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CONSTRUCTION OF MINT BUILDINGS
TO AUTHORIZE APPROPRIATIONS FOR SERVICES
NECESSARY TO NONPERFORMING ARTS FUNCTIONS
OF THE JOHN F. KENNEDY CENTER

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

FIRST SESSION

ON

H.R. 5620

TO AMEND THE ACT OF AUGUST 20, 1963, AS AMENDED,
RELATING TO THE CONSTRUCTION OF MINT BUILDINGS

AND

H.R. 6151

TO AUTHORIZE APPROPRIATIONS FOR SERVICES NECES-
SARY TO NONPERFORMING ARTS FUNCTIONS OF THE
JOHN F. KENNEDY CENTER

MAY 6, 1975

Printed for the use of the
Committee on Public Works and Transportation

U.S. GOVERNMENT PRINTING OFFICE

54-962

WASHINGTON : 1975

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CONSTRUCTION OF MINT BUILDINGS

TUESDAY, MAY 6, 1975

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

The subcommittee met, pursuant to notice, in room 2167, Rayburn House Office Building, at 3:05 p.m., Hon. Teno Roncalio (chairman of the subcommittee) presiding.

Mr. RONCALIO. Seeing a full assemblage of members of the subcommittee, we will call the meeting to order.

We will proceed with the consideration of H.R. 5620 and H.R. 6151. First we shall proceed with H.R. 5620, which is a bill to amend the Act of August 20, 1963, as amended, relating to the construction of Mint buildings in the United States.

A copy of the bill, H.R. 5620, will appear in the record at this point.

(1)

94TH CONGRESS
1ST SESSION

H. R. 5620

IN THE HOUSE OF REPRESENTATIVES

MARCH 26, 1975

Mrs. SCHROEDER (for herself, Ms. ABZUG, Mr. BREAU, Mr. EDGAR, Mr. EVANS of Colorado, Mr. HAGEDORN, Mr. HARSH, Mr. HENDERSON, Mr. HOLLAND, Mr. HOWARD, Mr. HOWE, Mr. JOHNSON of Colorado, Mr. LEVITAS, Mrs. LLOYD of Tennessee, Mr. MCCORMACK, Mr. MINETA, Mr. OBERSTAR, Mr. JAMES V. STANTON, Mr. STUDDS, and Mr. WIRTH) introduced the following bill; which was referred to the Committee on Public Works and Transportation

A BILL

To amend the Act of August 20, 1963, as amended relating to the construction of mint buildings.

- 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 4 of the Act of August 20, 1963, as amended
4 (31 U.S.C. 294), is further amended to read as follows:
5 “SEC. 4. There is hereby authorized to be appropriated,
6 out of any money in the Treasury not otherwise appropri-
7 ated, for each fiscal year which begins after June 30, 1963,
8 and ends before July 1, 1983, such sums as may be neces-

1 sary to carry out this Act, except that the aggregate of sums
 2 appropriated under this section shall not exceed \$105,000,-
 3 000. Sums appropriated to the Department of the Treasury
 4 for the purpose of this Act may be available for transfer to
 5 the Administrator of General Services to remain available
 6 until expended.”.

Mr. RONCALIO. We will proceed now. Secretary MacDonald, if you and your colleagues will proceed in your own fashion.

Mr. MACDONALD. I have a very short introductory statement, Mr. Chairman, which I would be pleased just to submit for the record and let Mrs. Brooks proceed from there.

Mr. RONCALIO. If there is no objection, so ordered.
 [Statement referred to follows:]

STATEMENT OF HON. DAVID R. MACDONALD, ASSISTANT SECRETARY OF THE
 TREASURY, (ENFORCEMENT, OPERATIONS, AND TARIFF AFFAIRS)

Mr. Chairman, I am pleased to be here today to testify in support of H.R. 5620, which would enable the Department to move forward with the construction of a new mint at Denver. The Department fully endorses this measure, which would authorize the appropriation of funds necessary to construct and equip a new and modern coinage facility. This bill would raise the total funding authorized by the Congress for Mint construction to \$105 million since 1963. Of that amount, \$40 million has been used for constructing and equipping the new Philadelphia Mint; thus, this measure would authorize the funding of up to \$65 million to construct a new coinage facility in place of the existing mint at Denver.

Enactment of this measure would assure production of coins in the volume our Nation will need by the 1980's and beyond. The present facilities of the Mint cannot do so. The demand for coins, which has historically increased at a rate of about ten percent per year, has almost doubled since 1970. Even if the present rate of increase levels off somewhat in the future, the Mint with its present capacity will have great difficulty in meeting coinage demands by the end of this decade. The Congress should, therefore, take action now to prevent the occurrence of a coin shortage similar to the one experienced in the early 1960's, one which would naturally hinder retail transactions throughout the Nation and seriously inconvenience our citizens.

The ever increasing coinage demand of the Nation cannot be met indefinitely through the addition of production equipment in existing Mint facilities. Indeed, it has been clear for some time that these needs can only be supplied by replacing the existing Denver mint, which began its coinage operations in 1906, with a new and modern facility. The Congress recognized the necessity for a new mint at Denver when it appropriated \$3.5 million for fiscal years 1972 and 1973 for site acquisition and design services for a new Denver mint under the authority of the 1963 Mint construction legislation. However, since the authorization contained in that Act expired at the end of fiscal year 1973, enactment of the bill before your Subcommittee is essential so that the Department may proceed with the construction of a new facility.

Except for the amount of authorization, the bill before your Subcommittee is the same as the measure proposed by the Administration in early 1973 and which this Subcommittee, after hearings, approved in the fall of 1973. While the passage of the earlier measure was recommended by the full Committee, and passed by

the Senate, it failed to gain the votes necessary for suspension of rules in the closing days of the 93rd Congress. The \$10 million increase in the present authorization proposal has been caused by revised estimates due to inflationary factors during the past two years. In fact I am concerned that the longer this project is delayed, the higher will be its price tag because of constantly higher construction costs.

Mr. RONCALIO. This hearing was delayed until 3 o'clock, because I know there are other members who will be attending. Mr. Walsh will be here today, too.

You may feel free to comment on your statement, if you like, Mr. MacDonald.

TESTIMONY OF HON. DAVID R. MacDONALD, ASSISTANT SECRETARY OF THE TREASURY (ENFORCEMENT, OPERATIONS AND TARIFF AFFAIRS), DEPARTMENT OF THE TREASURY, ACCOMPANIED BY HON. MARY T. BROOKS, DIRECTOR, BUREAU OF THE MINT; FRANK H. MacDONALD, DEPUTY DIRECTOR, BUREAU OF THE MINT; AND FRANK RHEA, PROJECT MANAGER

Mr. MacDONALD. The only thing I would draw to the attention of this subcommittee is that the Mint, unlike most Federal agencies, is a profitmaking venture. In fiscal 1975, the mint returned \$613 million to the general fund in the form of net seigniorage, which is the profit the Government makes on coinage, that is, the selling of coins to the Federal Reserve.

In fiscal 1976 the Department expects to deposit some \$672 million in the form of net seigniorage into the general fund.

And so I would propose, Mr. Chairman, that this particular bill, in that it goes to the increase of the capacity of the mint, really should inure to the benefit, in a monetary sense, of the U.S. Government and the Treasury.

Mr. RONCALIO. Would you comment on the add-on of an additional strip facility that is planned right after the building is completed, or in a few years? Or does that come later in the testimony?

Mrs. BROOKS. That will come later.

Mr. RONCALIO. What would it be?

Mrs. BROOKS. The strip?

Mr. RONCALIO. Yes.

Mrs. BROOKS. We would probably put a mill in similar to the one we have in Philadelphia. And there is quite a problem getting enough strip for us now because there is only one supplier of strip.

Mr. RONCALIO. Strip aluminum?

Mrs. BROOKS. No; it is the cupra-nickel strip, the sandwich strip. Now, my two engineers here are prepared to talk on that point.

Mr. RONCALIO. All right. Now, we are worried about whether it is going to take up more land or not.

Mrs. BROOKS. Oh, no.

Mr. RONCALIO. Can you say for certain that the area you have blocked out for the site on the corner of Smith Road and Colorado Boulevard will be all you will require in the foreseeable future, the next 30 years?

Mrs. BROOKS. Absolutely. Our other two mints are built on—one is on a city block, the Philadelphia Mint—there is no way to expand it. And the other one, of course, is in Denver on a city block.

Mr. RONCALIO. But I meant the new one.

Mrs. BROOKS. No; we have plenty of room for expansion.

Mr. RONCALIO. Will there be expansion in the next 20 or 30 years?

Mrs. BROOKS. We will add another building to it when we come in for an amendment. But we will have plenty of room there for the expansion, so that we won't have to have a two-story three-story building. The elevator problem and the materials will flow and we will have the railroad there. It has been very inconvenient working with—

Mr. RONCALIO. Why don't you proceed, then?

Mrs. BROOKS. Do you want me to read my statement?

Mr. RONCALIO. In whatever form you want to proceed.

Mrs. BROOKS. Mr. Chairman and members of the subcommittee, I welcome the opportunity to appear before you in support of proposed legislation which would enable the construction of a new mint at Denver, Colo. Specifically, the bill before your subcommittee, H.R. 5620, would amend legislation enacted by Congress in 1963 which authorized the Secretary of the Treasury, acting through the Administrator of General Services, to acquire sites for, and to construct and equip such buildings as may be necessary in connection with the operations of the Bureau of the Mint. The bill before your subcommittee would amend that act to authorize an increase of \$60 million in the amount of money that can be appropriated to the Treasury Department for the construction of mint facilities. This would raise the total authorized by Congress since 1963 for mint construction to \$105 million. The expenditure of the additional \$60 million authorized by the bill would be spread over a 4-year period extending through fiscal year 1979. In addition, the bill would extend the time during which the funds so authorized could be appropriated from July 1, 1973, to July 1, 1983.

Although the proposed bill would authorize expenditures for general construction and equipment requirements of the mint, its primary objective is to permit us to go forward with the construction of a new facility in the Denver area. At the present time, four mint facilities produce coinage for the entire Nation. These are the new mint at Philadelphia, which began operations in August 1969; the San Francisco Assay Office, which was brought back into production in the fall of 1966; the Denver Mint, which was built around the turn of the century; and a temporary operation at the West Point Silver Depository. It has been clear to the Treasury Department for about 10 years now that the Nation's increasing coinage needs would, at the minimum, require an expansion and modernization of the outmoded production facilities of the Denver Mint. This need was brought to the attention of the Congress, which in the 1966 Supplemental Appropriation Act, designated \$100,000 to develop plans for a cladding capability and for related construction at the existing Denver Mint. However, a study undertaken by a private architect-engineering firm recommended that, instead of expanding the present Denver facility, construction of a new mint on a new site was the optimum plan in order to bring the Denver facility to a production capability sufficient to meet growing coinage needs.

The national coinage demand, according to our most recent forecasts, is estimated to rise to 18 billion coins by 1980, from the present 12 billion coins a year. As you well know, Mr. Chairman, we are now

producing the new Bicentennial design quarters, half-dollars and dollars to be issued after July 4, 1975. The anticipated demand by collectors for these Bicentennial pieces, together with increasing commercial demand for coinage, will reach a point by 1977 or 1978 where the need for coinage could exceed our current production capability. With existing facilities, we can produce only about 13 billion pieces per year by working three shifts at full capacity. Thus, well before the new mint is completed, we will need to take action to increase our current productivity by installing additional equipment in our present facilities.

The plan to replace the old mint at Denver was presented to the Congress in 1971. In its fiscal year 1972 budget, the Department included \$1.5 million for the acquisition of the new mint site. The Congress agreed with the need for a new facility and appropriated the requested amount. For fiscal year 1973, the Congress appropriated an additional \$2 million to enable the mint to enter into a contract for architectural and engineering services necessary to permit the construction and equipping of the new facility in a timely manner. Both of these appropriations were made under the authority of the 1963 mint construction statute and were included in the \$45 million total authorized by that law. However, as I mentioned before, Mr. Chairman, the authority contained in that act expired on July 1, 1973.

Forty million dollars appropriated by the Congress under the 1963 statute were utilized for the design and construction of the Philadelphia Mint. Of the \$3.5 million so far appropriated for the new Denver Mint, only \$80,000 has been expended, as we are awaiting congressional approval of the full authorization before proceeding on irrevocable activities regarding design and construction of the new facility. Also, \$1.5 million of the previous authorization was never used.

In May of 1973, we reached an agreement with the city of Denver for the acquisition of an appropriate site for the new mint. Under the agreement, the city was to assemble an approximately 33-acre land package along the South Platte River in Denver. However, because of plans of the Burlington Northern Railroad Co. to relocate the main north-south railroad trackage through Denver immediately adjacent to this constricted, long, narrow site, we abandoned this proposed location and renewed our site selection actions. After a thorough and intensive examination of many alternatives, carried out in cooperation with all concerned Federal, State, and local entities, and after completion of clearance in accordance with the National Environmental Policy Act of 1969, a new site was selected on July 16, 1974. This site, in northeast Denver about halfway between the downtown business district and the Denver airport, is a part of the Clayton trust property in the Park Hill area.

This is an excellent site which provides sufficient space for presently envisaged and future expansion requirements, is well served by public transportation and utilities, is readily accessible for public visitors, and maintains the historic ties of a mint with the city and county of Denver. As the site is on a part of an existing golf course, the city of Denver is presently rebuilding the golf course, including transplanting of trees and shrubs, on the eastern portion of the Clayton trust property. This eastern portion of the property is unused and grown up in weeds. The net effect will be to preserve open space and beneficial

plant life in the site vicinity. We have executed an agreement with the city of Denver regarding acquisition and conveyance of the approximately 34 acres involved, at a cost to the Federal Government not to exceed \$1.5 million. Site conveyance is scheduled presently for September 15 of this year.

In conjunction with the General Services Administration, we have made arrangements for the development of the design for the project, including the design of the production process, by an architect-engineering firm. For that purpose, we have already transferred to the General Services Administration the \$2 million appropriated to us by Congress in 1973.

The design, construction, and equipping of the new mint at Denver, which we expect to be operational by 1980, will involve two stages. The authorization we are now requesting from Congress pertains to the first stage of the project. This stage includes the site acquisition and design preparation activities, for which the necessary funds have already been authorized and appropriated, as well as the construction and equipping of a modern coin production and administrative facility which would be covered by the authorization here sought. Under our current estimates, the total cost of this stage of the project will be about \$65 million, including the \$3.5 million already appropriated for that purpose by the Congress. The legislation now pending before you would authorize appropriations for the full cost of this first stage.

The new mint is planned for an initial production capacity of 10.5 billion coins per year. When fully equipped, it could manufacture 16 billion coins per year and would thus enable us to meet the ever-growing coinage demands of the Nation. In addition, however, we intend to include a strip fabrication facility in the new Denver Mint. The construction of such a facility, which would be the second phase of the project, is essential to assure the constant supply of high quality strip at a reasonable price for coinage blanks.

The authorization in H.R. 5620 will not cover the cost of construction of this strip facility and therefore we will have to come back to Congress for additional authorization. The reason we are unable to request authorization for the strip fabrication facility at this time is that we are currently examining the long-range nature of the overall coinage situation, including a study of demand forecasting, denominations, and compositions of coins.

In the meantime, Mr. Chairman, we consider it in the best interest of the Nation that we go forward with the construction of the new mint at Denver. We recommend that the language of the bill before you be changed slightly, by changing the date July 1, 1983, to October 1, 1983, so that it is in agreement with the provisions of the Congressional Budget and Impoundment Act of 1974, Public Law 93-344.

I respectfully urge you to give favorable consideration to the proposed legislation which would enable the mint to meet the coinage needs of the public.

Mr. RONCALIO. Thank you very much for an excellent statement, Mrs. Brooks. Would you, Mr. Frank MacDonald and Mr. Rhea, like to add your statements now or comment on your statements and get them into the record for the purposes of the record?

Do you have a prepared statement?

Mr. MACDONALD. We are prepared to answer questions, Mr. Chairman. We are not going to make prepared statements.

Mr. RONCALIO. OK. Mr. MacDonald, yours is in the record, right?

Mr. MACDONALD. Right.

Mr. RONCALIO. All right, then, we have some questions, and I think we will just ask them of the panel and each one of you feel free to answer them.

Do you feel it will be much longer, that it is conceivable that the mints of America will no longer make the penny, since it is buying less and less and less?

Mrs. BROOKS. I don't believe so.

Mr. RONCALIO. You have studies going—

Mrs. BROOKS. The communities and States and all of our governing bodies need to raise taxes.

Mr. RONCALIO. The sales tax might still warrant their use.

All right, I will ask unanimous consent of all members of the committee that the corrective amendment be accepted to make on line 8 of page 1 of H.R. 5620, the change that the date July 1, 1983, be changed to October 1, 1983.

Are there any objections? If not, so ordered.

I thank the four of you for appearing. I satisfied myself, as chairman of this subcommittee, that what you are doing is appropriate and the bill is proper. I had some misgivings—and I still do, frankly—about some of the spending that we are doing, but I recognize that you do earn money and send it to the Treasury, and I recognize that you can't separate the historic position of a mint in Denver, that about belongs like cows in Wyoming—it is one of those things.

And I will be happy to move the bill upward. I notice that our colleague and good friend, Congressperson Pat Schroeder has arrived.

I would be happy to call you up, if you like, Pat, or we will accept your statement and put it in the record. And I will let you comment, if you would like to—whatever you would like to do.

Ms. SCHROEDER. Mr. Chairman, I want to thank you and I ask unanimous consent to put my statement in the record. I would also like to make a few brief comments, if that is all right.

TESTIMONY OF HON. PATRICIA SCHROEDER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF COLORADO

Ms. SCHROEDER. I truly appreciate the opportunity to be here. I do want to underline the tremendous community support we have for the new site. It is going to be very convenient—by railroad and by highway. It won't be in the congested downtown area with problems like the Philadelphia Mint. It will be very efficient in producing coins; having visited Italy not too long ago, where you go through tollgates and are given clothespins, candy, and everything else, because they literally do not have coins, that's important too.

I think it is absolutely crucial that we get this additional capacity before we suddenly find ourselves in the same position. The mint downtown is historic. It has done a beautiful job, of far greater capacity than anybody ever thought it could be, but there is just no way to expand it. It will be taken over and used for housing offices and courtrooms. But I think this will be a real modern production facility.

Mr. RONCALIO. Is the downtown mint owned by the GSA now, by the United States of America?

Mr. RHEA. Owned by the mint, Mr. Chairman, the Treasury Department. It is listed in the National Register of Historic Places that the Park Service maintains, so it will have to be treated accordingly.

Ms. SCHROEDER. Basically, Mr. Chairman, I just wanted to appear and express my thoughts. We have all sorts of petitions from people in the area. It is an integrated area, a stabilizing community, and very excited about having the mint come in. And in Denver, believe me, that is incredible—there are very few things that everyone agrees on.

So the mint is much more popular than the Olympics. I am very honored to be here, and I think the people from the mint have done an excellent job of presenting their testimony.

Thank you.

Mr. RONCALIO. All right, thank you very much, Pat, we are very happy to have you here. And your statement will appear in the record at this place.

[The statement referred to follows:]

STATEMENT OF HON. PATRICIA SCHROEDER, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF COLORADO

Mr. Chairman, I am pleased to be here today to testify on behalf of H.R. 5620, the bill to authorize more monies for the construction of Mint buildings. The purpose of this measure is to allow the Bureau of the Mint to go ahead with construction of a new Mint in my district, Denver, Colorado.

I know that the people who are here from the Bureau of the Mint can best explain the technical requirements which the new Denver Mint will meet. These are items which your committee must, of course, consider on behalf of its national constituency—in this instance, all those people who will need coins in the future which the new Mint can supply. My basic understanding of this situation is that without the starting of the new Mint very soon, all of us will run into a coin crisis on top of the myriad of other crises we face. The need for a new Mint from a technical standpoint is apparent.

While I am most certainly concerned with our nation's future coinage requirements, I am here today primarily to speak about how the new Mint will affect my constituency in Denver. In this relation I simply am amazed by the overwhelming consensus of opinion in favor of the new Mint being built in Denver at the Park Hill Golf Course site. People backing this site range from the Chamber of Commerce, to the City Government, to the State Government, to the Mint workers, to Denverites in general. To say the least, such a consensus of opinion in Denver is completely out of the ordinary: well publicized concerns such as this, in Denver at least, often result in initiative and referendum, but I think the reasons for the widespread support are clear.

The site selected for the new Denver Mint is ideal from the standpoint of keeping Denver a viable city. The people in the areas of the site, represented by the Greater Park Hill Community, have worked hard to maintain a quality neighborhood throughout a transition period. The neighborhood is now a very stable integrated community ranging from lower to upper middle incomes.

The location of the Mint at the Park Hill Golf Course will be a ringing federal endorsement of an integrated community and act as a catalyst for further environmental improvement in Park Hill. While supporting the core city of Denver, this location can help this unique community to maintain stability and provide easy access to good permanent jobs. The city of Denver, without any assurances that the authorization will be approved, has expressed confidence by preparing the site for construction. All utilities have now been brought to the edge of the site. To do this, lines had to be run under Colorado Boulevard, a major artery to the west of the site, and under the railroad tracks to the north.

The present Denver Mint is a beautiful old building. As it is producing coins at a level far beyond anyone's expectations at the time of its construction, it is overloading the city streets with trucks and traffic, and making activities difficult. In addition, by moving production from the downtown building already declared an historic site, the old building can be used productively and attractively by the City of Denver. The present Mint is adjacent to the major city and county buildings which are in dire need of space to accommodate the expansion of court facilities. In the event this facility is acquired by the city, I am sure it will be a valuable asset as well as a civic attraction.

Thank you, Mr. Chairman.

Mr. RONCALIO. I will complete my observation. I have no questions.

I had an opportunity to see the site yesterday morning and an excellent review of it, and I think it is good legislation. And I hope my colleagues will agree.

I will yield to Mr. Bill Walsh, ranking minority member of the subcommittee.

Mr. WALSH. Thank you very much, Mr. Chairman, Mrs. Brooks, Congresswoman Schroeder and Mr. MacDonald, Mr. MacDonald and Mr. Rhea. I haven't had an opportunity to see the site, but I have discussed it quite thoroughly with Mrs. Brooks. And I am really impressed with the points that she makes in favor of the Mint.

I do have a couple of questions that I would like to raise at this time. I think my question should be taken in this sense, though, that I am not opposed to the Mint. I want to clarify the record so that we have as many answers in the record as we can possibly get.

You have already covered one of them. The old site will be preserved as a national historical site and will continue as it is. The new site will be in a wooded area that is overgrown with weeds and is of no real value at the present time other than as open space.

TESTIMONY OF DAVID MacDONALD, MRS. BROOKS, FRANK MacDONALD, AND FRANK RHEA—Resumed

Mrs. BROOKS. Well, it is part of an existing golf course.

Mr. WALSH. I understand.

Mrs. BROOKS. But the city government is quickly making the nine holes available adjacent, where it is just nothing but weeds. And so we will still have the same amount of open space and green space. And then, of course, we hope to keep the grounds around the Mint, make it very handsome grounds, with landscaping and so forth.

Mr. WALSH. And there are no plans to take the rest of the land around this area for any extension of the Mint? Our coinage needs are not going to grow that much?

Mrs. BROOKS. No; I am sure of it.

Mr. WALSH. The indication that the coinage demand is going to increase by about 50 percent. Is that coming about as a result of more slot machines and that type of thing, in that area?

Mr. RONCALIO. Food vendors.

Mr. WALSH. Food vendors and so on?

Mrs. BROOKS. We feel that probably the little shopping centers that are springing up all over the country, and every one of them has all sorts of small stores—and the proliferation of the taxes, there are different taxes in different States. The demand for coinage normally, before we got into this Bicentennial area, had been going up by about half a billion coins a year. And it doesn't seem to matter—people

use credit cards in department stores, but they still use coins for the small purchases—drug stores that don't want to bother with book-keeping and all sorts of small purchases, so that the American public still carries around a pocket full of change all the time, and, of course, many of them are pennies.

That is why we instituted a study of the coinage needs of the future. Hopefully, there might be added another coin to our coin system. That might keep us from having to make so many pennies. Something between 1¢ and 5¢ so that you can break the price range of a cup of coffee, for instance. When the vending machine people have to raise the price of a cup of coffee, it goes up 5¢, because there is no alternative.

And I think it would help with the use of copper. I don't know what we would make the coin of, but probably it would be this same cupra-nickel that seems to please everyone. It is very difficult to work with, but—

Mr. WALSH. Is the 18 billion coins, then, predicated on the development of a new coinage?

Mrs. BROOKS. No.

Mr. WALSH. This is just the normal needs that you have anticipated?

Mrs. BROOKS. Yes.

Mr. WALSH. I have one other question, perhaps another one after that.

The projected cost of this facility has gone from \$55 million to over \$65 million—and I am sure that this is due to the inflationary spiral that we are in.

This is predicated on what rate of inflation in the construction industry?

Mrs. BROOKS. Mr. Rhea will reply to that.

Mr. RHEA. It is due to inflation, Congressman Walsh. The estimate that we had in the bill in the last Congress was actually almost 2 years old. That bill was introduced in February 1973. It was passed very quickly in the Senate and while it was going through the process we didn't want to try to confuse things by trying to revise the estimate. We would try to live with it if we got that bill through.

When we came back to this bill, we updated our estimate.

The main part of this increase has been a \$9.4-million increase in the building itself from the estimate made in early 1973 to the current time. We have not changed the criteria as regards production capacity in the new facility. So that none of the estimate is due to any increase or change in the plant.

Once we increased building cost, then some of the other factors, such as contingencies in the project, design, management, construction management, inspection costs—the General Services Administration uses a fixed percentage for an estimate—those figures blew up.

The essential thing is the \$9.4 million increase in the building.

Mr. WALSH. Is the basic design and the size and the acreage, the square footage all the same?

Mr. RHEA. We did adjust some square footage, Congressman. We had 400,000 square feet 2 years ago. When we got with the architect-engineer, he convinced us that we did not have enough space in our planning for mechanical rooms and electrical rooms. But we did not increase production space. It was in these areas for support. And the

architect-engineer from his experience convinced us that we had not come up with sufficient space. So we added 50,000 square feet.

I think you asked about inflation rate. Back in 1963, we had planned with GSA an inflation rate, 1974, of 10 percent. The actual rate that occurred in 1974 was 12 percent. At that time we planned an inflation rate in 1975 of 8 percent, which now GSA is predicting as 12 percent. In 1976, they predicted 6 percent, back 2 years ago, and now 10 percent.

So we have had a year and a half of already past inflation, due to delay, plus higher predicted rates for the future.

Mr. WALSH. On a square footage basis, Mr. Rhea, how much will this cost?

Mr. RHEA. Our estimate as of this time is \$60 a square foot.

Mr. WALSH. How does this compare with other buildings of a comparable type?

Mr. RHEA. I think the best comparison is with the Philadelphia Mint, the building itself was essentially completed about 10 years ago, or 10 years from the time we are talking about completing this building. The Philadelphia Mint cost \$30 a square foot to complete, 10 years past. So we are talking about doubling that.

We have had some increased requirements under NEPA, we had to put in more sophisticated pollution control and measurement systems that will slightly increase cost. These, plus the general inflation in the construction industry, resulted in this cost of \$60 a square foot. This is the cost that GSA developed that I cannot argue with. We may be able to beat it in practice, but I think it is a reasonable figure at this time.

Mr. SHUSTER. Would the gentleman yield on this point?

Mr. WALSH. I will yield in a minute, but I want to follow up on this one point.

I understand that the building we are now aiming at costs \$60 a square foot. I would hope that the building you are planning in Denver is not going to look like this one.

Mr. RHEA. I don't think we could afford it, sir.

Mr. WALSH. It will be a functional building?

Mr. RHEA. It will be a functional building, and we will want it to be pleasing, because we presently have 250,000 visitors a year at the Denver Mint and we would expect we would have more as we make it better for them to see the operation.

So we would make a building that is pleasing but on the backside particularly we would hope to put up siding that is not some fancy stone. We are not trying to make a monument we are trying to make a pleasing building appropriate to a mint producing facility.

Mr. WALSH. I will be glad to yield to my colleague from Pennsylvania.

Mr. SCHUSTER. Thank you I would like to follow up this one point. I am not sure I understood your statement Mr. Rhea.

Did you say that you anticipate a continuation of inflation in the construction industry at a rate of 12 percent during the period in which this is to be constructed?

Mr. RHEA. This is GSA's figure for 1975. Under the law on this building we have to work through the Administrator of GSA.

Mr. SHUSTER. Will this building be constructed in 1975 or will it be constructed later?

Mr. RHEA. It will be started much later but these are figures—inflation goes up in that period by the time we start we have higher costs.

Mr. SCHUSTER. Have you allowed for any further inflation in 1976 or 1977?

Mr. RHEA. We had a rate that the GSA developed 10 percent in 1976 and 8 percent in 1977. We escalated the building to our planned midpoint of the construction period which was October 1977.

Mr. SCHUSTER. So the Federal Government thinks we are going to have inflation at least in the construction industry on the order of 10 percent in the next few years. I find this very interesting.

Mr. RONCALIO. That is a decrease of 1.1 percent from last year however so maybe that is good news.

Mr. WALSH. If my colleague will yield on this point.

Mr. MACDONALD. Mr. Shuster I don't think you can take that as a Treasury-declared policy. I think this is a figure that we feel is safe beyond which assertion we shouldn't go.

Mr. SHUSTER. Can we expect that if inflation is below this rate we will have funds not utilized?

Mr. MACDONALD. That is right.

Mr. SHUSTER. I won't hold my breath for that.

Mr. WALSH. Following up on that point Mr. Chairman there has been a rule of thumb—I was in the construction industry for a while—1 percent a month increase in the construction industry and that is a rather reliable rule of thumb that has been in force for a long long time. So I think you can depend on that one.

There is just one other point that I want to make Mrs. Brooks. The \$65 million will include the complete site with finished building?

Mrs. BROOKS. Yes.

Mr. RHEA. Landscape, fence, lighting complete building, all the production equipment, everything installed.

Mr. WALSH. I have no further questions, Mr. Chairman. I want to congratulate Mrs. Brooks on a very fine presentation and assure her that I realize the need for this building and I am happy to support it.

Mr. RONCALIO. Very fine. We will operate under the 5-minute rule so that we can get through today's work. Any questions on the right? I will call on my colleague, Mr. Roberts.

Mr. ROBERTS. Thank you, Mr. Chairman. I only want to ask one question of Mrs. Brooks and Mr. Rhea. How do you propose to construct this building? Will you let a general contract for the construction?

Mr. RHEA. We are not quite that far down the road yet, sir.

Mr. ROBERTS. You wouldn't object to me putting an amendment in there to say that it will be let by general contract? I am tired of seeing this money spent on some of this construction—we build one building under contract, we build one other under forced construction and it costs twice as much.

So I will, Mr. Chairman, offer an amendment to build it by contract.

Mr. RHEA. We didn't plan to build anything with the Government people, sir. It all will be contracted out.

Mr. ROBERTS. I understand, a general contract.

Mr. RHEA. Yes, sir.

Mr. RONCALIO. Thank you. I would like to ask my colleague, Pat Schroeder, if you would be good enough to get out a "Dear Colleague" letter and we will do our very best to help you on this. Let us proceed. Do I hear any questions on the minority side?

Mr. COCHRAN. Mr. Chairman. One point needs to be observed, and that is when this bill was on the floor in December of 1974, it was defeated under a suspension of the rules. One of the points raised against the bill was that the Denver Mint was the most efficiently operated mint we have in the United States. And, for that reason, why should we close it down and build another one which probably would not be as efficient or be operated as efficiently as the one now is?

What would be your response to that, Mrs. Brooks?

Mrs. BROOKS. I would like to take you through the Denver Mint and show you how we have innovated and used every square inch. They even have offices out in the halls. They have hung offices from the ceilings. And the conditions under which the workmen work in the back are very difficult. And the floor is jumping up and down with the blanking presses and it is really a tribute to the climate and the people of Denver that it has been so efficient.

The old building is getting pretty well beaten up. And I think we probably would have some environmental trouble if we tried to stay there with noise and pollution, wouldn't we?

Mr. RHEA. We would have trouble with noise. It is very difficult to do anything to reduce noise levels because this would take up space needed for production.

We think that the people in Denver produce coins efficiently in spite of the building. Basically, we need additional capacity. And some of us in that area think that maybe the people in the Rocky Mountain West work a little harder.

Mr. COCHRAN. Thank you very much. I supported the bill before the House last year and I intend to support it again, but I think it is good to have the record reflect a response to that argument, which apparently defeated it under the suspension last year.

Thank you, Mr. Chairman.

Mr. RONCALIO. Thank you.

Ms. ABZUG. Mr. Chairman.

Mr. RONCALIO. May I ask if Mr. Hagedorn has any questions? Mr. Hammerschmidt?

Yes, Ms. Abzug.

Ms. ABZUG. I want to compliment the individuals who have appeared before the committee on their testimony, and I would hope that when we build this Denver Mint, the first coin that they will print in honor of 1976 will be the Susan B. Anthony coin.

Mr. RONCALIO. I understand it will be the Pat Schroeder coin.

Ms. ABZUG. It will be a close race between the two, between Congresswoman Schroeder and Susan B. Anthony. It would be a good way to celebrate both the new mint and International Women's Year.

Mrs. BROOKS. Why don't you propose a medal be struck?

Ms. ABZUG. I think Congresswoman Schroeder has done so.

Mr. RONCALIO. Mr. Ginn.

Mr. GINN. Mr. Chairman, I move that H.R. 5620 be reported favorably to the full committee.

Mr. RONCALIO. Hearing no amendments, the motion for favorable reporting to the full committee is entertained——

Mr. ROBERTS. Mr. Chairman.

Mr. RONCALIO. Yes, Mr. Roberts.

Mr. ROBERTS. I would like to reserve the amendment, I will offer it at the full committee. In the meantime, have the staff just specify, as we are doing on some other bills, that it will be a contract construction, contract project, which we have discussed in the past.

Mr. RONCALIO. Excellent.

Mr. ROBERTS. But I will not offer it at the subcommittee.

Mr. RONCALIO. I am grateful to my colleague for that assurance and we look forward to that amendment in the full committee.

Mr. ROBERTS. I appreciate that and thank the chairman.

Mr. RONCALIO. The motion is made. Do I hear a second?

Mr. HOLLAND. Second.

Mr. RONCALIO. It has been moved and seconded that H.R. 5620 be reported favorably to the full committee.

All those in favor, signify by saying "aye."

[Chorus of "ayes".]

Opposed?

[No response.]

Will the record show that this was unanimously reported forward, and I thank all of you again who had something to do with this, and am happy we have been able to report the bill favorably to the full committee.

And we hope for the sake of Pat Schroeder we will have a little better luck on the floor this year than we did last December.

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H. R. 6151

SEN. CANTWELL
JANUARY 1961

AUTHORIZE APPROPRIATIONS FOR SERVICES NECESSARY TO NONPERFORMING ARTS FUNCTIONS OF THE JOHN F. KENNEDY CENTER

Mr. RONCALIO. The next item on our agenda for the day is H.R. 6151, and this will require officials from the Department of the Interior and the Kennedy Center for the Performing Arts.

Ladies and gentlemen of the committee, H.R. 6151 is a bill to authorize appropriations for services for what are called the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts.

A copy of H.R. 6151 will appear in the record at this point.

(17)

94TH CONGRESS
1ST SESSION

H. R. 6151

IN THE HOUSE OF REPRESENTATIVES

APRIL 17, 1975

Mr. RONCALIO (for himself, Mr. THOMPSON, and Mr. ESCH) introduced the following bill; which was referred to the Committee on Public Works and Transportation

A BILL

To authorize appropriations for services necessary to nonperforming arts functions of the John F. Kennedy 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 subsection (c) of section 6 of the John F. Kennedy
- 4 Center Act is amended by adding at the end thereof the
- 5 following: "There is authorized to be appropriated to carry
- 6 out this subsection not to exceed \$2,800,000 for the fiscal
- 7 year ending June 30, 1976, \$741,000 for the transition
- 8 period ending September 30, 1976.

Mr. RONCALIO. I would remind the members of the committee that the John F. Kennedy Center for the Performing Arts is one of many properties in the District of Columbia that is maintained by the National Park Service in legal affiliation with the Smithsonian Institution that constitute memorials to former Presidents or institutions run in the public interest, and in the process was very carefully de-

signed several years ago to apportion those expenses of wearing out of certain facilities that are attributable to the crowds that move through the Center in the daytime, as distinguished from the crowds that come to the three theaters—the concert hall, the opera house, the Eisenhower Theater—for the performing arts functions in the evening.

This bill seeks to authorize an appropriation of \$2,800,000 for the fiscal year ending June 30, 1976, and \$741,000 for a transition period ending September 30, 1976, for those nonperforming functions.

Our witnesses today will be Mr. Russell Dickenson, the Deputy Director of the National Park Service, under the new director, and Mr. Gary Everhardt, from the Department of Interior. He is accompanied by Mr. Manus J. Fish, the Director of the National Capital Parks.

Gentlemen, you may proceed.

TESTIMONY OF RUSSELL DICKENSON, DEPUTY DIRECTOR, NATIONAL PARK SERVICE, ACCOMPANIED BY MANUS J. FISH, DIRECTOR, NATIONAL CAPITAL PARKS

Mr. DICKENSON. Thank you very much, Mr. Chairman. We are very pleased to be with you today. Jack Fish, the Director of National Capital Parks, is on my left. I have just a short statement, if I may read it, Mr. Chairman.

I appreciate the opportunity to appear before you to testify on H.R. 6151, a bill to authorize appropriations for services necessary to the nonperforming arts functions of the John F. Kennedy Center in the amounts of \$2.8 million for fiscal year 1976 and \$741,000 for the transition period ending September 30, 1976.

Section 10 of the Public Building Amendments of 1972, approved June 16, 1972, added a new subsection (e) to Section 6 of the John F. Kennedy Center Act, as amended.

This new subsection directed the Secretary of the Interior, acting through the National Park Service, to provide maintenance, security, information, interpretation, janitorial, and all other services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts. It authorized such sums as may be necessary to carry out these functions, but only for the fiscal year ending June 30, 1973.

Section 6 was further amended on July 10, 1973, by Public Law 93-67 which authorized not to exceed \$2.4 million for fiscal year 1974 and \$2.5 million for fiscal year 1975. Further legislation, such as the Department of the Interior submitted to the Congress on February 13, 1975, is therefore necessary to authorize appropriations beyond June 30, 1975.

H.R. 6151 would authorize an amount which is adequate for fiscal year 1976 and the transition period immediately following, but it is in excess of the President's 1976 budget request for this activity. We would, therefore, recommend an appropriation authorization consistent with that request.

Mr. Chairman, I would be pleased to answer any questions you or other members of the committee may have.

Mr. RONCALIO. All right, Mr. Fish, do you have a statement?

Mr. FISH. No, sir, I do not.

Mr. RONCALIO. Is operating working out pretty well as far as police functions and traffic and the other facilities over which you have control?

Mr. FISH. Yes, it seems to be working very well.

Mr. RONCALIO. That is fine. I would like to ask four or five questions that I think are necessary. One, I will be happy to accept the recommendation and suggestion of the Office of Management and Budget regarding the reduction from \$2.8 million to \$2,575,000 for fiscal year 1976.

But let me ask you, sir, given the increased utility cost and pending pay increases, can you still operate under that ceiling for 1 year?

Mr. DICKENSON. It will be difficult, Mr. Chairman, with the increase in electricity cost alone. It simply means that in order to stay within the President's budget of \$2,575,000 there will have to be a modification and adjustment of services.

We would see this affecting the extent and type of interpretive services, primarily, and the extent and type of security services provided during the day for the theaters.

So there will have to be some adjustments.

Mr. RONCALIO. How much would that affect the security backstage of the opera house and the concert hall in the daytime during rehearsals?

Mr. FISH. It would not affect the backstage operation, but the security that it would affect would be for the three theaters—the Eisenhower Theater, the opera hall, and the concert hall.

Mr. RONCALIO. Well, do you feel that reducing this authorization to \$2,575,000 jeopardizes the security of that memorial?

Mr. DICKENSON. Under the circumstances, Mr. Chairman, I don't believe that we have any choice here, considering the position taken by OMB.

I think it is important to note that the adjustment has to occur in visitor services and the daytime security, so that probably we could live with it—we would have to.

Mr. RONCALIO. Cutting down the interpretation service, we can appreciate that. While that is to be regretted, it is, nevertheless, something we can live with.

But I would not want to think that you are going to cut down the basic security needed to move the people through the building in the daytime.

Mr. DICKENSON. With \$2,575,000, we would have to live with it.

Mr. RONCALIO. How much do you project is actually required to carry out your full responsibility? The \$2,575,000 you are saying would probably do the job?

Mr. DICKENSON. We would not be able to do the best job, but we can do a satisfactory job with that.

Mr. RONCALIO. The Department has submitted legislation which would have authorized appropriations without fiscal year limitation, with no specific amounts as ceilings.

Do you still recommend a no-year authorization?

Mr. DICKENSON. Under the circumstances, Mr. Chairman, it is important, I think, to note that the Kennedy Center is the only unit of the National Park system which has a legislative ceiling imposed upon its maintenance activities. It is restrictive of good management.

At some future time, we hope to address ourselves——

Mr. RONCALIO. We should be thanking the good Lord that we have a few dollars to run the nonperforming functions, so we will keep the ceiling maybe for another few years and let it blend on as the years go on.

I would like to entertain a motion that H.R. 6151, without objection, be open for amendment.

Accordingly, I offer an amendment, by striking the "\$2,800,000" in line 6 and substituting therefor "\$2,575,000."

Are there objections? Hearing none, so ordered.

I would like to call on Mr. Shuster, if that is all right with you, Mr. Walsh.

Mr. SHUSTER. Thank you. I have some difficulty with the fact that we are talking about \$2½ million here for this monument portion of this facility, when we don't spend a third of that for the monument for the father of our country, Washington, and about half again for Lincoln, if the figures I have are correct—\$391,000 is spent maintaining the Lincoln Memorial, \$631,000 maintaining the Washington Monument.

And so I am concerned about some of the specific details on the budget, as to just how it breaks out. What is the total budget for the Center and how do you allocate the nonperforming arts maintenance costs and how do you allocate the performing arts maintenance costs?

Mr. DICKENSON. I would like to let Mr. Fish answer that one.

Mr. FISH. Well, the building is certainly different than the Lincoln and Washington Monuments, in that it is over a 1½ million square feet of usable floor space. It includes the four theaters, the offices, the restaurant, 24 elevators, six sets of escalators, over 100 public restrooms, 13 mechanical rooms, housing enormous and complex electrical, airconditioning, heating, plumbing systems, valuable lighting fixtures, furnishings and so forth. So in comparison to another memorial, it is quite different.

Mr. SHUSTER. What percentage of that 1.5 million square feet is open to the public?

Mr. FISH. Basically, most of the space is open to the public, but the breakdown, as you had asked, Mr. Shuster—it breaks down like this, as far as the formula is concerned—77 percent is attributable of the operational costs to the nonperforming arts functions, 23 percent is attributable to the performing arts functions. And it is based on 2 dark days, or 5 days of performing arts activities over a year's activity—and then 5 hours out of a 15-hour day attributable to performing arts.

So the 5 out of 15 and 5 days out of 7 days breaks down to 23 percent of the hours attributable to performing arts.

Mr. SHUSTER. Let's take a theater; the Eisenhower Theater.

Mr. FISH. The theaters are open for tours and people do go into the theaters to view the theaters. And so they are, from 10 to 2, when we have the tours, available to the general public.

Mr. SHUSTER. OK; 10 to 2 for general public—let's say 5 days a week and 8 to 11 p.m. for performing arts. Would you agree with that?

So that is 7 hours. What about the other 17 hours a day where nobody is in the theater? How is that attributed? I would take from

what you said previously that it is all attributed to the nonperforming arts, maintenance costs.

Mr. FISH. We have looked at that formula a number of times and GAO has looked at that formula, and it appears to be the best distribution of costs that we can come up with—

Mr. SHUSTER. That wasn't what I was going to ask. If I understood you correctly, you only attributed costs to the theater when they were not dark, in other words, when they were in operation.

Mr. FISH. That is correct.

Mr. SHUSTER. That came out to 23 percent or something. And I am suggesting that it is not the only or indeed the fairest way to do it, because if the theaters are sitting there and are used 3 hours a night for performing arts and 4 hours a day for the general public—

Mr. FISH. Four hours.

Mr. SHUSTER. That comes to 7 hours between the two. There are 17 hours a day when they are not used by either the general public or the paying public. And that 17 hours should be fairly distributed to the two accounts and not all to the Federal Government.

Do you see my point?

Mr. FISH. Yes, sir, Mr. Shuster. But actually during many of those hours there are rehearsals and setting up the stage and that type of thing for performing arts activities.

Mr. SHUSTER. That is all the more reason it should be attributed to performing arts.

Mr. FISH. We have looked at it very closely and GAO has just recently taken a look at the distribution of those costs.

Mr. SHUSTER. Well, I thank the Chairman. I have great difficulty in supporting this bill, as I now understand it.

Mr. RONCALIO. When there is a rehearsal, people get to hear it free and they love it backstage. That means more visitors get a better impression of the Memorial in the daytime. So I don't think it is fair to charge that to the performing arts, but I recognize I am wearing two hats in this situation, so is Mr. Esch who succeeded Mr. Freylinghuysen on the board.

Mr. SHUSTER. If I could ask another question, Mr. Chairman. How many tourists walk through the theaters each year and how many people attend performances?

Mr. DICKENSON. About 1.6 million purchased tickets during the past year, I am told, and the total visitation at the Kennedy Center is 2½ million.

Mr. SHUSTER. When you say 1.6 million, that is tickets to the performing arts?

Mr. DICKENSON. Those who attended a performance.

Mr. SHUSTER. And 2.6—

Mr. DICKENSON. Two and one-half million attended, the total.

Mr. SHUSTER. Total visitation. So you are digging your hole deeper.

Mr. RONCALIO. No.

Mr. SHUSTER. So that means we must subtract 1.6 from 2.5 to get the tourist figure, so we are talking slightly under a million people. So if we allocate costs on the basis of those people who were paying to attend versus those people who are coming free, the allocation would be less than 35 percent of the cost should be allocated to the Federal Government and the balance should be paid for by the paying public.

Mr. RONCALIO. The gentleman has had double time.

Mr. SHUSTER. I just reinforced my reservation. I thank the gentleman.

Mr. RONCALIO. The gentleman has stated he is opposed to the legislation, but I would like the record to show, at this point, that you cannot get more than 2,000 people in the concert hall, you cannot get more than 2,000 people in the opera house, and you cannot get more than 1,000 people in the Eisenhower Theater. That is 5,000 people.

On a given day in the summertime the John F. Kennedy Center for the Performing Arts will house and move in and out 15,000 people per day. Those are the figures of the Kennedy Center visitations.

Mr. SHUSTER. Mr. Chairman, perhaps I did not hear correctly. I understood that 1.6 million people purchased tickets, therefore attended the performing arts, and 900,000 people were tourists visiting the center.

Mr. RONCALIO. We don't have a counter on the millions that go through the place. An account is kept on tickets sold at the Kennedy Center.

Any other questions on this side with regard to these matters?

All right, Mr. Walsh.

Mr. WALSH. Thank you, Mr. Chairman. I notice that the electric bill for the Kennedy Center is about a \$1 million a year. You indicated you had been able to cut down the current use by about 30 percent.

That is 30 percent from what? What does the 30 percent represent?

Mr. FISH. It is a 30 percent cutback over a period of 1 year. We consumed electrical energy, as I recall, Mr. Walsh, about 3 million kilowatts a month, and I think we cut it back to about 2 million kilowatt-hours a month.

But very significant—it is about a 30 percent reduction. And we did it by reducing the outside lighting, by reducing the lights in the Hall of Nations, where we had five lights on the flags—for example, in the Hall of Nations we cut it back to one.

Mr. WALSH. I think we ought to keep more lights on the flags and reduce the lighting around some other places, rather than reducing it there.

Mr. FISH. I think that is a very good point and I think that is what happens when we have to cut back in the costs, as Mr. Dickenson has indicated. We have to cut back in many areas—in the interpretive information programs, security as well as the lighting program, in order to fit within that budget.

Mr. WALSH. Thank you. It is extremely difficult, Mr. Chairman, to take a look at this operation without a line-item budget in front of us here, and I am wondering if in the future we couldn't bring up a line-item budget so we could take a look at all these costs.

You mentioned some of the services that will be purchased with this \$2½ million. You mentioned maintenance, security, information, interpretive, janitorial, and others.

How many of those services could be contracted for, with janitorial services, maintenance firms, and that kind of thing? Are you doing anything along those lines?

Mr. FISH. We have a contract for the janitorial services.

Mr. WALSH. Is this a competitive contract?

Mr. FISH. We took a contract that was already in existence when we took over the Kennedy Center maintenance a few years ago, Mr. Walsh. But when it comes up for renewal, it will be competitive—and I don't know that it wasn't competitive to begin with.

We also have contracts for operation of the elevator, escalator, and we have one for the air conditioning. So we do as best we can, try to contract out some of that maintenance work.

Mr. WALSH. How about security?

Mr. FISH. No, sir, we handle security ourselves with U.S. Park Police police officers and guards.

Mr. WALSH. The janitorial service, you include that under the maintenance?

Mr. FISH. Yes, sir.

Mr. WALSH. Or is that a separate contract?

Mr. FISH. No, sir. That is the contract I mentioned.

Mr. WALSH. I have no further questions, Mr. Chairman.

Mr. RONCALIO. I would like to have the record show—not that I am trying to make the case, the witnesses are making the case for the bill—but 3 years ago it wasn't the theatergoers to the operas and the concerts who tore out every electrical fixture in about 15 elevators in the Kennedy Center. It was the tour seekers, we American citizens who came in to see a monument and tore it to pieces. And that is unfortunate. But it was something that the Kennedy Center in desperation said, look, we haven't the money to replace them—to this day some have not been replaced.

If this legislation seems to put too much public money supporting the place, I only ask, in the name of some charity and understanding, that you give it the chance to see where that difference may be—but I can assure you that the Kennedy Center is a massively successful function not only for those in the arts, the performing arts, for which it was intended in the Eisenhower Theater—and it was President Eisenhower who first wanted this thing built long before it would have ever been named Kennedy but for the firing of bullets into people's heads—it was Eisenhower who wanted this, not John Kennedy.

And it is one of the most outstanding edifices of its kind, artistically and culturally, in the world today. It matches anything in Vienna, or Rome, or London, or Paris in bringing to thousands of poor kids in this town an opportunity to see some culture, some education, some ballet, some opera, some symphony work. MacDonald's buys out the house four or five times a year and fills the corridors, the Hall of Nations, the Hall of States, and the grand foyer with thousands of people who would never get a chance to hear such things as Rostropovich recently—and the gentleman of Philadelphia, Eugene Ormandy, last time. So I think you are trying to do some good things and if it spills over into tax money doing it, we are probably the last remaining free country in the world that doesn't subsidize the arts anyway, so maybe there is another way of subsidizing the arts—I don't know.

Anyway, I appreciate your consideration. Any questions, gentlemen—any other questions?

Yes?

Mr. HAGEDORN. Mr. Chairman, I just want to indicate that I share your enthusiasm for the Center.

Mr. RONCALIO. Well, we will know more about it next year. But I do thank the gentleman. And I thank Mr. Shuster for asking questions—they belong. Nothing can run so smooth that it doesn't deserve some good oversight and some good questioning.

I would welcome a motion that H.R. 6151, having been amended, be reported favorably to the full committee.

Mr. OBERSTAR. Mr. Chairman, I move that H.R. 6151 be reported favorably to the full committee, as amended.

Mr. RONCALIO. You have heard the motion, do I hear a second?

Mr. HOLLAND. Second.

Mr. RONCALIO. All in favor signify by saying "aye."

[Chorus of "ayes."]

Opposed?

Mr. SHUSTER. Nay.

Mr. RONCALIO. Let the record show a one-vote minority and the bill is so reported favorably.

That concludes the business at this time. The subcommittee is now adjourned.

[Whereupon, at 4 p.m., the subcommittee adjourned.]



The following are the names of the persons who
 have been appointed to the various positions
 of the Board of Directors of the
 City of New York, for the year 1901.
 The names of the persons who have been
 appointed to the various positions of the
 Board of Directors of the City of New York,
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