, to reconvene subject to the call of the Chair.]