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PROPOSED RELOCATION OF THE GOVERNMENT
PRINTING OFFICE IN WASHINGTON, D.C.

GOVERNMENT

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

FIRST SESSION

MAY 17 AND 18, 1977

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Committee on Public Works and Transportation

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THE HISTORY OF THE UNITED STATES

The history of the United States is a story of growth and change. From the first settlers to the present day, the nation has evolved through various stages of development. The early years were marked by exploration and the establishment of colonies. The American Revolution led to the birth of a new nation, and the subsequent years saw the expansion of territory and the growth of industry. The Civil War was a pivotal moment in the nation's history, leading to the abolition of slavery and the strengthening of the federal government. The 20th century brought significant social and economic changes, including the rise of the industrial revolution and the emergence of the United States as a global superpower. Today, the United States continues to face new challenges and opportunities, and its history remains a source of inspiration and guidance for the future.



CONTENTS

TESTIMONY

Childs, David, chairman, National Capital Planning Commission; accompanied by Charles Conrad, executive director, National Capital Planning Commission.....	Page 2
Curtice, Joseph F., legislative and business representative, representing Washington Building and Construction Trades Council and Greater Washington Central Labor Council, AFL-CIO.....	36
Hennage, Joseph H., Chairman, Joint Industry-Government Advisory Board, Government Printing Office.....	19
McCormick, Hon. Thomas F., Public Printer of the United States; accompanied by Joseph A. Palank, Director of Engineering, U.S. Government Printing Office.....	2, 38
Packard, Jack, Associate Commissioner for Project Management, General Services Administration; accompanied by John D. Loxley, Acting Project Manager, Government Printing Office.....	2
Shields, James W., chairman of the board of Judd & Detweiler, Inc., representing the Metropolitan Washington Board of Trade.....	29
Teare, G. William, Jr., president, Printing Industry of Metropolitan Washington, D.C.....	26

MATERIAL RECEIVED FOR THE RECORD

General Services Administration, responses to supplemental questions...	59
McCormick, Hon. Thomas F., Public Printer of the United States, responses to supplemental questions.....	55
Martin, William F., legislative representative, International Printing and Graphic Communications Union, statement.....	86
Revised Report of Building Project Survey on the Requirement for a New Government Printing Office.....	65

REPORT OF THE COMMISSION ON THE GOVERNMENT
OF THE DISTRICT OF COLUMBIA

1955

The Commission on the Government of the District of Columbia was organized on July 1, 1953, by Public Law 55-288, 85 Stat. 1001. Its mandate was to study the structure and functioning of the District's government and to recommend such changes as would be necessary to improve its efficiency and effectiveness. The Commission's report is the result of a year and a half of intensive study and consultation with the people of the District.

The Commission's findings are based on a comprehensive review of the District's government, including a study of the various agencies, departments, and offices, and a series of public hearings and consultations with citizens, business leaders, and public officials. The Commission has identified a number of areas in which the District's government is inefficient and ineffective, and has proposed a series of reforms to address these problems.

The Commission's recommendations are designed to streamline the District's government, eliminate overlapping functions, and improve the quality of public services. These reforms include the consolidation of certain agencies, the reorganization of the District's executive branch, and the creation of a new system of public administration. The Commission believes that these changes are essential for the District to become a more efficient and effective government.

The Commission's report is a landmark document in the history of the District of Columbia. It provides a clear and concise statement of the District's current problems and offers a practical and realistic plan for their solution. The Commission believes that the people of the District should take prompt action to implement these reforms, so that they may enjoy the benefits of a more efficient and effective government.

PROPOSED RELOCATION OF THE GOVERNMENT PRINTING OFFICE IN WASHINGTON, D.C.

TUESDAY, MAY 17, 1977

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, at 2:11 p.m., in room 2167 Rayburn House Office Building, Hon. Norman Y. Mineta (chairman of the subcommittee) presiding.

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

The purpose of the hearing this afternoon and tomorrow is to receive testimony relative to the prospectus currently pending before this subcommittee, which proposes relocation of the Government Printing Office and the functions of the Superintendent of Documents to new facilities on a proposed site on the New York Avenue industrial corridor, at an approximate cost of \$164 million.

This overall project has been under consideration at intervals since the mid-1950's. The function of the Government Printing Office is vital to the needs of the Congress, and indeed, renders substantial services to libraries and private citizens throughout the Nation.

Due to the magnitude of the proposed project, the subcommittee yesterday, along with members of the full committee, toured the main printing facilities of the present GPO site.

In my own mind, this visit made manifest the necessity of coming to grips with serious production, storage, and materials-handling problems which we observed, to say nothing of obviously high costs associated with these limited facilities.

We are pleased to have with us today as our first witness the Public Printer, Tom McCormick, and I understand that the others will be presenting their testimony following Mr. McCormick, and that we will then have questions en bloc following all of the testimony.

Mr. Walsh has some comments.

Mr. WALSH. Thank you, Mr. Chairman.

I, too, welcome the witnesses before the subcommittee this afternoon on the important matter of constructing a new Government Printing Office facility. This is a major project, involving a large capital investment, and should result in better printing service with lower operating and maintenance costs.

I think we can all reflect on this proposal in a more informed manner after our visit to the existing GPO facility yesterday. I think the idea of the tour was an excellent one, and it certainly opened my eyes to the problems that the GPO is confronted with.

I have toured some modern newspaper plants, and this one has all of the earmarks of a plant built 50 or 60 or 70 years ago, which it was.

So I am hopeful that as a result of the testimony, we can take some constructive action on this.

Thank you, Mr. Chairman.

Mr. MINETA. Thank you very much, Mr. Walsh.

Mr. McCormick?

TESTIMONY OF HON. THOMAS F. McCORMICK, PUBLIC PRINTER OF THE UNITED STATES; ACCOMPANIED BY JOSEPH A. PALANK, DIRECTOR OF ENGINEERING, U.S. GOVERNMENT PRINTING OFFICE; JACK PACKARD, ASSOCIATE COMMISSIONER FOR PROJECT MANAGEMENT, GENERAL SERVICES ADMINISTRATION, ACCOMPANIED BY JOHN D. LOXLEY, ACTING PROJECT MANAGER, GOVERNMENT PRINTING OFFICE; DAVID CHILDS, CHAIRMAN, NATIONAL CAPITAL PLANNING COMMISSION; ACCOMPANIED BY CHARLES CONRAD, EXECUTIVE DIRECTOR, NATIONAL CAPITAL PLANNING COMMISSION

Mr. McCORMICK. Thank you, Mr. Chairman. I am Thomas F. McCormick, Public Printer of the United States, and I greatly appreciate the opportunity to be here with you.

As the chairman indicated, we have witnesses from the General Services Administration and the National Capital Planning Commission who plan to testify. I think we would best utilize our time if each of the gentlemen, Mr. Packard and Mr. Childs, were allowed to give their basic presentation immediately following mine, and then we would be able to answer questions, inasmuch as there are certain questions that the General Services Administration representatives are best able to answer, as well as the National Capital Planning Commission.

As you indicated, the need to improve the present Government Printing Office facilities has been recognized and generally accepted for over 20 years.

It was in 1956 that the Joint Committee on Printing first ordered an investigation into the need for improving the Government Printing Office's facilities. The result of that investigation and subsequent reviews has consistently been a resounding "Yes."

The only questions over the years were where the facility should be located and what type of facility it should be.

At least two efforts have been directed toward adding to the present facility. On each of these occasions, both legislative authorization and appropriated funds were present, but in the final analyses, the Public Printers involved, including myself, could not in good conscience authorize the expenditure of Government funds to enlarge an inherently inefficient, eight-story printing plant.

It became increasingly clear that the taxpayer would not get his money's worth unless the Government Printing Office relocated into a facility designed to improve the efficiency of the printing, binding, and distribution operations involved.

The location of a suitable site was more difficult than expected. First, the site had to meet the criteria of being near a railroad siding and truck routes and still be no further than one-half hour's drive from Capitol Hill, the source of the majority of the work to be produced in the new facility.

Next, the site had to be suitable for our needs and our presence acceptable to the community involved.

The last qualification proved to be a major obstacle. Sites located within the District of Columbia which met other criteria were deemed to be needed more for public housing than for a printing plant, and a site along the beltway in Maryland was opposed by the District of Columbia because of a loss of their valuable employment base.

Moreover, the idea that the Government Printing Office was going to expand and thus reduce the amount of Government printing procured from private industry also brought objections from the business community.

It is with pleasure, therefore, that I can now state that we have found a site which fully meets our criteria and is devoid of the obstacles which hampered past attempts to relocate.

First, the site is located about a 10- to 15-minute drive from the Capitol; it is located next to a railroad siding, and adequate truck routes are available. In addition, it is next to a Metro station.

The site seems unsuitable for housing.

The relocation of the Government Printing Office to this site is endorsed by the District of Columbia government because it takes otherwise low-value land and turns it into an anchor for a light industrial complex which will provide a needed economic base for the District.

On December 9, 1976, the relocation to this site was unanimously endorsed by National Capital Planning Commission for a number of reasons, including the fact that the present facilities are not compatible with NCPC's concepts for development of the area. This endorsement by National Capital Planning Commission is significant as that Commission is composed of representatives from the congressional committee for the District of Columbia, District of Columbia Mayor and City Council, General Services Administration, Secretary of Defense, and Secretary of Interior.

In addition to National Capital Planning Commission's "open hearing process," community input is funneled into the Commission's decisionmaking process through appointments of citizens by the President and the Mayor.

There is also strong relocation support from the Printing Industries of America, Inc.

On September 17, 1976, the Government Printing Office developed and filed with the Council on Environmental Quality an environmental impact statement for this relocation to Brentwood Road, Northeast.

Last, but far from least, the proposed relocation is not opposed by the business community because it is now clear that the Government Printing Office is not expanding its size or capacity to produce work other than the type presently produced in-house.

Rather, we are primarily increasing GPO's efficiency, cost effectiveness, and ability to serve.

I cannot emphasize this last point too much. We expect that the new facility will have fewer square feet than our present facilities and will not affect the Federal printing procurement program. We will continue to purchase printing services from commercial sources whenever feasible. We intend to continue to follow our present policies in this regard.

The payoff comes from increased efficiency and cost effectiveness. We estimate annual savings of about \$16 million per year primarily through improved materials handling.

Additional savings, not included in the \$16 million include the following: First, about \$3 million of one-time cost required to bring the present facilities into compliance with the Occupational Safety and Health Act and, second, the annual savings associated with the availability of high ceiling and unbroken space which will allow greater use of the systems approach involving modern in-line production equipment.

Thus, Mr. Chairman, the annual savings from the expanded systems approach and other technology improvements that would be available in a new facility should at a minimum equal the already documented savings.

Thus, Mr. Chairman, I am in that happy situation of presenting for your consideration a project which will: (1) increase the efficiency of our services to the Congress and our other customer agencies; (2) provide the community with an improved economic base; (3) provide a major public building project at a time when the construction industry needs a boost; (4) assist in accomplishing the independent employment of center objectives of the comprehensive plan for the National Capital; and (5) give our employees a better and healthier working environment with improved transportation facilities.

All of this, with an annual savings well in excess of \$16 million.

Thank you very much. That concludes my statement.

I would like to have Mr. Packard, who is the Associate Commissioner for Project Management of the General Services Administration, come up next, if that is suitable.

Mr. PACKARD. Thank you, Tom.

Mr. Chairman, members of the committee, I am Jack Packard, Associate Commissioner for Project Management for GSA's Public Buildings Service.

I have with me today Jack Loxley, the project manager for this project.

The General Services Administration endorses this project and welcomes this opportunity to support the Government Printing Office with background in planning, design, and construction of large-scale public buildings.

The Revised Report of Building Project Survey¹ recently submitted to your committee contemplates the construction of an industrial type building to house the consolidated operations of the Government Printing Office.

The facility will contain approximately 1.8 million square feet of usable space, with rooftop parking. The total project cost for this facility is estimated at approximately \$164 million.

¹ See appendix, p. 65.

The major breakdowns are as follows: Site acquisition and relocation, \$10.6 million; design and review, \$9.9 million; construction, \$130.6 million; management and inspection, \$7.2 million; and equipment moving costs, \$5.5 million.

For some time now, we have worked closely with the GPO management in developing a preliminary scope and environmental assessment for the proposed project.

As a result of our initial planning, in addition to a size reduction of 600,000 square feet under present requirements, we have determined that considerable savings will be achieved by reduced consumption of all utilities.

Placing GPO in new, more efficient quarters will reduce the amount of utilities consumed in the following ways: (1) The current annual consumption of 109 million pounds of steam, obtained from the Capitol Power Plant, will be eliminated; (2) 27.5 million cubic feet of natural gas will be conserved annually, since the use of gas in the new building will not be permitted; (3) the new, more efficient building will use some 136.5 million gallons per year less water than the present operation; (4) even though the new building will be programed as an all-electric facility, through energy-conscious design and the use of more efficient technologies, a yearly savings of 20.3 million kilowatt-hours can be achieved regardless of whether all power is purchased commercially or partially generated onsite.

Public Law 93-554 directed the General Services Administration to prepare a detailed environmental impact statement for this project. That impact statement was filed with the Council on Environmental Quality on September 17, 1976.

It provides an appraisal of not only the impact of the present operation, but also the impact of future operations, utilizing improved technologies and plant layout, at a new location.

Subsequent to filing the final environmental impact statement, the National Capital Planning Commission Council voted a unanimous approval to the selection of the Brentwood Road site in Northeast Washington, D.C., as the location for this facility.

Under the organizational relationships by which this project will be accomplished, the Government Printing Office will own and operate the building and will be the agency through which authorization and funding will be accomplished.

The General Services Administration will serve as agent for the GPO by providing management and technical support during the planning for the facility and during the administration of the design and construction.

We are prepared to continue to work with the Government Printing Office to assist them in realizing their goal of relocation to a new facility, making it possible for them to meet their mission responsibilities to the Congress in the most efficient and cost-effective manner.

Thank you.

Mr. MINETA. Thank you very much, Mr. Packard.

Mr. McCORMICK. I would like next to introduce Mr. David Childs, the Chairman of the National Capital Planning Commission. I am pleased that he took the time to be with us.

He is accompanied by Mr. Charles Conrad, who is Executive Director of that Commission.

Mr. CHILDS. Thank you, Mr. Chairman, members of the committee. Since Mr. McCormick has alluded in his testimony to several of the actions taken by the Planning Commission, I would like to submit my prepared statement for the record and make a few brief comments about it, myself.

Mr. MINETA. So ordered.

[The following was received for the record:]

STATEMENT OF DAVID M. CHILDS, CHAIRMAN, NATIONAL CAPITAL PLANNING COMMISSION, WASHINGTON, D.C.

Mr. Chairman and members of the committee: My name is David M. Childs. I am the Chairman of the National Capital Planning Commission. I am pleased to provide the committee with a summary of the Commission's planning activities in the review and coordination of the proposed Government Printing Office relocation project. The Planning Commission, as the central planning agency for the Federal Government in the National Capital Region, has among its principal functions the review of land acquisition and development projects for Federal undertakings in the region and the coordination of such projects among Federal agencies and with local governments in the region.

On December 9, 1976, the Commission unanimously approved the proposed location for a new U.S. Government Printing Office at Brentwood Road and T Street NE., between Rhode Island and New York Avenues. The Commission's approval followed several months of close coordination between the Commission, the Government Printing Office, the General Services Administration, and the District of Columbia Government.

The Government Printing Office has outlined three principal deficiencies in its existing main facility:

1. Lack of efficient production and warehousing spaces;
2. Lack of documents distribution spaces; and
3. Deficiency in maintaining complete compliance with Federal occupational safety and health standards.

On the basis of the Public Printer's analysis of these deficiencies and at the Public Printer's request, the Commission worked for several years with the Government Printing Office to examine possible alternative expansion and relocation proposals.

Expansion of the present Government Printing Office facilities on a multi-level operation on North Capitol Street into adjacent lands in the Northwest Urban Renewal Area, Project No. 1, was considered in the early 1960's. However, the Public Printer concluded that such an expansion would result in an operation of such marginal efficiency that it could not be supported when compared with the advantages of developing a single level or two-level printing operation at another location. Because of the expressed objective of the District Government to retain the Government Printing Office as a major employer in the District of Columbia and the advantages of developing a new facility in reasonably close proximity to the Congress, special effort was made to select a site within the city. From a thorough evaluation of 18 possible sites within the District, the Commission concluded that the site on Brentwood Road would best meet the objectives of retaining the facility in the District within reasonably close proximity to the Congress, and locate the Government Printing Office with good rail and highway access essential to the effective operation of this important Government function.

In accordance with the National Environmental Policy Act of 1969, the Commission joined with the General Services Administration and the Government Printing Office in preparing and filing of an environmental impact statement for the undertaking. Subsequent to the filing of the final statement of September 17, 1976, the District Government and the community expressed some concerns relating to particular aspects of the development program, especially the extent of the parking proposed and potential air quality impact. In response to these concerns, the Commission continued its close coordination with the District Government, the Government Printing Office, and the General Services Administration in developing specific strategies to reduce potential traffic impacts and mitigate any adverse impacts that the project might have. The Public Printer committed the Government Printing Office to several specific transportation strategies designed to minimize automobile traffic generated by the proposed facility and

promote the use of public transportation by employees. During this period, the various District and Federal agencies involved further evaluated the availability of relocation sites within the city and found that the number of sites which could accommodate the businesses presently located on the Brentwood Road tract appears to be adequate for the relocation of all the affected businesses. Issues regarding the provision of adequate storm and sanitary sewer capacity to serve the proposed development site were also coordinated satisfactorily during this same period.

This intensive level of coordination enabled the various agencies involved to reach satisfactory agreement on the means of accommodating a relocated Government Printing Office at the Brentwood Road site, with the provision of necessary services to the site to insure efficient operation of the facility. With satisfactory technical resolution of the many issues that such a project as the relocation of the Government Printing Office would naturally raise, all of the members of the Commission, including the representatives of the District of Columbia Government, voted to approve the proposed location. In preparing for the Commission's review of the proposal to relocate the Government Printing Office, representatives of the Commission staff, the General Services Administration, the Government Printing Office, and the District of Columbia Municipal Planning Office met with the community in an open meeting at Providence Hospital on November 22, 1976. The staff representatives reviewed the status of the proposed project and answered questions raised by members of the community who were present. Members of the community were invited to make statements before the Commission at its December 9, 1976, meeting in accordance with Commission policy, and several statements of citizens both in favor of and opposed to the project were presented at that meeting and were considered by the Commission in taking action on the proposed relocation project.

If authorized by the Congress, the design and ultimate development of the Government Printing Office will continue to require close coordination among various Federal and District of Columbia agencies. The Commission and its staff stand ready to cooperate fully in achieving the necessary level of coordination. We believe that, on the basis of the material and the positions that were presented to the Commission by the Public Printer, the relocation of the Government Printing Office is necessary to provide for an efficient printing operation, and we believe that the Brentwood Road site is an ideal location and will fully serve the needs of the Federal Government while also enhancing the economic health and vitality of the Nation's Capital.

Mr. CHILDS. As was mentioned, we have had the great pleasure of reviewing this project. I cannot say that I have been looking after it since the early 1950's, Mr. Chairman—as you have mentioned, it started then—but I have been privileged to be involved in what seems to be a successful conclusion to a very diligent and proper planning activity.

Not always can I report a single-mindedness on the part of the National Capital Planning Commission, but here, I can.

In early December the Commission voted unanimously in favor of recommending this specific site, and only after a great many meetings and discussions of all the 18 alternative sites that were very carefully weighed in our deliberations.

The role of the Planning Commission is one of review and coordination of Federal projects. This project is an excellent example of the type of benefits that can be achieved through this type of detailed planning effort; through meetings with the community, the different Federal agencies, and with the user agencies themselves, I think that this site has been clearly shown to be the preferable one from all points of view, and one that, during the detailed analysis of the environmental impact of such a project, will produce many benefits. The deliberations have mitigated many adverse environmental impacts.

Thank you.

Mr. McCORMACK. Thank you, Mr. Childs.

I think, Mr. Chairman, that that concludes the prepared testimony, and we are available for any questions that you or the committee may have.

Mr. MINETA. Thank you very much.

You have mentioned that roughly 70 percent of your work is contracted out and 30 percent of your work is done in-house, and that the great bulk of that work is really the Federal Register and the Congressional Record, therefore, I am wondering to what extent could the material printed be contracted out, including the printing of the Congressional Record and the Federal Register.

Mr. McCORMICK. Well, that is a good question, of course, and we constantly try to address it. It is difficult to focus in on.

We have convinced ourselves that it is in the best interest of both service to the Congress and the taxpayer, and in the interest of economy to do the Federal Register and the Congressional Record in-house, primarily because of the time demands and the fluctuations in volume that are involved in both of those publications.

I believe it would not be possible for a commercial contractor to bid on those jobs and handle them on a profitable basis.

The only alternative would be to have a contractor-operated plant, which would be a cost-plus activity.

Mr. MINETA. I am concerned about the expenditure of \$164 million, which sort of ties in with another thought, and that is, where you are talking about your projected annual savings. You show an expected work force reduction of about 400 employees out of a total of about 8,400, or about 4.7 percent.

And so, I am just wondering, it seems to me that that is a relatively small percentage, considering the expenditure of \$164 million, and I am just wondering whether or not there is another way of being able to deal with the problem at hand.

Mr. McCORMICK. Well, let me address two parts of that question. I think first of all, the expenditure of \$164 million is a staggering sum, there is no question about that.

However, with the minimum savings—the \$16 million that we have cited, is a minimum—that will pay off in about 7 and 8 years. In other words, we will recover our cost in that time.

The congressional printing and binding bill this year is about \$100 million. Some of these savings do accrue to that bill. The \$16 million is a minimum savings, attributable only to materials handling, and I think that as a result of a new facility, we can fully expect that with the application of new printing technology, at least another \$16 million savings. So I think we are talking close to a \$32 million savings, which is partially attributable to a new facility.

Mr. MINETA. Let me ask, relative to one of the problems, I know, after having seen the facility yesterday—your testimony indicates that a new building will enable you to expand your systems approach and utilize further technological improvements, and this, you indicate, would produce savings of at least equal to the documented savings of \$16 million per year.

Mr. McCORMICK. Yes, sir.

Mr. MINETA. Do you have an estimate of what the cost of such new equipment and technology might be?

Mr. McCORMICK. Well, much of the application of new printing technology will take place before we are ever in a position to occupy the new building.

We are right now, as you saw, taking advantage of new technology with respect to electronic photocomposition, direct image platemaking, and the like. So we are expending between \$3 and \$5 million each year to put in new equipment and new systems.

A new facility will permit us to take greater advantage of that new technology. Now, we would not move inefficient or ineffective equipment when we move into the new facility, and I suspect that we would have to replace some of the existing equipment, and it would not be economical to move it.

But as far as the amount is concerned, I do not think it will be in excess of \$10 million, and that would be over a period of 3 or 4 years after we occupy the new building.

Mr. MINETA. Let me just ask one further quick question. Unfortunately, we have gotten into a little bind today in scheduling. We have a bill that has come out of our subcommittee that is on the Suspension Calendar on the House floor, and it is due to come up very shortly, so I am going to have to excuse myself and have Mr. Young chair.

But I would like to ask Mr. Packard, in terms of the prospectus in exhibit E, in there it says that the estimated value of the existing asset, the present building site, is roughly \$36 million.

That is a great figure, but who is going to buy it for \$36 million? Where do we get the \$36 million as the offset against the \$163.8 million?

Mr. PACKARD. Mr. Chairman, could I have the project manager answer that question?

Mr. MINETA. Fine.

Mr. LOXLEY. The figure of \$36 million basically was arrived at through an appraisal by Reynolds & Reynolds, of Washington.

The savings attributable to the \$36 million should be considered if the facility were renovated into office space or some other space.

If we were to turn the old Government Printing Office into office space, backfill it with some Federal agencies, possibly backfill it with some offices of the Congress, for instance, we could very probably renovate the old building for something on the order of \$18 a square foot.

Mr. MINETA. Let me have Mr. Young chair. I will have to pick up on this question when I get back.

[Whereupon, Mr. Young assumed the chair.]

Mr. YOUNG. Mr. McCormick, what portion of the \$164 million for this project was provided for the functions of the Superintendent of Documents?

Mr. McCORMICK. Our estimate is that, including the design features, the design costs that are associated with including the Superintendent of Documents activities within the relocation project, it is about \$29 million, of the \$164 million.

Now, the construction costs, as I understand it, of that \$29 million are \$24 million. So the difference of \$5 million is roughly design costs.

Mr. YOUNG. In view of the magnitude of the \$164 million, would you consider holding off on the Superintendent of Documents facility and just go for new materials storage and a printing plant?

Mr. McCORMICK. Well, that is an alternative that we did consider. However, the Superintendent of Documents presently occupies leased space, and we are spending about \$2 million for the housing of the Superintendent of Documents activities.

That savings would accrue to the expenditure of the \$30 million, and we felt that it would be worth it from a cost standpoint. Again, it is certainly an alternative that we would be amenable to, if we wanted to spread the expenditures out over a longer period of time. If it were felt from the viewpoint of Congress that it was appropriate to defer the centralization of Documents operations, it would be very acceptable to us.

But the savings are ultimately there, and it would be my recommendation that if you can find the funds to do it, we ought to do it as fast as possible, because inflation in the construction business is fairly significant.

Mr. LOXLEY. May I make a comment, to add to Mr. McCormick's?

Mr. YOUNG. Yes.

Mr. LOXLEY. We find that if, indeed, we were to leave Documents out of the project entirely, and at a later date, if we were to build a new Documents facility, just to house the Documents operation alone, it would probably cost close to \$60 million, just for that one facility. That figure includes \$5 or \$6 million for land. We included that amount as an average, because we do not know exactly where it might be built.

Mr. YOUNG. Your testimony is that \$60 million in a new facility, which would include—

Mr. LOXLEY. That is right; for just a Documents facility.

Mr. McCORMICK. I am assuming that Mr. Loxley is referring to something apart from our relocated central facility?

Mr. LOXLEY. That is correct.

Mr. McCORMICK. The \$29 million relates to centralizing Documents operations at the new facility.

Mr. YOUNG. That is understandable, I think, the difference.

Why does the warehousing and mail-order activities of the Superintendent of Documents have to be in the Washington area?

Can't they be moved to a lower cost area, like your facility in Pueblo, Colo.?

Mr. McCORMICK. They certainly could. There is nothing that says they have to be in Washington. They could very well be operated as a satellite operation, such as the Pueblo Distribution Center.

The offsets to that would be, of course, increased operating costs, because you are farther away from the common facilities, such as payroll, general services, guard force, and so forth. So there would be some duplication of these costs, as compared with having them at the central office facility.

Now, to some extent, we have those duplications existing right now, because the bulk of the facilities are located in Virginia and in Laurel, Md.

So there is some merit to that consideration, but we are talking about some 1,500-plus jobs moving out of this area, and that frequently causes some concern with the local community.

Mr. YOUNG. The GPO is seeking some \$16 million for site acquisition, design, and engineering studies. How far toward the final design will these funds take GPO, and who will approve the design?

Mr. McCORMICK. I will ask Mr. Loxley to answer that one.

Mr. LOXLEY. The \$16 million would purchase the site, relocate the present tenants on the site, take us into design to somewhere close to intermediate working drawings.

Mr. PACKARD. You might explain intermediate working drawings.

Mr. LOXLEY. Basically, the first set of documents would be an engineering study, a program of requirements, all of the basic systems including budget systems analysis, also conceptual drawings that would give a broad concept of the internal layout of the project as well as the external envelope.

Then we would get into tentative drawings which would firm up the conceptual ideas. These would be the drawings that would be submitted to the planning commissions for approval. Once they are approved, we would then go to the intermediate working drawings stage, and from there to the final working drawings, a set of construction drawing packages.

Mr. YOUNG. Mr. Loxley, what benefits would you expect from the engineering studies? Are you the right one to ask that question?

Mr. LOXLEY. Yes, sir, I think so. In addition to proving, quite conclusively, the reduction of 600,000 square feet or possibly more, we may find an additional cost savings in energy.

Very certainly, we will know the types of equipment that can best function in the new GPO, the types of technologies that should be moved, those that would have to be rehabilitated, the types of mechanical systems that would best be fitted into the project.

Mr. YOUNG. That is all I have right at the present time.

Mr. STANGELAND?

Mr. STANGELAND. Yes. Thank you, Mr. Chairman.

Mr. McCORMICK, you said something about the Printing Office doing \$100 million in printing in a year?

Mr. McCORMICK. In excess—that \$100 million figure referred to the congressional printing and binding costs and represents our charges against the congressional printing and binding appropriation.

Our total volume this fiscal year, in terms of sales volume of a commercial plant, would be in excess of \$500 million.

Mr. STANGELAND. The plant that you have now would do \$500 million?

Mr. McCORMICK. No, sir. Our volume is \$500 million. Of that, we procure between 65 and 70 percent from the commercial sector.

Our in-house volume would be approximately \$180 million.

Mr. STANGELAND. So the commercial value of the printing you do would be about \$180 million?

Mr. McCORMICK. Yes, sir.

Mr. STANGELAND. The equivalent of what the cost of a new building would be?

Mr. McCORMICK. That is correct.

Mr. STANGELAND. I have no other questions.

Mr. YOUNG. Mr. Cornwell?

Mr. CORNWELL. Thank you, Mr. Chairman.
Gentlemen, welcome.

Are there any plans, or do you have any direction going toward fitting up this new facility with solar energy?

I realize you said all electrical energy, but do you have any intent to include solar energy in your new facility?

Mr. LOXLEY. Yes, very certainly, at least to study it from an economical standpoint.

One of the problems with this particular facility is that much of the machinery within the facility generates a tremendous amount of heat, in and of itself.

So initially, we do not see solar energy used so much for heating as we might for cooling.

Mr. CORNWELL. So you look at it more as a cogeneration?

Mr. LOXLEY. That is correct. This would be brought out, the type of application, if any, for solar energy would be brought out in the initial program of requirements for the project.

Mr. CORNWELL. Mr. Childs, could you give me a brief description of what the makeup of the Brentwood site neighborhood is like now, and what, if any, demolition will you have to do, relocation, and how many people, and just that general makeup of that area?

Mr. CHILDS. Yes. It is as an industrial-type site, a factor which the Planning Commission in its deliberations considered important in trying to reuse an area by introducing uses which would be compatible with the type of development that is going on in the neighborhood.

We felt that the Brentwood site, which is industrial in character, does have heavy infrastructure coming into it—the railroad, and so forth—would be an ideal site for the type of activity, the type of noise generation and so forth, that the printing plant would produce.

There are nine businesses on the site now with a total of 833 employees.

We discussed with the District of Columbia government, which obviously was concerned about the people using the property as well as those who were living around it, potential relocation areas, and to the best of my knowledge, the District of Columbia Municipal Planning Office has worked out with these businesses reasonable relocation areas within the District of Columbia itself.

Mr. CORNWELL. Will some of this relocation take place on the land adjacent to the facility considered by the GPO?

Mr. CHILDS. I would have to ask Mr. Conrad to answer that.

Mr. CONRAD. It could, but these are throughout the District of Columbia, not necessarily in this corridor. And there may be some of the businesses who would like to go out into the region. They include construction-oriented businesses such as a concrete mixing plant and asphalt plant. There is also parking and repair of buses. These kinds of industries find it very difficult to locate in the District, because of the higher square foot value of the land in the central city, as compared to what it might be outside.

The major issue here is that the existing industries be compensated for the inconvenience of moving. And I think this has been assured by the process we have gone through.

Mr. CORNWELL. Mr. McCormick, I come from a business/manufacturing background myself. Before I was elected to Congress, I was in the process of trying to build a new facility, and my facility re-

minds me a great deal of what yours was yesterday, when we took the tour. It was straight up and very inefficient and ineffective.

How far in the future are you looking, as far as an increase in production volume? In other words, in determining the final design of your building, how much area will you have to expand, say, for warehousing or expanded production?

Mr. McCORMICK. Well, first of all, I would like to make sure we understand that we are talking about primarily an efficiency approval. We are not really trying to expand, at least in the types of work that we do.

Mr. CORNWELL. I realize that, yes.

Mr. McCORMICK. Now, obviously, the work that we do in-house will continue to grow, and there are going to have to be some alternative means to solve the communications problems, but I will not get into that.

We try to look right now, in our long-range planning, out to a 5-year horizon. Obviously, that is too short, but we are just starting in that area. We are going to try to look out at a 10-year horizon, so we can in fact determine what the volume of the existing work will be and what the impact of new technology is going to be.

We have committed to a reduction in the square footage from our present space. Now, most of that is going to be because it will be more usable space.

But I am convinced that with the exception of some of the press-room activities and the bindery areas, that we will be able to handle more volume in a smaller space, because the technology is going in that direction.

You saw the changes that exist between a linotype machine and our existing present electronic photocomposition type of activity.

Furthermore, we are going to go more into microform. Instead of printing the product, it will be produced in microfilm. Now, we will not do that in-house; we will buy that service. But all of these things are going to pull down the space requirements.

So, although there will be some moderate increases in the range of 3 or 4 percent per year in our in-house production, they are not going to be substantial.

Is that responsive to your question?

Mr. CORNWELL. Yes, it is.

You mentioned a while ago that you have facilities in Virginia and Maryland.

Mr. McCORMICK. Yes, sir.

Mr. CORNWELL. Well, do you in any way plan to incorporate these facilities in your new structure?

Mr. McCORMICK. Yes. This is the plan, that all of those outlying facilities would be brought back into the site that we are talking about, the Brentwood site. This is what Mr. Young was talking about earlier, the documents operations.

Those outlying facilities are what we call our documents operation, primarily our mail order sales business. We have some 400,000 square feet of space in Laurel, Md., and another couple of thousand square feet in Virginia, which houses two subactivities of the documents operations and a paper warehouse.

The major one is the Laurel, Md., facility, where we handle our mail order business for Government publications and sell publications to the general public through the mail. And this year, we expect to bill close to \$50 million for that type of activity.

Mr. CORNWELL. Is there any plan as to what is going to be done with these facilities after they are vacated?

Mr. McCORMICK. Well, these are leased facilities.

Mr. CORNWELL. I see.

Mr. McCORMICK. So, presumably, we have the capability of getting out of these leases.

Mr. CORNWELL. Thank you, Mr. Chairman.

Mr. YOUNG. Mr. Stump?

Mr. STUMP. No questions, Mr. Chairman.

Mr. YOUNG. Mr. Hagedorn?

Mr. HAGEDORN. No questions.

Mr. YOUNG. Mr. Loxley, according to the final environmental impact statement in this project, certain objections were voiced regarding increasing carbon monoxide levels at the proposed site. Have those objections been met?

Mr. LOXLEY. Yes, as a matter of fact, they have been met, and I think, quite conclusively. The objections in part were raised by the Upper Northeast community.

I have a letter here from the Council on Environmental Quality concerning their review of the final environmental statement.

The Council says:

The Council does not have the authority to approve or disapprove environmental impact statements. However, we did review the final EIS for its consideration of the issues you have raised, those being traffic-related impacts, and have discussed these issues with GSA.

We have also reviewed the report of the Inter-Agency Task Force—

The Inter-Agency Task Force was developed subsequent to the filing of the final environmental statement, and it included members of the National Capitol Planning Commission, the District Government, Department of Transportation and Environmental Services, the Government Printing Office, and the GSA—

which was formed to address relocation and traffic impacts connected with the move.

Based on our analysis of these materials, it appears that GSA and GPO are committed to mitigating any adverse environmental and social impacts connected with the move.

We received a clean bill of health from the Environmental Protection Agency and from the Council on Environmental Quality. We have had no adverse problems on this from any of the, I would say, 100 or more agencies that we have submitted the statement to.

In fact, one of the things that is quite a telling point, insofar as the traffic is concerned, is that the present tenants on the site generate somewhere close to only 11 less automobiles than GPO will during same period of time.

However, they generate close to 150 more trucks during the same period of time. GPO's truck traffic is small vans and panel trucks. The vehicles that are generated on the site presently are Trailways buses, concrete and cement trucks.

So there is a considerable difference in the amount of pollution that is generated. The District of Columbia, their Environmental Services,

and Department of Transportation, in going back over our environmental calculations for traffic, have found that they feel initially now that the level of severity of the traffic is not nearly as much as we had anticipated in that area; that the level is considerably lower.

Mr. YOUNG. I was going to ask Mr. Childs this question, but I will ask you. Does the District of Columbia City Council support this project in its proposed location?

Mr. LOXLEY. Yes, it does, sir.

Mr. YOUNG. Mr. Cornwell?

Mr. CORNWELL. Thank you. I have one other question for Mr. Childs, please.

What, if anything, according to the National Capital Planning Commission, will happen to the current GPO facility?

Mr. CHILDS. We have often discussed our role in deciding who leases GSA buildings, but we do not involve ourselves with that at the present time.

We have some ideas about what should happen in the downtown area, and we would like to see types of uses, as I referred to before, in terms of bringing people and life into that area.

We do not know who the GSA will designate as the proper people to lease the building, but we would like to see—a gratuitous comment at this time—the type of uses such as the bookstore on the ground floor. It is being used now; it brings life and activity into that street. People know about its location. In short, a tremendous volume of activity occurs there, and we would like to see that kind of activity happen in the future. Whether it is Federal use of a bookstore, or whether it could be responsive to some of the ideas Congress has been explaining using ground floor space within Federal building for private retail uses—I do not know.

But we would like to see that kind of activity on the street level, rather than just more offices.

Mr. CORNWELL. Well, you have seven floors on top of that.

Mr. CHILDS. We think that would not be in our domain to decide who would be most likely to go in there.

Mr. CORNWELL. Do you think the GSA—

Mr. CHILDS. Well, I will make another comment. I know that the Archives is looking for additional space. This building seems to be able to carry very heavy loading on the upper floors, which might be very appropriate for their type of use.

I know the Archives is also discussing some relocation potentials on Pennsylvania Avenue, so whether or not this is a feasible use, I do not know.

Mr. PACKARD. Mr. Cornwell, I think I would like to try to answer that question without answering it.

Mr. CORNWELL. You ought to be sitting up here.

[Laughter.]

Mr. PACKARD. Having had some years of dealing with the space situation in the District of Columbia, and just thinking that it will probably be at least 5 years before you would start phased move-out of the facility, I would hate to guess what the space situation may be at that time. Possibly we may have a new agency we would have to house very quickly.

Mr. CORNWELL. We hope not.

I asked you this question yesterday, Mr. McCormick, and I wish you would elaborate on it a little bit. How much problem will there be phasing out of the old facility into the new facility? I realize you are going to be stocking the new facility primarily with new machinery and new equipment, but you will have to transfer, I am sure, a great deal of your equipment. Will this cut down on your efficiency?

Mr. McCORMICK. I hope it will not cut down substantially. Obviously, there will be some inefficiencies, because we will be operating from two locations for a period of time.

Our present estimate is that that would be as much as 18 months to 2 years before we will be completely out of the old building from the time we started moving into the new one.

But we feel that there are work areas that we can move in total over a weekend, where we would not really have significant lost production time. So I think that, although there will be some inconveniences and, undoubtedly, some extra costs over our present method of operation during that 18-month period, I do not think it will be substantial in comparison with, say, the benefits that will ultimately be achieved.

Mr. CORNWELL. Thank you very much.

Mr. YOUNG. Mr. Childs, in your statement, you refer to the development of specific strategies to alleviate potential traffic impacts on the area of the proposed site. Could you describe what you mean on this strategy?

Mr. CHILDS. I would like to ask Mr. Conrad to answer that question, please.

Mr. CONRAD. Mr. Chairman, that was primarily related to the parking issue. This site was selected because of very good access to the New York Avenue corridor, to New York Avenue itself, plus the railroads, which would service the industrial type of activity in the printing plant.

In addition, there is the station at Rhode Island Avenue for the rapid rail facility. This can tie directly into the new GPO plant, which would cut down tremendously on the amount of traffic that would come into this area.

It would also have a byproduct of providing very good security for GPO by having a direct contact to the rapid rail facility—because they do have night shifts, three shifts for a 24-hour period.

The parking is gaged at 900, although the original proposal was for something like 1,200 to 1,300 parking spaces. There were further deliberations on the amount of parking; it was cut to around 900, with the proposition that at any one time, the Public Printer would not authorize more than 714 parking permits and 50 visitor parking spaces. The remaining parking spaces up to the figure of 900 would be for the overlapping of shifts in the GPO, because when cars are passing each other, all the spaces are not available.

Thus by utilizing these administrative types of procedures and capitalizing on the physical location of transportation facilities, we are able to cut down in regard to the traffic to this area.

Mr. YOUNG. Mr. Childs, are you satisfied that the majority of homeowners around the proposed site are not in opposition to the relocation of the GPO?

Mr. CHILDS. As I mentioned in my written testimony, we have had several presentations where the public was invited to come in and

present their viewpoints. As is normal in most of these cases, you get the citizens who are opposed to such activity, rather than the ones who favor it. But there were a surprising number of people who did encourage this kind of development taking place.

I know that several meetings have taken place, presentations within the community itself, and to the best of my knowledge, the majority of these citizens in the neighboring areas are not in opposition to the program.

Mr. YOUNG. Gentlemen, that seems to satisfy. If any other members have any questions—then I think we had better go.

Mr. STANGELAND. Yes. What do you anticipate that you will increase the amount of your printing over—you say that you are letting out 70 percent now—what do you see the increased amount of your actual printing being in the new facilities?

Mr. McCORMICK. Oh, I would estimate that probably, by the time we get into it, we will probably be producing 10 to 15 percent more than we are at the present level. But our outside commercial procurement is going to increase at an even greater rate—that is our projection.

Mr. STANGELAND. And then the other one, for the \$163-some million, is that just facility, just building?

Mr. LOXLEY. No, sir. That is total project cost.

Mr. STANGELAND. That is equipment and the whole bit?

Mr. LOXLEY. No, sir, that does not include new equipment. It does include moving, rehabilitation of the old equipment for the new plant, construction of the new plant, design of the new plant, all GSA expenses, management costs, purchase of the site, and relocation of the present tenants.

Mr. STANGELAND. No more questions.

Mr. YOUNG. Any other questions?

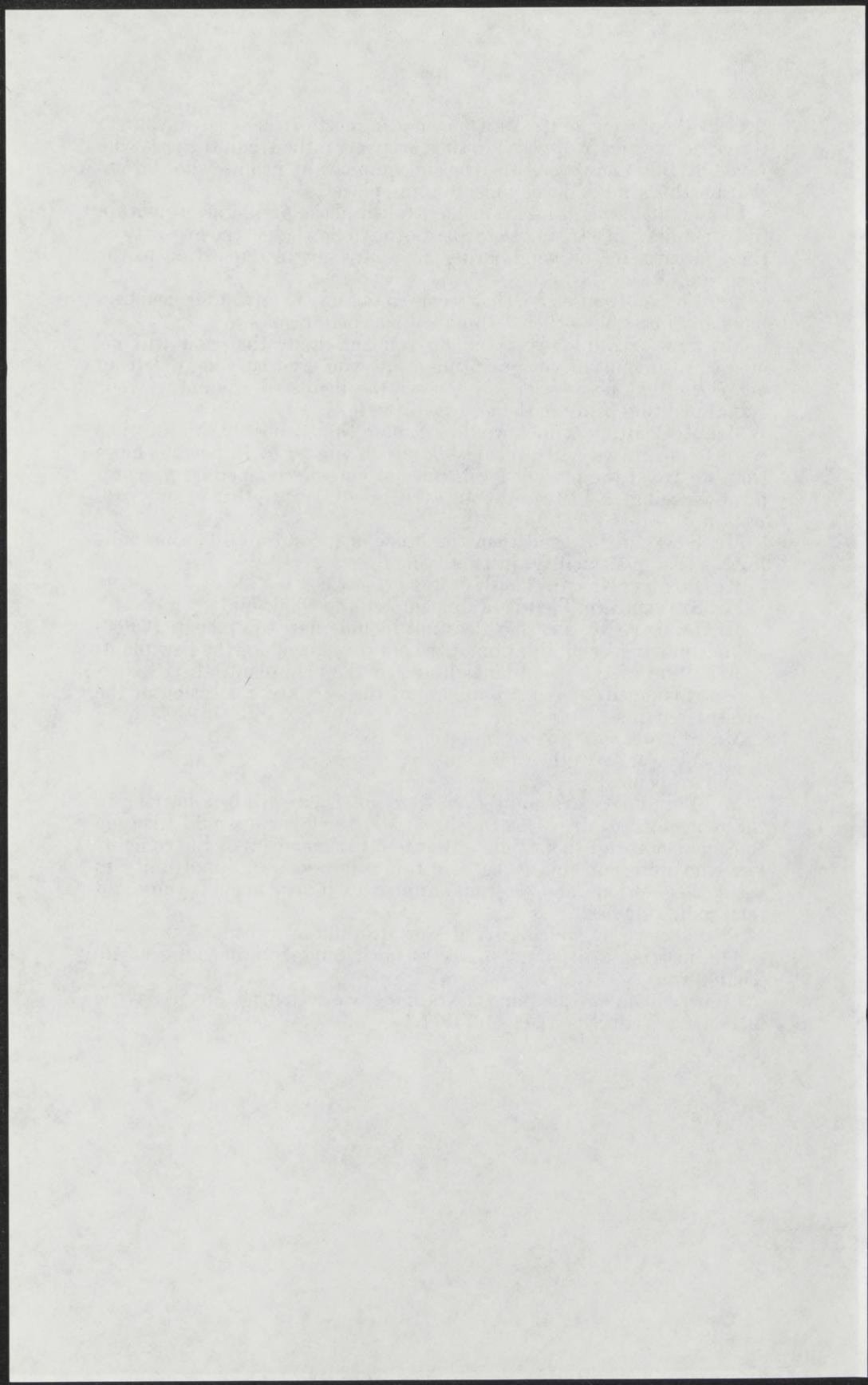
[No response.]

Mr. YOUNG. We are going to have to go. There will be a hearing in the morning, so Mr. McCormick, or Mr. Loxley, we would like you to come back, and that might give the other members of the committee, who were not able to be here this afternoon, an opportunity to ask some questions, and we would appreciate it very much if you could send somebody back.

Thank you very much, Mr. McCormick and everybody.

The meeting will stand in recess until tomorrow morning at 10. Thank you.

[Whereupon, at 3:05 p.m., the hearing was adjourned, to reconvene at 10 a.m., Wednesday, May 18, 1977.]



PROPOSED RELOCATION OF THE GOVERNMENT PRINTING OFFICE IN WASHINGTON, D.C.

WEDNESDAY, MAY 18, 1977

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, at 10:13 a.m., in Room 2167 Rayburn House Office Building, Hon. Norman Y. Mineta, chairman of the subcommittee, presiding.

Mr. MINETA. The Subcommittee on Public Buildings and Grounds will now come to order.

This morning we will be continuing to hear testimony relative to the proposed relocation of the Government Printing Office. I apologize for what happened yesterday afternoon in terms of the hearing becoming somewhat abbreviated because of the heavy floor schedule relative to the vote and to the bills that we had there. And I appreciate the courtesy shown by representatives of the GPO and GSA in returning here today.

For this morning's hearings, I would like to pick up on the witnesses here that we have scheduled for today, and then for the sake of continuity, after hearing today's witnesses, we will go back to GPO and GSA.

And I would ask GSA and GPO to very briefly recap their statements so that we might have further questioning.

At this point I would ask Mr. Joseph H. Hennage, Chairman, Joint Industry-Government Advisory Board, Government Printing Office, to come forward.

TESTIMONY OF JOSEPH H. HENNAGE, CHAIRMAN, JOINT INDUSTRY- GOVERNMENT ADVISORY BOARD, GOVERNMENT PRINTING OFFICE

Mr. HENNAGE. Mr. Chairman, I am Joseph H. Hennage, Chairman of the Joint Industry-Government Advisory Board of the Government Printing Office.

The Joint Industry-Government Advisory Board was established several years ago by the Public Printer to assist the Government Printing Office in improving operating efficiency, alleviate crowded plant conditions, and provide cost-effective service to Congress and the Federal agencies.

The advisory board is comprised of a select group of seven leading printers from private industry and six printing officers of major Gov-

ernment agencies who provide a vast reservoir of management, engineering, and printing expertise in an advisory capacity to the Government Printing Office.

After a comprehensive study of all aspects of GPO operations, personal inspections of facilities, and meetings with the Public Printer and his staff, the advisory board passed a unanimous resolution in 1974 recommending that the GPO could best effect major economies in products, material, and labor savings only in a new facility designed specifically for the types of products it produces. It was determined that the existing facilities do not economically lend themselves to cost-effective production or modern technology, especially in the areas of press, postpress, and material handling.

As a further reinforcement of the advisory board's recommendation for relocation of the GPO, I would like to cite the responses to a questionnaire distributed by the Printing Industries of America, Inc., to candidates for Congress last fall. One question concerned the relocation of the GPO to a tailored, modern facility. Of 155 respondents, 106 responded in the affirmative, 7 in the negative, and 42 did not respond to the question.

There is little doubt in the minds of the national printing community that the relocation and consolidation of GPO operations and the utilizations of modern technology will significantly improve the ability of the GPO to better perform its functions in a more cost-effective manner. A new facility would also result in a better and healthier work environment for employees along with an improved economic base for the District of Columbia.

The estimated cost savings of between \$15 million and \$22 million annually would be of benefit to all taxpayers.

The GPO's staff has worked with the National Capital Planning Commission, General Services Administration, and the District of Columbia government in the site selection process, and the Brentwood site is the most suitable for relocation of the GPO. The Brentwood site nearly meets all 11 site selection criteria as noted in the Environmental Impact Statement.

The GPO provides overnight printing for Congress and work for executive departments and the judiciary which cannot be procured commercially because of time constraints and other factors. A major part of the workload of GPO is the printing of the Congressional Record, the Federal Register, legislative hearings, bills, reports, and calendars for Congress, and certain urgent and classified work for the executive departments.

The Congressional Record is printed daily when Congress is in session, and ranges in size from 32 pages to 1,200 pages per day during the past 2 years. By custom, copies are delivered to the White House and Congress by 8 o'clock, the following morning.

The overnight delivery of the Record and other congressional documents necessitates location of the GPO in close proximity to the Capitol since accelerated delivery schedules of congressional printing, such as the Record, are not feasible to procure commercially.

The Brentwood site is about 2 miles northeast of the Capitol, and delivery time to Congress could be accomplished in less than 30 minutes.

As I stated previously, the Joint Industry-Government Advisory Board unanimously approves the relocation of the GPO into a new building at the Brentwood site, and recommends approval by your committee of this worthwhile project.

Mr. MINETA. Thank you, Mr. Hennage, for your statement.

Let me also thank you and your advisory board for all the work that you have been doing with the GPO over the last several years. I am sure that your contribution to GPO management and production practices has been substantial.

Our committee, as you probably know, had an opportunity this week to inspect the GPO main facility and to have discussions with the Public Printer, Mr. McCormick, and there is no question in my mind that there are some very serious shortcomings to the present facility.

Now, let us sort of do some role playing. I am going to ask you to imagine yourself in the position of the Government Printing Office, but in the private sector. So, in this case, you would be producing the same product; you would be in the same old outdated building; and you would have the same 8,364 employees.

Let me ask you, Mr. Hennage, how you would feel about asking your board of directors for a new plant costing some \$163 million to \$164 million with the kinds of savings that you are going to be able to accrue.

Given the same set of circumstances, would you not, as a manager, expect to do more work in-house rather than contracting 70 percent out with the new facility that is going to cost \$163 million or \$164 million?

On the other hand, how would you compare the productivity of GPO personnel with their counterparts in private industry?

And finally, I guess, with your wide knowledge of the printing industry, let me branch off to another part, and that is to us how you feel about the warehousing and mail-order facilities and functions of the Superintendent of Documents, which might be performed at a lower cost if they were located outside of the Washington metropolitan area?

Let me have you now sit in Mr. McCormick's place with your background in the private sector, and ask about your having to go to the board of directors?

Mr. HENNAGE. Well, Mr. Chairman, GPO is unique. It is unique in the first case because it has a captive customer. There is no parallel in the commercial industry to counterbalance that.

But, to answer some of your other questions, I would find it very difficult for any board of directors in the private sector not only not to approve but not to have insisted that this be done quite a long time ago.

Today, probably the productivity of GPO, and do not misunderstand the way I am saying it, is probably one-quarter—and not one-half—of the private sector. But it is not basically through fault of the employees.

If you took the tour through GPO, I am sure that you saw the facilities and the work conditions, which are compounded by the use of outdated machinery instead of the technology of modern printing.

Most of the equipment in the Government Printing Office is so far out of the date that it is just incredible.

The advisory board from the private sector is made up of people from Donnelley's and the big plants, and the small and medium-sized plants, who have an expertise in related areas.

When we look at the productivity of the two webs, for instance, that work on the Congressional Record, they were so bastardized in order to get them into the building and then fit them into the available space, Mr. Chairman, that a great deal of the potential for utilization of the technology was destroyed.

Today you could produce with modern technology, I believe, at least 25 to 35 percent more productivity for every employee. You are paying the highest wages in the country, by industry standards, to the employees of the Government Printing Office. Their wages are set by compiling wages that are paid in the major cities, which is a fair and equitable way of arriving at it in some people's opinion.

Technology is working for you only in typesetting, which you have proved, over and over, has paid for the great investment center that was put in.

So, to answer your question the best way I can, I believe all these statistics and all these figures prove that the investment center is going to be well worth while not only for the taxpayer but an even more important consideration is that, in my opinion, if you do not approve this, in the next 10 years you will not produce the Congressional Record. I say this because very recently I was in the building during one of those large volumes that came out, and they almost did not make it through no fault of the GPO except for technology.

I think you have a big decision, not only for the taxpayer and for the city of Washington, but for the future of Congress if you want your Record delivered the next morning, sir.

And I think that the statistics and figures, rather than emotions, back that up.

Mr. MINETA. Thank you very, very much.

Mr. HENNAGE. Thank you, sir.

Mr. MINETA. Mr. Walsh.

Mr. WALSH. Thank you, Mr. Chairman.

Mr. Hennage, I wonder if you could go to your testimony where you say that "A new facility would also result in a better and healthier work environment for employees." I certainly hope that that statement is true.

Then you go on to say, "along with an improved economic base for the District of Columbia."

Now, the proposal is to cut down on the number of employees through attrition and actually spend about \$16 million less money. I wonder how you see that as improving the economic base of the District of Columbia?

Mr. HENNAGE. That is an interesting question that you ask.

I think when we were discussing the statement, which frankly we worked over rather than just coming up and giving you a lot of words, but we were discussing the new facility and the impact in the northeast area of the city. There is no question that from all the statements that I have heard, Congressman, the present facility would be revitalized either as an office building or something—so that it would not simply

go out of business; and the northeast section of the town—from the District of Columbia side—is one of the depressed areas, both economically and from the standpoint of bringing new life into the area.

Now, the statement may not give it that way, but that was the thinking behind the statement. After listening to you, there could be another interpretation.

But that was my interpretation.

Mr. WALSH. In the next paragraph, Mr. Hennage, you mentioned a \$15 million to a \$22 million annual savings.

We have been kicking a figure around here of about \$16 million. I wonder how it suddenly got to \$22 million?

Mr. HENNAGE. Well, frankly, a group of us sat down independent of GPO, and we used just—well, in fact, I used my own computer, to be honest with you, that we have. And I run a small business in the District of Columbia.

So we did this just from knowing the difference in equipment. It is possible to predict an hourly output from what is available in technology today, Congressman, as against what you are putting out today, and to be honest with you, to arrive at a greater savings than that.

But then you get into the problem of it looking like you are just trying to balloon it.

It is a realistic figure, I believe.

Mr. WALSH. Which is realistic, the savings of \$15 million or the \$22 million?

Mr. HENNAGE. Within that area of it. And actually I did not try to arrive at one figure or to pinpoint it.

Mr. WALSH. Why is commercial printing of the Record not feasible?

Mr. HENNAGE. Well, you have very unique conditions. Let us take the Congressional Record.

You could produce the Congressional Record because companies would produce it on a guaranteed contract. And it may sound strange coming from the private sector, but I believe that you would pay up to double for the Congressional Record.

It is a captive job. You have a very unique situation in the Government Printing Office and Congress. I do not have any customer that I know that—

Mr. WALSH. We print about 50,000 every evening, I understand.

Mr. HENNAGE. Well, sir, you are talking in terms of 50,000 times 1,000 pages, or 500 pages—which is a good norm, and you are talking in terms of millions of printing and binding sheets. You are also talking about the unique situation of 1,000 pages set in type and proofread. It has to be accurate within tolerances. And you are talking about all of this being done at one time.

GPO's size has been predicated—

Mr. WALSH. So you do not think it would be feasible for private industry?

Mr. HENNAGE. I honestly do not believe so.

Mr. WALSH. That is all I have, Mr. Chairman.

Thank you very much.

Mr. MINETA. Mr. Cornwell.

Mr. CORNWELL. Thank you, Mr. Chairman.

Mr. Hennage, I asked some questions yesterday of some of the people who were here, Mr. Childs from the National Capital Planning Commission, and Mr. McCormick, who is back this morning.

Now, at what cost to the taxpayer will the demolition and renovation of the site for the new building cost?

Do you have any idea?

Mr. HENNAGE. I am really not qualified to answer that. Mr. McCormick would be better qualified.

The Advisory Board has stayed more in the area of technology and operating in an advisory capacity to the Public Printer. And we have not gotten involved in that area.

The site selection, for instance, we were involved. We did make some strong recommendations on that. But the cost factor was something that we did not feel that we were qualified to get in the area of construction, demolition, acquiring the land and that cost.

Mr. CORNWELL. OK.

Then I will get back to that later.

What will the old facility be used for after the move?

Mr. HENNAGE. Well, my understanding is that the Capital Planning Commission has said—at least this what it has said in public—that it is going to be renovated as an office building. And my understanding is that it fits in category 3, which has some historical significance, but is not a high priority.

The building itself has good floor strength and everything. The problem is that the building is outdated for modern technology. You could, for instance, go into GPO and put in the same type of technology that the advisory board is suggesting to you gentlemen, and you would spend three to four times as much and, I doubt, be able to get it in the square footage area.

For instance, any modern plant today doing one-tenth of the volume of GPO is now on one level. There is just an incredible amount of money being wasted in material handling—trucking it across the street—and paper storage. And, gentlemen, you can go see it. It is not a story that has been built up.

I would love to take the time and take you gentlemen on a tour from my eyes, as practical printer—instead of having one of the GPO staff do it.

Mr. CORNWELL. We did not get quite a comprehensive tour 2 days ago.

You talked about the renovation of this old building. And again you may not be the person to ask, but do you have any idea at what cost it would take to renovate the building, say, for storage for the Archives—that is, other than a manufacturing plant itself?

Mr. HENNAGE. Well, I can only relate to it. I am president and owner of Hennage Creative Printers, which is at Ninth and H Streets, and that is an old laundry building that is similar in construction to the GPO. It has 70,000 square feet. Our gross product is about \$3.5 million a year.

And in GPO you already know the millions of dollars. So there is a very big difference in relationship.

But I am one of the smallest, most automated and sophisticated equipment printers in the country. We have probably one-half the same number of employees that a firm doing the same volume of business has. Our employees are the highest paid because of the technology.

So it is a counterbalancing thing.

In our building we just put in a press that cost about one-half million dollars. It is a small five-color one with a console computer. And just to get the wiring into that old building and to change it around and work around the columns and everything, we spent over \$200,000 on just one piece of equipment and moving stuff and things because we are not on a one-level modern facility.

Now, that is a management decision of my company because we want to stay in the heart of Washington because all our clients are there. We operate on four floors and our operating costs, as against a modern facility of the same size, are driving us crazy.

Now when you factor the costs for my establishment against the GPO, well, it is just incredible. We are at a size where we can live with the additional cost and manage it from a practical standpoint; but, if we double our size, we are going to have to sell our building and move. It is as simple as that.

Mr. CORNWELL. Mr. Chairman, just because I think it is necessary, I would state that we are talking about construction of a \$153 million building. And I think it is important to realize what it is going to take moneywise to do the demolition and renovation on site of the new facility, and then again to see what it is going to cost the taxpayers to fix up the old building to, I say, have the Archives move in for warehousing, storage, or whatever. Because this is going to be the total cost, and so we are not just talking about \$164 million here. And I think it is important that we realize what the total figure is going to be once—

Mr. WALSH. If the gentleman would yield on that.

I think the figure is something like \$243 million and some \$163 million for the new building and \$40 million for new equipment, and another \$40 million for renovation.

Mr. CORNWELL. That is according to a study done by GSA in 1976.

Here it is 1977 now and we are fast approaching 1978 and—

Mr. WALSH. I do not know whether the construction costs are escalating the way they used to, but when I was in the construction field, we figured 1 percent a month as an increase in construction costs. And I bet it is around 1½ percent now.

Mr. MINETA. I suggest we get into this a little later on in terms of some of the other figures that have been mentioned regarding additional costs.

We will stand in recess right now to come back at 10 minutes to the hour.

Mr. HENNAGE. Mr. Chairman, are you through with me?

Mr. MINETA. Yes.

I do not believe we have any further questions of you, Mr. Hennage. Thank you very much for your contribution here today as well as what your advisory board has done.

Thank you very much.

[Short recess.]

Mr. MINETA. The committee will reconvene.

Next, we will have G. William Teare, Jr., president, Printing Industry of Metropolitan Washington, D.C.

Mr. Teare.

TESTIMONY OF G. WILLIAM TEARE, JR., PRESIDENT, PRINTING
INDUSTRY OF METROPOLITAN WASHINGTON, D.C.

Mr. TEARE. Mr. Chairman, my name is G. William Teare, Jr. I am president of Printing Industry of Metropolitan Washington, D.C., an affiliate of the Printing Industries of America. I am pleased to appear before you today in support of the relocation of the Government Printing Office to a site in the northeast section of the District of Columbia.

Our industry has a unique interest in the operation of the Government Printing Office.

As the largest trade association in the graphic arts industry, we are conscious of the fact that our members locally and nationally perform the majority of the work commercially procured by the GPO. More significantly, our association has attempted to upgrade the standards of our industry and promote technological advancement.

It has long disturbed us that the Government Printing Office, because of its outmoded physical plant, has not been able to utilize these advances. It is our position that the GPO not only should have an opportunity to pursue modern practices that result in a truly cost-effective operation, but further be in the forefront of such innovation. This has been impossible with the present facility. Such a course can only be realized in a modernized plant.

Aside from the opportunity to implement a cost-effective operation based on modern methods, we note with approval that these gains can be realized while expanding the economic base of the District of Columbia consonant with proper land use criteria.

More importantly, the relocation project will improve the working conditions of the GPO work force to a greater extent than that attainable in the present facilities.

In view of our previous concern that "modernization" was actually expansion at the expense of private industry, it appears that the relocation proposal is, in fact, a modernization and not an expansion that would increase competition with readily available private industry capacity. On this basis, we support the modernization embodied in the relocation proposal.

The Printing Industry of Metropolitan Washington, D.C. appreciates having an opportunity to comment and offers its support for the relocation as presently outlined.

Thank you.

Mr. MINETA. The Chair thanks you very much for your statement. You contend that the Government, through the GPO, should be in the forefront of technical innovation for the printing industry. And at the same time I think we say that technical progress is also the result of competition.

It appears your organization is supporting this only as long as this relocation of this facility does not mean competition with the private sector in producing the printing for the Government.

I was wondering, is there sort of a dichotomy here that you have?

How do you explain or reconcile that?

Mr. TEARE. It might appear to be a contradiction in the statement, as you say, Mr. Chairman. But I think the private sector and the Government should work hand in glove in technological development. And by Government, I am saying the GPO.

The printing industry itself is relatively low-margin industry which does not have the resources and the capital to make major research and development advances on its own. It depends upon the newspaper industry for many innovations, and it depends upon other areas in the private sector.

As a matter of fact, the average profit on sales of the industry is about 4½ to 5 percent, which is a relatively low margin in a national industry.

Therefore, the industry itself would be benefited by innovations within GPO which the industry itself can utilize and conversely would benefit the GPO.

Mr. MINETA. Again let me go back to a previous question I had asked of Mr. Hennage.

In terms of going to your board of directors and asking for \$164 million, you would feel justified in being able to make that kind of request of your board of directors?

Mr. TEARE. I would cite Mr. Hennage's response in the sense that we are dealing in two different environments, in the sense that GPO is a captive operation.

But I think that my board of directors would fault me significantly if I did not come to them and say we have an outmoded operation, it is costly, it is not cost effective, it is obsolete, and we have to move into the future.

I would not be doing my duty as the president of a company if I did not make similar recommendations.

Mr. MINETA. What about this other issue of the warehousing and the distribution of Government printing, and it being relocated to a lower cost area?

Do you think that there are efficiencies in terms of cost, Mr. Teare, that might be made if the Superintendent of Documents were not located here in the same facility?

Mr. TEARE. I am not qualified to respond to that question, Mr. Chairman.

Mr. MINETA. That is fine. Thank you very much.

Mr. WALSH.

Mr. WALSH. Thank you, Mr. Chairman.

Mr. Teare, I wonder if you could give us the names of the five largest printers in the country?

Mr. TEARE. In terms of what, sir?

Volume?

Mr. WALSH. In terms of volume.

Mr. TEARE. I can try.

R. R. Donnelley from Chicago. Arcata—

Mr. WALSH. What is that?

Mr. TEARE. A-r-c-a-t-a.

Mr. WALSH. Where are they located?

Mr. TEARE. Arcata is headquartered in California.

George Banta Co., in Wisconsin.

Mr. WALSH. What is the last name?

Mr. TEARE. B-a-n-t-a.

Times Mirror and Courier Citizen.

Mr. WALSH. Curtis?

Mr. TEARE. Courier Citizen.

Mr. WALSH. Somebody mentioned to me that IBM was in the printing business.

Would you go along with that idea?

Mr. TEARE. It is a question of what is the definition of the printing business, sir.

IBM, in fact, has a lot of captive operations. IBM also, like the Government Printing Office, contracts much work out. And our firm does a lot for IBM, too.

So that if you define as in-plant, captive, then, yes, they are in it. But they are not in it to the extent of being called a commercial printer.

Mr. WALSH. If you were placed in the same position we are, Mr. Teare, which one of these companies would you suggest that we talk to about an operation similar to the GPO?

Mr. TEARE. I would talk to them all, sir.

Mr. WALSH. On the question of private industry doing the printing of the Record, how do you feel about that?

Mr. TEARE. Once again, I think that Mr. Hennage answered that very well.

I would add to it that the price of doing it would be based on the resources that a private company would have to have to accommodate the variable workloads dictated by the Record.

For example, we are talking about one day it might be 32 pages, and another day it might be 1,000. And there would be no way of anticipating, within a given time period when that peak was going to be.

So the private sector would have to be staffed in order to accommodate any sized publication coming out. And that is an expensive proposition.

Mr. WALSH. Thank you very much, sir.

No further questions, Mr. Chairman.

Mr. MINETA. Mr. Cornwell.

Mr. CORNWELL. I have no questions.

Mr. MINETA. Mr. Ginn.

Mr. GINN. Thank you, Mr. Chairman.

Mr. Teare, why do you think the facility has to be relocated to a site in the District of Columbia? Why cannot at least some of this work be performed in St. Louis or Atlanta, Ga., or Savannah, Ga., more specifically? Why does it all have to be in Washington?

Mr. TEARE. I think the question is one of logistics, and communication with the Congress.

Mr. GINN. Am I not correct in assuming that a great deal of this work, with respect to things like Yearbooks of Agriculture where there is no particularly pressing time limitation, could be printed anywhere?

Mr. TEARE. I think there is varied product mix that comes out of the GPO, but I think the majority of the work is time dictated.

Mr. McCORMICK. We buy yearbooks commercially.

Mr. TEARE. Many of the things which have no time constraints on them, sir, I am sure, go out to the private sector.

Mr. GINN. What percentage of the work is presently being done at the GPO's present facility?

Mr. TEARE. The 30 percent figure is the one we are familiar with.

Mr. GINN. What do you propose we do with the existing facility once this relocation is accomplished?

Mr. TEARE. Sir, I am not in a position to respond to that.

Mr. GINN. Thank you, Mr. Chairman.

I have no further questions.

Mr. MINETA. Mr. Teare, thank you very much for your contribution toward the committee's deliberations on this item.

Oh, excuse me, I am sorry.

Mr. Stangeland?

Mr. STRANGELAND. No questions.

Mr. MINETA. Thank you very much.

At this time I would like to call on Mr. James W. Shields, chairman of the board of Judd & Detweiler, and representing the Metropolitan Washington Board of Trade.

TESTIMONY OF JAMES W. SHIELDS, CHAIRMAN OF THE BOARD OF JUDD & DETWEILER, INC., REPRESENTING THE METROPOLITAN WASHINGTON BOARD OF TRADE

Mr. SHIELDS. Good morning, Mr. Chairman and members of the committee.

My name is James W. Shields, I am chairman of the board of Judd & Detweiler, Inc., Washington's largest remaining private printing enterprise located at Florida Avenue and Eckington Place NE. I am also an active member and supporter of the Metropolitan Washington Board of Trade.

With me this morning is Clarence Arata, executive vice president of the board of trade. He is in the audience.

Today I will speak briefly in behalf of both organizations on the matter before you—a prospectus relating to the proposed construction of a new Government Printing Office to be located on a site within the District of Columbia.

The subject of a new Government printing facility has been discussed in Congress for a long number of years. The mere fact that it has been under consideration for 20 years is, in itself, perhaps convincing proof of the need for a new, modern, efficient printing plant to serve the Government's requirements.

We have given considerable attention to this matter and I appreciate the opportunity to express our thoughts to you now.

Speaking in behalf of Judd & Detweiler, we have had many years of close association with the Government Printing Office as a supplier of printing to them, as a customer purchasing their products, as a neighbor, and in years gone by, as a reluctant source of many of their employees.

We know from firsthand experience of the problems of working in a multistory complex of old and new buildings, and we endorse the proposed move as a long overdue means of achieving increased production efficiency and cost reduction—notable goals for any government operation.

Suitable locations within the District of Columbia are extremely limited, and we believe the benefits to the community of keeping an enterprise the size of the Government Printing Office in the District far outweigh any disadvantages that might accrue.

Second, I have been authorized by the board of directors of the Metropolitan Washington Board of Trade to inform you of a resolution adopted unanimously endorsing the relocation of the U.S. Government Printing Office to the proposed site within the New York industrial corridor.

The board of trade has followed this project closely, and supports it because we believe it will:

1. Increase the efficiency of printing service to Congress and other Federal agencies;
2. Provide the District of Columbia with a much needed economic base and retain substantial skilled employment to area residents;
3. Provide a major public building project at a time when the construction industry needs a boost;
4. Assist in accomplishing the objectives of the National Capital Planning Commission's comprehensive plan for the Nation's Capital;
5. Provide Government Printing Office employees with a better, healthier working environment;
6. Provide Federal savings of between \$11 and \$22 million annually thereby reimbursing construction costs over a relatively short period of time; and
7. Free up the present Government Printing Office for other Federal purposes.

This is the Federal City—the Nation's Capital. It is the seat of the country's legislative, executive, and judicial systems, and it is essential that those systems which include GPO have the physical plant necessary to provide their services to the entire Nation.

We are convinced that this project is not only in the best interest of the District of Columbia, but all Federal taxpayers who benefit from the existence of the Government Printing Office. This proposal is one of the few that will provide an acceptable return on investment—it is deserving of your support.

Thank you.

Mr. MINETA. Thank you very much, Mr. Shields.

I am interested in your comment that you have had firsthand experience of the problems of working in a multistory complex of old and new buildings.

First of all, how many employees does Judd & Detweiler have?

Mr. SHIELDS. We employ about 320 people in the Washington plant.

Mr. MINETA. And how did you solve your problems in trying to deal with a complex of new and old multistoried buildings, as far as the technological improvements, the machinery, having columns, having multistory operations? How have you handled those problems?

Mr. SHIELDS. We are located at the corner of Florida Avenue and Eckington Place, the first original building was built in 1916. We have completed eight building additions to that. We call them building No. 1 through building No. 8.

Ten years ago we had a very comprehensive study made, and plans to buy the whole corner, and go on up the block toward North Capitol Street, Mr. Chairman, but the final conclusions as to how we could operate in a three-story building showed problems.

The vertical movement of the volumes of paper—that is, the completed signatures that we have to move—is very wasteful. It takes its toll on the elevators, the vertical conveyors, and damage to the skids.

I do not know how many skids get damaged because they bump over as they are going across the gap between the elevator and the car, and the floor. So you spoil work that way.

We have solved the problem, because in 1961 we went to Baltimore, and had an opportunity to buy a small plant over there. We developed that plant on a one-floor basis. And a year and a half ago we started a third operation in Strasburg, Va., on a one-floor basis. And the savings is just tremendous.

We do not have to strap the work. We can move it from one side of the building to the other, from the pressroom to the bindery room. It is a simple, easy move on a fork truck.

If you put it on an elevator, and you ship it from one place to another, or up and down very many times, it has to be strapped down, or else it is all on the floor. When you get to the columns, different floor loadings, and air-conditioning—and air-conditioning is almost a must nowadays—to try to put all of this in an old building becomes very difficult and costly an operation.

Now, on a one-floor plan—for instance, we have plenty of ground at our other locations—and we just extend the building. It is very simple, but the extra cost of building into three floors, where we have to do a lot of excavating, and so forth, you see, is time consuming and expensive.

I would guess it costs probably twice as much per square foot to do that—and maybe that is more nowadays, because we have not built anything for about 6 years in Washington—but, for instance, we just finished a building extension in our Shenandoah plant, which was done very rapidly. We broke ground in August, and we had a press that started to go in in November.

I do not think anybody has ever heard of building a printing plant in that kind of time. It is just unheard of. But it can be done—and the cost savings is substantial.

Mr. MINETA. Was that tilt-up construction?

Mr. SHIELDS. No; it was a metal wall, like a Butler building type.

Mr. MINETA. Thank you.

Mr. Walsh?

Mr. WALSH. Thank you, Mr. Chairman.

Mr. Shields, you mentioned the cost-savings figure of \$22 million, which is \$6 million more than GPO estimated.

What is the source of your information?

Mr. SHIELDS. My source is the Government Printing Office. As I said, we have a very close relationship. We have been working on this project for some time, and these figures are not the most recent ones that they have. So I have to rely on them, you see.

I have not made any investigation on my own, or anything else. I mean, that was one of the points that they made in seeking our support of the move. So I would defer that to Mr. McCormick.

Mr. WALSH. Has the GPO, in general, sought the support of the printing industry in Washington?

Mr. SHIELDS. Oh, in many respects, we and they work together cooperatively.

Mr. WALSH. I mean on the need for new building.

Mr. SHIELDS. When you say "generally," it is a little hard to answer. I can remember—

Mr. WALSH. Well, let met put it this way. Have they lobbied the printing industry to help them get a new building?

Mr. SHIELDS. No, sir. No; we are here on our own behest, because we are taxpayers, and we feel that the move is sound.

We fought the move a number of years back, where it looked like it was going to become a great production center, and take back so much of the work that is being farmed out. And this is not in the plan. This is why we support it.

Mr. WALSH. In the original plan there was 600,000 square feet more than projected for the new building. Is this the plan that you speak of?

Mr. SHIELDS. When you say "original plan," I do not know whether you are talking about the Harrison one—and that is the one we fought—or what. When you say, "the original plan," what do you mean?

Mr. WALSH. Well, the proposed building is 600,000 square feet less than the building that had been projected before. I do not know what they planned to put into that 600,000 square feet.

Mr. SHIELDS. I do not, either.

Mr. WALSH. I was wondering why the printing industry is now supporting the new building.

Mr. SHIELDS. It is the principle that we as an industry, Congressman, believe the Government Printing Office has a unique responsibility which they alone can fulfill.

On the other hand, there is much of their work that can be done at a good savings by farming it out to the general printing industry. We believe that. We think it is sound, that is why we fought it before. We did not think the work should all come back and be done in the Government facility.

Mr. WALSH. Apparently you have expanded your own business quite a bit in recent years. How far would you estimate that the Government Printing Office operation is behind your own operation in terms of technology?

Mr. SHIELDS. Oh, I do not know. Printing technology moves very rapidly. So, if you say 10 years, I do not know really how to pinpoint that. But I would say that is a minimum, because there are better ways of printing the signatures. Handling the materials is the most acute problem that they have at the Government Printing Office.

I can say 10 years, and I guess that is a good number, but—

Mr. WALSH. Yes, sir, I wanted a ball-park figure; and that is close enough. But apparently they are behind in the material handling and also in the new techniques and technology?

Mr. SHIELDS. Very definitely.

Mr. WALSH. Thank you.

Mr. MINETA. Another vote, I see.

At this point we will recess again.

[Brief recess.]

Mr. MINETA. The subcommittee will reconvene. Mr. Cornwell, do you have any questions?

Mr. CORNWELL. I do not believe I have any questions right now.

Mr. MINETA. Mr. Ginn?

Mr. GINN. Thank you, Mr. Chairman.

Mr. Shields, as chairman of the board of a very fine company, obviously you are a good businessman, so we want to thank you for sharing your testimony with us today.

In your statement you stated that if we go forward with this project and relocate GPO to this new site and into a new facility, that we would "achieve increased production, efficiency and cost reduction." What do you mean by "increased efficiency and cost reduction"? Could you be more specific?

Mr. SHIELDS. Well, the first big savings that you would have is in materials handling. The fact that you have a preengineered location for all of your materials, and then an even, smooth work flow in a straight line through your composing room to the preparatory work, to the presses, to the binding and shipping—these would all flow evenly, instead of up and down the elevators and so forth.

We have seen at least 15 percent savings in just materials handling, because you have adequate space, and it is engineered for the job.

Our building has been built, as I said, from 1916 until the last building that we built, which was in 1968. There was no way in 1916 that they would know what we are going to be producing today. And I am sure the same is true at the GPO.

I can speak with authority about my own business, but not as to theirs. But it has to follow that when they designed and laid out the GPO the work was done differently than it is these days, sir. There is not adequate storage facilities space in front of the binding machine that is binding the Congressional Record, for instance. So you need a lot of space.

It has to be preengineered for proper racks and for proper movement of equipment. The other thing that you will achieve a big savings in is the saving of the operators walking around; I mean the movement of the personnel in the course of his doing his job.

When you have a well-engineered plant layout, then you do not have to go from one floor to the next to get from the prep to the press room, and moving your plates up and down and back and forth, which we all do in the constraints of an old building.

You build what you build because there is where you have the space, but not where it belongs.

Mr. GINN. How many employees presently work at the existing location?

Mr. SHIELDS. In our company?

Mr. GINN. No; with GPO.

Mr. SHIELDS. I think it is something like 8,000, but I am not familiar with that.

Is that right, Tom?

Mr. McCORMICK. 8,300 total. At our central office we employ about 6,800.

Mr. GINN. Do you think we could effectuate an employee reduction with this new facility?

Mr. SHIELDS. Their projections indicate that they would do that, yes.

Mr. GINN. You said in your statement that you are, as a customer, purchasing their products. What do you purchase from GPO?

Mr. SHIELDS. We purchase quite a few of their books from the Superintendent of Documents, studies that they make. We purchase different processes manuals and economic reports.

Mr. GINN. You state that you are a reluctant source of many of their employees. Do you mean by that you train people and they then go to work with them?

Mr. SHIELDS. I said in years gone by, Congressman, because it has not happened in the last 5 or 6 years. But, yes, there was a disastrous period for the local printing industry right after World War II when the Government Printing Office's scales were higher than ours—and they still are—and they had the hire window open. They needed people. And our people went down there in droves.

Mr. GINN. Is the GPO paying employees a higher wage than you are, on the average?

Mr. SHIELDS. Oh, yes, sir.

Mr. GINN. We tend to hear frequently that private industry pays higher than Government.

Mr. SHIELDS. I know you do, and I have testified against the formula that is used. You see, the formula is a weighted average of a number of the big cities, and then they do a lot of adjustments for various fringe benefits and things like this. But the result ends up that right now, for example, a compositor is getting about \$1.50 more than our local Washington scale.

Mr. GINN. In wearing your other hat and speaking for the board of directors of the Metropolitan Washington Board of Trade, and referring to their resolution, which is item No. 3—"this new facility would provide a major public building project at a time when the construction needs a boost."

Do you think it is desirable for the Federal Government to boost the economy of this area by building this facility?

Mr. SHIELDS. You see, I am wearing the hat of the board of trade, and from the board of trade's standpoint it is a plus, yes. But, we are happy to have any business in Washington that we can keep. And we need it all—believe me.

Mr. GINN. Well, we are talking about \$164 million for this new facility and another \$40 million for new equipment and another \$40 million or more to renovate the existing facility before it can be used for anything else.

So this entire operation means we are talking about some \$240 million to \$250 million. Now, most of the businessmen in my district write me that they want to see the Federal budget balanced, and our President says it must be balanced, and some of us here in Congress think it should be balanced.

I would imagine that you, as a businessman, would like to see the Federal budget balanced.

Do you think, then, that this \$240 million is an absolute necessity at a time when we are trying to balance the budget?

Mr. SHIELDS. I do not have any question in my mind that it is a valid and a good and necessary expenditure, sir, from the justification that we have seen and heard.

Now, I do not have any way of knowing all the other things that go into balancing that budget. You know a lot more about it than

I do. And I cannot, from a single viewpoint, make a decision and say, Yes, I think so.

I mean, if we use your numbers and we use the figures as to the savings that are going to be generated, I think if we do that—and you have a payout of, say, 10 to 12 years—so that I think that considering this, that is unusual for a Government project. And I think—

Mr. GINN. Well, before you get the impression, Mr. Shields, that I am violently opposed to the proposal, let me clarify my position. I am not opposed to the proposal, I am simply put in a position, as all of us are here in the Congress, of seeing our mayors and county commissioners coming to us, rather than raising local taxes, for countercyclical and revenue-sharing funds.

Mr. SHIELDS. Sure.

Mr. GINN. And our Governors run on platforms of not raising the taxes, but they come here for their road money and dams and so forth.

So it places us in the position of being big spenders and constantly at odds with the chamber of commerce, for instance, who is opposed to all of this Federal spending.

But I guess it kind of depends on whose ox is being gored.

Mr. SHIELDS. Absolutely.

Mr. GINN. So I am not opposed to the project. I definitely agree there is a need for improving facilities at GPO. It is a fine operation in our Federal Government, and it is badly needed.

I appreciate your candid answers. Thank you, sir.

Mr. SHIELDS. Thank you.

Mr. MINETA. Mr. Cornwell?

Mr. CORNWELL. Thank you, Mr. Chairman.

Mr. Shields, I would like to address you for a moment as to your role of a supporter and an active member of the Metropolitan Washington Board of Trade. And I would like to go back to your reasons why the board of trade followed this project closely and has supported it.

It is stated, "provide a major public project at a time when the construction industry needs a boost."

Now, has the board of trade estimated how many people this will employ and over how long a period of time? Has any study been made about that?

Mr. SHIELDS. I do not believe we have made a study. I mean, it is just obvious that a big project like this is going to do a good job for the local building trades.

Mr. CORNWELL. I agree with that. You have no idea, however, of the numbers and the construction timetable?

Mr. SHIELDS. No, I do not.

Mr. CORNWELL. And No. 4 then says, "assistant in accomplishing the objective of the National Capital Planning Commission's comprehensive plan of the Nation's Capital."

Would you tell me a little bit about what that plan is?

Mr. SHIELDS. I cannot tell you in detail, but the Planning Commission has a great deal of interest in maintaining some industry in Washington, D.C. All of us who operate businesses here know that the burdens of the cost of operating the local city fall heavily on the few remaining businesses that we have.

Therefore, the Planning Commission planned the industrial complex in the area where we are located—well, the new GPO location is adjunct to that. And it is about the only place that you can have an industrial complex. And I think the city needs it.

And I think this is basically what we had reference to there.

Mr. CORNWELL. Thank you, Mr. Chairman, and Mr. Shields.

Mr. MINETA. Thank you very much, Mr. Shields. I do not believe there are any further questions. We do appreciate your taking the time to appear here.

Mr. SHIELDS. I appreciate the opportunity to have been heard. Thank you.

Mr. MINETA. Thank you.

At this time I would like to call on Mr. Joseph F. Curtice, representing the Washington Building and Construction Trades Council and the Greater Washington Central Labor Council of the AFL-CIO.

Mr. Curtice?

TESTIMONY OF JOSEPH F. CURTICE, LEGISLATIVE AND BUSINESS REPRESENTATIVE, REPRESENTING WASHINGTON BUILDING AND CONSTRUCTION TRADES COUNCIL AND GREATER WASHINGTON CENTRAL LABOR COUNCIL, AFL-CIO

Mr. CURTICE. Thank you, Mr. Chairman.

First, before I go into my testimony, I would like to say a word for Robert E. Peterson, president of the Greater Washington Central Labor Council. He is also secretary-treasurer of the Columbia Typographical Union. He has an election today, and I am sure that you gentlemen, if you were having an election, you would be around the polls somewhere, which I am sure Bob is.

But I talked to him at our meeting the other night, and he asked me to speak for him. I said, "Bob, will you write a letter in to the committee?" and he said that he would. So you will have a letter coming in to the committee from the president of the council.

I am the first vice president and I am allowed to speak for him.

Mr. Chairman, I am Joseph F. Curtice, legislative and business representative of the Washington Building and Construction Trades Council.

I appreciate the opportunity to appear before this committee in support of the U.S. Government Printing Office relocation project. I am certain that every Congressman present here today is aware of the depressed condition of the construction industry, especially in the Washington, D.C., area.

I know of no place in the city of Washington that would displace less people than the site currently under consideration. What the council is more interested in than anything else is the building itself. We want the building, we want to put our people who live in Washington, D.C., back to work again, get them off of welfare, put money back into the D.C. government, and provide the Congress with an efficient cost-effective printing facility.

Everyone talks about efficiency in government; well, you are being offered an opportunity to do that today, the effect of which will reduce the workingman's taxes and put more money into the economy.

Thank you.

Mr. MINETA. Thank you very much, Mr. Curtice.

You mentioned the depressed construction industry here in the Washington, D.C., area. How does the unemployment rate in the building trades for the Washington area compare with other areas of the Nation?

Mr. CURTICE. Well, from some conventions and things, it compares equally, with some more than, and some less than. We take a survey each Wednesday at our executive board meeting, Mr. Chairman, of the unemployed in the various local unions in the city. We are running between 10 and 50 and 60 percent unemployment.

So it depends upon the local union.

I have been in the construction business since 1931. I was on a permit in 1931, and then in 1932 I got my card. I went through the depression of the thirties, sir. And this is the closest I have seen, since the thirties, that it is to what the thirties was. I have seen local unions here that have never had a lack of work, but now there are not but just one or two of them working all of their men. And the only reason they are working—maybe 5 percent—is that they have been assigned territory outside of their own territory. In other words, they have gone down to Virginia to work on an atomic powerplant because they could not handle it down there, and so some of our people were sent down there.

And it is real bad here now. And somebody asked me, when they knew I was testifying here, when the job was going to start or if it had started. And I said last year, I hope.

But it is very bad here. It is not like in some cities that I have heard about, but it is worse than it has ever been except in the early 1930's, sir.

Mr. MINETA. Thank you.

Mr. Walsh.

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

Mr. MINETA. Mr. Cornwell.

Mr. CORNWELL. Mr. Curtice, I do not like dealing in percentages, but how many people are unemployed in the construction trades?

Mr. CURTICE. Unemployed?

Mr. CORNWELL. In the Metropolitan Washington, D.C., area.

Mr. CURTICE. Well, I would average that out and say about 30 percent of 30,000, which I would figure would be 9,000. And I am talking about the union people now.

And when the union people are unemployed, so are many of the nonunion.

Mr. CORNWELL. Sure.

Mr. CURTICE. I am a registered lobbyist in the State of Maryland, and my lobby papers do not say just for the union people. My lobby papers say for the working people of the State of Maryland.

Mr. CORNWELL. You say you have been in the construction industry since 1931?

Mr. CURTICE. Yes, sir.

Mr. CORNWELL. In your estimation, how many people would this particular project, realizing the plans have not been drawn up or anything, but in your estimation, how many people would this put back to work?

Mr. CURTICE. Better than 1,000. It depends on the time, as you well know, sir. And with breaking the ground, you get so many, and then you get so many with concrete, and then you get so many with the painters, the electricians, et cetera.

It would be better than 1,000 people that it would put back to work. And so that means a lot of people coming off of welfare and a lot of people coming off unemployment, and a lot of taxes. In fact, as I said in front of the last commission that I spoke before, I said you can put it in Prince Georges County and lower my taxes if you want to, but I will go along with putting it in Washington because I do think it is the best spot for it as far as efficiency, the Government, and the economy.

Mr. CORNWELL. Thank you very much.

Mr. MINETA. Thank you very much, Mr. Curtice.

We will look forward to the letter of Mr. Peterson.

Mr. CURTICE. It will be a week or so before Mr. Peterson will be able to get it in.

Mr. MINETA. That is fine.

Thank you very much.

OK, if I could have Mr. McCormick and the panel that we had yesterday come up today.

Mr. Loxley, you will be representing the GSA?

TESTIMONY OF THOMAS F. McCORMICK, PUBLIC PRINTER, GOVERNMENT PRINTING OFFICE; ACCOMPANIED BY JOHN D. LOXLEY, ACTING PROJECT MANAGER, GOVERNMENT PRINTING OFFICE, AND JOSEPH A. PALANK, DIRECTOR OF ENGINEERING, GOVERNMENT PRINTING OFFICE—Resumed

Mr. McCORMICK. You have Mr. Loxley on my right, the GSA Project Manager, and this is Mr. Palank from my staff, and he is the Director of Engineering at GPO.

Mr. MINETA. Mr. McCormick, I am wondering if you could sort of give us a recap again. We are sort of like that board of directors. We have to be convinced of the need for the \$164 million expenditure and the returns that we will have in terms of efficiency, in terms of increased productivity, and in terms of the amortization of this; \$164 million is a lot. We have already heard about the \$40 million that might be necessary in terms of additional equipment and new equipment, and the \$40 million, so to speak, for the renovation of the present facility in order to make it usable for some other purpose.

But we have a stewardship role here for the full committee as well as for the Congress and the American taxpayer. And so I would like to have you go ahead and recap for us why we ought to be approving this prospectus.

Mr. McCORMICK. Surely. I appreciate the opportunity.

I would like to address the dollars to start with. We have heard a figure today that I have not yet heard before, and that is a \$240 million project. I think that is perhaps a misstatement of the costs that are involved.

We are talking about the \$164 million, which represents the design, the engineering, the architect's fees, the actual construction cost of \$131 million, and the \$5.5 million cost of moving.

We have also discussed the appraised value of the existing facility of \$36 million.

Now, as far as I am concerned, that is an asset. We seem to imply that the existing facility is a liability and tagged it with some \$40 million worth of additional cost to renovate it. I think we ought to look upon the \$36 million as something of an asset to the Federal Government because this facility if valued by GPO will be very useful in any number of different forms.

That \$36 million represents a very reasonable estimate of the reduction in costs in providing comparable space, Mr. Chairman, whether it is for the Archivist, for storage space, or for use as office space by Congress or others. There is no doubt in my mind that it will save at least \$36 million by providing us a facility, which can be easily renovated, for a number of possible Federal purposes.

I wish I could finance it personally and buy it for \$36 million. I do not think that the cost of renovating the existing facility is truly a cost of this particular project.

As I indicated, I consider the appraisal value an asset, and I would reduce the \$164 million by that \$36 million, and plus another \$5.2 million of what I consider to be avoidance costs. These are primarily costs that are going to have to be incurred in order to renovate our existing building, in order to make it conform with the OSHA requirements, as well as such things as redoing the complete elevator system and some of the materials-handling improvements that we have been deferring.

So you could really turn it around and say the project cost is \$122 million.

Someone has mentioned a \$40 million new equipment figure. I am not sure exactly where that came from, but we fund our equipment costs out of our revolving fund's surplus. We generate a surplus, a slight profit each year.

We also generate funds as a result of our depreciation of that equipment. We depreciate it just like a commercial business does. Over the past several years, we have been averaging between \$3 million and \$5 million expenditures out of our revolving fund dollars.

So we generally finance equipment ourselves. We do not come to Congress and ask for appropriated funds for equipment.

And we have over the past several years, as I indicated, spent between \$3 million and \$5 million a year on printing equipment. Prior to that, we had been spending far less than we should have. We were averaging about \$1 million for the 10 years prior to 1973. I fully expect we will continue to finance equipment acquisitions of those pieces of equipment that we can put in place in our existing facility and then move to the new facility.

So, between now and the time we occupy that building, I would estimate we will spend between \$20 million and \$25 million on new equipment.

Now, granted there will be some new equipment that is required after we move into the facility, and we have talked about the fact that a lot of things do not fit in our existing facility. But I would suspect a good portion of that we will finance out of our revolving fund and will not be coming for appropriated funds to add to our equipment in the new building.

Now, we may get to the point where we might have a significant amount in a particular year and cannot cover it out of the revolving fund. But I do not envision that possibility. So I do not think that the \$40 million is truly a portion of this project.

Also, I would like to keep reminding you of the annual cash savings. Mr. Walsh noted that there is a range, and the amounts differed among the witnesses. I believe they are all variations of the same figures and come from the Government Printing Office. I would like to explain them.

The \$11 million to \$22 million that Mr. Shields used is a figure that was developed about 3 or 4 years ago. We have updated it. We have been using \$16 million as the minimum. We can get it up to perhaps as much as \$32 million, but we do not want to inflate savings.

The \$16 million is attributable only to materials-handling administrative-type improvements. We will achieve those savings in such things as a reduction in the guard force, improved material handling, workflow type of things. These have nothing to do with improved printing technology.

We have put in no savings as a result of our being able to put in a larger press, which will improve our productivity. We have included that type of thing because some of it will be accomplished in our existing facility.

We would have to rip out some ceilings and some bays, and it is not the best way to do it. But if we do get turned down on this building, we will do that.

So we did not think it would be fair to take credit for those kinds of savings, Mr. Chairman, above and beyond the \$16 million attributable to materials handling.

But we do know that we will be able to make better use of new technology in the printing processes in the new facility.

We estimate that the range is up to an additional \$16 million. So, therefore, we say the \$16 million is a minimum, and it can be up as high as \$32 million, depending on how you give the credit to the new facility.

So we are not trying to play games with the numbers. We are trying to establish a minimum, and we are saying that, in addition, we will save another \$16 million.

We are asking for funds now and we know relocation is the right thing to do, because it will pay off in less than 8 years. I was very pleased with some of the answers that came out this morning about our stewardship responsibility and the need for relocation. I have been in this job since 1973, and I have been trying to sell this new building concept since that time.

All you have to do is walk in the door of GPO and you will realize that we need a new facility. All of you have been there and saw that. And I think just a tour ought to sell the project.

We are really only asking you to loan us the \$164 million for this project. And we are going to pay it back in less than 8 years. And I would ask you what Federal project can do that? I have yet to see one.

In the past 2 years, the work force of the Government Printing Office has decreased by 341 employees, but yet we are handling more volume than we have in the past, Mr. Chairman, with this reduced number of

employees. And I would ask you what Federal agency has been able to demonstrate that kind of effectiveness.

We deliver, and those savings are solid, I am really convinced this is one of the best projects that you will ever find.

If I may, Mr. Chairman, I would like to go on and cover just a couple of points that came up in the testimony today.

We talked about the productivity of the Government Printing Office. I want to make sure we understand the concept. We are not talking about the productivity of individuals. Our craftsmen, in particular and employees generally as individuals, are among the most productive that you will find anywhere. They are good workers and good solid employees.

When we are talking about productivity, we are talking about the output that results from the input in terms of resources and the number of people that are required to do the job within the constraints of the physical environment.

So our individual employee productivity measures up with anybody. But, in the aggregate—primarily as a result of the increased cost of materials handling—we would have to say that our productivity does not measure up to the private sector.

Also in the area of technology, although I will readily agree that we are way behind in materials handling simply because, first, we are unable to get to the state of the art and, two, we have chosen not to spend significant sums in improving the materials-handling capability of the existing project because if in fact we are going to relocate them, that would be somewhat wasteful. Therefore, we are behind in materials handling. From the pressroom and forward, we may be somewhat behind. We have a lot of old letterpress equipment. But in the prepress operations, and particularly electronic photocomposition, we are the leaders in the world. There is nobody in the world who knows more about the electronic photocomposition than the people in the Government Printing Office.

Mr. Teare made the point about the printing industry being a relatively small business industry, and that is quite true. There are approximately 40,000 firms in the industry and they average 25 employees. Average sales are less than one-half a million. So it is a small business industry.

If you bill more than \$10 million or \$11 million, you are a big business in the private sector. The R. R. Donnellys in the industry are few and far between. They do generate a significant amount of sales revenue, but they operate a number of plants. They do not have a capability comparable to the Government Printing Office, which is the largest job shop in the world.

I think it was Mr. Teare who was asked who the five largest U.S. printers were, and he did a pretty good job. I don't know exactly who they are myself in perfect order but the five he came up with are among the leaders in terms of revenue. And I would like to point out that the R. R. Donnelly Co. and the Times-Mirror Corp. mentioned are represented on the Government Industry Advisory Board, which Mr. Hennage chairs. So these people are familiar with our operations.

I would like also to emphasize the aspect of commercial procurement of work we do "in-house."

You have heard these gentlemen who are in the printing business say that generally what we are doing within the Government Printing Office is work which cannot be economically procured; economically from the standpoint of the Federal Government, but also from a profitability standpoint in their own basis. There is no way that anyone, in my judgment, could provide the resources that are necessary.

For example, let's take the Congressional Record. Now, they pointed out the fluctuations in volume, which is true and which is a deterrent to commercial procurement. If a firm were to get a Government contract to produce the Record, they would have to spend millions of dollars to facilitate for it. There is no existing plant which has adequate facilities available. A businessman would have to spend several millions of dollars for plant and equipment. Would he then be given a 1-year contract? A 5-year contract? A 10-year contract?

Whatever he gets is the time he is going to amortize that equipment. And he is going to recover all the costs. He has got to. That is the only way he can do his business unless you want to give him a lifetime guarantee. Many of the publishing firms have 20-year contracts with their printers. I don't believe the Federal Government is in a position to do that. So I think we provide a very necessary service.

We have talked about the Record and the Register as though they were a major portion of our work. They are large jobs, and they are the largest single jobs and major production-type items.

The Record or the Register, either one, are the equivalent of typesetting the news section of three major daily newspapers such as the Post. So we set the equivalent of six daily newspapers each day.

Although these are major publications they are not really by any means the most vital although they are certainly important.

For example, the legislative process is entwined with the Government Printing Office: The bills, the hearings, the reports—without which laws would not be made—are printed there. They are printed overnight, on demand.

We print miscellaneous publications. We print the Senate and the House Journals. We print the nominations, the Congressional Directory, the United States Code.

Now, all of these things are essential to the operation of the Congress. In miscellaneous publications alone, we produced 145,000 pages, at a cost of some \$7.7 million per year.

We do letterheads, business calendars, forms. These aggregate about \$9.3 million.

Franked envelopes and document franks will require some 65 million envelopes and 6 million franks. The House and Senate committees' business calendars generate some 56,000 pages. They are all printed overnight; 190,000 pages of bills will be printed at a cost of some \$9.7 million; 42,000 pages of reports are produced at a cost of \$3.7 million.

In the past week alone we typeset, printed, bound, and delivered to Congress 130 reports, totaling 9,360 pages of authorizations. And you may recall that there was a deadline of May 16 for these to be there.

There is no operation in the world that can do that kind of printing and do it at a profit without charging more than we do. An integral part of the legislative process.

In addition, I am sure all of you are familiar with publications such as the agricultural bulletins and so forth that your constituents get. We are the ones that not only print those but we distribute them for you. And what we are trying to do is to be more effective in the service that we provide Congress, and do it at a saving.

With that summary I will cease and answer any questions.

Mr. MINETA. What is your total budget?

Mr. McCORMICK. We have two appropriation funds. Congressional printing and binding is approximately \$100 million. Then we have what we call a Superintendent of Documents' appropriation of some \$47 million, but we bill, again, far in excess of that because we do operate on a revolving fund. So we do bill about \$500 million for printing and binding, and some \$50 million for the sales of Government publications.

Mr. MINETA. The difference between the \$500 million and that \$147 million—and you said \$100 million in appropriated funds on congressional printing and binding?

Mr. McCORMICK. Right.

Mr. MINETA. And you said about \$47 million for the Superintendent of Documents?

Mr. McCORMICK. That is correct.

Mr. MINETA. The difference between the \$147 million and the \$500 million is generated how?

Mr. McCORMICK. Well, first of all, if we may associate the \$100 million and the \$500 million—since they are comparable—then the \$47 million is the distribution operation. So the \$400 million difference between the \$100 million and the \$500 million, Mr. Chairman, represents our billing to other governmental agencies—primarily the executive branch—for the printing services which we either buy for them or produce in-house for them.

Mr. MINETA. So you actually do bill executive agencies for those services?

Mr. McCORMICK. Yes; that is right.

Mr. MINETA. And to that extent, then, I guess those \$400 million would be considered an enterprise fund?

Mr. McCORMICK. It is a revolving-fund-type operation. In other words, Congress has appropriated funds for our revolving fund; we pay our bills out of the revolving fund; we pay for the paper and our employees, and so forth, and then we bill these costs on.

Mr. MINETA. The total is \$500 million, in any event?

Mr. McCORMICK. Yes, sir.

Mr. MINETA. Of which about \$100 million is for congressional printing and binding?

Mr. McCORMICK. That is correct.

Mr. MINETA. And \$400 million is for—

Mr. McCORMICK. For executive agencies, primarily, and some for the judiciary, but the latter is very small.

Mr. MINETA. Now, going back to the breakdown of roughly 70 to 30 in terms of 70 percent is contracted out and 30 percent is in-house, Mr. McCormick, do I understand of that 30 percent, 90 percent is the Congressional Record and the Federal Register?

Mr. McCORMICK. No.

The Record and the Register I would estimate cost probably about \$30 million annually. And we produce in-house about \$185 million.

Mr. MINETA. So we are talking about, let us say roughly 75 percent for—

Mr. McCORMICK. For Congress.

But the Record and Register are not necessarily the major portion in terms of dollars.

Mr. MINETA. The Register itself is the responsibility of what agency?

Mr. McCORMICK. The Office of the Federal Register is a part of the Archivist's operation in the General Services Administration.

Mr. MINETA. That is an executive agency function?

Mr. McCORMICK. That is correct.

Mr. MINETA. So you get paid by them for that?

Mr. McCORMICK. No; you have hit on one that is a little unique. For some reason, whether it is tradition or not, I do not know, but the Federal Register is paid out of the congressional printing and binding appropriation.

Mr. MINETA. I guess what I am getting at is that 70 percent of your work is contracted out and 30 percent is in-house?

Mr. McCORMICK. Yes, sir.

Mr. MINETA. And about 75 percent of that work is really for the Congress itself?

Mr. McCORMICK. I would say it is a little lower than that. I think about 60 to 65 percent of our in-house work is for Congress. The balance is for the executive agencies.

Mr. MINETA. So here we are being asked to come up with \$164 million for roughly a \$25 million printing bill?

Mr. McCORMICK. Well—

Mr. MINETA. As far as Congress is concerned?

Mr. McCORMICK. Well, if you include the Register, we are talking about \$102 million.

The congressional printing and binding appropriation is approximately \$102 million.

Mr. MINETA. That is an executive agency?

Mr. McCORMICK. No, no. It is \$102 million for Congress alone. It includes the Record, the Register, bills, hearings, documents, resolutions, miscellaneous printing and binding, the franks, et cetera. All of that adds up to \$102 million.

Mr. MINETA. But the Register technically and realistically is not a congressional document?

Mr. McCORMICK. That would be my judgment, although there are people that would disagree with that. And as I say, I am neutral on this, but there are people that say the reason the Register exists is because of Congress; and it is a general public-service-type publication that pulls together all of the directives of the various executive agencies. Some would say it is required by Congress. I do not believe I'm qualified to comment.

Mr. MINETA. Looking at the present prospectuses, we are talking about roughly 1,580,000 square feet that you have in the GPO-owned facilities and buildings 1, 2, 3, 4, and North Capitol Streets?

Mr. McCORMICK. That is correct.

Mr. MINETA. The prospectuses that we are looking at from 1964 was calling for a gross construction project of 2,185,000 square feet, and a

net of 1,900,000 square feet and a cost of roughly \$47.2 million. And now we are talking about a facility that is going to cost \$163 million and we are talking about a square footage of—

Mr. McCORMICK. 1.8 million.

Mr. MINETA. Well, let's use that figure of 1.8. Now, how much is the Superintendent of Documents?

Mr. McCORMICK. About 580,000 square feet.

Mr. MINETA. Do you feel from an efficiency viewpoint that you would be better off with the Superintendent of Documents in the same facility as the Government Printing Office?

Mr. McCORMICK. We have extremely efficient facilities in Laurel, Md., and in Alexandria. There is no question that these facilities are well designed, well run, well manned, and the systems are very effective. Just as an aside, if I may, in 1973, we had a backlog of unfilled sales orders on hand of about 500,000 unfilled orders. It was then taking us about 32 days to process an order, an average of 32 days.

Now we have that backlog down to about 30,000, which is roughly 2 days input. We get about 12,000 to 15,000 a day. So we get roughly 2 days input and we are turning 90 percent of them around in less than 9 days. That is primarily as a result of the effectiveness of the Laurel facility, where the bulk warehousing and order processing is handled. And I think that is a significant accomplishment.

Also our productivity in terms of cost has certainly improved. So we do have what I consider to be an effective operation.

The principal justification of moving these back to the central office Mr. Chairman, is that we presently occupy leased space. So we would be saving almost \$2 million in rental costs. And, in addition, we do incur some extra costs. We have duplicate costs, for example in medical facilities, security, transportation, and some other administrative costs.

So there is a cost justification in comparison with our present method of operation.

Mr. MINETA. Your total present lease costs are about \$2 million annually?

Mr. McCORMICK. Yes, sir.

Mr. MINETA. Yesterday I believe Mr. Packard made the statement that there would be no new gas—no gas at this new facility.

Mr. LOXLEY. That is correct, sir.

Mr. MINETA. If I recall, in looking at the Miehle machine, does that require gas?

Mr. McCORMICK. Some do not. They have sheet-fed and—

Mr. MINETA. In terms of your drying and so forth, then, as that comes through, does that not use gas?

Mr. McCORMICK. It depends on the use, Mr. Chairman. For example, we have turned off our gas dryers frequently on our web presses. The reason you have the dryers is because that web is spinning through there so fast that it needs to be dried before it is cut because otherwise the ink will smear.

The type of printing we do in the Government Printing Office has relatively low ink coverage. Our printing is primarily text matter. Probably we are giving the page, about 50 percent ink coverage. In some commercial publications where they use a four-color process, they are giving the equivalent of 350 percent ink coverage.

In other words, they are laying down three-plus full coverages of ink on the paper. As a consequence, they need great drying capacity.

We do not process color work in-house. And, to mention an area of technical leadership on the part of the Government Printing Office—these ink formulations which allow us to turn off the dryers were developed by our own technical service.

Now, most of the press manufacturers are moving away from gas drying outlets, because of the energy concern with it.

Mr. MINETA. What about your lead melting process?

Mr. McCORMICK. You mean the melting pots?

Mr. Palank, can you answer?

Mr. PALANK. They use natural gas.

Mr. McCORMICK. They do use natural gas.

Now, first of all, we expect to be essentially out of hot metal composition by the time we move into the new building. So we will not have all of those linotype and monotype casting machines that you saw.

Mr. MINETA. We were told on Monday that in 5 years 90 percent of your linotype composition would be going through the electronic photo composition.

Mr. McCORMICK. At least 90 percent.

Mr. MINETA. Now, that includes the Register as well as the Record?

Mr. McCORMICK. Yes, sir. We are in the process of converting the Federal Register from hot metal composition to electronic photo composition right now.

Mr. MINETA. Is that the reason for the great reduction in the square footage that you are going to be needing?

Mr. McCORMICK. One of the reasons will be the reduction in the amount required for composition facilities.

Mr. MINETA. Will renovation of the present facilities cost \$18 a square foot?

Mr. LOXLEY. Yes, sir. Let me see if I can clarify that for you just a little bit.

For buildings 1, 2, and 3, it would cost a total of \$27,929,000 to renovate those three buildings for office space.

To renovate building 4 for other use, it would cost an additional \$2,803,000.

That gives a grand total of \$30,732,000. That averages out to \$17.80 a gross square foot. The figure of \$18-and-some-cents that I gave you yesterday was the square-foot cost for buildings 1, 2, and 3 alone.

Mr. MINETA. Mr. Walsh?

Mr. WALSH. Thank you, Mr. Chairman.

I will pick up with Mr. Loxley and follow up on that question, and then go back to Mr. McCormick.

Where did you get the estimate, and who did the estimate on renovating these buildings?

Mr. LOXLEY. We did the estimates within GSA.

Mr. WALSH. We have a figure for the—

Mr. LOXLEY. For the Archives?

Mr. WALSH. No, for the old FBI building, where we authorized the renovation of 585,000 square feet there at a cost of \$15 million. Now, that comes out to a per-square-foot cost of \$25.62.

Now, the old FBI building is a newer building, is a more modern building than the buildings that we are talking about. How do you

feel you can do it for \$18 when they are looking at \$25.62 a square foot?

Mr. LOXLEY. The present GPO building is in basically very good condition as a structure. A good portion of it is open area, although not sufficient in size to incorporate the types of machinery that GPO needs. But in these open areas, you could put in partitioned spaces and lower the ceiling height with suspended ceilings quite easily. Also there is an additional amount of air-conditioning that was put into the GPO just recently, Mr. Walsh, that would considerably reduce the cost for conditioning the space.

Mr. WALSH. Well, I want to make my position very clear here. You folks have been trying to get a new building for some 20 years. And if you are going to get a new building, it is going to have to be based on a record. And that is what I am trying to establish here. And that is why I am playing the part of the devil's advocate.

Mr. LOXLEY. Yes, sir.

Mr. WALSH. So if I ask some mean and nasty questions, I hope you will realize that it is for building a record so that we can have something to go on.

I would certainly question the estimate of an \$18 per-square-foot renovation cost on these old buildings, when we know that the cost of the old FBI building was \$25.62.

And if I was a betting man, I would bet that it would be over that by the time you finish it, because of the way costs are escalating.

To get back to Mr. McCormick's testimony. My questions, I am afraid, are going to be rather disjointed because we have had so many interruptions here and so many different topics. I do have a very basic question on the new site.

Am I safe in assuming that there will be no zone change needed?

Mr. McCORMICK. That is correct, sir.

Mr. WALSH. That has all been taken care of?

So you will not get into a hassle with the neighbors or anything like that about a zoning change?

Mr. McCORMICK. If I may: There will be no hassle about a zoning change, because the area has been zoned for light industrial use.

And if I may, I would like to take this opportunity to make a further comment. We talked about some kind of development of the area and the improved economic base for the District of Columbia. The site that we are looking at is a part of a 111-acre tract in that area. That area moves roughly along New York Avenue, which is zoned for light industrial use. And with the exception of the nine tenants that we talked about, who generally, I would say, are opposed to the project, primarily on the basis they will be inconvenienced, I believe. We are going to improve the environment at the new location. We also hope that we will provide an improved economic base through some of our suppliers locating in the area.

Presently, as you heard earlier, the printing industry and suppliers to the printing industry are moving out of the District of Columbia because they cannot find appropriate space. We hope that the Government Printing Office will anchor what might be a printing industrial park, where we will have printers and printing supply type businesses.

Maybe it will not happen, but it will certainly spur the development of that particular tract.

Mr. WALSH. Will these people that are on the site now be entitled to some relocation costs?

Mr. McCORMICK. Yes, sir, they will.

Mr. WALSH. And does the estimate of the cost of building include the relocation costs?

Mr. McCORMICK. Yes, it does.

Mr. WALSH. And have test borings been made on the site?

Mr. LOXLEY. Yes, they will.

Mr. WALSH. Have they now been made?

Mr. LOXLEY. No, they have not. We do not have the funds to do that. But just prior to purchase or during the purchase, we would plan to do a geophysical exploration of the site. And, of course, when the design is to a tentative stage where we can do some exact borings of the configuration of the building, we would then do additional studies.

Mr. WALSH. How can you be satisfied that the site is adequate and proper for a building of this type if you have not done any test borings?

Mr. LOXLEY. We have some information from the Department of the Interior on subsurface conditions, indicating that it is a buildable site. There are many businesses on the site right now with heavy equipment. Trailways maintains a maintenance and purchasing department on a portion of the site, with their heavy buses in and out every day.

Super Concrete and Martin Marietta maintain facilities there with their heavy equipment and trucks also on the site. And of course, the Metro station and the ancillary units are on the adjacent area.

Mr. WALSH. Are your estimates based on architect and engineering figures, or are they just in-house figures from GSA?

Mr. LOXLEY. No; they are in-house figures from GSA. The figures have been developed against the normal costs that we have incurred on other jobs. And of course the design figures are a pro-rated amount against the construction of the job. There is the 6-percent limitation on design.

Mr. WALSH. What is the architect's fee that GSA authorizes for a building of this magnitude?

Mr. LOXLEY. A maximum of 6 percent. I would imagine, since we assume at this point that it will probably be a joint venture—an industrial engineering and architectural engineering effort—we would imagine that the industrial engineering effort would make up maybe, 1½ percent during the initial phases of the design, and then taper off in the later phases.

The architect-engineering effort would probably make up about 4½ percent of the total design fee. But they are both subject to negotiations. We would certainly hope that we would obtain their services for less than the maximum.

Mr. WALSH. Have any architects been selected yet?

Mr. LOXLEY. No; none have been selected.

I have talked to probably 165 firms on this project.

Mr. WALSH. The building, as I understand it, is going to be 600,000 square feet less than what you have now?

Mr. LOXLEY. Yes, sir.

Mr. WALSH. This again is the result of your in-house computations on need?

Mr. LOXLEY. That is correct.

Mr. WALSH. How many stories is the building?

Mr. McCORMICK. Well, we refer to them as levels. And, by the way, the need for space was confirmed pretty much as a byproduct of our development of the environmental impact statement, for which we spent some \$300,000. The firm that did that study hired an independent printing consultant. It was a good firm and one that I know very well. And they reviewed all of our in-house data and came up with their own independent estimates.

And they pretty much confirmed that our estimate of space was reasonable.

Now, what we are talking about as far as space is concerned is—well, for example, in our present building the ceiling heights are 15 to 16 feet. We are envisioning that the pressroom ceilings in our new facility will be 25 to 30 feet; and that our documents storage and materials storage might be 37 feet.

So it looks like you have several stories, but you do not. And what we are talking about is primarily an in-line production with the pressroom, bindery, delivery, and warehousing in a row, Mr. Walsh, with the materials storage alongside the pressroom. So the material will feed in from a railroad car into storage, into the pressroom, and then on out—with our prepress areas feeding down from an upper level, because there will no longer be heavy requirements, and then an office tower.

Joe, would you flip to the third chart, which will give the committee a visual idea of our plan.

Mr. WALSH. That relates to another question I might as well pose at this time.

You talk about roof parking. How many spaces are you talking about?

Mr. McCORMICK. 900 spaces as compared with our 1,500 spaces.

Mr. WALSH. This will be ramp parking?

Mr. McCORMICK. Yes, sir.

Mr. WALSH. And again, how many levels of parking?

Mr. McCORMICK. Just the one.

Mr. WALSH. A couple of times during the testimony you mentioned the name of a consulting firm that has been used. Could you give us the name of that firm again?

Mr. McCORMICK. The consultant in connection with the environmental—

Mr. WALSH. No; I believe it was in connection with the printing business.

Mr. McCORMICK. Ginsberg Associates.

Mr. WALSH. Where are they?

Mr. McCORMICK. They are located in New York City.

Mr. WALSH. These questions are going to be disjointed, but one of the previous witnesses mentioned the fact that if the private operation was going to handle the volume of business that they would do, and because of the verbiage that comes out of Congress, they would have to have a large standby personnel.

Is the GPO required to have a large standby personnel because of the wordy Congress that we have?

Mr. McCORMICK. I did not use the term “wordy Congress,” I hope.

Mr. WALSH. No; but I will stand by that.

Mr. McCORMICK. Let me see if I can explain how that works. We do control a significant portion of the total Federal Government printing bill, some \$500 million worth of it. And we do have significant peaks and valleys in our in-house production workload. We do not gear up for the peaks. We try to split the middle between the peak and the valley, so that we operate effectively.

Now, that gives us the opportunity to handle some of the peaks with overtime, or we can fill in those valleys.

Our basic strategy is to try to fill in the valleys. And because we can control such a large amount of printing and we have a number of pieces of standby work, both for the Congress and for the executive branch, Mr. Chairman, that we use to fill in.

Mr. WALSH. I really do not know how you can anticipate it, Mr. McCormick. We cannot even anticipate the time of day we are going to get out of the Congress, and I do not know how you can anticipate the work volume.

But I have one other question along that line. If we were to cut the size of the Record in half, would you have to move?

Mr. McCORMICK. Yes; I would think so.

Mr. WALSH. You would still need the new equipment?

Mr. McCORMICK. Yes, sir, I am convinced of it.

Because, although the Record is the major project because of the time deadlines and the fluctuations in its size, it is not a significant portion of our total workload, particularly presswork.

Now, it is a big job, and there is no question about it, but if we cut it in half, we would still have to move, in my judgment.

Mr. WALSH. Again I think this is a very important question for the record, which we are trying to build here. Because one of the criticisms we are going to get, if we go to the floor with this, is the suggestion that the Record be kept down in volume, cut down; that the extension of the remarks and much of the other extraneous material should be eliminated from it. We are going to have to come up with some answers for that question.

Mr. McCORMICK. Mr. Walsh, I know you will, because every time I go up to the Appropriations Committee the subject comes up about what are we going to do about the high cost of printing. I get beat over the head about the high cost of printing. And the easiest way to cut those costs is to cut down the number of pages and the number of items that are printed, but I have never seen any indication of our volume going down. It is always up.

Mr. WALSH. It is always up. And I have seen that in the time I have been here.

Do you pay a rent to GSA?

Mr. McCORMICK. No sir, except for some of our outlying facilities like bookstores or regional procurement offices, where we are housed in Federal office buildings. We own the central office facilities. They are on the books of the Government Printing Office. And we do depreciate the buildings.

Mr. WALSH. So you, in a sense, occupy a rent-free and cost-free structure?

Mr. McCORMICK. Yes, sir. To the extent that anyone who owns their own building, occupies a rent-free and cost-free structure. The point is

that we do include any building improvement cost as a depreciation cost, which gets passed on to our customers.

Mr. WALSH. Now, you are projecting a cut in production and repair services, and an attrition figure of over some 300 persons. Are you projecting any administrative cuts?

Mr. McCORMICK. Let me just back off, if I may, and make sure we are talking about the same number of people. We are saying that as the result of the move, that if we took our existing facility right now and just moved it to a new facility such as this, that we would be able to eliminate approximately 400 employees. They are not only the workers but a pro-rata share of supervisors and administrative personnel.

So if we find, for example, that we can do with two or three less personnel types or financial types as a result of the move, they have been factored into that calculation.

We fully expect that we will reduce our total employment by some 1,300 by the time we move into that facility. This number is the total of some 950 as the result of improved composition techniques; 250 in prepress and postpress operations; the 400 that we talked about that are directly attributable to this move—these decreases are offset by what we expect will be an addition of some 300 as the result of printing volume increases.

Mr. WALSH. So you are projecting a reduction of 1,300 rather than 300 plus?

Mr. McCORMICK. That is between now and the time we move to the new facility. This gets back to that variation in the \$16 million to some \$32 million cost savings.

Mr. WALSH. Mr. Packard is not here, but perhaps Mr. Loxley could answer this question. Does GSA have any plans for utilizing the existing space?

Mr. LOXLEY. We have no plans at the present time. As Mr. Packard indicated yesterday, it would be some years in the future before the GPO would even begin to relocate their facilities.

Mr. WALSH. Hopefully, in that period, the President's program of cutting down on personnel through attrition might take effect, and we might have a vacant facility on our hands?

Mr. LOXLEY. It is conceivable. However, we have done some studies at GSA in connection with some other projects, and it looks like because of the way space needs have increased over the past almost 100 years, that between now and 1995 there will be a requirement in the District of Columbia area for almost 10 million additional square feet of Federal office space. The GPO would certainly go a long way toward fulfilling even a portion of that, even if the requirements do not come up to the 10-million-square-foot projection.

Mr. WALSH. In the building specifications you refer to a penthouse. I assume that is the penthouse for the elevators?

Mr. LOXLEY. Yes; that is correct, sir.

Mr. WALSH. Not for any other purpose?

Mr. LOXLEY. No, sir.

Mr. WALSH. The land for the new site is owned by a number of different owners; is that correct?

Mr. LOXLEY. The land is owned by four different owners: Chesapeake & Ohio Railroad System owns one portion; George and Sadie Hyman

own a second portion; Trailways Bus and Maintenance—no, Continental Trailways owns a third portion; and Corson & Gruman Paving Contractors own a fourth parcel.

Mr. WALSH. Then I assume it would have to be condemned in order to acquire the site?

Mr. LOXLEY. We would hope it would not go into condemnation. We would certainly negotiate first for purchase of the land. If the negotiations did in fact fall through, we would be forced to go to condemnation.

Mr. WALSH. Now, do you have a figure on the cost per acre of land?

Mr. LOXLEY. Yes, I do. There are no individuals here from either the owners of the property or the tenants. We do have a figure—I can submit it for the record.

Mr. WALSH. All right.

Mr. LOXLEY. The reason I mention it is only because both the cost of the property and the cost to relocate the tenants are negotiated amounts. I would not set that out.

[The following was received for the record:]

SUBMISSION FOR THE RECORD BY MR. LOXLEY

We request that there be no recording of site and relocation costs in the public record until negotiations have been concluded. Such recording could conceivably place the Government negotiators at a disadvantage.

A cost breakdown will be furnished by Mr. Walsh under separate cover.

Mr. WALSH. Of course you will have to buy the buildings as well as the acreage?

Mr. LOXLEY. Yes, we will.

Mr. WALSH. Have you figured in the cost of demolition?

Mr. LOXLEY. Yes, sir, the cost of demolition is included in the construction cost of the project.

Mr. WALSH. Now, assuming that the chairman was to move this bill to the full committee next week, and in 2 weeks everything was approved, and if you could start the plant on say the first of January of this coming year, when could you move in?

Mr. McCORMICK. Well, it is between a 5- to 6-year cycle from the time of funding, Mr. Walsh, 5 years until the initial occupancy, and then perhaps it would be a year or a year and a half later before we fully occupied the facility.

Mr. WALSH. Now, in anticipation of the move, the new equipment then will be fully compatible with the new site, and you can move it in?

Mr. McCORMICK. To the extent we are able to forecast that, yes, sir. That is our intent. We would never put anything in our existing facility that would fit only there and not be amenable to the new location.

Mr. WALSH. I certainly want to thank all of these gentlemen for their patience and their forthrightness in answering our questions. I compliment you.

Thank you, Mr. Chairman.

Mr. MINETA. Mr. Cornwell?

Mr. CORNWELL. Thank you, Mr. Chairman.

I think you and Mr. Walsh have probably asked most of the questions and more questions than I could probably think up.

I have only one further question. In your opinion, gentlemen, do you think that Southern Indiana Bedford Limestone would be a good outside shell to build this building with?

Mr. McCORMICK. Yes.

Mr. LOXLEY. I would certainly think that we would give it every proper consideration.

Mr. CORNWELL. Outstanding.

Thank you, Mr. Chairman.

Mr. MINETA. Mr. McCormick, you mentioned you spent roughly \$300,000 on the Environmental Impact Statement. Where did the funds come from? Was that from the revolving fund?

Mr. McCORMICK. No, sir, those were from appropriated funds. So, 2 years ago, we approached the House and Senate Appropriations Committees with a request to do this. We did so to get off deadcenter on the thing. We were in a chicken-and-egg situation. We needed an environmental impact study before we could even present the project. So we did get the \$300,000 from the Appropriations Committee for that purpose 2 years ago.

Mr. LOXLEY. That was Public Law 93-554.

Mr. MINETA. Was that authorized by the Public Works Committee?

Mr. LOXLEY. I honestly do not know, sir, whether it was or not.

Mr. MINETA. Where do you get the appropriation for something that is not authorized?

Mr. LOXLEY. I am not sure how that happened on the \$300,000, sir.

Mr. McCORMICK. Technically I think we were probably in error. The matter of appropriate authorizations was discussed. And I think that perhaps we skipped a step in the process, Mr. Chairman, because, if my memory serves me correctly—and I am dealing in memory now—that question was raised after the fact. Then we referred the matter to this committee and the Senate committee, Mr. Chairman, indicating that we had already had these funds and that we were planning to expend them.

Mr. MINETA. Now, you are asking for roughly \$16 million right now?

Mr. McCORMICK. Yes, sir.

Mr. MINETA. That \$16 million is for what purpose?

Mr. McCORMICK. For the acquisition of the land, for the removal of the present tenants, and for the design studies.

Mr. LOXLEY. That is right, Mr. Chairman, design of the facility through. Let us sav. the intermediate working drawings.

Mr. MINETA. And how current are those estimates?

Mr. LOXLEY. Those are as current as March of this year, sir.

Mr. MINETA. A little while ago Mr. Walsh asked about the parking. I noticed that you have about 130,000 square feet of parking, of roof parking.

Mr. LOXLEY. Yes, sir.

Mr. MINETA. And you said that was for 900 cars?

Mr. LOXLEY. It is for 900 cars; 50 visitors' automobiles; and trucks and vans not able to be accommodated at the dock space.

Mr. MINETA. Roughly how much is it costing to put that extra weight capability into the roof to come up for this provision of 960 cars?

Mr. McCORMICK. The 900 I referred to was employees' parking.

Mr. MINETA. We are talking about a total of 950 cars?

Mr. LOXLEY. That is correct, sir.

Mr. MINETA. And how much is it costing us to do that?

Mr. LOXLEY. That would be approximately \$10.37 per square foot for the additional.

Mr. MINETA. Just for parking?

Mr. LOXLEY. That is correct, sir.

Mr. MINETA. Well, of course, I recognize that you are not involved in this, but when I think of that parking structure, I think of the Visitors' Center and how much that has cost us. It is just frankly absurd that we got caught in that position of having to spend that kind of money for a parking facility.

Mr. McCORMICK. I would like to say that we presently have a parking program for our employees. We provide some 1,500 spaces and park some 2,300 cars over the three shifts. We average a little less than two employees per car. The priority goes to those that carpool. We also charge our employees for parking spaces.

To the best of our ability we determine the costs of providing that parking space. And the land, of course, is leased space from the Re-development I and Agency of the District of Columbia, so we are on a rental basis with them.

But we have put in some capital improvements, and we are depreciating that over a period of time. Our plan would be that we would recover the cost of parking—including the capital costs—on a reasonable depreciation basis. We presently charge \$11 a month for parking, Mr. Chairman.

We recover the cost of that program, which we estimate to be some \$340,000 a year. And we would plan to do that in this facility.

Mr. MINETA. The fact that you have a Metro station behind you at this site, will this give you additional reduction in that pool?

Mr. McCORMICK. That is how we hope to be able to go from the 1,500 spaces on down to the 900. And I fully expect we will not really need those 900 spaces, because if Metro comes fully into being, I am sure that the majority of our employees will use it.

I live in Virginia, and I personally plan, as soon as the Metro station is in Rosslyn, to drive there and get across the bridge on Metro. I am sure that most of our employees will do so, and particularly those that live in the District. I think most of them will use that facility. I do not like to drive, and I am sure they do not, either.

Mr. LOXLEY. The parking numbers that we arrived at, Mr. Chairman, will still force a 50-percent Metro or transit ridership, which is quite a high figure.

Metro, being quite optimistic about riderships from the surrounding areas, is projecting no more than 46 percent.

Now, we can project the 50 percent simply because we are immediately adjacent to it. This is one of the reasons the site is such a good location for the project. We plan on putting a pedestrian walk area in, in order to connect the two areas, if possible. This would give the people a direct access and they would possibly make more use of Metro.

But we are projecting a 50-percent transit or Metro ridership.

Mr. McCORMICK. We did feel it was necessary to provide some parking facilities, because we presently must do so particularly for night employees.

So we must park some of them. One of the objections to our presence at the proposed location on the part of the community residents was the fact that the employees would possibly be parking in the streets. So we had to alleviate that concern, which is the reason for the rooftop parking. We did look at the alternative of providing parking on

the adjacent land, and we felt it was a much better land use from the standpoint of the development of that area to park on the roof of the facility, or at least to provide the parking space on the roof.

And, hopefully, we will continue our present program of recovering the cost of that parking.

Mr. MINETA. Any other surface parking?

Mr. LOXLEY. We do not plan on any at this time.

Mr. MINETA. You know, a lot of times—and I know this through experience, as do Mr. Cornwell and Mr. Walsh—but whenever there is a project to be sold, if the agencies do not really want it, then the costs are inflated; if they want it, they go very low. And then after that you find changeovers and everything else, in order to bring the costs up.

I am wondering whether or not we can go a couple of steps on this thing:

One, in terms of this initial \$16 million to get us through this site acquisition, the design, the relocation of the present occupants of that land, and then come back again to this committee for further authorization. I am not sure that I am willing to say yes to a \$164 million total project today without some further handle on this matter.

I think maybe Mr. Walsh, as the mayor of Syracuse, and myself as a mayor, we have seen where costs have escalated. And somewhere along the line we have to control these things.

I was wondering what your reaction would be.

Mr. McCORMICK. Well, let me speak to that point if I may.

I fully agree with your concerns. I started in the world of work as an accountant.

I have never seen a major project brought in exactly on budget yet or on time for that matter but we are trying to be as realistic in our cost estimates and in our cost savings as we can—and we could easily have said we are going to save \$32 million; but I think that would be ballooning it too much.

So we have tried to be conservative. Our internal plan requires that after we finish the design portion of the program, it would be to re-evaluate the economic analysis to insure that we are on track, to insure that the costs, which we have projected, are realistic and that the savings will be achieved.

And if they did not, I personally assure you that I would abort the project at that time, if it could not be justified.

So I agree with your concerns, and I would be perfectly willing to approach it on that basis.

I think it would be very sound.

Mr. MINETA. Thank you, Mr. McCormick.

Mr. Walsh, you have a request?

Mr. WALSH. Mr. Chairman. I have a list of questions here both for the GPO and the GSA. Mr. Ziegler has copies of them. Some of them I have asked and some I have not asked. I would like to go into the energy question much more.

I would appreciate it if you would submit answers to these questions for the record.

Mr. McCORMICK. Yes, sir, be very happy to.

[The following was received for the record:]

GPO's responses to the written questions submitted by the Subcommittee on Public Buildings and Grounds members on May 18, 1977, regarding a new Government Printing Office.

PACKARD TESTIMONY

GSA

Although these questions have all been addressed to GSA, we feel that certain replies would be in the purview of the Government Printing Office and we have taken the liberty of replying to them.

Question 6. You have testified that the GPO would require 600,000 square feet less than now utilized. What factors contribute to this reduction in space utilization?

Answer. The reduction in space is attributable to the consolidation of all GPO satellite warehousing, documents, and office space thus eliminating a certain amount of duplication; the utilization of in-line production layout for equipment, utilization of the cube in warehousing, reduction in personnel, and the employment of new technological process and equipment above and beyond what is possible at the present location due to low ceilings and obstructions such as columns, stairwells, and so forth.

Question 14. On page 8 of the survey, it is stated that special purpose type space was not included in the discussion of present GPO housing. Can you describe the space and tell us why it could not be incorporated at the Brentwood facility? On page 9 of the survey, it also says that all of GPO operations could be consolidated.

Answer. The special purpose type of space alluded to in the survey consists of GPO bookstores in the District of Columbia, space utilized by people detailed to the various congressional committees, space utilized at the Library of Congress for a very small force of GPO personnel and a field service printing operation located at the District of Columbia Navy Yard. The very nature of the operations performed at these locations makes them infeasible for consolidation in the central facility.

Question 16. On page 8 of the survey, a figure of \$127,000 is given for parking fees to be recouped by employee payments. Why is this footnoted as being theoretical?

Answer. There has been a miscommunication between GPO and GSA on this subject. Actually our paid parking program consists of 353,000 square feet and there is an actual, not theoretical, recovery of the entire \$343,000 cost per year from employees for this parking privilege. The \$127 figure represent only the land rental costs.

Question 17. Does exhibit E projected annual savings in operating costs include materials in addition to labor?

Answer. Yes; they are included in the miscellaneous annual savings.

Question 18. In the survey it is indicated that an appraisal firm estimated the fair market value of the existing buildings to be \$36,000,000 in 1974.

A. What is the value today?

B. Were other appraisals developed in 1974? If not, why not?

Answer to A. The market value in 1974 as estimated by Reynolds and Reynolds, Inc. was \$30 million, not \$36 million. Subsequent communication with that company indicated that we could increase the property value at a rate of 10 percent per year, therefore the 1977 estimated value could be \$39 million. However, we have opted to utilize a conservative approach and are using \$36 million as an appraised value for the year 1977.

Answer to B. No other appraisals were developed in 1974. In the development of the justification for the building, we recognized that we would need an independent third party appraisal of the current GPO facilities. For the sake of economy we selected what we felt to be the most knowledgeable appraisal organization in the District and utilized their figures for the justification.

However, when the annual savings of \$16 million are considered, even if the present building proved to be valueless, the net effect would only be to extend the payout period for an extra 2 years.

McCORMICK TESTIMONY

Question 1. I understand that 30 percent of all government printing is undertaken by GPO.

A. Is this correct?

B. What is the breakdown of this work by type?

C. What is the cost of GPO printing work compared to that of private printers?

D. How do the time efficiencies of GPO and private printers compare?

E. Is it feasible to have private printers do all the work GPO is now doing? If not, why not? Is it feasible to have private printers do all Government printing?

Answer to A. The Government Printing Office in fiscal year 1977 will handle in total approximately \$465 million worth of printing and binding, and we estimate this amount represents about half of the total dollars that are spent for Federal Government printing and binding. Of the \$465 million volume, approximately 35 percent or \$163 million is produced in-house and 65 percent or \$302 million is contracted out to commercial printers through the Federal printing procurement program. All work requiring specialty equipment or work that we are not equipped to produce in an economical manner is procured commercially. Our policy is to produce in-house only that work which cannot be procured commercially because of time constraints or fluctuations in volume together with procurable work which is needed to even the workload fluctuations.

Answer to B. Of the approximately \$163 million volume which is produced in-house, 55 percent or about \$90 million is for the Congress (Congressional Record, bills, reports, hearings, documents, business calendars, etc.) which are short-run jobs with tight time constraints. The remainder is printing for the Executive Office, the judiciary, the executive departments, independent offices and establishments, which is of an urgent nature or classified as security work, or which is otherwise difficult to procure commercially.

Answer to C. It is difficult to compare the cost of GPO printing work with that of private printers unless we compare a specific job. There are certain types of work which we are not equipped to produce and we do not attempt to compete with the commercial specialty house unless we are unable to obtain bids in which case we at times must meet an urgent schedule and produce the job at a higher cost than if we were able to procure. Generally, our studies and comparisons show the GPO printing and binding prices to compare favorably with commercial prices on the work we are equipped to do in the ordinary course of our activities. The nature of the printing industry is such that work will sometimes be bid at the cost of labor and materials in order to keep from having equipment and crew idle. When we receive these exceptionally low bids we cannot compete in price. However, on most bids, the high price is almost twice the low price and the GPO price is usually comparable with the majority of the commercial contractors submitting bids in the middle range.

Answer to D. Our craftsmen as individuals are among the most highly skilled and productive in the industry. The size of the GPO operation enables us to produce very large jobs in an exceptionally short time. Small jobs and short runs generally can be produced more efficiently by small print shops, but not necessarily in less time. However, our material handling operation causes delays in production and causes us to incur increased costs in order to meet tight delivery schedules due to the excessive number of times we have to move paper or partly finished work because there is no room for interim storage. Our presses are in cramped quarters which causes delays in loading and unloading work.

Answer to E. It is not feasible to have private printers do all the work GPO is now doing. The Congressional Record alone requires a large work force and millions of dollars in press and bindery equipment on each day Congress is in session. This equipment is also used to produce the Federal Register. When Congress is not in session other work must be available to take up the slack. If private printers were to do all the work GPO is now doing it would require a large plant exactly like the present GPO operation. The private printer would have to have contracts to produce nearly all of the congressional workload plus much of the urgent and classified agency work. He would have to man the plant for the busiest time of the congressional workload and the Government would have to guarantee his income for the valleys in his workload unless they made work available without regard to competitive bidding. Moreover, any such contracts would have to be for a very long term since the contractor would have to be assured of enough time to amortize his enormous investment in plant and equipment.

Question 2. If GPO moves to a new facility, what will be the cost of new printing equipment?

A. Were these costs included in the estimated savings per year?

B. If they were not, how would this affect the savings estimate?

C. What would the total cost of the building then be?

Answer to A, B, and C. The GPO operates on a revolving-fund basis and we fund our equipment costs out of this revolving fund by including the cost of depreciation of our equipment in our rate structure the same as a commercial business does. Over the past several years, we have spent between \$3 million and \$5 million a year on printing equipment and financed it out of our revolving fund. We do not come to Congress and ask for appropriated funds for equipment. Therefore, the funds required for new equipment were not included in the cost of the proposed building. However, the net savings from increased productivity over increased depreciation charges were included in the estimated savings only for those equipments which could not be utilized without a new facility.

Question 3. Aside from monetary savings, what time savings in printing would be realized with the new facilities? Can you give some examples?

Answer. The question can best be answered by giving examples.

1. GPO currently warehouses paper some 13 miles from our plant. The relocated and consolidated facility would eliminate the occasional time lost from having to wait for deliveries of paper from the warehouses.

2. When printed products from the second, fourth and fifth floors cannot gain immediate access to the bindery on the third and fourth floors then the printed matter is routed to the basement for storage. When bindery space and machines are available it is hauled back to the third or fourth floor for the bindery operation and then shipped back down to the first floor for distribution. An in-line operation would save several days on some work.

3. If sufficient in-line production space were available, we could go directly from the sheet-fed press to a bindery folding operation, a trimmer, and then to distribution. This would eliminate materials handling from press to bindery.

4. The in-line production concept of having all heavy printing and binding operations on one floor would save many hours of time which is now spent in moving material from floor to floor.

Question 4. On page 1 of the book titled, "Preliminary GPO Building Relocation Data," it is stated that moving costs are \$7 million. In the survey moving costs are estimated at \$5.5 million. Which figure is correct?

Answer. The \$5.5 million figure is correct.

Question 5. What is the cost of the secondary treatment plant for waste water?

A. Why is it not possible to hook into the municipal system?

Answer. Although question 5 has been directed to GPO, we feel that the reply to this question falls under the purview of GSA. See GSA responses.

Question 6. Why will administrative positions be cut only 1 percent when production and repair service will be cut much more by comparison?

Answer. There is no hard and fast direct relationship between administrative and blue-collar positions. As an example, the administrative function of the Federal procurement program will in no way be affected by a reduction in blue-collar workers. Additionally, in a particular area if there is a worker/supervisory ratio of 20 to 1 and a manpower reduction of 8 people is realized a reduction in supervision cannot realistically be accomplished.

Question 7. Has GPO considered expanding production and keeping the 396 people that will be cut?

A. Won't this contribute to increased welfare and unemployment rolls?

Answer. The Federal procurement program mandates that all possible Government printing be obtained through commercial enterprise and, therefore, we will not consider expanding our production capabilities. We are only interested in increasing our efficiency. With an annual attrition rate of 14 percent a year, we feel that we can absorb the anticipated reduction in employment without increasing welfare and unemployment rolls.

Totally separate question from Congressman William H. Harsha:

Question. You rely mainly on a cut of 396 people for savings. I understand that will be through attrition. Attrition will be over a period of years, therefore how does this affect the payback period?

Answer. GPO experiences an attrition rate of approximately 14 percent per year. This amounts to over 1,000 people per year based on our more than 8,000 employees. Therefore, the payback period will be marginally affected; if at all.

GENERAL SERVICES ADMINISTRATION,
PUBLIC BUILDINGS SERVICE,
Washington, D.C., June 9, 1977.

Hon. NORMAN Y. MINETA,

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

DEAR NORMAN: Enclosed is the General Services Administration response to the questions posed by your subcommittee subsequent to our May 17 and 18, 1977, appearance to give testimony concerning the Government Printing Office relocation project.

Sincerely,

JAMES B. SHEA, Jr., *Commissioner.*

Enclosure.

PACKARD TESTIMONY

GENERAL SERVICES ADMINISTRATION

Question 1. What plans does the GSA have for utilizing the space at the existing GPO facility if a new facility is approved and constructed?

Answer. The main facilities (buildings 1, 2, 3 and 4), located on North Capitol Street are wholly owned and operated by the GPO, and as such will require a transfer of control prior to GSA taking any action as to their disposition. Further, because it will approach late 1982 before the GPO could begin transferring operations to the new building, the GSA can make no firm determination at the present time with regard to the future use of the existing structures.

However, the location of GPO, in proximity both to the Capitol and to Federal office areas in the District, combined with the continual need for additional space by Federal departments contribute substantially to the reuse potential of the GPO buildings. A projected demand for upwards of 10 million additional square feet of office space in the National Capitol area by 1995 makes it highly probable that the existing buildings would remain in Federal Government use.

Question 2. In your testimony, you state several energy savings as a result of the new facility.

A. Are you assuming a vacant existing facility?

Answer. A. We are assuming the existing facilities to be completely vacated by GPO with the possible exception of the continuance of a book store operation similar to the one presently housed on the first floor level. We are not assuming the existing facilities to remain vacant of other uses.

B. If you are, then the savings will not be as great, will they?

Answer. B. The energy savings reflect the difference between GPO's present consumption of various utilities and the expected rate of consumption in the new plant. Therefore, we feel the energy/utility savings attributable to the GPO operations in the new plant will be as great whether the present facilities are backfilled with other tenants or the structures remain vacant.

C. What will they be if the existing building is occupied.

Answer C. Because we are unable, at this time to make a firm determination as to the future of the existing facility, we cannot project utility consumption rates for unknown activities. However, it would be safe to assume that an office or storage type activity would consume considerably less energy than the present industrial type operation.

Question 3. Why is the new building programed as an all electric facility?

Answer A. Of the three (3) utilities presently used by the GPO to heat, cool, power equipment, or generate light, only one (1), electricity will be commercially available to the new plant:

(1) Steam, as generated by the Capitol Power Plant will not be available. The cost of extending a transmission line to the new site would be prohibitive.

(2) Natural gas, as furnished by the Washington Gas Light Co. (WGL) will not be available in the foreseeable future. As of February 1972, there has been a moratorium on new gas connections. The WGL review board ruled in June 1975, that "gas will not be made available for the Printing Office at the proposed site."

(3) Electricity then emerges as a logical choice on which to base preliminary programing.

A major source of electric consumption is associated with the equipment used in the printing, binding, and materials handling operations. This power can either be purchased commercially in total or partially generated on-site. If totally purchased commercially, the electricity would be used to power all equipment, illuminate and air-condition the structure, and supplemental heat loss through the building shell. If partially generated onsite, generators could supply not only a portion of the electrical requirements for the plant, but could be sized to permit almost 100 percent productive utilization of the thermal energy available from the generating equipment. In addition, the overall efficiency of utilization of fuel consumed can approach 70 percent instead of the approximately 28 percent attainable in the local utility's thermal powerplant.

B. Was oil or coal considered? If not, why?

Answer B. Oil and coal will certainly be considered as fuels if a full engineering valuation study supports partial onsite generation of electric and/or steam. Application of solar energy will also be analyzed.

Question 4. What are the yearly operating and maintenance costs of the existing facility if it stands vacant?

Answer. If the existing four (4) buildings were to stand vacant, the initial cost to prepare the structures would be approximately \$287,000. This would include winterizing the air-conditioning system, cleaning after the move, exterior weather proofing, roof repairs, seal wood block flooring, and close and cover windows and doors.

Annual maintenance, to include minimum heat, electric for alarm systems, cleaning of grounds, snow removal, security guards, and yearly inspections is estimated at \$330,000.

Question 5A. Would you explain further the "organizational relationships by which the project will be accomplished" on page 3 of your statement?

Answer A. The organizational relationships by which this project will be accomplished are as follows:

The new facility will be considered as a transfer project to the GSA. This places the GPO in the role of client and the GSA in the role of planning, design and construction agent for the client. The responsibilities and authorities of each of these parties will be formalized by contract, a memorandum of understanding and agreement.

The areas of prime responsibility and authority for the GPO are:

1. Project authorization.
2. Design/construction funding, and transfer of funds to the GSA.
3. Review and approval of design documents from an operational standpoint.
4. Purchase of new and rehabilitation of existing equipment.
5. Operations of both existing and new plants during phased move out/in.
6. Final occupancy and operational acceptance of new facility.
7. Probable transfer of existing facilities to the GSA for disposition.

To accomplish the above, the Public Printer will develop a formal project team capable of delivering quick reaction technical responses.

To carry out the GSA responsibilities, the project will be managed by the Office of Project Management, within the Public Buildings Service (PBS) of GSA. As such, this concept for managing the planning, design and construction of a new project provides for a project manager (PM) (and Deputy) who "live" with the project from its inception to the final move-in. Project management provides for the technical and business management of a project based on the use of a centralized management authority who is responsible for planning, directing, and controlling the definition development and completion of a project.

Primary responsibility within GSA for the project rests with the PM who, under authorities delegated from the Commissioner, PBS, draws upon necessary GSA resources by formal agreement. Each responsible organization within the GSA will provide project team members responsible to the PM. Each representative of the team will be provided with a formal delegation of authority to act in behalf of their organization in all matters under their responsibility concerning the project. All contractor reporting will be done through those key representatives who, in turn, will keep the PM advised.

The services provided by GSA and contractor organizations are as outlined in No. 10 and 11 of this report.

Question 5 B. What responsibilities will this committee have if the structure is built?

Answer B. Assuming that the Congress appropriates funds for construction and construction is completed, we know of no continuing responsibilities of the Public Works and Transportation Committee.

Question 6. You have testified that the GPO would require 600,000 square feet less than now utilized. What factors contribute to this reduction in space utilization?

Answer. GPO has elected to answer this question.

Question 7. On page 2 of the revised survey it is stated that a three story office tower and penthouse would be located above the proposed primary plant. Would you please elaborate on this penthouse facility?

Answer. The penthouse atop the office portion would house the elevator machinery, air handling equipment, and possibly a small shop area for elevator repair.

Question 8A. What are you basing your total cost estimate on? In-house studies, contractor estimates?

Answer A. The cost estimates are based on the latest contract studies developed during the preparation of the environmental impact statement. The cost estimates were prepared by the GSA.

Question 8B. How firm is this estimate?

Answer B. Based on the information available to us at this time, we feel the estimates are firm.

Question 9A. What is the breakdown of the site and relocation cost? (p. 3 survey.)

Answer A. The breakdown of the site and relocation costs are as follows:

Land costs	-----
Administrative costs to acquire.....	-----
Relocation of present tenants.....	-----
Geophysical report	-----
Total.....	-----

NOTE.—We would appreciate it if the above figures are not made a part of the public record until such time as negotiations for site purchase and tenant relocation have concluded.

Question 9B. What is meant by relocation?

Answer B. Moving the present occupants of the site to new locations.

Question 10. Would you explain why the design and review costs approaches \$10 million? (p. 3. survey.)

Answer.

The architect-engineer, industrial engineering firm(s) under contract to the GSA will perform professional services during the design phase such as development of a total program of facilities requirements to include analysis for space requirements, industrial activities, productivity, mechanization justification, computer systems, energy and mechanical systems justification, new equipment justification, documents storage/retrieval systems, existing equipment rehabilitation, life cycle costing, budget estimates, fire safety, traffic noise, pollution, utilities, phased moving, et cetera. In addition to the narrative analysis the design team will produce plans for site and building, landscaping and grading, utilities, demolition, construction, industrial layout, mechanization, equipment installation, et cetera. The estimated cost for these services is.....	\$7, 188, 000
The construction management firm, under contract to the GSA will perform services during the design phase such as value engineering the design documents from a construction point of view, market analysis and stimulation, long lead procurement item analysis, producing a computer based scheduling system, et cetera. Their services are estimated at.....	1, 246, 000
GSA program and financial management, contract procurement, negotiation, legal, audit, administration, travel, review, printing costs associated with design, are estimated at.....	486, 000
Separate contract costs associated with topographic survey, soil borings, models, historic resources report of existing facilities, value management work shops, contract charges by the Chessie System for placement of railroad personnel during survey and boring work (if needed), contract studies with Energy Research and Development Administration for solar energy applications; interior design, graphic and acoustical consultants are estimated at.....	1, 000, 000
Total	9, 920, 000

Question 11. Can you elaborate on the management and inspection cost of \$7 million? (p. 3. survey.)

Answer.

Construction manager services during construction include cost control, scheduling change order and claims control, safety program, furnishing general condition items, long lead procurement, quality control, construction changes, construction and equipment inspection, and EEO management, are estimated at-----	\$2,491,000
GSA management and inspection services to include project management, administrative, legal, audit, travel, construction inspection, technical services, solicitation of bids, SBA coordination, financial and cost management, scheduling, are estimated at-----	4,466,000
Testing materials, (steel and concrete) and production equipment, are estimated at-----	280,000
Total -----	7,237,000

Question 12. On page 4 of the survey is a table concerning increased project costs if certain delays are encountered. Please explain how you arrived at those figures?

Answer. Each escalation figure is cumulative; that is, the escalation for each successive year is compounded by the escalation of previous years.

Taking the estimated costs for site and relocation (S. & R.) and equipment moving (EM), from page 3 of the revised Report of Building Project Survey, as base line figures; a percentage (S. & R.—4 percent), EM—8 percent to October 1978 and 6 percent each year thereafter) of the base line cost is then added to that cost to arrive at the October 1978 escalated amounts.

Each succeeding year's escalation (October 1979–October 1982) applies the above percentages against the baseline cost plus the previous year's escalation to arrive at the current year total. The previous year and current year escalation are then added together to form the cumulative increase.

The same formula is used to escalate site preparation and construction. However, 6-percent yearly rate is applied against only the base construction amount of \$119,800,000 (contingencies and reservation items total \$10,769,000).

The same formula is again used to escalate design and review and management and inspection fees/costs however, different percentages are used for the several activities. These percentages are applied against the base construction costs plus the cumulative construction escalation for each year.

The percentages for Design and Review are: Architect-engineer and industrial engineer fees, 6 percent; GSA management, administration and review, four-tenths of 1 percent.

Added to the resulting dollar figures using the above percentages are:

The escalated dollar for separate contract costs (as indicated under No. 7 of this report); at 6 percent compounded each year against \$1 million and the construction manager's fee for design services at 33 $\frac{1}{3}$ percent of a total fee of 3 percent compounded each year against the base construction cost of \$119,800,000 plus reservation items (\$4,909,000).

The percentages for management and inspection are:

The construction manager's fee at 66 $\frac{2}{3}$ percent of a total fee of 3 percent compounded each year against the base construction cost of \$119,800,000 plus reservation items (\$4,909,000).

GSA management, administration and inspection staff at 5 percent compounded each year against salary and administrative costs of (\$4,466,000) personnel during the construction/move-in period.

Materials testing at 5 percent compounded each year against a basic cost of \$280,000.

Question 13A. How many acres does the project include?

Answer A. The project will be sited on four parcels containing approximately 33 acres.

Question 13B. Who owns the land?

Answer B. The owners of the property are as follows: Corson & Gruman, Continental Trailways, George and Sadie Hyman, The Chessie System.

Question 13C. What is the cost per acre?

Answer C. We have estimated the cost at \$233,333 per acre.

Question 13D. What is the average cost per acre for that area?

Answer D. The Washington Metropolitan Transit Authority is currently negotiating the purchase of about four acres of the adjacent District Government-

owned former Harmony Cemetery site at a cost of about \$4.50 per square foot or \$196,020 per acre. The original appraisal price of \$5.40 per square foot or \$235,224 per acre was lessened due to the topography of the site.

Question 14. On page 8 of the survey it is stated that special purpose-type space was not included in the discussion of present GPO housing.

Can you describe this space and tell us why it could not be incorporated at a Brentwood facility. On page 9 of the survey it says all GPO operations could be consolidated.

Answer. GPO has elected to answer this question.

Question 15. On page 8 of the survey, it is stated that an adjacent expansion of the existing facility would exceed the cost of the proposed new facility by \$7 million. Why?

Answer. Because of the restrictive amount of acreage available, a new structure would have to match existing buildings 1, 2, and 3 in height. In addition, three basement levels were considered for mechanical equipment and parking. Other factors contributing to an overall cost above that for a new, single level, plant would be in additional foundations and above grade structural systems needed to support not only the structure, but the equipment as well (a single level facility would house most of the equipment at grade level).

Question 16. On page 8 of the survey a figure of \$127,000 is given for parking fees to be recouped by employee payments. Why is this footnoted as being theoretical?

Answer. GPO has elected to answer this question.

Question 17. Does exhibit E, the projected annual savings in operating costs, include materials in addition to labor?

Answer. GPO has elected to answer this question.

Question 18. In the survey it is indicated that an appraisal firm estimated the fair market value of the existing buildings to be \$36 million in 1974.

A. What is the value today?

B. Were other appraisals developed in 1974?

C. If not, why not?

Answer. GPO has elected to answer all parts of this question.

McCORMICK TESTIMONY

GOVERNMENT PRINTING OFFICE

Question 5A. What is the cost of the secondary treatment plant for waste water?

Answer A. The estimated cost for a plant to provide secondary treatment of waste water is \$250,000.

Question 5B. Why was it not possible to hook into the municipal system?

Answer B. We will tap into the municipal sewage system, however, the toxicity of some of the chemical wastes generated by the GPO may require initial treatment prior to being released to the Blue Plains Treatment Plant. This will be subject to further analysis by engineering studies during the design phase.

Mr. MINETA. Thank you very much, Mr. McCormick and Mr. Loxley.

We do have a vote, and the committee will recess at this point and excuse you from your testimony at this point. I know the committee itself is still going to have to make some judgments on this. I am quite sure we will have to call you back.

But, for the time being anyway, we will keep the record open for your responses to those questions, and to questions other members might have.

We appreciate this opportunity to go through this from ground to ceiling on this project.

Thank you very, very much.

Mr. McCORMICK. Thank you very much, Mr. Chairman. We appreciate the opportunity.

Mr. MINETA. The committee stands adjourned.

[Whereupon, at 1 p.m., the subcommittee was adjourned, subject to the call of the Chair.]

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APPENDIX

REPORT NUMBER: NDC-08200

Revised Report of Building Project
Survey on the Requirement for a New
Government Printing Office1. INTRODUCTION:

Pursuant to the request of the Chairman, Joint Committee on Printing (JCP) dated January 13, 1975, the General Services Administration (GSA) in cooperation with the Government Printing Office (GPO) investigated the feasibility and need for construction of a new GPO facility in Washington, DC. That report was submitted to the Chairman, JCP on February 10, 1975, and subsequently forwarded to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Public Works of the Senate.

As the result of additional information collected during preparation of the Environmental Impact Statement we have revised our initial findings as related to both facility size and operational savings.

2. FINDINGS:

The latest investigation supports our earlier determination that there is a need for construction of a new Government Printing Office that will permit consolidation of operations. Further, our findings have shown that an initial overall reduction of 600,000 square feet below present utilization is possible together with an annual cost savings of \$15,400,000. The factors supporting these conclusions are summarized below.

A. Synopsis of Proposed Project(1) Project Need

A new Government Printing Office (GPO) is required to consolidate and provide operationally efficient space to accommodate the 7 major operational areas now housed in the grossly inadequate federally-owned complex on North Capitol and H Streets Northwest, and in 8 leased facilities scattered at several suburban locations. The requirement for improved operational facilities for the GPO has been recognized by the Congress and the Public Printers for over 20 years. The basic deficiencies in the existing plant include: documents storage areas costing \$1.6 million annually in leased locations, separated by the city from one another and removed from central user agencies and the general public; a paper storage warehouse located 16 miles from the printing plant; a materials handling system that relies wholly on freight elevators and industrial trucks for product distribution; lack of space to accommodate straight line arrangements of production equipment; limited floor load capacities and low ceilings resulting in an inability to use large, faster and more efficient press

REPORT NUMBER: NDC-08200

2. FINDINGS: (Cont'd)

A. Synopsis of Proposed Project (Cont'd)

(1) Project Need (Cont'd)

equipment; and the lack of area required to utilize the efficiencies of mechanization, automation, and the latest advances in printing technology. These inefficiencies annually accrue \$15.4 million in unnecessary expenses.

(2) Description of Proposed Project

The proposed location for the GPO is one of 18 studied over the past 23 years. (See attached Exhibit A). The property is in Northeast Washington, D.C. less than 2 miles from the present complex. (See attached Exhibit B). The four (4) properties making up the 33 acre tract are privately-owned. The site is well served by the New York, Rhode Island and Brentwood Avenue road nets. It is immediately adjacent to the Rhode Island Avenue Metro Rail Station and is serviced by rail sidings. There are public bus lines on both New York and Rhode Island Avenues. The National Capital Planning Commission Council voted unanimously to approve this location at the December 9, 1976 Council meeting. As presently envisioned, the major portion of GPO would be in a single level structure containing approximately 1.8 million square feet of occupiable space. Nine-Hundred roof top parking spaces will be provided for employees; an additional 50 spaces will be reserved for visitor use. The ground floor would cover about 24 acres or about 70% of the available site. The small area below the main floor could contain the railroad siding and platform with vertical conveyors to bring incoming raw materials to the storage area on the main floor. The main level at grade, could contain the materials warehouse, press area, the bindery, documents warehouse, bookstore and lobby. A three story office tower and penthouse would be located above the primary plant equipment and lobby areas. No piles or caissons are contemplated at this stage but heavy spread footings are envisioned along with isolation pads for equipment; reinforced structural concrete and/or steel framing system; functional exterior wall design with the architectural treatment compatible with the architecture of the area but with prime consideration for the total cost limitation; flat, built-up composition roof in those areas without roof top parking; air conditioning of those areas containing office and operational space; elevators to service the tower portion of the building; paper lifts to operate from railroad dock to floor above; fixed cafeteria equipment; fluorescent lighting; adequate structural framing to accommodate roof parking; provisions for handicapped persons such as toilet fixtures, drinking fountains, ramps, self-opening entrance doors and braille signage; special equipment such as dock levelers, towveyor for the horizontal transportation of paper, raised flooring for computer, waste paper handling equipment, laboratory casework;

2. FINDINGS: (Cont'd)A. Synopsis of Proposed Project (Cont'd)(2) Description of Proposed Project (Cont'd)

fire safety features to be incorporated such as sprinklers, elevator re-call, etc.; pedestrian walkway from this building to the property line (vicinity of Metro Station); railroad spur line from property line to the building; enclosed railroad platform at the building; adequate ramps from street to roof-top parking; provisions for graphics; office landscaping of appropriate office areas; emergency power system; entire energy system to be based on electricity; water supply possible from wells with elevated storage tanks, with alternate supply lines from city supply. Storm water to be held in retention tanks and used for fire fighting and or wasted into city storm sewer at low flow time; install packaged sewage treatment plant (secondary treatment); lamps for the entire facility; perimeter doors and windows; canopy for high trucks on the T Street side; design entire facility to energy conservation.

(3) Approximate Building Areas Required

	<u>Gross Square Feet</u>	<u>Occupiable Square Feet</u>
Government Printing Office	2,077,000	1,818,000
Parking - Open Roof	130,000	130,000

(4) Minimum Site Area Required 1,437,500 Square Feet

(5) Estimated Maximum Cost

Site and relocation cost	\$10,620,000
assume start of site acquisition October 1977	
Design and review	9,920,000
assume selection start October 1977	
Site Preparation and Construction.	130,569,000
assume actual start July 1979	
Management and Inspection.	7,237,000
assume start of services July 1979	
Equipment Moving Cost.	5,500,000
assume start of move October 1982	
Total Estimate Maximum Cost.	\$163,846,000*

*Note: If initial funding is delayed beyond October 1977, it is estimated that, based on current inflation factors, the yearly increase in project cost will be as follows:

REPORT NUMBER: NDC-08200

2. FINDINGS: (Cont'd)A. Synopsis of Proposed Project (Cont'd)(5) Estimated Maximum Cost (Cont'd)

ANNUAL CUMULATIVE INCREASE IN PROJECT COSTS

	INITIAL FUNDING DATES				
	<u>10/78</u> +	<u>10/79</u> +	<u>10/80</u> +	<u>10/81</u> +	<u>10/82</u>
Site Acquisition and Relocation	\$421,000	\$859,000	\$1,214,000	\$1,787,000	\$2,279,000
Design and Review	580,000	1,221,000	1,891,000	2,594,000	3,441,000
Site Preparation and Construction	7,188,000	14,807,000	22,883,000	31,443,000	40,517,000
Management and Inspection	350,000	777,000	1,221,000	1,670,000	2,145,000
Moving Equipment	<u>440,000</u>	<u>796,000</u>	<u>1,174,000</u>	<u>1,574,000</u>	<u>1,998,000</u>
Total Estimated Annual Increase	\$8,979,000	\$18,460,000	\$28,383,000	\$39,068,000	\$50,380,000

3. COMMUNITY DATA

EXISTING LAND USE - PRESENT GPO SITE

The existing GPO location is within an area of highly mixed land uses. Light industry and warehousing as well as residential, office, and commercial uses are located in the area. During the past decade the development of urban renewal projects and proposals for the National Visitor/Transportation Center at Union Station have served as a catalyst for change in the area's land use. This change in use is resulting in a new neighborhood character, more compatible with a major entry point into the Nation's Capitol.

The existing location of GPO is currently within the District of Columbia's Northwest Urban Renewal Area 1. As a result of urban renewal activity residential, commercial, and service facilities have been developed directly to the north of GPO. The entire vicinity of the site has been affected by change resulting from urban renewal. Land immediately adjacent to GPO, however, is still in the pre-demolition stage of redevelopment. As a result, GPO is surrounded by several very small scale businesses and abandoned and boarded buildings, awaiting redevelopment.

3. COMMUNITY DATA: (Cont'd)

West of GPO's location is the center leg of Interstate 95. This freeway currently creates a physical barrier separating GPO from the mix of office, retail and residential use of the old central business district of downtown Washington. At the same time, however, this freeway increases access to the area of GPO from the far southeast and southwest as well as from lower Prince George's County and Northern Virginia. This increased access adds to the market potential of the area and as such is a stimulus to development pressure and change.

South of the GPO location, major construction has been underway in the last decade providing a new monumental office complex adjacent to the U.S. Capitol. Additionally, the development of the court complex and construction of large hotels have added to the growth and redevelopment that is becoming characteristic of the area.

East of GPO are warehousing and light industrial activities which were developed because of accessibility to the railroad yards of Union Station. This light industrial area, which includes the main District Post Office, is an area greatly influenced by development of the National Visitor/Transportation Center. The development of two large office buildings on the east side of North Capitol Street appears to be the beginning of extensive land redevelopment within this warehousing district.

Anticipated Land Use Changes

The existing GPO location is within an area undergoing extensive redevelopment and land use change. Urban renewal, the proposed Post Office expansion and development of the National Visitor/Transportation Center are contributing to change in the character of the area. Based on the changing character of the area over the years, uses other than GPO may be more compatible with the future development character of the area. Existing redevelopment demand in the area indicates that office or service use of the historic main GPO structure would be feasible.

Existing Land Use - Brentwood Site

The Brentwood Road site is located within an industrial area at the southwestern fringe of a predominantly residential community. Although the upper northeast area of the District as a whole is dominated by residential land uses, with major institutional use for schools and religious institutions, the industrial sector of this area is the largest single industrial land area in the city (Upper Northeast Comprehensive Plan Working Draft, D.C. Municipal Planning Office, 1975).

REPORT NUMBER: NDC-08200

COMMUNITY DATA: (Cont'd)

Existing Land Use - Brentwood Site (Cont'd)

The industrial sector which includes the Brentwood Road site is directly adjacent to the major railroad yard in the District. Consequently, the area has developed extensive warehousing activities. Additionally, asphalt and concrete production, printing, truck and bus repair, utilities and other light and heavy industries are located here. The industrial sector abuts the railroad tracks which run parallel to New York Avenue. These tracks have often been discussed as the site for industrial or commercial air rights development. The industrial area extends south and east along the New York Avenue industrial corridor.

The Brentwood Road site is currently occupied by six construction-related industries, a bus maintenance facility, a recycling warehouse, and a broadcasting tower. These uses presently occupy the site in a non-unified development pattern. Only a minimal functional relationship is evident with the adjacent railroad yards and the light industry surrounding the site.

Directly to the north of the site is the Rhode Island Avenue Metro Station and parking lot and the vacant land parcel owned by the District, the former Harmony Cemetery. Surrounding the area of industrial use in the immediate vicinity of the site are four separate residential neighborhoods.

The Eckington neighborhood, southwest of the site, is primarily comprised of rowhouses. Within the neighborhood there is evidence of some lack of building housing maintenance and housing deterioration although most structures appear to be structurally sound. The area is buffered from the site by a wide expanse of railroad tracks and topographic factors. Preliminary plan proposals of the District's Municipal Planning Office (D.C. MPO) characterize this neighborhood as being resistant to change caused by redevelopment in the area. This neighborhood therefore is expected to retain its present character and level of development.

The Edgewood neighborhood is north of Rhode Island Avenue and west of the B & O tracks and is buffered by these barriers. Edgewood is comprised primarily of rowhouses but the addition of high rise and garden apartments at Edgewood Terrace has diversified the housing types in the neighborhood.

East of the B & O tracks and north of Rhode Island Avenue is the Brookland neighborhood which is predominantly composed of well maintained single family housing. This community is removed from the industrial use of the proposed site by Rhode Island Avenue, the former Harmony Cemetery area and Brentwood Village. The neighborhood is considered to be highly resistant to redevelopment (D.C. MPO, 1975).

3. COMMUNITY DATA: (Cont'd)Existing Land Use - Brentwood Site (Cont'd)

The residential neighborhood most incompatible with the industrial uses of the site area is the Brentwood community which consists of a mix of housing types including garden apartments and row and detached single family houses.

Brentwood Village, a garden apartment area, is slowly undergoing renovation. Completion of this project will greatly upgrade housing conditions in the neighborhood. Although the Brentwood area is at present adjacent to industrial uses all along its southern and eastern boundaries, diverse light industry and well kept residential uses exist side by side along W Street. Preliminary plan proposals indicate that this neighborhood will remain highly resistant to change. (D.C. MPO, 1975).

Density in the residential sectors adjacent to the site area ranges from medium to low. In addition, building scale and profile are also low, in comparison to other parts of the District.

The retail commercial area which serves the neighborhoods in the area of the site is located primarily along Rhode Island Avenue. The Brentwood Village Shopping Center is an illustration of this retail use. Most of the retail facilities in the area are old or small operations which are generally inadequate to serve the needs of residents of the area.

Anticipated Land Use Changes

The Rhode Island Avenue Metro station, now in operation, should provide impetus to redevelopment at key sites in the area of the proposed site. One area of proposed land use change is the site north of Rhode Island Avenue and west of the B & O tracks. The site is in private ownership and is presently being considered for intensive commercial and residential development. Other areas of potential change include the District-owned former Harmony Cemetery site, along with lands to the north of Rhode Island Avenue.

The "General Land Use Objectives: 1970/1985" element of the Comprehensive Plan for the National Capital adopted by the National Capital Planning Commission designates the area in which GPO would be developed as an Independent Employment Center. The adjacent area in the vicinity of the center is designated as an Uptown Center. According to the Comprehensive Plan for the National Capital, the Uptown Center is "a multi-purpose major activity center, with strong transit orientation and a significant concentration of employment, (total employment typically in the 5,000-10,000 range) and high density residential as the principal elements, developed in a manner which serves the surrounding lower-density community while protecting it from unavoidable intrusions."

REPORT NUMBER: NDC-08200

3. COMMUNITY DATA: (Cont'd)

Anticipated Land Use Changes (Cont'd)

The District's Municipal Planning Office, responsible for the preparation of local elements of the Comprehensive Plan, is in the process of preparing a development plan for the Rhode Island Avenue Metro station area. Although MPO has reached the stage in its planning process of preparing, several preliminary development concepts for the area, the office staff emphasizes that such concepts are preliminary. These concepts must be further evaluated in a special planning process for this station area involving citizens, property owners and public officials in determining the ultimate development plan. Although specific building plans have not been developed for GPO, it is the intent of GSA to coordinate planning and design activities with appropriate planning agencies, including D.C. MPO and NCPC, to assure that GPO and other development areas such as the Harmony Cemetery site and the Uptown Center will be planned in a unified manner consistent with the objectives of the comprehensive plan for the area.

4. DISCUSSION OF PRESENT GOVERNMENT PRINTING OFFICE HOUSING:

The Government Printing Office in the Washington, DC area occupies a total of 2,428,000 square feet of occupiable space. Of this total, 1,587,000 square feet is operational and administrative contained in Government-owned building 1, 2, 3 and 4 on North Capitol and H Streets Northwest. The remaining 841,000 square feet of space is leased at 7 locations, widely scattered throughout metropolitan Washington, and the Maryland and Virginia suburbs, at an annual cost of \$1,930,000 (See attached Exhibit C). Not included in the above total, is special purpose type space, or space occupied by activities requiring specific locations which have no bearing on this proposal and will be retained at their present locations for continued occupancy by the using activities.

5. DISCUSSION OF ALTERNATIVE MEANS OF HOUSING THE GOVERNMENT PRINTING OFFICE:

A. Expansion of Existing GPO

Contiguous expansion of the present site on North Capitol Street has been considered and rejected as being uneconomical and operationally impractical. Aside from the negative aspects previously indicated the GPO would still be saddled with buildings of 74, 47, 39 and 37 years of age; little production department relief; OSHA compliance costs; permanent obstructions (stairs, elevators, fan rooms, utility shafts) in premium production workflow areas; only a fair transportation system; and continued high building maintenance costs. While it is true that this alternative would provide GPO with more square feet than relocation, the configuration of this space would only permit marginally efficient utilization. The cost of contiguous expansion not including renovation of the existing complex is estimated at \$170,605,000 or almost \$7 million more than a new facility.

5. DISCUSSION OF ALTERNATIVE MEANS OF HOUSING THE GOVERNMENTPRINTING OFFICE: (Cont'd)A. Expansion of Existing GPO (Cont'd)

Aside from contiguous expansion GPO has investigated alternatives such as: decentralization, relocation of administrative functions, elimination of GPO and even doing nothing. All of these considerations result in counter productive elements which in one way or another adversely affect the GPO mission in support of the Congress and other Federal agencies.

B. Acquisition of Existing Leased Space

Existing rental space is not available in sufficient quantity in one location to permit consolidation, and fails to meet Federal quality standards and the special industrial type facility needed by the GPO.

C. Acquisition of Leased Space in a Building to be Constructed

In lease construction for a project the size of the proposed GPO facility the site selection becomes a critical matter. Considering the relatively large site area required, GSA would lose significant control of the site selection and acquisition process since neither a lessor nor the Government could exercise condemnation authority. In addition, as can be demonstrated by the present GPO operation, the leasing of space in dispersed locations causes inefficient management of operations and inconvenience to employees and the public. It results in duplication of services and common use items, and usually prevents flexibility for subsequent space arrangements. Further, as leases are renewed rental rates usually increase. In view of the extreme complexity of this project, the requirement to conform to National Capital Planning Commission and D.C. Government plans for the Northeast Corridor, as well as the long term requirement for the facility, it has been determined that lease construction as a means for meeting the GPO requirements is not in the best interest of the Government.

D. Construction of a Government-owned Building

Alternatives A, B and C would not result in a long range solution for housing the space needs of permanent GPO activities. Therefore construction of a new Government Printing Office is considered the most desirable means of providing for its combined requirements. This solution will permit the consolidation of all GPO operations into a single, modern, functionally efficient facility. It will replace the present out dated buildings on North Capitol Street and supporting leased warehouses located in the suburbs. It will improve agency operations, provide a centralized location to consolidate common use facilities, reduce utility consumption, promote more cost effective management of materials space and personnel. In addition, continually increasing operating costs and annual expenditures for leased space can be eliminated. Finally, if located on the Brentwood

REPORT NUMBER: NDC-08200

5. DISCUSSION OF ALTERNATIVE MEANS OF HOUSING THE GOVERNMENT PRINTING OFFICE: (Cont'd)

D. Construction of a Government-owned Building (Cont'd)

Site it will also help to promote the objectives of the city and the National Capital Planning Commission, by serving as an anchor for further planned development in the area, by attracting other related businesses, thereby improving the District's economic base and helping to stem the flow of jobs from the District to nearby suburbs.

6. DISPOSITION OF OLD GPO:

A recent study indicates that as much, as 10.3 million square feet of additional office space will be needed in the National Capital area by 1995. The retention and conversion of buildings 1, 2 and 3 into office type space could provide 1 million square feet of occupiable space at a cost considerably below that of new construction. The Postal Service has requested right of first refusal on Building #4 adjacent to the city Post Office. The Architect of the Capitol has also indicated a possible requirement for part or all of the old GPO for use as storage and overflow area for Congressional support facilities.

7. CURRENT HOUSING COSTS:

For activities to be housed in the proposed building.

	<u>Area Sq. Ft.</u>	<u>Annual Cost</u>
A. <u>Leased Space</u>		
Rent	841,000	\$1,930,000
B. <u>Leased Land</u> - parking.	533,000	127,000*
C. <u>Government-owned Space</u>		
Operation, maintenance, and upkeep cost.	1,587,000	<u>9,000,000</u>
Total.		\$11,057,000

*Theoretically this amount is recouped by employees payments for parking.

8. COMPARATIVE SPACE PLAN FOR HOUSING GPO ACTIVITIES:

A comparison between present GPO building requirements projected to October 1978 and the space requirements for equivalent efficient space in the proposed facility is attached. (Exhibit D).

REPORT NUMBER: NDC-08200

9. PRESENT VALUE ANALYSIS AND OTHER SUPPORT DATA:

(See attached Exhibit E.)

10. STATEMENT OF NEED:

It has been determined that (1) the need for space for the Government Printing Office in this area cannot be satisfied by utilization of existing suitable property now owned by the Government, and (2) suitable rental space is not available at a price commensurate with that to be afforded through the proposed action.

Submitted at Washington, DC on APR 25 1977

Recommended:

Frank R. Jones, Acting
Commissioner, Public Buildings Service

Approved:

Robert J. Griffin

**LOCATION OF ALTERNATIVE SITES
WASHINGTON REGION**

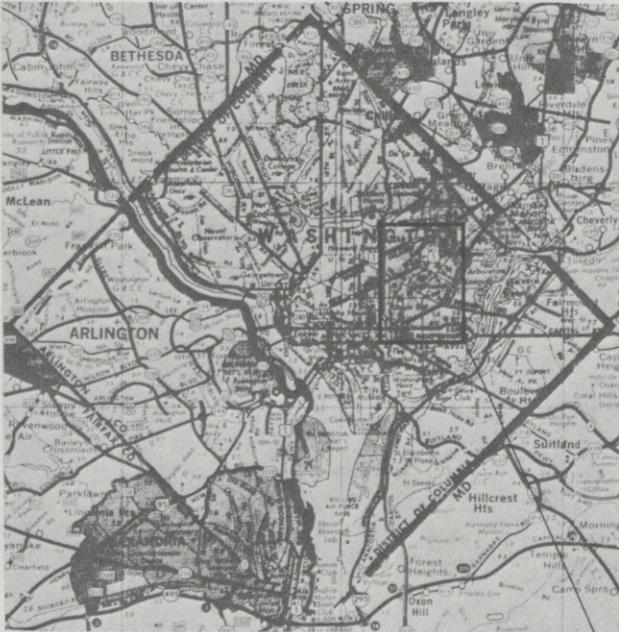
Exhibit A



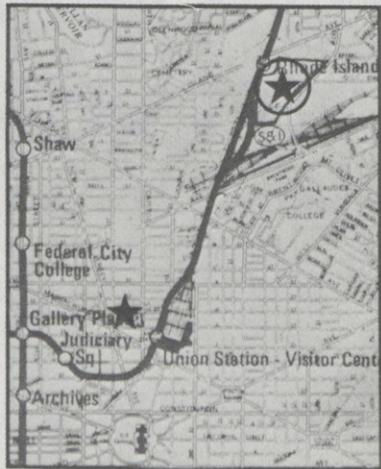
Alternative Sites

EXISTING AND PROPOSED LOCATION

Exhibit B



- ★ Existing GPO Location
- ★ Proposed Brentwood Road Site



BRENTWOOD ROAD SITE AIR PHOTO, 1974

Exhibit B



PROPOSED BRENTWOOD ROAD SITE

EXHIBIT C
GPO
WASHINGTON, D.C.

EXISTING GPO SPACE UTILIZATION

GPO OWNED FACILITIES

Buildings 1, 2, 3 & 4	1,355,000 - Net Floor Area
North Capital Street (G to H)	232,000 - Utility and Service Area
Subtotal	<u>1,587,000 sq.ft.</u>

GPO LEASED FACILITIES

	<u>SQUARE FEET</u>
<u>Documents Warehouses</u>	
Laurel I Cherry Lane, Laurel, MD.	200,000
Laurel II Cherry Lane, Laurel, MD.	200,000
Eisenhower I Eisenhower Avenue, Alexandria, VA.	40,000
Eisenhower II Eisenhower Avenue, Alexandria, VA.	56,000
<u>Materials Management Warehouses</u>	
GSA Complex Franconia Avenue, Franconia, VA.	153,000
Farrington Farrington Avenue, Fairfax, VA.	100,000
<u>Office Space</u>	
Public Documents Union Center Plaza Washington, D.C.	50,000
Data Systems Union Center Plaza Washington, D.C.	10,000
<u>Miscellaneous Storage and Conveyor Space</u>	32,000
Subtotal	<u>841,000 sq.ft.</u>
Grand Total	<u>2,428,000 sq.ft.</u>

EXHIBIT D
GPO
WASHINGTON, D.C.

SPACE COMPARISON
(THOUSANDS OF SQUARE FEET)

	Present In-house	Present Rental	Present Total	Proposed
Production	734		734	518
Maintenance (Buildings & Equipment)	109	8	117	70
Mat'ls Management & Distribution	230	275	505	315
Administrative	150	10	160	100
Documents	32	548	580	521
Cafeteria, Recreation, etc.	100		100	60
TOTAL NET FLOOR SPACE.....	1,355	820	2,175	1,584
Utility & Service Area (halls, stairs, elevators, etc.)	232	21	253	234
TOTAL FLOOR SPACE	<u>1,587</u>	<u>841</u>	<u>2,428</u>	<u>1,818</u>

Total Present
Utilized
Space: 2,428,000
square feet

Total Proposed
Utilized
Space: 1,818,000
square feet

EXHIBIT E
GPO
WASHINGTON, D.C.

SUPPORT DATA

I. SUMMARY OF MAJOR GPO LEASED PROPERTY - AS OF 4-77

FACILITY	ANNUAL LEASE COST	TOTAL SQ FT	TERMINATION DATE	DISPOSITION
EISENHOWER COMPLEX				
Eisenhower I	\$113,036	37,000	7-14-79	Cancel
Eisenhower Annex	10,656	3,000	7-14-79	Cancel
Eisenhower II	174,187	56,000	7-31-79	Cancel
LAUREL COMPLEX				
Laurel I	\$360,000	200,000	8-14-79	Cancel
Laurel II	492,900	200,000	2-28-86	Cancel
FARRINGTON	\$180,000	100,000	2-15-82	Cancel
FRANCONIA	\$245,530	153,000	Indefinite	Cancel
UNION CENTER PLAZA	\$354,144	60,000	8-14-94	Negotiated Cancellation

NOTE: Except for the 90-day termination clauses in the leases for the Farrington warehouse, which is leased from the H. L. Rust Company, and the Franconia warehouse, which is leased from GSA, there are no termination rights in contracts until 1979.

EXHIBIT E
GPO
WASHINGTON, D.C.

SUPPORT DATA

II PROJECTED ANNUAL SAVINGS IN OPERATING COSTS

Labor Activities	Present Labor Costs	Est. Labor Costs in New Structure	Personnel as of June '76	Est. Personnel in New Structure
Facilities & Equip. Maintenance-Service	\$ 9,905,000	\$ 7,185,842	616	467
Production	77,469,000	71,958,869	3,410	3,255
Materials Handling Prod.	2,624,000	1,816,771	325	309
Materials Handling Stores	2,131,000	1,771,032	160	127
Documents	17,301,000	16,960,000	1,724	1,690
Administrative	17,732,000	17,455,507	1,183	1,174
Field Service	5,923,000	5,923,000	402	402
Details	3,667,000	3,667,000	146	146
Prtg. Procurement	6,483,000	6,339,000	398	398
TOTALS	\$143,235,000	\$133,078,000	8,364	7,968

ANNUAL LABOR SAVINGS \$ 10,157,000

MISCELLANEOUS ANNUAL SAVINGS* \$ 5,665,000

TOTAL ANNUAL SAVINGS \$ 15,822,000

REDUCTION IN PERSONNEL 396

* Miscellaneous annual savings of \$5,665,000 accrued through the elimination of \$1,930,000 in yearly warehouse, office and storage rentals, \$1,356,000 in reduced utility costs, and \$2,379,000 in reduced damaged paper and products, annual elevator depreciation, and elimination of maintenance materials and equipment.

EXHIBIT E
GPO
WASHINGTON, D.C.

SUPPORT DATA

III ESTIMATED COST OF RELOCATION (10-79)

Design, Engineering, Site, Management, etc.	\$ 27,777,000	
Improvements	130,569,000	
Cost incident to moving	5,500,000	
		<hr/>
Total est. cost		\$163,846,000

Est. value of existing assets Liquidated (Bldgs.)*	\$ 36,000,000	
Avoidance costs	5,200,000	
		<hr/>
Total offset savings	\$ 41,200,000	

Net est. new Bldg. cost		\$122,646,000
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Total annual savings from all factors/yr.	\$ 15,822,000	
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Number of years to amortize Bldg. based on net cost	7.7 years	
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* Appraisal developed by Reynolds & Reynolds, Inc., of Washington, D.C., and equated as fair market value for office type occupancy. (1974)

REPORT NUMBER: NDC-08200

IV. PLANNING COORDINATION:

As required by the intergovernmental Cooperation Act of 1968 (P.L. 90-577) and Executive order 11512, the development of this proposed project has been coordinated with Federal, District and local agencies. It has been found to be compatible with other plans and would have a positive impact on the local community development and economy. The consolidation of all GPO activities at one location would improve operations, reduce costs and provide better service to the Congress and other Federal agencies.

V. PARKING:

The zoning regulations of the District of Columbia are not applicable to Federal projects and NCPD criteria are used instead. It is planned to provide 1,021 parking spaces on the roof of the new facility. These spaces will be utilized as follows:

Government-owned trucks, buses, etc.	69
Official cars	2
Employees	900
Visitors	50
Total	<u>1,021</u>

The employee parking requirements were derived as follows: total employees to be assigned at any one time, including shift overlap (5,355), divided by the ratio of 1 space for every 6 employees.

In addition, the parking requirements have been coordinated with the proposed EPA requirements for indirect source contamination of air quality and vehicle miles traveled.

VI. STANDARD LEVEL USER CHARGE (SLUC) RATES:

SLUC rates are not applicable to this project. The facility will be wholly owned and operated by the GPO.

VII. COMPARISON OF PROJECT TO COMMERCIAL BUILDINGS:

The cost estimate for the proposed project has been compared with 7 commercial printing, manufacturing and warehousing facilities proposed or built over several years, in various localities updated to today's costs. The unit construction cost for this project is \$57.67 per gross square foot compared to \$69.15 for the average cost of the 7 other projects. The unit cost for the project is based on estimated current contract cost including escalation and geographic location.

VIII. HOUSING:

In accordance with Executive Order 11512 and the DHUD/GSA Memorandum of Understanding this project has been coordinated between these two agencies. The development of the project to date has disclosed no deficiencies in respect to the availability of low and moderate income housing on a non-discriminate basis. The proposed location of the new facility is less than 2 miles from the existing GPO. This proximity along with the New York and Rhode Island Avenue bus lines and the Metro station will minimize changes in commuting patterns of GPO employees, the large majority of who reside in the District of Columbia and Prince George's County.

IX. ENVIRONMENTAL DATA:

In the development of this project environmental studies were made of the water supply, sewage disposal, solid waste disposal, storm water drainage, erosion control, fuel types, etc., in order to comply strictly with the purposes and intent of Executive Order 11514 "Protection and Enhancement of Environmental Quality" and with the requirements of Section 102 (2) (c) of the National Environmental Policy Act of 1969 (P.L. 91-190), as amended, and the guidelines prescribed by the Council on Environmental Quality. The Final Environmental Impact Statement was filed with the Council on Environmental Quality on September 17, 1976.

X. CONSIDERATION UNDER THE RURAL DEVELOPMENT ACT OF 1972 (P.L. 92-419):

As required under this act, first priority consideration has been given for the location of this facility in rural areas as defined in the private business enterprise exception in Section 306 (a)(7) of the Consolidated Farmers Home Administration Act of 1961, as amended (7USC 1926). It has been determined that the mission of the GPO in support of the Congress and other Federal agencies presents overwhelming reasons that this facility not be located in a rural area.

STATEMENT OF WILLIAM F. MARTIN, LEGISLATIVE REPRESENTATIVE, INTERNATIONAL
PRINTING AND GRAPHIC COMMUNICATIONS UNION

Chairman Mineta and members of the Public Works and Transportation Subcommittee, our International Union represents nearly 2,000 employees at the Government Printing Office. During your hearings you will receive testimony and statements concerning appropriations for funds to erect a new building to replace the present Government Printing Office. We are in favor of such an undertaking for many reasons, which include primarily, the health and safety of our members as well as a more efficient fiscal management such a modern facility would have to offer.

The present buildings are forty years and older, having many of its operations spread over many of the eight floors of these buildings. The present operation must rely on elevators which are constantly under repair creating many undue delays and dangers. Added equipment and machinery over the years has also created space problems hampering expeditious production and caused hazards. In the event of a major fire or other such disaster, a complete evacuation of the eight story building could result in a disaster in itself, resulting in massive injuries and loss of lives.

A modern three story building such as proposed would place the bulk of the production effort on one floor increasing capabilities, productivity and service while improving the working conditions and safety of all its employees. We strongly urge your subcommittee to look favorably upon the request for funds to erect such a new Government Printing Office facility and that you so report back to your full committee as well as your colleagues in Congress.



