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HEARING
BEFORE THE
SUBCOMMITTEE ON
PUBLIC BUILDINGS AND GROUNDS
OF THE
COMMITTEE ON PUBLIC WORKS
HOUSE OF REPRESENTATIVES
NINETY-SECOND CONGRESS

FIRST SESSION
ON

H.R. 9801

TO AMEND THE JOHN F. KENNEDY CENTER ACT TO AUTHORIZE
FUNDS FOR OPERATION AND MAINTENANCE OF THE NON-
PERFORMING ARTS FUNCTION OF THAT CENTER

JULY 22, 1971

Printed for the use of the Committee on Public Works



U.S. GOVERNMENT PRINTING OFFICE

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WASHINGTON : 1971

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1. The first part of the book is devoted to a general survey of the history of the subject, from the earliest times to the present day.

2. The second part is devoted to a detailed examination of the various theories which have been advanced to explain the origin of the subject.

THE HISTORY OF THE SUBJECT

3. The third part is devoted to a detailed examination of the various theories which have been advanced to explain the origin of the subject.

1080 H. R. 9801

100 CONGRESS
1st Session
July 1967

**TO AMEND THE JOHN F. KENNEDY CENTER ACT TO
AUTHORIZE FUNDS FOR OPERATION AND MAINTENANCE OF THE NONPERFORMING ARTS FUNCTION
OF THAT CENTER**

THURSDAY, JULY 22, 1971

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS
OF THE COMMITTEE ON PUBLIC WORKS,
Washington, D.C.

The subcommittee met, pursuant to call, at 12:20 p.m., in room 2251, Rayburn House Office Building, Hon. Kenneth J. Gray (chairman of the subcommittee) presiding.

Mr. GRAY. The Subcommittee on Public Buildings and Grounds will please come to order.

Off the record.

(Discussion off the record.)

Mr. GRAY. Back on the record.

The purpose of this open and public hearing today is to discuss H.R. 9801 offered by Mr. Gray for himself and Mr. Frelinghuysen of New Jersey to amend the John F. Kennedy Center Act to authorize funds for operation and maintenance of the nonperforming arts function of that Center.

(H.R. 9801 follows:)

(1)

92D CONGRESS
1ST SESSION

H. R. 9801

IN THE HOUSE OF REPRESENTATIVES

JULY 14, 1971

Mr. GRAY (for himself and Mr. FRELINGHUYSEN) introduced the following bill;
which was referred to the Committee on Public Works

A BILL

To amend the John F. Kennedy Center Act to authorize funds for operation and maintenance of the nonperforming arts function of that Center.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 8 of the John F. Kennedy Center Act, as
4 amended (72 Stat. 1968) is amended by inserting "(a)"
5 immediately after "SEC. 8" and by adding at the end thereof
6 the following new subsection:

7 “(b) There is hereby authorized to be appropriated to

1 the Board not to exceed \$1,500,000 per fiscal year for the
 2 public costs of maintaining and operating the nonperforming
 3 arts functions of the John F. Kennedy Center for the Per-
 4 forming Arts."

5 SEC. 2. The amendments made by the first section of
 6 this Act shall be applicable to the fiscal year beginning July
 7 1, 1971, and to each fiscal year thereafter.

Mr. GRAY. We are delighted to have today as witnesses the Honorable Roger L. Stevens, Chairman of the Board of Trustees of the John F. Kennedy Center for the Performing Arts; accompanied by Hon. Ralph E. Becker, General Counsel; Mr. William Schmidt, Executive Director of Engineering; and Mr. Leonard Reamer, partner, Elmer Fox Co., Washington, D.C. Gentlemen, we are delighted to see all of you, as usual, and we also have in the committee room William McCormick Blair, the Executive Director of the Kennedy Center, I am happy to say a resident of the State of Illinois until he was transplanted down here. I will first call on Mr. Stevens.

Mr. Stevens, I certainly want to commend you and all of your associates for what I consider to be a very outstanding job. Many said the Kennedy Center would never be completed. I was one of those who had the great honor and privilege of attending your gala and it is certainly a fine edifice. It is functional. It is certainly a beautiful addition esthetically to the Washington community and I know the functions that will be held inside will be of a great benefit to all the people of the Nation.

It is unfortunate that any large facility such as this requires a lot of money for construction and a lot of money to maintain and operate the facility, and we introduced H.R. 9801 in order that we could hear from you and your associates as to just exactly what your needs are and how they best can be met and what part Congress might be called upon to play. So you may proceed in any fashion you choose.

STATEMENT OF HON. ROGER L. STEVENS, CHAIRMAN, BOARD OF TRUSTEES, JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS; ACCOMPANIED BY HON. RALPH E. BECKER, GENERAL COUNSEL; WILLIAM A. SCHMIDT, EXECUTIVE DIRECTOR OF ENGINEERING; AND LEONARD REAMER, ACCOUNTANT, ELMER FOX CO., WASHINGTON, D.C.

Mr. STEVENS. Thank you, Mr. Chairman, As you know, I am Chairman of the Board of Trustees of the Kennedy Center. With me are Ralph E. Becker, Trustee and General Counsel of the Center;

Mr. William A. Schmidt, Executive Director for Engineering of the Center; and Mr. Leonard Reamer, certified public accountant, with the accounting firm of Elmer Fox & Co., and consultant to the Center; and Mr. William McCormick Blair, the General Director.

I would like to have this entire statement put in the record.

Mr. GRAY. Without objection, the entire statement will be made a part of the record. You may proceed in your own fashion.

(Statement referred to follows:)

STATEMENT OF WILLIAM A. SCHMIDT, EXECUTIVE DIRECTOR FOR ENGINEERING,
JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

Mr. Chairman, members of the committee, it is a distinct pleasure to appear before you today to recommend favorable consideration of H.R. 9801, a bill to amend the John F. Kennedy Center Act to authorize funds for operation and maintenance of the non-performing arts functions of the Center.

I should like to comment briefly on the estimate of the annual cost to operate and maintain and to provide security for the John F. Kennedy Center; and to determine what share of these costs may be considered a reasonable charge to the national memorial functions of the Center.

The building is still under construction with major areas in various stages of near completion and the performance programming in the final planning stage. Therefore specifications for operation, maintenance and servicing could be detailed only to the extent these circumstances permit.

The Kennedy Center is a unique building, three buildings under one roof, for which there is no precedent for determination of specific operation, maintenance and security requirements. However, basic services can be related to similar facilities such as the Los Angeles Music Center. Also, to a degree, basic services can be related to office buildings and heating and refrigeration plant operations.

In the preparation of the estimate visits were made to the Los Angeles Music Center and the Lincoln Center in New York and their operating staffs were consulted on standards and requirements. GSA's and Smithsonian's Buildings Management technicians were also consulted on the building requirements as well as the U.S. Park Police and GSA's Federal Protective Service on security requirements. Because the Center will be open to the public, a detailed survey was made of all phases of physical security as related to the Center and a plan developed for interior and exterior intrusion detection and surveillance systems to supplement the protection and security which will be provided by a guard force. Also, being a place of public assembly, both the structure and its management and operation must meet rigid safety and fire safety code requirements, both local and national.

It is estimated that the total cost of operation, maintenance and security during the first year will approximate \$2,384,000. This covers the structure and its mechanical and electrical systems. This includes the costs related to both performing arts and non-performing arts activities, and the costs which are attributable primarily to non-performing arts activities. It does not include costs which are attributable primarily to performing arts activities which are to be financed from performance income.

In the allocation of a reasonable share of the total costs to the Center as a national memorial, I was guided by the following assumptions:

1. The Center will be open seven days a week including holidays.
2. During two days of each week the auditoriums will be dark—that is no performance—as an average during the year.
3. Ten hours each day of fifteen will be devoted to non-performance activities and the remainder to the performing arts.
4. Routine security will be allocated in total to the non-performing arts activities because security required for the performances represent an additional requirement to be financed from performance income.

Applying these assumptions to the total cost of \$2,384,000 results in an allocation of \$1,884,000 to the non-performing arts activities. This is \$384,000 more than the \$1,500,000 which would be authorized by the enactment of H.R. 9801. I believe the estimated annual cost to be reasonably accurate based on our best judgment of operational requirements.

Although it may be possible to make some reduction in these costs through the refinement of requirements, scheduling of work, and possibly contracting out for services, where appropriate, it would be desirable to provide a more flexible approach to the appropriation process, as recommended by the Office of Management and Budget in their letter of July 13, 1971 to Chairman Stevens. These costs are increasing at the rate of at least 5% per year and as increases in cost occur, a fixed limitation as proposed in the bill will require additional Congressional authorization. It would be preferable to substitute language providing "... such sums as may be necessary ..." in place of the \$1,500,000 limitation contained in the draft bill.

Mr. Chairman, this concludes my prepared statement and I would be pleased, as would Mr. Reamer, to answer any questions you or members of the Committee may have concerning the Center's operations. The detailed estimate, as of May 31, 1971 enclosed with Chairman Steven's letter to the Committee, dated July 22, 1971, is attached for ready reference and the record.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

ALLOCATION OF OPERATIONS AND MAINTENANCE EXPENSES TO NONPERFORMING ARTS ACTIVITIES (ESTIMATE AS OF MAY 31, 1971)

I. Total Expenses

The following expenses are attributable primarily to the non-performing arts activities of the John F. Kennedy Center or are attributable in part to such activities. None are attributable primarily to performing arts activities.

A. Primarily Nonperforming Arts Costs:

Security—Guard salaries including supervisors (27 guards): \$250,000. Supplies, materials, uniforms: \$10,000. Physical protection support, television, etc.; annual charge: \$25,000. (Additional security required primarily for performing arts activities will be financed from performing arts receipts.)

Total security..... \$285, 000

B. Costs to be Allocated between Performing Arts and Nonperforming Arts Activities of the Kennedy Center:

Operation and Maintenance of Mechanical and Electrical Equipment—(excludes theater and backstage equipment) Wages, supplies and materials for operation: \$273,000. Maintenance repairs: \$200,000. Elevator and escalator maintenance: \$75,000.

Total equipment maintenance..... 548, 000

Utilities—(necessary to keep the building open seven days per week.) Total electric building.

Total utilities..... 720, 000

Janitorial Services—(seven days per week). Daily periodic servicing—wages and supplies: \$690,000. Window washing: \$14,000. High cleaning: \$25,000. Cleaning chandeliers: \$10,000. Relamping: \$8,000. Trash removal: \$17,000.

Total janitorial service..... 764, 000

Shop and Other Equipment—(Initial cost will be borne in full by performing art activities, totaling \$81,000). Annual cost for crafts and custodial \$16,000.

Total shop and other equipment..... 16, 000

Management and Administration—(Costs of management of the theaters are not included in this category). Building Manager, administrative and clerical salaries: \$49,000. Supplies and materials: \$2,000.

Total management and administration..... 51, 000

Total expenses..... 2, 384, 000

II. Allocation of Expenses

Over a period of one year, it is estimated that the theaters will average two dark, days per week. Therefore, two sevenths of each of the costs set forth in Section I with the exception of Security, is allocable to the nonperforming arts activities. In addition, because 10 hours of a total of 15 hours per day of operations will be

primarily non-performing arts activities, two thirds (10/15) of the remaining costs (again excluding security) should be allocated to non-performing arts activities. As pointed out earlier, the Security listed should be completely allocated to non-performing arts activities. The tabulation is as follows:

	Estimated expense	Allocable to nonperforming arts activities
Security.....	\$285,000	\$285,000
Operation and maintenance.....	548,000	417,524
Utilities.....	720,000	548,572
Janitorial services.....	764,000	582,072
Ship and other equipment.....	16,000	12,190
Management and administration.....	51,000	38,857
Total.....	2,384,000	1,884,215

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS,
July 22, 1971.

Hon. JOHN A. BLATNIK,
Chairman, House Committee on Public Works,
Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN BLATNIK: Thank you for your letter of July 15, 1971, requesting our views on H.R. 9801, a bill "To amend the John F. Kennedy Center Act to authorize funds for operation and maintenance of the nonperforming arts function of that Center."

H.R.9801 would authorize the appropriation of up to \$1.5 million annually for the costs incurred by the Kennedy Center in the performance of its legislative mandate under Public Law 88-260 to provide the sole memorial in the Washington environs in honor of the late President John F. Kennedy. Such appropriations may be made retroactively to July 1, 1971, the date on which the Trustees assumed control from the contractor over many portions of the building. Appropriations would *not* be authorized for costs incurred by the Trustees which are attributable primarily to performing arts activities of the Kennedy Center.

The preamble of Public Law 88-260, which renamed the National Cultural Center, prescribed that the Kennedy Center would be the sole living memorial in honor of President Kennedy in the Washington area. As such, the Kennedy Center will conduct two types of activities. First, it will present the performing arts attractions within its three main theaters, commencing this Fall, augmenting these activities with a nationwide program to encourage the growth of performing arts activities. Second, the building itself will serve as a memorial to the late President in much the same manner as the Lincoln and Jefferson Memorials and Washington Monument. To this end the Kennedy Center's doors will be open to the public during the day-time hours, seven days per week. Based on attendances at other Washington memorials, it is anticipated that several million people per year will visit the Kennedy Center. It is because of this second function that the Kennedy Center seeks federal support for operation and maintenance.

As you can well appreciate, it is very costly to open to the public the doors of a public building, particularly this memorial which is highly sophisticated in its mechanical and electrical equipment and which will require extensive provisions for security, air conditioning, janitorial services and heating. Accordingly, we seek authorization from the Congress to help meet those expenses which are properly borne by the non-performing arts activities of the Kennedy Center.

There is ample precedent for the Congress to provide federal assistance for the operation and maintenance of public memorials, of which the Kennedy Center is one of many. For your information, I am enclosing a compilation of typical costs, provided to us by the National Park Service, for the operation in a year of three Washington, D.C., memorials. There is also ample precedent for the federal government to share jointly, with a quasi-private agency such as the Kennedy Center, the public costs of the agency's operations. An example is the Smithsonian Institution.

Estimates prepared by the Kennedy Center indicate that the total operations and maintenance costs during the first year will approximate \$2,384,000. This figure includes (1) costs which relate to both performing arts and non-performing

arts activities, and (2) costs which are attributable primarily to non-performing arts activities. It does not include costs which are attributable primarily to performing arts activities. Naturally, the total expenses of operations of the Kennedy Center will be much greater because of costs which are attributable primarily to performing arts activities. However, these additional costs are not included in our calculations because it is not the intention of the Board of Trustees that the Congress underwrite the additional costs incurred by operation of the performing arts facilities. Rather, these expenses will be met with the Center's operating revenues. If there is a deficit, it will have to be met with gifts from Foundation and private donors.

On the basis of our allocation of the \$2,384,000, it has been determined that \$1,884,215 is attributable to the non-performing arts activities of the Kennedy Center. The Kennedy Center at this time, however, seeks authorization and appropriation for only \$1.5 million. The additional \$384,215.00 in expenses which are attributable to the non-performing arts activities will be borne by receipts from the performing arts functions and through private donations. A detailed breakdown of the derivation of the above figures is enclosed with this letter.

These figures will be subject to continued verification. During the summer, 1971, the Center will be in its "start-up" phase. During this period, we can expect that the operations costs incurred will be abnormal. However, they will provide some basis for verification of our original estimates. Further experience of operating the Kennedy Center during the fall of 1971 will provide an additional basis for verification.

It will be necessary, during this initial period of operation, for the Center to receive federal support for its non-performing arts activities. Based on Smithsonian Institution attendance figures of 14 million visitors annually, we expect several million visitations to the Kennedy Center during its opening period. Accordingly, we would appreciate prompt enactment of H.R. 9801.

For your information, the Office of Management and Budget has advised that, with one exception, it has no objection to the presentation of H.R. 9801 to the Congress. OMB further advises that enactment of the bill is consistent with Administration objectives. The objection is that the fixed limitation of \$1.5 million in H.R. 9801 should be altered to permit the Congress to make appropriations of such sums as are necessary for the conduct of the non-performing arts functions of the Center. The Kennedy Center would prefer the alternative language suggested by OMB, as set forth in Caspar W. Weinberger's letter of July 13, 1971, a copy of which is enclosed.

The Board of Trustees is most appreciative of the Committee's consideration of our views on the bill.

Sincerely yours,

ROGER L. STEVENS.

NATIONAL CAPITAL PARKS
OPERATING COSTS OF MAJOR MEMORIALS

Maintenance	Lincoln Memorial and grounds	Washington Monument and grounds	Jefferson Memorial and grounds
Memorial maintenance.....	\$30,600	\$38,200	\$10,000
Memorial operation.....	32,000	27,700	30,000
Utilities.....	11,300	10,800	4,700
Sanitation.....	2,800	28,300	4,000
Outside lighting.....	1,900	3,300	
Turf.....	5,000	20,900	6,200
Trees.....	1,100	10,700	1,000
Flowers.....		3,000	
Shrubs.....	5,800	4,900	2,000
Special events.....	3,400	50,100	1,500
Roads and walks.....	5,200	42,700	5,000
Miscellaneous.....	3,000	22,500	3,000
Supervision.....	9,900	28,000	3,900
Total maintenance.....	112,100	291,100	71,300
Visitor services.....	80,000	96,000	80,000
Protection.....	125,000	125,000	125,000
Total.....	317,100	512,000	276,300

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., July 13, 1971.

Hon. ROGER L. STEVENS,
Chairman, John F. Kennedy Center for the Performing Arts,
Washington, D.C.
(Attention Ralph E. Becker, general counsel.)

DEAR MR. CHAIRMAN: This is in reply to Mr. Becker's letter of July 7, 1971 transmitting copies of a proposed bill "To amend the John F. Kennedy Center Act to authorize funds for operation and maintenance of the non-performing arts functions of that center."

We believe that the language of the draft bill should be changed to provide a more flexible approach to the appropriation process. As increases in costs occur, a fixed limitation as proposed in the draft bill requires additional Congressional authorization. It would be preferable to substitute language providing "... such sums as may be necessary ..." in place of the \$1,500,000 limitation contained in the draft bill.

Subject to the above, there is no objection to the presentation of the draft bill to the Congress and its enactment would be consistent with the Administration's objectives.

Sincerely,

CASPAR W. WEINBERGER, *Deputy Director.*

Mr. STEVENS. Thank you.

I am happy to report that on September 6, 1971, the Kennedy Center will present its first public performance of Leonard Bernstein's gift of a specially commissioned work, titled "Mass"—a theater piece for singers, players, and dancers. All three halls of the Kennedy Center will be fully operating shortly thereafter.

With the imminence of the opening, we must now realistically assess the financial needs of the Board of Trustees, both in presenting the best in the performing arts to the public and also, under its mandate, in providing the sole Washington memorial to the late President John F. Kennedy. We have made such an assessment and expect that hall rentals will be sufficient to cover the costs of presenting a full and diversified performing arts program during the coming year. However, the Kennedy Center is more than a theater operation. In light of the Smithsonian's experience of 6 million visitors to its Museum of History and Technology during the past fiscal year, it is expected that millions of visitors will visit the structure for which matching funds were authorized by Congress in 1964 with bipartisan support. The proposed amendment to the John F. Kennedy Center Act, H.R. 9801, will authorize the appropriation of up to \$1.5 million annually, for the costs incurred by the trustees in serving the millions of visitors, or in meeting the Center's "nonperforming arts" costs, as they are referred to in the bill.

The Kennedy Center is a complex, fully enclosed structure which requires air conditioning, heating, substantial security protection services, maintenance, janitorial services, and management. All of these services will be necessarily incurred for visitations and public interest activities. There is ample precedent for Federal support of such activities in the annual appropriations made by the Congress for other memorials throughout the Nation.

To estimate the costs to carry on these nonperforming arts functions at the Kennedy Center is a complex process. We have been able to discern these costs by drawing on the many years of experience of Mr.

Schmidt, who was formerly the Commissioner of Public Buildings, and of Mr. Reamer. Both gentlemen are present today to explain more fully the center's request. Mr. Becker is also available to respond to your questions.

To review the history of the Kennedy Center, it was established as the National Cultural Center by Public Law 85-784, signed into law by President Eisenhower on September 2, 1958. The original act, adopted with strong bipartisan support in both houses, provided for a Government-owned site upon which was to be constructed a center financed by voluntary contributions. The center was designed as the sole national memorial to the late President, and renamed the John F. Kennedy Center for the Performing Arts in Public Law 88-260, approved by President Johnson on January 23, 1964. This legislation had almost unanimous support of both parties, and had bipartisan sponsorship. Construction of the building commenced in early 1967.

The center, a bureau of the Smithsonian Institution, is governed by a Board of Trustees, originally 30 but presently numbering 45. Of these, nine serve ex officio; three (Congressmen Frelinghuysen, Roncalio, and Thompson) are appointed by the Speaker of the House of Representatives; three (Senators Fulbright, Percy, and Tunney) by the President of the Senate; and 30 by the President of the United States. A complete list of officers and trustees is attached. The officers are elected annually by the Board.

The first Chairman of the Board was Secretary Arthur S. Fleming who was succeeded by Ambassador L. Corrin Strong, and in 1961, by me.

In addition to the Board of Trustees, the President has appointed an Advisory Committee, which is provided for in section 2(c) of the act. A list of the members is attached. With members representing 50 States, the Advisory Committee will act as a liaison with people throughout the Nation.

We are most appreciative of the committee's consideration of H.R. 9801.

Thank you very much.

(The lists follow:)

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

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THE PRESIDENT'S ADVISORY COMMITTEE ON THE ARTS,
JUNE 14, 1971

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THE PRESIDENT'S ADVISORY COMMITTEE ON THE ARTS, JUNE 14, 1971—Continued

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Mr. GRAY. Thank you very much Mr. Stevens, as you will recall, when the authorizing legislation passed the Congress in 1964 and subsequent thereto we had to get a second authorization because of cost overruns, we told the membership of both the House and the Senate at that time that we would not be back asking the taxpayers for any additional money in connection with the construction of the Center. I want a very clear understanding here in open public hearing today that any additional moneys being requested are not in relationship at all to the performing arts functions of the Center, but since this is the sole national monument to the late President Kennedy that the additional funds you are requesting would be for nonperforming arts functions such as security and guided tours and other things that would benefit the public.

Mr. STEVENS. Yes, sir; these are the figures that have been arrived at after careful estimates by Mr. Reamer and Mr. Schmidt. They visited several other performing arts centers to obtain cost information.

Mr. GRAY. We have a letter from the Office of Management and Budget, signed by Mr. Caspar W. Weinberger, Deputy Director, dated July 13, addressed to you, stating:

We believe that the language of the draft bill—

Meaning the bill that we are having hearings on this afternoon, H.R. 9801—

should be changed to provide a more flexible approach to the appropriation process. As increases in costs occur, a fixed limitation as proposed in the draft bill requires additional Congressional authorization. It would be preferable to substitute language providing “. . . such sums as may be necessary . . .” in place of the \$1,500,000 limitation contained in the draft bill.

Subject to the above, there is no objection to the presentation of the draft bill to the Congress and its enactment would be consistent with the Administration's objectives.

So, putting it simply, the Executive Office of the President, Office of Management and Budget, is for the bill, but I wanted to read this and I would like to make it crystal clear for the record whether you feel that this \$1.5 million which would be authorized under the bill is adequate, whether you think it is enough to take care of the long-range needs, or whether you feel, as Mr. Weinberger, that it would be better to have open-end authorization because you would expect increased costs? Could you give us any detailed information as to whether you believe you could get by for less than \$1.5 million or do you think all of it is going to be required or, as Mr. Weinberger, you would have to come back for additional authorization in succeeding years? What is your personal feeling about this letter?

Mr. STEVENS. My personal feeling, sir, is that we are operating a very complex structure without any operating history and we can only make guesses. It seems to me that the flat amount, until we have an operating history, is a practical approach so that the Congress and the Appropriations Committee may know, to use a term of business, what the exposure is. After we have a history of operation, I think that we would be in a better position to discuss this point.

Mr. Schmidt, I think, will go into some of those figures later, but this amount, in my opinion, would be the least with which we can get by, to handle the memorial, nonperforming arts aspect of the Center's operations.

Mr. GRAY. For the next few years at least?

Mr. STEVENS. Yes.

Mr. GRAY. The point is you could live with the \$1.5 million if the committee was constrained to nail down a limitation? As you can see, the Office of Management and Budget wants an open-end authorization so they would only have to justify any increases to the Appropriations Committee and not come back to the authorizing committee. That is the purpose, the way I read the letter, the purpose in us giving an open-end authorization, but if we said, for example, "We want a maximum of \$1.5 million," which is what you requested, can you see downstream enough, anticipating your security needs and other costs, and say whether you think this would be adequate or whether it would be an annual thing of having to come back and ask for more authorization and more appropriations? I realize you are at a disadvantage because the Center hasn't opened but, we have to account for what we do, too.

Mr. STEVENS. I understand, costs, as everyone knows, have been rising rather sharply of late; but, assuming that the costs are reasonably stable in the future, I would say from the figures that are available to Mr. Reamer and Mr. Schmidt that we would be all right. I understand very well that Congress is not very happy about open-end authorizations, and I think that we have gone into this carefully enough so that we would be all right with the \$1.5 million amount.

Mr. GRAY. Mr. Schmidt, do you have the total operating budget figures for fiscal 1972? Are you operating on a calendar or fiscal year basis now?

Mr. SCHMIDT. We computed it on a fiscal year basis.

Mr. GRAY. Could you tell us what you anticipate the fiscal 1972 operating cost to be, considering the fact that you will be opening in September, which would run up to the following June 30?

Mr. SCHMIDT. We estimate that the total annual cost for joint performing and nonperforming arts functions will be \$2,384,000. Even though we are not opening until September these costs are being incurred now as startup costs. We have to begin to train personnel and a substantial portion of the building has already been taken over for beneficial occupancy. It is almost like an office building. As portions of it are completed they are put to use even though the formal program will not begin until early September.

Mr. GRAY. What is your complement of security down there?

Mr. SCHMIDT. At the moment it is in the neighborhood of 20 men but ultimately this figure will run close to 30 but the security will have to be supplemented with an extensive program of physical security, including closed circuit TV for surveillance of public areas and intrusion alarm systems. This will be necessary because of the nature of the building and since it will be open to the public.

Mr. GRAY. Give us those overall figures again. You anticipate about \$2.8 million a year as operating expense?

Mr. SCHMIDT. Roughly \$2.4 million, not including operating expenses which are primarily performing arts.

Mr. GRAY. \$2.4 million; so you are asking the Congress to supply approximately 55 percent?

Mr. SCHMIDT. The authorizing legislation would cover \$1.5 million of that.

Mr. GRAY. Two times that would be \$3 million. You are going to \$2.4 million so that would be 55 percent?

Mr. SCHMIDT. About 60 percent.

Mr. GRAY. That would be 60 percent of the cost, and you attribute all of this to nonperforming art functions?

Mr. SCHMIDT. A goodly share of the cost of operating the Center as a national memorial has to be borne by something other than the income from the performances. It is a building that will have substantial visitation and this in itself will create quite an expense. It will be open to the public 7 days a week and for 8 to 10 hours a day.

Mr. GRAY. I am glad you brought that up because I was coming to that. You anticipate having trained tour guides when people come there by busload or come there by car or walk in off the street and someone would be able to give them some kind of a tour through the Center to explain what the various rooms are, at least through the grand foyer and out on the balcony to look down over the Potomac, this sort of thing? Do you anticipate having informational guides that would be able to tell the people similar to what we have in the Capitol?

Mr. SCHMIDT. Mr. Chairman, I think it will have to be that in order to control the public within the building. As a supplement to security there will have to be conducted tours. People can't be turned loose in the building.

Mr. GRAY. Part of that \$1.5 million would be for the purpose of providing the public with information?

Mr. SCHWENGEL. Would the gentleman yield?

Mr. GRAY. Yes; the gentleman from Iowa.

Mr. SCHWENGEL. What would be the cost of the guide service that you anticipate?

Mr. SCHMIDT. Mr. Schwengel, I can't speak to that. I would like to make this point clear: The \$2.4 million to which I was addressing myself is for the operation, maintenance, and upkeep of the physical plant, the building. This is aside from the performances and the other activities which will be conducted within the building.

Mr. GRAY. Yes, I understand that.

Mr. SCHMIDT. The cost of the tour guide would have to be financed either through a modest charge for the tour but it is not covered in this estimate—

Mr. SCHWENGEL. In other words, you intend to charge for the tour?

Mr. SCHMIDT. In my opinion, I think there ought to be a modest charge which should be sufficient to pay for the cost of the guides.

Mr. GRAY. As one member, let me state emphatically that I am unalterably opposed to charging for any public monument in this city and the gentleman from Iowa and others were very instrumental in taking off this punitive 25-cent charge for the American people who own all these buildings to have to pay to see them. I think that is a disgrace and I certainly would rather fight hard on the floor to get the extra money for 10 or 15 or 20 tour guides than to say, "Here is a monument to an assassinated President. You give us a quarter and you can come in and see it." I think that would be an affront to the memory of the late President and certainly an affront to the taxpayers, so I want to go on record right now publicly as one member—I can't speak for the subcommittee, but I certainly go on record for myself as saying that I think if it is going to be a true monument to the late President, it ought to be open so people can see it, and whatever it

costs for tour guides I don't think we should ask the people to pay for those guides. I think we only have something like 24 for the whole Capitol and we handle 7 million people a year in the Capitol building, so if you paid them \$10,000 a year, that is only \$150,000 or \$200,000 compared to \$2.4 million operating cost, so this is an infinitesimal amount compared to what you are going to be paying for police and other costs attendant to the Center. I don't think this is that big an item. The gentleman from Iowa.

Mr. SCHWENGEL. I would like to see a list of those nonperforming arts that you are asking us to pay for. Do you have a list of those nonperforming arts?

Mr. SCHMIDT. The \$2.4 million is not for the nonperforming arts but is the total cost of operation, maintenance, and upkeep of the building; and in order to distinguish between those costs that are attributable to the performances which will be held evenings and matinees in the major halls, we have identified only the costs that will be involved as far as the building is concerned because it is a national monument and because there will be tours through the building by visitors to Washington and programs other than performances. The point I was trying to make earlier was that we had not estimated the cost of tour guides. That would be over and above the figure of \$2.4 million and, as the chairman indicated, it, comparatively, is a small amount.

Mr. SCHWENGEL. When we go before the Congress somebody is going to ask us this question, "What are these nonperforming arts that you are asking us to pay for?"

Mr. SCHMIDT. Well, there is the security, first of all, the guard service.

Mr. HARSHA. No, no; we know about the security. What is the art that you are securing is what he is trying to get at.

Mr. SCHMIDT. I think it might be better identified as those functions which are not identified with the performances.

Mr. HARSHA. All right. What are they?

Mr. SCHWENGEL. That is the point: What are they?

Mr. SCHMIDT. It is the same thing that you would find in the visitation to any of the national monuments, the Washington Monument, the Lincoln Memorial. The people would be coming into the building to view the building, the memorial, and other items of interest. They are not there to attend a performance. They are there to see the building and its facilities, exhibits, et cetera.

Mr. GRAY. Are you speaking of extra lighting, heating, air conditioning, and all things of this nature?

Mr. SCHMIDT. Mr. Chairman, the building has to be guarded. The building has to be lighted. The air-conditioning system has to be in operation or the heating system while the building is not being used for the performing arts.

Mr. SCHWENGEL. What you are really asking for is not pay for the nonperforming arts; it is for a part of the maintenance because there are not any arts except the displays that the traveling public is going to see when they go around, and I think it is a magnificent experience for people, and you are going to charge for this and if you charge them that will pay for it, presumably, but I agree with the chairman, I don't like to see a charge.

Mr. SCHMIDT. This is right and I think whether there should be a charge is a matter of policy.

Mr. SCHWENGEL. I think we would have a lot better chance in going before Congress by saying part of this goes for the guide service.

Mr. GRAY. Will the gentleman from Iowa yield to the gentleman from Wyoming?

Mr. SCHWENGEL. Yes.

Mr. RONCALIO. I think Mr. Schwengel is absolutely right. Kids by the thousands, show them an opera house, a concert hall or memorial, week after week and they wear out rugs. It is fair that maybe this nonperforming function ought to be reimbursed from a public source since the public by thousands incur the expense. I thought it was, and I think it is quite fair. I think young people should see the center when they come. I think every Congressman should have passes in his office. Here you are in town to see this. But I don't think there should be an admission charge.

Mr. SCHWENGEL. I would like to suggest that you give consideration to something that the public could enjoy while they are there besides that tour. I tell you the American story is the greatest story of all. I knew Jack Kennedy personally. I attended many historical society meetings with him and this guy is literature and he has a story. Couldn't there be some auditorium that we have continually showing the life of Kennedy?

I have this dream for Lincoln. We have the largest man-made empty space underneath the Lincoln Memorial in the world, a perfect place for people to go to learn something, to catch the spirit. That spirit is in the life of Kennedy also—it could be revealed eloquently thus at the Center.

Now, I was against naming the art center the Kennedy Arts because I am not sure if we had waited like we did with Lincoln that we would have built this kind of a monument to Kennedy, but we built it. Now I would like to see those nonperforming arts that you have, that you identify them.

Mr. HARSHA. Will the gentleman yield?

Mr. GRAY. The gentleman from Ohio.

Mr. HARSHA. Gentlemen, let me assure you that you have a devil of a burden to overcome to get this thing through the committee and, as far as I am concerned, you have to get it past me first. But you are not helping the situation one bit. Because of the history of this thing and the promises and commitments made to this committee and that we made to the Congress, you are not helping your situation one bit by being evasive. You come in here and you say, "We are only prorating the total expense to that part of the Center that does not deal with the performing arts." We ask you what that is. We can't find out. We have asked you two or three times and for some reason you are hesitant about telling us. Now you tell us it is the same thing that you see in the Washington Monument or the Lincoln Memorial. I have been in Congress here 11 years and I have been so darned busy I have never been down there, so I don't know what you are talking about. If they ask me on the floor what the nonperforming or non-cultural part, or whatever it is, of that Center is down there I can't tell them because you have not told me. You better make a strong case because you have two strikes against you. Tell us then exactly what you are talking about.

Mr. SCHWENGEL. Will the gentleman yield?

Mr. HARSHA. Yes.

Mr. SCHWENGEL. Go to Ford's Theater and go on that tour. That is free. Those people from the guide service or the Park Service are terrific. You know what we are paying for that? I got some figures recently. We are paying three times as much for the visits to Ford's Theater as we are for the people who come to the Capitol. There is a story to be told. Right now you have this thing for the people who have culture and arts, and all people should have an opportunity to see and learn of the Kennedy culture and story. In some way you could cultivate this in that magnificent Center by giving the people something to see and learn from and then we would have something to go to the Congress with. I find it not at all difficult to get on the floor and defend the Smithsonian or anything the Park Service wants across this land that is devoted to history, and the cultures in a sense, too.

Mr. STEVENS. Mr. Chairman, may I just say a word to this point?

Mr. GRAY. Yes.

Mr. STEVENS. I operated commercially a number of theaters in New York and I think a comparison between these commercial operations and the Center might be helpful to the committee. When you are operating a theater, as you know, one major part of its operations is its 3 or 4 hours per day and maybe 24 hours per week use, at the most, with the remainder of the day and week dark when the theater is dark, the theater is closed off. There is no heat. There is no light. There is no air conditioning. There is no doorman. There is no wear and tear on carpets. There is nothing until the time of the performance. In the case of the Center if nobody went into the building except for performances and the doors were locked as they are in a normal theater, our cost would be tremendously reduced. The \$2.4 million figure that we are talking about would be reduced dramatically. The problem is that we will have to keep the doors to the building and the halls open if we are going to run a monument, and, as you say, entrance is to be free of charge. The public should be able to go through the building, without any question; but this will result in wear and tear. It is an enclosed building. It is not like the outdoor memorials. You are going to have carpets. You are going to have people moving around, as in museums. You are going to have the cost of air conditioning which you wouldn't otherwise have and which is expensive. All of these added costs are what we are talking about.

Mr. GRAY. Off the record.

(Discussion off the record.)

Mr. GRAY. The subcommittee will stand in recess for approximately 15 to 20 minutes.

(Brief recess.)

Mr. GRAY. The Subcommittee on Public Buildings and Grounds will please come to order.

When we recessed for the rollcall on the floor, we were interrogating the very distinguished Chairman of the Kennedy Center for the Performing Arts, Mr. Stevens. We were talking about the nonperforming art expense that will be incurred when this Center opens for the public. Mr. Stevens, could you give us in order an idea as to why this additional money is needed?

Mr. STEVENS. Mr. Chairman, I realize that the committee not only feels strongly but it is entitled to be given the actual figures on the maintenance and we do have such figures with us. I will ask Mr. Schmidt to give you the facts that we have and that I know you

want, but I would like to say first that I can assure the committee that there will be no charge for visitors to the memorial. Of course there would be admission charges for performances. For exhibitions in the halls or similar activities, we would of course not charge for that. We would hope that every State in the Union would be able to have exhibits of their art works and make appropriate use of the halls. It might be of interest that there is close to a mile of exhibition space so there is plenty of room for such activities. Mr. Schmidt can give you the actual figures, and I will ask him to do that.

Mr. GRAY. We will be glad to receive those figures.

Mr. SCHMIDT. Mr. Chairman, before I get to the figures, I would like to speak briefly on the estimate of the annual cost to operate, maintain, and to provide security for the Center, and then to determine what share of these costs may be considered a reasonable charge to the national memorial functions of the Center.

The building is still under construction with major areas in various stages of near completion and the performance programing in the final planning stage. Therefore specifications for operation, maintenance, and servicing could be detailed only to the extent these circumstances permit.

The Kennedy Center is a unique building, three buildings under one roof, for which there is no precedent for determination of specific operation, maintenance, and security requirements. However, basic services can be related to similar facilities such as the Los Angeles Music Center. Also, to a degree, basic services can be related to office buildings and heating and refrigeration plant operations.

In the preparation of the estimate visits were made to the Los Angeles Music Center and the Lincoln Center in New York and their operating staffs were consulted on standards and requirements. GSA's and Smithsonian's buildings management technicians were also consulted on the building requirements as well as the U.S. Park Police and GSA's Federal Protective Service on security requirements. Because the Center will be open to the public, a detailed survey was made of all phases of physical security as related to the Center and a plan developed for interior and exterior intrusion detection and surveillance systems to supplement the protection and security which will be provided by a guard force. Also, being a place of public assembly, both the structure and its management and operation must meet rigid safety and fire safety code requirements, both local and national.

It is estimated that the total cost of operation, maintenance, and security during the first year will approximate \$2,384,000. This covers the structure and its mechanical and electrical systems. This includes the costs of operation and maintenance and security related to both performing arts and nonperforming arts activities, and the costs which are attributable primarily to nonperforming arts activities. It does not include costs which are attributable primarily to performing arts activities which are to be financed from performance income.

In the allocation of a reasonable share of the total costs to the Center as a national memorial, I was guided by the following assumptions:

The Center will be open 7 days a week including holidays.

During 2 days of each week the auditoriums will be dark—that is, no performance—as an average during the year. That is, there will be no performance.

Ten hours each day of 15 will be devoted to nonperformance activities and the remainder to the performing arts.

Mr. GRAY. Let me interrupt you right there, Mr. Schmidt, if I may. You say it will be open 7 days a week including holidays. Do you have any idea as to what hours, 9 to 6, 9 to 5?

Mr. SCHMIDT. Most likely 9 to 5 or 5:30.

Mr. GARY. It would be somewhat similar to the other monuments that are enclosed?

Mr. SCHMIDT. That is correct, Mr. Chairman.

Mr. GRAY. Like the Smithsonian and different places. I just wanted to get for the record that you are planning to keep the center open 7 days a week, and that there will be definitely certain hours established so people will know when they go down there it is not closed today or closed an hour early.

Mr. SCHMIDT. That is correct.

Mr. GRAY. There will be definite hours for opening and closing.

Mr. SCHMIDT. Yes, and these hours would be made known to the public.

Routine security will be allocated in total to the nonperforming arts activities because security required for the performances represents an additional requirement to be financed from performance income.

Applying these assumptions to the total cost of \$2,384,000 results in an allocation of \$1,884,000 to the national memorial functions. This is \$384,000 more than the \$1,500,000 which would be authorized by the enactment of H.R. 9801. I believe the estimated annual cost to be reasonably accurate based on our best judgment of operational requirements.

Mr. GRAY. Are you saying then, Mr. Schmidt, that you believe the revenues, that is, the performance income is going to be sufficient to run all of your costs attendant to the performing arts, and have a residue of \$384,000 a year that you could apply to nonperforming art functions?

Mr. SCHMIDT. The total cost of operation and maintenance is \$2,384,000, of which, if this legislation is enacted, \$1.5 million would be appropriated, and the difference between the two, or \$884,000 would have to be financed from the performances.

Mr. GRAY. That is the same question. The \$384,000 that you would apply to security, to wear and tear, et cetera; where would that \$384,000 come from, from revenues from the performing arts?

Mr. SCHMIDT. Mr. Chairman, if I may go back just a minute, the allocation of that part of the roughly \$2.4 million total cost under these assumptions amounts to \$1,884,000, which is actually \$384,000 more than the \$1.5 million.

Mr. GRAY. That is what I am saying. If we authorize and the Congress appropriates \$1.5 million and it costs \$1,884,000 to take care of the nonperforming art function, where is the \$384,000 coming from, if it doesn't come out of operating revenues of the Center?

Mr. SCHMIDT. It will have to come from either performance income, donations, or, to the extent that economies can be achieved in the operation and maintenance.

Mr. STEVENS. Mr. Chairman, if I might comment on that, we will be seeking for various performing arts functions, and even for public service grants, from foundations and corporations, and we feel reasonably sure that we can get some. We have gotten some. Last

year we secured \$100,000 from American Airlines, and we secured \$75,000 from American Oil, and \$125,000 from American Express to finance a university theater festival, in which over 225 university theaters throughout the whole country took part. Also, we have gotten other grants of a similar nature. We expect to continually be raising money to help finance the operation.

Mr. GRAY. What I wanted to do, Mr. Stevens, was delineate these costs very simply for the record. You anticipate it will cost \$1,884,000, to be exact, to take care of the Center for nonperforming art functions, \$1.5 million of which you are asking this committee for.

Mr. STEVENS. That is right, sir.

Mr. GRAY. And you expect that you would be able to subsidize the difference of \$384,000.

Mr. STEVENS. That is right, sir.

Mr. SCHWENGEL. Will the gentleman yield?

Mr. GRAY. The gentleman from Iowa.

Mr. SCHWENGEL. Two questions. One, as to the breakdown of the costs, salaries, electricity, and all of that; is that available to us?

Mr. SCHMIDT. I have that information, Mr. Schwengel.

Mr. SCHWENGEL. I think we should have that, especially as we go to the floor with this.

Second, what are your sources of income through the years. You have basic services. You have parking. That parking money goes to pay for the parking facility; is that right?

Mr. STEVENS. That is right. We will have rentals. We will have two kinds of rentals. We will have producers that will come in and rent the halls at the regular going professional rate, and then for nonprofit institutions we will have a very low rate, but there should be enough rentals from the halls to cover their cost of operation.

Mr. SCHWENGEL. When you have the performing arts, when you have a show there, ballet, opera, people come to park; do they pay for parking?

Mr. STEVENS. That is right.

Mr. SCHWENGEL. Everybody pays for parking?

Mr. STEVENS. That is right.

Mr. SCHWENGEL. Do you have other sources of income?

Mr. STEVENS. Aside from the rentals, there would be some concessions.

Mr. SCHWENGEL. Will you serve food there? Do you have a cafeteria?

Mr. STEVENS. That is right. We have made arrangements with the Automatic Canteen Co. for the concession; they are owned by International Telephone & Telegraph.

Mr. SCHWENGEL. When you present the figures on the detailed costs, will you also give us an estimate of your income to offset this cost. You are going to have some income? You are going to charge?

Mr. STEVENS. That is right, sir.

Mr. GRAY. Will the gentleman yield there? Let's nail this down for the record. What percentage does the concessionaire pay to the Kennedy Center for operating in the Center? Do you have that figure?

Mr. STEVENS. You mean the food concession and so forth? Ten percent.

Mr. GRAY. Yes. I assume you are not going to be involved in a profit-and-loss structure. You are going to get 5 or 10 percent, off the top.

Mr. STEVENS. The concessionaire has made a very substantial investment in fixtures and such. In addition to that, he pays us 10 percent of the gross.

Mr. GRAY. That is what I was trying to get at. You are getting 10 percent of the gross.

Mr. STEVENS. With a minimum of \$75,000 a year.

Mr. GRAY. On this \$2.8 million expenses, how much are you allowing as income based upon the projected 10 percent of the gross from the concession?

Mr. STEVENS. I think it is reasonable to expect it would be around \$125,000 to \$150,000, sir. That is the figure I have used.

Mr. GRAY. You are adding that into your income?

Mr. STEVENS. That is right.

Mr. GRAY. I think that is what the gentleman from Iowa was trying to get, as to how much you felt you were going to recoup from the 10-percent gross from the concession. In connection with that, and I will be glad to yield again to the gentleman from Iowa, if you are having, let's say, a performance in the evening, and this is open from, say, 9 to 5, and someone just wants to come in for dinner, is the physical plant going to be such that the person can get in?

Mr. STEVENS. There is a cafeteria for lower priced food, and then there is more of a luxury restaurant. There are two types of operations there, and they are available to the public.

Mr. GRAY. At all times?

Mr. STEVENS. At all times.

Mr. GRAY. Regardless of whether they come in to one of the performing arts or not?

Mr. STEVENS. That is right.

Mr. HARSHA. Will the gentleman yield?

Mr. GRAY. Yes; I yield to the gentleman from Ohio.

Mr. HARSHA. Is any part of this profit that you anticipate from these food establishments to be credited to the nonperforming arts section of the Center?

Mr. STEVENS. No, sir. It would be a part of the income from the performing arts. It would be thrown into the rentals and other income to carry the performing arts.

Mr. HARSHA. Then the fact that many people who come in just to see the Kennedy Memorial section of the building would stop to get something to eat, that wouldn't be credited to the expense of the nonperforming arts section?

Mr. STEVENS. No, sir. That is one of the reasons why we cut our request by \$384,000 of the anticipated cost. We thought there were some mitigating factors, and that is one of the reasons that we rounded out the figure. There would be some income, that is perfectly true, sir, and I would hope that the visitors would quite often stop and buy.

Mr. GRAY. It would come out of the same pot if you subsidized it to \$384,000; if you took all of the concession money, you would still be in arrears by a couple of hundred thousand, isn't that true?

Mr. STEVENS. That is correct. There would be hat-check income and such. That is why we felt we could cut it down to \$1.5 million.

Mr. HARSHA. These theaters that you rent—and I don't mean to put words in your mouth, because that may not be what you do—but the facilities which you have available, do you lease or rent those out to a professional association to put on a play or a theatrical company to

put on a play, or whatever they do, and then do you control the ticket sales and get a percentage of the ticket sales, or do such groups control all that, and just pay you a fee for the use of the hall or the theater?

Mr. STEVENS. Sir, there are two or three ways that we do it. If we rent the hall to a professional group, as you state—and I would estimate that fully three-quarters of the time we will be doing that—there is a normal charge that you make. You get roughly 25 percent of the gross income that the production brings in, and from these receipts there are operation expenses. You pay the ushers and the ticket takers, some stagehands, and, of course, heating and the like. If the production is successful and it is selling well, there will be a reasonably good income, depending on the halls. There are three halls, the concert hall which most of the time will be occupied by the National Symphony as well as other orchestras, we have rented the hall to them on a flat rate per performance, and there will be very little surplus income in this hall, because we regard practically all musical groups today as non-profit groups in the true sense of the word. They all have really large deficits, and so we can't expect much rent.

In what we call the opera house, there will be musical comedies and dance groups and opera groups. The musical comedy groups, which we regard as the greatest art form in this country, and the one art form to which the United States has contributed the most, will do a great business. They are very popular throughout the country, and we should get substantial net revenues from these bookings, except when we have a dance group or an opera group, which will have what I call the charity rate, which is our out-of-pocket cost, thus, there will be some surplus from the opera house, and also I would hope from the Eisenhower Theater.

Mr. HARSHA. Do you anticipate charging a flat rate for the use of the hall?

Mr. STEVENS. No. We anticipate only a flat rate to the charity groups. When I say charity groups, I am talking about nonprofit groups such as symphonies, dance groups, and opera groups.

Mr. HARSHA. And then they control the ticket sales.

Mr. STEVENS. That is right.

Mr. HARSHA. And determine the ticket price?

Mr. STEVENS. They determine the price, but on the professional groups they are operating for profit, we would charge them the going rate that any other theater would charge them.

Mr. HARSHA. And that generally is about 25 percent of the profits?

Mr. STEVENS. Twenty-five percent of the gross.

Mr. HARSHA. Of the gross?

Mr. STEVENS. Yes, sir. There are little fringe negotiations that vary with each situation, but it generally runs 25 percent of the gross.

Mr. GRAY. Are you going to have any oversight, Mr. Stevens, to make sure that these prices commensurate with New York and other places, so that the Kennedy Center doesn't get a bad name of scalping people, as it were?

Mr. STEVENS. When you get to the matter of ticket prices, it is like wages. Everybody thinks they are too expensive, and yet you have a problem today in the performing arts. It remains a handcraft industry in the machine age. The point is, Mr. Gray, that there are differences of opinion as to what is a fair charge. We will charge for

professional productions, and we will ask them to charge what they would normally charge in the open market.

Mr. GRAY. Do you have any oversights or veto power?

Mr. STEVENS. Oh, yes.

Mr. GRAY. If you found they were charging \$25 a ticket to get in and see some show you could see in New York for \$10——

Mr. STEVENS. Generally speaking the prices in New York would be higher than they are in Washington, to answer your question. If we felt anyone was charging too much, because——

Mr. GRAY. But you would have some oversight power there? If you rented the hall out for a certain flat rate and someone was charging an exorbitant price——

Mr. STEVENS. I would say it even goes beyond that. We have control of the prices but we can't force them down too low or else they wouldn't come. That is the point. The law of supply and demand is involved.

Mr. GRAY. The gentleman from Wyoming.

Mr. RONCALIO. Thank you, Mr. Chairman. I would like to ask, Mr. Stevens, and perhaps the rest of the committee might like to know, what detailed plans you have gone to to make sure that the working young people, who are patrons of the arts, will have an opportunity to get a ticket at something less than cost, and that those tickets will not be scalped so the poor can have an opportunity for at least a third of the seats at all performances?

Mr. STEVENS. Mr. Chairman, we have a ticket plan set up where in round figures we would make 25 percent of the tickets available to senior citizens and to young people, at half price; and this gala you were referring to was for that purpose and we raised \$240,000. It was under the chairmanship of Mr. Blair and he did a great job at it. We also have a group of the leading artists in the country that are coming in and donating their services this year, close to 50 of them, where we expect to more than double the amount of money raised by the gala and with that money we will reimburse the productions. In other words, if a production is charging, say, \$8 per ticket we will buy a quarter of the house and resell them for \$4 for the orchestra and \$3 and \$2 for other seats, and see that they are distributed and made available to poor people and young people, this program will encourage attendance among the many millions of people who come through Washington and have never seen the live performing arts.

Mr. GRAY. The gentleman from Iowa.

Mr. SCHWENGEL. I am aware of the fact that many of the arts are unprofitable and difficult, but very necessary and good for the society. We have some art programs here now at the Library and I guess you probably know they are financed by foundations.

Mr. STEVENS. That is right.

Mr. SCHWENGEL. And they have an income. Has any thought been given to setting up a foundation of this sort for the Kennedy Center? It would seem to me you would have great appeal both to people who have modest incomes and people who have substantial incomes, to set up some foundations that are dedicated to specific interests, drama and the arts of different kinds.

Mr. STEVENS. Mr. Schwengel, we have made an extensive solicitation from all the foundations in the country for the ticket plan; I would like to say we have been successful, but we haven't. However,

we are continuing it because—you are absolutely right—they should be solicited, and we expect to continue. It is pretty hard when you haven't got anything going at all to sell something that doesn't exist, but I think in the future we will go after grants from foundations and also from corporations. You know, there are 125 leading corporations in America formed as a Businessmen on the Arts Committee and they are now giving money for benefits of the kind you are talking about, cheap tickets, and trying to encourage the young people to be a part of the arts. We expect to seek funds from these groups. We aren't just going to sit and let people come to us. We will go after them.

Mr. SULLIVAN. Mr. Chairman?

Mr. GRAY. Mr. Sullivan, general counsel of the full Committee on Public Works.

Mr. SULLIVAN. Mr. Schmidt, in your prepared statement you have an itemized list of the breakdown of the rationale and the funding for the \$1.5 million. Is that correct, sir?

Mr. SCHMIDT. That is correct.

Mr. SULLIVAN. You talk about security, operation and maintenance, utilities, janitorial services, shop and other equipment, management, and administration. Could you give the members the breakdown and the requirements, the need and the justification for these various items, and why the \$1.5 million should be in there to cover these particular points, sir?

Mr. SCHMIDT. I would be pleased to. For security we estimate the total cost to be \$285,000 a year. This includes the guard salaries as well as supervisory salaries, supplies and materials, uniforms, the annual cost of physical protection support, closed circuit television, and other security systems. The total cost of operation and maintenance of the security system—

Mr. SULLIVAN. Mr. Schmidt, may I interrupt you at that point on security? How much personnel are you talking about in connection with security?

Mr. SCHMIDT. Roughly 27 guards and four officers.

Mr. GRAY. You mean that is the total complement?

Mr. SCHMIDT. That is the total guard force.

Mr. GRAY. You have to have three 8-hour shifts.

Mr. SCHMIDT. This estimate is based on that complement of a guard force but it will be necessary that this force be supplemented with extensive physical security measures and control of the public in the building.

Mr. GRAY. That sounds awfully small for three 8-hour shifts. You would only have seven or eight men on that whole complex on any one shift.

Mr. SCHMIDT. This has been analyzed quite carefully and we have had a number of estimates on it. The General Services Administration, as well, has taken a look at it.

Mr. GRAY. You will have available the Metropolitan Police if you need them.

Mr. SCHMIDT. We can always have on call the Metropolitan Police as well as the U.S. Park Police who have jurisdiction over the adjoining park lands.

Mr. GRAY. You do not have an obligation of securing parking facilities. This is handled by the concessionaire?

Mr. SCHMIDT. That is correct. The only problem we have for security there is the entrances to the building itself from the parking levels, but the security within the parking area is the concessionaire's responsibility.

Mr. HARSHA. Will the gentleman yield?

Mr. GRAY. The gentleman from Ohio.

Mr. HARSHA. Do I understand, then, that the total security costs of the operation are going to be charged or allocable to the nonperforming arts activity?

Mr. SCHMIDT. That is the assumption that we have made, that the total \$285,000 would be charged to nonperforming activities. There will be additional guarding at the time of performances but that is to be supported from performance income.

Mr. GRAY. Mr. Sullivan.

Mr. SULLIVAN. Mr. Schmidt, will you proceed through operation and maintenance and give us the detailed breakdown and what you mean by operation and maintenance, and what is involved?

Mr. SCHMIDT. Our total estimated cost of operation and maintenance is \$548,000 per year. This includes \$273,000 for the wages of mechanics and supervisors, and supplies and materials for operation. It also includes an item of \$200,000 for maintenance repairs, which is for repairs to the building and its equipment. Earlier we spoke about the repairs to carpeting and items of such nature. It would also include their replacement where needed.

Mr. SULLIVAN. What is the difference between the \$548,000 you show for estimated expense and the figure of \$417,524 as allocable to nonperforming arts activities?

Mr. SCHMIDT. The \$417,524 is that part of the \$548,000 which would be allocated to nonperforming arts activities, using the assumptions that I have made earlier.

Mr. SULLIVAN. What are those assumptions, once again, Mr. Schmidt?

Mr. SCHMIDT. That the Center would be open 7 days a week including holidays, that the downtime as far as the auditoriums are concerned will average through a year 2 days out of the week. Ten hours each day of 15 will be devoted to nonperformance activity and the remainder to the performing arts, and that the routine security will be allocated in total to the nonperforming arts functions.

Mr. SULLIVAN. Are you making a differentiation here between the performing and nonperforming arts, and roughly the figure of about \$150,000 or \$160,000 that is covered by the performing arts is not included in your regular 24-hour maintenance and operation; is that correct, Mr. Schmidt?

Mr. SCHMIDT. I estimated the total to be \$548,000, and of that total the share that would be charged to the nonperforming activities is \$417,000. The balance would have to be financed from income from the performing arts function.

Mr. SULLIVAN. Does that include wear and tear on carpeting and improvement and wear and tear on steps and things of that nature?

Mr. SCHMIDT. That is all included, yes.

Mr. GRAY. The gentleman from Ohio.

Mr. HARSHA. I am trying to get the rationale here, Mr. Schmidt. For example, on security the allocation is 100 percent. You say one of

your rationales is that 10 hours out of each 15 will be devoted to non-performance activities, the remainder to the performing arts. In other words, two-thirds of the hours are going to be devoted to nonperformance activities. Yet you allocate about four-fifths of the operation and maintenance charge to the nonperforming section. How do you justify that?

Mr. SCHMIDT. What we have attempted to do is to take the total building and to find some rationale for dividing up the total costs, that part which ought to be paid for from income through the performing arts and that part of the expense you would have to meet under any circumstances so long as you have this national memorial.

Mr. GRAY. Wouldn't it be correct, if I may interrupt, Mr. Schmidt, to state that this \$285,000 figure of estimated expense for security is an error? You should add in the part time and the security that is going to be needed for the performing arts functions which would give you the total picture, of which \$285,000 would be allocable to the nonperforming arts activities? Wouldn't that be a more realistic estimate of adding up how much you think your total security costs are going to be?

Mr. SCHMIDT. It could and should have been done that way, yes.

Mr. GRAY. I think that would certainly give me and the gentleman from Ohio a clearer picture as to what percentage is going to be allocated to the nonperforming arts because we would get clobbered on the floor with the Members saying, "Why are we picking up 100 percent of the cost of the security of that building?"

If we don't call it a national monument they are still going to have that security for the people that come in there for the performing arts activities.

Mr. SCHMIDT. We can supply that figure which would be attributable to the performances so it would represent the total cost of security. (The following was received:)

To provide security for the Memorial for its non-performing arts function the estimated annual cost is \$285,000. However, it is estimated that twelve guards will be employed for security and protection services during the presentation of performing arts activities at the Kennedy Center. The estimated annual cost of this personnel is \$82,000. This amount is exclusive of the additional cost to be incurred by the Kennedy Center during performances for the services of ushers, ticket takers and other persons manning the front-of-the-house operations, which persons shall, as part of their duties, perform security and protection functions. The total annual cost of security for the Kennedy Center is estimated therefore, at more than \$367,000.

Mr. SULLIVAN. Before we go any further, Mr. Schmidt, and pick up the final four points on your table, what you are telling the committee is in your best judgment you have made an arbitrary decision projecting into the future how much is allocable to the performing and how much is allocable to the nonperforming arts; is that a correct statement?

Mr. SCHMIDT. That is correct.

Mr. SULLIVAN. Could you move on to utilities and give us the breakdown on that, please?

Mr. SCHMIDT. The total utilities requirement for the year based on the 7-day-a-week operation—this is an all-electric building—is estimated to be \$720,000. Here again we use the same formula for allocating these charges between nonperforming arts and performing arts. This \$720,000, however, is exclusive of certain costs for utilities which

would be backcharged to the restaurant and the cafeteria which we estimate to be about \$35,000.

Mr. SULLIVAN. Shouldn't that be added to this to give the committee a total figure, Mr. Schmidt?

Mr. SCHMIDT. It should be. In operation, however, it will be treated separately and the charge will be made directly to the concessionaire.

Mr. SULLIVAN. The other point is this. On this question of utilities on the breakdown between the \$720,000 and \$548,000 you are assuming again so many hours of this allocated to the operation of the Center and the use of the utilities for the performing arts; is that correct?

Mr. SCHMIDT. That is correct.

Mr. SULLIVAN. You are projecting so many hours a week that the center will be operating and that the performing portion is not distinguished from the nonperforming portion; is that correct?

Mr. SCHMIDT. That is correct.

Mr. SULLIVAN. Would you move on to the "janitorial services"?

Mr. SCHMIDT. The total cost of the janitorial services is estimated to be \$764,000. These will be provided on a schedule which runs 7 days a week. There will be daily periodic servicing and \$690,000 of this covers wages and supplies. We will do our window washing by contract which we estimated will cost \$14,000 a year. High cleaning—this gets into the cleaning of the high areas, both in the auditoriums and the major halls. That cost is estimated at \$25,000, the cleaning of chandeliers \$10,000; relamping \$8,000, and \$17,000 a year for trash removal. The total is \$764,000.

Mr. SULLIVAN. Once again for the benefit of the committee, Mr. Schmidt, how do you differentiate between the janitorial services which are basically the same in all cases for the performing portion in relation to the nonperforming? How is that figure arrived at?

Mr. SCHMIDT. Again by the formula that involves the total building, all of the restrooms and the corridors and the hallways in the building. It was apportioned on the formula basis.

Mr. SULLIVAN. Let's follow that a little further, if we may. You have the restrooms and the halls and everything else, and the Center is open 7 days a week for visitors but there are so many hours in the day when you have your performing arts, matinees, evening performances, and so forth and so on. Are you saying you are taking those hours dealing with the performance and separating them from the nonperformance in arriving at this figure for the nonperforming portion in contradistinction to the maintenance for the continual operation as a national monument?

Mr. SCHMIDT. It was difficult to find a rationale for a reasonable allocation. Visitors and patrons all use the same hall of nations, the same hall of states, the grand foyer to get to the entrances to the auditoriums. They use the same restrooms, escalators, and so forth, so that I felt that the best way to allocate the costs would be on an hourly basis.

Mr. SULLIVAN. For instance, after every performance you have to clean up a theater. Now, that is a charge that is certainly not allocated to a monument. It is the charge for the performing arts. Would you agree to that?

Mr. SCHMIDT. That is correct. That would be financed from income.

Mr. SULLIVAN. This is one of the things you have taken into consideration in the part that is charged to the nonperforming operation; is that right?

Mr. SCHMIDT. That is right.

Mr. SULLIVAN. What I am trying to make clear for the committee's benefit is this breakdown is set up in such a way so that you are telling the committee in these six categories that you are talking about that you clearly distinguish on a 7-day basis between those hours when the Center will be used strictly as a professional performing operation in contradistinction to the hours when it will be open to the public, to visitors to the national monument, and go into the restaurant. Is this the basis for your entire table here?

Mr. SCHMIDT. That is correct.

Mr. SULLIVAN. Would you move on to the shop and other equipment, Mr. Schmidt?

Mr. SCHMIDT. The shop and other equipment is for the janitorial services and the mechanics, the plumbers, the painters, the carpenters, the operating engineers. We estimate the total cost to be \$81,000. We would allocate that at the rate of \$16,000 per year. For overall management and administration we estimate a cost of \$51,000 per year.

Mr. SULLIVAN. Let's go back to shop and other equipment. You say \$81,000 and \$16,000. Are you going to have a permanent staff for shop and other equipment at all times available at the Center?

Mr. SCHMIDT. There will be a permanent staff available 24 hours a day, 7 days a week.

Mr. SULLIVAN. And their duties will be to cover both the operation of the Center as a monument and to work, as well, in the theaters, the performing centers, and the restaurants we are talking about; is that right?

Mr. SCHMIDT. That is correct.

Mr. SULLIVAN. And once again you break that down the same way?

Mr. SCHMIDT. That is right.

Mr. SULLIVAN. Finally, would you move on to management and administration?

Mr. HARSHA. Mr. Chairman?

Mr. GRAY. The gentleman from Ohio.

Mr. HARSHA. Let me ask you what is the difference between shop and other equipment and maintenance repairs back here for \$200,000 in item B?

Mr. SCHMIDT. The maintenance repairs, the \$200,000 item, deals with the building and its heating, ventilating, plumbing, air-conditioning equipment, the day-to-day repairs and replacements that are involved in that equipment as it wears out. The equipment under the shop and other equipment item is the equipment that the mechanics use in their shop, the tools and shop equipment and the equipment used by the char force, the vacuums, floor scrubbers, et cetera.

Mr. GRAY. Small tools?

Mr. SCHMIDT. Right; and portable shop equipment.

Mr. SULLIVAN. Finally, Mr. Schmidt, you have management and administration, \$51,000, of which \$38,857 is for the nonperforming arts activities. Would you tell us what you mean first by management and administration? What is involved in that?

Mr. SCHMIDT. It is a small staff consisting of a manager and a clerical staff of, say, three people who handle the orders through the office, including the procurement for supplies and materials that are

used in the operation, take care of the timekeeping, and also the allocation of costs.

Mr. SULLIVAN. Would their duties cover both the nonperforming and the performing portions of the Center?

Mr. SCHMIDT. Yes, they would.

Mr. SULLIVAN. Are they separate and apart, say, from ticket sellers and people like that, or in the same category?

Mr. SCHMIDT. These are related solely to the building.

Mr. SULLIVAN. Solely to the building. In other words, you are going to have a permanent management and a manager and a staff that is going to have the function of operating this at a managerial level, involving both the nonperforming and performing portions of the Kennedy Center; is that right?

Mr. SCHMIDT. This staff will be responsible for the operation, maintenance, and upkeep of the building, the costs to be relocated to nonperforming and performing functions.

Mr. SULLIVAN. And the \$51,000 we are talking about is salaries basically; is that correct?

Mr. SCHMIDT. Primarily wages, \$49,000.

Mr. SULLIVAN. Primarily wages. Then you break down those wages when you allocate so much from your portion of the performing parts and you ask the rest to be allocated under this bill to be paid to these people because they will be handling, as well, the nonperforming parts of the operation of the Center; is that right?

Mr. SCHMIDT. Using the same formula used for the allocation of other costs.

Mr. SULLIVAN. What do you do about the question of selling tickets at the Center? Is that a separate thing entirely and divorced? This is under the performing arts?

Mr. SCHMIDT. That is entirely divorced from this function.

Mr. SULLIVAN. There is no money in here to pay box office personnel or anyone connected with the professional performing part of the Center; is that correct?

Mr. SCHMIDT. Yes.

Mr. SULLIVAN. To sum this up, what you are telling the committee is this breakdown clearly shows, to the best of your judgment at this time, that on the basis of \$1,884,000 you will supply \$384,000 from other funds to take care of the operations. The remaining money, \$1.5 million, you are asking the committee to approve for the nonperforming functions of the Kennedy Center, and breaking down that \$1.5 million you are saying these six categories in your judgment you have allocated in such a way that you are telling the committee, what you are asking for, the \$1.5 million, is strictly and solely related to the national monument aspect of the Kennedy Center to be kept open on a 7-day basis to allow free admission of visitors to all free exhibitions in the halls. Is that a fair statement?

Mr. SCHMIDT. That is correct.

Mr. SULLIVAN. Thank you, Mr. Chairman.

Mr. GRAY. That is very good, counsel. Let's turn this over and look at it from a different perspective. You are telling this committee that you need \$2,384,000 a year to run this Center as a multipurpose facility. You are going to have performing arts and you are going to have a national monument to the late President Kennedy. It is

very simple to subtract the \$1.5 million which you are asking from the Congress, and on an annual basis, which would leave you a cost of \$884,000. Putting this in a different perspective if we were to close the Kennedy Center to the general public is it your feeling that the \$884,000, what you are going to bear, would be adequate to run the Kennedy Center for the performing arts function because, as I said, when you subtract \$1.5 million that you are asking, that is what it leaves you to raise, \$884,000? Can we delineate those figures in that manner so that we can tell our colleagues that if we do not open this as a national monument it will cost \$884,000 a year to run the Center of which you are going to bear all the cost, but if we want to make it a national center, if we want to open it to the public, you can add \$1.5 million to it and have a total cost of \$2,384,000?

Mr. SCHMIDT. If it were possible to lock the doors, turn off the lights, the heat, et cetera, and open the doors only at the time of a performance, that is the cost.

Mr. GRAY. Then you feel that the \$884,000 would be adequate to operate the Center?

Mr. SCHMIDT. I would say substantially it can be done for that. All you would be doing would be closing and locking the doors for a substantial period of time.

Mr. GRAY. I am asking that for two reasons, both of which are obvious. One is, it is going to cost \$1.5 million a year if you are going to make it a national monument and, second, is the fact in your allocation you feel that the \$1.5 million is not out of proportion to the responsibilities because you are saying that if we don't get the \$1.5 million we will and can operate it on \$884,000 for the non-monument or for the performing arts functions. Is that not an accurate statement?

Mr. SCHMIDT. On the basis of the allocation it should be possible to operate and maintain the premises for that amount solely for the performing arts.

Mr. GRAY. So the options we have left open are, do we want to make it a national monumental and keep it open 7 days a week and, if so, you need \$1.5 million, or if not, you will have a smaller operation with a \$884,000 total operating cost including the six items you have listed. Is that a correct statement?

Mr. SCHMIDT. And added to that would be the item that we spoke about earlier, the security that would be necessary while it is open for the performances.

Mr. GRAY. I have one other question. What if you have a greater amount of net income both from the concessionaire and from the sale of tickets? What would be the situation if this committee and this Congress did give \$1.5 million to subsidize this and you found that your net income exceeded this \$884,000 that you say you estimate you will have available for the operation and maintenance? Would you subtract from your annual appropriation request to the Congress the amount of residue over and above your anticipated or projected income now, or would you continue to make improvements and spend the money in other ways, knowing you have \$1.5 million if Congress does this?

Mr. SCHMIDT. I think that is a question, Mr. Chairman, that Mr. Stevens ought to respond to because it goes way beyond my involvement with the Center.

Mr. GRAY. Yes.

Mr. STEVENS. Mr. Chairman, as we all know, the theater business is a very erratic one. Over a period of years one year may be good and one year may be bad; and as we said earlier today, after we have a history for the Center over, say, 3 or 4 years and an excess of income appears evident which I hope might be the case, then I would say that the committee could very well look at it. In any event the Center is a nonprofit operation and the money isn't going to go anywhere.

Mr. GRAY. Mr. Stevens, we could have your assurance that if the net income exceeds your projections now you would adjust downward your annual request of the Congress?

Mr. STEVENS. Provided there is an excess after the money is used for the functions that the Kennedy Center Act calls for. The act calls for the board of trustees to undertake an educational program and other activities of that nature. If there was any surplus, we would probably step up the educational program because that is the mandate of Congress.

Mr. GRAY. What is your situation as far as operating revenues? Are we assured that this is going to open on September 8, and you will have enough funds at least to get it open so we can have a little trial and error period before we make a judgment on this piece of legislation?

Mr. STEVENS. I don't think we could do it within that time because it would be necessary to have the Federal funds quickly; as soon as we open the doors and the tourists pour in we are going to start running into immediate cost.

Mr. GRAY. Is the opening contingent upon the bill?

Mr. STEVENS. The opening is not contingent on the bill, but maintaining the memorial is contingent upon this bill.

Mr. HARSHA. Would the gentlemen yield?

Mr. GRAY. The gentleman from Ohio.

Mr. HARSHA. Mr. Stevens, the chairman tried to elicit from you the response that if your income exceeded your expectations you would credit that excess against what you are allocating for the cost of the nonperforming section, but you apparently do not want to do that. Now, both you and Mr. Weinberger indicate in very strong language that you don't think this \$1.5 million is going to suffice; that you are going to be back here shortly asking for additional money. In the first place, I am very disappointed in Mr. Weinberger recommending to the Congress an open ended authorization. If we did do that in other programs he would be down our necks. Now, you leave the impression that you are coming back here for more money; that you are going to gouge us on this thing; that you don't want to make an adequate contribution to this thing. This has been the history of this whole project to date. I am going to relate to you the history of your requests to Congress for more money and the impression and the implications you left with Congress which apparently were different than your counsel indicates. I will do this later on in the hearing. But you don't present your case in a very good light if you aren't willing to let us take the benefit of any profit that may accrue as a result of the operation of this nonperforming section.

On the other hand, you give us the impression that you are going to come back here in a year or so and want more money.

Mr. STEVENS. Mr. Harsha, maybe I didn't make myself clear. What I said was that it would be very difficult to look at the operation on a

year-by-year basis. Because of the erratic nature of theater operations I said that, if after 3 years, it appeared that we were building a surplus, then we would certainly come back and expect a readjustment. But the situation cannot be gaged on a year-by-year basis.

Mr. HARSHA. You didn't say that, as I recall. You said you were going to upgrade the educational program.

Mr. STEVENS. I said we are asked to do an educational program and I wanted that included as a use for the money because that is what the Congress asked the Board to do, sir. It is in the bill.

Mr. HARSHA. Whatever is in the bill is at your request.

Mr. STEVENS. No; I do not mean in the bill. I mean in the original act the Board is asked to carry out educational functions; I wouldn't consider it to be reasonable to expect that such activities would be turned to profit. That is the only reason I mentioned it.

Mr. GRAY. Counsel Sullivan.

Mr. SULLIVAN. Mr. Stevens, I think the point that Mr. Harsha was trying to make on this committee legislation was we were talking about the basic concept of the Center, about what was to be done, and we came in talking about increasing the construction funds, which we did. This is past and gone. What we are talking about now is a separate approach entirely, the question of maintenance, the figure of \$1.5 million. I think the committee is looking for two assurances as far as the Center is concerned; one, that this is the maximum figure that will be needed for maintenance and operation now and in the future for many years to come. The second point that both the Chairman and Mr. Harsha are trying to make, is if during a given year, and conceding the state of the theater at the present time, if during a given year your profits are more than you anticipated would you put that in over and above the \$384,000, into the \$1.5 million, and thus reduce the Federal share of maintenance? The committee is asking for two assurances basically, sir; one, that this is the figure that you figure will go; second, that in the future—I am going to repeat myself—if in any one particular year you make more money in your operation, and we will concede the fact that a portion may be for education, but the other point that we are talking about now is a separate point, maintenance, will you take a portion of that funding and apply that to reduce your request to the Appropriations Committee within the limit of the ceiling of your authorization if the bill is reported and passed?

Mr. STEVENS. Yes; I will assure you that we will do that. On the other hand, it should be understood that maybe the next year we would have to redo it then.

Mr. SULLIVAN. That is all right. The point is though that if there is a year when there is a profit you would be willing, under the operation, to reduce your request to the Appropriations Committee on the ceiling, that is No. 1, and second, that this figure of \$1.5 million that we are talking about is a figure that is going to stand for a number of years, so that in 2 or 3 years you won't be in the position of asking Mr. Gray, Mr. Harsha, and the committee to raise the ceiling to a different level, because the estimate was initially too low.

Mr. STEVENS. Under those circumstances, yes. I don't think it would be fair to be subject to the limitation if there is any substantial inflation charge, but the way you put it, the answer is "Yes."

Mr. GRAY. In connection with that, what if this is a howling success and a lot of these large corporations feel that this is certainly

a center that is conducive to culture, art and the whole Nation, and decided to give you large amounts of annuities each year, can you see the possibility of not even needing this \$1.5 million, if your revenues and donations are such to sustain the operation plus a large residue left over? Is that a possibility? What is the history of, say, the Lincoln Center?

Mr. STEVENS. The history of the Lincoln Center is the same as all nonprofit groups; it has a hard time getting along.

Mr. GRAY. They haven't had a lot of donations?

Mr. STEVENS. Mr. Gray, it is a completely different setup. There are five constituents organizations at Lincoln Center each one of which has to meet its own problems. Here the Center is operating as a unit. However, my experience with corporations is that they will give us money for specific things, such as making tickets available at cheap prices, or financing, as Eastern Airlines did, of productions. In other words, the one thing that is hard to get out of any private organization is operational money. They want a little glamour attached.

Mr. GRAY. But let's take a hypothetical situation, Mr. Stevens. Say that someone attends the theater here for a year or two, and they leave in their estate a \$5 or \$10 million endowment to the Kennedy Center. This is not beyond the realm of possibility with a lot of people who enjoy this particular type of performance. What would be the situation? Would you use that money and not ask the Congress to subsidize you?

Mr. STEVENS. I think in the spirit in which you just asked the question, the question Mr. Sullivan asked, if we find that we have funds available over and above the money that we are requesting—

Mr. GRAY. The answer to the question is yes?

Mr. STEVENS. Yes; I would think then the answer to the question would be yes.

Mr. HARSHA. That would depend upon any strings to the bequest too?

Mr. STEVENS. That is right.

Mr. GRAY. I say if it were made available. Are there any other questions?

Mr. HARSHA. Yes.

Mr. GRAY. The gentleman from Ohio.

Mr. HARSHA. I want to get clear what we are talking about. How many theaters do you have?

Mr. STEVENS. We have three halls and a small theater of 500 seats above the regular theater that will eventually be used for movies. At the moment it is in semifinished form. It will not be finished until we work out an arrangement with the movie companies, whereby they will supply the funds to finish it. It will be run by the American Film Institute.

Mr. HARSHA. Is that all of the Center that you classify as the performing arts section?

Mr. STEVENS. That is right, sir.

Mr. HARSHA. The four theaters.

Mr. STEVENS. The concert hall, the opera house, the legitimate theater, and then the little experimental theater will be used for movies above the legitimate theater, just a small theater of 500 seats.

Mr. HARSHA. That is what you classify as the performing arts section of this Center.

Mr. STEVENS. That is right, sir.

Mr. HARSHA. All the rest of it is nonperforming arts.

Mr. STEVENS. That is right. Most of it will be devoted to the Memorial. When I say "most of it", practically all of it, because that area is where the public will be permitted to walk through the building and view the exhibits and memorial.

Mr. HARSHA. Is there a particular monument or sculpture located somewhere?

Mr. STEVENS. Yes, sir; a bust of President Kennedy will be in the center of the grand hall.

Mr. HARSHA. And then how much space is available for the touring public to go in?

Mr. STEVENS. The grand hall, sir, is 630 feet long by approximately 70 feet wide, and about 60 feet high.

Mr. HARSHA. Is that all?

Mr. STEVENS. And then there is a Hall of States and a Hall of Nations, each of which are about 300 feet long, with the same height and width. Also, there is the platform outside on all sides of the building, where the public will be admitted. On the second floor, there are elevators for the public. There will be space on the second floor for exhibits, as previously mentioned, and the restaurant facilities.

Mr. GRAY. The terrace is large enough to accommodate a couple of thousand people, isn't it?

Mr. STEVENS. What is that?

Mr. GRAY. The terrace overlooking the river is large enough to accommodate a couple of thousand people, large groups?

Mr. STEVENS. Easily.

Mr. HARSHA. Then all of the rest of the Center, whatever it may be, is to be part of what we are calling the Memorial, is that it?

Mr. STEVENS. That is right, sir.

Mr. GRAY. Including the restaurants and cafeterias?

Mr. STEVENS. The restaurants, of course, are a function of the Memorial.

Mr. GRAY. It will be open to the general public.

Mr. STEVENS. That is right, sir. It is open to the public.

Mr. HARSHA. So the great bulk of the Center then is just the Memorial part, is that it?

Mr. STEVENS. Yes; that is right. The accountant, Mr. Reamer, has estimated the percentage.

Mr. REAMER. We worked out the square feet.

Mr. STEVENS. We considered these figures before we arrived at our proposal.

Mr. HARSHA. Submit the square footage for the record.

(The information follows:)

	Square feet
1. Total gross area of building-----	1, 865, 000
2. Performance support areas below main level (dressing and locker rooms, warming up rooms, lounges, etc.)-----	— 202, 000
3. Tier level and stagehouse areas-----	— 262, 000
4. Areas used or to be open to the public for both functions of the performing arts and the National Memorial-----	1, 401, 000

NOTE.—The areas under 4, above are for use for performances and would be open to the public on the basis of approximately 10 hours per day for national memorial functions and approximately 5 hours per day for the performing arts functions. The degree of use and visitation for other performances will vary dependent upon the scope of scheduled tours and programs for the general public and special groups such as students and patrons of the arts. Also included is general maintenance and circulation space which serves all functions of the Center.

Mr. HARSHA. What I am trying to do is tie down once and for all what you are going to call the nonperforming arts. Does it mean when people come in and view the Hall of Nations and view this hall or view the President's statue, bust, sculpture, or whatever it is, they take the elevator, go to the terrace and that sort of thing?

Mr. STEVENS. That is right. There are hallways upstairs on the second deck that are just as large as the halls downstairs, only they are not quite as high.

Mr. HARSHA. You will have exhibits in there?

Mr. STEVENS. Yes, sir; we would expect to have exhibits. We have plans for exhibits.

Mr. GRAY. These will be free, is that correct?

Mr. STEVENS. That is right, sir. We have already stated so.

Mr. HARSHA. What kinds of exhibits are you talking about?

Mr. STEVENS. There would be exhibits related to the performing arts, history of the theater, history of dance, history of opera, and so forth. There will be art exhibits. The Smithsonian has promised to help us with exhibits. Also we hope, as I said earlier, that each State would take it upon itself to sponsor exhibits of its choice—either artistic or industrial.

Mr. GRAY. Will you have posters of coming attractions?

Mr. STEVENS. Very definitely, sir.

Mr. HARSHA. Even though it is an art exhibit or a painting up there, you call that a nonperforming art, is that it?

Mr. STEVENS. That is right, sir. As I say, that would have no relation to performances.

Mr. HARSHA. The fact that the man painted it, he had to perform something.

Mr. STEVENS. Well, he hoped he did anyway, let's put it that way.

Mr. HARSHA. I know what kind of questions we are going to get. I am trying to tie it down. That is all.

Mr. RONCALIO. One more question. Let's assume that the Corcoran continues to run into its terrible financial problems and it is closed in a month or two, could the art exhibits be moved over and some place found?

Mr. STEVENS. There won't be permanent exhibits in the Center. They will be changed frequently.

Mr. RONCALIO. Could that possibly be a source of some more revenue?

Mr. STEVENS. No, there wouldn't be any revenue from exhibits.

Mr. RONCALIO. Again that would fall clearly into the public role and that is what you ask funds for.

Mr. STEVENS. That is right, sir.

Mr. RONCALIO. Thank you. No further questions.

Mr. GRAY. Without objection, I would like to submit at this point in the record a letter dated July 22, 1971, from Hon. Peter H. B. Frelinghuysen, Member of Congress.

(The letter follows:)

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., July 22, 1971.

HON. KENNETH J. GRAY,
Chairman, Subcommittee on Public Buildings and Grounds,
Committee on Public Works, House of Representatives,
Washington, D.C.

DEAR KEN: As a trustee of the John F. Kennedy Center since 1967, I am writing in strong support of H.R. 9801, authorizing operations and maintenance appropriations, for the memorial functions of the Kennedy Center.

Passage of this bill is of critical importance to the Center's future. The Kennedy Center will open on September 8th, and has programmed a full schedule of performing arts and public interest activities for the coming year. Since the Center is a memorial to the late President, it is incumbent upon the Congress to provide support for the memorial functions. In 1964 the National Cultural Center was designated the sole memorial in Washington to President Kennedy, with bipartisan support. This support continues today, with the Administration in favor of the pending legislation. As you know, H.R. 9801 is consistent with prior joint federal-private participation in what is to be a leading force in the strengthening of performing arts activities throughout the country.

I urge that the Committee act favorably on the legislation.

Sincerely yours,

PETER H. B. FRELINGHUYSEN,
Member of Congress.

Mr. GRAY. The gentleman from Ohio.

Mr. HARSHA. Mr. Stevens and Mr. Becker may assist you if he chooses. I want to bet the history of this thing on the estimates that have been made to Congress on whether or not you were coming back for additional funds so we can lay some foundation work on this. You can provide the committee with some responses that might be helpful. As you know, this originally started out as just a national cultural center, under President Eisenhower. Then it became a rather complex center at that time, and the President felt it was a little too grandiose and he suggested it be cut back. Then I believe President Kennedy made the same suggestion, and a \$46 million design, I think was submitted to President Kennedy. He approved that back in 1962 and we got the authorization through Congress in 1963.

The report of the House Committee on Public Works on that bill contains the following language:

During the hearings on this legislation, the Committee was advised that the trustees of the Cultural Center had considered not only the question of raising the funds for the actual construction of the building, but also the problem of operation and maintenance of the Center, once it was completed. Testimony was received by the Committee indicating that those responsible for the operation of the National Cultural Center are formulating plans under which both by investment of funds received by the Center and by rentals, revenue would be made available to the Center to maintain and operate the National Cultural Center, once it was built.

That statement appears in House Report No. 629 of the 88th Congress the First Session on page 3. That was August 1, 1963. Obviously at that time you were considering—I don't know whether you were the gentleman, but anyway the trustees of the National Cultural Center were considering, and obviously expressed to the Congress, that they were going to be able to operate and maintain the Center once it was built. Am I correct in that assumption?

Mr. BECKER. Mr. Harsha, is that the 1963 report you are referring to?

Mr. HARSHA. Yes, sir.

Mr. BECKER. That was the time we asked for an extension of time.

Mr. HARSHA. Yes.

Mr. BECKER. That was before the assassination of President Kennedy.

Mr. HARSHA. That is right.

Mr. BECKER. I would like to amplify my response for the record. But on the basis of my recollection now, the rules of the game were changed after the assassination of the late President. Prior to that time it is correct that the trustees were to raise all the money for the building by voluntary contributions. During President Kennedy's life he consulted with General Eisenhower continuously to plan for bringing the center to fruition. Plans were afoot immediately before President Kennedy's tragic death to top private sources, I remember that on October 12, 1963, President Kennedy sponsored a luncheon for the top business leaders of the country. He planned to raise \$15 million during the following January and February. After the untimely assassination, a bill was introduced, and if you recall, an unprecedented joint resolution of the House and Senate Public Works Committee was introduced. A joint session was held.

Reports of both the Senate and House Committees followed, and the memorial was created. The preamble of Public Law 88-260 provided that:

The Kennedy Center shall be the sole national monument to the memory of John F. Kennedy within the city of Washington and its environs.

This legislation was approved on January 23, 1964, and renamed the National Cultural Center as the John F. Kennedy Center. The act authorized matching appropriations for the center, and borrowing authority of \$15.4 million.

If I may be permitted, I would like to read from the preamble of the act, because it has great significance to the Center and to the question you are raising regarding the legislative history. It says:

Whereas the late John Fitzgerald Kennedy served with distinction as President of the United States and as a Member of the Senate and House of Representatives, and

Whereas the late John Fitzgerald Kennedy dedicated his life to the advancement of the welfare of mankind, and

Whereas the late John Fitzgerald Kennedy was particularly devoted to the advancement of the performing arts within the United States, and

Whereas by his untimely death this Nation and the world has suffered a great loss, and

Whereas it is the sense of the Congress that it is only fitting and proper that a suitable monument be dedicated to the memory of this great leader, and

Whereas the living memorial to be named in his honor by this joint resolution shall be the sole national monument to his memory within the city of Washington and its environs.

By virtue of this preamble, it was clear that this became a living memorial, a national memorial, not just brick and mortar or marble designed for presentation of performing arts productions. It became something envisioned by this Congress that was unprecedented in the history of our country, and by virtue of this joint resolution, and this law, the rules of the game were changed. A performing arts institution was converted into a living memorial.

After the rules were changed, I do not recall anything, although there may have been something in the legislative history relating other than to the construction of the building.

The report of 1964 reporting H.R. 11249 out of the House committee by the then chairman, stated:

The committee recognizes the need for completing the construction of the John F. Kennedy Center at the earliest possible date.

Mr. HARSHA. Mr. Becker, excuse me. Let me interrupt before you get to that in order to get back to this joint resolution we are talking about, and the statement that there was no reference at any time to operating or maintenance expenses. The Senate report on that resolution you are talking about says this:

The board feels that the center could be operated without a deficit, thus eliminating annual appropriations for operation and maintenance.

Surely somebody on the Board had to make such a statement for the committee to have that finding in their report. That appears on page 3 of the Senate report accompanying Senate Joint Resolution 136, Senate Report No. 784, dated December 17, 1963.

Mr. BECKER. I do not recall any such statement and will have to supplement the record to respond to your question.

I should point out, however, that in submitting the request for funds, in 1969, all we ever requested had to do with construction. We had to justify it. Bill Schmidt was then the Commissioner of Public Buildings of GSA, and he testified before the Senate and the House. I don't recall any questions at that time regarding operation and maintenance, either in submitting the justification or during the course of the interrogation.

Mr. SCHMIDT. My participation in 1969 was all related to construction.

Mr. HARSHA. This is an official document of the U.S. Senate.

Mr. BECKER. Yes, sir; I understand. It relates to legislation prior to 1969.

Mr. HARSHA. There would have to be some basis for making that statement in this document. I assume somebody had to say it somewhere along the line.

Mr. BECKER. I do not quarrel with the language. It might have been meant in the context of the performing arts functions being able to carry its own load. By the same token, there may have been some reference to maintenance and operation expenses, perhaps in the course of debate in the Senate. I don't recall, but I will check the record, and if you will permit me, I will provide a more complete answer, rather than responding off the cuff.

Mr. HARSHA. Certainly. This would not appear necessarily in the debate because this is the committee report. It was filed when the bill was reported by the committee. When it was said, it was said by a witness appearing before the committee, and may not have ever appeared in the debate except that the report would appear in the Congressional Record, as it was printed there and filed.

Mr. BECKER. I will check the record, particularly in the Senate hearings concerning statements related to the costs of operation and maintenance, sir.

(The information subsequently provided follows:)

A review of the legislative history of the John F. Kennedy Center Act, P.L. 88-260, which renamed the National Cultural Center and established the memorial, and of the appropriations bill which followed reveals that the Kennedy Center did not anticipate federal support for the operation and maintenance in 1963 and 1964. The expectation that no federal support would be necessary is expressed, for example in Hearings, Joint Session of House and Senate Committees on Public Works, 88th Cong., 1st Sess. 62-63, 74-75, 100 (1963); Hearings, House Subcomm.

on Appropriations, 88th Cong., 2d Sess. 1452 (1964); Hearings, Senate Subcomm. of Comm. on Appropriations, 88th Cong., 1st Sess. 1346 (1964); Senate Report No. 784, 88th Cong., 1st Sess. 3 (1963).

The position of the Kennedy Center at that time is attributable to two factors. First, it was then estimated that the income which could be obtained from charges for tours would be used to meet costs of operation and maintenance of the building. Second, the structure contemplated at that time was to be primarily a performing arts structure, as was the case before the enactment of P.L. 88-260. There perhaps was not a full appreciation of the costs to be incurred because of non-performing art activities added by the memorial legislation.

Since 1964, conditions have changed dramatically and require a reevaluation of the Trustees' earlier position. Wages, a major component of the total cost of operations and maintenance, have risen considerably. Security and protection requirements have increased enormously, for this as well as other public buildings. The Board's previous intention to charge a modest sum for admission to and tours of the Kennedy Center has been changed; today, it is planned that the building, its halls and a view of theaters (when not in use), will be available for the public, free of charge. And, finally, the number of visitors to Washington, many of whom will want to include a tour of the Center during their stay, have mushroomed. The Congress has recognized in other legislation, and in the Capitol Building itself, the necessity to meet the interests and desires of visitors in Washington.

That these changed conditions might require some federal support for operation and maintenance of the Kennedy Center was first recognized in the legislative history of the Kennedy Center during the hearings preceding the enactment of P.L. 91-90 in 1969. During these hearings, and those related to the appropriation bill which followed, the Chairman often stated that no federal funds would be necessary for operation of the Kennedy Center after it was completed, *except for public service activities*. See Hearings, Senate Comm. on Appropriations, 91st Cong., 1st Sess. 76-77 (1969). Any commitment made in 1969 not to seek additional federal funds, we believe, was in the context of not seeking additional matching federal funds for construction, which was the subject matter of the pending legislation. Compare, House Report No. 91-309, 91st Cong., 1st Sess. 6 (1969) with, Hearing, House Subcomm. on Public Buildings and Grounds, Comm. on Public Works, 91st Cong., 1st Sess. 46-47 (1969). See also, 115 Cong. Record 28626, 28645 (1966) (Senator Percy's commitment not to support additional federal appropriations after 1969 related to construction only.)

It is for the public service activities mentioned during the 1969 hearings, that federal assistance is sought by the Trustees—activities which are an integral part of the overall memorial purpose of the John F. Kennedy Center Act. The Kennedy Center is standing by its commitment to seek no further federal support for construction, which commitment is referenced in Hearings, Senate Subcomm. of the Comm. on Appropriations, 91st Cong., 1st Sess. 68 (1969); Senate Report No. 91-327, 91st Cong., 1st Sess. 6 (1969); Hearings, House Subcomm. on Buildings and Grounds of Comm. on Public Works, 91st Cong., 1st Sess. 46-47 (1969); Senate Report No. 91-616, 91st Cong., 1st Sess. 11 (1969); Hearings, Senate Comm. on Appropriations, 91st Cong., 1st Sess. 78, 82 (1969).

Mr. HARSHA. My point in laying this groundwork was that originally there was a reference to operation and maintenance, and you don't question that when we are talking about the National Cultural Center, do you? That is prior to the change of the rules that you expressed. That appears in House Report 629.

Mr. BECKER. What year was that, Congressman?

Mr. HARSHA. That was back on August 1, 1963. That appears on page 3 of that House report, and that would be a report of this very committee you are before today.

Mr. BECKER. Is that report No. 1050 by any chance, Congressman?

Mr. HARSHA. No, sir; 629. That is prior to the 1050.

Mr. GRAY. I think you are talking about the report that accompanied the bill as to supplemental financing on these overruns that we passed 3 years ago. That is another ball game altogether.

Mr. HARSHA. This report stated:

During the hearings on this legislation the committee was advised that the trustees of the Cultural Center had considered not only the question of raising funds for the actual construction of the building, but also the problem of the operation and maintenance of the Center, once it was completed. Testimony received by the committee indicated that those responsible for operation of the National Cultural Center are formulating plans under which both by investment of funds and by rentals, revenue would be made available to the Center to maintain and operate the National Cultural Center, once it is built.

Now that background indicates that there was no need or there would be no request of the Congress for operation and maintenance costs. Then we had the tragic death of President Kennedy and then we came up with House Joint Resolution 871. That is what House Report No. 1050 that you are talking about refers to.

Mr. GRAY. Would it not be accurate to say, to again reiterate the figures I gave, that the \$884,000 is going to be attributable to the performing arts functions, operation, and maintenance, is still going to be met with non-Federal appropriations, so that picture hasn't changed at all. It is the alternative that we give here of providing another \$1.5 million to give both the performing arts functions and the nonperforming arts functions. The gentleman from Ohio is referring to the performing arts functions of operation and maintenance, which in this case is estimated to be \$884,000 a year, of which you still anticipate providing 100 percent costs, is that not an accurate statement?

Mr. BECKER. That is right, sir.

Mr. HARSHA. With that background of the original August 1, 1963, report, No. 629, and in the Senate report on the bill that established the John F. Kennedy Memorial Center, that is Senate Joint Resolution 163, and Report No. 784, wherein the Senate report on page 3 said:

The board feels that the Center could be operated without a deficit, thus eliminating annual appropriations for operation and maintenance.

So there was some history to support the proposition that somewhere along the line, even after it became the John F. Kennedy Memorial Center, there would be no request for maintenance and operation expenses.

Mr. BECKER. Congressman, if I may, in order to answer the question, I will check the record, so that I may respond to your question accurately.

Mr. HARSHA. That is understandable. Then when we increase the authorization again because of escalation of costs and other factors which I assume you ran into, it appears that was in 1969, this committee put in its report, and that is Report No. 19-309:

However, with this recommendation, the committee wishes to point out, to underline and underscore the following fundamental committee position as regards the John F. Kennedy Center. This is the last request for any public funds for the John F. Kennedy Center which the committee will entertain. Under no circumstances will this present committee at a future date give consideration in any manner, size, shape, or form to any further funding for the John F. Kennedy Center.

It doesn't say for construction only. It just says, "Any funds in any form or size, manner or shape." How do you propose that we get behind that or get around it? First how do you suggest that we get around it?

Mr. BECKER. Congressman, in connection with the 1969 hearings before both the House and the Senate, Mr. Schmidt testified to the

facts and figures, the need for funds as projected, and the reasons why the estimated cost ran up to \$66 million. Those figures had to do with the cost of construction and the justification for the need for funds.

What was presented toward the testimony before both committees only dealt with the need for funds to finish the construction of the building. I do not recall that the matter of operation and maintenance was raised in the hearings.

Mr. GRAY. At that point, Mr. Becker, have we been vindicated when we told the House 3 years ago that we would have enough to finish it? Are you going to have enough to pay all your bills without any debt?

Mr. BECKER. Congressman, the latter part of your question refers to a continuing problem. As for the first part, the chairman has lived up to his commitment because he and the Board have decided not to come back for funds notwithstanding the fact that after the hearings and after the appropriation of funds we are faced with delay claims, damages due to subcontractors and general contractor, over \$6 million. The magnitude of three claims was not realized until after we testified, Congressman, since that time we have had a battle royal; we think those claims will be settled at about \$3 to \$3.5 million, which is about the best estimate we can give you. That money will have to come from private funds. It will not come from any Federal funds.

Mr. GRAY. That is what I am saying. We have been vindicated. You have not made any formal request from Congress for any more overruns?

Mr. BECKER. That is right. The chairman is here and he can speak for himself on that score.

Mr. STEVENS. I think there is one thing that should be clarified, Mr. Harsha. In 1963 when we appeared to extend the National Cultural Center Act for 5 years, it was felt that the Center could carry itself from its operating receipts. But at that time, we had in our budget a very substantial amount of money as receipts from people taking tours through the building. This is a matter of record. In fact, Mr. Robert Dowling, who is a large theater owner and who was at that time head of the advisory committee felt that there would be as much as \$1.5 million available from tours, or perhaps even more. I always included lesser sums of money in the budget as available from tours. Only as the concept of the Center as a memorial has matured, has the financial burden of the operations as a memorial been clarified. It would be improper to charge for tours, but I still think that if we did charge, money could be made from out of the tours to cover their cost.

Mr. GRAY. So you are saying, then, if you wanted to charge for tours you could make this a self-sustaining operation?

Mr. STEVENS. I think we could come very close, depending on the amount charged. It was always had in the budget. Now, because it is inappropriate to charge for admittance to the Kennedy Center as a memorial, that source of revenue is gone.

Mr. GRAY. I would like at this point, if I may, to put into the record the operating costs of other national monuments in Washington. It costs the taxpayers on an annual basis \$371,000 to maintain the Lincoln Memorial which, as you know, is not nearly as large as the Kennedy Center. The Washington Monument and ground cost is \$512,100 annually and I might say there that they charge a dime, I

think, to go up the elevator, so really as far as the taxpayers are concerned they get very little of this \$512,100 other than just looking at it, and you can see it from a great distance. The cost for the Jefferson Memorial and ground is \$276,300, all funded by the National Park Service from their annual budget request of the Congress. I wanted those figures to go into the record at this point.

Mr. SULLIVAN. Mr. Chairman?

Mr. GRAY. Mr. Sullivan.

Mr. SULLIVAN. Mr. Stevens, in the long history of the Center from the Cultural Center days to the time after the President's assassination up to your last request of the committee prior to this, we were talking continually about funds for construction; is that right, sir?

Mr. STEVENS. That is correct.

Mr. SULLIVAN. Actually, today we are at a new level. We are talking about a new approach—maintenance and operation of a national monument; isn't that correct, sir?

Mr. STEVENS. That is right.

Mr. SULLIVAN. And the chairman has placed into the record the fact that there are three memorials in Washington today, the Jefferson, the Lincoln, and the Washington, all monuments to deceased Presidents, where maintenance is provided for, and all you are seeking from the committee is the same thing here for the Kennedy Center in the category of being a national memorial; is that right?

Mr. STEVENS. That is right, sir.

Mr. SULLIVAN. Thank you.

Mr. GRAY. Mr. Harsha.

Mr. HARSHA. Mr. Stevens and Mr. Becker, I want you to pay close attention to this. I don't think your memory is as accurate as you would like to have it. I am reading from the joint hearings of both the House and Senate Committees on Public Works on House Joint Resolutions 828 and 136 which ultimately became the resolution that was approved. On page 62 of those hearings, Representative Cramer asked this question of you, Mr. Stevens, and this is testimony before the committee:

Will this legislation obligate the Government in any way for maintenance and operation in the future?

This is on the bill to establish a national memorial to the President.

Mr. STEVENS. No, sir. We feel that in our income from rentals we will have enough money for proper maintenance and even going so far as depreciation of equipment.

Mr. STEVENS. Didn't I add there "except for public service"?

Mr. HARSHA. That is a period.

Mr. STEVENS. When I was asked that question in 1969 I said "except for the public service that we are asked to perform." I think I can show you other places where I have said "except for public service," which is one function of the Center under the act. I mean, if that is all there is at that particular time—

Mr. HARSHA. That is all there is and I would be glad to show it to you.

Mr. STEVENS. No, I don't question it. I am sure you will find also I have been asked that question many times and I said "except for public service."

Mr. BECKER. May I supplement Mr. Stevens' statement? It is very easy to do, as previously pointed out today, to close the building

to the public and not have a national memorial if you want to merely have a place for the performing arts. If that be the wish of Congress, then you just close the rest of the building and have three theaters. Such was not the mandate of Congress, however, in 1963 and 1964. I would add one point. Besides the great bust that is to be in the Grand Foyer, there are to be two 60-foot marble plaques inscribed with famous John F. Kennedy quotations. This area of tranquility and peace will be a magnificent place for all Americans to visit and enjoy.

Mr. GRAY. The same as the Lincoln Memorial.

Mr. BECKER. Yes, sir. There will be respectful and severe image created, particularly when you realize that many governments have given to the Kennedy Center because it is a memorial to the President. For example, in the Grand Foyer, as a gift from Sweden, are magnificent chandeliers. Austria has given chandeliers for the opera house; and Norway, for the concert hall. In the Grand Foyer and the Halls of States, and of Nations, and other areas, you will find gifts from the various countries, anticipated eventually from 30 countries in all, in memory of the late President and donated as a memorial to him. This is all part of the visual impact of the Center and representing the best craftsmanship of Italy, Sweden, Finland, Norway, Israel, Canada, Japan, Ireland, Great Britain, France, Belgium, Austria, Denmark, Portugal, Germany, and the other nations which make gifts in the future, as millions of visitors will see the great building when they come to Washington. Failure to pass H.R. 9801 will close off to the public the memorial and will eliminate its nonperforming arts function. As a result it would be run as three self-sustaining theaters.

Mr. GRAY. That is the alternative. You do have an alternative.

Mr. STEVENS. Mr. Chairman, I would like to respectfully point out when I said "No, sir" to Mr. Cramer's question, Congressman, I meant that the Congress is not obligated to give any money at this moment, if you see what I mean.

Mr. HARSHA. I understand that.

Mr. STEVENS. Mr. Cramer asked me "Is Congress obligated for money" and the answer was "No, sir," because Congress wasn't and you are not now obligated.

Mr. HARSHA. But you weren't even contemplating asking us for any money because you went on to say, "No, sir; we feel that in our income from rentals"—and you obviously considered the question—"we will have enough money for proper maintenance and even going so far as depreciation of equipment."

Mr. STEVENS. That is right.

Mr. HARSHA. So to try to say now that the law didn't obligate you, that isn't an accurate response or explanation. I have a great deal of trouble with this committee report that we filed after we got the additional money for you saying in no uncertain terms that this committee would never give any consideration in any manner, size, shape, or form to any further funding for the Kennedy Center. Now, I am convinced yet that you have made a case for such funding. As far as I am concerned, it is only the President's personal interest in this matter that prompts me to entertain the thought of further funding. I think we have closed the door on it but because President Nixon has a vital personal interest in this project I am going to keep

an open mind and hopefully you can come up with some more responsive answers for us, give us something a little stronger to base a case on.

Mr. GRAY. Might I ask, Mr. Becker, of course I know the President's personal interest in this but are you aware of the President's personal interest in it? Has he such an interest?

Mr. BECKER. Yes; I am, Congressman. He has a very strong personal interest in this matter. Before the bill was submitted to Congress we obtained the administration's views, which included the President. On the board of the Kennedy Center is his daughter, Bob Haldeman, as representative of the President, serves as liaison with the President. I do know that it is the personal wish of the President—I will go on record to that extent—that the Congress act favorably on this legislation.

Mr. GRAY. Can we have some consideration of maybe a congressional night so we can all come down and look at this?

Mr. STEVENS. Well, it would only seem fair. We were planning the night before the opening as an official press opening. For that night, we would invite all of Congress to see what we have and to attend the performance of Mr. Bernstein's original composition of "The Mass."

Mr. GRAY. We will certainly consider this legislation in detail, and if there are no further questions the subcommittee will stand adjourned, unless you have any further statement.

Mr. STEVENS. No. Thank you, Mr. Chairman, for the consideration.

Mr. GRAY. There being no further questions or comments, the subcommittee will stand adjourned.

(Whereupon, at 5:12 p.m., the subcommittee adjourned.)

(Subsequent to the hearing, the following was received:)

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

August 12, 1971.

Hon. KENNETH GRAY,

Chairman, Subcommittee on Public Buildings and Grounds, Committee on Public Works, House of Representatives, Washington, D.C.

DEAR CHAIRMAN GRAY: During the hearings before the Subcommittee on July 22, 1971 concerning H.R. 9801 to authorize funds for that part of the costs of operation and maintenance of the Kennedy Center memorial which are incurred because of its non-performing arts function, the Subcommittee was concerned about several matters which I would like to clarify for the record.

FINANCING

The purpose of the amendment, as you know, is to authorize funds for that part of the operation and maintenance of the Center which is attributable to the non-performing arts function of the Center as a national memorial to the late President Kennedy. That part of the cost of operation and maintenance which is related to the use of the Center for the performing arts, for which there will be an admission charge and from which there will be income, will be financed from such income.

From the beginning the National Cultural Center, as it was then known, was planned to be self-supporting for the performing arts, and from estimates of income and expense at that time, there was no reason to believe that appropriations for operation maintenance would be necessary. I so testified at hearings before several Committees on a number of occasions.

A review of testimony before the Public Works Committees in a joint hearing on December 12, and 13, 1963, indicates an awareness on the part of a number of the Committee Members that establishing the Center as the sole memorial to the late President Kennedy would change the character of the project. My answers

to questions raised by the Committees continued as before, to indicate that the Kennedy Center would not need federal support for operation and maintenance. At that time, the budget presented to the Trustees anticipated that substantial revenue from tours would be sufficient to finance the public interest activities of the memorial. We simply did not realize the magnitude of the financial burden the public interest would impose upon the Center by virtue of its location in the Nation's Capital and the national and international interest it would generate, especially after its designation as the sole and living memorial to the late President Kennedy in Washington.

We have only recently come to realize that the situation has changed materially; an indication is that as of the middle of August 1971, more people will have visited the Smithsonian's Mall facilities than the total number of visitors to these facilities in 1963 (9.7 million). To that end in 1969, I repeatedly emphasized that the Center could be self-supporting, *except for public service*. I still believe the performing arts function can be self-supporting, but financial assistance is needed for the operation and maintenance of the Center for the nonperforming arts function, if the building is to be open to the public without charge. The financial association will be similar to that provided for the Lincoln and Jefferson Memorials.

The extensive studies by the National Visitor Center Study Commission and the subsequent testimony and enactment of the National Visitor Center Facilities Act of 1968, have resulted in a greater awareness of the requirements to accommodate the 15 million American and foreign visitors to Washington each year, a visitation which is expected to number 35 million persons by 1980. Facilities and programs at the Center to provide visitors with a clearer understanding of the performing arts, to assist students in achieving their education objectives and to inspire among the young and elderly alike a greater appreciation of the performing arts are essential to achieving the total objectives outlined by the Congress in the 1968 Act and also in the Kennedy Center Act itself.

In meeting these needs of visitors to Washington, we must recognize the practicalities of the situation. The costs of wages (a major item in operation, maintenance, and security) have risen sharply (about 50%) since the projections were made in the early sixties. Furthermore, security requirements, as with all other public buildings, have at least tripled because of bomb threats, vandalism, demonstrations and similar disturbances. These costs are especially significant in a structure which commemorates the life of the late President and which will achieve its full objective only by being open to the public.

FACILITIES AND PROGRAMS IN THE PUBLIC INTEREST

Several questions were raised about what comprised the "non-performing arts function" for which funds would be authorized with the enactment of H.R. 9801 and the importance of identifying these was emphasized. The Kennedy Center will provide extensive facilities for its visitors and such plans are now being formulated.

The Kennedy Center is a national institution memorializing an assassinated President. Its functions will include more than the presentation of performances in its theaters—concerts, operas, ballets and plays. It will be something for millions of Americans and foreign visitors of all ages and background to visit and enjoy, free of charge.

As required by the legislation establishing the John F. Kennedy Center for the Performing Arts, a suitable memorial to the late President is to be provided in the Center. There will be exhibited in the main hall, the Grand Foyer, a bust approximately twenty times life size, of the late President, executed by Robert Berks. Further, there will be inscribed in marble famous quotations of John F. Kennedy. This part of the Center will be comparable in concept to the national monuments which honor two other presidents, the Lincoln and Jefferson memorials.

The Center includes on its main level in the Hall of States and Hall of Nations the flags of the 50 States and the territories and the flags of all nations recognized by the United States. These flags are only part of the displays in the building which should be of interest to visitors.

Foreign nations have contributed to the memorial materials, fixtures and furnishings, including beautiful and unique pieces of art, representing the finest craftsmanship from all over the world. A list of the gifts of foreign nations to date is attached.

On the roof terrace level of the structure, above the three great theaters, there are three large galleries. In these areas, displays, not only related to the life of the late President, but also from the 50 States and throughout the world, will be exhibited.

On the upper level there is planned a studio, or film theater, which is to be completed with funds obtained from private sources. When the theater is completed, visitors to the Kennedy Center will be shown an orientation film concerning the late President and the activities of the Center.

These non-performing arts activities of the Kennedy Center which I have enumerated will be expanded from time to time depending on the interest and demands of the general public. For example, provisions will be made, depending on demand, to permit the public to see and learn about how a theater, particularly at this national performing arts center, is operated.

Naturally, the Kennedy Center will be open during the daytime hours so that the public can participate without charge in these Center activities. We anticipate that many of the millions of visitors to the Nation's Capitol each year will include a visit to the late President's sole Washington memorial.

In addition to the non-performing arts activities, I should make reference to some other public interest activities which the Kennedy Center will undertake without a federal subsidy. It is our intention that the benefits of the performing arts activities of the Center accrue to the widest possible cross section of the public. To that end the Board of Trustees have devised a ticket subsidy program for tickets at reduced prices for the elderly, students and other persons of limited income. Further, with financial assistance from American Airlines, American Oil Company and American Express, we are producing the American College Theater Festival and the American College Jazz Festival, in which talented artists from throughout the nation participate. We are sponsoring and planning many other programs in the public interest, for which industry will provide support, so that the Kennedy Center can assume a leadership role in bringing the performing arts to all Americans.

ESTIMATED TOTAL COSTS AND INCOME

We wish to clarify how the \$1.5 million request in H.R. 9801 relates to the overall cost of operating the Center including those costs which will be primarily for the performing arts function. As pointed out in my letter of July 22, 1971, to Congressman Blatnik, approximately \$2.4 million in costs will be incurred annually in the operation of the building, which costs provided for the space and facilities for both performing arts and non-performing arts uses of the building. However, the total annual expenditures for operations of the Kennedy Center in its first year will be far in excess of \$2.4 million and will total an estimated \$6,987,000, the breakdown of which is as set forth in Exhibit A.

We appreciated the opportunity of appearing before the Subcommittee on July 22, 1971, and are always available to further respond to inquiries of the Public Works Committee.

Sincerely yours,

ROGER L. STEVENS.

ESTIMATED CASH EXPENDITURES AND SOURCES—TYPICAL YEAR OPERATIONS (FISCAL YEAR 1972 COSTS/MAY 31, 1971 ESTIMATES)

	Performing arts	Nonperforming arts
Expenditures:		
Costs partially attributed to nonperforming arts function:		
Security.....	(1)	\$285,000
Operation and maintenance.....	\$130,476	417,524
Utilities.....	171,428	548,572
Janitorial services.....	181,928	582,072
Shop and other equipment.....	3,810	12,190
Management and administration.....	12,143	38,857
Subtotal.....	499,785	1,884,215
Total.....		2,384,000
Primarily performing arts costs:		
Costs of concert hall, opera house, Eisenhower Theater when in operation.....		² 1,411,000
General and administrative.....		942,000
Theater, jazz festivals costs.....		350,000
Education programs.....		200,000
Production of Mass.....		350,000
Production of Ariodante.....		150,000
Advertising.....		100,000
Other production costs.....		400,000
Repayment of concession advance ³		700,000
Subtotal.....		4,603,000
Total estimated cash expenditures.....		6,987,000
Sources:		
Funds from building operation and private grants:		
Hall rentals.....	² \$2,420,000	
Production income.....	1,000,000	
Concession advance ³	1,000,000	
Private grants for festivals.....	300,000	
Concessions income.....	500,000	
Education fund grants.....	200,000	
Unrestricted private grants.....	67,000	
Subtotal.....	5,487,000	
Requested Federal authorization and appropriation: Federal funding of nonperforming arts function of the memorial (for which an additional \$384,215 is to come from non-Federal sources).....	1,500,000	
Total estimated cash sources.....	6,987,000	

¹ Cost of security for the performing arts function of the memorial is estimated at \$82,000 for a typical year operations and is included as part of the \$1,411,000 costs of concert hall, opera house, Eisenhower Theater when in operation figure.

² The 2 figures designated by this footnote are typical year costs and revenues. The 2 figures will be lower than indicated in fiscal year 1972 because the halls will be in operation for less than a full year. All other figures are actual estimated expenditures and sources for fiscal year 1972.

³ The Kennedy Center has been advanced \$3,500,000 from the garage concessionaire in accordance with the concession agreement executed in 1969. \$1,000,000 will be used for working capital during the Center's 1st year of operation. The remaining \$2,500,000 has been, or will be, used to make payments in settlement of delay damage claims asserted in connection with construction of the Center. It is expected that part or all of this \$2,500,000 will be recovered either from the architect (which matter is under investigation by the Department of Justice) or from the general and subcontractors (which matter is under investigation by the General Services Administration, the Center's agent for design and construction).

It is anticipated that the \$3,500,000 will be repaid in 5 annual installments of \$700,000, or sooner with funds recovered from the architect and general and subcontractors. The Center is obligated to begin paying interest and deferred interest on the \$20,400,000 of Federal revenue bonds issued under the John F. Kennedy Center Act on Dec. 31, 1978. The \$3,500,000 will be repaid to the garage concessionaire by the end of fiscal year 1977. Escrow of funds to meet the Dec. 31, 1978 obligation will begin July 1, 1977, or sooner if funds are recovered as indicated above.

FOREIGN GIFTS

Austria—A crystal chandelier in the opera house and associated lighting fixtures.
 Belgium—Mirrors for the grand foyer, opera house, concert hall and restaurants.
 Canada—The stage curtain for the Eisenhower Theater.
 Denmark—Will decorate and furnish the north lounge of the opera house.
 Finland—Chinaware for the Gallery and Promenade restaurants.
 France—Two tapestries by Henri Matisse and two sculptures by Henri Laurens for the box tier lobby of the opera house.

- Germany—Bronze panels sculptured by Jurgen Weber for the entrance area.
 Great Britain—A sculpture by Barbara Hepworth.
 Ireland—Specially designed Waterford crystal chandelier with four matching sconces for the south lounge of the opera house.
 Israel—Design and donate the artworks and furnishings for the concert hall lounge.
 Italy—All the marble for the exterior and interior of the building.
 Japan—Handwoven red and gold silk stage curtain for the opera house.
 Norway—Crystal chandeliers fabricated by Hadelands Glassworks for the concert hall.
 Sweden—Eighteen crystal chandeliers designed by Orrefors Glassworks for the grand foyer.

