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GPO IN 2023: KEEPING AMERICA INFORMED IN A POST-PRINT WORLD

HEARING

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COMMITTEE ON HOUSE ADMINISTRATION HOUSE OF REPRESENTATIVES

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GPO IN 2023: KEEPING AMERICA INFORMED IN A POST-PRINT WORLD

WEDNESDAY, DECEMBER 4, 2013

HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOUSE ADMINISTRATION,
Washington, DC

The committee met, pursuant to call, at 10:30 a.m., in room 1310, Longworth House Office Building, Hon. Candice S. Miller (chairman of the committee) presiding.

Present: Representatives Miller, Harper, Nugent and Brady.

Staff Present: Kelly Craven, Staff Director; Peter Schalestock, Deputy General Counsel; Yael Barash, Legislative Clerk; Salley Wood, Communications Director and Deputy Staff Director; Bob Sensenbrenner, Senior Counsel; John Clocker, Director of Policy and Planning; Katie Ryan, Professional Staff; Reynold Schweickhardt, Director of Technology Policy; Kyle Anderson, Minority Staff Director; Matt Pinkus, Minority Senior Policy Advisor; Matt DeFreitas, Minority Professional Staff; Khalil Abboud, Minority Deputy Counsel; Thomas Hicks, Minority Senior Counsel; Mike Harrison, Minority Chief Counsel; Greg Abbott, Minority Professional Staff; and Eddie Flaherty, Minority Chief Clerk.

The CHAIRMAN. I call to order the Committee on House Administration for today's oversight hearing on the Government Printing Office. First of all, the hearing record will remain open for 5 legislative days so all Members may submit any materials that they wish to be included in the record.

And we do have a quorum, so we can proceed.

First of all, I want to offer sort of belated congratulations to our witness today, Ms. Davita Vance-Cooks, on her appointment. She is the 27th Public Printer of the Government Printing Office. And I think certainly we can all appreciate your appointment and your service in so many ways. You are the first female to serve as the Public Printer. You are also leading an agency through what can only be categorized, I think, as a very historic transition, sort of evolving to meet the digital demands for the 21st century, which is a huge task for an agency and tremendous responsibilities that you have for the American public. So we welcome you and congratulate you.

For 150 years, the GPO has been responsible for the collection, production, distribution, and preservation of public information for all three branches of government. It is an historic and proud institution that has served this Nation well as the printer of record for Congress and the Federal Government. Its decades-long service throughout our history is a testament to its employees, many of

whom are here today, and we welcome all of you; its institutional values; its commitment to our commonly held dedication to making self-government function transparently and efficiently.

However, in the 21st century, the GPO is navigating a very changing information landscape as government information and its consumers transition from print to electronic formats. And this tradition presents both challenges and opportunities.

At the request of Congress, the National Academy of Public Administration conducted a review of the current state of GPO and its ability to meet the digital demands of the future. And their report, which was released earlier this year, suggests that all facets of the GPO will need to be realigned. Everything from its digital publishing and preservation efforts to its workforce size, skill sets will need to be reevaluated, and even its property management. In fact, according to the Academy, with declining print demands, GPO is projected to run out of money actually in 2020 unless it overhauls its current business model. And this is, unfortunately, a familiar situation for many public entities, as well as many private entities.

So it will undoubtedly be a difficult transition, but one that is essential to GPO's core mission of keeping America informed. And today we certainly are very interested in hearing from our witness about her vision for the GPO in the next 10 years, how she plans to address some of the recommended changes that were outlined in the Academy's report. For example, with the decline in revenues due to a decline in print demands, the Academy recommends that GPO explore service offerings that can be provided on a cost recovery basis. And furthermore, how will the GPO adjust to produce limited copies of official documents in a cost-effective manner?

NAPA also states that organizational, and operational efficiency and cost savings can be achieved by consolidating regional as well as D.C. office locations, space, and staff. The cost of maintaining the North Capitol Street office space is about $40 million, over a third, actually, of GPO's overhead annually. I know we will want to hear about your ideas and plans in that regard as well.

So these are all important questions and issues that we want to discuss today, and in the future as well, as we continue to reduce government spending and increase operational efficiency and transparency.

I also want to acknowledge some of the really great progress that GPO has made in the digital front. Working with this committee, GPO has made significant reductions to the number of committee reports and House documents to better meet committee and House needs. GPO also, for the first time, published the Congressional Pictorial Directory in an app. And in coordination with the Library of Congress, they have produced a Congressional Record app as well. The app trend continues in 2013 with the release of the first app of the Constitution annotated.

So these are very important advancements that are necessary to preserve GPO's mission in the technology-driven society and world in which we live. I know the committee is interested in learning how GPO will continue to serve the legislative and informational needs that we have here in the Congress and in government, and how GPO will be transforming itself into the modern-day informa-

tion repository so that it may remain the primary-source publisher, as it has for the past 150 years.

Again, I certainly want to congratulate you on your appointment. We appreciate you coming today, and we appreciate your dedication to GPO as well.

And at this time I would like to recognize my colleague, Mr. Brady from Pennsylvania, for the purposes of his opening statement.

Mr. BRADY. Thank you, Madam Chairman, and thank you for giving our new Public Printer, the Honorable Davita Vance-Cooks, the chance to share her vision for the Government Printing Office over the next decade.

Ms. Vance-Cooks, who took office as the 27th Public Printer in August after acting in the capacity for over a year, has brought great enthusiasm, experience, and skill to the position. We are lucky that you are there.

GPO has long been managing the implications of digital publishing of government information. They are the experts. I want to hear GPO's thoughts on technology's effect on its mandate to keep America informed. We need to know how this committee can help GPO fill its mission. And I look forward to working with the chairman and the new Public Printer to ensure that result.

Welcome, and I look forward to your testimony.

The CHAIRMAN. I thank the gentleman.

Other Members for an opening statement?

Mr. Harper. The chair recognizes the gentleman.

Mr. HARPER. Thank you, Chairman Miller. And thank you very much for having this hearing.

And, Ms. Vance-Cooks, I appreciate you appearing before the committee today and offering your views and vision of where the Government Printing Office will be 10 years from now, which is a challenging prediction sometimes.

The GPO has long served an important role in our democratic system of government by providing both officials and citizens relatively easy access to a broad range of public documents. That role is changing. I have been in Congress now for 5 years, and in that time my office has discontinued receiving the print editions of the Federal Register, the Congressional Record, committee reports, as well as bills and public laws.

With that kind of fundamental change in demands from your primary customers, I think we can all understand the challenges that you and your organizations face. You are responsible for over 1,800 employees and a government agency that operates more like a business. You generate most of your revenues and produce retained earnings; however, these revenues are declining. Your business, the printing business, is changing, and the GPO is, in fact, an agency of the Federal Government and does receive an annual appropriation. Therefore, congressional oversight is in order.

Particularly in light of the GPO's declining revenues and our desire to maintain public access to government documents, I believe it is important for this committee to examine the changes that you are undertaking now in order to help ensure that there is an efficient GPO operating tomorrow, and certainly 10 years and even

further into the future. I look forward to hearing from you this morning and discovering how we might be of assistance to you.

Thank you, and I yield back.

The CHAIRMAN. Thank the gentleman.

Any other Members have opening statements? If not, at this time I would like to introduce more formally our witness today, Davita Vance-Cooks, the 27th United States Public Printer. On August the 1st of 2013, the Senate confirmed her as the United States Public Printer, and this marked a very historic occasion, as she is the first woman and the first African American to lead that agency.

She joined GPO in 2004, and has served the institution in a variety of leadership capacities. She began as the Deputy Managing Director of Customer Services, with the responsibility of overseeing GPO's liaison with Federal agencies for in-house print production and printing procurement services. She then served as the managing director of its publications and information sales business unit, where she oversaw a large print distribution supply chain operation, with customers across the United States.

In January 2011, Ms. Vance-Cooks was named the GPO's Chief of Staff, which carried the responsibility of forming and implementing GPO's strategic performance plan and overseeing its buyout program that reduced agency staffing levels by 15 percent. In December of that year, she was named Deputy Public Printer, and in that capacity, she served as Acting Public Printer from January 2012 until August of 2013.

She has been an extremely positive force within the agency as she worked to cut costs and expand the availability of government information in the digital age. And prior to serving at the GPO, she was a senior vice president of operations at NYLCareMidAtlantic Health Plan, and held several management positions at Blue Cross Blue Shield.

So, again, we thank you so much for joining us today. This committee is very interested in hearing your testimony. And as I mentioned to you in the hall before we started the committee hearing today, I hope you look at this committee as a resource as well for working with you in every way that we can as you meet—your agency meets so many of the challenges ahead. We certainly want to be, and are, a willing partner in seeing the changes that are going to be happening there.

So at this time the chair now recognizes our witness.

STATEMENT OF HON. DAVITA VANCE-COOKS, UNITED STATES PUBLIC PRINTER

Ms. VANCE-COOKS. Good morning, and thank you. Madam Chairman Miller, Ranking Member Brady, and members of the Committee on House Administration, thank you for inviting me here today to discuss GPO in 2023: Keeping America Informed in a Post-Print World.

As you know, GPO works closely with the House to provide the information, products, and services which the House needs to carry out its legislative function. Through our programs and services, GPO performs an informing function on behalf of the House and the Senate that is traceable to the Constitution. Specifically, we provide the means of acquiring information about the government

that President James Madison said is so vital to maintaining an informed and enlightened public in our system of self-government.

To that end, the GPO is positioning itself to keep America informed in a postprint world by shifting from a print-centric to a content-centric operation, thereby increasing the digital and value-added services that we can provide to Congress.

The shift to a content-centric operation was independently affirmed by the National Academy of Public Administration. In January of 2013, they issued their findings, which state that GPO's core mission of authenticating, preserving, and distributing Federal information remains critically important to American democracy in the digital age.

Our digital transformation points to a profound change in the way GPO operates today. We are more than just a printer. We are the Government's publisher, and as that publisher, we provide value to Congress, Federal agencies, and the public, because we have a diversified product and services portfolio that focuses on digital.

We support openness and transparency in the Federal Government by providing permanent public access to Federal Government information at no charge through our Federal Digital System, which is known as FDsys. FDsys today has over 900,000 titles available online, with 40 million documents downloaded each month. It serves as the backbone of our long-standing partnership with approximately 1,200 libraries nationwide participating in the Federal Depository Library Program.

Today we build databases, create bulk data downloads, produce e-passports and secure credentials, offer e-books, develop mobile apps, provide Web site design and hosting, engage in e-commerce activity, offer electronic content services, utilize digital equipment, develop digital products, and embrace a digital workflow process.

To reflect the scope of our expanded services, we have rebranded ourselves as Official, Digital, and Secure. And with more than 95 percent of Government information being published digitally, the time has come for our name to reflect the modernization of these services. Our current name reflects a century and a half of proud tradition and history, which I respectfully embrace, but I also acknowledge that this name is limiting. Our current name does not adequately describe who we are. It does not adequately describe what we do. We are so much more than that.

We are the Government Publishing Office. GPO is the Nation's publisher, and I am proud to lead a workforce of dedicated men and women who believe that our future lies in providing Government information to the American people in the forms and the format which they want and need. Changing our name to reflect our broad range of services is what the Academy's report has endorsed, and it is what we soon hope to achieve.

Madam Chairman Miller, Ranking Member Brady, Members of the Committee on House Administration, this concludes my opening remarks. I will be happy to answer any questions you may have. Thank you.

The CHAIRMAN. Thank you so very much.

[The statement of Ms. Vance-Cooks follows:]

OFFICIAL DIGITAL SECURE

GPO

Davita Vance-Cooks
Public Printer

Prepared Statement before the Committee on House Administration,
U.S. House of Representatives, for a Hearing on: GPO in 2023:
Keeping America Informed in a Post-Print World

1310 Longworth House Office Building
Wednesday, December 4, 2013
10:30 a.m.

Madam Chairman Miller, Ranking Member Brady, and Members of the Committee on House Administration, thank you for inviting me here today to discuss "GPO in 2023: Keeping America Informed in a Post-Print World." Quite simply, GPO will accomplish this task through our ongoing transition to a digital future.

GPO is transforming from a print-centric to a content-centric publishing operation. By 2023, we expect the organization to be fully rooted in a digital strategy with a name change to the Government Publishing Office to fully reflect our expanded capabilities and to emphasize that we are not just an organization that prints ink on paper.

The implementation of a digital transformation is consistent with the goals outlined in President Obama's Roadmap for a Digital Government (Digital Government: Building a 21st Century Platform to Better Serve the American People, May 2012). It is also consistent with the recommendations submitted by the National Academy of Public Administration (Rebooting the Government Printing Office: Keeping America Informed in the Digital Age, January 2013) regarding GPO's transition to a digital future. This study was directed by Congress in the conference report accompanying the Legislative Branch Appropriations Act for FY 2012 (P.L. 112-74) to update a review of GPO's operations.

The focus of the Academy's report is the need for GPO – and the rest of the Federal Government – to continue "rebooting" for the digital age. We were pleased to see the Academy's report affirm that "GPO's core mission of authenticating, preserving, and distributing Federal information remains critically important to American democracy" in the digital age, and we think the report offers many thoughtful, useful recommendations to strengthen our business model for the future.

As part of our transformation, GPO will continue to develop an integrated, diversified product and services portfolio that primarily focuses on digital. Although industry experts predict tangible print will continue to be required because of official use, archival purposes, authenticity, specific industry requirements, and segments of the population that either have limited or no access to the digital format, we recognize that the volume of tangible print that is requisitioned from GPO will continue to decline.

To ensure that GPO is prepared for 2023 and beyond, we are committed to a strategic vision that emphasizes the creation of a digital information platform because it will provide an opportunity to

diversify into cross-media products. In addition, our rolling five-year strategic plan and investments in technology will continue to support this vision.

GPO: Official, Digital, Secure

GPO is the Official, Digital, Secure resource for producing, procuring, cataloging, indexing, authenticating, disseminating, and preserving the official information products of the Federal Government.

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

Along with sales of publications in digital and tangible formats to the public, GPO supports openness and transparency in Government by providing permanent public access to Federal Government information at no charge through our Federal Digital System (FDsys, at http://www.fdsys.gov), which today makes more than 900,000 Federal titles available online from both GPO's servers and links to servers in other agencies, and sees an average of 40 million documents downloaded every month. We also provide public access to Government information through partnerships with approximately 1,200 libraries nationwide participating in the Federal Depository Library Program.

In addition to GPO's Web site, http://www.gpo.gov, we communicate with the public routinely through social media, including Twitter twitter.com/USGPO, YouTube http://www.youtube.com/user/gpoprinter, Facebook http://www.facebook.com/USGPO, a Government book blog, and Pinterest http://pinterest.com/usgpo/. We recently entered into a partnership with Outbrain to expand the reach of our digital presence.

History

From the Mayflower Compact to the Declaration of Independence and the documents leading to the creation and ratification of the Constitution, America is a nation based on documents, and our governmental tradition since then has reflected that fact. Article I, section 5 of the Constitution requires that "each House shall keep a journal of its proceedings and from time to time publish the same." After struggling with various systems of contracting for printed documents that were beset with scandal and corruption, in 1860 Congress created the Government Printing Office as its official printer. GPO first opened its doors for business on March 4, 1861, the same day Abraham Lincoln was inaugurated as the 16th President.

Since that time, GPO has produced and distributed the official version of every great American state paper — and an uncounted number of other Government publications, documents, and forms — including the Emancipation Proclamation, the legislative publications and acts of Congress, Social Security cards, Medicare and Medicaid information, census forms, tax forms, citizenship forms, passports, military histories ranging from the Official Records of the War of the Rebellion to the latest

accounts of our forces in Afghanistan, the 9/11 Commission Report, Presidential inaugural addresses, and Supreme Court opinions. This work goes on today, in both digital and print forms.

Strategic Vision

As I testified in May 2013 at my confirmation hearing before the Senate Rules and Administration Committee, and as the National Academy of Public Administration has recognized, GPO is not just for printing any more. As Acting Public Printer from January 2012 to August 2013, I set a course for the agency to expand the digital services we provide, and we have re-branded GPO as the Official, Digital, Secure provider of information products and services for Congress, Federal agencies, and the public. Now that I am the Public Printer, I will continue to follow this path.

As I also testified before the Senate, I believe GPO's name should be changed to the Government Publishing Office. This name would more accurately reflect the reality that today we provide a broadening menu of digitally-based services to serve the information product needs of Congress, Federal agencies, and the public. While some printing may continue to be required by Congress and Federal agencies for certain official, archival, and other purposes, the fact is that today the provision of information in digital formats is a fundamental component of our mission. A significant share of our appropriations for congressional printing and binding and the salaries and expenses of the Superintendent of Documents, as well as for investments in new technology and services, already are for the creation and dissemination of Government information in digital formats. As a review of our strategic plan demonstrates, GPO is committed to advancing its digital future on behalf of Congress, Federal agencies, and the public we serve.

Strategic Plan

GPO's strategic plan is updated annually, and we use a system of reporting results based on that plan. These are available for public review at http://www.gpo.gov/about/.

Our plan is built around 4 continuing strategic goals: satisfying our stakeholders, offering products and services, strengthening our organizational foundation, and engaging our workforce. The plan provides the blueprint for how GPO will continue to achieve its mission of Keeping America Informed with an emphasis on being Official, Digital, Secure. GPO's senior managers convene at the beginning of the fiscal year to review the plan and approve it before it is issued.

The situational analysis posits that GPO's customers are involved in the digital world and understand technological change. Accordingly, it is important that GPO fosters an environment that embraces change and innovation, which leads to new products and services, new methods, and new ways of thinking. While tangible printing still continues today at GPO, the demand for printed publications is declining. The number of copies of the Congressional Record produced overnight has fallen from more than 18,000 daily, when GPO first put the Record online in 1994, to about 2,500 today. In our print procurement operation, which serves the needs of Federal agencies through a partnership with private sector print and information product industry, we are seeing declines in the volume of work ordered. At the same time, there has been an exponential growth in digital requirements by Congress and Federal agencies. Moreover, the public – including the library and Government information user communities – has signaled its strong desire for increased access to Government information digitally.

GPO has changed to anticipate and accommodate those requirements. The content received from Congress and Federal agencies needs to be managed through a life cycle process that supports the primary requirement to make the digital version of publications permanently available online, and to print only when required or otherwise necessary, a policy that is consistent with the President's executive order of November 2011 dealing with printing.

In transforming its business model, GPO is focusing on managing content for customer and public use both today and tomorrow. GPO uses its extensive experience and expertise with digital systems to provide both permanent public access to Government information in a variety of formats and the most efficient and effective means for printing when required, all within a secure setting that is responsive to the customer's needs.

Technology Transformation

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

While transforming to an increasingly digital footing, GPO continues to provide an array of printing services to support the needs of Congress, Federal agencies, and the public. GPO is retooling its print operations to utilize a smaller, more flexible, more digitally-based equipment profile than previously. In early FY 2014 we will install a new zero make-ready press to support congressional printing requirements, which will replace two aging presses that have been in place since 1979. Our annual spending plan for FY 2014 includes the acquisition of a new digital binding line to replace our automated binding line that has been in place since 1983. Likewise, we are continually reviewing other product and equipment options to ensure that printing is produced with the most efficient, effective technologies available.

As a result of these sweeping technology changes — digital products, equipment, and processes — GPO is now fundamentally different from what it was as recently as a generation ago: smaller, leaner, and equipped with digital production capabilities that are the bedrock of the information systems relied upon daily by Congress, Federal agencies, and the public to ensure open and transparent Government in the digital era. As we prepare GPO for the Government information environment and technology challenges of 2023, our transformation is continuing with the development of new ways of delivering Government information, including apps and bulk data download files.

Roadmap for a Digital Government

The President's Roadmap for a Digital Government sets out to accomplish three things:

- Enable the American people and an increasingly mobile workforce to access high-quality digital Government information and services anywhere, anytime, and on any device.
- Ensure that as the Government adjusts to this new digital world, we seize the opportunity to procure and manage devices, applications, and data in smart, secure, and affordable ways.
- Unlock the power of Government data to spur innovation across our Nation and improve the quality of services for the American people.

To drive the transformation to a digital Government, the Roadmap is built on four over-arching principles:

- An Information-Centric approach, that moves us from managing documents to managing discrete pieces of open data and contact which can be tagged, shared, secured, mashed up, and presented in the way that is most useful for the consumer of that information.
- A Shared Platform approach, that helps us work together, both within and across agencies, to reduce costs, streamline development, apply consistent standards, and ensure consistency in how we create and deliver information.
- A Customer-Centric approach, that influences how we create, manage, and present data through websites, mobile applications, raw data sets, and other modes of delivery, and allows customers to shape, share, and consume information, whenever and however they want it.
- A platform of Security and Privacy that ensures this innovation happens in a way that ensures the safe and secure delivery and use of digital services to protect information and privacy.

GPO's transformation has been following the President's Roadmap for a Digital Government. GPO's strategic plan focuses on customer needs and requirements. In re-branding our operation as Official, Digital, and Secure, we have focused on a content- or information-centric approach, with an emphasis on data security and delivery as well as protecting information and privacy. We are increasingly employing a shared-platform approach to data delivery by partnering with other agencies to reduce costs and streamline development. We are providing public access to information through a growing array of mobile apps, and we have begun to introduce data sets that can be downloaded in bulk and mashed up in different ways.

GPO and Congress

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

GPO's congressional information systems also form the building blocks of other information systems supporting Congress. Our congressional information databases are provided directly to the Library of Congress (LOC) to support the new Congress.gov system as well as the legislative information systems the Library makes available to House and Senate offices. We are also collaborating with the Library on the digitization of previously printed documents, such as the Congressional Record dating from 1873 to 1998, to make them more broadly available to Congress and the public. On September 17, 2013, Constitution Day, GPO and the Library jointly announced the results of a project to produce and update the Constitution Annotated, via the Web, an app, and the centennial edition of the print version.

In 2011, we introduced our first mobile Web app, the Mobile Member Guide, which provided the public with quick, easy access to information on Members of the 112th Congress. We are updating the app for the 113th Congress. In September 2013, we released a limited version of the 113th Congress Mobile Member Guide app, which contained data equivalent to the Congressional Pictorial Directory, with further updates to be completed later this year. We have collaborated with LOC for the creation of an iPad app for the daily Congressional Record, and we made United States Policy and Supporting Positions, or the Plum Book, as it is popularly known, available for the first time as an app.

For the last two years, GPO has been a participant and presenter at the House Legislative Data and Transparency Conference, along with staff from other legislative branch agencies, data users, and transparency advocates. This year, GPO discussed preservation objectives, practices, and strategies that ensure legislative content is permanently available in electronic format. We also presented information on a committee vote utility initiative that will record and organize the votes of each committee member in an XML format into the committee report, which will take the place of users having to type in the Member names and vote results for commonly taken votes.

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

GPO and Federal Agencies

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

For the past two years we have made the Budget of the U.S. Government available as a mobile app. For this work, in 2012 we received a Digital Government Achievement Award from the Center for Digital

Government, which recognizes outstanding web sites and applications developed by Federal, state, and local Government agencies. This year, the FY 2014 U.S. Budget information on FDsys had nearly 122,000 users in the first few days of availability, and our mobile Web app had approximately 62,000 users.

With the Office of the Federal Register (OFR) , we developed an app for the Public Papers of the President. This app has search capabilities allowing users to access content about the President by searching by date, category, and subject, as well as a geolocation feature providing users with access to the most recent content near their location. Additionally, GPO and the OFR were honored for the innovative use of PKI for authenticating electronic submissions to the Federal Register. The two agencies jointly received a Business Value Award from the Four Bridges Forum, a coalition among major Federal agencies, the pharmaceutical and healthcare industries, aerospace and defense contractors and colleges and universities to facilitate trusted electronic business transactions.

A major document that GPO produces is the U.S. passport for the Department of State, which we have been responsible for since 1926. At one time no more than a conventionally printed document, the U.S. passport since 2005 has incorporated a digital chip and antenna array capable of carrying biometric identification data. With other security printing features, this document—which we produce in Washington, DC, as well as a secure remote facility in Mississippi—is now the most secure identification credential obtainable. In 2012, we passed the milestone of producing the 75 millionth electronic passport. Earlier this fiscal year, we were directed by the Department of State to begin work on development of the next generation passport, a project that we now have currently underway.

Since 2008, we have served as an integrator of secure identification smart cards to support the credentialing requirements of Federal agencies and other Government entities. Our secure credential unit has been certified by the General Services Administration (GSA) as the only government-to-government provider of credentials meeting the requirements of Homeland Security Presidential Directive 12 (HSPD-12). In May 2013, following the approval of the Joint Committee on Printing, we began card production operations at our facility in Mississippi.

GPO and Open, Transparent Government

Producing and distributing the official publications and information products of the Government fulfills an informing role originally envisioned by the Founders, as James Madison once said:

A popular Government without popular information, or the means of acquiring it, is but a Prologue to a Farce or a Tragedy, or perhaps both. Knowledge will forever govern ignorance, and a people who mean to be their own Governors, must arm themselves with the power which knowledge gives.

GPO operates a variety of programs that provide the public with "the means of acquiring" Government information that Madison spoke of. These programs include the Federal Depository Library program (FDLP), Federal Digital System (FDsys), Publications Sales, and Social Media.

Federal Depository Library Program (FDLP)

GPO operates the Federal Depository Library Program, whose legislative antecedents date back 200 years, to 1813. Across those years, depository libraries have served as critical links between "We the

People" and the information made available by Federal Government. GPO provides the libraries with information products in digital and, in some cases, tangible formats, and the libraries in turn make these available to the public at no charge while providing additional help and assistance to depository library users. The program today serves millions of Americans through a network of approximately 1,200 public, academic, law, and other libraries located across the Nation, averaging nearly 3 per congressional district. Once limited to the distribution of printed and microfiche products, the FDLP today is primarily digital, supported by FDsys and other digital resources.

Federal Digital System (FDsys)

GPO has been providing online access to congressional and Federal agency documents since 1994. Today, FDsys provides the majority of congressional and Federal agency content to the FDLP as well as other online users. This system has reduced the cost of providing public access to Government information significantly when compared with print, while expanding public access dramatically through the Internet. Public utilization of FDsys has increased substantially. Earlier this year, FDsys recorded its 500 millionth document retrieval since replacing GPO Access. Currently, the system serves as a secure preservation repository for nearly 900,000 individual titles from all three branches of the Government, the only system of its kind in operation today.

GPO is continually adding collections to FDsys to provide increased public access to Government information. In FY 2013, we partnered with the Treasury Department on a pilot project to make digitized content from the Treasury library available on FDsys. Through the pilot project, the Treasury Reporting Rates of Exchange, 1956-2005, which list the exchange rates of foreign currencies based on the dollar, are now available on FDsys. Over the next year, additional historical documents within the Treasury's library collection will be made available on FDsys. We will also add the Official Register of the United States for the time period 1829-1861 and 1879-1959. There are plans to add a publication with information about the Federal workforce, including the name of every employee, their job title, state or country of birth, the location of their post, and their annual salary. In 2012, we had the opportunity to make audio content available for the first time on FDsys. The National Archives and Records Administration (NARA) asked us to host the audio tape recordings of communications between the White House and Air Force One following the assassination of President John F. Kennedy. As a result of hosting the audio recordings, FDsys achieved a record number of visits to the site over a five-day period. During the recent Government shutdown, the public's use of FDsys spiked to unprecedented levels.

Publication and Information Sales Program

Along with the FDLP and FDsys, which are no-fee public access programs, GPO provides public access to official Federal information through public sales featuring secure ordering through an online bookstore, a brick and mortar bookstore at GPO headquarters in Washington, DC, and partnerships with the private sector to offer Federal publications as eBooks. As a one-stop shop for eBook design, conversion, and dissemination, our presence in the eBook market continues to grow. We now have agreements with Apple, Google's eBookstore, Barnes & Noble, OverDrive, Ingram, Zinio, and other online vendors to make popular Government titles such as the Public Papers of the President-Barack Obama, the Financial Crisis Inquiry Report, and Ponzimonium: How Scam Artists are Ripping Off America available as eBooks. Additionally, we are working with this Committee to make various

publications, including Women in Congress, Black Americans in Congress, and Hispanic Americans in Congress, available as eBooks.

Challenges

The decline in printing government-wide has reduced the amount of work we produce through our longstanding partnership with the private sector printing and information product industry. However, this partnership achieves significant savings and efficiencies for the printing that it continues to produce, and in the process generates private sector jobs nationwide. We have long advocated that where Federal agency printing is required, this partnership is the most cost-effective way of producing it. We were interested to see the results of a recent Government Accountability Office study, conducted at the request of the Joint Committee on Printing, that identified approximately 80 Federal printing plants still in operation. Additional savings for taxpayers can occur if the work these plants are producing is transferred instead to GPO's partnership with the private sector printing and information product industry.

The report of the National Academy of Public Administration contains 27 findings and 15 recommendations, organized under three general headings: Positioning the Federal Government for the Digital Age, Strengthening GPO's Business Model, and Building the GPO of the Future. The report calls for GPO to "serve as a critical player in the collaborative development of a government-wide strategy" for managing the lifecycle of Government information. To strengthen GPO for the future, it recommends that we continue offering an expanded set of services for the digital age, preserve the viability of the Federal Depository Library Program, retain the production of executive branch printing, improve strategic and human capital planning, further consolidate operations, automate more agency functions, and other measures. We agree with many of the recommendations, and they have been assigned to the responsible GPO business units for the development of plans for carrying them out. In addition, as we recently announced, I have reorganized the GPO organizational structure to focus on responding to and implementing recommendations in the Academy's report.

However, we have no intention of charging public users a fee to access content available through FDsys. GPO is committed to no-fee, permanent, public access to FDsys as a fundamental element of our mission of Keeping America Informed, as I wrote to the CASSANDRA (Concerned Government Information Professionals) library group in March 2013. As you know, no-fee access to Government information provided via the Federal Depository Library Program is guaranteed by statute (4 U.S.C. 1911). There are other alternatives to help assure continued funding for FDsys that we are developing. Through the FDsys service model we have an opportunity to leverage the FDsys platform and charge the agencies on a cost-recovery basis. This is consistent with our strategy to create a program of reimbursable services for agencies to help manage their life cycle information requirements.

Our vision of transforming GPO to a content-centric operation featuring predominantly digital services requires continuing investment, a challenge in this era of continuing fiscal constraint. Since FY 2011, GPO has worked hard to reduce expenses, especially the costs for overhead, which in previous years had escalated significantly. In FY 2012, with the approval of this Committee and the Senate Committee on Rules and Administration, we conducted a buyout that reduced staff levels 15% and resulted in workforce restructuring which eliminated several management layers. With additional restrictions on travel, awards, and other discretionary expenses, we succeeded in reducing overhead costs to 2008

levels. For FY 2012, we realized net income of $2.9 million, net of a $2.4 million adjustment in long-term workers compensation liability as established by the Department of Labor.

The cost reductions we have achieved, combined with appropriations for investment and funds generated by positive job performance since 2011, have allowed us to make key strategic investments to support the continued development of FDsys, investment in new, more flexible equipment, the implementation of a COOP capability for secure credentials, and other improvements. In FY 2013, in spite of a significant reduction in appropriations and the sequester, we managed to maintain a positive financial record while generating additional funds for investment in upcoming next generation passport requirements. A major challenge to GPO will be managing its finances to ensure a continued ability to make the investments necessary to keep us moving forward while covering the costs we are obligated to incur as a Federal agency.

Madam Chairman and Members of the Committee, once again I appreciate the opportunity to discuss GPO's strategic direction with you, and I look forward to any questions you may have.

DAVITA E. VANCE-COOKS
Public Printer

Davita E. Vance-Cooks is the Public Printer of the United States, the Chief Executive Officer of the U.S. Government Printing Office (GPO). A seasoned business executive with more than 30 years of private sector and Federal Government management experience, she is the first woman and first African-American to lead the agency, whose mission since its establishment in 1861 is to *Keep America Informed*. As the provider of official Federal Government information in digital and printed formats, GPO produces the *Congressional Record*, the *Federal Register*, U.S. passports, and a wide variety of other publications. The agency provides free public access to Government information products through Federal depository libraries nationwide as well as free online access via GPO's Federal Digital System, at www.fdsys.gov.

Biography

Vance-Cooks has held a succession of senior management positions at GPO since joining the agency in 2004. She served as the Deputy Managing Director of Customer Services, with the responsibility of overseeing GPO's liaison with Federal agencies for in-house print production and printing procurement services. She then served as the Managing Director of GPO's Publications and Information Sales business unit, where she oversaw a large print distribution/supply chain operation with customers across the United States. In January 2011, Vance-Cooks was named GPO's Chief of Staff. In that capacity she created and implemented GPO's strategic performance plan and oversaw a buyout program that reduced agency staffing levels by 15%.

In December 2011, Vance-Cooks was named Deputy Public Printer, and in that capacity she served as Acting Public Printer from January 2012-August 2013, the longest such tenure in GPO's history. Under her leadership GPO has continued following a program of cutting costs while improving services, generating positive net income for the agency while expanding the availability of Government information via mobile apps, bulk data download, and ebooks. Her objective has been to move GPO from a print-centric to a content-centric focus in the digital era, a strategy that was validated by a congressionally-mandated study of GPO by the National Academy of Public Administration, issued in January 2013. President Barack Obama nominated Vance-Cooks as Public Printer on May 9, 2013. The U.S. Senate confirmed her as the 27th Public Printer on August 1, 2013.

Before coming to GPO, Vance-Cooks held several private sector management positions in the health insurance industry. She was the Senior Vice-President of Operations for NYLCare MidAtlantic Health Plan where, among other duties, she was responsible for a digital print work center for production of variable data printing products. She also served as the Director of Customer Service and Claims, Director of Membership and Billing, and Director of Market Research and Product Development for Blue Cross Blue Shield Plans. She also served as the General Manager of HTH Worldwide Insurance Services.

Vance-Cooks holds a B.A. from Tufts University and an M.B.A. from Columbia University.

The CHAIRMAN. I guess I will begin questions by picking up on the latter part of your comments, your testimony, about your name change. I have to say I think when you and I first met at the beginning of the year, we talked a bit about that, and I have given that a bit of thought. And just my own personal observation is that I think government agencies, much more than in the private sector where a business's name might have, you know, different kinds of reasons or branding or whatever for a name of a business, but in a government agency you try to be, I think, a little more descriptive of what you actually do, right? Whether you think about the Department of Education, we can all understand what they do, right? The Department of Agriculture, people understand what they do. Environmental Protection Agency, various things. So I think the government agency's name might seem like a small thing, but yet it is a way that the public can understand what you do. And I think as much as that, that you get your entire workforce to sort of buy into the vision of what it is that they are trying to provide to the public as well.

So I am very appreciative of your willingness to change your name. I hope you are not offended by this, but I have to say going from the Government Printing Office to the publishing just doesn't seem like enough to me. So I respectfully throw that out there for a little bit of consideration.

And I know I think it requires legislation for you to actually change your name. So I only say, you know—and I noticed when you came here, and you had many of your employees here, you obviously think about your agency in a team, as a team. And I am a big believer in teams. I don't care how much technology you have, at the end of the day, it is about the people, that they buy into the vision. And the name is a part of the vision. So you might want to think about, just my opinion, having a contest perhaps amongst your own team about a different name.

I don't know if you have any comment on that. But I think having a new name, as I say, it seems like a small thing, but yet it is not really.

Ms. VANCE-COOKS. Well, first of all, I certainly agree with you that it is not a small thing to have a name change. I know that it is a significant opportunity for us to rebrand. And let me explain why we decided on Government Publishing Office.

Too many times people ask, why do you need a Government Printing Office when everything is online? And we always have to tell people we are the ones who put it online to begin with. So we need to make sure that we change our name to reflect the brand of services that we provide. And the reason why we thought of the word "publishing" is because when you look up publishing, it defines services. It defines a broad range of services that support information dissemination. Printing is just a small component.

When people think of printing, they think of ink on a substrate. That is just one component of what we do. But today when you talk about all of the things that people are doing in terms of communicating, they are using the word "publishing." And the word "publishing" has become very synonymous with a broad range of services in the community.

So really what we are trying to do with our name change is to attract the millennials. We are trying to attract the rising group of population that need to be aware that we have the services that they can provide. But when they hear the word "printing," they stop cold. And to be quite frank with you, it fits our acronym, GPO.

The CHAIRMAN. Well, we all have to think outside the box. Not to argue that point, but I remember my great State of Michigan, we changed the name of the social services agency to the Family Independence Agency.

Ms. VANCE-COOKS. It worked.

The CHAIRMAN. It worked. It was just a whole different mind-set. So I won't keep belaboring that.

Ms. VANCE-COOKS. Thank you for your support in this. I appreciate it.

The CHAIRMAN. You mentioned, and I mentioned, and the ranking member mentioned as well about you have made great strides in reducing the workforce, really by 70 percent since the 1980s. We were looking through some of the numbers here before the hearing. So you went from 6,450 employees in the 1980s, and then in 1998 you had about 3,400, and today you have 1,900 employees. That is a really dramatic change in the amount of employees that you have there. Still a ways to go, though.

So I guess I would ask you, as we talked about during the upcoming next 10 years, how do you see that workforce numerically evolving, as well as, with your new name change, whatever it ends up being, what they will be doing?

Ms. VANCE-COOKS. The GPO has a history of adapting to technology. When you look at our history, you will see that we have changed from a print-centric operation to a content-centric operation, and as we have adapted our technology, our productivity has increased. And as the productivity has increased, we have been able to reduce or right-size the staff. We have a history of right-sizing our staff through attrition and through buyouts. It has not been a disruptive process.

Considering the fact that the GPO is undergoing a digital transformation, one in which technology will play a critical role, we believe that it is an indicator that we may eventually have to right-size again. But when we right-size, as we have always done in the past, we do it gradually, and we do it when it makes sense for us.

I can say that because we are engaged in a digital transformation, the skill sets will change. The skill sets will be a mix of production, digital production. We will be looking for people who are experienced in digital production, digital management, digital product development. That is because we need to make sure that we have an organization that is lean, agile, and very responsive to our stakeholders.

The CHAIRMAN. If I could just follow up on that, I was looking through your employee records, et cetera, and noticed that, for instance, you have your own police force, essentially. And I have a question about that. Do you need such a thing? As you know, this committee has oversight of the Capitol Police, and they—particularly with sequestration, and then we had the shutdown and various kinds of things and some of the incidents that have happened, et cetera, we have really been looking at everything there and how

we can resource them properly, et cetera. But somehow that struck me as odd, that the GPO would have their own police force. And have you looked at that—I know that is a more recent thing, actually—and whether or not you could contract with the Capitol Police or some other Federal agency, or is that an area that you would look at?

Ms. VANCE-COOKS. The GPO operates like a business, as one of you has mentioned. In fact, many of you have mentioned that, and I appreciate your understanding of how we are set up. We only receive appropriations for about 16 percent of our funding. The balance, we have to earn it. And we earn it through reimbursable goods and services. So we pay for our Police, we pay for our IG, we pay for all of those functions that are governmental in nature.

The question as to whether we need police, well, yes. We need police to protect the security of our people and to protect our assets. Of course we do. But the question as to whether or not they should be merged with the Capitol Police, or whether they should be separate is something that we are always open to discussing, especially because we do pay for it. It is about $6 million annually.

The CHAIRMAN. Yeah. That is just what really grabbed my attention. I thought, my goodness, that is a rather large line item for security.

Ms. VANCE-COOKS. And you mentioned earlier that you are willing to serve as a resource, which we very much appreciate. And if you would like to take a look at that, and we would work with you, we would be happy to do so. But our police force does work. We are very proud of them.

The CHAIRMAN. Yeah. I appreciate that. Okay. Yes, that is an area I am sure we can work together.

And then I guess my final question, when we are thinking about efficiencies and cost savings, et cetera, as you know, the Congress, this committee has been responsible for cutting in-house MRAs, all the individual congressional budgets, actually over the last several years. There has been about a 20 percent cut for the MRAs, and all the committees have had a similar amount of cut in-house. And so part of all of our budgets, of course, are printing costs, et cetera, et cetera.

And so we are making these reductions in our budgets, whether that is in the committees or the individual Members of Congress, and yet you actually have raised your rates this year. As a customer I am now asking you, you raised your rates this year 3.5 percent, and potentially another 3.5 percent after an evaluation at the end of the year. And since we all have really a mutual constituency with the taxpayers, what are your thoughts on that?

Ms. VANCE-COOKS. When we raised the rates, we did so with great analytical precision. We took a very good look at the costs that we are incurring in printing and in producing these documents, and we realized that we had not raised the rates in a while, and that the rates were not keeping pace with inflation. We have been absorbing that cost. And as I mentioned earlier, we have to earn quite a bit of our funding. And so this was a business decision that we did not make lightly. It reflects the need to cover our costs as noted in Title 44.

The CHAIRMAN. All right. I appreciate that.

And the chair now recognizes the gentleman from Pennsylvania.

Mr. BRADY. Thank you, Madam Chairman.

How did the October government shutdown affect you?

Ms. VANCE-COOKS. The October shutdown impacted us in terms of our productivity, our revenue, our expenses, our stakeholders, our vendors, and our employee morale. And let me talk about each one, if I may, for just a moment.

We furloughed 70 percent of our staff. The 30 percent of the staff who remained who were excepted are individuals who had to protect the security, protect our assets. They supported the legislative process for Congress, and they supported the Federal Register, which issued regulations related to life and health.

This was a tough time for us, because when we explained to the employees that they were going to be furloughed, we had to make sure that they understood it had nothing do with the job that they did; it was simply that we were following the strict guidelines and the strict rules of the furlough.

It impacted our productivity, because we lost approximately 128,000 hours of productive time. That doesn't even count the time that we spent preparing and recovering from the furlough.

It impacted our revenue. We estimate that we lost about $30 million during that time period. Our expenses remained the same because the building was open. And then when the shutdown was over, we had to spend quite a bit of money in overtime, because we had backlogs that had piled up, and we had to make sure that we could get back to production as quickly as possible. We were told that it would take about 3 months for an average agency to get back on track. We don't have that luxury. We had to make sure that we do it as quickly as possible, so we had to spend overtime.

It caused quite a bit of pain for our stakeholders, one of which was the Federal Depository Library Program. We had planned our annual conference. It was scheduled for October. We had 300 librarians who signed up. We had to cancel. They had to cancel their flights. They had to cancel their hotel room reservations. They were scrambling for refunds.

We had vendors who were in significant distress. As you know, we have a printing procurement function which is responsible for providing printing services for agencies. These are small businesses throughout the United States. They had performed work for us. They wanted to be paid. We could not pay them because we were not allowed to pay them. We received several vendor distress calls because they could not make payroll. And this was a significant problem for us, and we felt it very much.

It caused problems with employee morale because they were upset that they had to be furloughed. Our employees believe in their strategic mission. They wanted to come to work. They wanted to be here to work for and on behalf of Congress. And when they came back, I was there waiting to greet them, to welcome them back. And I walked around to say hello, and when I got to one of the offices, in fact it was the IT office, there was a sign on the door, Congressman, and it said, "Glad to be back with the GPO," with a happy face. And that just about sums up exactly what it did to us.

The biggest lesson we learned, however, was that public access to information is critical. Our FDsys, our content management system, had spikes in retrievals on congressional materials. So we know we are on the right track with FDsys and with public information.

Thank you for giving me an opportunity to address that.

Mr. BRADY. Thank you.

And I noticed that you do rent space out to the Capitol Police. Well, I guess my question is twofold. Our committee passed a bill that would merge Capitol Police and the Library of Congress. If they are already there, it might be cost saving for you to think about merging with them. Now, a lot of things happened because of the different pay scales, different—we had to do that. It wasn't that easy. Different retirement packages, different health and welfare packages. But I will be glad to work with you on that.

Ms. VANCE-COOKS. Thank you.

Mr. BRADY. But also you giving out a lot of the space, are you guys interested in moving?

Ms. VANCE-COOKS. No, we are not interested in moving, and let me explain why. And let me talk a little bit about the space situation.

The Government Printing Office building has 1.5 million square feet measured by perimeter, and about 250,000 of that square feet is just unusable because it is airwells, stairwells, hallways, and so on and so forth. And we lease currently about 100,000 square feet to four renters. Those four renters give us about $1.7 million annually to help defray the cost of the utilities.

As we speak today, we have about 70,000 square feet available to rent, and we are talking to several agencies to see if they are interested. Our goal is that by 2023, the GPO building will house a number of government agencies.

And I don't believe that we should move for a number of reasons: One, the close proximity to all of you, to Congress, to our stakeholders; two, the close proximity to our agencies. They, too, are our customers. Three, several years ago a study was conducted to score what it would cost for us to relocate, for a new building to be constructed, and it came up to $320 million. That is too much money. It is easier for us to stay where we are, in close proximity, serving Congress, serving the agencies. And so at this point we are not interested in moving, but we would certainly like to fill the space.

Mr. BRADY. Madam Chair, I have one more quick question.

The CHAIRMAN. Of course.

Mr. BRADY. When I first became chairman of this committee, I got named at 12 o'clock in the afternoon, and at 12:30, when I walked back to my office, I had a line of bargaining units. Labor contracts were not renewed for many, many years. We worked real hard in getting that done. And I am assuming that everything is well on the labor front because I have nobody in front of my office, unless they are in front of your office. But I have nobody in front.

But I am sure that, you know, like I said, we were instrumental—this committee did the bill for the Capitol Police merging with Library of Congress. We would offer our help if you would like to look at maybe a cost saving or some type of saving, and maybe

better protection that way. I am not trying to eliminate anybody's position there.

But, again, how is the labor front? The contracts are being renewed, everybody is okay there? I would assume that they are, because, again, I am not getting any calls from them.

Ms. VANCE-COOKS. The GPO has 13 unions, and I think that we are——

Mr. BRADY. I know. Tell me about it. I did 13 negotiations.

Ms. VANCE-COOKS. We are tremendously lucky because the unions have been extremely collaborative with us. We could not have made half of the changes that we have made to improve the organization without the help, and the assistance, and the understanding of our labor partners. In fact, I have several labor partners here in back of me. They came on their own accord, and I appreciate their attendance, because they are extremely supportive of what we are doing. And the reason is because we are taking the time to work with them to make sure they understand, because they are the voice of the employees.

In terms of wage negotiations, we have been fortunate because we are currently working with the unions to make sure that our wage increases now are equivalent to the civil service increase. They understand the need to drive our expenses down and to reduce them, and so they have willingly accepted that. This is good, and I am proud to work with them.

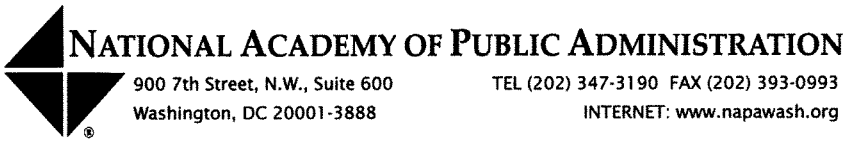
Mr. BRADY. Thank you, Public Publisher.

Ms. VANCE-COOKS. Thank you, sir.

The CHAIRMAN. I thank the gentleman very much.

And before I recognize the gentleman from Mississippi, I would ask unanimous consent to enter into the record two items, a statement from the National Academy of Public Administration on the challenges facing the GPO, and a report from the National Academy of Public Administration, Rebooting the Government Printing Office: Keeping America Informed in the Digital Age. Without objection.

[The information follows:]



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Written Testimony of the Marilu Goodyear
Chair
National Academy of Public Administration Panel on the Government Printing Office
Before the U.S. House Committee on Administration
December 4, 2013

Madam Chairwoman and members of the committee, I appreciate this opportunity to offer the written views of the National Academy of Public Administration (the Academy) Panel that recently completed a comprehensive review of the Government Printing Office (GPO). I am Director of the School of Public Affairs and Administration at the University of Kansas and an Academy Fellow. I chaired the five-member Academy Panel that conducted an operational review of the Government Printing Office. The Academy is an independent nonprofit organization dedicated to helping leaders address today's most critical and complex challenges. Our organization consists of nearly 800 Fellows—including former cabinet officers, Members of Congress, governors, mayors, and state legislators, as well as distinguished scholars, business executives, and public administrators.

This hearing, "GPO in 2023: Keeping American Informed in a Post-Print World," covers a number of issues addressed in the Academy Panel's recent report, *Rebooting the Government Printing Office: Keeping America Informed in the Digital Age*. This report resulted from a Congressional mandate that the Academy conduct a review of the GPO to:

- examine GPO's business model for how the Government should operate its printing and information dissemination responsibilities;
- review past studies evaluating GPO's production, procurement, and information dissemination and operations, including the Federal Depository Library Program, in light of the recent growth in printing and digital technology;
- examine the feasibility of GPO continuing to perform executive branch printing; and
- explore various cost-saving operational alternatives.

The Academy formed a five-member expert Panel—drawn from the organization's nearly 800 elected Fellows—to direct and oversee the project. As part of this review, the Panel assessed GPO's existing business model; examined its current mission and functions, as well as the desired future state of government printing and dissemination; and identified needed improvements at GPO and government-wide. The Academy Panel and study team conducted a wide range of primary and secondary research, including:

- conducting background research, including relevant GPO documents and academic research;

- reviewing prior studies of GPO;
- interviewing GPO leaders, managers, union representatives, and employees;
- interviewing other external stakeholders, such as Congressional staff, agency customers, and the library community;
- surveying the Federal Depository Library community;
- holding a focus group with private sector printing and publishing experts;
- analyzing financial, workforce, and print procurement data;
- analyzing results from the Panel's survey of the Federal Depository Library Program community; and
- visiting GPO field operations, including one regional office, both distribution facilities, and the backup passport production facility.

Declining demand for print products has challenged GPO's business model and its operating methods because only a small percentage of the agency's funding is derived from direct appropriation from Congress. The bulk of the agency's revenues come from agency payments for work performed by GPO or sales of publications to the public. This means that GPO—like businesses across the country—must carefully review its product lines to ensure that they respond to market demand and continually monitor its financial situation.

To address the digital age's challenges to GPO's business model, agency leaders have expanded products and services for the digital age and made difficult decisions to align revenues with expenditures. To increase access to information, GPO has created the Federal Digital System, which contains authentic published government documents from all three branches of government. It has also been providing access in other formats, such as mobile apps and e-Books, and making these available through Google and Amazon. In fiscal year (FY) 2013, it released the President's Budget as an award-winning app.

To reduce costs, GPO has made significant reductions in employee staffing levels, administrative expenses, and the costs of plant production and distribution. In addition, GPO has instituted a variety of cost offset and recovery measures to help alleviate financial pressures. These have included improvements to its billing and debt collection processes, leasing of available building space to government and non-government organizations, and investments in more productive and efficient equipment and operating systems.

GPO will need to continue to be aggressive in taking action given that its own analysis, based on a conservative set of assumptions, shows that it only has the cash necessary to offset operating losses and fund modest investment for another seven years. This provides the agency with a narrow window of opportunity to continue to expand business lines and maintain financial health into the next decade. To expand products and services, the Panel believes that GPO can make an important contribution to the lifecycle management of government information by doing more in the areas of content management, metadata creation, authentication, preservation, cataloging, and providing permanent public access. To further reduce costs, the Panel believes that GPO can reduce its facilities footprint through the lease of unneeded space and more consolidation of regional office locations, space, and staff. And, by implementing a new print procurement system, GPO can both reduce labor costs and improve the customer experience, which could lead to increased business.

The Academy Panel concluded that GPO's core mission of authenticating, preserving, and distributing federal information remains critically important to American democracy in the digital age. The Panel further concluded:

1. In the digital age, the federal government must continue to ensure that the public has permanent access to authentic government information. This requires coordination across the federal government to manage the lifecycle of digital government information.
2. GPO has a critical role to play in providing permanent public access to authentic government information. Like the rest of the printing industry, GPO faces challenges in the transition to digital publishing. It is important to remember, however, that GPO's responsibilities are far broader than those of a private commercial vendor.
3. GPO's leaders have made significant progress in "rebooting" the agency from a print-centric to a content-centric focus. GPO has a narrow window of opportunity to make further business and operational changes.
4. GPO has achieved important cost savings to date and has additional opportunities to make cost reductions. It is unclear exactly how much further costs can be reduced, and some savings must be reinvested in human and technological capabilities to meet evolving demands of the digital operating environment.
5. To continue rebooting in an external environment that is changing rapidly, GPO must upgrade its planning capabilities. Enhanced strategic planning and human capital planning, as well as scenario planning, are necessary.

The Panel issued fifteen recommendations designed to position the federal government for the digital age, strengthen GPO's business model, and build the GPO of the future.

Positioning the Federal Government for the Digital Age

- **Recommendation 1.** To enable the federal government to carry out its role of providing information to its citizens, Congress should establish a collaborative interagency process, and designate a lead agency or interagency organization, to develop and implement a government-wide strategy for managing the lifecycle of digital government information.
- **Recommendation 2.** To ensure GPO can carry out its mandate of providing permanent public access to government information, GPO should enhance its position and capabilities by offering an expanded set of services on a cost-recovery basis that contribute to the lifecycle management of government information. These services could include content management, metadata creation, authentication, preservation, and cataloging. GPO should develop strategies to encourage executive branch agencies to provide publications to GPO to enable permanent public access.
- **Recommendation 3.** To safeguard the historical documents of our democracy for future generations, GPO should work with depository libraries and other library groups to develop a comprehensive plan for preserving the print collection of government documents. This plan should include cataloging, digitizing, and preserving tangible copies of government publications, a timeline for completion, and options for supporting the effort financially, as well as a process for ingesting digitized copies into the Federal

Digital System. Congress should appropriate funds for the purpose of cataloging, digitizing, and preserving the government collection.

- **Recommendation 4.** To ensure the long-term preservation and access of digital government publications, GPO and Congress should explore alternative funding models for the Federal Digital System in order to ensure a stable and sufficient funding source.
- **Recommendation 5.** To preserve the relevance and viability of the Federal Depository Library Program, GPO should continue to collaborate with depository libraries and the broader library community to develop a national strategic plan for the program that gives libraries the flexibility and tools they need to provide permanent public access to government information in the digital age.

Strengthening GPO's Business Model

- **Recommendation 6.** To ensure the Publication and Information Sales Program continues to play a role in information dissemination and is able to recover costs, GPO should continue to aggressively research and expand into new markets.
- **Recommendation 7.** To enable further cost reductions, Congress should consider changes in its demand for print. GPO should develop estimates of cost savings that could be realized through potential changes in the requirements for printing the *Congressional Record*. GPO should quantify the savings that could be realized through such options as printing fewer copies of the *Congressional Record* or ending the daily start-of-business print requirement while continuing to provide electronic access.
- **Recommendation 8.** To continue to realize government-wide benefits, GPO should continue to perform executive branch printing, while further reducing costs and improving customer service.
- **Recommendation 9.** To generate additional revenue, GPO should continue to pursue smart card business. To assist GPO in growing this business and to leverage GPO's smart card expertise for public benefit, Congress should consider whether to allow GPO to respond to state and local government requests for smart cards.

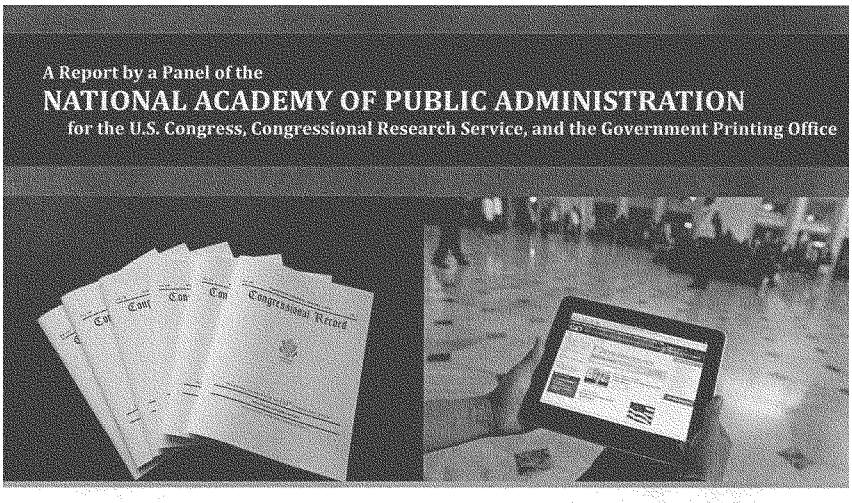
Building the GPO of the Future

- **Recommendation 10.** To effectively integrate and align the agency's human resource policies, programs, and practices with its strategies for achieving mission success and desired programmatic results, GPO should develop and institutionalize a human capital planning capacity. GPO should make strategic human capital planning a high priority and use multiple strategies to ensure the recruitment, retention, development, and rewarding of a highly motivated and diverse workforce.
- **Recommendation 11.** To ensure it is able to continue to plan for and respond to future changes, GPO should continue its transformation by enhancing its strategic planning capabilities, broadening its change management efforts, and continually reviewing customer product and service needs.
- **Recommendation 12.** To achieve future organizational and operational cost savings in the Customer Services program, GPO should further consolidate regional office locations, space, and staff and continue to identify and implement best management

practices (such as cross training, telework, work sharing arrangements, and increasing managerial spans of control) and available technologies to the greatest extent possible.

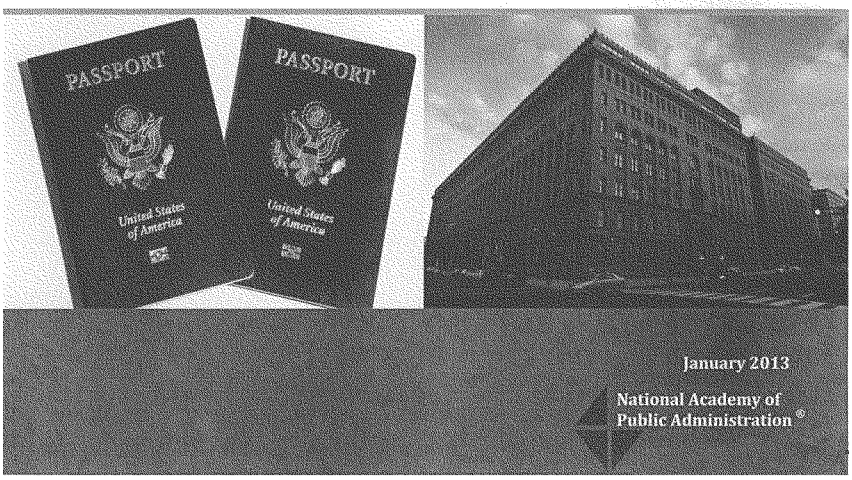
- **Recommendation 13.** To realize significant potential savings and enhance revenues (as well as improve customer service), GPO should accelerate the development and deployment of a new automated print procurement system.
- **Recommendation 14.** To reduce GPO's facilities footprint while increasing the leasing of unused building space, GPO should continue pursuing incremental lease arrangements.
- **Recommendation 15.** To address workforce skills imbalances, GPO should continue to pursue targeted, gradual staffing reductions in specific areas, as well as functional consolidations, when feasible and appropriate.

In conclusion, I am pleased that the U.S. House Committee on Administration is conducting this hearing on GPO's future. In the post-print world, our Panel believes that GPO continues to have an important mission of authenticating, preserving, and distributing federal information to the American people. Meeting future needs will require GPO to continue to transform both externally and internally. Externally, it should serve as a critical player in the collaborative development of a government-wide strategy and offer new products and services. Internally, it will have to build upon its recent change management efforts, including the further development of an agile organization with the capabilities to plan for and respond to potential changes; continue to adjust its business model; and take additional steps to achieve cost savings.



REBOOTING THE GOVERNMENT PRINTING OFFICE:

Keeping America Informed in the Digital Age



ABOUT THE ACADEMY

The National Academy of Public Administration is an independent, non-profit, and non-partisan organization established in 1967 and chartered by Congress in 1984. It provides expert advice to government leaders in building more effective, efficient, accountable, and transparent organizations. To carry out this mission, the Academy draws on the knowledge and experience of its nearly 800 Fellows—including former cabinet officers, Members of Congress, governors, mayors, and state legislators, as well as prominent scholars, business executives, and public administrators. The Academy helps public institutions address their most critical governance and management challenges through in-depth studies and analyses, advisory services and technical assistance, Congressional testimony, forums and conferences, and online stakeholder engagement. Learn more about the Academy and its work at www.NAPAwash.org.

A Report by a Panel of the

NATIONAL ACADEMY OF PUBLIC ADMINISTRATION

For the U.S. Congress, Congressional Research Service, and the Government Printing Office

January 2013

REBOOTING THE GOVERNMENT PRINTING OFFICE:

Keeping America Informed in the Digital Age

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The views expressed in this report are those of the Panel. They do not necessarily reflect the views of the Academy as an institution.

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FOREWORD

The Government Printing Office (GPO) opened its doors the day that Abraham Lincoln was inaugurated as the 16th President of the United States. For the past 152 years, the GPO has played a critical role in keeping the nation informed—ensuring permanent public access to authentic government information, including such historic documents as the Emancipation Proclamation and official journals of government such as the *Congressional Record* and the *Federal Register*. Like the rest of the publishing industry, the GPO of the 21st Century has been forced to manage the decline of print and the transition to digital publishing. At the same time, GPO has faced the challenge of performing broader government responsibilities in an increasingly digital world.

Recognizing this changing environment, Congress mandated that the National Academy of Public Administration (the Academy) conduct a broad operational review of GPO. The Academy formed a five-member Panel of Fellows to conduct a ten-month study of the agency's current role, its operations, and its future direction. The Panel concluded that GPO's core mission remains valid, but that the agency—and the rest of the federal government—will need to continue to "reboot" for the digital age. The Panel's recommendations are intended to position the federal government for the digital age, strengthen GPO's business model, and further GPO's continuing transformation.

As a Congressionally chartered non-partisan and non-profit organization with nearly 800 distinguished Fellows, the Academy brings seasoned experts together to help public organizations address their most critical challenges. We are pleased to have had the opportunity to assist Congress and the GPO by conducting this review. I appreciate the leadership and stakeholders of GPO who provided important insight and context needed to inform the study. Also, I thank the members of the Academy Panel, who provided invaluable expertise and thoughtful analysis to this undertaking, and the professional study team that provided critical support to the Panel.

Dan G. Blair
President and CEO
National Academy of Public Administration

ACRONYMS

CFO	Chief Financial Officer
CIO	Chief Information Officer
CM	Contribution Margin
COOP	Continuity of Operations
CRS	Congressional Research Service
CTO	Chief Technology Officer
DHS	Department of Homeland Security
EPIC	Electronic Procurement Information Control
FADGI	Federal Agencies Digitization Guidelines Initiative
FAR	Federal Acquisitions Regulations
FDLP	Federal Depository Library Program
FDsys	Federal Digital System
FY	Fiscal year
GAO	Government Accountability Office
GPO	Government Printing Office
GPRA	Government Performance and Results Act
JCP	Joint Committee on Printing
LC	Library of Congress
NARA	National Archives and Records Administration
NASA	National Aeronautics and Space Administration
NDIIP	National Digital Information Infrastructure and Preservation Program
OFR	Office of the Federal Register
OMB	Office of Management and Budget
PIV	Personal Identity Verification
PURL	Persistent Uniform Resource Locator
S&E	Salaries & Expenses
SAO	Senior Agency Official
SIC	Strategic Investment Committee
SID	Secure and Intelligent Documents
SuDoc	Superintendent of Documents
URL	Uniform Resource Locator

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EXECUTIVE SUMMARY

We the People need access to government information in order to exercise our rights and responsibilities as democratic citizens. This has been the case throughout American history, from the founding of our country to the 21st Century, which is often described as the information age or the digital age. With the "flattening" of the world and the explosion of new technologies in recent years, citizens not only expect more governmental transparency; they also want documents to be made widely available in electronic format on a variety of devices in a short time horizon.

Over the past ten months, a five-member Panel of the National Academy of Public Administration (the Academy) has conducted an independent review of the Government Printing Office (GPO) at the direction of Congress. Established in 1861, the GPO has played a critical role in keeping America informed for over 150 years, and its core mission remains valid to this day. GPO performs a diverse set of functions. It provides print and digital editions of the *Congressional Record*, the *Federal Register*, and the *Code of Federal Regulations*. It manages the Federal Depository Library Program and provides digital access to federal information through the Federal Digital System. GPO also produces U.S. passports and other secure credentials.

Over the past two decades, the shift from an industrial age to an information age has affected the way both public and private sector organizations operate. For GPO, the demand for federal print products has declined by half over the past twenty years, but the demand for information that government creates has only increased. While conducting this review, the Panel determined that GPO faces challenges in dealing with the movement to the digital age that are shared across the federal government. Critical issues for the federal government include publishing formats, metadata, authentication, cataloging, dissemination, preservation, public access, and disposition.

Congress and federal agencies, including GPO, must work collaboratively to address these issues. The Panel believes that the federal government needs to establish a broad government-wide strategy to manage digital information through all stages of its lifecycle. The absence of such a strategy has resulted in a chaotic environment with significant implications for public access to government information—and, therefore, the democratic process—with some observers describing federal digital publishing as the "wild west." Now that approximately 97 percent of all federal documents are "born digital," many important documents are not being authenticated or preserved for the future, and the public cannot easily access them. GPO has a critical role to play along with other agencies in developing a government-wide strategy that streamlines processes, clearly defines agency responsibilities, avoids duplication and waste, and effectively provides information to current and future generations.

GPO leaders have made progress in "rebooting" the agency for the digital age by moving from a print-centric to a content-centric focus. In order for the promise of this ongoing transformation to be fully realized, the Panel believes that GPO must continue to

incorporate new ideas and mechanisms of delivering information consistent with its founding principles. GPO's current landscape is heavily influenced by the following issues:

- preference for digital documents by the public and federal agencies that has reduced the demand for print and altered how GPO carries out its mission and its ability to recover costs;
- exponential growth of "fugitive" digital government documents, which has complicated GPO's ability to authenticate and preserve valuable history; and
- changing demands of federal agencies and the general public, requiring GPO to establish new services while continuing to carry out its mandated functions.

Declining demand for print products has challenged GPO's business model and its operating methods because only a small percentage of the agency's funding is derived from direct appropriation from Congress. The bulk of the agency's revenues come from agency payments for work performed by GPO or sales of publications to the public. This means that GPO—like businesses across the country—must carefully review its product lines to ensure that they respond to market demand and continually monitor its financial situation.

To address the digital age's challenges to GPO's business model, agency leaders have expanded products and services for the digital age and made difficult decisions to align revenues with expenditures. To increase access to information, GPO has created the Federal Digital System, which contains authentic published government documents from all three branches of government. It has also been providing access in other formats, such as mobile apps and e-Books, and making these available through Google and Amazon. In fiscal year (FY) 2013, it released the President's Budget as an award-winning app.[1]

To reduce costs, GPO has made significant reductions in employee staffing levels, administrative expenses, and the costs of plant production and distribution. In addition, GPO has instituted a variety of cost offset and recovery measures to help alleviate financial pressures. These have included improvements to its billing and debt collection processes, leasing of available building space to government and non-government organizations, and investments in more productive and efficient equipment and operating systems.

GPO will need to continue to be aggressive in taking action given that its own analysis, based on a conservative set of assumptions, shows that it only has the cash necessary to offset operating losses and fund modest investment for another seven years. This provides the agency with a narrow window of opportunity to continue to expand business lines and maintain financial health into the next decade. To expand products and services, the Panel believes that GPO can make an important contribution to the lifecycle management of government information by doing more in the areas of content management, metadata creation, authentication, preservation, cataloging, and providing permanent public access. To further reduce costs, the Panel believes that GPO can reduce its facilities footprint through the lease of unneeded space and more consolidation of regional office locations,

[1] Government Printing Office, "GPO Honored for App Development" (Washington, D.C.: September 18, 2012). http://www.gpo.gov/pdfs/news-media/press/12news39.pdf.

space, and staff. And, by implementing a new print procurement system, GPO can both reduce labor costs and improve the customer experience, which could lead to increased business.

Based on its review, the Panel makes 15 recommendations. They are designed to position the federal government for the digital age, strengthen GPO's business model, and continue to build the GPO of the future.

Positioning the Federal Government for the Digital Age

- **Recommendation 1.** To enable the federal government to carry out its role of providing information to its citizens, Congress should establish a collaborative interagency process, and designate a lead agency or interagency organization, to develop and implement a government-wide strategy for managing the lifecycle of digital government information.
- **Recommendation 2.** To ensure GPO can carry out its mandate of providing permanent public access to government information, GPO should enhance its position and capabilities by offering an expanded set of services on a cost-recovery basis that contribute to the lifecycle management of government information. These services could include content management, metadata creation, authentication, preservation, and cataloging. GPO should develop strategies to encourage executive branch agencies to provide publications to GPO to enable permanent public access.
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- **Recommendation 15.** To address workforce skills imbalances, GPO should continue to pursue targeted, gradual staffing reductions in specific areas, as well as functional consolidations, when feasible and appropriate.

The Panel is pleased to have had the opportunity to conduct this review. In the digital age, GPO's core mission of authenticating, preserving, and distributing federal information remains critically important to American democracy. Moving forward, GPO will need to continue to transform both externally and internally. Externally, it should serve as a critical player in the collaborative development of a government-wide strategy and offer new products and services. Internally, it will have to build upon its recent change management efforts, including the further development of an agile organization with the capabilities to plan for and respond to potential changes; continue to adjust its business model; and take additional steps to achieve cost savings. By adopting this report's recommendations and associated implementation actions, Congress, GPO, and other federal agencies will ensure that American citizens have the information needed to be full participants in the democratic process.

CHAPTER I: BACKGROUND

Established in 1861, the Government Printing Office (GPO) is a federal legislative branch agency that performs an important role for American democracy. To achieve its mission of keeping America informed, GPO serves as a centralized resource to authenticate, produce, protect, preserve, and distribute official federal publications and information products.[2] To this end, its responsibilities include:

- providing print and digital editions of the *Congressional Record;*[3]
- producing bills, hearings, reports, and other legislative branch documents;
- printing the *Federal Register* and *Code of Federal Regulations;*
- providing centralized operations for the procurement of information products for the entire federal government;
- managing the Federal Depository Library Program (FDLP);
- providing digital access to federal information through the Federal Digital System (FDsys); and
- selling documents to the public.

Through a long-standing relationship with the U.S. Department of State, GPO produces passports for Americans. Since 2008, the agency has expanded its offerings to include secure credentials, such as smartcards.

In December 2011, Congress mandated that the National Academy of Public Administration (the Academy) conduct a review of the GPO to:

- examine GPO's business model for how the Government should operate its printing and information dissemination responsibilities;
- review past studies evaluating GPO's production, procurement, and information dissemination and operations, including the Federal Depository Library Program, in light of the recent growth in printing and digital technology;[4]
- examine the feasibility of GPO continuing to perform executive branch printing; and
- explore various cost-saving operational alternatives.[5]

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[2] Government Printing Office, *GPO's Strategic Plan FY 2013 – 2017, Customer Centric and Employee Driven* (Washington, D.C.: October 3, 2012), 3.

[3] The *Congressional Record* captures the daily proceedings of Congress. It is printed overnight and delivered by the following morning.

[4] Appendix C provides a summary of past studies.

[5] The mandate was contained in the Conference Report to P.L. 112-74: "Over the past 10 years, the Government Printing Office has regularly contracted out approximately 75 percent of the dollar value of all work ordered annually (other than U.S. passports and secure credentials). The vast majority of the work that is contracted out is for the Executive Branch. Printing for the Congress, passports for State Department, secure credentials for Federal agencies and Congress, products for the Office of the Federal Register, and several important jobs of the Executive Branch, such as the President's Annual Budget and printing for the White House, are conducted in-house, as are all of GPO's digital information operations serving all three branches of the Federal Government. The conferees note that several studies evaluating GPO's production, procurement, and information dissemination programs and operations, including the Federal Depository Library Program, have been conducted in the past. The conferees also note that past reviews have supported

The Academy formed a five-member expert Panel—drawn from the organization's nearly 800 elected Fellows—to direct and oversee the project. The Panel met numerous times over the course of this ten-month project to approve the work plan, define issues, review work progress, develop options and alternatives, and develop formal findings and recommendations and the final report. By bringing together experts with different views, experiences, and skills in a process that yields state-of-the-art, innovative thinking, Academy Panels have proven to be a very powerful management assessment tool. They also afford an opportunity for the government to interact with seasoned executives with significant experience dealing with similar challenges. The Panel received research and analytical support from a highly qualified professional study team.

As part of this review, the Panel assessed GPO's existing business model; examined its current mission and functions, as well as the desired future state of government printing and dissemination; and identified needed improvements at GPO and government-wide. The Academy Panel and study team conducted a wide range of primary and secondary research, including:

- conducting background research, including relevant GPO documents and academic research;
- reviewing prior studies of GPO;
- interviewing GPO leaders, managers, union representatives, and employees;
- interviewing other external stakeholders, such as Congressional staff, agency customers, and the library community;
- surveying the Federal Depository Library community;
- holding a focus group with private sector printing and publishing experts;
- analyzing financial, workforce, and print procurement data;
- analyzing results from the Panel's survey of the Federal Depository Library Program community; and
- visiting GPO field operations, including one regional office, both distribution facilities, and the backup passport production facility.

The Academy used a mix of methods to obtain different but complementary qualitative and quantitative data on the key research topics. This methodology allowed the Academy to conduct a comprehensive assessment of GPO's legal mandate, mission, functions, business

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the GPO's business model as the most efficient way in which the government should operate its printing and information dissemination responsibilities. The conferees believe that the GPO and the Congress would benefit from an update of these reviews, particularly given the growth in printing and digital technology in recent years, including the feasibility of Executive Branch printing being continued to be performed by the GPO, and other cost saving operational alternatives that might be worthy of consideration. Within available funds under the heading, "Congressional Research Service," the conferees direct the Congressional Research Service to award a grant or contract to the National Academy of Public Administration, an independent nonpartisan organization that was chartered by Congress to assist Federal, State, and Local governments in improving their effectiveness, efficiency, and accountability to conduct a study on updating a review of GPO operations and additional cost saving opportunities beyond what GPO has already instituted, if any, and report its findings to the Committee on Appropriations of the House and Senate no later than one year after enactment of this Act."

model, workforce capacity, budget and financial status, and performance information. At the end of September 2012, the Academy Panel presented a set of preliminary observations to GPO for review and comment, after which the Panel met to develop recommended strategic options for GPO moving forward. The Panel submitted a draft report for agency review and comment at the end of November 2012. GPO provided comments in December 2012, and the Panel responded by making some modifications it deemed appropriate.

OVERVIEW OF THE GOVERNMENT PRINTING OFFICE

In the nation's early years, printing and distribution of government documents were handled in a "chaotic" manner that did not serve the American people well. Concerns were expressed that this critical function was performed in a sporadic and unprofessional manner, with "the original systems of government printing" being "costly and frequently subject to corruption and public scandal."[6]

Early Congresses relied on private printers. In 1819, Congress passed legislation requiring the House and the Senate to elect firms to serve as their printers—a practice that continued for over forty years. In the 1840s, Congress passed a number of statutes "providing for competitive contract printing for various government departments and the Supreme Court, and then moved to implement this method for its own printing."[7] Concerns were expressed, however, that this method increased the cost of government printing. The government spent more on printing between 1846 and 1852, for example, than it had in the previous 35 years combined. Because Congress's decision in 1852 to return to the practice of electing their own public printers failed to stem the problems arising under this system, the groundwork had been laid for the Government Printing Office—an agency to execute printing and binding for the legislative, executive, and judicial branches of the federal government.[8]

In the more than 150 years since GPO's creation, its mission of keeping America informed has not changed, but the manner in which it is carried out has changed—especially in the digital age. (See Appendix D for some of the key dates in GPO's history.) Over the past several decades, our society and economy have shifted from an industrial age to an information age. Individuals have more access to information than ever before, and this access transcends national boundaries. The personal computer began to be widely used in the 1980s and 1990s. Internet use became widespread by the mid-1990s, and innovations such as mobile phones, tablets, and mobile apps continue the shift toward digitization.

The digital age has resulted in far-reaching changes that have impacted public and private organizations, including GPO. The demand for federal print products has declined by half over the past twenty years, but the demand for information has only increased. Because

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[6] Government Printing Office, *Keeping America Informed, 150 Years of Service to the Nation* (Washington, D.C.: 2011), 4-7.
[7] Ibid.
[8] Ibid.

the demand for print has not gone away entirely, GPO faces the challenge of striking the right balance between different formats. Today, GPO has one of the world's largest printing plants and digital factories, and it remains one of the biggest print buyers in the world. GPO purchased an estimated $331 million in print products in FY 2012 from private vendors across the nation, accounting for almost two-thirds of the print products ordered from GPO. Congressional documents, such as the *Congressional Record*, as well as products for the Office of Federal Register (including the *Federal Register* and *Code of Federal Regulations*) are produced by GPO in-house. GPO's Strategic Plan notes that its print procurement program "provides great economic opportunity for the private sector." The majority of the firms GPO deals with are small businesses of 20 employees or less. The total number of contractors registered to do business with GPO is approximately 16,000.[9]

Compared to most other federal agencies, GPO runs like a business: only a small percentage of its funding comes from direct appropriations, which cover the cost of administering the FDLP and FDsys.[10] GPO depends primarily on revenue from agency payments for work performed by GPO and sales of publications to the public. The extent to which GPO's operations are run on a cost-recovery basis distinguishes it from other federal agencies.

Along with sales of publications in digital and print formats to the public, GPO supports openness and transparency by providing no-charge public access to government information through FDsys (www.fdsys.gov) and through partnerships with approximately 1,200 libraries nationwide participating in the FDLP. GPO's FDsys website provides access to nearly 700,000 documents online. GPO also provides for public sale of government publications through its traditional and online bookstores, offers e-Books through partnerships with multiple vendors, and has recently introduced a variety of mobile apps of key federal documents.

This is why the "business model" concept is particularly apt as a conceptual framework for reviewing GPO.[11] Although the term "business model" is typically associated with the private sector—identifying the customer value proposition, the profit formula, and key resources and processes—a broader definition can be usefully applied to public organizations such as GPO.[12] As Saul Kaplan, the founder and chief catalyst of the Business Innovation Factory, notes:

> If an organization has a viable way to create, deliver, and capture value, it has a business model. It doesn't matter whether an organization is in the public

[9] Government Printing Office, *GPO's Strategic Plan FY 2013 - 2017, Customer Centric and Employee Driven* (Washington, D.C.: October 3, 2012), 3.

[10] According to GPO's Strategic Plan, only six percent of the agency's funding comes from the direct appropriation. This includes the Superintendent of Documents Salaries and Expenses appropriation, and the Revolving Fund appropriation, which has funded the development of FDsys and other IT systems.

[11] Congress's study mandate made specific reference to this term in noting "past reviews have supported the GPO's business model as the most efficient way in which the government should operate its printing and information dissemination responsibilities."

[12] Mark W. Johnson, Clayton M. Christensen, and Henning Kagermann, "Reinventing Your Business Model," in *Rebuilding Your Business Model* (Boston: Harvard University Press, 2011), 42.

> or private sector. It doesn't matter if it's a non-profit or a for-profit enterprise. *All* organizations have a business model. Non-profit corporations may not be providing a financial return to investors or owners, but they still capture value to finance activities with contributions, grants, and service revenue. Social enterprises may be mission-driven, focused on delivering social impact versus a financial return on investment, but they still need a sustainable model to scale. Government agencies are financed by taxes, fees, and service revenue, but are still accountable to deliver citizen value at scale. The idea that business models are just for business is just wrong. Any organization that wants to be relevant, to deliver value at scale, and to sustain itself must clearly articulate and evolve its business model. And if an organization doesn't have a sustainable business model, its days are numbered.[13]

In applying the business model concept, it is important to note the important differences between private and public sector enterprises. GPO has a way "to create, deliver, and capture value," but it does not seek to make a profit to distribute to investors. Like any organization, it must determine how to create and deliver value for citizens and customers, as well as how to recover the cost of producing that value, including the cost of necessary investment. As discussed in this report, GPO is operating in a rapidly changing business environment, which has required it to reexamine what products and services are needed, how to deliver them to scale, and how to cover the associated costs (whether from customer revenues, appropriations, fees, or some other means).[14]

GPO's operating units are supported using different funding models and funding sources. Most operating units run on a cost-recovery basis, but Library Services is funded directly through the Superintendent of Documents Salaries and Expenses (S&E) appropriation. GPO's organizational units that operate on a cost-recovery basis recover funds from customer payments. However, Congressional printing, which operates on a cost-recovery basis, recovers funds from the Congressional Printing and Binding appropriation. FDsys operations and maintenance are funded through the Salaries and Expenses appropriation. Investment in FDsys and other information technology systems is funded through a separate appropriation to the Revolving Fund. The business model concept is particularly appropriate for units run on a cost-recovery basis.

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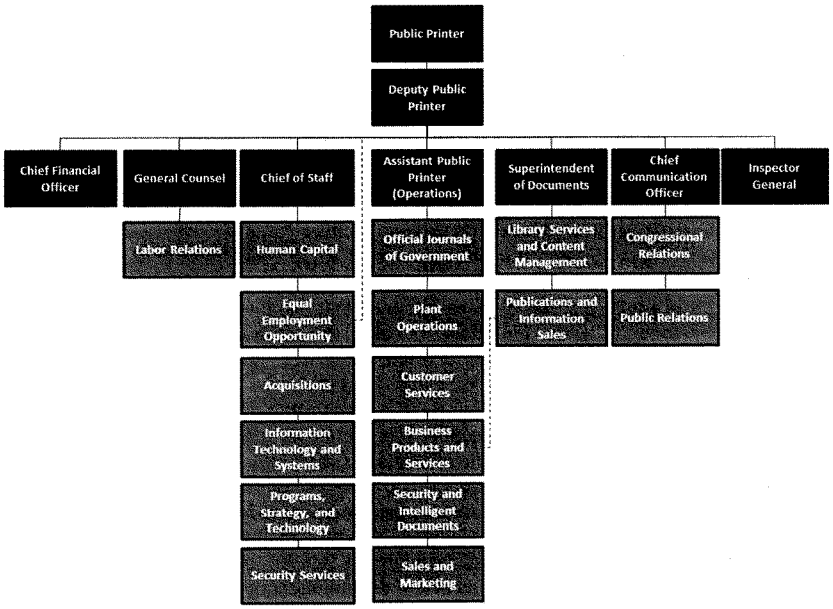
[13] Saul Kaplan, "Business Models Aren't Just For Business," *HBR Blog Network*, April 19, 2011, http://blogs.hbr.org/cs/2011/04/business_models_arent_just_for.html.
[14] Ibid.

Organizational Structure

Figure 1 shows the GPO's current organizational structure.

Figure 1. GPO Organizational Chart[15]



Source: Government Printing Office

Public Printer
The Public Printer is the Chief Executive Officer of GPO. In this capacity, the Public Printer is responsible for leading and managing the organization, including overseeing all its mission and support functions and serving as the principal liaison with internal and external stakeholders. The current Public Printer is serving in this position in an acting capacity.

[15] The light blue boxes are subunits.

Assistant Public Printer for Operations
The Assistant Public Printer for Operations oversees GPO's revenue generating business units, which include Official Journals of Government, Plant Operations, Customer Services, three business units reporting to Business Products and Services,[16] and Security and Intelligent Documents. Official Journals of Government and Plant Operations are together responsible for the production of the *Congressional Record* and other congressional documents, and the *Federal Register*. Customer Services is responsible for providing procured printing services to government customers. Security and Intelligent Documents produces U.S. passports and secure federal credentials such as smart cards for the Department of Homeland Security's Trusted Travelers Program.

Superintendent of Documents
The Superintendent of Documents is responsible for providing public access to government information published by the U.S. Congress, federal agencies, and the federal court.[17] Major responsibilities of the Superintendent of Documents are to:

- oversee the FDLP in cooperation with Congress and GPO's library partners;
- oversee the policy and strategy for GPO's Library Services and Content Management unit, and Publication and Information Sales unit;
- cataloging and indexing, by-law, and international exchange; and
- work with agencies to expand FDsys content and exercise oversight responsibilities for the collection.

Chief of Staff
The Chief of Staff is responsible for overseeing a number of critical mission support functions:

- human capital;
- equal employment opportunity;
- acquisitions;
- information technology and systems;
- programs, strategy, and technology; and
- security services.

Chief Financial Officer
The Chief Financial Officer (CFO) administers and guides policy and oversight of the agency's financial strategies and administrative support systems, personnel, and operations. The CFO serves as GPO's principal liaison with the Congressional Appropriations Committees.

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[16] Three business units report to the Managing Director of Business Products and Services: (1) Publications and Information Sales, which handles sales to the public; (2) Creative and Digital Media Services; and (3) Distribution Services, which handles warehousing and distribution of publications for agency customers.
[17] Traditionally, GPO's role with the courts has been limited; however, it recently completed a very successful pilot project with the Administrative Office of the U.S. Courts to include opinions of the U.S. appellate, bankruptcy, and district courts in FDsys. This project will be expanded upon and continued.

General Counsel
The General Counsel is the agency's chief legal officer. In that capacity, he provides legal opinions and advice to the Public Printer, and represents GPO in all legal matters involving government and non-government organizations. In addition, the Office of the General Counsel represents GPO before all federal administrative forums, including the Merit Systems Protection Board, the Equal Employment Opportunity Commission, and the U.S. Government Accountability Office Board of Contract Appeals.

Chief Communications Officer
The Chief Communications Officer is the official point of contact with Congress, providing direct liaison on behalf of the Public Printer and the agency. The Chief Communications Officer also oversees the agency's public relations and employee communications operations, and website content.

Inspector General
The Inspector General provides an independent and objective means of keeping the Public Printer and Congress informed about problems and deficiencies relating to the administration and operations of GPO.

GPO'S TRANSFORMATION IN THE DIGITAL AGE

Over the course of this review, the Panel has found that GPO leaders have made considerable progress in transforming the agency into an efficient, future-oriented organization, but the agency will need to continue to work to address medium and longer-term challenges to its business model as it continues the transition from a print-centric to a content-centric focus.

In a rapidly changing environment characterized by the need to meet diverse customer demands and make trade-offs, GPO leaders told the Academy that they have been facing a number of management and operational issues. In establishing its strategic direction, GPO has had to balance digital technology and traditional print, and it has struggled with legacy information technology infrastructure, which has required investments in modernization efforts to support digital technology initiatives. GPO has a multi-generational workforce that, as discussed in Chapter V, will require continual reshaping. Over the longer term, Congress and GPO will need to align funding to meet evolving needs and ensure that the budget is consistent with the shift to digital.

GPO has been an agency in transition throughout its history. During the ink-on-paper era, GPO transitioned from handset to machine-set type, increased the speed of its presses, and moved from hand to automated bookbinding. In the digital era's early stages, Congress passed the GPO Electronic Information Access Act in 1993 to provide GPO with a statutory mandate to ensure online access to the *Congressional Record*, *Federal Register*, and other federal documents. In June 1994, GPO launched GPO Access, which was the agency's first online information service. This service met a critical public need as Internet use was becoming widespread for the first time. In 1995, GPO replaced the four letterpresses

originally installed in 1953 and 1973 with three new 64-page web offset presses. In 1998, GPO introduced state-of-the-art computer-to-plate technology that generated significant cost savings. GPO had a critical role to play in preparing for Y2K.[18] Now, in the second decade of the 21st Century, customers require a wide range of information platforms: paper; Internet; CDs; and apps. The print run for the *Federal Register* and the *Congressional Record* is now just 2,500 compared to 30,000 two decades ago. Over that time, government printing has declined by half.[19]

Over the past two decades, GPO has experienced a greater magnitude of transformational changes than in all of its previous history. In fact, the agency has changed so much that some have suggested that "Government Printing Office" no longer adequately describes the agency's mission. Instead, the Acting Public Printer has said that it should be called the "Government Publishing Office."[20]

While transforming the focus of the organization in response to changing technological capabilities and customer demands, GPO has had to alleviate continuing financial pressures and business model challenges. In FY 2011, GPO leadership believed the organization was at a crossroads that required tough decisions. These include the development of a multi-pronged strategy to "do more with less" by improving organizational and production technologies, as well as adopting a wide range of cost-cutting initiatives.

KEY THEMES IN THIS REPORT

The remainder of this report presents the Panel's findings and recommendations in a number of critical areas:

- need for government-wide strategy;
- impact of digital publishing on GPO;
- business operations and financial outlook for GPO;
- human capital planning and management at GPO; and
- organizational transformation at GPO.

Key themes in the remaining chapters include the following:

1) In the digital age, the federal government must continue to ensure that the public has permanent access to authentic government information. This will require coordination across the federal government in managing the lifecycle of digital government information.
2) GPO has a critical role to play in providing permanent public access to authentic information. Like the rest of the printing industry, GPO faces challenges in the

[18] Government Printing Office, *Keeping America Informed, 150 Years of Service to the Nation* (Washington, D.C.: 2011), 117 – 120.
[19] Lisa Rein, "Government Printing Office Has New Strategy to Keep the Presses Rolling," *Washington Post*, October 26, 2012, http://www.washingtonpost.com/lifestyle/style/government-printing-office-has-new-strategies-to-keep-presses-rolling/2012/10/26/d76dc0f4-1ef8-11e2-9746-908f727990d8_story.html.
[20] Ibid.

transition to digital publishing, but its responsibilities are far broader than a private commercial vendor.

3) GPO leaders have made significant progress in "rebooting" the agency from a print-centric to a content-centric focus. GPO has a narrow window of opportunity to make further business and operational changes.
4) GPO has achieved important cost savings to date and has additional opportunities to make cost reductions. It is unclear, however, exactly how much can be saved in the future, and some portion of savings should be reinvested in new human and technological capabilities required to meet the demands of GPO's digital operating environment.
5) To continue rebooting in an environment that is changing rapidly, GPO must upgrade its planning capabilities. Enhanced strategic planning and human capital planning, as well as scenario planning, are necessary.

CHAPTER II: GOVERNMENT-WIDE STRATEGY

Providing permanent public access to authentic government information remains a critical government responsibility. As access to government information is the foundation of a democratic government, and it is the responsibility of the government to provide permanent public access to information, the federal government will need to take immediate measures to make authentic digital government information discoverable and prevent the continued and permanent loss of information.

In carrying out its mandate to study the GPO, the Panel observed that the federal government does not have a government-wide strategy for managing digital information through all stages of its lifecycle. While Title 44 has specific standards for tangible documents, it provides limited guidance for digital publication to GPO and other federal agencies and does not address the full range of activities involved in digital publishing, such as authentication and preservation. The lack of a government-wide digital strategy has significant implications for the democratic process, as well as GPO's ability to carry out its mission. For example, identifying born-digital documents published by executive branch agencies to include in FDsys and the FDLP is a continuing challenge for GPO; as a result, many of these documents are not being authenticated, and discoverability and preservation are uneven.

> *A popular government, without popular information, or the means of acquiring it, is but a prologue to a farce or a tragedy; or, perhaps both. Knowledge will forever govern ignorance: and a people who mean to be their own governors must arm themselves with the power which knowledge gives.*
>
> *-James Madison*
> *August 4, 1822*

This chapter assesses how the federal government is managing digital government information throughout its lifecycle and contains two findings in the following areas:

1) interagency coordination of electronic government information management
2) GPO's potential role in the lifecycle management of electronic government information

Each finding is discussed in more detail below. The chapter concludes with a Panel recommendation.

Interagency Coordination of Electronic Government Information Management (Finding II-1):

Although government agencies with various responsibilities for information management have been coordinating in specific areas, such as digitization and preservation, there is no government-wide strategy for managing the lifecycle of government information.

A variety of federal government organizations—including GPO, National Archives and Records Administration (NARA), Library of Congress (LC), the Office of Management and Budget (OMB), and the Chief Information Officers Council—have responsibilities for different aspects of digital government information management. Although some overlap exists, duplication of effort has been largely avoided through coordination. For example, GPO and NARA have signed a Memorandum of Understanding to avoid duplication in digital preservation.[21] There are also several interagency committees and working groups, such as the Library of Congress-led National Digital Information Infrastructure and Preservation Program (NDIIP).[22] GPO, along with other relevant federal agencies, participates in developing government-wide guidelines through these interagency bodies.

While these efforts provide useful guidance to agencies and opportunities for collaboration, a broader coordination and planning effort is needed to develop common standards and guidelines for the lifecycle management of digital government documents, including publishing formats, metadata, authentication, cataloging, dissemination, preservation, public access, and disposition. Figure 2 illustrates the different phases of a digital government document's lifecycle.

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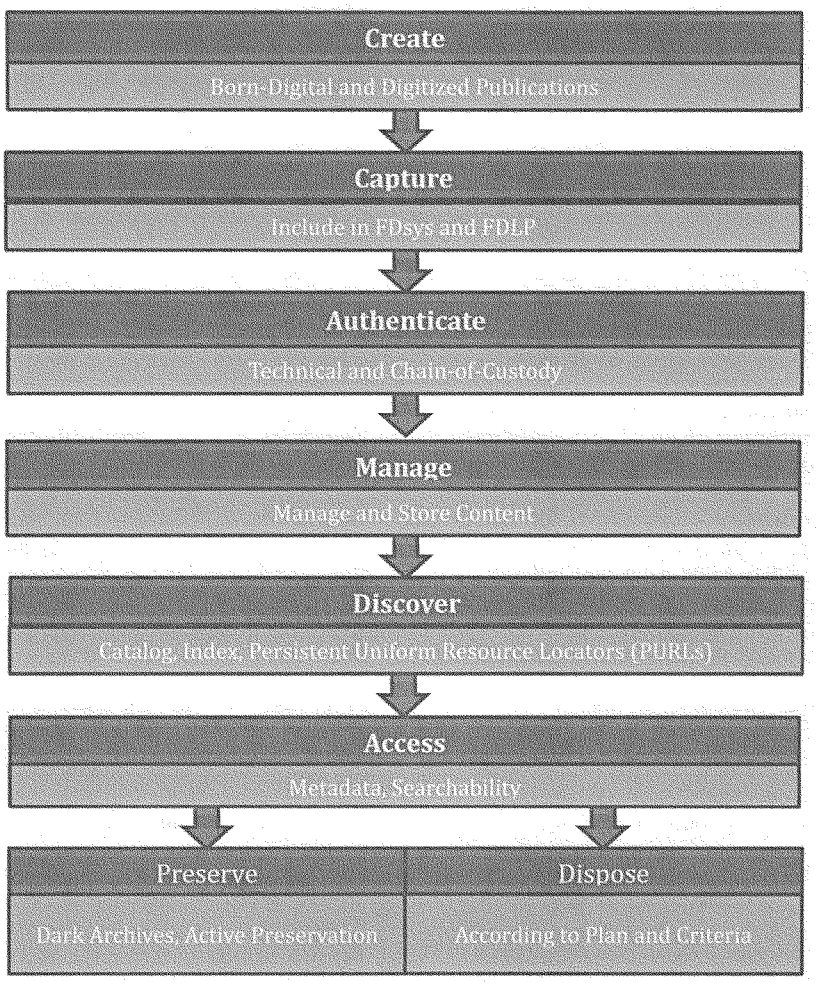
[21] Government Printing Office, and National Archives and Records Administration, *Memorandum Between the Government Printing Office and the National Archives and Records Administration* (Washington, D.C.: August 2003; Revised: October 2012).

[22] This program was established by Congress in 2000.

Figure 2. Lifecycle of Digital Government Documents



The importance of standardization across the federal government in these areas and current collaborative efforts are briefly described below:

Create
Document creation issues that need to be addressed include publishing formats, metadata, and digitization. There is no one publishing format that works for all data; however, some standardization will improve preservation and interoperability.[23]

There are multiple digitization projects being carried out by GPO, LC, libraries, and executive branch agencies. GPO is planning to work with federal agencies to help them fulfill the President's mandate to digitize documents.[24]Coordination of digitization projects would minimize costly duplication of effort. There are also quality control issues; certain standards should be met to ensure digitized documents are discoverable, searchable, and accurate. The Federal Agency Digitization Guidelines Initiative, a collaborative federal agency effort that GPO participates in, has developed guidelines for digitization.

Extensive use of metadata is essential for preservation, searchability, and documenting chain of custody (part of the authentication process). The NDIIPP is working to develop guidelines on descriptive metadata to improve accessibility.

Capture
Large volumes of digital information are being created and disseminated at an amazingly rapid rate. But unless this information is captured for the purpose of providing permanent public access, through the FDLP and/or FDsys, its existence is likely to be fleeting. Processes are needed to facilitate GPO's capture of government documents for permanent public access.

GPO is currently carrying out a pilot project with select executive branch agencies to test technology solutions for automatic web harvesting.

Authenticate
GPO is the only federal agency that authenticates digital content for public consumption. However, guidelines on what should be authenticated would be useful to other agencies. With print documents, authentication was less necessary

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[23] Richard Fyffe, Deborah Ludwig, and Beth Forrest Warner, "Digital Preservation in Action: Toward a Campus-Wide Program," *EDUCAUSE Center for Applied Research, Research Bulletins* 2005, no. 19 (September 13, 2005), 7; Government Printing Office, *Report to the Congress: Study to Identify Measures Necessary for a Successful Transition to a More Electronic Federal Depository Library Program* (Washington, D.C.: June 1996), 21.

[24] Government Printing Office, *GPO's Strategic Plan FY 2013 – 2017, Customer Centric and Employee Driven* (Washington, D.C.: October 3, 2012), 5. For more on the President's Directive, see Office of Management and Budget, and National Archives and Records Administration, *Memorandum for Heads of Executive Departments and Agencies and Independent Agencies: Managing Government Records Directive* (Washington, D.C.: August 2012).

because it was fairly safe to assume that any printed document with a federal agency logo had not been altered. It may be necessary to reevaluate which publications should be authenticated and set priorities now that the public often receives government information through emails or unofficial websites and has no way of knowing if the information is authentic.

The RLG-NARA Task Force on Digital Repository Certification[25] has developed Trustworthy Repositories Audit and Certification: Criteria and Checklist, which are digital authentication standards. LC, National Aeronautics and Space Administration, academic institutions, and international experts served on the task force and provided input on the development of these criteria.

Manage
Data needs to be managed, maintained, and stored. Cloud storage may provide an opportunity for originating agencies to standardize formats, and simply transfer control of the information to another agency (like NARA, LC, or GPO) at appropriate times in the information's lifecycle.

Discover
Cataloging and finding aids, including Persistent Uniform Resource Locators (PURLs), ensure that digital information is discoverable. GPO's cataloging of electronic government information is available to the public through the Catalog of U.S. Government Publications. Cataloging records are shared with NARA, LC, national libraries, FDLP libraries, and the library community through cooperative cataloging partnerships, the Program for Cooperative Cataloging at the LC, and through shared networks of cataloging records.

Access
Agencies will of course continue to disseminate information directly to the public through their websites and other means. However, dissemination and access are not central to their missions. In addition, agencies disseminate only their own publications, even though there may be other federal publications related to similar topics. The importance of providing federal online information according to function and topic rather than agency boundaries was addressed by the E-Government Act of 2002.[26] Publications in the FDLP and FDsys can be searched by topic across agency boundaries.

Preserve
Digital preservation is an ongoing process that begins with document creation. File formats, storage location, and the creation of descriptive metadata contribute to the

[25] RLG (Research Libraries Group) was a nonprofit organization focused on supporting the needs of research repositories, including libraries, archives and museums. RLG has since been subsumed by OCLC Research, an international library cooperative.
[26] 44 U.S.C., Chapter 35.

long-term accessibility of information.[27] Permanent preservation entails migrating content to new formats on a regular basis while maintaining the original format.

LC, through the NDIIPP, has taken the lead at the federal level on developing standards and guidelines on digital preservation.

OMB and NARA recently issued a directive touching on various aspects of digital preservation, providing further opportunities for coordination. Agencies are directed to designate a senior agency official with the responsibility of ensuring compliance with records management laws and regulations, as well as NARA policy and the directive.[28] This directive provides an opportunity for GPO to work with OMB and NARA to incorporate requirements for agencies to provide print publications to GPO for inclusion in the FDLP.

Dispose

One of the goals of digitization is the disposition of printed copies.[29] In addition, not all government information needs to be permanently preserved. Federal agencies need guidance on what government information can be disposed of and under what circumstances. NARA already provides this service to agencies for government records.

A government-wide strategy for digital information management should examine these issues in the context of an overarching framework to provide guidance to federal agencies on how to manage digital information at each stage of its lifecycle, from creation to disposition. Developing the government-wide strategy could also help establish the infrastructure necessary to update standards and guidelines as technology changes.

GPO's Potential Role in the Lifecycle Management of Electronic Government Information (Finding II-2):

GPO's statutory requirements, experience, and capabilities place the agency in a position to play a significant role in performing a variety of functions to support the lifecycle management of government information.

One of the goals of the E-Government Act of 2002[30] is to provide government information to the public quickly, equitably, and in a format that maximizes the

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[27] Richard Fyffe, Deborah Ludwig, and Beth Forrest Warner, "Digital Preservation: A Campus-Wide Perspective," *EDUCAUSE Center for Applied Research, Research Bulletins* 2005, no. 18 (August 30, 2005), 3-4.

[28] Office of Management and Budget and National Archives and Records Administration *Memorandum for Heads of Executive Departments and Agencies and Independent Agencies: Managing Government Records Directive* (Washington, D.C.: August 2012), 4.

[29] While current digitization efforts by depository libraries are focused primarily on paper documents, digitization of microfiche is also getting some attention.

[30] 44 U.S.C., Chapter 35.

utility of the information and the use of information technology. The Act specifically addresses issues of accessibility, organization, and preservation of online government information. NARA, LC, and GPO all have specific responsibilities in these areas. GPO is required by law to manage digital content, create directories, and manage a storage facility. GPO is also the national leader in government authentication, with a long and trusted history. GPO provides valuable services to the federal government and the public that no other agency performs:

- GPO is the only federal agency that authenticates digital government documents for public dissemination.
- GPO catalogs, indexes, and provides persistent URLs to digital government documents, which makes them discoverable.
- GPO makes information immediately and permanently accessible to the public.

As described above, LC has played a leadership role in developing standards for digitization, metadata creation, and preservation through the NDIIPP. LC has skills and experience in digitization that GPO does not have. LC also plays an important role in facilitating library networking activities.

NARA plays an important role in the management and permanent preservation of government records of historical value. NARA has also conducted research in preservation and authentication.

Table 1 delineates the roles and responsibilities of GPO, NARA, and LC in the lifecycle management of government information.

Table1. Roles and Responsibilities of GPO, NARA, and LC

	GPO	NARA	LC
Purpose of Content Managed	"Keeping America Informed" - current and future access to all Federal public documents.	Preserving essential evidence that documents the rights of American citizens, the actions of Federal officials, and the national experience.	Acts as the U.S. national library, and supports the information needs of the Congress.
Access	"Free public access" to FDLP content required by law	Limited public access permitted if conditions are met	Limited public access permitted if conditions are met
Time to Availability	Hours to Days	Years (depends on records schedule)	Days to Years
Cataloging/ Finding Aids	Cataloging and indexing required by law; done at the piece level	Finding aids generally at the collection level	Cataloging performed to manage very large collections; generally done at the piece level
Statutory View (digital products)	Specific mandate to manage digital content, create "directories," and manage a "storage facility" (44 USC 4101)	Digital content responsibility derived from definition of Federal records (44 USC Chap 29; 3301)	Appropriations and legislative oversight for digital projects (e.g., NDIIPP)
Format(s) of Content Managed (current state)	Tangible, including print, microfilm, CDs, and maps	Print, Digital, Image, Sound, and Manuscript	Print, Digital, Image, Sound, and Manuscript
Scope of Content Managed	Published information (i.e. public documents) of all three branches of the U.S. Federal Government.	Federal records[31] and other historical materials relating to the US national experience.	Collections are universal in scope, and include copyrighted material deposited by U.S. publishing firms.
Life-Cycle stages of Content Managed	Assists agencies with content creation. Publishes final products, dissemination, cataloging, and preservation for permanent public access.	Manages preliminary records and final products, creates finding aids, and preservation.	Manages final products and rare objects, cataloging, and preservation.

Source: Government Printing Office

[31]As defined in 44 USC 3301, "records" includes all books, papers, maps, photographs, machine readable materials, or other documentary materials, regardless of physical form or characteristics, made or received by an agency of the U.S. Government under federal law or in connection with the transaction of public business and preserved or appropriate for preservation by that agency or its legitimate successor as evidence of the organization, functions, policies, decisions, procedures, operations or other activities of the government, or because of the informational value of data in them.

Although NARA plays an important role in preservation, it should not be the only agency preserving government records for several reasons. First, digital preservation is one area where duplication is desirable. Having one digital repository can be likened to the Library of Alexandria, which is believed to have contained a copy (and in some cases the only copy) of every book in existence at the time it burned to the ground between 48 BC and 640 AD. Works of great thinkers spanning centuries (including Aristotle, Euripides, and Sophocles) were lost forever. A similar loss of information today could have a serious impact on education, government, and national security.[32] Second, NARA archives only two to three percent of government records. Third, the determination of which documents are archived is made by the originating agency and is subjective.[33]

Most other federal agencies have little or no responsibility for many aspects of the lifecycle management of government information. Beyond posting information on their websites, most agencies do not view dissemination or preservation to be a central part of their mission. Over the course of three decades, agencies will transfer a very small percentage of their records to NARA for archiving.

GPO is in a strong position to play the role of capturing and providing permanent public access to authentic information and has a proven track record in doing this with digital content.[34] Through FDsys, GPO can provide a central public access portal, which would provide ease of use for the public and prevent the duplication of each agency having to develop, maintain, and continually upgrade its own system. Unlike information published on agency websites, once information is published on FDsys, it is permanently available, authenticated, versioned,[35] searchable, and downloadable. Information cannot be withdrawn from FDsys without going through a lengthy and thorough process to ensure that documents are not withdrawn for improper (e.g., political) reasons.[36]

Including agency documents in FDsys makes it easier to find agency content, and it is marketed to the public by GPO and depository libraries. This should be an incentive for executive branch agencies to rely on GPO to provide permanent public access to their publications.

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[32] "Lost in Cyberspace," *The Economist, Technology Quarterly* Q3 (2012), http://www.economist.com/node/21560992, from the print edition.

[33] Ryan, Tom W. and Jeff Musto, *The People's Printer: Time for a Reawakening,* Center for Study of Responsive Law (Washington, D.C.: August 2012), 17.

[34] Durant, David, "The Federal Depository Library Program: Anachronism or Necessity?" in *North Carolina Libraries,* North Carolina Library Association (Spring 2003), 37.

[35] The most current version and a detailed history of updates are made available.

[36] Government Printing Office, *Superintendent of Documents Policy Statement, Withdrawal of Federal Information Products from GPO's Superintendent of Documents (SuDoc) Programs,* (Washington, D.C.: September 26, 2006).

GPO is likely to require additional resources to carry out its current or expanded digital information management responsibilities. For example, if GPO were to provide additional services to other federal agencies, such as a more robust FDsys with a significantly larger collection, more resources would be needed. While GPO's costs would increase, the cost to government will be less than if each individual agency were to invest in similar content management and preservation systems. Also, it is impossible to predict the pace and magnitude of technological changes. The continual investments necessary to keep pace with technological advances may make digital publication more expensive than paper in the long run. But again, having each agency incur these recurring costs would be inefficient.

Capturing more federal publications for FDLP and FDsys will increase GPO's workload in terms of cataloging/indexing, creation of metadata, authentication, FDsys storage space, and preservation. However, GPO could also utilize newer, less costly solutions, such as automated indexing and/or working with new records management Senior Agency Officials to help them take on more responsibilities for their agencies' documents, with GPO providing technical assistance and content management and preservation through FDsys.

Based upon the two findings above, the Panel has one recommendation to help the federal government manage the lifecycle of government information. This recommendation is presented and discussed below.

RECOMMENDATION 1

To enable the federal government to carry out its role of providing information to its citizens, the underpinning of a representative democracy, the Panel recommends that Congress establish a collaborative interagency process and designate a lead agency or interagency organization to develop and implement a government-wide strategy for managing the lifecycle of digital government information. The goals of such an interagency effort are to streamline processes, clearly define agency responsibilities, avoid duplication and waste, and effectively provide information to current and future generations.

To implement this recommendation, Congress should:

- direct GPO, NARA, and LC to work together and with other government agencies to develop the government-wide strategy; and
- make legislative changes and appropriate funding, as necessary, to provide agencies with necessary requirements, authorities, and resources to implement this strategy.

To implement this recommendation, GPO should work with LC, NARA, OMB, and other agencies and gather input from libraries and the private sector to develop standards and guidelines for publication, metadata creation, digitization, preservation, and authentication. These standards and guidelines should be updated, as needed, as technologies change. Once the strategy is developed, GPO should do the following to implement it:

- explore and maximally utilize cost-effective technologies to carry out functions for the government-wide strategy, such as automated metadata creation and web harvesting;
- work with OMB and NARA to incorporate standards, guidelines, and processes of the government-wide strategy into records management training for senior agency officials and provide technical assistance to them to incorporate standards and guidelines into agency processes and procedures;
- include GPO's role in developing and implementing the government-wide strategy in the organization's strategic planning process; and
- determine what, if any, additional resources and staffing would be needed to carry out responsibilities in the government-wide strategy and develop a model, as needed, to include cost recovery and additional appropriations.

CHAPTER III: IMPACT OF DIGITAL PUBLISHING ON GPO'S MISSION

GPO plays a vital role in our democracy by providing permanent public access to authentic government information, but its ability to do so in a digital publishing environment is significantly challenged.

GPO fulfills the fundamental aspects of its mission—"keeping America informed"—through the Superintendent of Documents programs, which are funded through Salary and Expense appropriations. Centralizing these functions also avoids the redundancy of all government agencies having to invest in the infrastructure and skills necessary to authenticate, preserve, and provide access to digital government information. By performing these functions of government, GPO frees up other agencies to focus on their core missions.

This chapter assesses how GPO is performing five functions critical to providing permanent public access to authentic government information as it continues to transform from a print-centric to a content-centric organization. Included in this chapter are six findings in the following areas:

1) digital publishing;
2) digital authentication;
3) preservation of the legacy (tangible) government collection;
4) preservation of the digital collection;
5) cataloging and indexing program; and
6) government information dissemination and access.

Each finding is discussed in more detail below. The chapter concludes with Panel recommendations.

Digital Publishing (Finding III-1):

Digital publishing has dramatically changed how the federal government creates and disseminates information, posing new challenges for GPO.

The amount and types of information being created by the federal government has exploded with the advent of digital publishing. In many ways, this has been a boon for the public: more government information is reaching more people, more quickly than ever before. However, the nature of digital publishing has ramifications for how government information is authenticated, preserved, cataloged, disseminated, and accessed by the public.

As of 2011, GPO estimated that 97 percent of government documents are born digital and will never be printed.[37] Most users prefer online access, driving down demand for printed

[37] Barbie E. Keiser, "Public Printer Goes to the Hill—GPO at a Crossroads," *Information Today, Inc.*, Posted on May 16, 2011, p.2.

documents. At the same time federal agencies are under pressure to publish electronically whenever possible.[38]

GPO has specific responsibilities for publishing digital government documents. In addition to requiring GPO to produce digital copies of the *Federal Register* and *Congressional Record*, the Government Printing Office Electronic Information Access Enhancement Act of 1993 (PL-103-40) gave GPO the authority to produce digital versions of other government documents. The law also requires GPO (as far as practicable) to produce and make available digital content requested by executive branch agencies.[39] GPO publishes these digital products on FDsys.

In addition to the challenge of declining revenue from reduced print demand, GPO faces the challenge of capturing and preserving information for permanent public access in an environment where federal agencies are creating and disseminating government information themselves. GPO is exploring ways to become involved in the digital publication process in a variety of ways, including offering new services, such as advice to agencies on e-Book conversion. GPO is also positioning the agency to move further upstream in the document creation process. GPO provides guidance to other agencies in digitization, content management, creating metadata, preservation, authentication, and search functions.[40] In addition to contracting for publishing services, GPO has established a creative design unit that provides layout and design services to federal agency customers. Furthermore, as publications are becoming increasingly interactive, there may be additional opportunities for GPO to provide digital publishing services to agencies. Together, these efforts will help GPO capture more federal documents for preservation and dissemination.

In general, GPO's statutory authority to manage electronic government information has provided considerable flexibility to date. Although GPO's statute is outdated and precedes current technology, GPO has been able to update operations and introduce new technologies, services, and products. As roles and functions continue to change, however, the statute might need to be updated to facilitate effective action.

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http://newsbreaks.infotoday.com/NewsBreaks/Public-%3Cb%3EPrinter%3C/b%3E-Goes-to-the-HillGPO-at-a-Crossroads-75499.asp

[38] President Barack Obama, *Promoting Efficient Spending*, Executive Order 13589, November 9, 2011.

[39] 44 U.S.C. §4101.

[40] Government Printing Office, *Programs, Strategy and Technology Strategic Plan* (Washington, D.C.), 4.

Digital Authentication (Finding III-2):

GPO follows best available practices for authenticating digital content, and GPO is a trusted source of authentic government information.

The legitimacy of information is at least as important as its availability. Federal agency web content is not authenticated, and therefore can be altered by agency personnel or changed after it is downloaded without detection.

GPO defines authentic content as "the complete and unaltered representation approved or published by the content originator or an authorized derivative with a trusted chain of custody to that representation."[41] GPO's challenge is to ensure that digital content made available through FDsys is as authentic as print documents with GPO's imprimatur.[42]

Technology and trust are two critical aspects of authentication. Digital authentication technology is under development; federal agencies, academics, and professional groups are engaging in projects to find technological solutions. GPO follows best available practices at this time for digital authentication, such as the Certification Project's Trustworthy Repositories Audit and Certification: Criteria and Checklist.[43] Content integrity is assured through digital GPO signatures on portable document format (PDF) files and cryptographic hash values. GPO also is exploring new technologies that will improve federal government authentication processes, such as applying hash tags or digital signatures to content before it is sent to GPO to ensure that GPO is receiving what the originating agency intended to send.

Despite GPO's best efforts, there is no solely technological solution to digital authentication because authentication technologies can be hacked and authentication can be forged. Also, for some digital formats, such as extensible markup language (XML), there is no effective technological method for authentication. Therefore, authentication technologies will work only if there is trust in the third party checking the document for authenticity (the third party is not the originator or the end user). According to library community stakeholders, GPO is a trusted source of government information and attempts to maintain that trust by ensuring that the information it provides is from a trusted repository and the history of the chain of custody is documented.[44]

Depository libraries are another trusted source of authentic information in our society, and those depository libraries willing to host a permanent digital collection can play the role of

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[41] Government Printing Office, *Authenticity of Electronic Federal Government Publications* (Washington, D.C.: June 13, 2011), 4.
[42] Ibid.
[43] Ibid., 5. The criteria and checklist were agreed upon by the preservation community and address the authenticity and integrity of content.
[44] Interviews with prominent leaders in the library community; James A. Jacobs, "Who Do you Trust? The Authentication Problem," *Free Government Information*, Posted on November 2, 2005, http://freegovinfo.info/authenticity; and Government Printing Office, *Authenticity of Electronic Federal Government Publications*, 4.

a trusted third party.[45] In addition, digital copies of government information held by multiple libraries helps ensure information integrity because it would be too difficult for all the digital copies in the depository library system to be tampered with or inadvertently compromised, and automated processes could be used to compare content in different repositories to identify anomalies in documents.[46]

Preservation of the Legacy (Tangible) Government Collection (Finding III-3):

No comprehensive plan or program exists for preserving the legacy collection of government documents. While preservation of the legacy collection is not a GPO responsibility, this issue should be addressed as the FDLP becomes an increasingly digital program.

Regional depository libraries are responsible for maintaining the tangible documents they receive through the FDLP. It is estimated that there are approximately 2.3 million items in the FDLP, but about one-third of the collection has never been cataloged. In addition, individual library collections vary due to a number of factors, including when they entered the program, loss or destruction of printed documents, acquisitions of government documents that were not distributed as part of the FDLP, and so forth. As a result, no definition of a full government collection or the location of specific items currently exists.

Many depository libraries, faced with space constraints, are turning to digitization as one method of preserving the print collection. One goal of digitization is to provide flexibility for depository libraries to dispose of print copies of documents that have been digitized. Regional depository libraries may not substitute a digital surrogate for a tangible FDLP title, while selective libraries may substitute under certain conditions. However, many depository libraries have obtained government documents that were not distributed through the FDLP, and these items are not subject to the same rules as FDLP titles.

Digitization contributes to preservation by providing online access while reducing handling of the print counterpart. However, digitization is not in itself a comprehensive preservation plan for the print collection because digital content is less stable and has a shorter lifespan than print, and there is not yet a consensus on its long-term preservation. In fact, the LC currently recognizes only print and microfilm as preservation standards. A comprehensive plan for preservation of the print collection will require supplementing digital documents with a yet-to-be-determined number of full print collections, in controlled environments and in geographically dispersed locations. There is a danger of permanent loss of information if a significant number of print documents are disposed of before a comprehensive preservation plan is developed.

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[45] James A. Jacobs, "Who do you Trust? The Authentication Problem," *Free Government Information*, Posted on November 2, 2005, http://freegovinfo.info/authenticity.

[46] The LOCKSS (Lots of Copies Keep Stuff Safe) project, administered by Stanford University Library is an example of a network that performs this function for its members.

How digitization is carried out and the digitized products are made accessible deserve careful planning. Digitization is more complicated and costly than simply scanning documents. The digitized content needs to be searchable, discoverable, and authenticated, and there are quality control issues.

There are several digitization efforts that can be built upon and coordinated, including depository and other library networks, LC, and executive branch agencies. In addition, a new OMB/NARA directive instructs executive branch agencies to consider digitizing their collections.[47]

The ingestion of digitized collections into FDsys improves preservation and accessibility. FDsys has this capability and collections digitized by LC and executive branch agencies have been ingested by the system. GPO currently does not allow ingestion of documents digitized by depository libraries into FDsys due to strict standards regarding authentication. Instead, GPO publicizes and supports collaborative digitization projects and digitized collections through its online Registry of U.S. Government Publication Digitization Projects.[48]

Preservation of the Digital Government Collection (Finding III-4):

There is a growing, but incomplete, consensus among stakeholders and experts on the long-term preservation of digital content.

Many stakeholders—including depository libraries, LC, and NARA—have concerns about digital preservation because digital publications and data are less stable and have a shorter lifespan than print products. While printed copies of the proceedings from the First Congress are retrievable, it is unclear if some digital documents created in the last decade can be accessed due to outdated versions of software used in their creation,[49] as well as outdated formats (including floppy disks and microfiche), and hardware incompatibility. Experts are researching and coordinating efforts to develop digital preservation guidelines, and progress is being made, but no consensus or track record currently exists for how best to ensure long-term preservation of digital content. Print or microfilm will need to be a part of the solution for the foreseeable future.[50]

GPO has an important role to play in preserving the digital government collection. In addition to the preservation aspects of FDsys (see below), GPO can help provide guidance to federal agencies on document creation issues related to preservation, including file formats and metadata. As discussed in Chapter II, NARA and LC also have roles to play in digital preservation.

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[47] Office of Management and Budget, and National Archives and Records Administration, *Memorandum for Heads of Executive Departments and Agencies and Independent Agencies: Managing Government Records Directive* (Washington, D.C.: August 24, 2012).
[48] Digitization Projects Registry, http://registry.fdlp.gov/.
[49] Congressional Research Service, *Congressional Printing: Background and Issues for Congress* (R40897; February 9, 2011), by R. Eric Petersen and Amber Hope Wilhelm, 17.
[50] This conclusion is based on interviews with prominent leaders in the library community.

Some depository libraries are also participating in collaborative digital preservation efforts and more libraries are likely to become involved in these efforts; 12 percent of participants in GPO's Forecasting Study of depository libraries indicated that they are interested in preserving and hosting digital content.[51] One such network is LOCKSS (Lots of Copies Keep Stuff Safe), which is run by the Stanford University Library.[52] LOCKSS performs automatic web crawls of FDsys and the 36 members that maintain government document repositories[53] ("LOCKSS boxes") to capture documents for preservation and check for anomalies in the content. FDsys collections include a LOCKSS permission statement to allow the LOCKSS software to perform web crawls and collect content. Replicating FDsys content in multiple library repositories helps ensure that a failure of one repository, including FDsys, will not affect preservation and access. LOCKSS and digital preservation systems of a similar nature could be useful in augmenting the centralized government repository.[54]

Multiple digital collections also guard against documents being withdrawn from the collection without public notice, or being tampered with without detection.[55] Some of the member libraries are depositing digital government documents in "dark archives" with limited access, conducting active preservation, and experimenting with different technologies. These efforts will help ensure that a failure of one technology/repository will not affect collections in other repositories.

Another aspect of digital preservation is web harvesting and archiving. With federal agencies publishing directly to websites, there has been an explosion in fugitive documents.[56] Web content is ephemeral: URLs change, with content being altered or

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[51] Government Printing Office, *Federal Depository Library Program Forecasting Study: Preservation Themes*, (Washington, D.C.), http://www.fdlp.gov/home/repository/cat_view/177-outreach/97-events/101-depository-library-council-dlc-meetings/357-2012-meeting-proceedings.

[52] Libraries participate in a variety of other preservation networks, such as the Digital Preservation Network and Portico, but those networks do not focus on government document collections.

[53] These 36 libraries are members of LOCKSS-USDOCS, a subset the LOCKSS network; other libraries in the network are working together to preserver other types of collections.

[54] In addition, FDsys has a full Continuity of Operations Instance, in a separate geographic location that ensures that the critical functions provided by FDsys will be available in the event of failure of FDsys.

[55] GPO withdraws digital publications from FDsys only at the request of the originating agency or a Congressional Committee/Office. With the exceptions of making corrections to the online *Congressional Record* as directed by Congress and GPO's authority to remove Social Security numbers from congressional publications, GPO does not alter digital publications in FDsys. The concerns of depository libraries and public interest groups are not with GPO's current policies, but with potential future government changes in policies, accidental removal or alterations of FDsys content, or hackers outside of the government withdrawing or changing content in FDsys or other digital archives.

[56] Durant, David, "The Federal Depository Library Program: Anachronism or Necessity?" in *North Carolina Libraries*, North Carolina Library Association (Spring 2003), 30-36. Fugitive documents are documents published by federal agencies that are eligible for the Federal Depository Library Program, but are not included in the program. Print documents are typically fugitive as a result of an agency not going through GPO to procure printing. In the digital era, agencies publish the majority of the information they produce directly on their websites, bypassing GPO.

disappearing altogether without notice. As a recent article in *The Economist* noted, "The rapid turnover of content on the web has made total loss the norm."[57] With changes in administrations, web content turnover is particularly high. There currently is no agreed-upon process for systematically capturing and preserving content on agency websites.

GPO is exploring solutions for identifying and capturing the ever-growing number of fugitive documents through pilot projects with a small number of agencies to test automated web harvesting of government documents. In addition, several depository libraries monitor specific agency websites to identify fugitive documents and report them to GPO. Coordinating these efforts could significantly improve preservation of government information.

Government Information Dissemination and Access (Finding III-5):

The transition to disseminating primarily digital content has changed the dynamic among GPO, depository libraries, executive branch agencies, and the public, as well as led to fundamental questions about the future of the Federal Depository Library Program and the Publication and Information Sales Program.

GPO disseminates government information through FDsys, the FDLP, and the Publication and Information Sales program. The information disseminated by GPO is increasingly digital, which has had profound effects on how information is disseminated and accessed. First, the transition has required both GPO and depository libraries to take on new responsibilities and shift spending to new areas. Second, as federal agencies publish born digital publications, bypassing GPO altogether, GPO's ability to identify and disseminate government information has been challenged. Third, while the public's access to information has improved as a result of electronic dissemination, there have also been some new burdens placed on the public in terms of technological equipment and skills that have negatively affected access.

FDsys

FDsys replaced GPO Access on January 15, 2009. FDsys is considered a significant improvement over GPO Access, and was named one of the "10 Great Government Web Sites" by *Government Computer News* and received an American Business Award. In October 2011, there were over 60,000 FDsys visitors per week, a 300 percent increase over December 2010.[58] By April 2012, the number of weekly visits to FDsys had increased to 190,000.[59] FDsys currently includes more than 40 collections, including the Economic Report of the President, U.S. Courts Opinions, and History of Bills. Six collections are available for bulk download, such as Commerce Business Daily and the annual edition of

[57] "Lost in Cyberspace," *The Economist, Technology Quarterly* Q3 (2012), http://www.economist.com/node/21560992, from the print edition.
[58] Government Printing Office, *Strategic Plan Fiscal Year 2011 Accomplishments* (Washington, D.C.: October 2011), 2.
[59] Government Printing Office, *FY 2012 Mid-Year Strategic Plan Progress Report* (Washington, D.C.: April, 2012), 3.

the Code of Federal Regulations. FDsys also contains a number of other government publications that are not part of an existing collection, such as Supreme Court Nomination Hearings, Independent Counsel Investigations, and Legislative Calendars.

The goal of FDsys is to provide a one-stop shop for authentic, published government documents from all three branches of government.[60] FDsys consists of three systems: content management; preservation repository; and an advanced search engine. Content management ensures integrity and authenticity by securely controlling content throughout its lifecycle. The preservation repository, accessible by GPO personnel only, adheres to archival standards. The advanced search engine combines extensive metadata with modern search technology.[61]

While FDsys is considered an improvement over its predecessor, users would like more functions, improved search capability and navigation, and an expanded collection. The search and retrieval functions can be difficult to use, in part because of the large size of the database, and especially for less experienced users.[62] As the collection continues to grow, functionalities and search capability may suffer further.

GPO is working to address these issues by developing projects with interested agencies to add collections to FDsys. In addition to adding to the collection, FDsys will need to be updated on a regular basis to keep pace with new technologies. For example, the "next FDsys release" is already scheduled and will include new mobile apps and other functionalities. New functionalities include a "search engine refresh" (because the current search engine is no longer supported and there are less expensive options) and an automated preservation tool.[63] In addition, GPO partner agencies are increasingly producing multimedia documents and they will need to be preserved and managed. Therefore, GPO is making investments in FDsys that would allow for the submission, processing, and provision of public access to a combination of text, audio, still images, video, and/or interactive functions.[64] GPO requested the authority to spend $3.89 million from the revolving fund for FY 2013 to expand the FDsys collection and system upgrades.[65] These necessary upgrades are an example of the recurring costs of digital information management; the search engine is obsolete after just three years and there are new functionalities that customers and users want that GPO could not have foreseen three years ago. It is impossible to predict what upgrades will be needed in the future, but GPO needs to be prepared for the "next big thing."

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[60] Government Printing Office, *Authenticity of Electronic Federal Government Publications* (Washington, D.C.: June 13, 2011), 5.
[61] Government Printing Office, *Programs, Strategy and Technology Strategic Plan* (Washington, D.C.: June 25, 2012), 5.
[62] These observations are based on interviews with prominent leaders in the library community and responses to the Academy's FDLP survey. (See Appendix E for list of contacts.) This is a small sampling of the 30 million monthly users of FDsys.
[63] Government Printing Office, *Budget Justification Fiscal Year 2013* (Washington, D.C.: January 2012), G4.
[64] Ibid., G5.
[65] Ibid., A10.

FDsys, like all government IT programs, is dependent on sustained appropriations. (Currently, GPO is providing FDsys services to executive branch agencies and the public free of charge.) However, given the unique role of FDsys in providing permanent public access to authentic government information, it is imperative for GPO to secure long-term, consistent funding for FDsys through cost recovery and/or appropriation to ensure current and future access to government information. Another option would be to explore the funding model of the USAJOBS website, run by the Office of Personnel Management. The USAJOBS site is funded through automatic fees assessed to federal agencies based on the size of the agency. Such a model would not only fund FDsys, but encourage agencies to use this centralized service, given the fact that they have already paid to use it. A more sustained source of funding will ensure sufficient funds are available to maintain and upgrade the system as needed, as well as expand its collection. Also, as the collection expands, the system may need upgrades to incorporate state-of-the-art search and other functions.

When GPO Access was launched, GPO charged users for access to digital content. The problem was that the administrative costs of collecting payments were higher than what GPO could charge. Also, there was resistance from public interest groups and other stakeholders. Free access of government information is an important tenet of a democracy. However, GPO has always charged for printed publications to recoup costs (see Publication and Information Sales, below). In addition, access to FDsys content could be provided free of charge through the depository libraries, similar to how the public can access print documents through the libraries free of charge.

Now may be the time for GPO to revisit charging the public for access to FDsys content. The Academy convened a forum of experts on printing and publishing where this topic was discussed extensively. Participants noted that technologies for online payments have progressed to the point that they cost very little to administer. Also, the public is becoming accustomed to paying fees for government services that used to be free (such as admittance to National Parks). Rather than charge a publication price, GPO could explore charging a small user fee to recoup the cost of providing access to government information on FDsys, or allowing users to view documents for free, and charging for document downloads. Forum participants also discussed the possibility of GPO exploring opportunities for repackaging files and content in different ways and making them available for sale to the public.

Clearly, FDsys has had a significant and positive impact on public access to government information. Posted information is available instantly; users and libraries no longer have to wait for shipments of documents to arrive. The public can access information directly, without having to go to a library or purchase them from GPO. More information is now available to the public, and content can be searched easily and quickly. FDsys can be accessed around the clock, freeing the public from having to adhere to library hours.

However, FDsys cannot meet the needs of all users of government information. Twenty-two percent of American adults over the age of 18 do not use the Internet. The disabled,

poor, and seniors are less likely to get online than other adults.[66] Providing Internet access through libraries does not necessarily solve the problem. Due to large file sizes and slower Internet speeds, download times can be very slow, and libraries impose computer workstation time limits on their users. Also, with budget cuts, many libraries, especially in rural areas, have cut or eliminated weekend hours.[67] Other access issues are lack of user computer skills, not enough computers to meet library patron demand, changing digital formats, and changing URLs.[68] FDsys is one of the GPO training classes depository libraries are most interested in.[69]

Federal Depository Library Program

There are approximately 1,200 depository libraries in the FDLP. The nearly 50 regional depository libraries are required to retain all FDLP documents permanently, in either print or microfiche. The remaining depository libraries are selective and can be choosier regarding which FDLP documents they receive, and are required to retain them for only five years. All depository libraries are required to provide free public access to government documents in their collections.

GPO provides printed documents to depository libraries free of charge. GPO is responsible for the cost of printing and mailing the documents to the libraries. The regional depository libraries are responsible for maintaining the documents and are required to provide permanent public access to them. The costs to the libraries associated with the print collection include processing, maintaining, and storing the documents, as well as providing assistance to patrons. Ownership of the publications remains with GPO.

The FDLP was transformed into a primarily electronic program at the direction of Congress.[70] This transformation has dramatically changed the relationship between GPO and the depository libraries, shifted their responsibilities, and changed program implementation costs for both GPO and the libraries.[71]

Electronic documents provided online by GPO are not physically deposited with depository libraries like their tangible counterparts, although some depository libraries are

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[66] *Pew Internet & American Life Project*, The Pew Research Center, http://www.pewinternet.org/Reports/2012/Digital-differences/Main-Report.aspx?view=all.

[67] House Committee on House Administration, *GPO—Issues and Challenges: How Will GPO Transition to the Future?*, 122nd Cong., 1st sess., May 11, 2011, Testimony of Suzanne Sears, Assistant Dean for Public Services, University of North Texas, 109.

[68] Government Printing Office, *Federal Depository Library Program Forecasting Study: Preservation Themes*, (Washington, D.C.: October 17, 2012), http://www.fdlp.gov/home/repository/cat_view/177-outreach/97-events/101-depository-library-council-dlc-meetings/357-2012-meeting-proceedings.

[69] Government Printing Office, *Federal Depository Library Program Forecasting Study: Summary Discussion & Future Roles*, (Washington, D.C.: October 18, 2012).

[70] Legislative Branch Appropriations Act, 1996 Public Law 104-53.

[71] For example, the year government documents were first made available online (FY 1995), the cost of printing and distributing documents to the FDLP was approximately $26 million in FY 2011 dollars. GPO's request for these activities for FY 2013 was $8.5 million. Savings from these activities have been shifted to fund FDsys. (See GPO's FY 2013 Budget Justification for more information.)

voluntarily hosting digital content for preservation purposes. GPO is providing access through FDsys and the Catalog of Government Publications. Under this scenario, GPO is now responsible for the recurring costs of:

- identifying, acquiring, and cataloging digital content;
- providing permanent links to digital content controlled by other agencies;
- converting digital content to current and accessible formats; and
- providing public access to digital government publications.

Libraries are now primarily responsible for providing access to electronic collections on FDsys and other government databases (although GPO also distributes tangible copies of government documents to depository libraries, which regional libraries are responsible for maintaining). While this approach has eased pressure on space requirements, especially for selective libraries, libraries now have the additional burden of providing appropriate technology (hardware, software, and high-speed Internet connection), and patron assistance in locating and utilizing digital government publications. As discussed previously, because many libraries are wary of a system where storage and preservation are centralized with the federal government, they are voluntarily taking on additional responsibilities, such as downloading and preserving government documents.

These changes give rise to questions regarding the continued relevance and viability of the FDLP. Now that all libraries have equal access to FDsys, and the public can access online government information free of charge, what role, if any, should the FDLP play in providing permanent public access to government information? What are the benefits to the depository libraries of staying in the program?

Faced with these changes and questions, GPO and the depository libraries have embarked on a project together to develop a new vision for the FDLP. GPO's forecasting study, which is in process, has systematically collected information from individual libraries and at the state level. The Forecasting Study is expected to culminate in a national plan for the FDLP. The results of the study are preliminary, but combined with interview data and results of the Academy's own survey of depository libraries (see Appendix E), it is clear that most depository libraries want changes in the program even as they see value in continuing to participate. Libraries value the opportunities to collaborate with each other and GPO, as well as the support (such as training) that GPO provides. Major issues that depository libraries want to have addressed include program governance (depositories want more flexibility in the program),[72] preservation, digitization, access, harvesting federal agency

[72] An example is the Centers of Excellence model being implemented by the Association of Southeastern Research Libraries (ASERL), in which libraries have agreed to take the lead in developing agency-specific collections (such as Department of Education). ASERL's approach has resulted in increased coordination among libraries and visibility for underused collections. See Association of Southeastern Research Libraries, *Southeast Region Guidelines for Management and Disposition of Federal Depository Library Collections*, July 2012, 5.

web content, training and education, and cataloging and bibliographic control.[73] Libraries are also generally positive regarding the job GPO is doing, considering its operating environment, but would like to see GPO have more authority and resources.

Based on the needs and viewpoints of stakeholders expressed to date, as well as where the program is headed, it is likely that the "new" FDLP will provide more flexibility for depository libraries and have an increased focus on the provision of services. Depository libraries will be the trusted sources of authentic government information and expert assistance on locating and utilizing online government information. In addition, depository libraries will continue to enter into mutually-beneficial partnerships with GPO and/or other libraries to work collaboratively on issues such as digital preservation, cataloging and digitizing the print collection, developing a comprehensive plan for preserving the print collection, and identifying fugitive documents. Some of these changes will be costly to implement and may require libraries to shift resources from current FDLP activities.

The increased reliance on digital publication across the federal government has also significantly impacted GPO's ability to capture government documents for dissemination through the FDLP. By law, any federal agency print publications not ordered from GPO must be provided to GPO for distribution to depository libraries. The only exceptions are documents determined by the originating agency to be for official use only, strictly administrative or operational in nature (and thus having no public interest or educational value), "cooperative publications" (publications which must be sold to be self-sustaining), and classified documents.[74] When the majority of federal government publications were printed, there was a fairly seamless process for GPO to use print orders to identify documents for the FDLP program.

Now, agencies completely bypass GPO by publishing digital documents on their own and posting them on websites. Agencies do not have a legal requirement to provide digital publications to GPO for inclusion in the FDLP. Fugitive documents have always been a problem, even in the era of print, but the problem has grown exponentially as a result of digital publication, with long-term implications for public access.

Publication and Information Sales

GPO also provides access to government publications through sales of various products. It has both a physical storefront at headquarters and an online store. The Publication and Information Sales program used to be under the jurisdiction of the Superintendent of Documents, but now it is under Business Products and Services. Unlike Superintendent of Documents programs, the Publication and Information Sales program is revenue-generating and is not funded by appropriations. However, there is a dotted-line report on

[73] Government Printing Office, *Federal Depository Library Program Forecasting Study: Summary Discussion & Future Roles* (Washington, D.C.: October 18, 2012), http://www.fdlp.gov/home/repository/cat_view/177-outreach/97-events/101-depository-library-council-dlc-meetings/357-2012-meeting-proceedings.
[74] 44 U.S.C §1902.

the organizational chart to the Superintendent of Documents reflecting the role of the sales program in information dissemination.

The Superintendent of Documents can order reprinting of documents with the permission of the head of the originating agency, using the revolving fund to cover the cost. The revolving fund is then reimbursed for printing costs with sales revenues. With most government information available to the public for free online, there has been a steep decline in publication sales and revenues. GPO responded to reduced sales by adopting a print-on-demand model and researching and actively pursuing new markets.

In 2004, GPO held a meeting to gather input from representatives of other federal agencies, the FDLP, and the information/publishing industry on the future of the program. GPO's assumption at the time was that "there is both a genuine need and a real opportunity for a healthy Sales Program that recognizes the interests of the library community and those of the information industry and can assist publishing agencies in the proactive dissemination of their information to the public."[75] Meeting participants agreed that Publication and Information Sales has an important role to play in government information dissemination.

The Publication and Information Sales program is actively pursuing new services to improve its revenues and continue its support of public access to information. For example, the program has entered into agreements with Barnes and Noble, Amazon.com, and Google books to offer e-Books to the public on a profit-sharing basis. In addition, the program worked with the Veterans Health Administration to produce a federal e-Magazine, *The Journal of Rehabilitation Research and Development*. This first effort at e-Magazine publication was a success and may lay the groundwork for future opportunities in this area. GPO has made a policy decision not to sell mobile apps that have been developed and released to date.

Publication and Information Sales also runs the storage and distribution operations located in Pueblo, Colorado and Laurel, Maryland. These facilities perform several functions, including taking and distributing orders for executive branch clients and the Publication and Information Sales program. GPO also recently moved its FDLP distribution operations to Laurel, which incurred some initial costs, but will free up space at headquarters for leasing.

The Laurel and Pueblo facilities have excess capacity (in Laurel, the warehouse is filled at 85% capacity, but more storage space could be realized by reconfiguring inventory). GPO is actively marketing its storage and distribution capabilities, seeking additional executive branch agency customers that are under budget cutbacks and financial strains and would entertain optional arrangements for storing documents, fulfilling orders, and distributing documents.

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[75] Government Printing Office, *Summary of Meeting on the Future of the GPO Sales Program*, (Washington, D.C.: March 16, 2004), 4.

Despite efforts to streamline operations, cut costs, and pursue new markets, the Publication and Information Sales program is unable to consistently cover costs and GPO recognizes that there is a need for continued identification and development of new services and products for agencies and the public.

Cataloging and Indexing Program (Finding III-6):

GPO cataloging and indexing insures federal government information is discoverable.

Significant cataloging and indexing of government documents are needed for ease of access and inventory management. In 1996, GPO estimated that approximately 50 percent of government documents were not cataloged, indexed, or distributed to depository libraries.[76] With the vast majority of government documents now born digital and posted on agency websites, the current percentage of government publications that are fugitive is unknown, but can be assumed to be higher than GPO's 1996 estimate. Unfortunately, posting information on a website does not mean citizens can find it. Given the federal government's enormous web presence and the tendency for URLs to change, finding government documents on agency websites can be very challenging, even for Internet-savvy users. Cataloging and indexing makes government publications discoverable.

Cataloging the legacy collection is also the first step in preserving that collection; there is a need to define the collection in order to identify what needs to be preserved. Cataloging the full collection will need to be a collaborative effort because library collections vary depending on when they entered the program and other factors.

GPO's goal is to expand the online Catalog of Government Publications to make it more comprehensive, including historical and electronic documents. Activities to expand the Catalog include increased harvesting of born-digital federal documents and expanding cataloging record services to depository libraries.[77]

Based upon the six findings above, the Panel has five recommendations to help GPO continue to overcome the challenges of digital publication to its mission of keeping America informed. These recommendations are presented and discussed below.

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[76] General Accounting Office, *Information Management: Electronic Dissemination of Government Publications*, GAO-01-428 (Washington, D.C.: March 2001), 5.
[77] Government Printing Office, *Budget Justification Fiscal Year 2013* (Washington, D.C.: January 2012), F3.

RECOMMENDATION 2

To ensure GPO can carry out its mandate of providing permanent public access to government information, the Panel recommends that GPO enhance its position and capabilities by offering an expanded set of services to executive branch agencies on a cost recovery basis. Such services could include content management, metadata creation, authentication, preservation, and cataloging—all of which contribute to the lifecycle management of government information. In addition, the Panel recommends that GPO develop strategies to encourage executive branch agencies to provide publications to GPO to enable permanent public access.

To implement this recommendation, GPO should:

- collect data on the demand for GPO performing these services for the federal government and share them with Congress, OMB, and other executive branch agencies;
- fast-track the development of services that could be marketed to executive branch agencies;
- build on collaborative efforts with other federal agencies to encourage demand for these services;
- work with OMB and NARA to ensure that the new senior agency officials responsible for records management in each executive branch agency understand their legal obligation to provide print government publications to GPO for distribution to the FDLP;
- conduct outreach to new records management senior agency officials on GPO's unique capabilities and to demonstrate the benefits of providing digital publications to GPO for inclusion in FDLP and/or FDsys;
- develop incentives for agencies to provide digital publications eligible for inclusion in the FDLP collection to GPO; and
- continue and expand the web harvesting pilot project if the initial phase proves successful.

RECOMMENDATION 3

To safeguard the historical documents of our democracy for future generations, the Panel recommends that GPO work with depository libraries and other library groups to develop a comprehensive plan for preserving the print collection of government documents. The Panel recommends that the plan include cataloging, digitizing, and preserving tangible copies of government publications, a timeline for completion, and options for supporting the effort financially, as well as a process for ingesting

digitized copies into FDsys. Congress should appropriate funds for the purpose of cataloging, digitizing, and preserving the government collection.

To implement this recommendation, GPO should:

- develop a budget strategy for cataloging, digitizing, and preserving the government collection and provide that strategy to Congress;
- help create and support collaborative library networks for the purpose of cataloging the print collection;
- build on existing collaborative digitization projects and coordinate with other federal agencies to avoid duplication of effort;
- provide standards and training in digitization to depository libraries; and
- develop and adopt a policy that recognizes the authenticity of digitized content submitted by federal depository libraries that have entered into a formal agreement with GPO, and ingest this content into FDsys.

RECOMMENDATION 4

To ensure the long-term preservation and access of digital government publications, the Panel recommends that GPO and Congress explore alternative funding models for FDsys that ensure a stable and sufficient funding source.

To implement this recommendation, GPO should:

- build on its successful partnerships with legislative, executive, and judicial branch agencies that have resulted in an expanded FDsys collection to market FDsys services to additional agencies; and
- consider options such as reimbursement for services; fees for end users; dedicated appropriations; and/or an automatic charge to agencies, depending on size, to encourage agencies to take advantage of GPO's existing infrastructure and cover the cost of the services being provided by GPO (similar to the fee-based structure of USAJOBS).

RECOMMENDATION 5

To preserve the relevance and viability of the FDLP, the Panel recommends that GPO continue to collaborate with depository libraries and the library community to develop a national strategic plan for the program that gives libraries the flexibility and tools they need to provide permanent public access to government information in the digital age. Once GPO and the depository libraries have developed a vision for the future direction of the FDLP, it would be appropriate to conduct an analysis of the advantages and disadvantages of maintaining the geographic structure of the depository library system in an era where access is not tied to state and congressional district boundaries.

RECOMMENDATION 6

To ensure the Publication and Information Sales program continues to play a role in information dissemination and is able to recover costs, the Panel recommends that GPO continue to aggressively research and expand into new markets.

To implement this recommendation, GPO should:

- explore opportunities to recover the costs of developing mobile apps and other derivative products from federal agencies;
- continue market research to determine agency and customer needs and services GPO could provide, such as e-Books and e-Magazines; and
- continue intensive marketing of storage and distribution operations to fully utilize available space and maximize revenues.

CHAPTER IV: GPO'S BUSINESS OPERATIONS AND FINANCIAL OUTLOOK

GPO has improved its current and short-term financial outlook, but will continue to face challenges given declining print demand. GPO has worked to diversify its revenue streams by expanding its provision of secure federal credentials. GPO has a narrow window of opportunity to pursue strategic revenue-generation and cost-saving initiatives.

This chapter focuses on GPO's major business operations—its two print operations and Security and Intelligent Documents. Together, these business operations accounted for 94 percent of total contribution margin in FY 2012.[78] GPO performs its printing function through a mix of in-house production managed by Plant Operations and procurement managed by Customer Services. Most GPO printing is procured from the private sector—accounting for almost two-thirds of all printing in FY 2012. Most printing for the executive branch is procured by GPO. GPO performs almost all congressional printing (99 percent) in-house. In addition to printing for Congress, GPO performs printing required under Title 44 for three other groups: the Office of the Federal Register (OFR), the Federal Depository Library Program, and the Publication and Information Sales program. Printing for all four groups accounted for 87.5 percent of total printing performed in-house between FY 2009 and FY 2012.

Additional printing requested by the executive branch (not including the OFR), as well as congressional agencies and the judicial branch, is performed in-house to help use capacity and recover the costs of the equipment and labor needed to meet congressional printing demands. Customer Services, in consultation with Plant Operations, makes the final decision on whether the printing is done in-house. That decision is driven by GPO's in-house capacity, since GPO plant always needs to be available to respond to congressional printing needs.

The Security and Intelligent Documents (SID) business unit is responsible for designing, manufacturing, and distributing secure government credentials for federal agencies. In FY 2012, SID's revenue was $179.5 million, which represented approximately 25.7 percent of GPO's total revenue. SID's operations are organized around U.S. passports for the State Department and smart cards,[79] for a range of federal agency customers. The original and largest customer is the Department of Homeland Security (DHS): GPO produces Trusted

[78] "Contribution margin" is a term specific to GPO. Contribution margin equals business unit revenues minus business unit expenses (direct and indirect). Contribution margin is the margin available to contribute to GPO overhead costs.

[79] The term "smart card" generally refers to a plastic card with an embedded integrated circuit capable of storing and processing information. See Government Accountability Office, *Personal ID Verification: Agencies Should Set a Higher Priority on Using the Capabilities of Standardized Identification Cards,* GAO-11-751 (Washington, D.C.: September 2011).

Traveler and Global Entry[80] cards for Customs and Border Patrol and Personal Identity Verification (PIV) cards[81] for seven DHS agencies to comply with Homeland Security Presidential Directive-12. Other customers include the Department of State (family of secure diplomatic credentials) and the Federal Bureau of Investigation (credentials for special events).

This chapter assesses the financial impact of declining print demand on GPO's print operations, GPO's efforts to adjust, the government-wide benefits of GPO performing printing for the executive branch, the importance of SID to the financial health of GPO, and GPO's efforts to diversify its revenue streams.[82] It contains nine findings in the following areas:

1) improvement in GPO's financial position
2) GPO's longer-term financial outlook
3) financial status of Plant Operations
4) Plant Operations' efforts to reduce costs
5) impact of declining demand for procured printing on Customer Services
6) government-wide benefits of executive branch printing
7) recovery of government printing business
8) financial reliance on the U.S. passport business
9) opportunity offered by smart card business to diversity revenue stream

Each finding is discussed in more detail below. The chapter concludes with four Panel recommendations.

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[80] The Trusted Traveler Program is a joint Canada-U.S. program designed to let pre-approved, low-risk travelers cross the Canada–U.S. border quickly. The Global Entry program is a pilot program that allows pre-approved, low-risk air travelers to receive expedited clearance upon arrival into the United States.

[81] Personal Identity Verification cards are a specific subset of smart cards. PIV refers to smart cards that comply with National Institute of Standards and Technology's Federal Information Processing Standards, which have been adopted as a requirement for federal agency credential programs directed by Homeland Security Presidential Directive-12 issued in 2004. PIV cards are intended for use by agency employees and contractors to control access to government facilities and systems. (See Government Accountability Office, *Personal ID Verification.*)

[82] Given the Panel's view that the Government Printing Office performs a critical governmental function, as well as the uncertainty associated with the federal government's long-term strategy for managing digital information, it was neither feasible nor necessary to do a detailed analysis of the future costs and revenues that might be associated with different ways of organizing the federal government's printing and dissemination functions. This review did conduct a detailed examination of the financial challenges facing GPO and its efforts to adjust, and it identified major opportunities for expanding product lines that may increase revenue (discussed in this chapter) and achieving further operational cost savings (discussed in Chapter VI).

Improvement in GPO's Financial Position (Finding IV-1):

The employee buyout and other cost-reduction measures have greatly improved GPO's financial position, but GPO faces ongoing financial challenges.

Going into FY 2011, GPO was burdened with high business unit personnel costs and rising agency-wide overhead costs. High business unit personnel costs reflected in part a workforce sized to support larger and less automated operations.

GPO's high overhead cost is due in large part to the cost of operating and maintaining old, obsolete facilities sized for much larger World War II era operations. Facilities cost is the largest component of GPO overhead (30 percent in FY 2011). The facilities component of GPO overhead has been a particular burden on Plant Operations, which was charged for two-thirds of the total based on the proportion of space it occupies plus a proportional share of unoccupied space. GPO overhead also includes the cost of mandated programs—the Office of the Inspector General (OIG) and the Equal Employment Opportunity (EEO) office—that is paid out of appropriations in other agencies. (See Appendix F for summary data on GPO overhead components and allocation across business units in FY 2011.) In addition to high overhead costs, GPO must bear the cost of the long-term liability for workers' compensation.[83]

GPO overhead includes the cost of the following:

- executive offices;
- quality assurance;
- mandated programs;
- national account managers;
- finance;
- acquisitions;
- information technology and systems;
- human capital;
- security services; and
- facilities.[84]

From FY 2008 to FY 2010, GPO overhead rose by 11 percent from $117.2 million to $130.1 million. The burden of GPO's high cost structure was magnified by relatively steep declines in print revenue. GPO has experienced relatively steep declines in print demand in recent years resulting from a number of factors including tightening agency budgets and

[83] GPO bears the cost of the long term liability for the Federal Employees' Compensation Act Program, for which other agencies receive appropriations. In his most recent Semiannual Report to Congress, the GPO Inspector General has identified the imposition of these unfunded costs--accrued long-term workers' compensation benefits--as putting GPO's financial management at risk from unexpected increases in Department of Labor estimates of FECA liability. See GPO, Office of Inspector General, *Semiannual Report to Congress April 1, 2012 through September 30* (Washington, D.C.: November 2012), 7-8.

[84] In FY 2011, the composition of facilities costs were as follows: personnel—63 percent; utilities—26 percent; materials, depreciation, and contracts—11 percent.

Executive Order 13589 in November 2011 directing agencies to cut print expenses.[85] These declines have put financial pressure on both Plant Operations (in-house production) and Customer Services (print procurement), but have impacted Customer Services most severely due to its model for cost recovery.

GPO has relied heavily on SID's contribution margin[86] to help cover GPO overhead. This is a function of the relative financial performance of SID. With the exception of the facilities costs discussed earlier, the allocation of overhead costs across business units is driven by net revenue.[87]

GPO estimates that the employee buyout in FY 2011 will allow it to reduce agency-wide overhead to $120 million, close to its FY 2008 level. The buyout enabled even larger savings in business unit personnel costs, with savings concentrated in Plant Operations and Customer Services. Savings from the buyout are realized in FY 2012 and FY 2013--with the larger part still to be realized in FY 2013. (See Table 2 below.) This has improved GPO's financial situation by lowering its cost structure going forward and raising its net operating income.[88] (See Appendix G for summary financial data, including net income, at the business unit level from FY 2008 through FY 2012.)

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[85] Barack Obama, *Promoting Efficient Spending*, Executive Order 13589 (November 9, 2011). This Executive Order calls upon agencies to reduce the amount of printed material in favor of electronic publishing.

[86] The contribution margin reported for SID includes the capital that State Department provides for investment in the passport operation over and above the price it pays for passports (which includes profit margin). However, State Department capital can only be used for investment in passport operations. It is kept separate from the general pool of money in the revolving fund that may be used to fund GPO overhead and investment in other operations.

[87] Net revenue equals business unit revenue (excluding pass through costs) divided by the sum of GPO business units' revenue. Pass through costs include revenue from commercially procured printing, direct mill shipments, blank paper sales from inventory, and postage charged to products. These items are completed goods upon receipt by GPO or GPO's customer agency. No value is added by GPO employees from an accounting standpoint.

[88] Net operating income for GPO is the difference between total contribution margin and total GPO overhead cost. Positive net operating income adds to the cash available to GPO to make investments and to offset operating losses if necessary. As noted earlier, this excludes State Department capital set aside specifically for investment in passport production.

Table 2. Projected Buyout Savings by Business Unit ($ thousands)

Business Unit	FY 12		FY 13	
	Bus. Unit Expenses (Direct + Indirect)	GPO Overhead	Bus. Unit Expenses (Direct + Indirect)	GPO Overhead
Plant Operations	$6,852	$2,833	$9,137	$3,777
Official Journals of Government	241	102	322	136
Security and Intelligent Docs	639	2,061	931	2,747
Digital Media/Creative Services	0	0	0	0
Customer Services	2,347	468	3,130	625
Publications/Information Sales*	1,123	190	1,498	254
Library Services and Content Mgt**	555	447	740	596
Total	$11,818	$6,101	$15,758	$8,135

*Includes savings projected in the Agency Distributions business units
** Library Services operations are funded directly by the Salaries & Expenses appropriation.
Source: Chief Financial Officer, GPO

While the employee buyout has enabled substantial savings, GPO still faces ongoing financial challenges. Overhead is still high and continued decline in print demand will put downward pressure on contribution margin available to cover that overhead. In its financial projections, discussed below, GPO assumes that revenue will decline by 4 to 5 percent for Customer Services and 2 percent for Plant Operations through FY 2019.[89] Consequently, GPO will continue to be heavily reliant on SID's contribution margin to cover agency-wide overhead costs for the foreseeable future.

GPO's Longer-Term Financial Outlook (Finding IV-2):

GPO has a limited period of time in which to address ongoing financial challenges through a mix of strategic initiatives to further reduce costs and generate additional revenue.

GPO is aware of the ongoing financial challenges posed by declining demand for print. GPO has done a projection to estimate the financial implications of these declines and the timeframe within which actions must be taken to ensure continued financial health. Based on this projection, GPO concludes that it has seven years until it will run out of cash in FY 2020. In the meantime, the agency would have cash available to offset operating losses and to fund investment at current levels from the revolving fund through FY 2019.[90]

[89] GPO's model does not allow for projecting net operating income for individual business units, such as Plant Operations and Customer Services. However, it does project business unit revenues, expenses (direct and indirect), and contribution margin (revenues minus expenses). The revenue declines projected even against shares of total GPO overhead reduced to FY 2008 levels will drive increasing operating losses by GPO print businesses, with Customer Services (procured printing) experiencing the largest losses given a greater rate of revenue decline (4-5 percent versus 2 percent for Plant Operations).

[90] GPO projection includes an annual investment of $15 million through FY 2019. GPO typically invests $10-15 million in a given year. GPO has requested congressional authorization to spend $15.5 million from the revolving fund in FY 2013. This does not include investment in the passport business, which the State Department funds as a separate line item each year.

GPO has based its projection on what it contends are conservative assumptions. (Appendix H describes GPO's projection and assumptions.) Examples include:

- A 4-5 percent decline each year in Customer Services revenues. (This is comparable in effect to the 4.8 percent average rate of decline since FY 2007, a period of relatively steep decline.)
- The projected rate of growth in SID does not include additional revenues that are expected from the higher price charged for the Next Generation Passport due to launch in FY 2015 or FY 2016. Also, revenue from smart cards is assumed to remain constant during the projection period.
- No appropriations to the revolving fund ($3.9 million in FY 12), which has been funding GPO's investments in FDsys and IT systems.
- No increase in lease revenue.
- Except for savings from improved balance sheet management (continued reduction in charge-back balance), the projection assumes no cost-savings beyond those to be realized from the employee buyout.

Through the employee buyout and other cost-saving measures, the GPO has bought needed time to pursue strategic opportunities to grow revenue and further reduce costs and thereby ensure its continued financial health and its ability to perform important government responsibilities effectively into the future. These opportunities, such as the development of a new print procurement ordering and management system and growing the smart card business, are discussed later in this chapter and in Chapter VI.

GPO's financial projection is an important step in the agency's strategic planning efforts. However, GPO could benefit from scenario planning in this area. For instance, what are the implications of more severe declines in print revenue?[91] Even if GPO believes this is unlikely, it is not impossible. Chapter VI addresses the importance of scenario planning more broadly.

Financial Status of Plant Operations (Finding IV-3):

Plant Operations' financial position is much improved, but continued declines in print demand will require further cost reduction measures, including possible changes to congressional print requirements.

Plant Operations has been faced with high personnel costs and a large share of GPO overhead due primarily to the high cost of operating and maintaining legacy facilities as noted earlier. Plant Operations experienced a 23 percent decrease in billing from printing for the executive branch (not including OFR) in FY 2011. According to GPO, this decrease is due mostly to a reduction in blank paper sales and the completion of the U.S. Census project that occurs every ten years. Also, agency demand for printed copies of the *Federal Register*

[91] GPO has considered the possibility of more severe declines in print revenue, but has not developed alternate projections.

dropped by over half (53 percent) in FY 2012 following Executive Order 13589 in November 2011, but total billings for OFR printing went up by almost 10 percent in FY 2012.[92] (See Table 3 below.)

Table 3. Plant Operations Billings by Customer Group
($ thousands)

Customer Group	FY 2009	FY 2010	FY 2011	FY 2012 (est.)
Congress	$83,334,993	$92,231,894	$79,401,289	$89,298,766
Office of the Federal Register	53,963,028	52,217,410	51,804,241	61,076,236
Depository Library Program	5,620,702	5,131,458	5,228,266	6,380,055
Publication and Info. Sales	2,060,096	1,584,680	952,572	1,123,011
Other Executive Branch	22,288,486	22,069,449	16,945,165	16,553,082
TOTAL	$167,267,305	$173,234,891	$154,331,533	$174,431,151

Source: Plant Operations, GPO

In FY 2011, Plant Operations covered both its direct and indirect expenses, and generated a $44.3 million contribution margin, but ran an overall operating deficit of $7.6 million after accounting for its GPO overhead charge. The employee buyout significantly reduced Plant Operations' personnel costs as well as its GPO overhead burden. Plant Operations' operating deficit was reduced by more than a third to $5 million. The unit's financial situation will benefit further from the buyout when the larger remaining portion of savings is realized in FY 2013.

Plant Operations' primary customer is Congress, but its business model depends on printing and publishing for OFR and other executive branch customers to spread the cost of capital and labor needed to meet congressional printing demands.[93] However, the impact of declining executive branch demand for print on Plant Operation's contribution margin is limited for two reasons. First, cost recovery for in-house printing, including printing for the OFR and other executive branch agencies is not tied primarily to the size of the print job as in the case of procured printing.[94] Second, executive branch printing (not including OFR) accounts for only a small percentage of total in-house printing revenues (12 percent on average between FY 2009 and FY 2012).

[92] GPO attributes the majority of the increase in billings to OFR in FY 2012 to the collection of unpaid bills from prior years.
[93] The daily printing of the *Congressional Record* and the *Federal Register* run on the same presses. Additional executive branch printing helps utilize labor when not needed to meet congressional print demands.
[94] Customer Services levies a 7 percent surcharge on the cost of procured commercial print jobs up to $20,000 in total surcharge and 0.5 percent thereafter.

While its financial impact is limited, declining executive branch demand for printing will place downward pressure on Plant Operations' contribution margin, which GPO projects will decrease by 2 percent annually through FY 2019.

Plant Operations' Efforts to Reduce Costs (Finding IV-4):

GPO continues to consider ways to reduce cost by increasing the efficiency and flexibility of its in-house print operations, but eventually further cost-savings may require adjustment by congressional users.

GPO has been proactive in taking steps to increase the efficiency of Plant Operations, while improving the quality and sustainability of printing products and processes. These steps include:

- consolidating operations to free up space for leasing;[95]
- using the employee buyout to streamline the management structure and to establish an engineering group to help improve efficiency and flexibility;
- planning for investment in new, more efficient equipment (such as presses) and production systems (such as information systems);
- securing and maintaining best-in-class certifications;[96] and
- cross-training employees to enable more flexible allocation across jobs.

Further cost reduction may be realized through a continued shift from paper to electronic delivery of congressional documents. To place the potential for cost savings in context, however, pre-press processes (actions that must be taken before a document can be printed or even be made available digitally) constitute approximately two-thirds of total production cost of the *Congressional Record*. This limits the application of cost saving measures to just one-third of total cost.

Plant Operations already has reduced costs by obtaining voluntary reductions in demand by congressional stakeholders for printed copies of the *Congressional Record*. While further reductions in demand for printed copies of the *Congressional Record* would enable additional cost savings, these savings will be more limited due to the large reductions in demand already achieved. Greater cost savings could be achieved by ending the requirement that print copies of the *Congressional Record* be available at the start of business each day. Ending this requirement would reduce overtime production costs and enable savings from more efficient utilization of labor across print jobs produced in-house. In coming years, ongoing advances in printing technology may offer an opportunity to realize this option,[97] if congressional stakeholders are willing to rely on electronic copies.

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[95] Plant Operations stands to be the chief beneficiary of consolidation and leasing given its space footprint and allocation of GPO facilities costs.

[96] Certifications include IDEAlliance G7 Master Printer, ISO 3664:2009, ANSI/NISO/LBI Library Binding Standard Z39.78-2000, and Sustainable Green Printer.

[97] Current printing technology alternatives have not been determined to enable printing to archival standards required to support long-term preservation of print copies. The GPO is already moving forward with investment in new off-set presses based on current requirements. However, the return on this investment is

Electronic copies of the *Congressional Record* would continue to be available at the start of business on a daily basis. Also, there are opportunities to develop alternative ways to provide convenient access such as mobile applications. For instance, GPO has already developed a *Congressional Record* iPad app for the Library of Congress.

Impact of Declining Demand for Procured Printing on Customer Services (Finding IV-5)

Declining demand for print has had a greater financial impact on Customer Services than Plant Operations. After meeting customer resistance to raising the surcharge on print jobs, GPO took important steps to reduce operational costs of Customer Services and to improve service to customers.

Customer Services has faced relatively steep declines in print revenue, which fell by 23.9 percent from FY 2007 to FY 2012. This decline severely impacted Customer Services due to a high cost structure, including a workforce sized to support a larger and less automated business, and a cost recovery model tied directly to the size of print jobs.

In FY 2011, Customer Services covered both its direct and indirect costs, and generated a $1.3 million contribution margin, but ran an overall operating deficit of $8.8 million after accounting for its GPO overhead charge. Savings from the employee buyout allowed Customer Services to reduce this deficit by 48 percent in FY 2012. Even larger savings from the buyout will be realized in FY 2013. However, Customer Services will continue to face financial challenges from continued declines in print demand. While the nature and extent of future declines are uncertain, stakeholders and experts agree that demand for print will continue to decline. As noted earlier, GPO's financial projection assumes that Customer Services' revenue will decline by 4 percent in FY 2014 and 5 percent annually through FY 2019.

The recent pattern of decline in demand for procured printing also presents challenges for workforce adjustment. Customer Services' revenue fell by 23.9 percent between FY 2007[98] and FY 2012, while the number of print jobs dropped by only 16.1 percent during this period. If this pattern of decline continues, Customer Services' ability to adjust through personnel reductions will be limited because a similar number of print jobs must be processed. This suggests the need for changes in process and technology.

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five years. During this time, printing technology alternatives that are both more efficient and capable of printing to archival quality standards may become available.

[98] FY 2007 was chosen as the base year for this comparison because it is closer to the average of past procured print revenues.

Table 4. Percentage Changes in Procured Print: Revenue versus Jobs

FY	Total Revenue	% Change Yr to Yr	# of Print Jobs	% Change Yr to Yr
2001	$431,901,856		155,148	
2002	$436,728,349	1.1%	147,783	-4.7%
2003	$409,725,016	-6.2%	142,921	-3.3%
2004	$413,186,501	0.8%	132,085	-7.6%
2005	$429,733,843	4.0%	127,920	-3.2%
2006	$416,172,739	-3.2%	*124,299	-2.8%
2007	$436,166,469	4.8%	*115,654	-7.0%
2008	$524,755,069	20.3%	*115,383	-0.2%
**2009	$505,080,490	-3.7%	*116,761	1.2%
**2010	$449,177,361	-11.1%	*116,231	-0.5%
2011	$397,116,053	-11.6%	*114,110	-1.8%
2012 (Est.)	$331,789,966	-16.5%	*96,823	-15.1%

*Number of print jobs includes GPO Express orders.
**Adjusted for cyclical decennial census work.
Source: Customer Services, GPO

In 2009, GPO sought to address the decline in print procurement revenues in part by raising the surcharge on procured print jobs, which has not been raised since 1999. However, agency customers were resistant to increasing the surcharge for print jobs. GPO proposed a rate increase (from 7 to 8.5%) to the Interagency Procured Printing Services Council (Council), which represents agency print customers and advises GPO on policies relating to procured printing. The Council declined to endorse the proposal, citing two primary reasons in its written response to GPO: (1) budget pressures on print programs at customer agencies; and (2) the need for GPO to clearly define and support proposed fee increases. In its response, the Council also indicated that GPO should better communicate the workflow process by which jobs are handled at each stage from acceptance to completion. In our interview with the Council, members made similar points with regard to future proposals, noting that budget pressures remain and print spending was singled out for reduction in Executive Order 13589 in November 2011. Council members also reiterated the importance of improving the transparency of the workflow process as an important improvement for GPO to make before proposing a rate increase.

If the recent pattern of decline in print demand continues, adjustments to the surcharge rate may only provide part of the answer to improving cost recovery for procured printing.[99] It may make sense to consider cost recovery models more like those used for in-house print jobs, which are not tied primarily to the size of the job.

[99] In addition to increasing the surcharge, GPO also proposed an initiation fee that it hoped would incentivize agency customers to use the Small Purchase Agreements program for smaller procurements. Under this program, agencies undertake the procurement themselves within GPO guidelines. This program is intended

Given customer resistance to increasing the surcharge, GPO has focused on efforts to reduce operational costs of Customer Services and to improve the services it provides customers. Customer Services has been cross-training procurement personnel performing business processes. The chargeback team, initially focused on recouping agency payments, is now focused on proactively working with agencies to identify billing problems and develop solutions to reduce the occurrence of chargebacks and thereby improve cash flow and customer relationships.

Also, GPO leadership has made it a priority to develop or acquire a new print procurement ordering and management system and is now planning for investment.[100] The system envisioned by GPO has the potential to dramatically increase process efficiency and enable future personnel reductions (an increasingly pressing issue in light of projected declines in print demand and the recent pattern of decline), improve accuracy (enabling savings from the reduction in billing/payment issues), and improve transparency of procurement and related business processes to customers. This last would address a significant outstanding complaint by customers addressed most recently in the Council's response to GPO's last proposal to increase the surcharge on procured printing orders.

Government-Wide Benefits of Executive Branch Printing (Finding IV-6):

While Customer Services faces financial challenges, GPO's current role as a centralized source of print services to the executive branch provides important government-wide benefits.

The study mandate directed the Academy to examine the feasibility of GPO continuing to perform executive branch printing. In addressing this question, the Panel focused on the GPO print procurement operation through which most executive branch printing is done. The Panel takes a broad view in addressing the question of feasibility, looking at a range of factors including but not limited to cost-recovery. Even if GPO is unable to fully recover the costs of the operation, the Panel believes three important considerations justify GPO continuing to perform this function:

(1) customer satisfaction;
(2) open competition for government print work; and
(3) capture of federal agency documents for inclusion in the FDLP and FDsys.

The most recent customer satisfaction survey conducted by GPO in August 2011 showed that 92 percent of respondents were satisfied with their primary customer service team at GPO. This is a very high satisfaction rate. Members of the Council interviewed generally

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to reduce GPO processing costs by shifting processing of smaller procurements to agency customers. The program offers an offsetting benefit of flexibility to agency customers. The Council also refused to endorse this fee increase taking the position that it would impose undue costs on agency customers and possibly lead to a shift from printing to web publishing.

[100] GPO has issued a Request for Information to learn more about industry capabilities and options for achieving desired goals for system. A make/buy decision is expected during the first quarter of FY 2013.

indicated that they were very satisfied with GPO's procured printing services, emphasizing GPO's proactive response to addressing problems with the billing process, which was the chief concern expressed by customers in the 2011 survey. These problems appear to have been resolved for the most part.

Another important factor to consider in assessing the feasibility of GPO continuing to perform executive branch printing is the relative cost to the government of providing print services. Unfortunately, there are no current comparative cost analyses available; the most recent was conducted over 20 years ago.[101] However, Council members interviewed expressed the view that it is more cost-effective for GPO to procure printing than it would be for agencies to do it themselves. They emphasized that even if agencies were not required by statute to obtain print services through GPO, it would not make sense in most cases for agencies to do otherwise given the distinctive features of GPO and the expense of replicating similar procurement capacity in other agencies.

Industry stakeholders emphasized a different, but closely related benefit. The centralized print procurement system administered by GPO ensures open competition. In addition to reducing cost to the government, they emphasize that open competition for agency printing work supports a level playing field for vendors, many of which are small businesses. Small businesses would not have the resources to effectively compete for print work if it were procured by individual agencies.

These benefits are underpinned by key features of GPO. First, GPO is a legislative branch agency and is therefore not bound by the Federal Acquisition Regulation (FAR) that governs executive branch procurement. The Printing Procurement Regulation that applies to GPO allows much greater flexibility. Second, the Printing Procurement Regulation provides for competing smaller jobs that agencies would not need to compete under the FAR. This is especially important given the small size of most executive branch print jobs. Third, GPO maintains a large database of print vendors that includes information about capabilities and past performance. This database—together with a staff with expertise in printing as well as contracting—helps ensure cost competition, reliability, and quality. It has been argued by industry experts that this last feature allows GPO effectively to exploit the price advantages of renting underutilized capacity in the printing industry.

As noted in Chapter III, the trend among agencies to publish documents directly to the web instead of printing them has reduced the importance of GPO's government printing function as a means of capturing government documents for preservation and access. However, many important government documents are still printed, if in smaller quantities.

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[101] Past studies include: Office of Technology Assessment, *Informing the Nation: Federal Information Dissemination in an Electronic Age* (Washington D.C.: October 1988); Joint Committee on Printing, *Oversight Hearing on Consolidation of Department of Defense Printing Services*, 102nd Cong., 2nd sess. (August 4, 1992); Joint Committee on Printing, *Review of the Defense Printing Service*, 103rd Cong., 1st sess. (July 15, 1993); and General Accounting Office, *Report to the Chairman, Joint Committee on Printing of the United States: Agency Printing Plants—Choosing the Least Costly Option,* PLRD-81-31 (Washington D.C.: June 19, 1981).

Print services relationships with agencies still help to ensure that GPO captures some of the documents published by these agencies.

Recovery of Government Printing Business (Finding IV-7):

An ongoing Government Accountability Office review of federal agency printing plants may suggest opportunities for GPO to recover significant volumes of government print business currently done outside of GPO.

The possible recovery of government print business is an important longer-term option for GPO to improve the cost-effectiveness of its government printing function and strengthen its ability to perform its core mission of providing permanent public access to government documents. However, to realize this option, a number of issues would need to be addressed. First, what portion of federal government printing and reproduction done independently of GPO should be channeled to GPO? While the President's budget clearly indicates that a large amount of printing and publication does not go through GPO,[102] it is not known what portion of that business is allowed by waivers of Title 44 requirements issued by the Joint Committee on Printing.[103] There is no current record of waivers issued. Second, once the non-exempt portion of federal government printing and reproduction is identified, more would need to be learned about its composition (e.g., in-house versus procured; printing versus duplication) to support an assessment of the financial implications for GPO (contribution to margin) and for the federal government (cost-effectiveness) of channeling that work to GPO. The GAO began a study of federal agency printing plants in September 2012 that will help to address both issues and provide some foundation for a future assessment of what printing might be targeted for recovery by GPO.[104]

The feasibility of recovering the printing and duplication work is also an issue. Since the *Chadha* decision in 1984,[105] there have been repeated challenges to GPO's authority to perform executive branch printing.[106] The most recent was the OMB guidance memo in

[102] The President's FY 2013 Budget shows the estimated FY 2012 federal budget for printing and reproduction at $2 billion, including the legislative branch. GPO billed only an estimated $507 million total for printing and reproduction services in FY 2012.

[103] The Joint Committee on Printing, created by an act of Congress on August 3, 1846 (9 Stat. 114; 44 U.S.C. 101), is composed of five representatives and five senators. It oversees the operation of GPO, whose support is essential to the legislative process of the Congress. The GPO also serves by law as the principal printing organization for federal agencies, and so the Joint Committee generally oversees compliance by federal agencies with laws, rules, and regulations designed to minimize printing costs to the American people.

[104] On April 24, 2012, the Joint Committee on Printing requested that GAO audit the total number of internal printing plants, the total amount of in-plant work produced, and the print procurement practices for all federal departments and agencies. See Gregg Harper, Chairman, Joint Committee on Printing, Letter to the Comptroller General of the United States (Washington D.C.: April 24, 2012).

[105] The Supreme Court's 1983 opinion in *INS v. Chadha* related to separation of powers and opened the door to subsequent challenges by the executive branch to legislative authority over government printing.

[106] In 1984, the Department of Justice issued a legal memorandum advising the Department of Defense (DoD) that it could establish its own printing facilities without prior approval of the JCP as required under Title 44. In 1987, the FAR Council—composed of the General Services Administration, DoD, and NASA—proposed to amend the FAR to allow the agencies to procure their own printing directly instead of using GPO as required

2002 telling executive branch agencies that they were not bound by Title 44 and could procure printing as they saw fit.[107] While all these challenges were eventually dropped, the prospect of further challenges has discouraged any efforts to enforce Title 44.

Financial Reliance on Passport Operation (Finding IV-8):

GPO, which has produced U.S. passports since the 1920s and electronic passports since 2005, is now starting to develop a next-generation electronic passport in partnership with the Department of State. GPO is heavily reliant on contribution margin from its passport business to help cover agency-wide overhead costs.

U.S. passports are SID's premier product line, accounting for 94.2 percent of SID's total revenues in FY 2012. GPO has been in the passport business since the 1920s, but the character and importance of this business changed dramatically with the shift to electronic passports, beginning in 2005. This shift translated into a six-fold increase in revenues between FY 2006 and FY 2007 ($49 million to $223 million). Revenues and contribution margin are expected to increase with the introduction of the next generation of electronic passports due to the higher price State Department will pay per passport for additional functionality.[108]

GPO's passport business unit accounted for 24.2 percent of total GPO revenues, but generated 49.9 percent of total contribution margin in FY 2012.[109] The passport operation bore 35.5 percent of total GPO overhead cost in FY 2012. Based on GPO projections, SID will bear a greater proportion of GPO overhead as the contributing margin generated by the agency's print operations declines.

While such heavy reliance on a single customer would ordinarily be seen as posing a risk, it is important to emphasize that GPO's passport business is anchored by long-term commitments by the State Department to working with GPO as a partner in design and production of the next generation of electronic passports. GPO is an official member of the Next Generation Passport Committee formed in 2011 to design and build the new enhanced passport that is set for launch to the public in the 2015-2016 timeframe. This

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by Title 44. Congress responded to this decision in a series of appropriations bills blocking the implementation of this amendment to the FAR. The proposal was later withdrawn.

[107] In May 2002, OMB issued Memorandum M-02-07, "Printing and Duplicating through the Government Printing Office," instructing agencies that they were not bound by the Title 44 requirement to obtain printing services through GPO and could select printing and duplicating services—based upon the best quality, cost, and time of delivery—available through GPO, the private sector, or other avenues. Public Printer Bruce James, appointed at the end of 2002, proposed an arrangement that would provide agencies with more choice and potentially reduce costs. GPO and OMB reached an agreement in June of 2003 and the OMB directive was withdrawn.

[108] A 30 percent margin is built into the price paid for each passport. The price per passport in FY 2012 was $16. The price per passport is expected to increase to cover the cost of additional functionality that will be required in the next generation passport.

[109] The percentage of passport business revenues and contribution margin was calculated using GPO's reported "revenue group contribution margin" figures. The percentage of total contribution margin was calculated after excluding State Department capital provided for investment in passport production.

product has at least a ten-year life cycle. Also, over the past two years, the State Department has provided GPO with $34 million in capital for investment to purchase and install upgraded equipment to support production of existing and future passports. In October 2012, GPO received an action memo from the State Department approving and directing the agency's work on the next generation passport. GPO is planning to invest $21.7 million in upgraded equipment pending approval from the JCP. In November, the State Department issued another action memo approving an additional $2 million for research and development supporting the next generation passport.

The cost-recovery model for passports reduces the annual and short-term risks to GPO due to variability in the demand for passports. Under the memorandum of understanding between GPO and the State Department, the price per passport is negotiated each year based on the known and estimated costs driven by volumes ordered by State. The memorandum provides for automatic adjustments within a certain range of variability. Therefore, when State orders fewer passports due to unexpectedly low demand then the price per passport paid to GPO is increased to ensure that GPO's costs are covered.

Smart Card Business Offers an Opportunity to Diversify Revenue Stream (Finding IV-9):

The smart card business offers an opportunity for GPO to diversify its revenue stream and generate contribution margin needed to help cover the cost of agency-wide overhead.

GPO's work with the State Department on developing the electronic passport provided the basis for its move into the smart card business. GPO learned that the State Department was thinking about using plastic card technology for passports in the future. GPO decided that it should enter the smart card business in order to build the necessary internal capability to position itself to remain the provider of passports if the State Department decided to adopt plastic card technology in the next generation of electronic passports. As it turned out, GPO was able to secure the next generation passport business, but has also found itself positioned to pursue a growing market for smart cards.

GPO's smart card business is small (5.8 percent of total SID revenues in FY 2012), but growing rapidly. Smart card revenues grew from ($7.3 million) in FY 2011 to ($10.5 million) in FY 2012. Revenues are expected to double in FY 2013 due to the planned expansion of DHS' PreCheck and Global Entry Card pilot program to airports nationwide and a new Department of State smart card program for frequent Mexican travelers crossing the U.S.-Mexico border.

Unlike in the case of passports, GPO is not the sole provider of smart cards. Agencies may obtain smart cards from private sector vendors as well.[110] However, interviewees cite a number of benefits of using GPO that suggest a solid basis for expanding its smart card business with federal agency customers. These benefits include:

[110] GPO is prohibited from bidding against private companies for work competed by federal agencies. However, it is authorized to perform work at the request of federal agencies.

- GPO is better able to focus on meeting customer needs without the distraction of pressure to generate profits.
- It is easier to do business with another government agency because it avoids the cost of going through the federal procurement process and memorandum of understanding arrangements offer greater operational flexibility than standard federal contracting arrangements.
- Agencies have a higher comfort level with the security afforded by production being undertaken within a secure government facility and staffed by cleared federal employees.[111] In addition, GPO is building a back-up production site for smart cards, co-located with the back-up production site for passport, at its facility in Stennis, Mississippi.

The two segments of the federal government smart card business—PIV and non-PIV cards—offer different opportunities for growth. The potential for growth in the market for PIV cards is limited; the market is confined to agency employees and contractors. Also, the market for PIV cards is difficult to enter given the installed base of proprietary systems (e.g., card readers) incompatible with PIV cards offered by other vendors. The market for non-PIV smart cards, which encompasses agency customers/citizens, is larger and offers much greater potential for growth. Also, markets for non-PIV smart cards are easier to enter given the lack of established vendors and proprietary systems. Examples of current non-PIV card programs include the Trusted Traveler and Global Entry card programs for frequent travelers.

SID serves both the PIV and non-PIV smart card markets. However, it is focused on the larger, more open federal government market for non-PIV cards. Possible future opportunities might include using smart cards for Social Security, Medicare, and other large federal benefits programs.

Another large potential market for non-PIV smart cards is state and local governments. GPO reports being approached by state and local governments to provide smart card credentials, such as drivers' licenses. However, it is currently unable to respond to these requests under Title 44, which limits GPO to providing services to the federal government.

Based upon the nine findings above, the Panel has three recommendations to help GPO improve its printing operations and more fully recover costs. These recommendations are presented and discussed below.

[111] GPO elaborated on these security benefits identified by customers interviewed, emphasizing that the smart card operation can leverage security arrangements already in place for passport operation, including the Vendor Secure Supply Chain Program.

RECOMMENDATION 7

To enable further cost reductions, the Panel recommends that Congress consider changes in its demand for print. To assist Congress in this process, GPO should develop estimates of cost savings that could be realized through potential changes in the requirements for printing the *Congressional Record*. GPO should quantify the savings that could be realized through such options as printing fewer copies of the *Congressional Record* or ending the daily start-of-business print requirement while continuing to provide electronic access.

RECOMMENDATION 8

To continue to realize the government-wide benefits identified in its analysis, the Panel recommends that GPO continue to perform executive branch printing, while further reducing costs and improving customer service through initiatives such as developing and implementing a new electronic print procurement ordering and management system.

RECOMMENDATION 9

To generate additional revenue, the Panel recommends that GPO continue to pursue smart card business as one option to help cover agency-wide overhead costs while it continues to right-size and transform from a print-centric to a content-centric organization. To assist GPO in growing this business and to leverage GPO's smart card expertise for public benefit, Congress should consider whether to allow GPO to respond to state and local government requests for smart cards.

CHAPTER V: HUMAN CAPITAL PLANNING AND MANAGEMENT

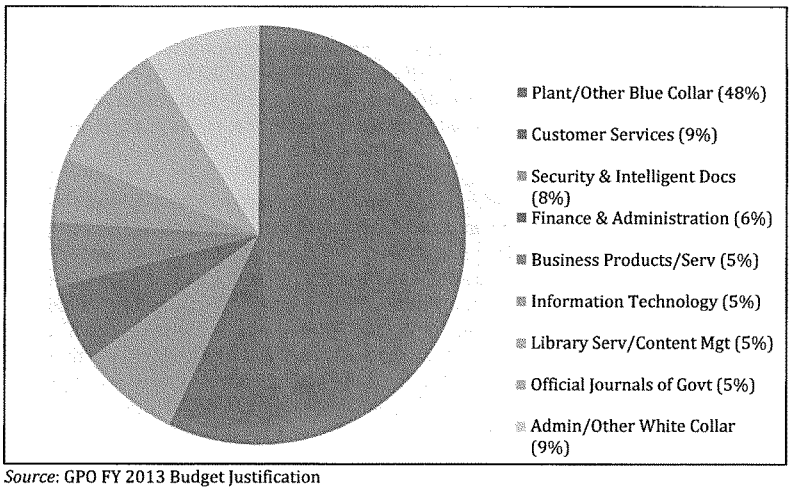
Although GPO has made considerable recent progress in rightsizing and reshaping itself, the agency will continue to face formidable workforce challenges. GPO will need to develop an ongoing human capital planning process and capabilities to enable continued reshaping of its workforce.

The current composition of GPO's workforce reflects the evolving nature of its mission and the means it uses to provide products and services to its customers. Over the years, the agency has faced substantial challenges in effectively managing its workforce during times of increasing fiscal austerity, lean operating budgets, changing technology, and evolving customer needs and expectations. As printing and information dissemination technology becomes progressively more electronic, GPO has increasingly provided digital-based products and services to the Congress, federal agencies, and other customers. At the same time, GPO has attempted to maintain an appropriate balance between traditional printing-related skills and emerging electronic publishing and dissemination capabilities.

In recent years, GPO's workforce has evolved to reflect the increasing needs for business management, marketing, information technology, customer service, and other non-printing related skills as it seeks to become more efficient and competitive in producing, procuring, cataloging, indexing, authenticating, disseminating, and preserving the official information products of the federal government in digital and print formats. Today, GPO's workforce reflects a diverse set of skills, ranging from electricians, machinists, and offset printers to procurement, information technology, and design specialists—a combination of traditional printing production and plant operations jobs coupled with a growing cadre of business, professional and technology-related positions. Although production jobs in GPO's plant have declined over the years, the agency is still heavily unionized with an almost even split between blue collar and white collar occupations.[112]

[112] Government Printing Office, *Budget Justification Fiscal Year 2013* (Washington, D.C.: January 2012), B3.

Figure 3. GPO Blue versus White Collar Workforce Breakdown



Source: GPO FY 2013 Budget Justification

This chapter assesses the current and future state of GPO's workforce, including the extent to which its human capital programs and planning are aligned with and supportive of the agency's strategic plan and contributing to mission success. This chapter contains five findings in the following areas:

1. workforce reduction and reshaping;
2. outreach and communications;
3. future workforce challenges; and
4. human capital planning.

Each finding is discussed in more detail below. The chapter concludes with a Panel recommendation.

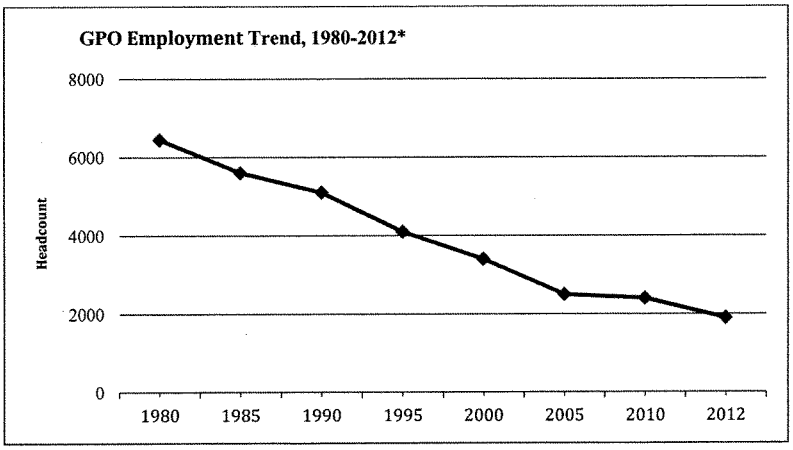
GPO Workforce Reduction and Reshaping (Finding V-1):

GPO has made significant progress in reducing and reshaping its workforce over the past 30 years to improve efficiency and meet organizational needs. The recent buyout program, coupled with sizable reductions in the number of management and supervisory positions contributed significantly to agency staff and cost reductions.

Due to declining revenues and appropriations as well as changes in technology and employee productivity levels, the GPO workforce has been significantly reduced in the past 30 years. During this period, public printers and other GPO leaders have employed a variety of workforce management strategies to downsize and restructure the workforce

through attrition, incentivized voluntary separation programs (i.e., buyouts), retirements, and other voluntary employee separations and redeployments. In 1980, as GPO was completing its conversion to electronic photocomposition, employment stood at approximately 6,450 federal employees. By 1998, the workforce had fallen to approximately 3,400 employees. Today, GPO has approximately 1,920 employees on-board, representing a reduction of approximately 70 percent from its 1980 level. This is the lowest GPO employment level of any time in the past century.[113]

Figure 4. GPO Employment Trend, 1980-2012



Source: GPO FY 2013 Budget Justification

During 2011 and early 2012, GPO embarked on a major workforce downsizing and delayering of management positions in response to serious financial strains. These efforts, although extremely challenging, were successful in reducing the workforce to an affordable level, eliminating unnecessary management and supervisory positions, and consolidating some functions into more efficient organizational groupings. To accomplish these goals, GPO leaders developed a high-level workforce assessment and planning process during 2011. The process required each GPO business unit to submit a plan reflecting their current organizational structure and to develop a new organizational structure with 15 percent fewer employees (or about 330 positions) and 25 percent fewer supervisors while ensuring that critical agency functions were not allowed to be depleted of essential staff strength.[114]

[113] Ibid.
[114] Ibid., A5.

The directors of each business unit then had to present their plan to their peers. In addition to the workforce reduction and structural changes, these presentations had to do the following:

- list and discuss significant products and services and anticipated demand for the 12-24 months post-reorganization period;
- identify similar/identical functions performed elsewhere in GPO;
- identify opportunities to consolidate shifts, locations, and functions; and
- provide a narrative describing the efficiencies associated with a new leaner organization.

These meetings resulted in the creation of individual business unit workforce plans and an agency overall workforce plan consistent with the goals of the downsizing.

To support the downsizing called for in its workforce planning process, GPO conducted a voluntary separation incentive program (commonly referred to as the "buyout" program) in late 2011 to reduce staffing levels and personnel costs. The program was conducted pursuant to the authorization provided by the House Committee on House Administration and the Senate Committee on Rules and Administration in accordance with section 210 of Title III, Division G, of the Consolidated Appropriations Act for FY 2005 (P.L. 108-447).

On June 1, 2011, GPO's workforce numbered 2,232. A total of 321 employees applied for buyouts under the program. GPO did not allow 25 of these applicants to participate because they were in positions deemed to be essential to GPO operations. Subsequently, 49 applicants withdrew from the program, leaving a total of 247 employees who separated from GPO under the buyout by the closing date of December 31, 2011. Between June 2011, when the buyout was first announced, and the end of 2011, GPO experienced a total of 65 other separations from the agency. These included 27 other non-buyout retirements and 38 separations for other reasons. Accordingly, the total number of persons leaving GPO between June 2011 and the end of December 2011 was 312, or nearly 95 percent of the workforce reduction goal for that year. At the end of 2011, GPO's federal workforce stood at 1,920.[115] In addition to the almost 15 percent reduction in staffing levels achieved through GPO's buyout and attrition management efforts, the agency achieved personnel cost savings by reducing the number of higher level managerial and supervisory positions by almost 25 percent. This resulted in a leaner and more efficient agency.

The 247 employees who separated from GPO under the buyout spanned a broad range of occupations (see Table 5) and were paid a total of just over $6 million in separation payments.

[115] Ibid.

Table 5. Employee Buyouts by Occupation

General Occupational Categories	# of Buyouts Granted
Print Related	
Printing Management	30
Printing and Reproduction	26
Bindery Operations	14
Offset Press Operations	19
Platemaking/Composition	10
Administrative	
General Administrative	11
Clerical and Assistant	10
Financial	11
Information Technology	13
Contracting/Procurement	8
Supply	6
Trades	
Warehouse Worker	9
Motor Vehicle Operator	7
Fork Lift Operator	6
Elevator Mechanic	5
Machining	5
ALL OTHERS	57
TOTAL BUYOUTS GRANTED	**247**

Source: GPO Office of Human Capital

The payments were made out of available funds in GPO's revolving fund. Projected savings for FY 2012 resulting from the buyout, based on the remaining three quarters of the year following December 31, were almost $18 million. In FY 2013, GPO expects to realize a full year of savings from the buyout totaling almost $24 million. In addition to the buyout savings, GPO will save another $6 million in FY 2013 based on not backfilling most of the vacancies of other employees who separated from June through December of 2011. Most of the savings will be realized in GPO's revolving fund operations, although some will also be realized in GPO's Congressional Printing and Binding and Salaries and Expenses Appropriations.[116]

In addition to the savings realized through buyouts and delayering of supervisory positions, GPO management has taken other steps to reduce personnel costs. One major action has been the suspension of annual cash performance bonuses paid to employees based on the results of their performance reviews. In lieu of cash bonuses, GPO is granting deserving employees time-off awards and small, achievement-driven "on the spot" cash awards. Also, GPO has taken steps to reduce overtime pay and workplace injury costs. Further, the Chief Human Capital Officer works closely with GPO business units and the

[116] Ibid.

Acting Public Printer to prioritize hiring requests, which has kept staff augmentation to a minimum.

GPO Outreach and Communications Efforts (Finding V-2):

GPO engaged in active and effective outreach, communications, and transparency efforts throughout the downsizing and reshaping process.

Throughout this period of significant workforce transition, the Acting Public Printer and the agency's senior managers engaged in active outreach and communications with the GPO workforce. Recognizing the potential for fear among employees about job security and the future of GPO, agency leaders took proactive steps to minimize uncertainty and reassure workers that the agency would continue to perform its vital functions and that no involuntary separations would result from the downsizing and reshaping initiatives. Further, GPO's workforce is highly unionized (with about three quarters of all jobs in union bargaining units) due to GPO's large percentage of blue collar jobs and a traditional labor culture. Consequently, it has been vitally important for the agency to engage in earnest efforts to keep GPO's twelve different unions informed of workforce downsizing and reshaping changes, including listening to labor-management concerns and providing timely information about planned actions and outcomes.

Communications on GPO's workforce restructuring efforts began in early 2011 and have continued to the present. Several different mediums and forums have been used to keep employees informed. For example, the Acting Public Printer held "Town Hall" meetings with GPO organizations, initiated a "What's on Your Mind" two-way employee communications forum, and restored periodic meetings with union leaders as means of addressing employee concerns and keeping them informed. In addition, GPO has included articles in its periodic newsletter and special information flyers about a variety of workforce and human resources issues. By engaging with employees and their union representatives in a timely and transparent fashion, GPO leadership gained the trust of workers and minimized disruptions to agency operations during a difficult period.

To gauge morale and aid in identifying and responding to worker concerns, the Acting Public Printer has restored the annual employee climate survey. In addition, GPO has established as a major goal in its most recent agency Strategic Plan to make GPO "An Employer of Choice," including promoting, "Work Life programs to meet the changing needs of today's and tomorrow's employees."[117]

[117] Government Printing Office, *GPO's Strategic Plan FY 2013 – 2017, Customer Centric and Employee Driven,* (Washington, D.C.: October 3, 2012), 9.

GPO's Future Workforce Challenges (Finding V-3):

Despite recent progress, GPO faces major future workforce challenges due to a continually changing technological and business environment, as well as shifting skill mix requirements.

Although the recent downsizing was successful in achieving GPO's overall workforce reduction goals, it did not resolve all of GPO's skills imbalances and occupational surpluses. This is evidenced by the differences between the positions GPO targeted for buyouts relative to employees who volunteered to separate under the incentive program. Moving forward, GPO will need to continue to reshape its workforce size, composition, skills mix, and cost in what will likely be a highly resources constrained environment. As discussed in other sections of this report, GPO will face future challenges in revenue generation and business development as it continues its transition from a print-centric to content-centric business model. In addition, the agency will experience changing demands for its products and services, rapidly evolving work technologies, and deployment of sophisticated business and engineering software and highly modern production equipment. These changes will necessitate the redesign of a wide range of jobs and retooling of employee skill sets as workers and the agency attempt to adapt to the changing workplace environment.

In addition, GPO's future challenges include dealing with a workforce that is multigenerational and older than the government-wide average (with a high percentage of retirement eligible employees), highly unionized, and featuring a distinct blend of white and blue collar occupations reflecting significantly different employment cultures. As more senior employees retire, GPO will need human capital strategies for replacing their skills, leadership roles, and institutional knowledge. Transferring responsibility and knowledge to other workers and acquiring new talent to fill skill gaps will likely occur during restrictive fiscal times—making the retooling even more challenging.

> ***"The workforce is in transition because of changing demographics and required skill sets. Therefore, succession planning initiatives will be required to enable GPO to become an Employer of Choice."***
> **GPO Strategic Plan FY 2012-2016**

GPO's Changing Business and Technology Environments Add Complexity to its Workforce Challenges

Some business units, such as the print procurement program and GPO's publication sales program, have continued to experience significant declines in volume in the face of reductions in federal agency printing demand, Presidential Executive Order 13589, and changing patterns in how the public acquires and consumes information. These circumstances, which will require new business systems and marketing efforts, may necessitate further downsizing and retraining of current workers as well as hiring of employees with new skill sets to enhance future success. Similarly, other programs, such as GPO's secure credentials unit, find that the technology underlying their products and

services is changing so rapidly that they will need to constantly reengineer work processes and employee job requirements. Taken together, these and other challenges require ongoing workforce analysis and responsive human capital programs that address emerging skills gaps in a timely and dynamic manner.

GPO's Current Compensation System Is Complex and in Need of Reassessment

As GPO competes in the marketplace for talent it must ensure that its compensation system provides cost-effective incentives and rewards that support acquiring, retaining, and motivating a highly skilled workforce. In this regard, GPO's current compensation system is very complicated, especially for blue-collar workers in production, trades, and craft positions. Part of the complexity stems from the Kiess Act of 1924.[118] This legislation grants broad pay setting authority to GPO and, unlike legislation governing pay setting for most government agency workers, requires the public printer to negotiate pay with its unions for positions in their bargaining units (approximately three-quarters of GPO's workforce reside within union bargaining units). In addition to having to negotiate on wages for most workers, many union collective bargaining agreements contain long-standing, highly specialized provisions affecting pay (for example, "derivative pay schedules" and "uprates," setting pay for "premium positions," etc.). Adding to the complexity, GPO has eight different pay plans and over 20 different wage tables covering its 1,900 employee workforce.

Given the rapidly changing nature of work in the printing industry it has become increasingly difficult for GPO to make job to job comparisons upon which to base wage negotiations for press persons, book binders, typesetters and other related printing crafts. Further, GPO unions claim that their work is so unique that it is unfair to compare their jobs for pay purposes to non-unionized workers in the private sector or to other blue collar trades and crafts workers in the federal government. Indeed, it appears, for example, that GPO pays on a different (and somewhat higher) scale for electricians, carpenters, plumbers and some other blue collar building trades personnel than other federal agencies in the Washington, DC area who set their rates based on locality pay surveys conducted under the Federal Wage System.

The net result seems to be a pay system that is complicated, labor intensive, somewhat outmoded, and not fully calibrated to labor market conditions. Given GPO's ongoing financial challenges and personnel cost sensitivities as well as its current and future need to recruit and retain top flight talent, an assessment and potential revisions to its current compensation system would be useful. GPO appears to have recognized this need. Its FY 2012-2016 Strategic Plan, under the goal of becoming an Employer of Choice, lists as one of the supportive efforts to be undertaken in 2012: "Compensation and Performance Management—review and update processes as needed." Although this effort is not highlighted in GPO's current FY 2013-2017 Strategic Plan, the Panel believes this initiative should continue to be given priority.

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[118] 44 U.S.C. § 305.

GPO Human Capital Planning (Finding V-4):

GPO needs to engage in comprehensive, strategic, and ongoing human capital planning to effectively address its current and future workforce challenges.

Although GPO has taken many positive steps in recent years to reshape and reduce its workforce, it will need to do more moving forward to ensure that its workforce possesses the skills, tools, and motivation necessary to ensure mission success. Looming skills gaps and a highly dynamic and challenging business environment call for systematic, agency-wide human capital planning which includes ongoing workforce analyses; training needs assessments; and employee recruitment, deployment, retention, and development strategies that address changing work demands, technology, and job design requirements. The current GPO-wide strategic plan contains some overall workforce improvement goals and highlights selected human resources-related focus areas for action in FY 2013 (i.e., training, telework, hiring process, diversity, and communication with unions).[119] While focusing on these areas will undoubtedly enhance GPO's near term human resources program, the Panel is concerned that the agency does not have a comprehensive, longer term human capital planning process that is closely linked to the GPO mission and strategic plan and which addresses its formidable and evolving workforce challenges.

A central pillar in the strategic management of human capital is the alignment of human resources policies and practices with the organization's mission, goals, and major operating objectives through rigorous workforce analysis, planning, and investments. Successful human capital planning is a key factor in building and maintaining a highly effective organization by recruiting, motivating, retaining, and rewarding a high performing, top quality workforce.[120] In short, ongoing human capital planning focuses on developing mid- to longer-term strategies for meeting the organization's future needs of having the right people with the right skills in the right places at the right time.[121] According to research conducted by the GAO looking across successful public and private organizations, certain critical elements recur as part of effective workforce and human capital planning processes as reflected in Figure 5, below:[122]

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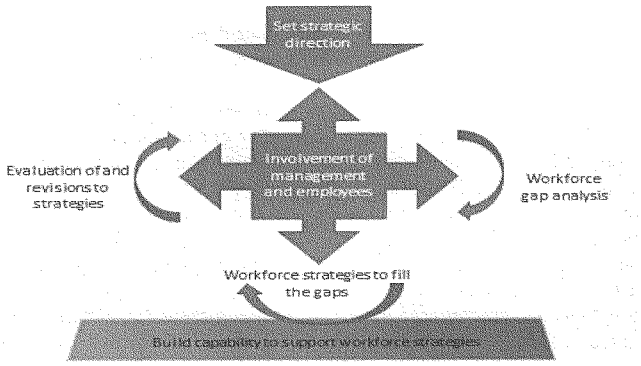
[119] Government Printing Office, *GPO's Strategic Plan FY 2013 – 2017, Customer Centric and Employee Driven,* (Washington, D.C.: October 3, 2012), 9.
[120] Office of Personnel Management, *Key Components of a Strategic Human Capital Plan* (Washington, D.C.: September 2005), 1.
[121] General Accounting Office, *Government Printing Office: Advancing GPO's Transformation Effort through Strategic Human Capital Management,* GAO-04-85 (Washington, D.C.: October 2003), 19.
[122] Ibid., 20.

Figure 5. Effective Workforce and Human Capital Planning Processes



Source: Government Accountability Office

In addition to guidelines published by the Government Accountability Office, most federal agencies have developed human capital plans to support their workforce planning and management programs. For example, NARA's Strategic Human Capital Plan 2009-2014 and the U.S. Geological Survey of the Department Interior's, *Workforce Planning Desk Guide* provides detailed human capital planning guidelines. In addition, the U.S. Office of Personnel Management has issued government-wide guidelines on human capital planning: *Key Components of a Strategic Human Capital Plan*, September 2005.

Based upon the four findings above, the Panel has a recommendation to ensure that GPO has the workforce planning processes and capabilities to continue to adapt to changing technological and business needs as well as shifting skill mix requirements. This recommendation is presented and discussed below.

RECOMMENDATION 10

To effectively integrate and align the agency's human resources policies, programs, and practices with its strategies for achieving mission success and desired programmatic results, the Panel recommends that GPO develop and institutionalize a human capital planning capacity. GPO should make strategic human capital planning a high priority and use multiple strategies to ensure the recruitment, retention, development, and rewarding of a highly motivated and diverse workforce.

To implement this recommendation, GPO should initiate and/or continue to:

- perform rigorous workforce analysis and planning that identifies current skills surpluses, emerging shortages and gaps and sets strategies for addressing these imbalances in specific occupational and organizational areas in the near and longer term;
- carry out periodic, agency-wide training needs assessment, including employee development approaches that address changing work demands, technology, and job design—including cross training of workers in related organizational entities;
- conduct targeted recruitment and outreach strategies that identify new and expanded talent sources and enhance talent acquisition in mission critical functions and professions;
- implement structured management succession planning that focuses on the risks associated with an aging, multigenerational workforce through active knowledge transfer and formal development of the next generation of GPO leaders;
- develop reasoned and creative compensation reform that involves reexamining current GPO policies and takes into account best practices from the public and private sectors (for example, gain-sharing, skills-based pay), relevant labor market conditions, and pertinent collective bargaining agreement provisions dealing with wages, hours, overtime, and other forms of employee compensation;
- identify effective practices and effective models from around the government and in the private sector to assist in its human capital planning efforts; and
- work closely and collaboratively with unions and other internal and external stakeholder groups, including, as appropriate, agency partners and customers in the federal government community.

CHAPTER VI: CONTINUING GPO'S ORGANIZATIONAL TRANSFORMATION

GPO leaders have made good progress in transforming the agency into an efficient, future-oriented organization with a content-centric focus. One aspect of this transformation has been aggressive and successful cost savings and recovery efforts, which have contributed substantially to GPO's current financial soundness. Despite significant progress, it is clear that GPO will continue to face financial challenges into the future and will need to simultaneously look to achieve additional cost savings while expanding services to the public. To continue rebooting in an external environment that is changing rapidly, GPO will need to upgrade its strategic planning capabilities and begin to utilize scenario planning.

As discussed in Chapter II, it is necessary to develop a government-wide strategy for managing the lifecycle of federal information in the digital age. This strategy would address such issues as publishing formats, metadata creation, authentication, cataloging and finding aids, dissemination and public access, and digitization. GPO has a critical role to play in developing, coordinating, and implementing this government-wide strategy.

With increasing amounts of federal information being created, disseminated, and stored electronically, GPO's recently released strategic plan for the next five years acknowledges that it is operating in a different environment:

> As the information needs of Congress, Federal agencies, and the public have changed, GPO has embraced technological innovations to meet those needs as efficiently and economically as possible. We will continue to adapt to and overcome these challenges as we transform ourselves into the *Official, Digital Information Platform for the Federal Government and Provider of Secure Credentials*. The public trusts that information published by GPO is the official word of the Government. GPO uses the latest technologies to make information available in digital formats. Federal agencies seek GPO's expertise and services for their secure credential needs.[123]

GPO estimates that approximately 97 percent of all the federal government's documents are "born digital."[124] In this new environment, the "content received from Congress and federal agencies needs to be managed through a lifecycle process that supports the primary requirement to make the digital version of publications permanently available online, and to print only when required or otherwise

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[123] Government Printing Office, *GPO's Strategic Plan FY 2013 – 2017, Customer Centric and Employee Driven* (Washington, D.C.: October 3, 2012), i.
[124] Ibid., 4.

necessary."[125]

As mentioned at various points throughout this report, GPO has undertaken significant cost reduction and cost recovery measures while transforming as an organization. Moving forward, GPO will need to continue to transform both externally and internally. Externally, it will need to serve as a critical player in the collaborative development of a government-wide strategy, and it may need to assume some new responsibilities. Internally, it will have to build upon its recent change management efforts, including the further development of an agile organization with the capabilities to plan for and respond to potential changes; continue to adjust its business model; and take additional steps to achieve cost savings.

This chapter contains findings in the following areas:

1) GPO's changing products and services
2) change management practices
3) strategic planning
4) recent cost reduction and recovery efforts
5) future cost savings and recovery

The chapter concludes with five Panel recommendations.

GPO's Changing Products and Services (Finding VI-1):

GPO has made progress in transforming itself from a print-centric to a content-centric organization by expanding services and products for the digital age.

To meet the information needs of Americans in the digital age, GPO has been shifting from a print-centric to a content-centric focus. Although the business that GPO is in has always required it to change, the changes of the past two decades are more dramatic and significant than those that have come before. This has required the agency to transform to ensure that its mission, business model, structure, and operations are aligned with changes in its external environment. It is "focusing on managing content for customer and public use today and tomorrow. GPO uses its extensive experience and expertise with digital systems to provide both permanent public access to government information in a variety of formats and the most efficient and effective means for printing when required, all within a secure setting that is responsive to its customers' needs."[126]GPO has been increasing its efforts on preserving and managing digital content to ensure it is permanently accessible.

At the same time, GPO retains responsibilities to produce and disseminate government documents in print and must work to strike the right balance between

[125] Ibid., 4.
[126] Ibid.

different formats and will need to continue to do so. GPO still faces demands for printed products, in part due to concerns about the instability of digital formats because technologies change so rapidly. Critics note that the demise of previous technological innovations such as eight-track tapes, cassettes, etc. Even as these technologies have come and gone, paper products have endured and will continue to exist in the future regardless of technological changes.

Former Public Printer Michael DiMario's testimony to Congress in the 1990s remains valid today: "Ink on paper today is still the most egalitarian of information formats. It is accessible, transportable, and economical."[127] Also, the shift to digital is unlikely to save the amount of money that many would instinctively expect because up to 70 percent of the publishing cost is due to pre-press work (electronic files are prepared for both digital access and printed documents).[128] For these reasons, GPO believes that it is important to supplement the traditional print format, not replace it entirely. GPO has worked with federal depository librarians to identify 60 key federal documents (including the *Economic Report of the President*) that will be printed indefinitely. Another issue is that the LC continues to recognize only print and microfilm formats for archival records.[129]

Key new services include FDsys, which is a key component of GPO's transition to a content-centric approach. Operating FDsys costs little more than GPO Access, yet it provides much more functionality.[130] GPO has been providing access in other formats, such as mobile apps and e-Books, and making these available through Google and Amazon. GPO's digital media and creative services are informing and supporting agency publishing and dissemination strategies. In February 2012, GPO released the President's Budget as a mobile app for the first time. The app provides free access to the text and images of the FY 2013 Budget and links to FDsys for summary tables, analytical perspectives, appendices, and historical tables. This app received an award from the Center for Digital Government for its FY 2013 budget app.[131] GPO developed the Mobile Member Guide app, released in November 2011,

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[127] Government Printing Office, *Keeping America Informed, 150 Years of Service to the Nation* (Washington, D.C.: 2011), vii and 122.

[128] This statistic is only documented for the *Congressional Record*. GPO interviews indicate that other publications require less pre-press work and vary in the proportion of total cost accounted for by pre-press activities. See Congressional Research Service, *Congressional Printing: Background and Issues for Congress* (R40897; February 9, 2011), by R. Eric Petersen and Amber Hope Wilhelm.

[129] Lisa Rein, "Government Printing Office Has New Strategy to Keep the Presses Rolling," *Washington Post* (October 26, 2012), http://www.washingtonpost.com/lifestyle/style/government-printing-office-has-new-strategies-to-keep-presses-rolling/2012/10/26/d76dc0f4-1ef8-11e2-9746-908f727990d8_story.html.

[130] Initial investment was needed to stand up the system and complete data migration. The current yearly development funds have stabilized at $3.9 million, which GPO intends to adjust, if needed, based on stakeholder requirements. Consistent investment will be necessary to support FDsys to ensure adaptive development, maintenance and support, and hardware and technology improvements. GPO recognizes that significant changes to identified needs or funding cuts will have an adverse effect on its ability to further enhance and support FDsys.

[131] Government Printing Office, "GPO Honored for App Development" (Washington, D.C.: September 18, 2012), http://www.gpo.gov/pdfs/news-media/press/12news39.pdf.

which provides information about members of Congress. It also provided support to the Library of Congress for the iPad *Congressional Record* app. In September 2012, GPO announced that it was adopting a new system for managing and publishing congressional bills and other publications entirely in a pared down and machine-readable XML format. This will save time and labor because staff will not have to convert documents to the proprietary system used previously by GPO.[132]

Change Management Practices (Finding VI-2)

Internally, GPO has successfully implemented change management practices that have played a crucial role during a period of significant change and uncertainty, but more work is needed in the areas of training and implementation planning.

As discussed in Chapter I, GPO has successfully implemented many aspects of a change management strategy that has enabled it to undergo a significant transformation while maintaining good labor-management relations and continuing to meet customer needs. Over the next five years, GPO anticipates maintaining a lean organization, with continuing efforts to realign as necessary.

GPO's change management efforts are intended to produce a cultural change inside the organization that will ensure the organization has the strategic direction, funding, skills, information technology, and practices that will meet the demands of the digital age.

GPO has established a Strategic Investment Committee to identify capital investment initiatives and revenue opportunities to support the agency's transformation efforts. Its main task is to prioritize the agency's investment needs and develop an overall short-to-long term capital investment plan for the Public Printer's endorsement. Another task is to ensure that the investment plan is tied back to GPO's overall strategic plan and maintain the right balance between the agency's future sustainability and its short-term focuses. The Committee, chaired by the CFO, is composed of seven members, including the Superintendent of Documents, Chief Information Officer, Chief Technology Officer, and the leaders of key business units (Plant Operations, Security and Intelligent Documents, Customer Services, and Business Products and Services).

GPO has been budgeting about $1 million per year for training, which is admirable in a time of resource shortages. It does appear, however, that GPO has only done limited systematic training needs analysis across functional/organizational lines in the past; instead, GPO has primarily provided funding directly to business units with

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[132] Government Printing Office, "Government Printing Office Adopts Internal XML System," September 2012, http://www.nextgov.com/mobile/2012/09/government-printing-office-adopts-internal-xml-system/58065/.

an expectation that they train employees in those functions. With so much new technology and many new business systems on the horizon (and limited human and financial resources), GPO will need to focus on cross training, multi-functional training, and other employee development that helps current staff adapt within and outside organizational lines. GPO's Strategic Plan for FY 2013 – FY 2017 lists under its "Employer of Choice" goal: "Human Capital will provide leadership and support to the Business Units for the successful identification of training needs and accomplishment of training plans which include training on leadership, new technology, 5S,[133] and customer services." This is a step in the right direction.

A June 2004 GAO report assessed GPO's progress relative to key practices associated with successful transformations. The practices identified by GAO are similar to those listed above and are similar to those identified by the Academy in previous studies. Because one aspect of the Academy's mandate is to update past studies, Table 6 summarizes GPO's status as assessed by GAO in 2004 and as assessed by the Academy Panel in November 2012.

[133] "5S" is the name of a workplace organization method that describes how to organize a work space for efficiency and effectiveness. The five S's refer to (1) sorting; (2) setting in order; (3) systematic cleaning; (4), standardizing; and (5) sustaining the practice.

Table 6. Assessment of GPO's Change Management Practices Relative to GAO's 2004 Baseline

GAO Practice	GPO's Status (June 2004)	GPO's Status (November 2012)
Ensure top leadership drives the transformation.	GPO has fully implemented this practice through the Public Printer's actions to make a clear and compelling case for transforming GPO. He has also established an organizational structure to help balance transformation with the delivery of services.	Leadership commitment has been strong, and senior leaders have communicated openly with employees.
Establish a coherent mission and integrated strategic goals to drive the transformation.	GPO has not established a mission and strategic goals; however, GPO has set goals for its individual operating units, which help to create a more results-oriented culture.	GPO has developed its mission statement, vision statement, and strategic goals to guide the agency's transformation efforts. The agency's overall strategic plan could be strengthened as discussed in Finding VI-3.
Focus on a key set of principles and priorities at the outset of the transformation.	GPO has not adopted a set of agency-wide principles or core values; however, a GPO unit has benefited from establishing core values.	GPO has identified a set of agency-wide core values in its strategic plan to anchor the agency's transformation. GPO's senior leadership has recognized the value of creating an organizational culture that embraces changes. Employees were made aware of the agency's core values/principles.
Set implementation goals and a timeline to build momentum and show progress from day one.	GPO has not established specific time frames and goals for its transformation; however, it has planned some initial steps to show progress.	GPO has identified key near-term activities in its strategic plan. GPO has not established a comprehensive transformation plan that lays out specific implementation goals, tasks, responsibilities, and timelines to ensure that the agency's transformation is on track. GPO has taken some steps to show progress (for example, the *Strategic Plan Progress Report for FY 2012 Mid-Year*).

GAO Practice	GPO's Status (June 2004)	GPO's Status (November 2012)
Dedicate an implementation team to manage the transformation process.	GPO's management council focuses on transformational issues, but attention to the daily activities of the transformation could be strengthened.	GPO has not established a defined transformation team to focus on the day-to-day management of GPO's transformation efforts, but has created some groups to plan and implements strategic initiatives in specific areas. Examples are: – GPO's Strategic Investment Committee formulates/executes agency-level investment strategies. – Improving customer service and recouping funds owed to the agency through the creation of a charge-back taskforce. This team, led by the CFO's office, is responsible for implementing strategic initiatives to resolve major billing/revenue problem for the agency's print procurement business.
Use the performance management system to define the responsibility and assure accountability for change.	GPO is developing a new performance management system for its executives, but needs to complete its strategic plan before it can align performance expectations with organizational goals.	Although GPO has made progress in developing performance metrics at the unit level and the individual level, the development of performance metrics varies widely across business units. Performance plans for individual employees are tied to GPO's organizational goals and key efforts. A more comprehensive employee compensation and rewards strategy would help GPO effectively recruit and retain the highly skilled workers needed to further support its transformation.

GAO Practice	GPO's Status (June 2004)	GPO's Status (November 2012)
Establish a communication strategy to create shared expectations and report related progress.	GPO leadership has communicated early and often, ensured consistency of message, and encouraged two-way communication. However, employees want additional information to meet their specific needs.	GPO has ensured effective communications between the senior leadership and employees during a period of significant change and uncertainty. The Acting Public Printer's "Town Hall" meetings and "What's On Your Mind" initiative have been effective at driving change and seeking employee input.
Involve employees to obtain their ideas and gain ownership for transformation	GPO has informed employees of changes, but has the opportunity to more fully involve them in the transformation.	GPO leadership has undertaken an array of efforts to communicate plans for change to unions and employees. GPO leadership has recognized the importance of getting employee buy-in on the agency's transformation effort. However, the concerns that employees are not sufficiently involved in the planning process still exist. Employees' input should be given more value before decisions are made. For example, as discussed in the human capital chapter, unions had limited involvement in planning for the buyout or in strategic planning.
Build a world-class organization.	GPO has taken steps to apply best practices in human capital, information technology, and financial management, but significant challenges remain.	GPO has made progress in strengthening its human capital management, IT infrastructure development, and financial management. These areas remain major operational focuses of GPO.

Strategic Planning (Finding VI-3):

GPO has made progress in strategic planning, but current efforts do not include scenario planning and fall short of the dynamic ongoing agency-wide planning processes required in a time of significant and ongoing change.

Past studies conducted by GAO and other organizations identified weak or non-existent strategic planning capacity at GPO as one of the major factors hindering the agency's effective management. In its 2004 report, GAO recommended that GPO adopt leading practices for results-oriented strategic planning and reporting. GAO maintained that it is essential for GPO to develop its mission and strategic goals and establish a strategic planning process to support its transformation effort. According to GAO's review of recommendation status in 2008, GPO had implemented all recommendations related to strategic planning with one exception.

Both OMB and GAO have produced guidance for the development and content of strategic plans.[134] In its *Executive Guide,* GAO cites the six practices in the textbox to the right as key to successful strategic planning.

The Government Performance and Results Act has identified several key elements of agency strategic plans, including mission statement, long-term goals and objectives, approaches or strategies to achieve goals and objectives, a description of the relationship between long-term and annual goals, key external factors, and program evaluations.[135] Although GPO is not required to follow the Government Performance and Results Act, its strategic planning guidance provides a relevant framework for improving its planning effort.

In the newly released Strategic Plan FY 2013 to 2017, GPO updated its mission statement and vision statements, identified strategic goals in four major initiatives, and included a situational analysis that discussed a series of key

Successful Strategic Planning Practices

- Present a comprehensive mission statement.
- Establish long-term goals for all major functions and operations.
- Identify approaches and strategies to achieve the goals and objectives and obtain the various resources needed.
- Document the relationship between long-term goals/objectives and annual performance goals.
- Identify key factors external to the agency and beyond its control that could significantly affect achievement of the strategic goals.
- Describe how program evaluations have been used to establish or revise strategic goals, and a schedule of future program evaluations.

Source: Government Accountability Office

[134] See OMB Circular No. A-11, Part 2 and GAO, *Executive Guide: Effectively Implementing the Government Performance and Results Act,* GAO/GGD-96-119, June 1996.
[135] General Accounting Office. *Results-Oriented Government: GPRA Has Established a Solid Foundation for Achieving Greater Results.* GAO-04-38 (Washington, D.C.: March 2004), 132.

external factors and how these factors affect the agency's strategies to achieve its mission. In addition, GPO's strategic plan contains strategies for achieving the goals articulated, but the description of these strategies was very general. Table 7 compares the GPO strategic plan with GAO standards.

Table 7. Assessment of GPO's FY 2013 – FY 2017 Strategic Plan

GAO Guide Required Component	Content of GPO Plan
Mission Statement	GPO has a clear mission statement: *Keeping America informed* by producing, protecting, preserving, and distributing the official publications and information products of the federal government.
Long-Term Goals and Objectives	GPO's Strategic Plan establishes four goals[136] and a total of ten objectives.[137]
Approaches to Achieve Goals and Objectives	GPO identifies efforts in 2013 that will be used to accomplish each of the objectives. It does not, however, discuss approaches beyond the FY 2013 time period except in the area of secure federal credentials.
Relationship between Long-Term Goals and Objectives and Annual Performance Goals	GPO has not established specific performance measures that can be used to assess progress toward its long-term goals and objectives.
Key External Factors that Could Affect Goal Achievement	GPO's strategic plan has a section devoted to a "situational analysis," but a connection between these key external factors and goal achievement is not clearly articulated.
Use of Program Evaluations to Establish or Revise Strategic Goals; Future Evaluation Plans	GPO's strategic plan includes references to the use of multiple customer surveys, but does not identify a process for using program evaluations to establish or revise strategic goals.

In addition, the agency's internal planning processes are not as dynamic and robust as are needed in a rapidly evolving environment. For example, individual business units have

[136] GPO's plan identifies four goals: "Satisfying Our Stakeholders; Strengthening Our Organizational Foundation; Offering Products and Services; Engaging Our Workforce."

[137] Objectives: (1) develop internal processes and procedures that develop an internal organizational culture in which exceptional service, delivery and customer satisfaction are encouraged and rewarded; (2) build on GPO's ongoing commitment to an open transparent government; (3) enhance strategic partnerships to gain flexibility, build effective networks, and manage processes to meet customer demands and expectations; (4) anticipate, plan and equip GPO to provide products and services to customers; (5) utilize a cost effective and collaborative approach in managing GPO's business processes to help the Agency achieve its strategic initiatives and ensure continued financial stability; (6) continue to integrate the application of environmental values into GPO processes and support environmental stewardship through effective implementation of "green initiatives"; (7) develop appropriate plans to provide for the continuation of GPO's essential functions and operations during a wide range of all-hazards emergencies; (8) the mission of GPO is rooted in legislation codified in Title 44 U.S.C., and GPO e will continue to use technology and best practices to ensure the most efficient and effective provision of mission-critical products and services for Congress, Federal agencies, and the public; (9) position GPO as the provider of choice for secure federal credentials; (10) transform GPO into an employer of choice through proactive workforce planning that focuses on diversity and fostering Work Life programs to meet the changing needs of today's and tomorrow's employees.

developed plans, but their quality varies greatly. There is no standard approach in GPO for business units to take to develop their plans.

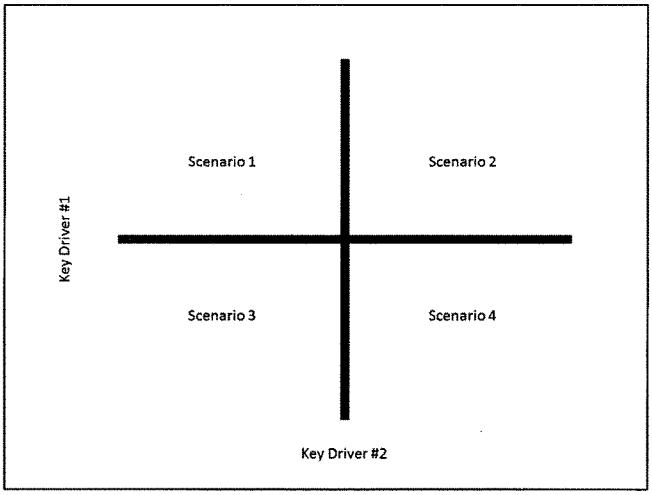
In addition to strengthening strategic planning by following GPO's effective practices, GPO could benefit from incorporating scenario planning into its planning processes. Scenario planning allows an organization to prepare itself for different types of futures that represent a range of fundamental possibilities. Scenario planning can increase an organization's awareness, stimulate creativity in thinking through opportunities, help challenge assumptions, and improve decision-making. This can help organizations develop and alter strategies based on critical changes in the environment, as well as provide an effective mechanism for organizations to tackle complex management challenges in a more proactive way, especially during times of uncertainty and risk. These scenarios could factor in potential future changes, such as a future Congress deciding that the *Congressional Record* only be available electronically, or that a bare minimum number of copies be printed, or that the executive branch makes similar decisions about the *Federal Register* and/or *Code of Federal Regulations*.

The central idea of scenario planning is "learning about the future by understanding the nature and impact of the most uncertain and important driving forces affecting our future."[138] "Scenarios" describe different future environments that organizations may face, and the key of scenario planning is to identify possible futures and drivers for change and their implications, as well as to develop appropriate strategies to address the challenges. These drivers can be monitored carefully over time to determine which scenario the agency is moving toward.

As shown in Figure 6, one way of depicting scenario planning graphically is to develop a quadrant that maps out the implications of two key "drivers" portrayed on the X and Y axes. This results in four unique scenarios that are plausible versions of the future. Plans are developed that are relevant to each scenario. Organizations can monitor and determine which scenario they are moving into by identifying indicators for each scenario. This tool would help GPO address medium and longer-term challenges to its business model as it continues the transition from a print-centric to a content-centric focus.

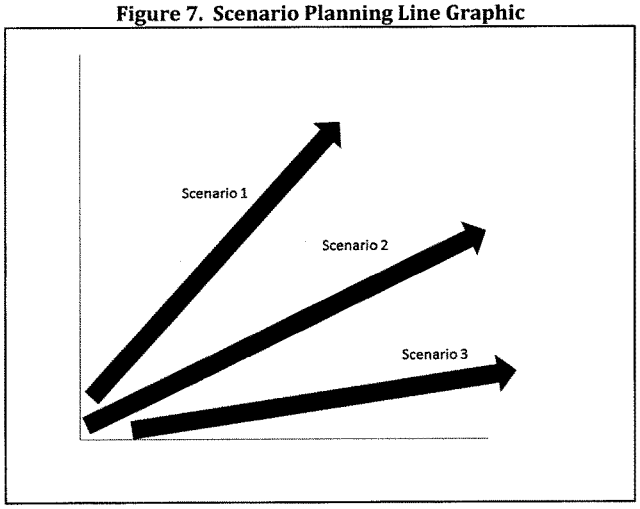
[138]Martin Borjesson, a university lecturer at Sweden's Göteborg University and a consultant on scenario planning.

Figure 6. Scenario Planning Quadrant Graphic



Another way of depicting scenarios is shown in Figure 7. The resulting scenarios can take account of any number of drivers and trends.

Figure 7. Scenario Planning Line Graphic



Some federal agencies have incorporated scenario planning into their planning processes. For example, in its report on human capital across the federal government (2003), GAO observed that "scenario planning is an approach that agencies have used to manage risk of planning for future human capital needs in a changing environment."[139] In 2005, GAO released a report on NASA's Space Shuttle program that urged the program to "begin identifying its future workforce needs based upon various future scenarios the program could face."[140] The Coast Guard reexamined five long-term scenarios after the 9/11 terrorist attacks to describe different environments that might exist in 2020. The Coast Guard established two new scenarios to guide short-term planning and created new long-term scenarios to guide planning beyond 2005. Similarly, the Pension Benefit Guaranty Corporation incorporated scenario planning into its 2002 strategic workforce plan process. They conducted scenario analysis to determine how the scope and volume of the agency's activities might change in the future.

[139] General Accounting Office *Human Capital: Key Principles for Effective Strategic Workforce Planning*, GAO-04-39 (Washington, D.C.: December 2003).
[140] Government Accountability Office, *Space Shuttle: Actions Needed to Better Position NASA to Sustain Its Workforce through Retirement*, GAO-05-230 (Washington, D.C.: March 2005).

GPO's Recent Cost Reduction and Recovery Efforts (Finding VI-4):

GPO has achieved substantial cost savings and cost recovery in recent years. Substantial savings have been achieved through staffing reductions, spending controls, and reducing GPO's facilities footprint. Revenue enhancements have occurred through reductions in late receivables and customer "chargebacks" and the leasing of unused space.

Given the technological and consumer demand changes that are ever present in its business, GPO has often had to make adjustments to organizational structure, workforce, and practices to maintain a financially sound business model. When an increasing amount of materials first began to migrate to the Internet in the 1990s, GPO faced an abrupt and significant decline in print demand, with revenues from publication sales falling by more than one-third during the decade. In response, Public Printer DiMario obtained wage concessions affecting work hours and night-work pay, moved operations to owned space, and utilized retirement incentives and attrition to reduce the workforce through retirement incentives and attrition to a decade-long total of more than 35 percent. Despite these changes, GPO had sustained over $30 million in operating losses over the course of the 1990s. To address these financial challenges, GPO closed bookstores across the country and closed its regional printing plants in Chicago; New York; San Francisco; and Washington, DC's Navy Yard.

Like many organizations in the business of serving customers, GPO has had to adapt over the years to changing financial conditions, including changing government customer spending levels. As described earlier in this report, GPO operates primarily on a cost-recovery basis, much like a business. According to GPO's FY 2013 – 2017 Strategic Plan, only a small portion of GPO's funding comes from appropriations to cover the cost of the FDLP and FDsys. All other GPO revenues come from agencies for work performed or sales of publications to the public.[141]

While transforming the focus of the organization due to changing technological capabilities and customer demands, GPO has embarked on a variety of significant cost cutting and recovery measures in response to falling agency revenues and congressional appropriations. These actions have included major reductions in employee staffing levels, administrative expenses, and the costs of plant production and distribution. In addition, GPO has instituted a variety of cost offsets and recovery measures to help alleviate financial pressures. These have included improvements to its billing and debt collection processes, leasing of available building space to government and non-government organizations, and investments in more productive and efficient equipment and operating systems.

As revenue and appropriation levels have drifted lower, GPO has taken aggressive measures to lower and recover its costs, improve productivity, and look for new and more

[141] Government Printing Office, *GPO's Strategic Plan FY 2013 – 2017, Customer Centric and Employee Driven,* (Washington, D.C.: October 3, 2012), 3.

efficient ways of doing business. Some of GPO's recent and highly successful efforts to reduce and recover costs are as follows:

- **Planned staff reductions.** As the discussion in Chapter Vindicates, GPO has reduced its staffing levels substantially in recent years. In addition to the 2011 buyout, GPO has since carefully managed staffing levels and attrition to ensure that savings from recent staff reductions are maintained into the future. As a result of the staff reductions and expense controls, GPO estimates that it will reduce its base level of expenses by at least $30 million starting in FY 2013, when the savings from the buyout are fully realized.
- **Customer chargebacks and late receivables.** In 2011 GPO established an intradepartmental chargeback team under the purview of the CFO to focus on recovering uncollected customer billings that had been charged back to GPO due to invoicing irregularities. The beginning chargeback balance was over $28 million. As a result of diligent efforts by individuals on GPO's team (consisting mostly of employees from GPO's financial and customer services units), the chargeback balance was decreased to approximately $17.5 million by the end of FY 2011. Since that time the chargeback balance has been further reduced to approximately $10 million—an overall reduction of 64 percent—contributing substantially to GPO's cost recovery initiative. In addition, GPO undertook successful efforts to reduce its non-chargeback late receivables by almost $1 million in FY 2011, another solid contribution to cost recovery.
- **Spending controls.** GPO has taken several steps in recent years to reduce its overhead and administrative expenses. In this regard, it reduced its overhead "run rate" by approximately $20 million to $120 million (about the same rate as in FY 2008) by the end of FY 2012 through a variety of targeted reduction measures. In addition, Plant Operations reduced or eliminated second shift work in several production/operational support areas and significantly reduced overtime costs, including savings of $1.5 million in overtime and materials costs in FY 2011. Further, GPO has saved tens of thousands of dollars through recent cuts in office, administrative, equipment, and distribution costs, including sizable reductions in spending on general supplies as well as the purchase of non-capitalized computer equipment. For example, GPO recently achieved year-over-year spending cuts of more than 40 percent in the consumption of general supplies in support of its business units, as well as a reduction of over 45 percent in the purchase and use of non-capitalized computer equipment.
- **Energy, building maintenance, and operation savings.** GPO has taken forceful steps to reduce the cost of maintaining its buildings complex, including associated utilities and maintenance expenses. For example, between FY 2002 and 2012 the level of personnel assigned to maintain and repair its facilities (e.g., carpenters, plumbers, mechanics, etc.) was reduced by 35 percent even though GPO's facilities footprint was basically unchanged during this period. In addition, GPO has managed utilities usage aggressively and implemented new energy saving devices (for example, replacing defective steam trap and installing efficient energy metering and lighting systems) that have resulted in major reductions in energy usage: steam consumption by 31 percent, electricity by 7 percent, natural gas by 16 percent, and

water usage by 21 percent since FY 2003. In addition, GPO has been able to reduce materials and supplies needed to maintain its buildings by over $1 million since FY 2010.

- **Leasing of unneeded space and improved utilization.** GPO has instituted an aggressive program to make better use of its buildings and facilities by reducing the size of its operational footprint while leasing space to other agencies. These efforts are aimed at offsetting some of the costs that are required to operate the GPO complex. Actions GPO has taken include surveying their four-building complex in Washington, DC, inventorying the use of space by organization, and producing a set of detailed drawings of space allocation. In addition, GPO has benchmarked other government agencies to determine the efficiency of their space utilization and identified steps to vacate unneeded office space that can be leased. Early results have been impressive, as GPO has reduced its footprint of usable building space by approximately 12 percent in recent years and leased out over 90,000 square feet to other organizations. The GPO lease program generated approximately $1.5 million in FY 2012 and is expected to grow to an estimated $1.8 million in FY 2013. Further, as a means of improving efficiency, freeing up space in the GPO Washington, DC complex, and providing better service to FDLP libraries, GPO's Depository Distribution operation relocated to GPO's Laurel, MD warehouse in early 2012. This move has decreased overhead costs for the FDLP and takes advantage of facilities better suited for distribution. GPO also rents available shelf space in its Laurel, MD and Pueblo, CO warehouse facilities to other agencies seeking secure storage of bulk quantities of important government documents.

In anticipation of future financial challenges, GPO will need to continue to focus on cost savings and recovery measures moving forward.

Future Cost Savings and Recovery (Finding VI-5):

To address future financial challenges and make key investments in technology and equipment, GPO will need to continue to focus on cost savings initiatives moving forward. Further opportunities for GPO cost savings and recovery appear possible moving forward, though they are likely to be more difficult to achieve.

The trends GPO is facing in terms of declining revenues from traditional printing and related services have been addressed in Chapter IV. Although GPO is aggressively seeking to expand its product lines and suites of services in areas related to digital publishing, preservation, and authentication, it will likely continue to face revenue pressures as it makes the transition.

In addition to future revenue pressures, GPO will continue to bear the costs associated with its overhead expenses, in particular the cost of facilities. As noted in Chapter IV, GPO facilities are old, outsized, and expensive to operate and maintain. Also, GPO overhead costs include substantial expenses, such as GPO's IG and EEO offices. In addition to these overhead costs, GPO must bear the cost of the long-term liability for workers'

compensation as noted in Chapter IV. Other agencies receive appropriations to cover the cost of these programs.

Notwithstanding financial challenges associated with declining print revenues and overhead expenses, GPO is rightly moving forward to replace and migrate old and inefficient legacy applications to new, more modern and efficient platforms that provide system-wide solutions for GPO and its customers. The GPO Strategic Plan for FY 2013-2017 specifies that this modernization effort includes, but is not limited to, GPO's Automated Procurement System, Depository Selections Information Management System, Acquisitions Classification and Shipment Information Systems, and various sales systems. In addition, GPO's Plant Operations will pursue the implementation of a state-of-the-art composition tool to replace its current MicroComp, a 30-year-old system that does not support today's Extended Mark-Up Language data standard.[142] Taken together, these and other applications and systems replacements and upgrades being pursued by GPO will require significant investments of capital over an extended period.

To put itself in a position to help deal with the above future financial and investment challenges, GPO will need to continue to pursue a wide variety of cost savings and recovery efforts in the years ahead. Based on its prior, exemplary efforts, it is reasonable to expect that GPO will continue to pursue cost saving and recovery opportunities as they arise. Based on current information and data, it appears that the following areas might offer further opportunities for considerable cost savings moving forward:

- customer services' nationwide delivery model;
- print procurement ordering and management system;
- facilities footprint; and
- staffing reductions.

GPO's Customer Services' Nationwide Delivery Model

GPO's Customer Services program offers opportunities for further cost savings. The program, which procures printing for federal customers from over 2,000 private sector vendors and GPO's in-house printing plant, employs approximately 170 employees across the nation in 15 different regional offices and at GPO headquarters. GPO indicates that 72 employees work in regional offices and the remainder in the GPO central office. Outside of Washington, DC, Customer Services regional offices lease or co-occupy space with other federal agencies in conducting their business. Many regional offices are very small in terms of dollar value of procured printing as well as the number of GPO staff assigned (including several one- or two-person offices such as Boston, Charleston, New York, Oklahoma City, San Diego, and San Antonio). In addition, some of these small offices are in fairly close proximity to larger, more highly staffed GPO offices (e.g., Boston and New York are in close proximity to Philadelphia, San Diego is in close proximity to San Francisco, Charleston is in close proximity to Hampton Roads). GPO has indicated that it is good for the program to

[142] Government Printing Office, *GPO's Strategic Plan FY 2013 – 2017, Customer Centric and Employee Driven* (Washington, D.C.: October 3, 2012), 7.

have a local presence and that some regional agency customers have long-standing and trusting relationships built up over the years with regional GPO staff. In addition, GPO contends that these customers benefit from GPO's knowledge of their operations and needs, as well as being able to meet face-to-face on occasion to discuss more complex job orders.

GPO's 2011 Customer Satisfaction Survey, however, reports that only 31.5 percent of print procurement customers responding to the survey indicated proximity to a GPO office is influential in their choice of who to send their work to. Further, the same survey found that about 43 percent of customers indicated they send work requests to more than one GPO Customer Service office/team.[143] These findings are consistent with study team interviews of customers who, by and large, expressed flexibility with regard to what offices they are willing to seek GPO support from, including sometimes "shopping around" to find the best prices for their orders. Current technology increasingly allows virtual interactions with customers and organizational counterparts, which reduces the need for in-person contact. GPO itself commented on these types of possibilities in its observations to findings in the aforementioned survey. In commentary related to the finding that only 31.5 percent of customers are influenced by proximity to a GPO office or team, GPO indicated, "There are likely ways to recognize savings using telework and remote access while maintaining GPO presence in numerous locations near our customers outside of Washington, DC."[144] In commenting on another area of survey findings dealing with GPO opportunities to provide new or enhanced services, GPO agreed they should, "develop new on-line tools to communicate with customers. "[145]

GPO's Print Procurement Ordering and Management System

In another area, the Panel notes that GPO's current print procurement systems have been developed as needed to support a wide range of business unit needs. These systems unfortunately are often stove-piped, provide redundant functionality, lack desired capabilities, are highly labor intensive and are operating on outdated infrastructure. In order to meet GPO's program goals, a new system is needed to provide better transparency and print procurement services to GPO customers and provide standardized processes which allow GPO employees to successfully perform operations. As mentioned earlier in Chapter IV, GPO is placing high priority on the replacement of its current procurement systems with a modern, automated and unified print procurement system—a system it refers to as "EPIC" (Electronic Procurement Information Control).

GPO anticipates that EPIC will streamline the Print Procurement process and allow for greater transparency for both GPO staff and customers. It will consolidate print procurement operations within a single, modular system, improve work processes, and automate specific functions. GPO foresees cost savings over time once the system is

[143] Government Printing Office, *2011 Customer Satisfaction Survey: Results and Analysis* (Washington, D.C.: January 2012), 9-11.
[144] Ibid., 11.
[145] Ibid., 8.

implemented. These savings are based on being able to streamline processes, thus reducing the need for additional staff. The new automated, interactive system should also provide a better structure for increased telework and workload sharing across multiple GPO work locations.

GPO estimates that time and effort saved by the efficiencies of EPIC could result in up to a 30 percent reduction in number of full-time equivalent positions (i.e., approximately 50) in Customer Services over a period of time—resulting in major cost savings. Although GPO indicates it is difficult to have an accurate estimate of the timing and magnitude of the savings at this time, their projections might actually increase depending on the resulting system. According to GPO, cost savings would apply equally in the regions as well as for the Washington, D.C. office teams due to the standardized processes and efficiencies and reductions in staff. As a potential added benefit, GPO further estimates that the new system could help facilitate an increase in revenue between 5 and 10 percent (all other things being equal) by setting business rules to apply surcharges to all applicable orders and by capturing accurate data to eliminate unbilled jobs and lost revenue. The system would also impact other GPO business units with improved efficiencies that could result in a reduction in full-time employees, thus increasing cost savings for other parts of the agency over a period of time.

GPO's Facilities Footprint

Further reductions in GPO's facilities footprint and increased leasing of unused building space should be possible to achieve. The GPO complex in Washington, DC is comprised of four buildings, including three interconnected buildings on the west side of North Capitol Street and one building across the street on the east side. They are the only GPO-owned buildings in Washington, DC. GPO has leased warehouses in Laurel, Maryland and Pueblo, Colorado, a passport production backup facility in Stennis, Mississippi, and printing procurement offices around the country. The gross area of the four Washington, DC GPO buildings is about 1.5 million square feet. However, about one-third of that space houses light courts and support functions such as shafts, elevators, stairs, bathrooms, etc., leaving about 1 million square feet that are useable. Building 4, on the east side of North Capitol Street, is a warehouse that houses passport production functions and paper storage. Only parts of it are air-conditioned, and the power supply there is limited. The gross area of Building 4 is about 170,000 square feet. Buildings 1-3 house GPO's production operations supporting Congress and agencies, as well as GPO's printing procurement and information dissemination operations, plus administrative support functions (executive offices, finance, personnel, IT, security, acquisitions, etc.).

As discussed earlier in this chapter, GPO has already launched a highly promising program aimed at reducing its facilities footprint coupled with increased leasing of unused building space as a means of reducing and recovering costs of operation. In this respect, the gross area of Buildings 1-3 is about 1.25 million square feet, but total usable space is about 825,000 square feet (of which about 91,000 is the unfinished basement, used for storage). Of the remaining 733,000 usable square feet, about 90,000 (or 12 percent) are currently assigned to space leasing agreements with federal agencies. As GPO continues to

modernize plant operations, introduce more compact and efficient equipment, and downsize production space requirements, additional facilities savings and leasing appear to be possible. To this end, GPO estimates that it can free up an additional 50,000 to 100,000 square feet of leasable space within the next two to three years. It also reports that current discussions are being held with potential tenants that could result in an additional 30,000 to 50,000 square feet of space being leased within two years with an associated increase in lease revenue of up to $2 million.

Workforce Reductions

Despite major recent workforce downsizing and reshaping, future staffing reductions and organizational restructuring at GPO may be possible. As noted earlier in this chapter, substantial workforce downsizing undertaken by GPO over several decades is part of a trend driven by advancements in publishing technology and production capacity within GPO, reduced demand by GPO customers for print products and related services, and improvements in management practices and systems that support GPO's mission. It is reasonable to expect that these and other trends that allow gradual reduction in GPO staffing levels will continue in the foreseeable future. For example, the substantial potential impact that deployment of a new automated print procurement system might have on human resources requirements in GPO's Customer Services function. Also, as GPO upgrades or replaces other old legacy applications with new, modern systems, additional personnel savings should be able to be achieved. The same notion applies to opportunities to replace labor-intensive processes with technology-intensive processes as new equipment and technology improve productivity levels in GPO's Plant Operations.

In addition to these areas of potential savings it was noted in Chapter V that although GPO reached its overall staff reduction goal during its 2011 workforce restructuring and buyout initiative, there were some areas where buyout targets fell short in terms of the number of employees who took the voluntary incentive relative to target levels established for their business units. In those instances skills imbalances and surpluses may still exist that, over time, can be reduced through careful staffing and attrition management, retraining and redeployment efforts on the part of GPO management–with the net result being further targeted personnel cost savings and improved employee skills utilization. A sample of some areas where buy-out targets fell substantially short of the goal is included in Table 8.

Table 8. Buyout Targets Compared to Actual (Sample Units)

GPO Business Unit	Target # of Buyouts	# Who Took Buyouts
Library Services and Content Management	17	7
Official Journals of Government	15	4
Security and Intelligent Documents	25	13
GPO Security	9	4

Source: GPO Office of Human Capital

Beyond targeted personnel reductions in specific operational units , additional staffing reductions can likely be made to administrative overhead functions as the level of support needed by a shrinking GPO workforce decreases. In addition, GPO has demonstrated a willingness to realign functions and consolidate work units in an attempt to improve business operations, cut costs, and more effectively serve its customers. As the agency continues to evolve towards its envisioned digital information platform, the Panel expects there will be more opportunities for such realignments and consolidations. Some portion of savings realized from workforce reductions will need to be reinvested in hiring and training new and existing personnel to meet the evolving skill requirements of GPO's digital operating environment.

Based upon the five findings above, the Panel has five recommendations to help GPO continue to transform to meet changing needs, including the identification of potential future cost savings. These recommendations are presented and discussed below.

RECOMMENDATION 11

To ensure it is able to continue to plan for and respond to future changes, the Panel recommends that GPO continue its transformation by enhancing its strategic planning capabilities, broadening its change management efforts, and continually reviewing customer product and service needs.

To implement this recommendation, GPO should:

- begin to incorporate scenario planning into strategic planning processes;
- develop an implementation plan for strategic planning and its broader change management strategy;
- expand training opportunities based on a review of needs across functional and organizational lines; and
- expand opportunities for employees to provide input and feedback on strategic planning, scenario planning, and other transformation issues.

RECOMMENDATION 12

To achieve future organizational and operational cost savings in the Customer Services program, the Panel recommends that GPO further consolidate regional office locations, space, and staff and continue to identify and implement best management practices (such as cross training, telework, work sharing arrangements, and increasing managerial spans of control) and available technologies to the greatest extent possible.

RECOMMENDATION 13

To realize significant potential savings and enhance revenues (as well improve customer service), the Panel recommends that GPO accelerate the development and deployment of a new automated print procurement system.

To implement this recommendation, GPO should work closely with internal and external stakeholders and customers to obtain funding and support for the rapid development and implementation of this system.

RECOMMENDATION 14

To reduce GPO's facilities footprint while increasing the leasing of unused building space, the Panel recommends that GPO continue pursuing incremental lease arrangements.

To implement this recommendation, GPO should:

- recover the full cost (including all attendant overhead costs) of administering, operating (including modifications), and maintaining leased space;
- ensure that GPO's space consolidation and leasing plans are closely aligned with its agency-wide strategic plan, including its evolving workflow and production processes and transition to a digital information factory;
- explore an even broader approach to consolidation and reconfiguration that could result, over a period of time, in greater cost recovery by freeing up an entire building (and perhaps adjoining unimproved acreage) for lease (or explore the possibility of the disposition of property through sale, turning the property over to the management of another government entity, or other means that would release GPO from covering the cost of operating and maintaining it);
- consider retaining the services of a space architect, industrial facilities design expert, and/or professional property management firm to assist it in strategic space planning and leasing activities going forward; and
- consider establishing a standing cross-functional intra-agency team (or expand the charter of its Strategic Investment Committee) to aid in its ongoing space and lease planning initiative.

RECOMMENDATION 15

To address remaining workforce skills imbalances, the Panel recommends that GPO continue to pursue targeted, gradual staffing reductions in specific areas and functional consolidations when feasible and appropriate.

APPENDIX A: PANEL AND STAFF

PANEL

Marilu Goodyear, Ph.D., Chair*—Chair, Department of Public Administration, University of Kansas, Lawrence. Former Vice Provost for Information Services and Chief Information Officer, Department of Public Administration, University of Kansas, Lawrence; Associate Dean, University of Kansas Libraries; Senior Associate Director, Associate Professor, Interim Director of Libraries, and Assistant Director for Collection Interpretation, Texas A&M University; Assistant Director for Public Services, University Library, Iowa State University; Assistant Director for Instruction and Research Services, University of Colorado at Denver.

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Molly A. O'Neill*—Vice President, CGIt. Former Assistant Administrator and Chief Information Officer, U.S. Environmental Protection Agency; State Director, National Environmental Information Exchange Network, Environmental Council of the States; Principal, Environmental Systems Group, American Management Systems, Inc.; Director, State Environmental Group, TechLaw, Inc.; Director, State Environmental Group, A.T. Kearney, Inc., 1989- 1997; Environmental Biologist/Analyst, PEER Consultants, PC.

Sallyanne Payton, J.D.*—William W. Cook Professor of Law, University of Michigan School of Law. Former Associate Professor, University of Michigan School of Law; Chief Counsel, Urban Mass Transportation Administration, U.S. Department of Transportation; Staff Assistant to the President of the United States, Domestic Council, The White House; Attorney, Covington & Burling.

* *Academy Fellow*

STAFF STUDY TEAM

Joseph Mitchell, Ph.D., *Director of Project Development and Project Director* —Manages the Academy's studies program and previously served as Project Director for past Academy studies for USAID/Management Systems International, the National Park Service's Natural Resource Stewardship and Science Directorate, and the USDA Natural Resources Conservation Service. Served on the study team for past Academy studies for the Federal Emergency Management Agency, Office of National Drug Control Policy, Centers for Disease Control, National Aeronautics and Space Administration, and the Federal Bureau of Investigation, National Marine Fisheries Service, Patent and Trademark Office, National Institutes of Health, Department of the Interior, and Forest Service. Former Adjunct Professor at the Center for Public Administration and Public Policy, Virginia Polytechnic Institute and State University. Holds a Ph.D. from the Virginia Polytechnic Institute and State University, a Master of Public Administration from the University of North Carolina at Charlotte, and a BA in History from the University of North Carolina at Wilmington. Pursuing a Master of International Public Policy with a concentration in American Foreign Policy at the Johns Hopkins University School of Advanced International Studies.

Maria Rapuano, *Deputy Project Director*—Previously served on the study team for past Academy studies for the Department of Homeland Security Science and Technology Directorate and the Defense Civilian Intelligence Personnel System. Board Member, Trust for Lead Poisoning Prevention. Former Project Director, Alliance for Healthy Homes. Holds an MA in International Affairs from The American University and a BA in Government from the College of William and Mary.

Stephanie Bailenson, *Senior Advisor*—Previously served as Project Director for past Academy studies for the Federal Emergency Management Agency and the National Coalition to End Childhood Lead Poisoning. Served on the study team for past Academy studies for the Office of Management and Budget, the Federal Bureau of Investigation, and the National Oceanic and Atmospheric Administration. Former Director, Office of Coastal and Aquatic Managed Areas, Florida Department of Environmental Protection; Senior Policy Advisor, NOAA; Professional Staff Member, U.S. Senate Committee on Commerce, Science, and Transportation, Research Assistant, University of Hawaii, Department of Zoology; and Teaching Fellow, Harvard University, Department of Government. Holds a Master of Public Administration from Harvard University, John F. Kennedy School of Government and a B.A. in Biology/Political Science (with Distinction) from Duke University.

Timothy Dirks, *Senior Advisor*—Previously served on the study team for past Academy studies for the Defense Civilian Intelligence Personnel System and the Department of Housing and Urban Development. Instructor in Catholic University's Masters in Human Resources Program. Former Consultant, Partnership for Public Service; President and CEO, GRA, Inc.; Director of Human Resources Management, U.S. Department of Energy; Assistant Director of Human Resources for Personnel Policy, Smithsonian Institution; Chief of the U.S. Office of Personnel Management Policy Coordination Appellate Policies, Employee

Relations, and Performance Management organizations. Holds an MA in Transpersonal Studies from the Atlantic University and an MBA and B.A in Economics from The George Washington University.

Jonathan Tucker, Ph.D., *Senior Analyst*—Previously served as Project Director for two past Academy studies for the Department of Defense. Served on the study team for past Academy studies for the National Oceanic and Atmospheric Administration, United States Coast Guard, the Department of Housing and Urban Development, Department of Homeland Security, the National Institutes of Health, the United States Army Corps of Engineers, and the Federal Bureau of Investigation. Former analyst with Battelle Memorial Institute. Holds a Ph.D. in Public Policy from George Mason University, an MS in Science and Technology from Rensselaer Polytechnic Institute, and a BA in Public Policy from New College of the University of South Florida.

Chloe Yang, *Senior Research Associate*—Previously served on the study team for past Academy studies for the Office of Management and Budget, Amtrak Office of Inspector General, U.S. Coast Guard, U.S. Department of Veterans Affairs, and Government Accountability Office. Former research intern, the Foundation for Environmental Security and Sustainability; intern, Woodrow Wilson Center for Scholars; and research assistant, George Mason University. Holds an MPA from George Mason University and a Bachelor of Management in Financial Management from the Renmin University of China.

Danny Caravalho, *Research Associate*—Former intern, Office of Senator Dianne Feinstein. Holds a BS in Business Administration from California State University, Monterey Bay.

APPENDIX B: INDIVIDUALS CONTACTED

GOVERNMENT PRINTING OFFICE

Baish, Mary Alice—Superintendent of Documents

Barnes, Michael—Manager, San Francisco Regional Office

Boesch, William—Comptroller

Bradley, Jim—Assistant Public Printer (Operations)

Brooks, Thomas—FDLP Coordinator, Laurel Distribution Center

Carey, Dennis—Chief Engineering Officer, Plant Operations

Clark, Gordon—National Account Manager, Sales and Marketing

Crawford, John W.—Production Manager, Plant Operations

Cyrwus, Donna—National Account Manager, Sales and Marketing

Davis, Richard G.—Chief Technology Officer

Divanni, Kathy—Congressional Relations and Communications Staff

Ehrenfeld, Terry—Employee Communications Specialist

Fine, Neal—Director, Labor Relations

Flores, Juanita—Acting Director, Equal Employment Opportunity

Frazier, Michael T.—Senior Labor Relations Specialist

Girod, Olivier A.—Managing Director, Plant Operations

Green, Lyle—Managing Director, Official Journals of Government

Hannan, John—Director, Information Technology Security, Information Technology and Systems

Harris, William—Special Assistant to Chief Human Capital Officer

Hasenfus, Julie—Director, Agency Strategic Teams, Customer Services

Horbinski, Jeffrey—Assistant Manager, Chicago Regional Office

Keeney, Ronald—Assistant Director, Creative and Digital Media Services, Business Products and Services

Knoll, Kirk—Director, Development and Program Support, Customer Services

Knoll, Selene—FDsys Program Manager, Program, Strategy and Technology

Jackson, Jr., Herbert H.—Managing Director, Business Products and Services

LaPlant, Lisa—Lead Program Planner, Programs, Strategy and Technology

LeBlanc, Stephen G.—Managing Director, Secure and Intelligent Documents

MacAfee, Jeffrey—Assistant Director, Office of Federal Register Publishing Services, Official Journals of Government

MacAfee, Sandra—Acting Managing Director, Customer Services

Mitchell, Robert—Operations Director, Laurel Distribution Center

Miller, Kerry—Deputy General Counsel

Mixon, Clint—Manager, Chicago Regional Office

Mooney, Michael—Manager, Quality Control and Technical Department, Plant Operations

Priebe, Ted—Director, Print Support Operations, Customer Services

Raponi, Michael A.—Inspector General

Riddle, Chuck—Chief Information Officer

Rosa, Renee—Headquarters COOP Coordinator

Rozdzielski, Debra—Manager, Philadelphia Regional Office

Sánchez, Jane—Director, Library Services and Content Management

Seger, Bruce—Director, Sales and Marketing

Shedd, Steven T.—Chief Financial Officer

Sherman, Andrew M.—Chief Communications Officer

Somerset, Gary G.—Director, Public Relations

Spalding, Drew—General Counsel

Subt, Sylivia S. Y.—Technical Manager, Strategic Planning and Analysis, Plant Operations

Sullivan, Tom—Managing Director, Customer Services

Thomas, Ginger T.—Chief Human Capital Officer

Thompson, Marcia—Congressional Record Index Office, Official Journals of Government

Turner, Jeffrey—Director, Sales Planning and Development, Business Products and Services

Vance-Cooks, Davita—Acting Public Printer

Vernon, Lamont—Director, Security Services

Williams, Lisa—Director of Marketing and Outreach, Distribution Services

Wu, Deng—Director, Technology Development and Management/Chief FDsys Architect, Programs, Strategy and Technology

Young, Sheree—Director, Acquisition Operations

GPO UNION REPRESENTATIVES

Ayers, Kevin—Chief Steward, International Brotherhood of Electrical Workers

Bennett, Jessie—President, Local 713

Cullen, Michael T.—Vice President, Local 101-12

Gordan, Norman—Building Chairman, Fraternal Order of Police

Lord, George—Chairperson, Joint Council of Unions

Melcher, Joyce—President, Association of Federal Government Employees

Pratt, Melvin—Building Representative, Local 1-C

CONGRESSIONAL STAKEHOLDERS

Dawson, Elizabeth—Staff Director, House Appropriations Subcommittee on the Legislative Branch

Helms, Lila—Clerk, Senate Appropriations Subcommittee on the Legislative Branch

Johnson, Bud—Assistant to the Director of Printing and Document Services, Office of Secretary of the Senate

McGowan, Matthew P.—Professional Staff Member, Senate Committee on Rules and Administration

Moore, Karen—Director, Printing and Document Services, Office of the Secretary of the Senate

Schroeder, Rachelle—Professional Staff Member, Senate Appropriations Subcommittee on the Legislative Branch

Schweickhardt, Reynold—Director of Technology Policy, Committee on House Administration

Sterkx, Craig—Professional Staff Member, House Office of Legislative Council

Storelli, Dominic—Professional Staff Member, Committee on House Administration

Turner III, Chester Lee—Professional Staff Member, House Appropriations Subcommittee on the Legislative Branch

Young, Shalanda—Professional Staff Member, House Appropriations Subcommittee on the Legislative Branch

AGENCY CUSTOMERS

Bennett, Dwight—National Archives and Records Administration; member, Board of Directors of the Interagency Council on Printing and Publication Services

Conway, Barry J.—Managing Director for Support Operations, Passport Services, Bureau of Consular Affairs, State Department

Dunlap, Ben—Census Bureau; member, Board of Directors of the Interagency Council on Printing and Publication Services

Godwin, Bev—Director, Federal Citizen Information Center, Office of Citizen Services and Innovative Technologies, General Services Administration

Hemphill, James—Special Assistant to the Director of the Office of the Federal Register, Office of the Federal Register, National Archives and Records Administration

Lee, Keith—Department of Homeland Security; member, Board of Directors of the Interagency Council on Printing and Publication Services

Padgett, Paula— Department of Justice; member, Board of Directors of the Interagency Council on Printing and Publication Services

Piscopo, Daniel—Assistant Division Director, United States Customs and Border Protection

Sherman, Stephen T.—Director, Defense Logistics Agency Document Services, DoD

Simon, Bert—U.S. Geological Survey, Department of the Interior; Chair, Board of Directors of the Interagency Council on Printing and Publication Services

Spiro, Michelle—Defense Logistics Agency Document Services, DoD; member, Board of Directors of the Interagency Council on Printing and Publication Services

Steele, Wendy—DLA Document Services, DoD; member, Board of Directors of the Interagency Council on Printing and Publication Services

Wash, Michael—Chief Information Officer, National Archives and Records Administration

Yake, Jeff—Library of Congress; member, Board of Directors of the Interagency Council on Printing and Publication Services

LIBRARY COMMUNITY STAKEHOLDERS

Adler, Prudence—Director, Association of Research Libraries

Feltren, Emily—Director of Government Relations, American Association of Law Libraries

Holterhoff, Sarah—Government Information/Reference Librarian, Associate Professor of Law Librarianship, Valparaiso University Law School

Jacobs, James—Government Documents Librarian, Stanford University; Former Chair, Federal Depository Library Program

Keller, Michael A.—University Librarian, Director of Academic Information Resources, Publisher of HighWire Press, and Publisher of the Stanford University Press Green Library, Stanford University

LaChance, Janice—CEO, Special Libraries Association

Laster, Shari—Government Documents Librarian, University of Akron; Chair, Depository Library Council

Lowry, Charles—Executive Director, Association of Research Libraries

Mao, David—Law Librarian, Library of Congress

McGilvray, Jessica—Assistant Director, American Library Association

Shaffer, Roberta—Associate Librarian for Library Services, Library of Congress

FORUM OF EXPERTS

Cosimini, Gary—Principal, Things InDesign LLC

Forbes, Jim—Regional Sales Manager, RR Donnelley

Gindlesperger, William—President and CEO, e-LYNXX

Kannan, P. K.—Ralph J. Tyser Professor of Marketing Science and Chair, Department of Marketing, Robert H. Smith School of Business, University of Maryland

Pope, Barbara Kline—Executive Director, National Academies Press

Slisz, Susan—Vice President, Print Products, LexisNexis

OTHER EXPERTS/STAKEHOLDERS

Boarman, William—former Public Printer

Burman, Allan V.—President, Jefferson Solutions; Fellow, National Academy of Public Administration

Cooper, Benjamin Y.—former Vice President of Government Affairs, Printing Industries of America

DiMario, Michael F.—former Public Printer

James, Bruce—former Public Printer

Lynch, Clifford A.—Executive Director, Coalition for Networked Information

Petersen, R. Eric—Analyst, Congressional Research Service

Tapella, Robert—former Public Printer

APPENDIX C: SUMMARY OF PREVIOUS GPO STUDIES

The Conference Report that mandated this study calls for an update of past studies evaluating GPO's production, procurement, information dissemination, and operations, including the Federal Depository Library program (FDLP). The Panel's review included major external reviews of GPO mandated by Congress and related testimony, as well as smaller, more focused studies of individual GPO programs and activities. The major studies include:

- Office of Technology Assessment, *Informing the Nation: Federal Information Dissemination in an Electronic Age* (1988)
- GAO, *Monopoly-Like Status Contributes to Inefficiency and Ineffectiveness* (1990)
- Booz-Allen &Hamilton, *Management Audit of the Government Printing Office* (1998)
- GAO study of GPO during 2003-2004 that produced the following two reports:
    - GAO, *GPO: Advancing GPO's Transformation Effort through Strategic Human Capital Management* (2003)
    - GAO, *GPO: Actions to Strengthen and Sustain GPO's Transformation* (2004)

Studies focused on the FDLP include two congressionally-directed studies and a study conducted for GPO by a contractor:

- GAO, *Information Management: Electronic Dissemination of Government Publication* (2001)
- Ithaka S+R, *Modeling a Sustainable Future for the Federal Depository Library Program* (2011)
- Congressional Research Service (CRS), *Federal Depository Library Program: Issues for Congress* (2012)

Two other studies considered focused on congressional printing and facilities planning:

- GAO, *Issues Faced in Obtaining New Facilities* (2009); and
- CRS, *Congressional Printing: Background and Issues for Congress* (2011).

These reports and testimony are summarized briefly in the table below.

Study	Focus and Findings	Recommendations
Office of Technology Assessment, *Informing the Nation: Federal Information Dissemination in an Electronic Age* (1988)	The OTA study was focused broadly on the challenges facing federal information dissemination and included assessments of GPO as well as other agencies with government-wide dissemination responsibilities, such as the National Technical Information Service (NTIS). OTA made three major findings related to GPO: 1. The growth in agency desktop and electronic publishing systems is making production and distribution more cost-effective at low levels of demand. This development challenges the centralized approach of GPO and NTIS built around traditional ink-on-paper printing that tends to be more cost-effective with high levels of demand. 2. The existing legal and regulatory framework is limiting the ability of GPO to function effectively as a government-wide disseminator in the context of increased electronic publishing by agencies. GPO's FDLP is limited by law to distributing federal information only in paper or microfiche format. 3. Electronic publishing has raised issues about the role of the federal government in producing "value-added" information. Current federal policy does not specify the conditions under which information products may be considered governmental in nature.	OTA recommended that the government should: 1. Undertake a comprehensive planning process for exploring the long-term future 2. Provide short-term direction to existing agencies and institutions with respect to electronic information dissemination.
GAO Testimony - *GPO's Future Direction* (1989)	Based on two surveys conducted in support of the 1988 OTA study and its past assessments of various GPO programs, GAO identified four issues that must be resolved to establish a clear-cut role for GPO going forward: 1. The role of GPO, the private sector, and departments and agencies in ink-on-paper printing.	GAO recommended changing the job requirements of the Public Printer and Deputy Public Printer to allow people with a broader background in all aspects of information management and publishing to be considered as candidates.

	2. The role GPO will have in distributing government information in non-paper formats, more specifically its role vis-à-vis the private sector in "adding value" to data, such as creating indexes and other aids to make information more accessible. 3. GPO's role in procuring nontraditional information dissemination mediums, such as its participation in "on demand" printing systems for the Army and Air Force. 4. GPO's role in working with other organizations to anticipate and assess technological change and develop standards.	
GAO, *Monopoly-Like Status Contributes to Inefficiency and Ineffectiveness* (1990)	This review focused on challenges facing GPO's in-house and procured printing operations. GAO made five findings: 1. Internal printing was costly due to inefficient production scheduling, high level of paper waste and spoilage, and old equipment. 2. Internal systems were inadequate to ensure efficiency and quality. 3. GPO was using poorly-performing contractors because it was not validating critical data showing whether contractors delivered work on time, important quality of performance information necessary to operate a sound contracting system was not readily available, and no guidance existed for how best to use it. 4. Customer service was hindered by poor communication and a poor system for tracking and resolving customer complaints. 5. Accountability was hindered by weaknesses in the GPO's performance management system and Executive Information System. In addition to these specific findings, GAO concluded	In addition to making recommendations addressing these five specific findings, GAO recommended that the Joint Committee on Printing should take the lead in convening a group, including the Public Printer, Congress, federal agencies, and GPO unions, to decide on the future direction of the agency.

	that uncertainty about its future role and mission would hinder GPO's ability to move forward effectively. Secondarily, GAO also noted GPO's lack of strategic planning processes.	
Booz-Allen & Hamilton, *Management Audit of the Government Printing Office* (1998)	The management audit encompassed six broad areas: (1) Superintendent of Documents; (2) printing procurement program; (3) in-plant production; (4) personnel; (5) budgeting, accounting, and financial reporting systems; and (6) financial and other management-related observations and recommendations made in the audit of GPO's FY 1995 financial statement BAH made three overall findings: 1. There is little support among GPO's customers for eliminating GPO. 2. GPO has no established strategic planning process and no current strategic plan. 3. GPO is overly centralized with little communication across functional organizations.	BAH made three overall recommendations. 1. GPO should focus on creating a future-oriented organizational structure and on developing and adopting new plans and business processes that focus more on where GPO and its customers want it to be and less on where it has been. 2. GPO should institutionalize the strategic planning process and link annual budgets to a published strategic plan. 3. GPO should adopt an organization model that reduces the number of senior executives reporting directly to the Public Printer, empowers senior managers to make decisions, and provides easy and effective communication across functional areas.

GAO, *Information Management: Electronic Dissemination of Government Publication* (2001)	GAO was asked to address two major issues: (1) the impact of providing documents to the public solely in electronic format; and (2) the feasibility of transferring the Federal Depository Library Program to the Library of Congress. GAO's findings with respect to each issue are as follows: 1. Several challenges would have to be overcome before a shift could be made to disseminating documents solely in electronic format. These include ensuring that these documents are authentic, permanently maintained, and equally accessible to all individuals. Also, certain cost issues would need to be addressed, in particular the effect of shifting printing costs to depository libraries and end users. 2. There are advantages and disadvantages of transferring FDLP to the Library of Congress (LC). Regarding advantages, GAO cites LC studies conducted in 1993 and 1994, concluding that the FDLP is not inconsistent with the mission and functions of LC and that it might be appropriate for LC to have responsibility for it. Further, GAO suggests that a transfer could facilitate the development of government-wide solutions to issues surrounding the acquisition, management, and dissemination of electronic documents. It cites the new money and mandate for national strategic planning received by LC as part of the National Information Infrastructure and Preservation Program. Regarding disadvantages, GAO notes that GPO does not consider LC an appropriate home for FDLP because LC's mission and operations are inconsistent with a large-scale information dissemination	If it was decided to transfer the depository library program, GAO recommended forming a joint GPO/Library transition team—which would be led by the Librarian or his designee and include representatives of the depository libraries—to develop appropriate strategies.

	program. In addition, the Library studies, as well as organizations representing librarians, cite disadvantages including potential negative effects on public access to information and the availability of funds to maintain the current program. Finally, unions representing GPO employees raised concerns about the effect on employee rights.	
GAO, *GPO: Advancing GPO's Transformation Effort through Strategic Human Capital Management* (2003)	This report covers the first part of the 2003-2004 study of GPO--a review of human capital management. GAO's overall finding was that the Public Printer had taken steps to strengthen GPO's human capital management--by filling the position of Chief Human Capital Officer, shifting the focus of training, and enhancing recruitment strategies--but that additional action was needed.	GAO recommended that GPO build on these initial steps by taking four additional actions: 1. Enhance communication with senior managers. 2. Build a strategic human resources office to help drive the transformation. 3. Develop strategic workforce plans. 4. Implement an individual performance management system that aligns organizational goals with day-to-day operations and creates a line of sight between individual and organizational performance.
GAO, *GPO: Actions to Strengthen and Sustain GPO's Transformation* (2004)	This report covers the second part of the 2003-2004 GAO study, which included an examination of the current state of printing and information dissemination, the development of strategic options, and a review of GPO's financial management, information management, strategic planning, organizational operations, as well as the use of technology in printing and information dissemination. GAO made three findings about changes in	A Panel of experts assembled by GAO to assess the current state and develop strategic options for GPO made the following four recommendations: 1. Develop a business plan to focus its mission on information dissemination as its primary goal, rather than printing.

	government printing and information dissemination forcing GPO to transform itself: 1. GPO's revenues from printing for agency customers and document sales to the public have declined as federal agencies publish more documents directly to the web and do more of their own printing and dissemination of information without using GPO services, and the public increasingly obtains documents available for free on the internet. 2. These changes in federal printing and dissemination are also creating challenges for GPO's long-standing structure for centralized printing and dissemination. 3. The ongoing agency shift toward electronic publishing is also creating challenges for GPO's existing relationships with its executive branch customers. GAO also found that GPO had taken steps to address these challenges and adopted some practices associated with successful transformation, but still lacked a strategic plan to guide continued transformation. GAO emphasized the need for improvement in GPO's information technology management to enable the development or acquisition of the technologies needed to realize its transformation.	2. Demonstrate to its customers the value it can provide. 3. Improve and extend partnerships with agencies to help establish itself as an information disseminator 4. Ensure that its internal operations are adequate for efficient and effective management of core business functions and for service to its customers. As part of its management review, GAO made recommendations for GPO to build on its progress in adopting practices associated with successful transformation efforts. To fully implement these practices, GAO recommended that GPO establish its mission and strategic goals and implementation plan. GAO recommended GPO take actions in a number of IT management areas, including the development of an information technology investment management process to choose, monitor, and evaluate investments needed to support transformation.
GAO, *Issues Faced in Obtaining New Facilities* (2009)	GAO assessed GPO's analysis of options to obtain a new facility and issues that might impede GPO's efforts to obtain a new facility. GAO made two findings:	No recommendations made.

	1. GPO had not considered the full range of options, including the option of reconfiguring existing facilities. 2. GPO may have overestimated cost savings to be gained from leasing a new facility.	
CRS, *Congressional Printing: Background and Issues for Congress* (2011)	This study focused on two issues: (1) whether further cost savings could be achieved by eliminating paper versions of some congressional documents and relying instead on electronic versions; and (2) the trade-offs that a shift to electronic versions would entail and what might need to be done before making such a shift. The CRS report made the following observations: 1. Further reduction in print runs for *Congressional Record* and other congressional documents may result in only modest reductions in cost due to the cost of pre-press processes (actions that must be taken before copies can be printed), which constitute approximately two-thirds of the total printing cost of the *Congressional Record*. (The report noted that pre-press costs vary and are not documented for other congressional documents.) 2. Any cost savings achieved as a result of reduced print runs might come at the expense of users who prefer to use paper copies or who do not have access to electronic versions. 3. With regard to reliance solely on electronic versions of documents, the report cited concerns about (1) the ability to reliably access electronic versions as technologies evolve and systems become obsolete; and (2) the long-term cost of ensuring that documents stored using old systems are converted. 4. A shift to relying on electronic versions would likely need to provide for verification and authentication	No recommendations made.

	procedures that ensure the provenance and accuracy of any official record of congressional activity.	
Ithaka S+R, *Modeling a Sustainable Future for the Federal Depository Library Program* (2011)	The study identified three challenges/opportunities that should inform decisions about the future of FDLP: 1. Many libraries are moving away from the maintenance of "tangible" document collections due to growing user preference for digital collections and the increasing availability of FDLP documents on the internet. This development potentially threatens certain types of public access needs. 2. There are indications that services available to support the effective use of government documents available on the internet are inadequate. A focus on support services provides opportunities for existing network libraries and other libraries to add value. 3. The management and preservation of digital collections could be performed more effectively and efficiently by networks of libraries and could help relieve the growing burden on regional libraries. However, FDLP's current structure severely limits networked approaches.	Ithaka S+R developed a range of options or "models." The models are described as increasingly complete implementations of an overall approach intended to address the mission, goals, and principles of the FDLP. They entail more or less cost and complexity, including changes to the existing authorizing statute.
CRS, *Federal Depository Library Program: Issues for Congress* (2012)	The report discusses the following issues related to the digital transition: (1) maintenance and availability of the FDLP tangible collection—retention and digitization; (2) retention and preservation of born digital information; (3) access to digital government information; and (4) cost of the FDLP and other government information distribution initiatives. The report concludes that a number of concerns must be more systematically addressed before a new policy on FDLP can be developed. These include: 1. Development of methods, materials, and technologies to ensure the long-term preservation of	No recommendations made.

	digitized and born digital information; 2. A more inclusive definition of materials to be included in FDLP collections to ensure consistency in the type of materials that get into FDLP collections; 3. The extent to which there is a need to expand the current institutional model of FDLP beyond regional and selective libraries; and 4. The costs of the program to the federal government and depository institutions, and how long-standing funding models might affect the program in the digital era.	

APPENDIX D: KEY DATES IN GPO'S HISTORY

1860 – Joint Resolution 25 (36th Congress, 2d Session) is enacted, establishing GPO. The resolution is signed by President James Buchanan.

March 4, 1861 – The new Government Printing Office opens its doors on the same day Abraham Lincoln is inaugurated as the 16th President. The GPO is housed in a building at the corner of North Capitol and H Streets, NW, purchased by Congress from Cornelius Wendell. President Lincoln subsequently appoints John D. Defrees Superintendent of Public Printer, the first head of the GPO.

1861 – GPO employees set the type and print President Lincoln's war message to Congress of July 4.

1862 – GPO employees set the type and print the document known as the Preliminary Emancipation Proclamation, issued by President Lincoln as General Order No. 139 in the days following the battle of Antietam.

1873 – GPO begins production of the *Congressional Record*, the official record of the proceedings of Congress. Previously, the proceedings of Congress were published by a variety of private printers.

1876 – Congress changes to the title of the head of GPO to Public Printer. In August, Almon M. Clapp becomes the first appointee to hold this title.

1894 – GPO issues its first Manual of Style, a guide to printers, which becomes the widely observed standard in the style of congressional and federal agency documents.

1895 – The General Printing Act of 1895 is passed. The Act transferred the position of Superintendent of Documents to GPO, brought all other federal printing plants under GPO's control, provided rules and standards concerning compensation, purchasing supplies, setting prices, and outlined GPO's organization. These changes would form the basis for the public printing and documents statutes contained in Title 44 of the United States Code today.

1903 – GPO's Building 1 opens, located at the corner of North Capitol and G Streets, NW, adjacent to the original Wendell building.

1904 – GPO turns to machine typesetting with the introduction of Linotype and Monotype machines into its operations.

1918 – GPO's workload swelled with World War I production demands. War work includes the regular production of the Official U.S. Bulletin, a compendium of regulatory and related information that was the precursor of the Federal Register. Hundreds of GPO employees served in the war, which afterwards was marked by the funeral of Corporal Charles Jacobs on what has become GPO's Veterans Memorial in Building 1.

1921 – GPO's first public bookstore was opened.

1924 – Passage of the Keiss Act authorized the Public Printer to establish rates of pay based on collective bargaining with employees.

1925 – With 120 Monotype and 147 Linotype key boards in use, GPO boasts the largest number of both machines in the world.

1926 – GPO begins producing U.S. passports for the State Department.

1929 – GPO's Building 2 opens, located west of and connected to Building 1.

1936 – GPO begins daily production of the Federal Register.

1938 –GPO's Building 4 opens as a paper warehouse, on the east side of North Capitol Street. The building features a rail connection to Union Station for the delivery of paper by train.

1940 – GPO's Building 3 opens, located on the site of the Wendell building that originally housed the agency.

1941 – Under special war time authority, GPO begins contracting with commercial printers to add desperately needed capacity. This authority continued after the war, eventually resulting in a mix of 75% procured work/25% in-plant work by the end of the century. At the end of the war, emergency war time printing plants are turned over to the GPO, which operates them as regional printing plants until the 1990s.

1945 – GPO's World War II-era work included procurement of a wide range of posters seeking recruits, advertising war bonds, and related matters; production of the leather covers for the surrender documents signed by the Japanese forces at the end of the war; and the documents used in the establishment of the United Nations. More than 2,500 GPO employees served in the conflict.

August 1953 – Senator Joseph McCarthy's investigations subcommittee targets alleged communists at the GPO. No criminal breaches of security are found and no prosecutions follow.

1961 – GPO observes its centennial with the publication of *100 GPO Years*.

1962 – The Depository Library Act of 1962 is passed. This act created the system of regional and selective depository libraries.

1962 – The Joint Committee on Printing directs GPO to begin the development of a computerized system for setting type.

1967 – The Linotron, a computerized phototypesetting machine, goes into operation at GPO.

1967 - GPO begins opening bookstores around the nation, reaching a high of 25 stores in the 1970s. They were closed between 2001 and 2003, with only the bookstore in GPO's Building 1 remaining in operation today. In their place, GPO operates a secure online bookstore.

1971 – The Pueblo, CO, warehouse is established. Three years later, the Laurel, MD, warehouse begins operations.

1975 – GPO begins the transition from hot metal typesetting to electronic photocomposition for publications produced in-plant, including congressional and *Federal Register* documents. The *Congressional Record* begins production via photocomposition in 1982.

1985 – Hot metal typesetting is fully phased out, ending 80 years of service to GPO.

1993 – The GPO Electronic Information Access Enhancement Act passes (Pub. L. 103-40), directing GPO to provide online access to the *Congressional Record*, *Federal Register*, and other publications from all three branches of government. This act leads to the creation of GPO Access. GPO Access begins service a year later.

1994 – GPO Access begins service.

2007 – GPO establishes the ability to create secure federal credentials, otherwise known as smartcards.

2008 – A second passport production facility opens in Stennis, MS.

2009 – Release 1 of FDsys goes live, beginning the replacement of GPO Access.

2011 -- GPO releases its first mobile app, a Guide to Members of Congress.

2012 -- GPO provides access to the federal budget for the first time as a mobile app; GPO Access officially shut down.

APPENDIX E: KEY THEMES FROM THE ACADEMY'S FDLP SURVEY

Purpose and Value of the Survey

As part of the broader GPO review, information on how the Federal Depository Library (FDLP) community views the future of the program was needed. The survey provided a unique opportunity to simultaneously gather viewpoints from a large number of representatives of selective and regional depository libraries and library associations on several key topics.

The results of the survey are one data source within the larger context of many primary and secondary sources to be considered in the overall review. The survey filled a critical data gap by targeting the broad FDLP stakeholder group in a compressed time.

Survey Design and Audience

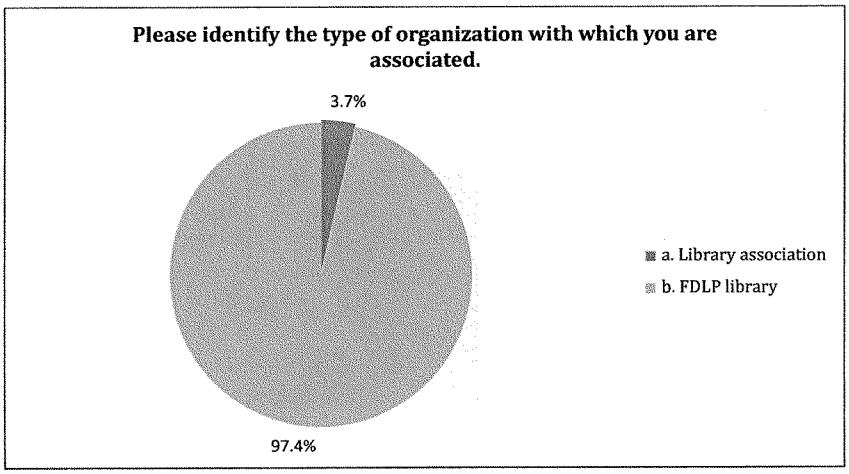
The survey was created using Survey Monkey and was disseminated on August 22, 2012 to more than 2,400 individuals representing approximately 1,200 libraries and five library associations. The list of recipients was provided by GPO. GPO sent a follow-up email to the recipients explaining the purpose of the survey and urging participation. The Academy re-sent the survey to all recipients on August 29, 2012 with a reminder of the survey closing date. The survey was initially closed on September 5, 2012, but reopened for a few more days as a result of several requests from people who had started to fill out the survey but hadn't had a chance to finish. The survey was permanently closed on September 14, 2012.

The survey asked four identifying questions to determine if the respondents represented a library or association, the type of library, and the respondent's title. The remainder of the survey consisted of five open-ended questions designed to solicit perspectives on the future direction of the program.

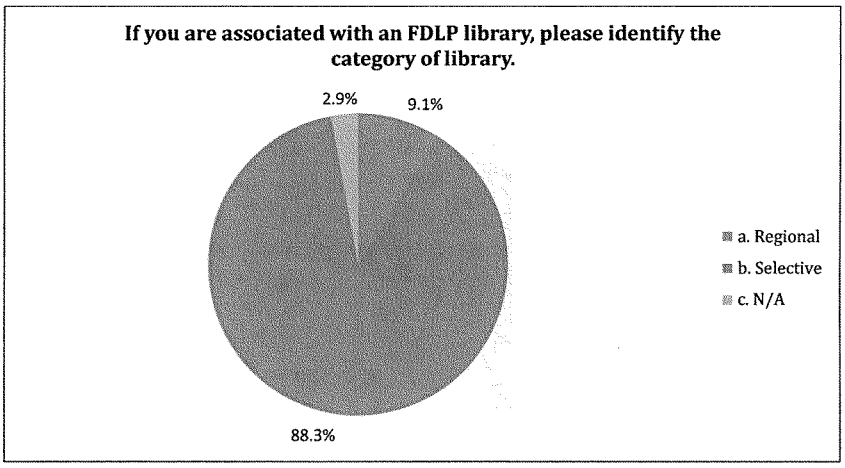
Quantitative Survey Results

This section presents quantitative analysis of survey questions 1-4. Of the more than 2,400 individuals who received the survey, 745 (31%) answered at least some of the survey questions. A total of 501 (21%) of survey recipients answered every survey question.

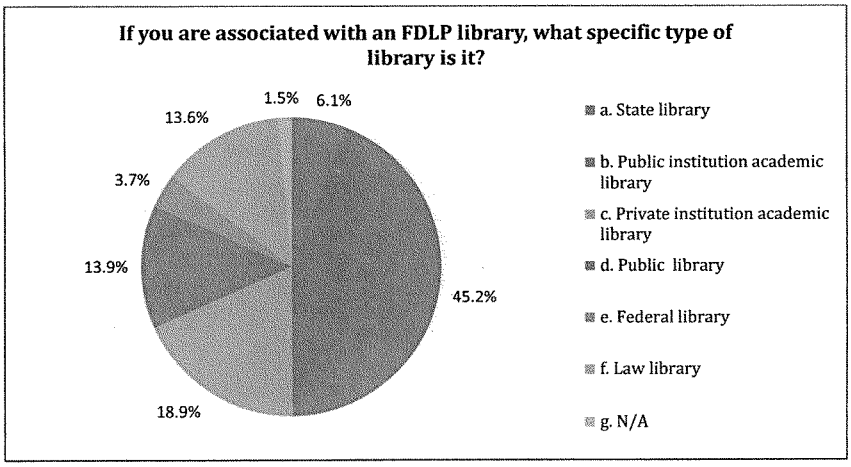
Q1. Please identify the type of organization with which you are associated.		
Answer Options	**Response Percent**	**Response Count**
a. Library association	3.7%	27
b. FDLP library	97.4%	720
	answered question	**739**
	skipped question	**6**



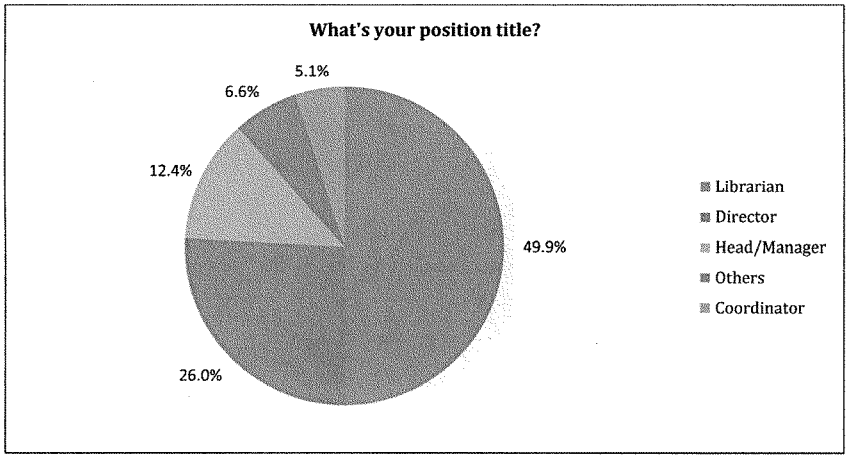
Q2. If you are associated with an FDLP library, please identify the category of library.		
Answer Options	**Response Percent**	**Response Count**
a. Regional	9.1%	67
b. Selective	88.3%	650
c. N/A	2.9%	21
	answered question	**736**
	skipped question	**9**



Q3: If you are associated with an FDLP library, what specific type of library is it?		
Answer Options	**Response Percent**	**Response Count**
a. State library	6.1%	45
b. Public institution academic library	45.2%	333
c. Private institution academic library	18.9%	139
d. Public library	13.9%	102
e. Federal library	3.7%	27
f. Law library	13.6%	100
g. N/A	1.5%	11
	answered question	**736**
	skipped question	**9**



Q4: What is your title?		
Answer Options	**Response Count**	**Response Percent**
a. Librarian	362	49.9%
b. Dean or Director	189	26.0%
c. Head/Manager	90	12.4%
d. Coordinator	37	5.1%
e. Other	48	6.6%
	answered question	**726**
	skipped question	**19**
Note:		
Dean or Director includes: Directors, Associate Directors, Assistant Director, Dean, Assistant Dean, CEO, Provost, and Commissioner.		
Head/Manager includes: Heads, Managers, Research Chief, and Team Leader.		
Other includes: assistant, consultant, specialist, supervisor, technician, faculty, liaison, cataloguer, associate, and archivist.		



Qualitative Survey Results—Key Themes

The study team researched and considered automated analysis tools for the analysis of the open-ended questions, but determined that these tools would not be helpful in the analysis of the data that were collected for a variety of reasons, including different usages of the same terms and the number of ideas in each response. For example, when using the term "preservation" some respondents were referring to the tangible collection and others to digital preservation. When using the term "flexible, some respondents were referring to collections management and others were referring to governance issues, such as multi-state regionals. In addition, most responses contained multiple ideas (some contained up to six or more).

Due to the volume and length of survey responses, the analysis approach and summary of results focus on the data in aggregate. The data represent a segment of the attitudes and experiences existent within the overall population of FDLP stakeholders. The results summarize the higher-level "ideas" that were provided by the respondents. For the present purposes, analysis of the ideas is the appropriate level of analysis for understanding the main themes in the data and comparing these findings with the other forms of data gathered during this review.

All ideas were sorted in descending order by the number of times the idea is offered and supporting comments offered (how many individuals were compelled to offer further elaboration on the idea). These two indices provided a general indication of the relative importance of these ideas across the survey results.

Whereas in a survey consisting of close-ended questions quantitative analysis is the key output, this is not the case for a survey including open-ended questions. Thus, for this data set, ideas will be summarized in terms of the relative strength or prominence of underlying themes, based on the number of respondents providing similar ideas. The analysis will attempt to identify and compile the top themes by looking across the most "active" ideas (defined as appearing in at least 20 survey responses).

Review of the survey results indicated that some of the ideas presented were non-responsive to the survey questions; reflected idiosyncratic comments or complaints that could not be associated with a research question or theme; or had few supporting responses (e.g., mentioned fewer than 20 times). These ideas were not useful for the present analysis and no action was taken to include them in this survey results. Their exclusion from this summary will neither add to nor detracts from the findings.

There are some overarching themes that emerged that did not specifically pertain to the questions that were asked in the survey. Libraries want realistic goals and streamlined processes for collections maintenance and disposition. Another overarching theme is that the libraries strongly value collaboration. They want more opportunities to collaborate with each other and they want GPO to collaborate more with other federal agencies and existing library networks and projects.

Several respondents went out of their way to praise GPO for the job they are doing under what the library community considers difficult circumstances—inadequate resources and authority. In contrast, there were only a very few negative comments about GPO and the program. This is surprising given the fact that FDLP is a program in transition. In survey research, it is assumed that those with the strongest feelings about the issue are the most motivated to share their concerns, and those who are satisfied, neutral, or only mildly negative don't feel compelled to engage.

The key themes pertaining to each question are discussed below.

Q5. What are the three most important actions GPO needs to take to ensure that the Federal Depository Library Program (FDLP) fully meets the government's information access and dissemination needs?

Respondents focused much more on the access than the dissemination aspect of this question. By an overwhelming number, respondents favored increasing public awareness of the FDLP and available government information as a way to increase access. A comment that was also very common was that the information should remain free and permanent. These were the most commonly mentioned ideas across all categories of respondents except for federal depository libraries (with expanding and improving FDsys as the most commonly expressed idea) and library associations (which stressed the need for GPO to collaborate more at the federal level).

Much less common, but very consistently mentioned topics across all categories of respondents included the desire for more in-person and online training (particularly in the use of FDsys and for new government documents librarians), cataloging and digitizing the tangible collection, and improvements to FDsys.

Comments on FDsys focused on expanding the collection (including ingesting content from depository libraries and encouraging federal agencies to provide digital publications) and making it more user friendly, particularly by improving searchability. Libraries and users also want a one-stop shop for government information rather than having to search multiple sites (e.g., Census, EPA, Smithsonian, etc.).

Less frequently mentioned topics in response to this question, but still mentioned multiple times in all categories of respondents were digital preservation, authentication, cataloging/indexing, fugitive documents, funding (for both the FDLP and FDsys), and enforcing and/or updating Title 44.

Some quotes supporting the key themes include:

- "Make the FDLP less of a secret. Better inform the public that it can receive assistance with government questions from FDLP libraries."
- "Clearly communicate with the public from time to time what federal government information is available at no additional cost, in what format, and the method of access."

- "GPO needs to ensure that there is permanent no-fee access to government information."
- "Provide more FDsys training through webinars or have trainers do more hands-on demos outside of the DC area. I personally find FDsys very difficult to use, even when I have very precise search criteria."
- "Continue to develop strategies to expand the range of government published information that is available in authenticated digital format, in FDsys."
- "Catalog all pre-1976 FDLP materials, including links to stable, public domain digitized copies wherever they may be housed."
- "Digitize the retrospective materials published and distributed by the GPO and make them freely available to libraries and the public."

Q6. What actions does GPO need to take to properly balance the dissemination of print and electronic content in the FDLP?

There is absolutely no consensus on this issue, even among stakeholders within the same category of library. Some respondents want a balanced approach, with GPO continuing to work with the depository libraries to determine the correct balance of print and digital. Others expressed concern about the decreased access to print. Those who want access to print continue to point out that some users are not comfortable with computers or the Internet, and not all libraries have the infrastructure to go totally digital. In addition, some documents (e.g., long legal documents, maps, etc.) don't lend themselves well to digital formats. Still other respondents believe print should be minimized or even eliminated. These respondents cite staff and space constraints for dealing with print documents, and also that their users demand digital formats. Clearly, there is a need for libraries to continue to have flexibility to meet their needs as well as those of their user communities.

Respondents also raised the issue of wanting streamlined processes and more flexibility in collection maintenance, including item selection and weeding.

Some comments illustrating different opinions on print versus digital include:

- "[GPO] must continue to ensure that all essential titles on the Item Selection List are available in both print and electronic format and such titles should be available at Depositories."
- "GPO and the Federal Depository Program need to assess what their responsibilities are to the taxpayer that does not have personal computer access or the ability to access government information in an electronic format."
- "Some material, such as graphical and/or large pdf format, is appreciably more accessible in print."
- "GPO is dedicated to primary providing (around 98%) electronic format for 2 reasons: cost and accessibility."
- "Allow those libraries to make local retention decisions based on potential usefulness of each individual item in their state."

- "Make everything available electronically with URL's that don't keep changing or are dead and authenticate federal legal documents so they can be relied on instead of print."
- "We believe that the proper balance between print and electronic is 100% electronic, and that GPO should phase out print dissemination entirely."

Q7. What needs to be done to strengthen GPO's digital preservation efforts?

The most common response to this question was more collaboration. Libraries want GPO to increase coordination with NARA, LC, and originating agencies at the federal level; with non-governmental organizations, like the HathiTrust; and with existing networks, like the Digital Preservation Network, and the National Digital Stewardship Alliance. Libraries also want GPO to work with depository libraries to develop a cooperative digital preservation plan.

The second most common comment related to funding for a variety of activities: more funding from Congress to support GPO's digital preservation efforts; funding for depository libraries to play a more active role in digital preservation; more funding for FDsys; and more funding to harvest, catalog, and preserve federal agency web content. Most respondents believe that additional funding should come from Congress, but some thought that GPO and depository library resources should be shifted from traditional activities to digital preservation.

The third most common comment was regarding FDsys. Libraries want a robust FDsys, with an expanded collection and sustainable funding.

The next most common comment was related to web harvesting and archiving. Libraries suggest requiring executive branch agencies to submit digital content to GPO, or alternatively, that GPO should work with originating agencies to establish a process for submitting digital content to GPO. Respondents also want GPO to increase automated harvesting of agency websites, and supplement these efforts with manual harvesting.

Quotes from respondents illustrating these ideas include:

- "There is a need to continue the cooperation with NARA, document producing agencies and non-governmental groups like Internet Archive, HathiTrust, universities and others to find and digitally preserve documents."
- "Congress needs to understand that without adequate resources to ensure digital preservation, the U.S. will suffer catastrophic losses of government information in the future."
- "A strengthened FDsys could improve the effectiveness of digital preservation almost immediately and would help to organize national efforts to preserve multiple instances of digital reproductions."
- "FDsys is a good beginning, but as with all technical infrastructure, constant planning and updating/improving is required to grow/scale, to provide good access, to meet the expectations of the public."

- "GPO needs to decide on a method of systematic capture, migration, and permanently preservation of all products of government (including, but not limited to, websites)."
- "Agencies should be required to notify GPO when new information is published to the web."

Q8. How can GPO work to strengthen the relationship between the agency and the FDLP libraries?

The overwhelming majority of responses to this question focused on continued and more communication and collaboration between GPO and the depository libraries. Libraries want more two-way communication. Libraries want more e-newsletters and online discussion forums that address changes in FDLP policy, and would like more input on policy changes.

Depository libraries also want more in-person and on-line training and more opportunities to participate in meetings and conferences remotely. Libraries also would like GPO to collaborate with other agencies to deliver training on utilizing federal databases.

Libraries also raised a number of governance and program issues that are causing tension between GPO and the depository libraries, including lack of flexibility in interpretation of Title 44, the regional structure, and Needs and Offers policies and procedures. Libraries also want flexibility in building and maintaining collections and want to explore new models for the program. Examples of ideas for new models included multi-state regionals and new relationships between the regionals and selectives. Libraries who are struggling to stay in the program want more support from GPO.

Some quotes illustrating the ideas expressed by respondents include:

- "Offer training opportunities - the archived chats and webinars are great. Look for partners to also host electronic documents so GPO is not seen as the "only" provider or source. Give advance notice and promote "buy-in" for changes in FDLP tools, like the item selection process."
- "GPO needs to listen to the needs of FDLP libraries in light of current staffing and budget restrictions. The current model is based on a library model that no longer exists for most libraries."
- "More respect from Congress and higher visibility from public (that would come from more thorough digital access)."
- "GPO has no way of forcing a library to follow the mandates of Title 44. The only avenue for GPO is to expel a library from the program (and with the number of libraries that have already left and the large amount of government information available through the Web, that is not a terrifying prospect for a library). GPO cannot make a library give up the federal property it states the materials it disseminates are, and neither Title 44 or GPO recognize the fact that a library commits itself to a costly endeavor of receiving and maintaining this federal

property. (The closest Title 44 comes to this is that a selective library must keep materials it receives for a minimum of five years)."

Q9. What other options should be considered by Congress to meet the legislative goal of providing the American public access to authentic government information?

The issue of funding was the most common response to this question. Libraries want GPO to have sufficient funding to continue to provide free and permanent public access to government information. Specifically, libraries indicated support for additional funding for FDsys and the FDLP.

Libraries would also like congressional funding of depository libraries, particularly regionals, to support staffing; space; and provision of necessary software and hardware, including high-speed Internet access.

Another popular comment was the Congress should update Title 44 to respond to changing technologies and user needs. A smaller number of respondents expressed the opinion that revisions to Title 44 are not necessary; the law provides flexibility and GPO should take advantage of that flexibility in implementation.

Some quotes to illustrate these points include:

- "Congress needs to understand, honor, and devote resources to meeting the core Constitutional commitment of providing the citizens of our democracy with free and unfettered access to government information."
- "Revise Title 44 so that the FDLP structure becomes a flexible one. For example, regional libraries should have the ability to share responsibilities with other regional libraries across state lines. Because more government documents are born digitally, FDLP libraries should not be restricted to geographic boundaries."
- "The most important action by Congress is to fund the operation. If that is done, everything else will follow."
- "Help GPO offer assistance with electronic equipment for FDLP libraries. Many libraries are looking to de-clutter their collections and reducing paper copies is a big way to do just that. Digitization is the way to go for online government information."

APPENDIX F: GPO OVERHEAD CHARGES TO OPERATING UNITS FY 2011($thousands)

Components of GPO Overhead	Plant Ops	Official Journals of Gov't	SID	Digital Media/Creative Services	Customer Services	Pubs & Info Sales	Agency Distr. Services	Library and Content Mgt Svcs	Other Ops	Total
Executive Offices	2,010	162	3,225	126	595	190	106	405	101	6,920
Quality Assurance	172	14	276	11	51	16	9	35	9	593
Mandated Programs	1,470	118	2,361	92	436	139	77	296	74	5,063
National Account Managers and Program Analysis	658	53	1,056	41	195	62	35	133	33	2,266
Finance and Administration	4,471	360	7,178	279	1,323	424	238	901	224	15,398
Acquisitions	723	58	1,161	45	214	69	38	146	36	2,490
Info Tech and Systems	10,817	871	17,369	675	3,201	1,025	570	2,181	541	37,250
Human Capital	2,693	217	4,324	168	797	255	142	543	135	9,274
Security Services	3,454	278	5,547	216	1,022	327	182	696	173	11,895
Facilities	25,748	166	6,533	738	2,281	782		2,884	344	39,476
Other	(313)	(28)	(506)	(20)	(93)	(30)	(17)	(64)	(16)	(1,087)
Total GPO Overhead	**51,903**	**2,269**	**48,524**	**2,371**	**10,022**	**3,259**	**1,380**	**8,156**	**1,654**	**129,538**

APPENDIX G: SUMMARY GPO FINANCIAL DATA FY 2008 – FY 2012
($thousands)

Business Unit	FY08	FY09	FY10	FY11	FY12 Annualized*
Plant Operations					
Revenue	159,034	156,886	158,549	151,117	140,613
Expenses	106,365	109,683	107,482	106,788	86,483
Contribution Margin	52,669	47,203	51,067	44,329	45,966
Actual GPO Overhead Charge	34,627	54,842	55,022	51,902	50,958
Net Income	18,042	(7,639)	(3,955)	(7,573)	(4,992)
Official Journals of Gov't	In Plant**				
Revenue		9,990	9,997	11,469	10,786
Expenses		9,221	9,753	9,632	7,242
Contribution Margin		769	244	1,211	1,554
Actual GPO Overhead Charge		2,540	1,963	2,328	2,269
Net Income		(1,771)	(1,719)	(1,058)	(928)
Customer Services					
Revenue	532,585	545,081	500,177	397,116	331,789
Expenses	524,968	535,690	492,138	395,856	327,845
Contribution Margin	7,617	9,391	8,039	1,260	3,944
Actual GPO Overhead Charge	12,764	13,944	10,885	10,021	8,475
Net Income	(5,147)	(4,553)	(2,846)	(8,761)	(4,531)
SID					
Revenue	300,566	173,552	202,529	209,366	179,534
Expenses	209,677	109,044	131,274	131,860	109,318
Contribution Margin	90,889	64,508	71,255	77,506	70,216
Actual GPO Overhead Charge	56,155	37,983	46,386	48,526	45,001
Net Income	34,734	26,525	24,869	28,980	25,215
Publications and Info Sales					
Revenue	15,866	14,101	13,245	11,366	9,397
Expenses	14,975	13,642	12,449	12,677	10,119
Contribution Margin	891	459	796	(1,311)	(722)
Actual GPO Overhead Charge	3,128	4,313	2,830	3,260	2,554
Net Income	(2,237)	(3,854)	(2,034)	(4,571)	(3,276)
Creative/Digital Media Svcs					
Revenue	4,216	5,606	3,804	3,623	2,689
Expenses	3,705	4,465	4,472	3,511	2,965
Contribution Margin	511	1,141	(668)	(490)	(275)
Actual GPO Overhead Charge	1,042	2,978	2,262	2,372	1,947
Net Income	(531)	(1,837)	(2,930)	(2,862)	(2,222)

Business Unit	FY08	FY09	FY10	FY11	FY12 Annualized*
Agency Distributions					
Revenue	5,819	5,918	6,169	6,144	5,499
Expenses	5,911	6,039	6,367	6,188	5,067
Contribution Margin	(93)	(121)	(198)	(44)	432
Actual GPO Overhead Charge	1,534	1,659	1,337	1,378	1,184
Net Income	(1,627)	(1,780)	(1,535)	(1,422)	(752)
Library Services					
Revenue	31,732	31,859	34,144	37,627	32,853
Expenses	25,371	24,736	26,445	29,470	26,398
Contribution Margin	6,361	7,123	1,699	8,157	6,455
Actual GPO Overhead Charge	6,361	7,123	7,699	8,157	6,455
Net Income	0	0	0	0	0
Other Operations					
Revenue	10,613	6,845	14,301	8,339	4,118
Expenses	5,652	7,676	13,398	6,523	4,951
Contribution Margin	4,961	(831)	903	1,816	(833)
Actual GPO Overhead Charge	1,596	3,026	1,757	1,650	1,387
Net Income	3,365	(3,857)	(854)	166	(2,220)
Eliminations* **	(18,001)	(15,781)	(14,578)	(15,058)	(14,678)
Total Revenue	1,042,430	934,057	928,337	821,109	702,600
Total Expenses	896,624	820,196	803,778	703,131	580,387
Total Contribution Margin	163,806	129,642	139,137	132,434	126,737
Total GPO Overhead	117,207	128,408	130,141	129,535	120,443
Total Operating Net Income	46,599	1,234	8,996	2,899	6,294

*Annualization is based on actual data available through August 2012.

**Official Journals of Government operations were part of the Plant Operations business unit.

***Eliminations are required to adjust revenue and expenses for sales between GPO business units. The most frequent transactions that generate eliminations relate to the manufacturing/printing of publications (Plant Operations) or purchasing of publications (Customer Service) for: (1) inventory for the Publication and Information Sales program for subsequent sale to the public; (2) Salaries and Expenses program copies for distribution primarily to depository libraries; and (3) publications for internal GPO use.

APPENDIX H: GPO PROJECTION AND ASSUMPTIONS

As noted under Finding IV-2, the GPO has performed a projection to estimate the financial implications of continued declines in print demand and the timeframe within which actions must be taken to ensure the continued financial health of the agency. Based on this projection, GPO concludes that it has seven years until it will run out of cash in FY 2020. In the meantime, the agency would have cash available to offset operating losses and to fund investment at current levels from the revolving fund through FY 2019. (Note: GPO provided data only through FY 2018.)

To inform the interpretation of GPO's projection, important aspects of the projection model are reviewed and the projection assumptions are presented. The projection data table is provided at the end of this appendix.

Projection Model

Important aspects of the GPO projection model are reviewed to facilitate review of the projection data table provided at the end of this appendix.

Base Year

GPO bases its projections on revenue estimates in FY 2012 budget instead of FY 2012 annualized revenue figures, except in the case of Customer Services. With the exception of Customer Services, the FY 2012 budget revenue estimates are lower than annualized FY 2012 revenues. Customer Services (procured printing) revenues were greatly over-estimated in the FY 2012 budget. Therefore, a modified (lower) estimate of FY 2012 Customer Services revenues is used as the base year figure for projection.

Projections at the Business Unit Level

GPO projects business unit revenues, expenses (direct and indirect), and contribution margin (revenues minus expenses). GPO's model does not allow for projecting the operating net income for individual business units. When the model was last updated (early in FY 2012) it was not known how the savings from the buyout would be distributed across overhead components and business units. Without this information, neither an overhead charge nor net income (contribution margin minus overhead charge) could be projected for individual business units. Once FY 2012 is closed and the model is updated for FY 2013, expenses and savings from the buyout can be built into business unit and overhead component numbers allowing for a projection of net income at the business unit level.

Projecting GPO's Net Operating Income

For the reasons noted above, projected increases in expenses (salaries and operating expenses) and the savings from the buyout are added and subtracted, respectively, from the total expense base to obtain total net operating income for GPO. The projection employs the estimated minimum cost-savings from the buyout ($30 million) included in the FY 2012 budget before the full savings and their distribution were known.

Projecting GPO's Cash Flow

Cash flow, which contributes to the total cash that GPO will have available to offset losses and fund investments, is calculated as follows:

- Remove State Department capital—the State Department provides capital for investment in passport production in addition to the price it pays per passport. This investment capital may only be used to fund investment in passport production capabilities and is kept separate from funds in the revolving fund that are available to fund other business operations.
- Add depreciation of investments—as a matter of accounting practice, the calculation of cash flow includes scheduled depreciation of past investments.
- Add savings from improved balance sheet management—recoupment of chargebacks from prior year business is counted as increases in cash flow.

While total net operating income turns negative in FY 2015, cash flow remains positive through FY 2017. Even as cash flow declines, cash remains available to offset operating losses and make investments through FY 2019.

Projection Assumptions

For ease of review, projection assumptions are grouped into three categories: business unit revenues; other revenue sources; and expenses. These assumptions are presented below.

Business Unit Revenues

Plant Operations—Revenues drop by 2 percent each year through FY 2018, while fixed costs are held constant.

Customer Services—Revenues drop by 4 percent in FY 2014 and 5 percent each year through FY 2018.

Security and Intelligent Documents (SID)—SID revenues increase by 5 percent in FY 2014, 10 percent in FY 2016 and FY 2017, and remain the same in FY 2018. The increases in FY 2016 and FY 2017 reflect the expected renewal of passports issued during the surge in demand in FY 2006 and FY 2007. (Note: this projection does not include additional revenues that are expected from the higher price charged for the next generation passport due to launch in FY 2015 or FY 2016.) Revenue from smart cards is assumed to remain constant during the projection period.

Official Journals of Government—Revenues drop by 5 percent in FY 2013, 2 percent each year for FY 2014 and FY 2015, and then remain constant through FY 2018.

Publication and Information Sales—Revenues drop by 10 percent each year through FY 2017 and then remain constant in FY 2018.

All other operations—assumed to remain constant.

Other Revenue Sources

Appropriations to revolving fund—assumed that GPO will not receive appropriations to the revolving fund. (Note: this appropriation ($3.9 million in FY 12) has been funding GPO's investments in FDsys and IT systems.)

Lease revenue—no increase in lease revenue

Return on investments—no return on investment.

Expenses

Salaries—increase by 1 percent in FY 2013 and then 3 percent each year through FY 2018.

Utilities—increase 3 percent each year through FY 2018.

All other costs—increase 1 percent each year through FY 2018.

Cost-reduction measures—Except for savings from improved balance sheet management (continued reduction in chargeback balance) noted earlier, the projection assumes no cost-savings beyond those to be realized from the employee buyout.

Headcount—held constant at 1,925. (Note: headcount was 1,879 as of 10/10/12.)

Projection Data Table ($ thousands)

Business Unit	FY2008	FY2009	FY2010	FY2011	FY2012 Annualized*	FY2012 Budget	FY2013 Budget	FY2014 Projected	FY2015 Projected	FY2016 Projected	FY2017 Projected	FY2018 Projected
Plant Operations												
Revenue	159,034	156,886	158,550	151,117	140,613	147,759	141,809	139,012	136,231	133,507	130,837	128,220
Expenses	106,365	109,690	107,482	106,781	94,832	102,029	93,410	94,448	94,031	93,622	93,222	92,830
Contribution Margin	52,669	47,196	51,068	44,336	45,781	45,730	48,399	44,564	42,201	39,884	37,614	35,390
Official Journals	In Plant**											
Revenue		9,989	9,998	11,468	10,786	11,222	10,727	9,915	9,915	9,915	9,915	9,915
Expenses		9,220	9,759	10,258	9,254	9,736	9,932	8,602	8,602	8,602	8,602	8,602
Contribution Margin		769	239	1,210	1,532	1,486	795	1,313	1,313	1,313	1,313	1,313
Customer Services												
Revenue	532,585	545,081	500,176	397,114	331,789		304,135	318,518	302,592	287,462	273,089	259,435
Expenses	524,968	535,690	492,136	395,854	327,845		301,193	314,732	298,995	284,045	269,843	256,351
Contribution Margin	7,617	9,391	8,040	1,260	3,944		2,942	3,786	3,597	3,417	3,246	3,084
SID												
Revenue	300,566	173,552	202,529	209,365	179,534	169,380	224,467	177,849	177,849	195,634	215,197	215,197
Expenses	209,677	109,038	131,272	131,863	109,378	111,709	141,836	117,294	117,294	129,024	141,926	141,926
Contribution Margin	90,889	64,514	71,257	77,502	70,156	57,671	82,631	60,555	60,555	66,610	73,271	73,271
Pubs and Info Sales												
Revenue	15,866	14,101	13,244	11,366	9,397	11,830	8,930	9,582	8,624	7,762	7,762	7,762
Expenses	14,975	13,642	12,450	12,679	10,119	12,430	10,034	10,068	9,061	8,155	8,155	8,155
Contribution Margin	891	459	794	(1,313)	(722)	(600)	(1,104)	(486)	(437)	(394)	(394)	(394)
Creative and Digital Media Services												
Revenue	4,216	5,606	3,804	3,621	2,689	3,898	2,772	3,898	3,898	3,898	3,898	3,898
Expenses	3,705	4,465	4,476	4,116	2,973	4,176	2,136	4,176	4,176	4,176	4,176	4,176
Contribution Margin	511	1,141	(672)	(495)	(284)	(278)	636	(278)	(278)	(278)	(278)	(278)

Business Unit	FY2008	FY2009	FY2010	FY2011	FY2012 Annualized*	FY2012 Budget	FY2013 Budget	FY2014 Projected	FY2015 Projected	FY2016 Projected	FY2017 Projected	FY2018 Projected
Agency Distributions												
Revenue	5,819	5,917	6,170	6,143	5,499	6,700	5,925	5,499	5,499	5,499	5,499	5,499
Expenses	5,906	6,047	6,375	6,186	5,057	7,166	5,892	5,067	5,067	5,067	5,067	5,067
Contribution Margin	-87	-130	-205	-43	432	-466	33	432	432	432	432	432
Library Services												
Revenue	31,732	31,860	34,141	37,631	32,853	36,108	34,728	36,108	36,108	36,108	36,108	36,108
Expenses	25,374	24,737	26,443	29,474	26,398	27,612	29,981	27,612	27,612	27,612	27,612	27,612
Contribution Margin	6,358	7,123	7,698	8,157	6,455	8,496	4,747	8,496	8,496	8,496	8,496	8,496
Eliminations* **	(18,001)	(15,781)	(14,578)	(15,058)	(14,678)	0	0	(16,146)	(16,146)	(16,146)	(16,146)	(16,146)
Revenue Group Contribution Margin												
Revenue	1,031,817	927,211	914,034	812,767	698,482		733,493	684,234	664,570	663,638	666,158	649,887
Expenses	872,969	796,748	775,815	682,153	571,188		594,414	565,853	548,693	544,158	542,458	528,573
Contribution Margin	158,848	130,463	138,219	130,614	127,294		139,079	118,381	115,877	119,480	123,701	121,314
Total GPO Overhead	117,207	128,396	130,132	129,536	120,448	135,319	123,447	135,319	135,319	135,319	135,319	135,319
Profit/(Loss) from Operations	41,641	2,067	8,087	1,078	6,845		15,632	(16,938)	(19,442)	(15,839)	(11,618)	(14,005)
Other Operations												
Revenue	10,613	6,845	14,302	8,338	4,118	3,984	4,678	3,984	3,984	3,984	3,984	3,984
Direct Expenses	5,652	7,675	13,396	6,521	6,696	10,049	309	5,000	5,000	5,000	5,000	5,000
Contribution Margin	4,961	(830)	906	1,817	(2,578)	6,065	4,369	(1,016)	(1,016)	(1,016)	(1,016)	(1,016)
Agency Profit/(Loss)	46,602	1,237	8,993	2,895	4,268		20,001	(17,954)	(20,458)	(16,855)	(12,634)	(15,021)
Expense Increases								8,899	15,317	21,928	28,737	35,750
Buyout reduction from base								(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
Net Operating Income							20,001	3,148	(5,775)	(8,782)	(11,371)	(20,771)

Business Unit	FY2008	FY2009	FY2010	FY2011	FY2012 Annualized*	FY2012 Budget	FY2013 Budget	FY2014 Projected	FY2015 Projected	FY2016 Projected	FY2017 Projected	FY2018 Projected
Adjustment for Cash												
Remove State Dept. Capital							(20,700)	(4,180)	(4,180)	(4,180)	(4,180)	(4,180)
Add Depreciation							22,343	22,383	22,383	22,383	22,383	22,383
Balance Sheet Mgt							3,000	2,000	1,000	1,000	1,000	1,000
Net Adjustment for Cash							4,643	20,203	19,203	19,203	19,203	19,203
Total Cash Flow							24,644	23,351	13,428	10,421	7,832	(1,568)
Cash Available for Investment							15,000	15,000	15,000	15,000	15,000	15,000

*Annualization is based on actual data available through August 2012.

**Official Journals of Government operations were part of the Plant Operations business unit.

***Eliminations are required to adjust revenue and expenses for sales between GPO business units. The most frequent transactions that generate eliminations relate to the manufacturing/printing of publications (Plant Operations) or purchasing of publications (Customer Service) for: (1) inventory for the Publication and Information Sales program for subsequent sale to the public; (2) Salaries and Expenses program copies for distribution primarily to depository libraries; and (3) publications for internal GPO use.

APPENDIX I: SELECTED BIBLIOGRAPHY

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APPENDIX J: GLOSSARY OF TERMS

Buyout – The act of an employer making a single prepayment to an employee to induce the employee's voluntary separation from the organization.

Chargeback - The reversal of a prior outbound transfer of funds from a consumer's bank account, line of credit, or credit card.

Cloud Storage - A service model in which data is maintained, managed, and backed up remotely by a third party and made available to users over a network (typically the Internet).

Congressional Record - The official record of the proceedings of the United States Congress.

Contribution Margin- A financial term specific to GPO. Contribution margin equals business unit revenues minus business unit expenses (direct and indirect). Contribution margin is the margin available to contribute to GPO overhead costs.

Cryptographic Hash Value - An algorithm that takes an arbitrary block of data and returns a fixed-size bit string, the (cryptographic) hash value, such that an (accidental or intentional) change to the data will (with very high probability) change the hash value.

Dark Archive - A collection of historical records accessible by only those individuals with a pre-determined security clearance.

Depository Library - A library designated to receive United States government documents.

Federal Acquisition Regulation - The body of laws that govern the U.S. Federal Government's procurement process. It is published as Chapter 1 of Title 48 of the Code of Federal Regulations.

Federal Register - The official daily journal of the federal government of the United States that makes available to the public the rules, regulations, and documents generated by the executive branch of the government.

Fugitive Document- Documents published by federal agencies that are eligible for the Federal Depository Library Program, but are not included in the program.

Gain Sharing - Various incentive plans introduced by organizations that provide direct or indirect payments to employees that depend on the quantity, quality, accuracy, timeliness, or other desired organizational or individual outcome. Gain sharing incentives are in addition to employees' regular salary and bonuses.

Global Entry Program - A pilot program that allows pre-approved, low-risk air travelers to receive expedited clearance upon arrival into the United States.

Metadata - Metadata is data that describes other data, which can make finding and working with particular instances of data easier. "Meta" is a prefix that in most information technology usages means "an underlying definition or description."

Net Operating Income - The difference between contribution margin and GPO overhead charge. Positive net operating income adds to the cash available to GPO to make investments and to offset operating losses if necessary.

Procured Printing Regulation - The Printing Procurement Regulation is issued by the Public Printer, pursuant to the authority vested in the Public Printer by Title 44, United States Code. It (i) prescribes uniform policies and procedures for the procurement of printing, binding, related supplies, and related services; and, (ii) provides guidance to Agency Publishing Services personnel in applying those policies and procedures.

Persistent Uniform Resource Locators (PURL) - A URL that points to another URL. PURLs are used when document pages are expected to be moved to different locations from time to time. The PURL is maintained as the official URL for that resource, and when that PURL is requested, a PURL server redirects the browser to the actual current URL.

Regional Depository Library – There are two types of depository libraries: regional and selective. All publications authorized for distribution through the FDLP are to be sent to regionals and must be retained unless superseded. Regional libraries provide interlibrary loan, reference, and other services to the selective depository libraries it serves. Regional libraries must also assist selective libraries in disposing of unwanted items. Each state may have no more than two regional libraries; most have only one.

Revolving Fund - A fund or account that remains available to finance an organization's continuing operations without any fiscal year limitation because the organization replenishes the fund by repaying money used from the account.

Selective Depository Library- There are two types of depository libraries: regional and selective. A selective library can choose to receive certain classes of documents from the government and must retain them for five years. There may be no more than two selective libraries per congressional district.

Smart Card - plastic cards with an embedded integrated circuit capable of storing and processing information.

Title 44 - Outlines the role of public printing and documents in the United States Code.

Trusted Traveler Program- A joint Canada-U.S. program designed to let pre-approved, low-risk travelers cross the Canada–U.S. border quickly.

Voluntary Separation Incentive Program - Allows agencies that are downsizing or restructuring to offer employees lump-sum payments up to $25,000 as an incentive to voluntarily separate. In the federal government such incentives are commonly referred to as "buyouts."

XML - XML (Extensible Markup Language) is a flexible way to create common information formats and share both the format and the data on the World Wide Web, intranets, and elsewhere. XML is "extensible" because the markup symbols are unlimited and self-defining.

COVER IMAGES CREDITS

Top row, left to right:

Copies of the *Congressional Record*: Government Printing Office

Tablet computer with GPO website on screen: Government Printing Office

Bottom row, left to right:

United States passports: Government Printing Office

GPO headquarters, Building 1: Government Printing Office

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The CHAIRMAN. The chair now recognizes the gentleman from Mississippi.

Mr. HARPER. Thank you, Madam Chair, and thank you, Ms. Vance-Cooks, for being here with us. Great to see you again.

Ms. VANCE-COOKS. You, too.

Mr. HARPER. And I am thankful that I don't have to learn any new initials, regardless of what the name finally winds up. That is a good thing.

And also I want to say last year I toured the passport facility down in Mississippi at the Stennis Space Center, which was a remarkable tour. Very impressed with the thought and the security that goes into producing a passport, and a great workforce there.

I know there are a lot of challenges. We are in an interesting and pretty difficult budget day and future. And I just want to ask a couple of questions, because we know that in any organization, and you are trying to run this like a business, the main overhead costs or operating costs are always going to be employees and your overhead for rent and such.

You mentioned that 250,000 square feet are unusable in that building; is that correct?

Ms. VANCE-COOKS. That is right.

Mr. HARPER. All right. And then you said your desire is to rent, lease another 70,000 square feet that is available perhaps to other agencies? Is that what I——

Ms. VANCE-COOKS. At this time.

Mr. HARPER. At this time?

Ms. VANCE-COOKS. Yes. Because we are trying to consolidate our operations and move people into one area so that we will eventually have more space to lease to them. Right now we are using about 80 percent of the usable space in our building.

Mr. HARPER. How much do you currently lease out to others?

Ms. VANCE-COOKS. One hundred thousand square feet.

Mr. HARPER. All right. So we have got 100,000 square feet that is being used, at least 70,000 square feet, perhaps more, that may be available, and 250,000 square feet that is just using up airspace right now.

Ms. VANCE-COOKS. Right now, yes.

Mr. HARPER. All right. How much are you hoping that you will receive? Let us assume you could lease 70,000 square feet. How much revenue, or rent, or lease income would you see off of that, or would you hope to see?

Ms. VANCE-COOKS. Well, right now we receive about $1.7 million with the current renters.

Mr. HARPER. Of the 100,000 square feet.

Ms. VANCE-COOKS. Of the 100,000, right. And that covers—we know that our utilities—that would be the water, electricity, steam—cost about $10.5 million. So what we want to do is to at least rent enough to cover the $10.5 million that we spend in our overhead for that particular area.

Mr. HARPER. All right. You are currently paying, I believe, is it $1.8 million for extra warehouse space separate from that building? Is that correct?

Ms. VANCE-COOKS. What are you referring to?

Mr. HARPER. Well, you are leasing extra warehouse space and regional office space separate from what you have currently on the campus.

Ms. VANCE-COOKS. Are you referring to the regional offices?

Mr. HARPER. Yes.

Ms. VANCE-COOKS. Okay. The regional offices are actually inhabited by people. I mean, they are used—that space is being used. But this is an interesting point, Congressman, because we have decided to reduce the space that at least four of those regional offices are using, and we have done that already. That would be the Hampton office, which is now in Virginia Beach; Atlanta; Philadelphia, and Columbus.

Mr. HARPER. So will that dollar amount be reduced as the space is reduced?

Ms. VANCE-COOKS. That is right.

Mr. HARPER. Is that you are what you are anticipating in future years?

Ms. VANCE-COOKS. That is exactly right.

Mr. HARPER. Now, I know you mentioned the furlough. The furlough lasted 16 days?

Ms. VANCE-COOKS. Yes.

Mr. HARPER. Okay. And 70 percent of the staff was furloughed?

Ms. VANCE-COOKS. Yes.

Mr. HARPER. Were they furloughed for that entire time?

Ms. VANCE-COOKS. Yes. In fact, it ended up that we had to furlough additional staff, because when we furloughed, we initially had the 30 percent who were excepted, with the understanding that it would be a skeletal staff and that it would be scalable. The assumption was that if the congressional workload increased, we would add more, or if it declined, we would send them home. Unfortunately, it declined. Midway through we sent some home.

Mr. HARPER. Now, just so that I am clear and sure, everyone who was furloughed ultimately was made whole and got their pay; is that correct?

Ms. VANCE-COOKS. Yes, sir.

Mr. HARPER. Okay. It sounds like that wouldn't be a bad thing for morale perhaps to at least know that they were made whole. They did not suffer an ultimate economic loss. That is what I want to be sure of.

Ms. VANCE-COOKS. Well, you are right in the sense that they were made whole, but what I was referring to is how they felt about the furlough during the time that it occurred.

Mr. HARPER. Sure. I understand. I understand. But I did want to make sure that they were—they did not suffer a loss in income.

Ms. VANCE-COOKS. No.

Mr. HARPER. Okay. Well, look, I want to say that we are here to work with you, and we appreciate what you are doing. We have been very pleased with the relationship we have had with GPO. And we look forward to continue that and are available to work with you. Thank you.

Ms. VANCE-COOKS. Thank you very much, sir. Thank you.

The CHAIRMAN. The chair recognizes the gentleman from Florida Mr. Nugent.

Mr. NUGENT. Thank you, Madam Chair.

And, Ms. Vance-Cooks, congratulations.

Ms. VANCE-COOKS. Thank you.

Mr. NUGENT. I think it is an awesome opportunity for you, obviously at this time of transition.

Having run an organization not quite as large as yours, but having faced financial challenges, I commend you in regards to the way you deal with personnel. Particularly when you have to make tough decisions, it is always better if you can do it through attrition than through layoffs. I mean, it means so much more to your workforce, I know.

But, you know, with the report that came out and the deficit you are going to run—I mean, you have talked about a number of things; trying to cover utility costs for that facility. But I also know that it is what, $40 million a year to operate it. I don't know if that is the $10 million for utilities. But how are you going to do that over the next 10 years? Because digital, it is hard to sell digital. But you have obviously operational costs to actually take transcriptions and put it into a digital format. How do you see yourself actually meeting that demand with reduced income coming into your coffers?

Ms. VANCE-COOKS. I would like to address that question in two parts. The first is your reference to the report in NAPA that describes that we are going to lose funding by 2020. And then I would like to talk about some of the initiatives that are in place for us to increase our revenue.

The report talks about the fact that we will run out of money in 2020. The NAPA report is what is called a best practices report. They were presenting a worst-case scenario. They were presenting an acid test. And they believe very much in scenario planning, as do we. Scenario planning is where you talk about what if, what will happen, what happens if this occurs. But they say specifically, and when you look further in the text they describe a number of assumptions which they made as part of that model which they know must be updated.

For example, they did not take into account the savings that we would achieve from our investments in new technology and equipment. That model did not take into account the leasing revenue. The model did not take into account the additional revenue we will get from the next generation of passports, which will be launched in 2015 and 2016. The model also did not take into account the $30 million that we generated in savings through the buyout as it is distributed through the business units. It also assumes that we will have a head count of 1,925, when, as you have noted, we operate with fewer than 1,900 employees. It also assumes that plant operations, their direct costs, will be constant, when, in fact, they are running at 8 percent lower than they were at that time.

It doesn't even take into account the accounts receivable issue. At the time that report was generated, we had $29 million in account receivables outstanding. We have a dedicated group that is responsible for collecting it, and it is now down to $8.3 million. Our overhead is now trending at a 2008 level.

We have done a very good job in managing our costs, and so I want you to understand that they were simply describing a worst-

case scenario. We are not going to run out of money, given everything we have done with these expenses.

But that takes me into point number two, which is what are we planning to do to increase our revenue? Sir, we have a product portfolio that is specifically designed to take a look at that. It has three categories: tangible print, digital, and hybrid. The tangible print is that which we are accustomed to, the hearings, committee reports, anything you can touch. The digital, of course, is anything that refers to digitization of print. This is where we see the future, as you so aptly noted. This is where you will find our pre press operations, FDsys, e-books, mobile apps, things of that nature. And then the last category is the hybrid. This is where you have tangible plus digital, with an overlay of electronics. This is where you will find the passports and the smart cards.

This product portfolio that I have described to you has very porous rows in it. In other words, it is integrated and synergistic, and they all depend on each other.

Mr. NUGENT. And obviously, some have a higher profit margin than others.

Ms. VANCE-COOKS. Exactly.

Mr. NUGENT. And my question in follow-up to that would be as relates to the passport, you must know what your markup is on a passport. And you mentioned that that is another area that, as passports change and morph, there is greater opportunity for you to bring more revenue in.

What do we expect that to be? I mean, what is our markup on passports today, and what do you expect that to be?

Ms. VANCE-COOKS. Well, first of all, sir, we don't mark up passports. The price point for a passport is based upon four components. It is based upon capital investment, labor, overhead, and materials. And it is a negotiated price with the Department of State. And the volume of the passports is determined by the Department of State. So it could go up one year and down the other.

And that is why we are looking at three other areas of revenue opportunities to take care of the issue. One is the agency customer market. The agency customer market as it exists today for all three products that I described to you is what I would call an untapped opportunity. We currently have a lot of business with the agencies through our print procurement business, but we don't really have all of it. We need to do a better job of targeting the agency customers to let them know about the three categories that we have, the broad range of services that we can provide to them, because unfortunately they think we can only do printing. So we need to take care of that.

The second is the electronic content model that we are developing, which is what you just kind of referred to in terms of digital. We have FDsys at our disposal, and it is a powerful content management system. It is just tremendous. As I said earlier, it has 900,000 titles. Obviously, people use it. Forty million documents are downloaded each month. So we have developed a new product, sir, called electronic content services, and this is where we are going to the agencies to tell them we can ingest their content into FDsys. And this would give us content data, metadata; we can cre-

ate a lot of things with it; we can provide them with public search and display.

We think we found something, because we presented this product at the FOSE conference, there was so much interest. We also had a Webinar. We had over 100 customers, agency customers, who expressed interest in it. And we can charge for this.

And then the third area would be smart cards, smart card credentials.

Mr. NUGENT. Well, Madam Chair, and I appreciate your comments, my time has expired. But for the record, if Ms. Cooks could respond as it relates to the digital security, cybersecurity, because we are talking about digital and cyber. You know, where do we stand within the agency in protecting all this information that has been gathered, particularly as it relates to passports and others? And so, if that could be for the record.

Mr. NUGENT. Thank you. I yield back.

The CHAIRMAN. Very well.

Well, again, we certainly want to thank you. I thank our witness for being here.

I guess my just one final observation as the chairman listening to some of the questions here. In regards to your physical space—and I appreciate—I read through your testimony previously. I was listening very closely to what you had said there. But it is my opinion, and I know you don't want to move, but you have to be thinking in terms of being more aggressive about what you do with the space that you have, I believe, because it is about a third of all of your overhead you are spending for the physical building at North Capitol Street here, according to my notes here. Forty million dollars a year. So when you think about consolidation, and you mentioned some of your warehouse spaces that you have, your regional offices, et cetera, some of which you have already made some efforts to consolidate various things there, I think you really need to be more aggressive in thinking about that, because that is a huge expense.

And, you know, I am not that familiar with everything that you do there, but, I mean, I know that what is in this Blackberry 40 years ago would have taken up probably a quarter of this room, right, spacewise. And so I know that the technology that is happening in the printing, publishing business has changed very rapidly as well, and so the physical space requirements have changed dramatically. And because that is still such a huge overhead for you, that will be something that this committee will continue to exercise its oversight on is looking at that.

As we have all said, I think we want to assist you in ways that we can. And we have some good ideas here together. The ranking member and I both are pledging to work with you with your security situation and those kinds of things. So there is plenty of opportunity here for us to work with your agency to assist you.

And, again, I would mention that all Members will have 5 legislative days to submit to the chair additional written questions for the witness. And we will ask her to respond as promptly as she can so that those answers can be made part of the record.

And at this time the hearing is adjourned. Thank you so much.

[Whereupon, at 11:22 a.m., the committee was adjourned.]

CANDICE S. MILLER, MICHIGAN
CHAIRMAN

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January 14, 2014

The Honorable Davita Vance-Cooks
Public Printer
U.S. Government Printing Office
732 North Capitol Street, NW, Room C808
Washington, DC 20401

Dear Ms. Vance-Cooks,

Thank you for testifying during the December 4, 2013 Committee on House Administration Hearing on **"GPO in 2023: Keeping America Informed in a Post-Print World."** The Committee requests you respond to additional questions that will be made part of the hearing record. Please provide your responses to the following questions to the Committee **by February 4, 2014**.

1) The FY12 costs for leasing extra warehouse space and regional office space totaled $1.8 Million. NAPA recommends consolidating these spaces and staffs so as to achieve organizational and operational efficiency and cost-savings. What are your plans as it relates to this recommendation for both the warehouse and regional office space?

2) What can be done to reduce the $120 million GPO spends in overhead per year?

3) Please project your plans to lease current space to other agencies in the next several years. What is the income GPO will receive for leasing in the current year and the projection for the next three years?

4) In 2023 how much dedicated manufacturing space (high ceilings, floors capable of heavy loads, etc.) will GPO require. Lower volume production for some products can occur in so-called copy centers located in normal office space. List the products that will require dedicated manufacturing space in 2023.

5) Real-estate developers have long been interested in your buildings on North Capitol Street. Among other arguments, the developers assert that it costs GPO $35-million annually to maintain your buildings. Is this figure accurate?

6) Given the facility of transmitting data between Congress and the GPO, is there still a need for GPO to be located so close to the Capitol?

7) GPO produces the millions of passports and related documents provided to Americans every year by the U.S. Department of State. You also provided sizeable quantities of other so-called "secure and intelligent documents" to the Department of Homeland Security. Do you foresee this portion of your business expanding in the future? Could GPO also produce such documents for state and local governments, as suggested in the NAPA study's Recommendation #9?

8) It is my understanding that aside from printing passports, GPO has also undertaken the manufacture of Border Crossing Cards and trusted traveler cards. Government agencies have been procuring from the private sector and issuing to their employees and contractors secure ID documents for decades. When did GPO get into the business of creating and providing secure credentials, other than passports? Can you please provide rationale as to why GPO believes that it should do this work for government agencies as opposed to the private sector, which has invested heavily to develop these new technologies?

9) GPO's mission statement, articulated recently in your agency's strategic plan "is to produce, protect, preserve, and distribute the official publications and information products of the Federal Government." Do you consider the production of secure credentials as fundamentally related to or falling under GPO's mission? Do you believe that the manufacture of secure credentials falls within the definition of "printing" under Section 501 of Title 44 U.S.C.?

   If so, has the GPO communicated this interpretation to federal agencies in any of its discussions with federal agencies?

   For ID cards and passports: what is the cost of the ink and graphics component per security card? What is the cost of the technological component per card?

10) As you know, only about 16 percent of the GPO is appropriated by Congress. The rest of GPO's funding comes from "operating profits." Did Congress appropriate the money for the Secure Credential Innovation Center—which is what I understand to be a new multi-million dollar GPO facility? Or was that facility funded through operating profits from ID card and other sales? Will the facility affect overhead costs?

11) I've heard that GPO "sales teams" have been telling the State Department, the Department of Homeland Security, and other agencies that utilize ID card technologies for various programs—for example, to control access to our borders and to verify immigration status—that they are required by law to obtain their secure ID documents from the GPO, because the GPO is the government's printer. Do you believe that this is the case? Do you believe government-issued secure ID cards must be manufactured by and purchased from the GPO, rather than the private sector?

If so…do you believe the GPO has the technological and security capabilities to produce these types of items?

If not…are GPO sales teams in error if and when they state that federal agencies are required to purchase these items from the GPO by law?

12) It is my understanding that GPO either will soon or has recently begun manufacturing the US Border Crossing Card. The GPO "won" that business away from a private sector vendor. Please explain the process by which GPO "won" the contract away from the private sector and the decision-making behind GPO taking over production of the Border Crossing Card.

13) Are you aware of testimony before the House Government Reform and Oversight Subcommittee on National Security that said that over 30,000 counterfeit US Border Crossing Cards have been found at our US borders? Now that GPO will be producing Border Crossing Cards, could you please explain to the Committee how you will ensure that these cards have the anti-counterfeit technologies required to make these cards truly secure? Do you feel that GPO has the technical expertise and capability to ensure that these cards are equipped with anti-counterfeit technologies?

14) I have heard that one of the "selling points" GPO uses with executive branch agencies is that the GPO can manufacture cards for them while also avoiding the competitive bidding requirements under Federal Acquisition Regulations. Do you believe that the GPO is required to follow the Federal Acquisition Regulations when it buys microchips, antennae, software, laminating materials, substantive expertise and training for its employees? Do all of those items need to be competitively bid to the private sector? Or can GPO buy essentially whatever it wants from whoever it wants, because it is doing so with money from operating profits rather than congressionally appropriated funds? Do you believe that following Federal Acquisition regulations would save the GPO money?

15) The NAPA study devoted attention to GPO's need to increase revenues in the future. Are there new lines of business you'd like GPO to enter? How can Congress help you to find more revenues?

16) The NAPA study made assumptions about GPO's financial condition and future revenue trends that show GPO "running out of money" in fiscal 2020. That study was issued almost a year ago. Did you agree with the study's findings in this respect? Have things improved in the past year?

17) Your new version of *GPOAccess,* called *FdSys*, has no dedicated source of revenue for the long term. Who's paying for its operation and maintenance now? The NAPA study

recommended that you consider other sources of revenue. Have you considering asking for an annual appropriation?

18) Your predecessor as Public Printer, Mr. Boarman, came to the job and found a huge backlog of accounts receivable that his predecessor had not collected. Have you continued Mr. Boarman's efforts to collect those receivables?

19) If everything follows your strategic plan, how big do you think your workforce would be in ten years?

20) In the recent past, Congress has provided specific appropriations for training your workforce. How important will training and re-training your workforce be to your success in the future? Will you have sufficient resources?

21) The Security and Intelligent Documents (SID) division is a very efficient operation bringing in about $90 Million in revenue annually (after direct expenses) with 148 FTEs. Plant Operations revenues total half that amount, yet they have 5 times as many staff (680 FTEs). We are happy to see that GPO's capital investments and standards-based process improvements have yielded excellent productivity in SID. As you invest in equipment that is more appropriate for future Plant printing needs, what are your performance and staffing targets for Plant Operations in 2023?

22) What plans are underway to replace the skills and institutional knowledge of those that plan to retire in the next few years?

23) Please discuss the changes you foresee to the printing procurement program.

24) NAPA mentions that you were having discussions about acquiring an automated print procurement system which would achieve greater efficiency and increase revenues by 5-10%. How close are you to acquiring this system?

25) Congress expects GPO to develop, validate and maintain the capacity to support Congress' legislative operations. This expectation exists whether Congress is meeting at the Capitol or potentially away from Washington following an emergency. How much does GPO spend for this support and does Congress reimburse you for any of it?

26) Is GPO able to leverage investment in preservation and archiving technology with other agencies such as NARA?

27) "Fugitive documents" are a long-standing issue for GPO. What percentage of in-scope (Title 44) documents is ending up at GPO and how can you assess the significance of the percentage that is missing? What legislative changes would you recommend, if any, to address this issue?

28) Your written testimony discusses the on-going need for limited printed copies of official documents. Can you discuss how you are adjusting to produce limited copies in a cost effective manner? What role does so-called Print-on-Demand technology play in this process?

29) Following up on the prior question. GPO is responsible for producing documents that meet archival standards for permanent retention in, among other programs, the Federal Depository Library Program. Please identify the archival standards that GPO complies with in the production of archival quality tangible documents. Please list the documents being sent to the FDLP program which should be produced to archival standards. Note on this list which documents have been consistently produced to archival standards in 2011-2013.

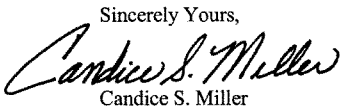
30) GPO has been conducting an extensive review of the Federal Depository Library Program. What are your recommendations for ensuring the long-term viability of this program?

31) During the shutdown you continued to provide access to Congressional materials through FDsys, however, agency materials located on agency websites were neither updated nor accessible through FDsys. Are there things that GPO can do to ensure the accessibility of this information?

32) As it relates to digital security and cybersecurity, where does the agency stand in protecting all of the information it gathers, particularly as it relates to passports and others?

If you have any questions concerning this matter, please feel free to contact Yael Barash on the Committee staff at (202) 225-8281. Thank you again for your testimony, we look forward to hearing from you.

Sincerely Yours,



Candice S. Miller
Chairman

Committee on House Administration

Questions for the Record of the Hearing of December 4, 2013

Question 1. The FY12 costs for leasing extra warehouse space and regional office space totaled $1.8 million. NAPA recommends consolidating these spaces and staffs so as to achieve organizational and operational efficiency and cost-savings. What are your plans as it relates to this recommendation for both the warehouse and regional office space?

Response. Recommendation 10 of the National Academy of Public Administration study urged GPO to consolidate regional printing procurement office locations, space, and staff to achieve future organizational and operational cost savings in the Customer Services program, which supports the printing and binding needs of regional Federal agencies nationwide. In response, analysis of GPO's regional office requirements is ongoing, including economizing on space requirements for regional offices. Since mid-2012, GPO has downsized the square footage for our Atlanta, Philadelphia, Hampton, and Columbus offices by more than 30% cumulatively, reducing annual lease costs for these offices by a combined 35%, approximately $102,000. We are continuing to monitor the workload of our regional customer agencies to identify areas of opportunity for reducing costs. We closely monitor staffing and facilities requirements with consideration of potential customer impacts.

Regarding warehouse space, GPO leases two warehouses, one in Laurel, MD, and the other at the Congressman Frank Evans Document Distribution Center in Pueblo, CO. These facilities support publications fulfillment functions for our sales of publications program, the Federal Depository Library Program, our reimbursable distribution program, under which GPO stores and distributes publications on a reimbursable basis for Federal agencies, and other essential functions. The lease cost of these facilities, as approved by the Joint Committee on Printing, totaled $970,100 in FY 2013. Revenues from GPO's reimbursable distribution program alone totaled $5.3 million in FY 2013. These facilities are also supported by sales program revenues, funding for publications distribution under the Salaries and Expenses Appropriation of the Superintendent of Documents, and GPO's revolving fund.

Question 2. What can be done to reduce the $120 million GPO spends in overhead per year?

Response. Unlike most Federal agencies, GPO does not get appropriated funding for its operating costs. Instead, we are required by law to recover these costs, including overhead costs, through the rates we charge for work performed. In addition to utilities, our overhead expenses include information technology, finance, human capital, acquisitions, executive offices, facilities, security, and related functions. Also included are mandated functions such as GPO's Office of Inspector General and Equal Employment Opportunity office.

GPO monitors its cost structure closely so that it can generate a positive financial result in the performance of its mission. Our FY 2011 budget for overhead spending was approximately $139.5 million, having risen to that point by 50% since FY 2006. In response, we undertook a strong cost-containment program, implementing controls on hiring, travel, and related

discretionary accounts, and reducing our annual spending plan. We carried out a buyout that reduced staffing by 15% and restructured our workforce to reduce non-essential layers of management. By FY 2012, we had cut the spending rate for overhead costs to FY 2008 levels, ending the year at $118.8 million. In FY 2013, we reduced overhead costs further, to $118.1 million. Along with continued cost management, additional leasing of available space within GPO to other Federal entities can help offset overhead costs.

Question 3. Please project your plans to lease current space to other agencies in the next several years. What is the income GPO will receive for leasing in the current year and the projection for the next three years?

Response. Currently, the Architect of the Capitol (AOC), the U.S. Capitol Police (USCP), the Senate Sergeant at Arms (SAA), and the U.S. Commission on International Religious Freedom (USCIRF) occupy a combined 94,100 square feet at GPO. In FY 2013 an additional 3,400 square feet was occupied by the USCP in support of the Presidential Inauguration, bringing total FY 2013 space reimbursements to approximately $1.7 million. The revenue from existing clients may increase over the next several years depending on the addition of space by these occupants and/or the negotiation of rate increases to recover increased costs. Additionally, GPO is in discussions with the other potential clients about their use of available space. We have between 50,000 and 75,000 square feet of available space that can be made available for use in the next 3 years.

Question 4. In 2023 how much dedicated manufacturing space (high ceilings, floors capable of heavy loads, etc.) will GPO require? Lower volume production for some products can occur in so-called copy centers located in normal office space. List the products that will require dedicated manufacturing space in 2023.

Response. GPO's Plant Operations (PO) business unit currently occupies about 500,000 square feet of manufacturing space, including manufacturing space for our Digital Print Center. Our Security and Intelligent Documents (SID) business unit occupies approximately 95,000 square feet of manufacturing space. SID's space requirements may increase by as much as 10% over the coming decade as the result of passport requirements. Based on experience since 2004, PO's space requirements may decrease by up to 15%, resulting in a net reduction of about 65,500 square feet in overall manufacturing space, absent the emergence of new mission requirements. This square footage could then be converted to space-sharing with other agencies. Products produced by SID in this space will include passports and other secure credentials. Products produced by PO will include congressional requirements as well as key executive branch requirements.

Question 5. Real-estate developers have long been interested in your buildings on North Capitol Street. Among other arguments, the developers assert that it costs GPO $35-million annually to maintain your buildings. Is this figure accurate?

Response. No. In FY 2013, GPO expended $9.2 million on the cost of utilities to operate the buildings in its North Capitol Street central office complex (including $4.1 million for electricity provided by Pepco, $226,000 for natural gas, $4.4 million for steam heat provided by the Architect of the Capitol, and $527,000 for water and sewer). These costs are offset by the $1.7

million space-sharing reimbursements GPO receives annually. During FY 2013, GPO also spent $4.9 million in non-staffing costs for maintenance and repairs to the complex, including funds approved by Congress for facilities repair. This figure varies from year to year depending on the projects being carried out.

GPO has a longstanding practice of maintaining an in-house facilities staff to perform office cleaning, maintenance and repairs, construction, engineering, and associated tasks. Approximately half of these staff are associated with operating and providing necessary building maintenance, at an FY 2013 cost of approximately $10.6 million. The other half provide for building upkeep and improvements, such as office cleaning and painting; they also provide essential production equipment maintenance, which has nothing to do with building maintenance, at an FY 2013 cost of $10.1 million. Accordingly, GPO's building-related costs were approximately 3.2% of total revenues in FY 2013. As a function of overhead, GPO has been reducing these costs since 2011 and will continue to do so.

Question 6. Given the facility of transmitting data between Congress and the GPO, is there still a need for GPO to be located so close to the Capitol?

Response. Yes. Pickup and delivery of legislative products by GPO continues to be an integral part of the unique requirements of the legislative process. Locating GPO farther from Congress will introduce delays and impair our ability to meet tight congressional deadlines.

Question 7. GPO produces the millions of passports and related documents provided to Americans every year by the U.S. Department of State. You also provided sizeable quantities of other so-called "secure and intelligent documents" to the Department of Homeland Security. Do you foresee this portion of your business expanding in the future? Could GPO also produce such documents for state and local governments, as suggested in the NAPA study's Recommendation #9?

Response. In the wake of 9/11 and the introduction HSPD-12 and related Federal identification requirements, there has been an increase in the Government's need for secure credentials. With the approval of the Joint Committee on Printing, GPO implemented a capability in FY 2008 to help address this need. While GPO is far from the only provider of such requirements for Federal agencies, the volume of work processed by our capability has increased and is projected to increase in future years, as the report of the National Academy of Public Administration recently concluded. Regarding the production of secure credentials for state and local governments, GPO does not have the statutory authority to produce work that is not authorized by Federal law, nor are we equipped and staffed to handle secure credentials for all Federal agencies, much less for state and local governments.

Question 8. It is my understanding that aside from printing passports, GPO has also undertaken the manufacture of Border Crossing Cards and trusted traveler cards. Government agencies have been procuring from the private sector and issuing to their employees and contractors secure ID documents for decades. When did GPO get into the business of creating and providing secure credentials, other than passports? Can you please provide rationale as to why GPO believes that

it should do this work for government agencies as opposed to the private sector, which has invested heavily to develop these new technologies?

Response. GPO provides a government-to-government solution to fulfill the requisitions of Federal agencies for secure credentials. Our program is staffed by cleared personnel and backed by a secure supply chain.

The establishment of our secure credential capability was endorsed to GPO management by GPO's Inspector General in 2005. GPO's proposal to set up a secure card center with its Security and Intelligent Documents business unit subsequently was approved in FY 2008 by the Joint Committee on Printing, which since then has also approved—on a bipartisan basis—all funding for this program in GPO's annual spending plans. In 2010, we became the only Federal agency certified by the General Services Administration to graphically personalize HSPD-12 credentials. In 2012 the Joint Committee on Printing approved the establishment of a COOP capability for our secure credential operations.

GPO serves as a card integrator, working closely with private sector providers to obtain the products and services needed to fulfill requisitions submitted by Federal agencies. For several years we have been accepted member of the Secure Card Alliance, a consortium of private sector companies and Federal agencies including the National Institute for Standards and Technology, the Department of Homeland Security, the Department of State, the Department of Transportation, and the General Services Administration (http://www.smartcardalliance.org/). We work with the private sector for consulting, fabrication, design, materials, and supplies, essentially incorporating the best that industry has offer into solutions sought by Federal agencies that requisition the work from us.

GPO's secure credentials capability serves as a valuable resource to a number of Federal agencies, including the Joint Congressional Committee on Inaugural Ceremonies and the U.S. Capitol Police, which relied on us to provide secure law enforcement credentials for the 2009 and 2013 Presidential inaugurations. In addition to satisfactorily fulfilling Federal agency requisitions for secure credentials, our card production program was endorsed in the recent report of the National Academy of Public Administration. GPO provides secure credential products and services on a reimbursable basis with no appropriated funds.

Throughout the existence of GPO's secure credentials program, we have been open and transparent about its operation. As noted above, we are a well-known member of the Smart Card Alliance. We are subject to the oversight of the Joint Committee on Printing and our House and Senate legislative oversight and appropriations committees. Additionally, our program has been the subject of oversight by our Office of Inspector General (see for example http://www.gpo.gov/pdfs/ig/audits/11-06_AuditReport(Issued_March_31_2011).pdf);the IG's semiannual reports to Congress for several years routinely tracked oversight of the GPO's secure credentials program as a "management challenge" (see for example http://www.gpo.gov/pdfs/ig/semi-annual/11-30-09.pdf). We have kept the public informed through press releases (see for example http://www.gpo.gov/pdfs/news-media/press/09news19.pdf, http://www.gpo.gov/pdfs/news-media/press/10news39.pdf, and http://www.gpo.gov/pdfs/news-media/press/11news60.pdf), YouTube videos (see for example

http://www.youtube.com/watch?v=levIYlqIPy0,http://www.youtube.com/watch?v=ettaBOW4UEA, and http://www.youtube.com/watch?v=mQxH1EZA7lI), GPO annual reports to Congress, and other media.

Question 9. GPO's mission statement, articulated recently in your agency's strategic plan "is to produce, protect, preserve, and distribute the official publications and information products of the Federal Government." Do you consider the production of secure credentials as fundamentally related to or falling under GPO's mission? Do you believe that the manufacture of secure credentials falls within the definition of "printing" under Section 501 of Title 44 U.S.C.? If so, has the GPO communicated this interpretation to federal agencies in any of its discussions with federal agencies? For ID cards and passports: what is the cost of the ink and graphics component per security card? What is the cost of the technological component per card?

Response. Our "produce, protect, preserve, and distribute the official publications and information products of the Federal Government" mission statement appears in our strategic plan and elsewhere to describe the informing function that GPO carries out, a function that is traceable to Article I in the Constitution. However, the public printing statutes of Title 44, U.S.C., make it clear that the performance of printing for the Government extends to a broad variety of products and services, some of which do not necessarily relate to an informing function. Over the years GPO has produced or procured tax forms, census forms, Social Security cards, ration cards, letterheads, envelopes, passports, postal cards, and other printed products that are associated with the operations of the Government. These products are produced by printing processes, including the processes of composition, presswork, and binding, which are defined in Title 44 as within GPO's authority to perform. The production of secure credentials for Federal agencies also involves printing processes, and so GPO is authorized to produce them (though as a practical matter, GPO is able and equipped to produce only a limited amount of secure credential work). As long as Federal agencies submit a requisition that complies with the relevant provisions of Title 44 (certifying that the products requested are authorized by law, necessary to the public business, and backed by the necessary funding), GPO will perform the work. Federal agencies who have contacted us to discuss our secure credential capabilities are aware of this fact. Regarding the cost of ink and graphics component per security card, ink is a very small percentage of the material cost for any of our products (less than 1%). The technological component of our card business (chip and antenna) is about 20-25%.

Question 10. As you know, only about 16 percent of the GPO is appropriated by Congress. The rest of GPO's funding comes from "operating profits." Did Congress appropriate the money for the Secure Credential Innovation Center—which is what I understand to be a new multi-million dollar GPO facility? Or was that facility funded through operating profits from ID card and other sales? Will the facility affect overhead costs?

Response. There appears to be a misunderstanding about GPO's Secure Credential Innovation Center (SCIC). This is a small (529 sq ft) work space on the 5th floor of GPO's building C that is staffed by one FTE and equipped with a single opening laminator, laser cutter, CNC mill, plasma torch, UV epoxy curing station, and related equipment for the design and testing of security features requisitioned by Federal agencies for passports and other secure credentials. It is not a

"multi-million dollar" facility. It was funded through the revolving fund, not appropriated funds.

We also opened a secure card COOP capability at our Stennis, MS, facility in 2013, with the approval of the Joint Committee on Printing. The capital investment proposed for this project was $2.2 million dollars, including $1.5 million for a card printer and installation, $450,000 for the required IT infrastructure, $175,000 for necessary space renovations and security upgrades, and an estimated $75,000 in support and travel costs. All costs were funded through GPO's revolving fund, and the project came in on time and under budget.

As costs of GPO's SID business unit, neither the Stennis facility nor the SCIC are included in overhead costs for the GPO as a whole. They are direct costs that are recovered through the rates charged for SID products.

As noted earlier, none of the funds for GPO's secure card capability are appropriated by Congress. Concerning GPO's finances under section 309 of Title 44, U.S.C., GPO does not generate "operating profits" but is limited to recovering its costs. Part of these costs includes the ability to generate funds for investment in necessary equipment and plant improvements.

Question 11. I've heard that GPO "sales teams" have been telling the State Department, the Department of Homeland Security, and other agencies that utilize ID card technologies for various programs—for example, to control access to our borders and to verify immigration status—that they are required by law to obtain their secure ID documents from the GPO, because the GPO is the government's printer. Do you believe that this is the case? Do you believe government-issued secure ID cards must be manufactured by and purchased from the GPO, rather than the private sector? If so…do you believe the GPO has the technological and security capabilities to produce these types of items? If not…are GPO sales teams in error if and when they state that federal agencies are required to purchase these items from the GPO by law?

Response. In hearings before the House Legislative Branch Appropriations Subcommittee for FY 2010, former Public Printer Robert C. Tapella said, "I believe that Federal credentials belong in a Federally-owned, Federally-operated production environment and not in the private sector. And I think it is an inherently governmental activity" (Hearings, Part II, April 28, 2009, p. 166). GPO management today does not endorse this position nor would it be practical. As a member organization of the Smart Card Alliance, we acknowledge the role of the private sector secure credentials industry in providing products and services to Federal agencies, and we work closely with them in the integration of card components to meet the requirements of products requisitioned from us. We do not compete against private sector companies for secure credential work. GPO provides a limited capability that is available for the use of Federal agencies seeking the provision of services in a government-to-government setting, staffed by cleared personnel, and backed by a secure supply chain. As a postscript, GPO's SID business unit has one FTE (no sales teams) responsible for addressing inquiries for SID products and services that come from Federal agencies.

Question 12. It is my understanding that GPO either will soon or has recently begun manufacturing the US Border Crossing Card. The GPO "won" that business away from a private

sector vendor. Please explain the process by which GPO "won" the contract away from the private sector and the decision-making behind GPO taking over production of the Border Crossing Card.

Response. We do not compete against private sector companies for secure credential work, and as a result we do not "win business away" from them. The Department of State submitted an SF-1 requisition to GPO for the production of the border crossing card. The decision to come to GPO for the production of this card was made by the Department, and the Department's requisition to us fulfilled all lawful requirements. GPO cannot participate in Federal agency RFPs where the private sector is involved. We are required by law to respond to requisitions for printing services from Federal agencies.

Question 13. Are you aware of testimony before the House Government Reform and Oversight Subcommittee on National Security that said that over 30,000 counterfeit US Border Crossing Cards have been found at our US borders? Now that GPO will be producing Border Crossing Cards, could you please explain to the Committee how you will ensure that these cards have the anti-counterfeit technologies required to make these cards truly secure? Do you feel that GPO has the technical expertise and capability to ensure that these cards are equipped with anti-counterfeit technologies?

Response. We are familiar with this testimony, which is posted online by the Subcommittee. (In reviewing the testimony provided at the hearing, we noted that the number of Border Crossing Cards identified as fraudulent rather than counterfeit by Chairman Chaffetz was 13,000, and that this number was identified in FY 2009, at http://oversight.house.gov/hearing/border-security-oversight-part-iii-border-crossing-cards-b1b2-visas/, 2:04:15). GPO received the requisition from the Department of State to begin producing the Border Crossing Card in 2013. We also noted that in the hearing the value of the Nexus card, which used to cross the border with Canada, was described very positively. GPO produces the Nexus card for the Department of Homeland Security.

Concerning GPO's ability to produce cards with anti-counterfeit technologies, GPO has significant expertise in the field of secure document design based on our work with passports. We have designed Government credentials with advanced security features. We work closely with the Department of Homeland Security's fraudulent document lab experts to validate credential designs and utilize both Government and commercial laboratories to test and evaluate our credential performances. For the Border Crossing Card, GPO worked with forensic document examiners at the Department of Homeland Security and with Department of State personnel to develop a product designed to withstand attempts at counterfeiting. We have the expertise and capability to ensure that these cards are equipped with anti-counterfeit technologies.

Question 14. I have heard that one of the "selling points" GPO uses with executive branch agencies is that the GPO can manufacture cards for them while also avoiding the competitive bidding requirements under Federal Acquisition Regulations. Do you believe that the GPO is required to follow the Federal Acquisition Regulations when it buys microchips, antennae, software, laminating materials, substantive expertise and training for its employees? Do all of

those items need to be competitively bid to the private sector? Or can GPO buy essentially whatever it wants from whoever it wants, because it is doing so with money from operating profits rather than congressionally appropriated funds? Do you believe that following Federal Acquisition regulations would save the GPO money?

Response. GPO's Materials Management Acquisition Regulation (MMAR) is based on the Federal Acquisition Regulation (FAR) and is used as the authority for all procurements we make. Under the MMAR, GPO competitively bids for the acquisition of products and services used in GPO operations, including those required for the production of secure credentials. GPO's utilization of sole source procurement authority follows the same provisions established in the FAR for other Federal agencies.

As noted earlier, under the law GPO does not generate "operating profits" but is limited to recovering its costs. Part of these costs includes the ability to generate funds for investment in necessary equipment and plant improvements.

Question 15. The NAPA study devoted attention to GPO's need to increase revenues in the future. Are there new lines of business you'd like GPO to enter? How can Congress help you to find more revenues?

Response. As part of the ongoing transformation process, GPO is continuously evaluating new approaches to meet the changing information needs of Congress, Federal agencies, and the public. Current initiatives are focused on creating and distributing eBooks, expanding the use of Print-On-Demand, developing solutions for Federal agency print product storage and distribution, and offering FDsys content management, preservation, and access services to Federal agencies. We are particularly concerned that approximately 80 Federal printing plants, as identified for the Joint Committee on Printing by the Government Accountability Office in 2013, are likely producing work that could be more economically produced through GPO's longstanding partnership with the private sector printing and information product industry. We look forward to working with the Committee on this issue to assure the most efficient production of the Government's printing and information product needs.

Question 16. The NAPA study made assumptions about GPO's financial condition and future revenue trends that show GPO "running out of money" in fiscal 2020. That study was issued almost a year ago. Did you agree with the study's findings in this respect? Have things improved in the past year?

Response. The National Academy of Public Administration asked GPO to provide financial projections. GPO maintains a model that is updated monthly and projects out the next 7 years utilizing the most conservative assumptions to depict a worst-case financial planning scenario. The reason for utilizing such conservative assumptions is to ensure that corrective actions can be implemented on a timely basis in the event of some catastrophic event or events to ensure the sustainability of the agency. This predictive model provides GPO the ability to scenario plan and adapt to its changing environment. The assumptions used in the model and provided to the Academy included significant drops in revenue for most business units, and flat revenue in units that are expected to grow. It also included no return on any capital investments, salary increases

at a rate greater than inflation, and headcount levels higher than at the time of the study and currently employed at GPO. Additionally, the scenario did not apply savings from the 2011-12 buyout, assumed a higher level of overhead expenses, and did not account for cash collected from resolving chargebacks.

Question 17. Your new version of *GPO Access,* called FDsys, has no dedicated source of revenue for the long term. Who's paying for its operation and maintenance now? The NAPA study recommended that you consider other sources of revenue. Have you considering asking for an annual appropriation?

Response. Continued investment in FDsys is essential to ensure the system remains robust and responsive to public demand, and provides the necessary capacity to house and provide access to a continually growing collection of Government information. FDsys currently provides public access to nearly one million titles from all three branches of the Government, the system is used by the public to retrieve as many as 47.8 million documents a month.

Appropriations remain an important component of funding for FDsys as they have been since its initial development. The GPO appropriations request for FY 2014, which provides for a decrease in funds for congressional printing while increasing funding for digital technology, included approximately $6.5 million for FDsys development, support, infrastructure, and testing. For several years, funding for FDsys has also been included in our Congressional Printing and Binding Appropriation for content management of congressional information and some recent projects, such as the provision of access to House bills and House bill summaries in XML bulk data format, have been provided through this appropriation. For many years, FDsys operational costs have been funded through the Salaries and Expenses Appropriation of the Superintendent of Documents as part of the Federal Depository Library Program.

GPO is offering an expanded set of FDsys services to Federal agencies on a cost-recovery basis. However, we do not anticipate that these services will be able to fully sustain the level of investment that FDsys will require in the coming years. Accordingly, GPO is developing a funding model for the next five years as part of strategic capital planning to request stable funding for ongoing development and support of FDsys.

Question 18. Your predecessor as Public Printer, Mr. Boarman, came to the job and found a huge backlog of accounts receivable that his predecessor had not collected. Have you continued Mr. Boarman's efforts to collect those receivables?

Response. Yes. The same measures and team put in place by Mr. Boarman in FY 2011 remain in place today. In early FY 2011, the outstanding value of a segment of the GPO's accounts receivable, called "chargebacks" (when a paying agency recalls its money through the Treasury Department's IPAC settlement system without authorization), had reached $28 million and was threatening GPO's long term viability. The resulting effort to address the problem of chargebacks has been successful. The outstanding figure is now approximately $8 million and continues to be reduced in a methodical manner.

Question 19. If everything follows your strategic plan, how big do you think your workforce would be in ten years?

Response. Based on the reduction in GPO's workforce since 2010 from attrition, in ten years GPO's workforce could be 1,560 employees. However, this change could be offset by increased work in security and intelligent documents, digital harvesting and cataloging, new digital development, and related fields, requiring a change in skill sets and potentially staffing increases.

Question 20. In the recent past, Congress has provided specific appropriations for training your workforce. How important will training and re-training your workforce be to your success in the future? Will you have sufficient resources?

Response. Training and re-training the GPO workforce will continue to be a critically important initiative because of the continuous technological change in the industry (print and digital). To date we have had sufficient resources to cover our training needs, absent the funding restrictions imposed by sequestration. The availability of future resources will depend on GPO's continued positive financial performance. In 2014, GPO will update its training needs assessment through a comprehensive crosswalk between its strategic vision plan and the skill sets required to implement it.

Question 21. The Security and Intelligent Documents (SID) division is a very efficient operation bringing in about $90 million in revenue annually (after direct expenses) with 148 FTEs. Plant Operations revenues total half that amount, yet they have 5 times as many staff (680 FTEs). We are happy to see that GPO's capital investments and standards-based process improvements have yielded excellent productivity in SID. As you invest in equipment that is more appropriate for future Plant printing needs, what are your performance and staffing targets for Plant Operations in 2023?

Response. There is an important distinction between our Plant Operations and Security and Intelligent Documents business operations that limits this kind of comparison. Plant Operations is structured primarily to meet the demands of Congress for multiple products, where unpredictability of workload and a mandate to accommodate personnel and equipment scheduling to the requirements of the legislative process are the controlling factors. By contrast, the primary product of Security and Intelligent Documents – passports – is established annually and can be scheduled consistently over the course of a year.

Notwithstanding this difference, Plant Operations has achieved significant savings throughout its history by leveraging technological innovations. This business unit is also benchmarking its financial performance against several NAPL (National Association for Printing Leadership) ratios and, like Security and Intelligent Documents, Plant Operations generated a positive net income in FY2013.

Over the next 10 years, Plant Operations will continue streamlining processes and maintaining best-in-class industry certifications, including the IDEAlliance, the Sustainable Green Printing Partnership Certification, and the Institutional Member Certification from the Library Binding

Institute. Additionally, Plant Operations will continue adjusting its workforce to changing workload requirements and technological capabilities.

Question 22. What plans are underway to replace the skills and institutional knowledge of those that plan to retire in the next few years?

Response. GPO practices succession planning for those areas that require it. We have been cross-training employees in different skill sets as well as training and re-training employees. GPO's Strategic Plan for 2014-2018 includes the requirement to "identify and meet needs for on the job training, build specialty skill sets, and perform succession planning."

Question 23. Please discuss the changes you foresee to the printing procurement program.

Response. GPO's Customer Services is conducting ongoing analysis, outreach, and strategic planning to identify and implement process improvements and develop new contracting vehicles to fulfill the evolving requirements of all of our Federal agency customers. For the first time since 2011, we will be issuing a Customer Survey aimed at gauging the level of customer satisfaction with current GPO print procurement functions and processes. The survey will also solicit customer feedback on potential new GPO product and service offerings. This information will be important as we consider introducing new value-added services beyond traditional printed products.

As noted earlier, Customer Services is consolidating and downsizing physical space within its operations at both regional locations and in the central office location. Downsizing at four regional offices to date has resulted in an annual savings in lease expenses of over $102,000 (a combined 35% reduction for these four locations).

As we discussed at the 2011 hearing before the Oversight Subcommittee of the House Administration Committee, the development of an automated print procurement system will enable Customer Services to operate more efficiently at a reduced staffing level. In addition, we will expand efforts to provide value added content and publishing solutions such as converting legacy documents to searchable digitized content, e-book creation, print-on-demand publishing solutions, and fulfillment and distribution services. GPO will continue to integrate all revenue-generating business units (including Customer Services) to provide a full range of printing and publishing support solutions. The role of the print procurement teams will broaden to embrace this full suite of services from a variety of sources within GPO as well as from our contractor community in the effort to meet customer publishing needs.

Finally, we look forward to working with the Committee to address the volume of procurable printing jobs that are being performed in more than 80 Federal agency plants governmentwide, as identified in a 2013 study performed by the Government Accountability Office at the request of the Joint Committee on Printing.

Question 24. NAPA mentions that you were having discussions about acquiring an automated print procurement system which would achieve greater efficiency and increase revenues by 5-10%. How close are you to acquiring this system?

Response. The Request for Proposal (RFP) package is targeted for completion at the beginning of the second quarter of FY 2014. Once completed, GPO will request approval from the Joint Committee on Printing to move forward with the project. Following JCP approval, GPO is targeting making an award before the end of 2014. Our goal is to have the system fully developed, deployed, and internally supported 36 months after award.

Question 25. Congress expects GPO to develop, validate, and maintain the capacity to support Congress' legislative operations. This expectation exists whether Congress is meeting at the Capitol or potentially away from Washington following an emergency. How much does GPO spend for this support and does Congress reimburse you for any of it?

Response. For several years, GPO has worked with the House and Senate to develop and maintain a capacity to support Congress's legislative operations under a variety of emergency scenarios. Since the anthrax crisis of 2001, we have maintained a remote COOP capability to support Congress. We are currently working with the House and Senate to revise and update our COOP posture. Other than the remote capability established in 2002, which was funded by appropriation, GPO typically absorbs the cost of COOP preparedness as an overhead expense. In FY 2013, this expense was approximately $280,000. We are currently evaluating the appropriate funding mechanism for this work and if necessary will address it with our appropriations committees in the upcoming funding cycle.

Question 26. Is GPO able to leverage investment in preservation and archiving technology with other agencies such as NARA?

Response. GPO has made a significant investment in preservation technology with FDsys. FDsys is a preservation repository that follows archival system standards to ensure long-term preservation and access to digital content. GPO's preservation objectives are to safeguard digital content and relevant metadata, access the condition and needs of collections of digital information, and ensure access to content despite continually changing technology. In order to meet these objectives, GPO uses a number of preservation practices including the use of self-describing packages of content and metadata, storing files in a limited-access OAIS compliant preservation repository, performing weekly system backups of content and metadata, and maintaining a COOP capability with near-real-time data synchronization and five minute failover capability with full content availability and system functionality.

The National Archives and Records Administration (NARA) has recognized GPO as an official archival affiliate for the electronic content on FDsys. The NARA-GPO agreement provides for permanent preservation and access to the online versions of the Congressional Record, the Federal Register, the Code of Federal Regulations, and other appropriate publications from FDsys. In addition to working closely with NARA, GPO works closely with the Library of Congress on various preservation and digitization initiatives including participation on the Federal Agencies Digitization Guidelines Initiative (FADGI), which is a collaborative effort by Federal agencies to define common guidelines, methods, and practices to digitize historical content in a sustainable manner. In addition, GPO has developed a business model to allow

other Federal agencies to leverage the content management infrastructure of FDsys to support their own information access and preservation needs.

Question 27. "Fugitive documents" are a long-standing issue for GPO. What percentage of in-scope (Title 44) documents is ending up at GPO and how can you assess the significance of the percentage that is missing? What legislative changes would you recommend, if any, to address this issue?

Response. Estimates of the percentage of in-scope documents that are fugitive vary, but in many cases the number is significant. Some estimate that 50% of Government publications are fugitive. A study of the National Institutes of Health found that 80% of their publications are fugitives. In the digital age, since agencies are publishing less in tangible formats and publishing their materials directly to the Web, conditions are ripe for the number of fugitives to increase dramatically. Requiring agencies to provide notification to the Superintendent of Documents when new publications are posted to their Web sites, especially if they are not publishing them at GPO; when publications on their Web sites are revised, updated, or superseded; and when publications on their Web sites are to be removed so that GPO will no longer have to harvest them, would be helpful. Similarly, moving more Federal printing through GPO for procurement from the private sector, rather than production in the 80 Federal printing plants identified by the Government Accountability Office in the study it completed in 2013 for the Joint Committee on Printing would allow more publications to be captured for inclusion in the Federal Depository Library Program, and prevent them from becoming fugitive documents.

Question 28. Your written testimony discusses the on-going need for limited printed copies of official documents. Can you discuss how you are adjusting to produce limited copies in a cost effective manner? What role does so-called Print-on-Demand technology play in this process?

Response GPO is essentially a print-on-demand (POD) facility for Congress because the agency only prints to the ordered quantities. Both offset and digital print technologies are in use at GPO today. Documents are routed to the appropriate technological solution as a function of cost and deadline requirements. In the case of limited copies, GPO has the option to leverage the agency's Digital Print Center, which is equipped with modern electro-photography (toner) machines. Though volumes may continue to decline, the turnaround time requirements remain very tight, so a portfolio of digital and offset technologies continues to remain the optimal solution. Within this portfolio we are migrating to newer, more efficient technologies for the production of congressional and executive requirements.

In GPO's Sales Program, we use a POD vendor to do short-run printing for inventory replenishment purposes. This has enabled us to order fewer copies of publications initially and then to reprint in small quantities as additional orders are received. We also are developing true POD capabilities, where publications are printed immediately after they are ordered. This will provide a point-of-need solution that requires zero inventory of physical books. We are using this as a means of expanding our sales channels while also reducing printing, storage and distribution costs. Additionally, we are negotiating with Amazon in an attempt to use their POD capabilities to disseminate Federal content. All of our sales channel agreements are non-exclusive. Finally, we have been working with a number of Federal agencies to make their

content available to the public in eBook and App format. We have sold over 2,100 eBooks to the public through online channels such as Apple, Google and Barnes & Noble, and recently have begun to offer direct sales and downloads of eBooks from the US Government Online Bookstore (see http://bookstore.gpo.gov/ebooks).

Question 29. Following up on the prior question. GPO is responsible for producing documents that meet archival standards for permanent retention in, among other programs, the Federal Depository Library Program. Please identify the archival standards that GPO complies with in the production of archival quality tangible documents. Please list the documents being sent to the FDLP program which should be produced to archival standards. Note on this list which documents have been consistently produced to archival standards in 2011-2013.

Response. There is no statutory requirement that GPO produce documents that meet archival standards for permanent retention in the Federal Depository Library Program or any other program. Under section 1903 of Title 44, U.S.C., additional copies of publications ordered by Federal agencies are produced by GPO for depository distribution, or agencies not printing through GPO are required to submit additional copies, at their expense, for distribution to depositories. Unless the ordering entity specifies the use of archival materials in the production of its publication, these copies do not undergo a different production process incorporating separate archival standards. Over the years, GPO has utilized archival quality microfiche for the distribution of publications to the National Archives and the Library of Congress, but these microfiche are not used for depository distribution. Additionally, GPO has worked to increase the use of alkaline-based papers in Government printing to enhance longevity, and of course GPO's policy with respect to the storage of publications digitally in GPO Access and today in FDsys is designed to enhance permanent public access, though to date only paper and microfiche have established records for durability and permanence. Under Title 44, all documents distributed to regional depository libraries are required to retained permanently. Documents distributed to selected depository libraries may be disposed after 5 years under certain conditions.

Question 30. GPO has been conducting an extensive review of the Federal Depository Library Program (FDLP). What are your recommendations for ensuring the long-term viability of this program?

Response. Our first recommendation is to establish GPO processes and procedures that apply life cycle management best practices for all publishing formats, and ensure permanent public access to Government information dissemination products in the digital age. The goals of this would be to increase identification and acquisition of content for the Cataloging and Indexing Program and the FDLP, enhance records for the National Bibliographic Records Inventory, and preserve Government information for permanent public access.

Our second recommendation is to provide a governance process and a sustainable network structure that ensures coordination across the FDLP and allows the most flexible and effective management of depository libraries and their resources. The goals would be to allow more flexibility for Federal depository libraries to manage their depository resources and services,

explore alternative sustainable structures for the FDLP, and modernize the FDLP provisions of Title 44, U.S.C., where necessary, to reflect current realities and envision future developments.

Finally, we recommend that the FDLP deliver dynamic, innovative, and strategic services and mechanisms to support the needs of Federal depository libraries in providing accurate Government information to the public at large in a timely manner. The goals would be to enrich education, create better discovery tools, and increase partnerships and affiliations.

Question 31. During the shutdown you continued to provide access to Congressional materials through FDsys, however, agency materials located on agency websites were neither updated nor accessible through FDsys. Are there things that GPO can do to ensure the accessibility of this information?

Response. During the recent Government shutdown, GPO designated the operation of FDsys as an essential function to ensure public access to congressional information as Congress remained in session, and to provide public access to Federal regulatory information regarding health and safety. These FDsys collections were regularly updated throughout the shutdown. The other collections on FDsys were not being updated but were still accessible. FDsys's design does not allow us to shut down part of it and keep other parts operational by compartmentalizing collections without incurring an additional expense. However, and in accordance with the rules governing a lapse in funding authority, no funds were expended to add new content to the system other than to the congressional and Federal Register files that were designated as essential. Likewise, we did not expend funds to break the links to other sites in the Government and around the country that pull content from Fdsys. Concerning GPO's Online Bookstore, FDLP Desktop, Contractor Connect, etc., these were all static during the shutdown. Notices were placed on the sites and during the shutdown they were not updated with any new content.

After the shutdown ended, we were commended by a number of library associations for continuing to provide access during that period, and urging us to implement measures to protect public access should a similar event happen again. Accordingly, we have been working with Federal agencies to highlight the importance of a permanently accessible public collection, and has developed a number of key partnerships to make certain content collections available through FDsys, including opinions and decisions from Federal district, appellate, and bankruptcy courts, historical editions of the U.S. Statutes at Large and Bound Congressional Record, and historical content from the Department of the Treasury. GPO will continue to foster relationships with agency partners in order to expand the collection within FDsys. There are other steps that can be implemented, including evaluating and prioritizing content from agencies that became inaccessible during the shutdown and marketing the importance of ingest into FDsys for permanent public access; harvesting and creating cataloging and indexing/discovery access through the Catalog of U.S. Government Publications; expanding knowledge of Federal depository libraries outside the FDLP; ensuring that contracts for hosted services and resources allow for continuous operation during a shutdown, and are deemed "essential," and contact other Federal agencies about the feasibility of continued public access being provided from a COOP system run by contractors if the Federal employees at the agencies are not allowed to maintain public access.

Question 32. As it relates to digital security and cybersecurity, where does the agency stand in protecting all of the information it gathers, particularly as it relates to passports and others?

Response. Although as a legislative branch agency we are not subject to the provisions of the Federal Information Security Management Act of 2002 (FISMA), we strive to comply with its requirements, and that compliance is periodically audited by GPO's Office of Inspector General. GPO uses an approach which includes layers of both preventative and detective controls to protect information, the GPO network, and all GPO systems. The preventative controls employed at GPO include the use of data encryption to encrypt any PII information that is required to be stored and/or transmitted electronically in accordance with Federal IT security standards; encrypting data on all mobile devices; Data Loss Prevention technology to block any unprotected/unencrypted PII data attempting to leave the GPO network; web filtering technology to prevent GPO user access to known hacker/malicious software distribution web sites and other inappropriate web sites; firewalls to protect the network perimeter from unauthorized protocols and access; and anti-virus/anti-malware technology on systems to prevent malware from executing.

The detective controls employed at GPO include the use of continuous (24x7) log monitoring, analysis, and alert notification; Intrusion Prevention and Detection systems; Web-based malware detection system; vulnerability assessment systems to periodically assess GPO systems for weaknesses (including daily assessments for all Internet-facing systems); and network flow analysis technology.