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Senate Hearings

Before the Committee on Appropriations

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Legislative Branch Appropriations

Fiscal Year 1981

96*th* CONGRESS, SECOND SESSION

PART 2—(Pages 1-880)

U.S. SENATE
JOINT ITEMS
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LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1981

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS UNITED STATES SENATE

NINETY-SIXTH CONGRESS

SECOND SESSION

Printed for the use of the Committee on Appropriations

PART 2

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LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1981

TUESDAY, FEBRUARY 19, 1980

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

The subcommittee met at 10:10 a.m., in room S–126, the Capitol, Hon. Jim Sasser (chairman) presiding.

Present: Senator Sasser.

U.S. SENATE

BUDGET REQUESTS

Senator SASSER. The subcommittee will come to order. Today the subcommittee will commence hearings on the fiscal year 1981 President's budget request for the legislative branch of the Government. Several fiscal year 1980 supplemental budget requests are also going to be considered.

The total amount appropriated by Congress to date for the legislative branch is $1,158,459,400. This includes $763,467,400 for operation of the Congress and $394,992,000 for related agencies of the legislative branch of government.

In addition, the subcommittee has before it a proposed fiscal year 1980 pay increase supplemental in the amount of $46,889,100 which is required to fund the 7-percent pay raise for all Federal employees which was placed into effect on October 1, 1979. Also before the subcommittee are several fiscal year 1980 program supplemental requests in the amount of $8,216,000.

If all of these items should be approved by the Congress, the total appropriations for fiscal year 1980 for the legislative branch would amount to $1,213,564,500.

The budget request for fiscal year 1981 is $1,262,625,100. This is a requested increase of $49,060,600 or 3.9 percent over the total amounts anticipated to be appropriated for fiscal year 1981.

REDUCTIONS IN BUDGET REQUESTS

I believe this request reflects some measure of restraint in the legislative branch agencies. The President's budget request presented to this subcommittee 2 years ago amounted to an 8 percent growth rate.

Last year a 6.9-percent increase was presented. So this year's proposed increase of 3.9 percent is a step in the right direction and more

moderate than the almost 7-percent increase requested in the President's overall budget.

Let me say I still don't believe that this budget is as tight as it could be. This subcommittee has been able to cut the President's budget for the legislative branch by $95 million last year. Although a 3.9-percent growth rate leaves less room for cutting than last year, I fully intend to seek and recommend further cuts this year.

These hearings are intended to help us determine precisely where we will make these cuts.

The fiscal year 1981 budget request for operations of the U.S. Senate is $213,336,000, a decrease of $3,951,000 below the amount anticipated to be appropriated for fiscal year 1980.

OFFICE OF THE FINANCIAL CLERK OF THE SENATE

STATEMENT OF ROBERT A. MALSTROM, FINANCIAL CLERK OF THE SENATE

ACCOMPANIED BY STUART F. BALDERSON, ASSISTANT FINANCIAL CLERK

INTRODUCTION OF ASSOCIATE

Senator SASSER. The first witness this morning is Mr. Robert Malstrom, the financial clerk of the Senate, who will give an overview of the President's budget request for the Senate.

Mr. Malstrom, if you would, sir, introduce your associate for the record and please proceed with your statement.

Mr. MALSTROM. Mr. Chairman, this is my assistant, Mr. Stuart Balderson.

1980 SUPPLEMENTAL BUDGET REQUEST

Mr. Chairman, before proceeding with the Senate items for fiscal year 1981, I would like to inform the committee that the supplemental appropriations bill for fiscal year 1980 includes items requiring additional funds for fiscal 1980 for increased pay costs for the October 1, 1979 pay comparability increase and administrative provisions that will also be reflected in the fiscal year 1981 estimate.

Since these items will affect the budget for fiscal year 1981, may I consider the supplemental amounts and language included in the bill as being enacted for the purpose of my presentation to your committee?

Senator SASSER. Yes, you may.

1981 BUDGET REQUEST

Mr. MALSTROM. The Senate budget for fiscal year 1981, as submitted in the budget of the U.S. Government and as presented today, is an overall decrease of $4,727,000 from those funds made available for the Senate for the fiscal year 1980.

The major items that were either discontinued or decreased are: One, contractual legal and administrative services, Office of the Secretary of the Senate, are estimated to decrease from $75,000 to $60,000; two, telegraph services for committees and for other offices are estimated to decrease by $8,000; three, the cost of furnishing the WATS service is projected to reflect a saving of $495,000; and four, computers, controllers, and peripheral devices expenditures are estimated to cost almost half of the 1980 estimate, for a decrease of $820,000, remote printing will be discontinued for a savings of $120,000, computer terminal costs are expected to run about $4 million less than for the fiscal year 1980, and the correspondence management system transition will save another $3,204,000.

While the above items represent decreases from the funds now available, there are some projected increases, such as full-year funding for new positions and position changes in the Office of the Sergeant at Arms, and an estimated increase in funding for inquiries and investigations by committees.

The estimates have been submitted in accordance with requests made by functions of the Senate and as up-dated according to increased pay costs for the October 1, 1979 pay comparability increase.

Other changes reflected in the estimate and request are in the following categories: (a) the expiration of limitations on maximum and top-level position salary rates, which are currently limited by Public Law 96–86; (b) the increased cost of health insurance agency contributions, which were increased January 1, 1980; (c) an increase to fully fund the administrative, clerical, and legislative assistance allowance of Senators; (d) the requirement for 27 additional police positions and full-year funding for the parking department; (e) increased funding for further longevity compensation entitlements; (f) an estimated increase in parts and repairs of equipment, purchased and leased equipment, supplies and training of personnel in the service department; and (g) projected increases in salaries for positions in the Capitol Guide Service.

The total budget estimate for fiscal year 1981 for Senate regular appropriation items is $213,336,000, and for Senate joint items $3,608,000, for an aggregate total of $216,944,000. This is a net decrease of $4,727,000 under the amount available for fiscal year 1980. The total available for fiscal year 1980 is $221,671,000.

INQUIRIES AND INVESTIGATIONS

The appropriation request for inquiries and investigations, in the amount of $36 million, is based on those allocations authorized by Senate resolutions or other authorizations, plus an additional amount reflecting the normal October 1 pay comparability, and an amount representing an approximate 10-percent increase for new and increased allocations.

The budget, therefore, is submitted for consideration of the subcommittee. I stand ready to answer any questions you may have or to briefly cover each appropriation item and possible changes that affect each of those items.

REQUEST FOR ADDITIONAL POLICE POSITIONS

Senator SASSER. Mr. Malstrom, it appears you have anticipated many of my questions and have already incorporated the answers in the extensive justification materials which you are submitting for the record. You are to be commended for that. It will save all of us time here today.

Thank you, Mr. Malstrom.

I might just ask you, I note here that the President's budget includes a request from the Sergeant at Arms for 27 additional police positions, for a total of 551 paid from Senate funds, and I understand that the Sergeant at Arms might be revising this upward. We will ask the Ser-

geant at Arms about that in considerable detail later on. However, it just seems to me that at a time when the public is expecting us to hold the line on expenditures, we ought not to be adding an additional 27 police officers.

We have got almost a full battalion of police officers out there now. Just yesterday, there were two officers standing at the end of the Dirksen Building runway with three more standing at the Capitol end of the subway. I understand this is in the Sergeant at Arms' area. I plan to question both the Sergeant at Arms and Chief Powell closely about this.

The other day I walked past the stationery room and there was a police officer stationed there. When he was asked why he was there, I was told a couple of inexpensive pens had been found missing from the stationery room. That seems like a small reason to station a police officer there. We are going to ask the Sergeant at Arms about that.

ADMINISTRATIVE PROVISIONS

At any rate, Mr. Malstrom, I note you are suggesting a number of administrative provisions of a housekeeping nature for inclusion in the supplemental bill for fiscal year 1980. Would you please submit for the record at the conclusion of our discussion the various administrative provisions you have developed along with an explanation of each and a note of who in the Senate is proposing the administrative provision, the majority leader, the chairman of the Rules Committee, or what-not, who is doing that?

Mr. MALSTROM. I will be glad to, sir.

OFFICIAL OFFICE EXPENSE ACCOUNT

Senator SASSER. I am also in receipt of a letter signed by Senators Hatfield, Goldwater and others, raising a question about the adequacy of the official office expense accounts. Without objection, the letter will be incorporated in the record.

Would you please look into this, Mr. Malstrom, and develop for the record the background and some options for the subcommittee's consideration?

Mr. MALSTROM. Certainly, Mr. Chairman.

QUESTIONS SUBMITTED FOR RESPONSES

Senator SASSER. Mr. Malstrom, we have some additional questions for the record, which we would request that you look at and respond to as quickly as possible. We will also be asking informally for some statistics regarding allowances and expenditures and we will want your usual cooperation with the subcommittee staff on this matter.

Mr. MALSTROM. All right, sir.

Senator SASSER. Thank you for your cooperation and appearing here this morning.

Mr. MALSTROM. Thank you, Mr. Chairman.

[The letter, regarding the official office expense account and the letter from the Financial Clerk to the subcommittee in reference to it, the administrative provisions with explanations as requested, and additional questions and answers follow:]

LETTER FROM SENATORS MARK HATFIELD, DAVID DURENBERGER, PETE DOMENICI, DENNIS DECONCINI, WALTER D. HUDDLESTON, TED STEVENS, BARRY GOLDWATER, S. I. HAYAKAWA, MIKE GRAVEL, CARL LEVIN, AND MAX BAUCUS

February 21, 1980

The Honorable Jim Sasser
Chairman, Legislative
Appropriations Subcommittee
Committee on Appropriations
S-128, Capitol
Washington, D.C. 20510

Dear Mr. Chairman:

As your Subcommittee examines appropriations for the operation of the Senate, we would like to request a review of the funds available in the Consolidated Office Account. As you are aware, this fund has not been expanded since January 1, 1977. In the meantime, costs for the operation of our offices have been on a steady climb.

Rising costs in several categories of the Consolidated Account indicate the need for an adjustment. Over the past year, airline rates have increased by approximately 45 percent. In the last two years, telephone costs have grown sizably, as well. In recognition of these costs and the impact of inflation on other items central to the operation of our offices, we believe an increase would be appropriate.

According to statistics provided by the President's Council of Economic Advisors, the Consumer Price Index marked the following increases over the last three years: 13.3 percent in 1979, 9 percent in 1978, and 6.8 percent in 1977. These figures suggest that a 15 percent increase in the Consolidated Office Account should be considered, even though it is well below the pace of inflation.

Above all, we know it is imperative to make every effort to hold down costs in our offices. Yet, we believe the request we are making is necessary for the responsible discharge of our duties. We hope you will give it favorable consideration.

Sincerely,

TEXT OF LETTER FROM FINANCIAL CLERK OF THE SENATE
TO CHAIRMAN SASSER RELATING TO CONSIDERATION
OF AN INCREASE IN THE SENATORIAL
OFFICIAL OFFICE EXPENSE ACCOUNT
AS PROPOSED BY SENATORS
HATFIELD, GOLDWATER AND OTHERS

March 20, 1980

Honorable Jim Sasser, Chairman
Subcommittee on Legislative Branch
Appropriations
Committee on Appropriations
United States Senate

Dear Mr. Chairman:

In response to your instructions during the Hearings on the Legislative Branch Appropriations for fiscal year 1981, on February 19, 1980, and relating to a request from numerous Senators for the consideration of an increase in the Senatorial Official Office Expense Account, I am furnishing the following information and comment:

BACKGROUND INFORMATION

Prior to January 1, 1973, each Senator was entitled to a number of trips for himself and his staff and a specified dollar amount for each of the expense categories. He could spend no more in any one expense category than the law allowed and was rigidly controlled within each of those categories.

On January 1, 1973, the individual allocations were continued but were commingled in order to allow a greater degree of flexibility within the total dollar allowance, and this account was thereby retitled the "Consolidated Office Allowance." This was a progressive step toward the more efficient usage of the entire allowance. The allowance was used in this form, with increases for air mail and special delivery postage on January 1, 1974, and for telegrams on January 1, 1974, and January 1, 1975, through the end of 1976.

Therefore, using only one particular State as a basis of computation, purely for illustrative purposes, the following is a listing of the allocations that comprised the Consolidated Office Allowance of one of the United States Senators from that State on December 31, 1976:

EXPENSE CATEGORY	ALLOCATION
(a) Transportation expenses for Senator and Staff	$ 3,426.80
(b) Long distance telephone	11,500.00
(c) Telegrams	15,859.00
(d) Stationery	3,800.00
(e) Air mail and special delivery stamps	1,390.00
(f) (Home State office expenses) (Telephone charges incurred) (Subscriptions to newspapers, magazines, periodicals, or clippings or similar services)	7,800.00
Total	$43,775.80
OR	
Rounded up to the next higher multiple of $12	$43,776.00

The allocation for transportation expense was based on a Senator's certified mileage between Washington, D. C., and his home city and State, which meant that each Senators' allowance was different, unless from the same city and State. The certified mileage of the Senator from the State we are using as a base was multiplied by $.13 per mile and multiplied by a factor of 40, which was equivalent to the number of one-way trips to which the Senator was entitled.

Effective January 1, 1977, the name of the allowance was changed to "Official Office Expense Account" and provided for an increased amount, with each Senator from the same State being authorized the same figure; i.e., the Senators from the State of Alabama were each authorized $49,000, those from Iowa were authorized $50,000 each, and those from Maryland were each authorized $37,000; essentially a 10% increase in the allowance for each Senator.

The account has not been increased, therefore, since January 1, 1977.

TABLE SHOWING NEW DOLLAR AMOUNT IF THE OFFICE ACCOUNT WAS INCREASED BY 15%

Were an increase in the Official Office Expense Account of each Senator to be considered, listed below is a table showing State, current amount, and amount increased by 15% and rounded to the next higher $1,000:

State	Current Amount Authorized	Proposed Amount (increase of 15%)	Amount of Increase
Alabama	$ 49,000	$ 57,000	$ 8,000
Alaska	125,000	144,000	19,000
Arizona	58,000	67,000	9,000
Arkansas	49,000	57,000	8,000
California	87,000	101,000	14,000
Colorado	54,000	63,000	9,000
Connecticut	41,000	48,000	7,000
Delaware	33,000	38,000	5,000
Florida	51,000	59,000	8,000
Georgia	49,000	57,000	8,000
Hawaii	143,000	165,000	22,000
Idaho	57,000	66,000	9,000
Illinois	65,000	75,000	10,000
Indiana	48,000	56,000	8,000
Iowa	50,000	58,000	8,000
Kansas	50,000	58,000	8,000
Kentucky	48,000	56,000	8,000
Louisiana	51,000	59,000	8,000
Maine	44,000	51,000	7,000
Maryland	37,000	43,000	6,000
Massachusetts	46,000	53,000	7,000
Michigan	54,000	63,000	9,000
Minnesota	51,000	59,000	8,000
Mississippi	49,000	57,000	8,000
Missouri	52,000	60,000	8,000
Montana	57,000	66,000	9,000
Nebraska	51,000	59,000	8,000
Nevada	59,000	68,000	9,000
New Hampshire	41,000	48,000	7,000
New Jersey	44,000	51,000	7,000
New Mexico	55,000	64,000	9,000
New York	70,000	81,000	11,000
North Carolina	46,000	53,000	7,000
North Dakota	51,000	59,000	8,000
Ohio	58,000	67,000	9,000
Oklahoma	53,000	61,000	8,000
Oregon	61,000	71,000	10,000
Pennsylvania	58,000	67,000	9,000
Rhode Island	39,000	45,000	6,000
South Carolina	44,000	51,000	7,000
South Dakota	51,000	59,000	8,000
Tennessee	48,000	56,000	8,000
Texas	72,000	83,000	11,000
Utah	57,000	66,000	9,000
Vermont	40,000	46,000	6,000
Virginia	41,000	48,000	7,000
Washington	62,000	72,000	10,000
West Virginia	40,000	46,000	6,000
Wisconsin	51,000	59,000	8,000
Wyoming	53,000	61,000	8,000

The proposed new total of $6,354,000 for the Official Office Expense Account would be an increase of $868,000 per year over the total current authorizations of $5,486,000.

ANALYSIS OF TRANSPORTATION LONG DISTANCE, AND TELEGRAM EXPENSE IF PERCENTAGE INCREASES HAD BEEN APPLIED DURING PRIOR YEARS

In the consideration of an increase in the Official Office Expense Account, we should, for analysis purposes only, and using authorized amounts for each expense category on January 1, 1973, apply a 10% increase to each of three categories (transportation, long distance, and telegrams), as a reflection of that percentage by which the total allowance was increased on January 1, 1977. Further, for analysis only, we may also apply a 45% increase in costs for transportation, and a 10% increase in usage for long distance phones and telegrams. This results in a total amount that can then be compared to a 15% overall increase in the total office account. An increase of 15%, when applied directly to each Official Office Expense Account, would mean a greater increase than when individual increases are considered; however, there is yet another cost factor that has not been mentioned and that is an increase in per diem rates from $50 per day to $75. This proposed increase in maximum per diem and actual subsistence for Government employees was introduced in the Senate on January 24, 1980 (S. 2213) by Senator Ribicoff and is currently being considered in the Committee on Governmental Affairs. When and if this legislation is reported favorably by the Committee, and if enacted, it will mean a further probability of a request for an increase in the Official Office Expense Account. It may be entirely reasonable, therefore, to consider a 15% increase in the Account which would cover the increased cost of transportation, increased usage of long distance phones, and the distinct probability of increased costs for per diem.

COMMENT

A 15% increase in the Account appears to be a logical factor; to pass over such a request at this time may very likely mean a substantially higher requirement and request next year.

LEGISLATION

In the event that the committee favorably reports an increase of 15% in the Official Office Expense Account, I have taken the liberty of having the necessary administrative provision prepared; that provision is attached.

Respectfully,

Robert A. Malstrom

Robert A. Malstrom
Financial Clerk, United States Senate

ADMINISTRATIVE PROVISION

Sec. . Section 506 (b) of the Supplemental Appropriations Act, 1973 (2 U.S.C. 58 (b)) is amended--

(1) by adding the following new sentence at the end of paragraph (1): "Except as otherwise provided in paragraph (3) of this subsection, for calendar year 1980 and each calendar year thereafter the amount determined under the preceding sentence is increased by an amount equal to 15 percent thereof and rounded to the next higher multiple of $1,000."; and

(2) by adding at the end thereof the following new paragraph:

"(3) For calendar year 1980 the increase provided by the second sentence of paragraph (1) shall be the amount computed under such sentence, divided by 12, and multiplied by the number of months remaining in calendar year 1980 after the date of the enactment of this paragraph, counting the month in which such date occurs as a whole month.".

ADMINISTRATIVE PROVISIONS FOR FISCAL YEAR 1980
SUPPLEMENTAL BILL, EXPLANATION OF EACH,
AND WHICH SENATOR OR OFFICIAL HAS
PROPOSED OR SUGGESTED THESE PROVISIONS

Reimbursement of expenses from the
Senatorial Official Office Expense Account

Sec. Effective October 1, 1979, Section 506 of the Supplemental Appropriations Act, 1973 (2 U.S.C. 58), is amended by redesignating subsections (i) through (k) as (j) through (l), respectively, and by inserting after subsection (h) the following new subsection:

"(i) Whenever a Senator or an employee in his office has incurred an expense for which reimbursement may be made under this section, the Secretary of the Senate is authorized to make payment to that Senator or employee for the expense incurred, subject to the same terms and conditions as apply to reimbursement of the expense under this section.".

Senate Resolution 305, agreed to January 25, 1980, which was introduced by Senator Claiborne Pell, Chairman, Committee on Rules and Administration, has authorized this change in order to eliminate the prior requirement of actually making payment for the expense incurred before being permitted to voucher the obligation incurred.

This provision is merely to change that section of the law to agree with the resolution.

Air Mail and Special Delivery Costs

Sec. Effective February 1, 1980, Section 506(a) of the Supplemental Appropriations Act, 1973 (2 U.S.C. 58(a)), is amended by striking out paragraph (3) and inserting in lieu thereof the following:

"(3) reimbursement to each Senator for costs incurred in the mailing or delivery of matters relating to official business;".

Senate Resolution 319, agreed to January 25, 1980, has authorized this change in order to provide greater flexibility to and utilization of the Senatorial Official Office Expense Account in the area of mail and delivery relating to official business. This resolution was also introduced by Senator Pell.

This provision, therefore, is merely to change that provision of the law in order to show the change in the law that has already been accomplished by Senate Resolution. The resolutions referred to, S. Res. 305 and S. Res. 319, provided immediate authorizations to rectify the problem of Senators using substantial amounts of personal funds to first pay for official expenses incurred in order to be reimbursed for such expenses, and enabled Senators to have official mail delivered by the most expeditious means and be reimbursed for such expenses incurred by that cost. The resolutions are not codified, as are laws; therefore, the provisions would provide the recommended amendments to the law, which will enable leg-

islative researchers to find the change in the source most often relied on, the United States Code Annotated.

Per Diem and Subsistence Expenses

Sec. (a) Section 506(e) of the Supplemental Appropriations Act, 1973 (2 U.S.C. 58(e)) is amended by striking out "in effect under section 5702 of title 5, United States Code, for employees of agencies" in the next to last sentence and inserting in lieu thereof "prescribed by the Committee on Rules and Administration."

(b) The seventh paragraph under the heading "Administrative Provisions" in the appropriation for the Senate in the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 68b) is amended by striking out "in effect under section 5702 of title 5, United States Code, for employees of agencies" each place it appears and inserting in lieu thereof "prescribed by the Committee on Rules and Administration."

Senate Resolution 311, agreed to January 25, 1980, authorized that per diem to a Member or employee in connection with official travel in the United States would thereafter be made on the basis of actual expenses but not to exceed $50 per day.

This provison, in effect, will enable the change to be a revision to the United States Code and will further eliminate any necessity of change in per diem through Senate Resolution.

S. 2213 has already been introduced, is being considered in the Senate Committee on Governmental Affairs, and proposes an increase in the maximum per diem and actual subsistence for Government employees from $50 to $75 per day.

Expenses of Selection Panels

Sec. Effective January 1, 1980, Section 506(h)(1) of the Supplemental Appropriations Act, 1973 (2 U.S.C. 58(h)(1)) is amended by striking out "under subsection (a)(9) when such expenses are incurred by or on behalf of a Senator" and inserting in lieu thereof "to an employee in the office of a Senator when traveling on business of a committee of which that Senator is a member."

This provision was originally proposed for inclusion in the Legislative Branch Appropriation Bill for fiscal year 1980, but since that bill was not considered and was never enacted, the provision again comes before the committee for consideration. It is requested by the Chairman of the Committee on Rules and Administration.

The purpose of the provision is to correct a technical language problem in the payment of expenses to individuals selected by Senators to serve on panels or other bodies to make recommendations for nominees to Federal judgeships or to the service academies.

Currently, such persons are entitled to reimbursement for travel and official expenses as would an employee of a Senator while traveling on official business for or on behalf of the Senator. Inasmuch

as an employee of a Senator, while traveling on official business, may only be reimbursed for "actual transportation expenses and per diem expenses (but not exceeding actual travel expenses)" it does not allow for the reimbursement of "official expenses incurred in performing such duties" as was the intent of Section 108 of the Administrative provisions in Public Law 95-391, the Legislative Branch Appropriation Act of 1979.

The intent of this change is to enable a panelist so appointed by a Senator to be reimbursed for these official expenses in the same manner as would an employee of a Committee. For example: they would be entitled to reimbursement for the purchase of stationery items, telephone calls, postage, and other items related to the performance of their official duties. This would eliminate the necessity of processing the charges through the official expense account of the Senator, having him draw his check to the panelist to reimburse for official expenses, and also processing a separate voucher to the individual for travel and per diem expenses.

Clerk-hire Allowance

Sec. Effective October 1, 1979, the allowance for administrative and clerical assistance of each Senator from the State of Louisiana is increased to that allowed Senators from States having a population of four million but less than five million, the population of said State having exceeded four million inhabitants.

This provision deals with the adjustment of the "clerk-hire allowance" for the State of Louisiana. This is a technical adjustment that the Financial Clerk of the Senate, as Budget Officer, has submitted as an automatic request of this nature and is made after the Bureau of the Census has made available its most recent Provisional Population Estimate. The latest estimate placed Louisiana in the next higher population category for the clerk-hire allowance.

Travel Expenses, Office of
the Secretary of the Senate

Sec. Effective October 1, 1979, the first sentence of section 101 of the Legislative Branch Appropriation Act, 1976 (2 U.S.C. 61a-9a), is amended by striking out "$7,500" and inserting in lieu thereof "$10,000."

This language increases the authorization for travel expenses incurred by the Secretary of the Senate and his staff from $7,500 to $10,000 per fiscal year. This provision reflects both an increase in costs due to travel in major metropolitan areas, particularly in West Coast cities, and increased activity by the Secretary's Office. Management staff and department supervisors need to keep abreast of the latest technology, office management techniques, and research materials available to provide better and more efficient services from the various departments of the Office. Travel requests are carefully reviewed by the Secretary to insure that the travel will benefit the Office and the Senate.

Senate Disbursing Office,
Office of the Secretary

Sec. Effective October 1, 1979, the allowance for clerical assistance and readjustment of salaries in the Disbursing Office is increased by $26,460.

This provision increases the allowance for administrative and clerical assistance in the Disbursing Office, and is necessary due to the requirement for documentation of all vouchers charged against the Senators' Official Office Expense Accounts, which requires additional staffing in the Disbursing Office for a thorough audit of the vouchers and substantiating documents.

Position Changes, Office of the
Sergeant at Arms and Doorkeeper

Sec. Effective on the first day of the first month following the date of enactment of this Act, the Sergeant at Arms and Doorkeeper of the Senate may appoint and fix the compensation of an Inspector, Police Force, at not to exceed $33,734 per annum; a Cabinetmaker at not to exceed $20,806 per annum in lieu of an Assistant Cabinetmaker at not to exceed $17,574 per annum; a Cabinetmaker at not to exceed $20,806 per annum in lieu of not to exceed $19,190 per annum; a Shop Attendant at not to exceed $13,332 per annum; a Shift Supervisor at not to exceed $14,140 per annum and two Shift Supervisors at not to exceed $12,928 per annum each in lieu of three Mail Carriers at not to exceed $10,302 per annum each; a Deputy Director, Service Department, at not to exceed $38,784 per annum; a Supervisor, Typewriter Repair Section, at not to exceed $26,260 per annum in lieu of not to exceed $24,038 per annum; a Receiving Clerk at not to exceed $12,928 per annum in lieu of a Supervisor, Supply Section, at not to exceed $18,382 per annum; a Power Cutter Operator at not to exceed $13,534 per annum; a Senior Folding Machine Operator at not to exceed $15,554 per annum in lieu of a Laborer at not to exceed $11,716 per annum; an Automatic Typewriter Repairman at not to exceed $19,796 per annum in lieu of a Repairman at not to exceed $18,584 per annum; two Laborers at not to exceed $6,060 per annum each in lieu of a Laborer at not to exceed $11,716 per annum; a Printing Press Operator at not to exceed $15,756 per annum in lieu of a Photostat Operator at not to exceed $15,756 per annum; a Manager, Member and Committee Applications Development, at not to exceed $38,784 per annum in lieu of a Senior Applications Analyst at not to exceed $36,360 per annum; an Applications Analyst at not to exceed $32,522 per annum in lieu of an Office Systems Specialist at not to exceed $16,968 per annum; a Manager, Text Processing Applications Development, at not to exceed $38,784 per annum in lieu of a Senior Applications Analyst at not to exceed $36,360 per annum; a Systems Programmer at not to exceed $29,896 per annum in lieu of a Junior Systems Programmer at not to exceed $26,260 per annum; an Assistant Operations Manager at not to exceed $32,522 per annum in lieu of not to exceed $29,896 per annum; a Production Manager at not to exceed $29,896 per annum in lieu of not to exceed $28,280 per annum; a Data Resource Analyst at not to exceed $23,432 per annum in lieu of a Computer Resource and Performance Analyst at not to exceed $25,856 per annum; three Computer Shift Supervisors at not to exceed $22,826 per annum each in lieu of not to exceed $20,402 per annum each; an Operations Scheduler at not to exceed $23,432 per annum in lieu of not to exceed $25,856 per annum; a Data Resource Analyst at not to

exceed $18,180 per annum in lieu of a Tape Librarian at not to exceed $16,564 per annum; a Tape Librarian at not to exceed $15,756 per annum in lieu of an Assistant Tape Librarian at not to exceed $14,948 per annum; a Senior Quality Controller at not to exceed $20,402 per annum in lieu of a Junior Operator at not to exceed $16,564 per annum; a Quality Controller at not to exceed $18,180 per annum in lieu of a Junior Operator at not to exceed $16,564 per annum; a Printing Operator at not to exceed $15,756 per annum in lieu of an Assistant Tape Librarian at not to exceed $14,948 per annum; a Printing Operator at not to exceed $15,756 per annum in lieu of a Messenger at not to exceed $11,716 per annum; a Network Equipment Supervisor at not to exceed $33,330 per annum in lieu of not to exceed $29,896 per annum; a Senior Applications Analyst at not to exceed $35,148 per annum in lieu of a Standards Specialist at not to exceed $32,522 per annum; a Training and Career Development Coordinator at not to exceed $32,522 per annum in lieu of a Technical Training Specialist at not to exceed $29,896 per annum; an Assistant Manager, Administrative Support, at not to exceed $32,522 per annum in lieu of an Office Systems Supervisor at not to exceed $29,896 per annum; an Office Systems Specialist at not to exceed $18,786 per annum in lieu of not to exceed $16,968 per annum; a Senior Training Specialist at not to exceed $25,856 per annum in lieu of a Training Specialist at not to exceed $20,604 per annum; an Assistant Manager, Educational Development, at not to exceed $32,522 per annum in lieu of an Office Systems Training Supervisor at not to exceed $29,896 per annum; a Secretary at not to exceed $15,756 per annum in lieu of a Receptionist at not to exceed $13,736 per annum; a Secretary at not to exceed $16,160 per annum in lieu of an Office Systems Specialist at not to exceed $20,604 per annum; a Deputy Director, Computer Center, at not to exceed $40,804 per annum in lieu of an Assistant Director, Computer Center, at not to exceed $40,804 per annum; a Manager, Office Administration, at not to exceed $26,058 per annum in lieu of an Office Manager at not to exceed $22,624 per annum; a Special Assistant to the Sergeant at Arms and Doorkeeper at not to exceed $38,784 per annum in lieu of a Manager, User Training and Liaison, at not to exceed $38,784 per annum; a Manager, Training and Support Services, at not to exceed $38,784 per annum in lieu of an Office Systems Supervisor at not to exceed $32,522 per annum; a Manager, Micrographics Services, at not to exceed $32,522 per annum in lieu of a Micrographics Supervisor at not to exceed $27,270 per annum; a Supervisor, Micrographics Operations, at not to exceed $24,846 per annum in lieu of an Assistant Micrographics Supervisor at not to exceed $21,008 per annum; an Assistant Supervisor, Micrographics Operations, at not to exceed $18,786 per annum in lieu of a Film Processor at not to exceed $15,756 per annum; a Darkroom Technician at not to exceed $16,968 per annum in lieu of an Assistant Film Processor at not to exceed $14,948 per annum; a Senior Quality Control Specialist at not to exceed $16,362 per annum in lieu of a Cameraman at not to exceed $14,544 per annum; a Senior Computer Output Microfilm Operator at not to exceed $16,362 per annum in lieu of a Cameraman at not to exceed $14,544 per annum; two Senior Camera Operators at not to exceed $15,554 per annum each in lieu of two Cameramen at not to exceed $14,544 per annum each; a Duplication Technician at not to exceed $14,948 per annum in lieu of a Cameraman at not to exceed $14,544 per annum; a Camera Operator at not to exceed $14,544 per annum in lieu of a Cameraman at not to exceed $14,544 per annum; a Secretary/Receptionist at not to exceed $14,746 per annum in lieu of not to exceed $13,736 per annum; a Senior Computer Specialist at not to exceed $36,360 per annum; a Special Projects Officer at not to exceed $36,360 per annum; a Network Equipment Coordinator at not to exceed $15,958 per annum; a Network Technician at not to

exceed $21,614 per annum; a Quality Control Specialist at not to exceed $15,352 per annum; three Camera Operators at not to exceed $14,544 per annum each; a Text Processing Specialist at not to exceed $21,816 per annum; a Text Processing Specialist at not to exceed $19,796 per annum; a Senior Applications Analyst at not to exceed $35,148 per annum; a Senior Applications Analyst at not to exceed $36,360 per annum; two Secretaries at not to exceed $15,958 per annum each; a Reports Analyst at not to exceed $17,776 per annum; a Network Special Projects Supervisor at not to exceed $36,360 per annum; a Communications Software Specialist at not to exceed $33,330 per annum; a Director, Parking Department, at not to exceed $34,744 per annum; a Special Projects Assistant at not to exceed $17,776 per annum; a Supervisor, Administrative Operations Section, at not to exceed $24,240 per annum; an Office Manager at not to exceed $17,776 per annum; a Receptionist-Secretary at not to exceed $14,544 per annum; a Permits Clerk at not to exceed $17,776 per annum; an Enforcement Liaison Clerk at not to exceed $17,978 per annum; and a Supervisor, Field Operations Section, at not to exceed $22,220 per annum: Provided, That, effective on the first day of the first month following the date of enactment of this Act, the position of Mail Supervisor at not to exceed $15,756 per annum, and the position of Audio Engineer at not to exceed $16,968 per annum, are hereby abolished: Provided further, That not to exceed $45,000 of the amount appropriated for the Office of Sergeant at Arms and Doorkeeper may be used to employ special deputies.

This provision was originally proposed for the Legislative Branch Appropriation Bill for fiscal year 1980, but since that bill was not considered and was never enacted, the provision is again before the committee for consideration. It is an effort to further improve the operation of the Office of the Sergeant at Arms and Doorkeeper in its providing Senators, Committees, and other offices of the Senate with the services required.

Museum Specialist,
Office of the Secretary

Sec. Effective on the first day of the first month following the date of enactment of this Act, the Secretary of the Senate may appoint and fix the compensation of a Museum Specialist at not to exceed $20,200 per annum in lieu of a Clerk at not to exceed $15,756 per annum.

This provision abolishes the position of Clerk at $15,756 per annum in the Curator's Office and creates the position of Museum Specialist at not to exceed $20,200 per annum, resulting in a net increase of $4,444 per annum.

The provision has been requested by the Secretary of the Senate and is intended to establish a career specialist position in that office to assist in the added responsibility of the many foreign gift items that are required to be catelogued and carefully stored by the Curator.

Night Differential

Sec. (a) The appropriations under the heading "SALARIES, OFFICERS AND EMPLOYEES" in any act making appropriations for the

Senate shall be available for the payment of additional annual compensation (hereinafter referred to as "night differential compensation"), as authorized by the Sergeant at Arms and Doorkeeper of the Senate pursuant to this section, to not more than 30 employees in the Senate Computer Center, not more than 50 employees in the Senate Service Department, and not more than 20 other employees under the jurisdiction of the Sergeant at Arms and Doorkeeper.

(b) An employee shall be eligible to receive night differential compensation only if 75 percent or more of his regularly scheduled hours of work is between 6 p.m. and 6 a.m.

(c)(1) The amount of night differential compensation which may be paid to an employee (as authorized by the Sergeant at Arms and Doorkeeper) shall not exceed an amount equal to 10 percent of the regular annual rate of compensation (excluding longevity compensation and merit compensation, if any) of such employee rounded to the next highest multiple contained in section 1(a) of the applicable order of the President Pro Tempore of the Senate issued under authority of section 4 of the Federal Pay Comparability Act of 1970.

(2) The amount of night differential compensation which may be paid to an employee, when added to his regular annual compensation and his longevity compensation and merit compensation, if any, shall not exceed the maximum annual compensation which may be paid to Senate employees generally as prescribed by law or orders of the President Pro Tempore issued under authority of section 4 of the Federal Pay Comparability Act of 1970.

(d) This section shall take effect on the first day of the first month which begins after the date of the enactment of this Act.

This provision is recommended, on the initial request of the Sergeant at Arms and Doorkeeper, and concurrence of the Chairman of the Committee on Rules and Administration, in order to establish a shift differential for personnel in the Senate Computer Center, Service Department, and other personnel under the appropriation "Office of Sergeant at Arms and Doorkeeper," whose regular duty hours are the "night shift." These personnel are required to perform at least 75 percent of their work day between 6:00 p.m. and 6:00 a.m.

Availability of Appropriated Funds

Sec. Any funds appropriated or made available under the heading "SENATE" in any appropriation Act for the fiscal year ending September 30, 1980, and any funds appropriated by section 101(c) of the joint resolution entitled "Joint Resolution making continuing appropriations for the fiscal year 1980, and for other purposes," approved October 12, 1979 (Public Law 96-86), for disbursement by the Secretary of the Senate which for the fiscal year ending September 30, 1979, were appropriated under the heading "SENATE," shall remain available until expended for the same purpose for which appropriated or made available.

This provision will extend the availability of fiscal year 1980 funds and is a provision that has been included in the last three years Legislative Appropriation Bills. It had also been included in the Legislative Branch Appropriation Bill for fiscal year 1980.

Salary Rate Multiple

Sec. (a) Section 105(a)(1) of the Legislative Branch Appropriation Act, 1968 (2 U.S.C. 61-1(a)(1)) is amended to read as follows:

"(a)(1) Whenever the rate of compensation of any employee whose compensation is disbursed by the Secretary of the Senate is fixed or adjusted on or after October 1, 1980, such rate as so fixed or adjusted shall be at a single whole dollar per annum gross rate and may not include a fractional part of a dollar.".

(b) Section 106(b)(1) of the Legislative Branch Appropriation Act, 1963 (2 U.S.C. 60j(b)(1)) is amended by striking out "two times the multiple contained in section 1(a) of the applicable Order of the President Pro Tempore of the Senate issued under authority of section 4 of the Federal Pay Comparability Act of 1970" and inserting in lieu thereof "$404."

(c) Section 109(d)(1) of the Legislative Branch Appropriation Act, 1979 (2 U.S.C. 60j-3(d)(1)) is amended by striking out "next highest multiple contained in section 1(a) of the applicable Order of the President Pro Tempore of the Senate issued under authority of section 4 of the Federal Pay Comparability Act of 1970" and inserting in lieu thereof "next higher dollar."

(d) the amendments made by this section shall take effect on October 1, 1980.

This final provision deals with a change in payroll table rates, as pertains to Senate employees. This provision has been suggested by the Financial Clerk in order to allow Senators, Chairman, and other appointing officials the opportunity to set salary rates at any full dollar figure (within limitations provided by law), and to fully implement the October 1 pay comparability percentage increase recommended by the President for all United States Government employees.

This provision would simplify employee salary rates within the Senate, the determination of appointment rates and other salary changes, the programming required for pay comparability increases, would cost less, insofar as technical operations of computers, appointments, salary changes and payrolling, and would require no additional costs. For example, a Senator could appoint and individual at $12,000 per annum, subsequently increase the employee by $500 to $12,500 per annum, and on October 1 grant the employee the full pay comparability increase of five percent (a hypothetical figure) to $13,125 per annum. It would do away with the need for salary tables determined on the basis of multiples, such as the current multiple of $202 and the previous multiple of $189. The maximum salary rates for Senators' offices, committees, and other offices would still apply.

The result would, therefore, be two-fold. First, each employee who was authorized the Government-wide cost-of-living increase would receive the full increase, since it would be applied directly to the gross salary rate, with no less than the percentage authorized for other Government employees. Second, there would essentially be a very small saving to the Senate since the percentage would be applied directly to the gross salary rate and not to the existing multiple.

Additional Committee Questions

1. Question. The overall 1981 budget for the Senate is $213 million, a decrease of $4 million below the 1980 level. Within that amount, there are a number of decreases and a few increases. In connection with this, would you please explain the $1,448,000 increase in "Administrative, Clerical, and Legislative Assistance to Senators."

Answer. That increase is occasioned by (1) full year funding required by the increase in the population category for the State of Louisiana, and (2) the full year funding to correct the understating of the October 1, 1979, pay comparability increase.

2. Question. I note that the appropriation "Committee Employees," which is reviewed by this subcommittee every year, is being held at $13 million, the same as the previous year. I also note that the appropriation "Inquiries and Investigations," which is reviewed and approved by the Senate Rules Committee every year and over which we have no control, is increasing by $1,675,000 for a total of $36 million. It seems that the Appropriations Committee is doing a better job of holding the line on committee costs. Would you place in the record the usual tables showing the total funding from all sources for Senate Committees. Also, will you include the comparable employee count figures for the years 1974 and 1979 for these two different appropriations? Do you have any comment regarding these items?

Answer. "Inquiries and Investigations" shows a requirement for an increase of $1,675,000. The reason for this is that there should be a substantial reserve for any new investigations or a sudden requirement for an enlarged study of a current authorization. While a resolution authorizing new or expanded studies can be considered quickly under immediate consideration, the additional appropriated funds necessary for any new or expanded studies are not that immediately obtained.

The tables showing the analysis of funding and expenditures for Senate Committees have been placed in the record at the appropriate point, immediately following the justification for "Inquiries and Investigations."

A table showing the number of employees for the month of October in each year from 1970 through 1979 is included for the record at this point. This table should answer frequent questions regarding the numbers of staff employed in the Senate over the past decade. It may also be of interest to know that the total number of standing committee staff employed under "Committee Employees" in October 1979 was 256 while in October 1974 there were 208; and that committee staff employed under "Inquiries and Investigations," plus joint committees and the Guide Service, in October 1979 totaled 1,169 while in October 1974 there were 971 staff paid in that category.

LISTING SHOWING TOTAL NUMBER
OF SENATE EMPLOYEES* FOR MONTHS AND YEAR INDICATED

YEAR	EMPLOYEES
October 1979	6,910
October 1978	6,388
October 1977	6,312
October 1976	6,472
October 1975	6,042
October 1974	5,183
October 1973	4,977
October 1972	4,525
October 1971	4,523
October 1970	4,039

*Paid by Secretary of Senate - including all individuals paid for any part of the month

Note: Due to staff changes (appointments and terminations), there are more employees paid during a month than there are authorized positions. A single authorized position may be occupied by more than one individual during partial periods of a month, although by only one individual at any specific time.

In connection with the above staffing totals, the major areas of increase from 1974 to 1979 are as follows:

	Approximate Increase of Staff
a. Establishment of the Select Committee on Intelligence	47
b. Additional responsibilities of Select Committee on Ethics	19
c. Establishment of the Select Committee on Indian Affairs	18
d. Creation of the Committee on the Budget	70
e. Increase in responsibilities of Office of the Secretary and the establishment of the Historical Office and Office of Classified National Security	16
f. Increase in responsibilities of the Office of the Sergeant at Arms - Post Office, Service Department, Computer Center, Parking Attendants, Barbers, Door Attendants, and Police Force	360
g. Increasing responsibilities of Senators' offices, including legislative assistance	765
h. Additional positions authorized or required for standing committees and other offices of the Senate	33
i. Increased investigations, studies, etc., under Inquiries and Investigations and joint committees	258
	1,586*

*reflects only the approximate increase of staff in the areas indicated and does not refer to total individuals employed or the total number of authorized positions.

3. Question. Mr. Malstrom, the $213 million request for 1981 operations of the Senate is less than 1980. I would like to see this figure held below the $200 million mark. I think if you go back and sharpen your pencil and go over the estimates, we might be able to get the figure below $200 million. Please work with the staff and develop some suggestions on how the subcommittee might get those costs down to $200 million.

4. Question. Please provide for the record a list of positions for fiscal year 1979, and 1980 and 1981. Explain for the record which of those Senate positions are controlled by the Appropriations Committee and which are controlled by other such as Senate Rules Committee, individual Senators, joint leadership and so forth.

Answer. The listing of positions for fiscal years 1979, 1980, and the requested fiscal year 1981 are attached. For an explanation of how the positions are controlled, the following information is provided:

a. Under the appropriation "Salaries, Officers and Employees," there are eight functions funded with lump-sum allocations, which means that the appointing officials for those functions determine the number of positions established in each function, based on their requirements. Those functions are:

(1) Office of the Vice President
(2) Office of the President Pro Tempore
(3) Offices of the Majority and Minority Leaders
(4) Offices of the Majority and Minority Whips
(5) Secretaries of the Conferences of the Majority and Minority
(6) Conference Committees
(7) Administrative, Clerical, and Legislative Assistance to Senators
(8) Secretaries for the Majority and the Minority

b. There are two separate functions provided with statutory positions that have been established by the Legislative Branch Appropriation Acts (or other supplemental actions) that are considered and reported by the Committee on Appropriations. While the committee must take action on the establishment of new positions and changes in title and salary rates in these two functions, it is essentially a matter of necessity when the committee receives such a request for such action. Other legislation, such as the Federal Election Act, the Ethics in Government Act, Senate Resolutions, requirements for additional security, additional computer requirements, etc., all create the actual requirements for personnel support and cause the appropriate action by the Committee. The Committee on Appropriations, therefore, responds to the requirements of the function, but has essentially very little control of those positions.

Those specific functions are:

(1) Office of the Secretary
(2) Office of the Sergeant at Arms and Doorkeeper

c. There are two functions that have statutory positions as well as lump-sum authority. These are (1) Office of the Secretary, and (2) Committee Employees. In the Office of the Secretary, all positions are statutory, except those in the Disbursing Office, Stationery Room, and Administrative Roll. The positions in those units are determined by requirements of the work load and the total funds available for each.

In committees, the permanent core staff are the statutory positions that have been authorized by the Legislative Reorganization Act of 1946, while the lump-sum authorization is the form of additional professional and clerical staff that have been provided to standing committees by Senate Resolutions. The Chairmen of the Committees control the number of positions occupied under "Committee Employees." All committee positions authorized by the Legislative Reorganization Act of 1946, as amended, are fully funded for each committee.

d. The individual Senators control the number of positions under the function "Administrative, Clerical, and Legislative Assistance to Senators" and, as required by the demands of the office, either decrease or expand the number of positions in this item.

e. The Majority and Minority Leaders, the Majority and Minority Whips, and the Secretaries of the Conferences, all control the number of positions under their jurisdiction. While the funding is set by the Appropriation Act, each such officer determines his office needs and fits the positions to fall within his funding authority.

f. The Chairmen of the Joint Economic Committee and the Joint Committee on Printing create, change, and abolish positions within their jurisdictions and funding; and the Legislative Counsel of the Senate and the Senate Legal Counsel both control their legal and clerical staff within the parameters of their appropriations.

g. The appropriation that is, to a certain extent, controlled by the Committee on Rules and Administration is "Inquiries and Investigations." By this is meant that all funding resolutions introduced for each funding period must be referred to that Committee for studies, hearings, and making determinations of what its reports will recommend. In making its determinations, the Committee reviews

the budgets submitted by the originating committees, which include numbers of positions required, thereby giving the Committee on Rules and Administration some control of the number of positions allowed. However, once a funding resolution is agreed to, the Chairman of the Committee for which that funding is authorized has control of that funding and of any positions within it.

UNITED STATES SENATE
COMPARATIVE STATEMENT OF POSITIONS AUTHORIZED OR
REQUESTED FOR 1979 AND 1980 AND ESTIMATES FOR 1981

	Fiscal Year 1979	Fiscal Year 1980	Fiscal Year 1981 Estimate
TITLE I - CONGRESSIONAL OPERATIONS			
SENATE			
COMPENSATION AND MILEAGE OF THE VICE PRESIDENT AND SENATORS	101	101	101
SALARIES, OFFICERS AND EMPLOYEES:			
Office of the Vice President	34	38	38
Office of the President Pro Tempore	3	3	3
Offices of the Majority and Minority Leaders	12	16	16
Floor Assistants to the Majority and Minority Leaders	2	2	2
Offices of the Majority and Minority Whips	12	10	10
Offices of the Secretaries of the Conferences of the Majority and Minority	4	4	4
Office of the Chaplain	2	2	2
Office of the Secretary:			
Statutory Positions	119	119	119
Disbursing Office	33	33	33
Stationery Room	16	17	17
Administrative Fund	3	3	3
Standing Committee Employees*	238	238	238
Conferences of the Majority and Minority	20	30	30
Administrative, Clerical, and Legislative Assistance to Senators	3,437***	3,746***	3,746
Office of the Sergeant at Arms and Doorkeeper:			
Administrative Office	67	48	47
Pages	32	32	32
Drivers-Messengers	8	8	8
Chamber	48	48	48
Press Gallery	6	6	6
Radio-TV Press Gallery	5	5	5
Periodical Press Gallery	2	2	2
Press Photographers Gallery	2	2	2
Recording Studio	17	16	16
Cabinet Shop	9	10	10

	Fiscal Year 1979	Fiscal Year 1980	Fiscal Year 1981 Estimate
SALARIES, OFFICERS AND EMPLOYEES: (cont.)			
Office of the Sergeant at Arms and Doorkeeper: (cont.)			
Telecommunications Department	25	25	24
Capitol Custodial Services	67	68	68
Barber Shop	9	9	9
Service Department	155	157	157
Post Office	80	79	79
Police Force (Senate Employees)	523	524	551
Computer Center	185	212	212
Parking Department	0	30	30
Offices of the Secretaries for the Majority and the Minority	14	14	14
Total positions - Salaries, Officers and Employees	5,189	5,556	5,581
OFFICE OF THE LEGISLATIVE COUNSEL	22	22	22
OFFICE OF SENATE LEGAL COUNSEL	0	7	8
POLICY COMMITTEES	48	48	48
INQUIRIES AND INVESTIGATIONS (Investigations authorized by Senate Resolutions for Standing, Special, and Select Committees)	949	980	980
JOINT ECONOMIC COMMITTEE	55	63	48
JOINT COMMITTEE ON PRINTING	16	17	19
CAPITOL GUIDE SERVICE**	28	28	28
Total positions - Contingent Expenses of the Senate (including Joint Items)	1,118	1,165	1,153

	Fiscal Year 1979	Fiscal Year 1980	Fiscal Year 1981 Estimate
Total positions - Senate	6,408	6,822	6,835

*Including permanent positions authorized by Senate Resolutions

**Plus 10 temporary guides for not to exceed 6 months each and 2 temporary guides for not to exceed 120 days each

***Based on positions occupied in the months of October

Note: The total number of positions authorized does not necessarily reflect the total number of individuals employed in those positions. Due to staff changes (appointments and terminations), a single authorized position may be occupied by more than one individual during partial periods of a month, although by only one individual at any specific time.

JUSTIFICATION

Senator SASSER. Mr. Malstrom, your justification material will be inserted in the record at this point.

Mr. MALSTROM. Thank you, Mr. Chairman.

[The justification follows:]

60-569 O—80—3

JUSTIFICATION

UNITED STATES SENATE

Fiscal Year 1981

Appropriation	Available Fiscal Year 1980 P.L. 96-86	Proposed Pay Increase Supplemental	Proposed Program Supplemental	Combined Total Fiscal Year 1980	Estimate Fiscal Year 1981	Increase (+) or Decrease (-)
Compensation and Mileage of the Vice President and Senators	$ 6,827,000			$ 6,827,000	$ 7,310,000	$+ 483,000
Expense Allowances of the Vice President, President Pro Tempore, Majority and Minority Leaders and Majority and Minority Whips	45,000			45,000	45,000	-0-
TOTAL	$ 6,872,000			$ 6,872,000	$ 7,355,000	$+ 483,000
Salaries, Officers and Employees						
Office of the Vice President	810,000	$ 56,000		866,000	866,000	-0-
Office of the President Pro Tempore	123,000	6,000		129,000	129,000	-0-
Offices of the Majority and Minority Leaders	540,000	37,000		577,000	577,000	-0-
Assistants to the Majority and Minority Leaders for Floor Operations	109,000			109,000	117,000	+ 8,000
Offices of the Majority and Minority Whips	252,000	18,000		270,000	270,000	-0-
Offices of the Secretaries of the Conference of the Majority and the Conference of the Minority	140,000	6,000		146,000	146,000	-0-
Office of the Chaplain	55,000	4,000		59,000	59,000	-0-
Office of the Secretary	4,407,000	249,000		4,656,000	4,660,000	+ 4,000
Committee Employees	11,825,000	1,234,000		13,059,000	13,059,000	-0-
Conference Committees	792,000	54,000		846,000	846,000	-0-
Administrative, Clerical, and Legislative Assistance to Senators	75,133,000	1,866,000		76,999,000	78,447,000	+1,448,000
Office of the Sergeant at Arms and Doorkeeper	21,196,000	1,565,000		22,761,000	23,275,000	+ 514,000
Offices of the Secretaries for the Majority and Minority	434,000	22,000		456,000	464,000	+ 8,000
Agency Contributions, Longevity Compensation, and Merit Compensation	9,943,000	2,941,000		12,884,000	13,033,000	+ 149,000
TOTAL - Salaries, Officers and Employees	$125,759,000	$8,058,000		$133,817,000	$135,948,000	$+2,131,000
Office of the Legislative Counsel of the Senate	$ 899,000	$ 36,000		$ 935,000	$ 961,000	$+ 26,000
Office of the Senate Legal Counsel	$ 350,000			$ 350,000	$ 500,000	$+ 150,000

Appropriation	Fiscal Year 1981 Available Fiscal Year 1980 P.L. 96-86	Proposed Pay Increase Supplemental	Proposed Program Supplemental	Combined Total Fiscal Year 1980	Estimate Fiscal Year 1981	Increase (+) or Decrease (-)
Contingent Expenses of the Senate						
Senate Policy Committees	$ 1,462,000	$ 100,000		$ 1,562,000	$ 1,562,000	$ -0-
Automobiles and Maintenance	65,000			65,000	70,000	+ 5,000
Inquiries and Investigations	32,600,000	1,725,000		34,325,000	36,000,000	+1,675,000
Folding Documents	109,000	8,000		117,000	117,000	-0-
Miscellaneous Items	39,195,000	2,000		39,197,000	30,776,000	-8,421,000
Postage Stamps	7,000			7,000	7,000	-0-
Stationery (Revolving Fund)	40,000			40,000	40,000	-0-
TOTAL - Contingent Expenses	$ 73,478,000	$ 1,835,000		$ 75,313,000	$ 68,572,000	$-6,741,000
TOTAL - Senate - Regular Items	$207,358,000	$ 9,929,000		$217,287,000	$213,336,000	$-3,951,000
Joint Items						
Contingent Expenses of the Senate						
Joint Economic Committee	$ 1,982,000	$ 116,000		$ 2,098,000	$ 2,150,000	$+ 52,000
Joint Economic Committee - Special Study on Economic Change	767,000			767,000	-0-	- 767,000
Joint Committee on Printing	864,000			864,000	794,000	- 70,000
TOTAL - Contingent Expenses, Senate	$ 3,613,000	$ 116,000		$ 3,729,000	$ 2,944,000	$- 785,000
Capitol Guide Service	$ 613,000	$ 42,000		$ 655,000	$ 664,000	$+ 9,000
TOTAL - Joint Items	$ 4,226,000	$ 158,000		$ 4,384,000	$ 3,608,000	$- 776,000
GRAND TOTAL - Regular, Joint, and Other Items - Senate	$211.584.000	$10,087,000		$221,671,000	$216,944,000	$-4,727,000

COMPENSATION AND MILEAGE OF THE VICE PRESIDENT AND SENATORS

This appropriation includes funds for the salaries of the Vice President and Senators, agency contributions for retirement, life and health insurance, and the statutory mileage allowance for the President of the Senate and Senators for traveling to and returning from each regular session of the Congress.

The mileage allowance for Senators is authorized by the Act of July 28, 1866 (2 U.S.C. 43) payable "*** at the rate of 20 cents per mile, to be estimated by the nearest route usually traveled in going to and returning from each regular session."

The mileage allowance for the President of the Senate is authorized by the Act of July 8, 1935 (2 U.S.C. 43a) and is payable "*** at the same rate and in the same manner as now allowed by law to Senators,***."

JUSTIFICATION WORKSHEET

APPROPRIATION TITLE: Compensation and Mileage of the Vice President and Senators

FISCAL YEAR: 1981

JAN 28 1980

COMPENSATION		$6,618,300.00
Vice President	$ 84,700*	
President Pro Tempore of the Senate	73,400*	
Deputy President Pro Tempore of the Senate	73,400*	
Majority and Minority Leaders of the Senate, at $73,400* each	146,800	
United States Senators, at $65,000* each (96)	6,240,000	
	$6,618,300	
AGENCY CONTRIBUTIONS:		
Retirement 8% x $ 6,618,300.00	$529,464.00	
Life Insurance 101 x $ 225.12	$ 22,737.12	
Health Insurance 101 x $ 795.96	$ 80,391.96	632,593.08
Total Compensation and Contributions		$7,250,893.08
STATUTORY MILEAGE (240,996 miles at 20¢ per mile, and a reserve of $10,907.72)		59,106.92
TOTAL		$7,310,000.00

Estimate for Fiscal Year 1981	$7,310,000.00
Less: Funds available for F. Y. 1980:	
PL 96-86	$ 6,827,000.00
Anticipated supplemental (pay costs)	$6,827,000.00
Increase	$ 483,000.00**

*rates that would be in effect on October 1, 1980, when salary limitations in effect during Fiscal Year 1980 have expired. Limited during Fiscal Year 1980 to $79,125.00 for Vice President, $68,575.00 for President Pro Tempore, Deputy President Pro Tempore, Majority and Minority Leaders, $60,662.50 for United States Senators otherwise.

**Fiscal Year 1981 increase:
Expiration of limitations imposed by Public Law 96-86 on maximum salary ates during Fiscal Year 1980.

EXPENSE ALLOWANCES OF THE VICE PRESIDENT, PRESIDENT PRO TEMPORE, MAJORITY AND MINORITY LEADERS AND MAJORITY AND MINORITY WHIPS

This appropriation includes funds for the expense allowances of the Vice President, the President Pro Tempore, the Majority and Minority Leaders, and the Majority and Minority Whips.

The expense allowance of the Vice President was first appropriated for by Public Law 81-71 effective January 20, 1949.

The expense allowance of the Majority and Minority Leaders was first appropriated for by Public Law 84-242 effective July 1, 1955.

The expense allowance of the Majority and Minority Whips was first appropriated for by the Supplemental Appropriations Act, 1977 (Public Law 95-26), effective April 1, 1977.

The expense allowance of the President Pro Tempore was first appropriated for by the Second Supplemental Appropriations Act, 1978 (Public Law 95-355), effective October 1, 1977.

JUSTIFICATION WORKSHEET

APPROPRIATION TITLE: Expense Allowances of the Vice President, President Pro Tempore, ~~Majority and Minority Leaders and Majority and Minority Whips~~

FISCAL YEAR 1981

DATE: JAN 2 8 1980

EXPENSE ALLOWANCES		$ 45,000.00
Vice President	$10,000	
President Pro Tempore of the Senate	10,000	
Majority Leader of the Senate	10,000	
Minority Leader of the Senate	10,000	
Majority Whip of the Senate	2,500	
Minority Whip of the Senate	2,500	
	$45,000	
Estimate		$ 45,000.00

Estimate for Fiscal Year 1981	$ 45,000.00
Less: Amount Available for F.Y. 1980:	
PL 96-86	$ 45,000.00
Supplemental Appropriation	
	45,000.00
~~Deficiency/Reduction~~	$ - 0 -

SALARIES, OFFICERS AND EMPLOYEES

This appropriation includes funds for salaries of staff for thirteen (13) functions of the Senate, and agency contributions, longevity compensation, and merit compensation, as authorized by law.

Of the thirteen functions, eight are funded with lump sum allowances, three are funded exclusively with statutory positions, and two are funded with a combination of statutory positions and lump sum allowances, as follows:

LUMP SUM ALLOWANCE

Vice President
President Pro Tempore
Majority and Minority Leaders
Majority and Minority Whips
Secretaries to the Conference of the Majority and Minority
Conference Committees
Administrative, Clerical, and Legislative Assistance to Senators
Secretaries for the Majority and Minority

STATUTORY POSITIONS ONLY

Majority and Minority Leaders (Floor Operations)
Chaplain
Sergeant at Arms and Doorkeeper

STATUTORY POSITIONS AND LUMP SUM ALLOWANCES

Secretary of the Senate
Committee Employees

SPECIFIC RATES AND MAXIMUM RATES IN EXCESS OF THE LEVEL III EXECUTIVE LIMITATION

And Limitations Imposed to Maintain Appropriate Relationships Between Positions
Per President Pro Tempore Order of October 13, 1979
Effective October 1, 1979
(Federal Pay Comparability Act of 1970 - Public Law 91-656)

POSITIONS	EFFECTIVE OCTOBER 1, 1978		EFFECTIVE OCTOBER 1, 1979		
	PPT ORDER LIMIT	FURTHER LIMITED	PPT ORDER LIMIT	FURTHER LIMITED (a)	
(FIXED STATUTORY RATES)					
Secretary of the Senate (b)	$55,400	$52,500	$59,300 (b)	$55,387.50	(Level III and
Sergeant at Arms and Doorkeeper (b)	55,400	52,500	59,300 (b)	55,387.50	$1,000 less than
Legislative Counsel of the Senate (b)	55,400	52,500	59,300 (b)	55,387.50	a United States
Senate Legal Counsel (c)			59,300 (c)	55,387.50	Senator)
Secretary for the Majority	54,900	52,000	58,800	54,860.00	($500 less than
Secretary for the Minority	54,900	52,000	58,800	54,860.00	top 3 positions)
Five (5) Senior Counsel, Office of the Legislative Counsel	54,400	51,500	58,300	54,332.50	($1,000 less than top 3 positions)
Deputy Senate Legal Counsel (c)			56,500 (c)	52,750.00	(Equal to Level IV)
(NOT TO EXCEED STATUTORY RATES)					
Assistant Secretary of the Senate	54,400	51,500	58,300	54,332.50	($1,000 less than
Deputy Sergeant at Arms and Doorkeeper (d)			58,300 (d)	54,332.50	top 3 positions)
Parliamentarian of the Senate	54,400	51,500	58,300	54,332.50	
Financial Clerk of the Senate	54,400	51,500	58,300	54,332.50	
Assistant to the Majority Leader for Floor Operations	54,400	51,500	58,300	54,332.50	
Assistant to the Minority Leader for Floor Operations	54,400	51,500	58,300	54,332.50	

SPECIFIC RATES AND MAXIMUM RATES IN EXCESS OF THE LEVEL III EXECUTIVE LIMITATION

And Limitations Imposed to Maintain Appropriate Relationships Between Positions
Per President Pro Tempore Order of October 13, 1979
Effective October 1, 1979
(Federal Pay Comparability Act of 1970 - Public Law 91-656)

POSITIONS	EFFECTIVE OCTOBER 1, 1978			EFFECTIVE OCTOBER 1, 1979		
	PPT ORDER LIMIT	FURTHER LIMITED	AT LEAST - LESS THAN TOP 3 POSITIONS	PPT ORDER LIMIT	FURTHER LIMITED (a)	AT LEAST - LESS THAN TOP 3 POSITIONS
(NOT TO EXCEED STATUTORY RATES)						
Special Deputy to the Federal Election Commission	$52,731	$49,941	($2,500 less than top 3)	$56,358	$52,687	(At least $2,500 less than top 3)
Chief Reporter of Debates (e)	51,408	48,509	($3,900 less than top 3)	56,358 (e)	52,687	(At least $2,500 less than top 3)
Seven (7) Reporters of Debates	51,030	48,151	($4,300 less than top 3)	54,540	50,799	(At least $4,300 less than top 3)
Deputy Sergeant at Arms and Doorkeeper	49,329	47,500		Deputy Sergeant at Arms - See Page 1		
Administrative Assistant to the Sergeant at Arms and Doorkeeper (f)				56,358 (f)	52,687	($2,500 less than top 3)
Executive Assistant to the Sergeant at Arms and Doorkeeper (g)				53,328 (g)	49,666	($5,400 less than top 3)
Director, Office of Classified National Security Information	53,298	50,478	($2,000 less than top 3)	56,964	53,254	($2,000 less than top 3)
Senate general maximum rate	$52,731	$49,941	($2,500 less than top 3)	$56,358	$52,687	($2,500 less than top 3)

SPECIFIC RATES AND MAXIMUM RATES IN EXCESS OF THE LEVEL III EXECUTIVE LIMITATION

And Limitations Imposed to Maintain Appropriate Relationships Between Positions
Per President Pro Tempore Order of October 13, 1979
Effective October 1, 1979
(Federal Pay Comparability Act of 1970 - Public Law 91-656)

POSITIONS	EFFECTIVE OCTOBER 1, 1978			EFFECTIVE OCTOBER 1, 1979		
	PPT ORDER LIMIT	FURTHER LIMITED	AT LEAST - LESS THAN TOP 3 POSITIONS	PPT ORDER LIMIT	FURTHER LIMITED(a)	AT LEAST - LESS THAN TOP 3 POSITIONS
APPROPRIATIONS COMMITTEE						
5* at not to exceed) CC/ACC/PSM	$53,298	$50,478	($2,000 less than top 3)	$56,964	$53,254	($2,000 less than top 3)
16 at not to exceed)	50,652	47,793	($4,600 less than top 3)	54,136	50,421	($4,600 less than top 3)
Any number PSM at not to exceed	49,329	47,500	($5,900 less than top 3)	52,722	49,099	($5,900 less than top 3)
2 ASC at not to exceed	49,329	47,500	($5,900 less than top 3)	52,722	49,099	($5,900 less than top 3)
OTHER STANDING COMMITTEES						
4* at not to exceed)	53,298	50,478	($2,000 less than top 3)	56,964	53,254	($2,000 less than top 3)
2* at not to exceed) CC/ACC/PSM	50,652	47,793	($4,600 less than top 3)	54,136	50,421	($4,600 less than top 3)
2 at not to exceed)	49,329	47,500	($5,900 less than top 3)	52,722	49,099	($5,900 less than top 3)
POLICY COMMITTEES						
4* at not to exceed	53,298	50,478	($2,000 less than top 3)	56,964	53,254	($2,000 less than top 3)
2* at not to exceed	50,652	47,793	($4,600 less than top 3)	54,136	50,421	($4,600 less than top 3)
All others at not to exceed	49,329	47,500	($5,900 less than top 3)	52,722	49,099	($5,900 less than top 3)
OTHER COMMITTEES (SELECT, SPECIAL AND CONFERENCE)						
4* at not to exceed	52,731	49,941	($2,500 less than top 3)	56,358	52,687 (h)	($2,500 less than top 3)
2* at not to exceed	50,652	47,793	($4,600 less than top 3)	54,136	50,421	($4,600 less than top 3)
All others at not to exceed	49,329	47,500	($5,900 less than top 3)	52,722	49,099	($5,900 less than top 3)
JOINT COMMITTEES (ECONOMIC AND PRINTING)						
4* at not to exceed	52,353	49,583	($2,900 less than top 3)	55,954	52,310 (i)	($2,900 less than top 3)
2* at not to exceed	50,463	47,614	($4,800 less than top 3)	53,934	50,232 (i)	($4,800 less than top 3)
All others at not to exceed	49,329	47,500	($5,900 less than top 3)	52,722	49,099	($5,900 less than top 3)

SPECIFIC RATES AND MAXIMUM RATES IN EXCESS OF THE LEVEL III EXECUTIVE LIMITATION

And Limitations Imposed to Maintain Appropriate Relationships Between Positions
Per President Pro Tempore Order of October 13, 1979
Effective October 1, 1979
(Federal Pay Comparability Act of 1970 - Public Law 91-656)

POSITIONS	EFFECTIVE OCTOBER 1, 1978			EFFECTIVE OCTOBER 1, 1979		
	PPT ORDER LIMIT	FURTHER LIMITED	AT LEAST - LESS THAN TOP 3 POSITIONS	PPT ORDER LIMIT	FURTHER LIMITED(a)	AT LEAST - LESS THAN TOP 3 POSITIONS
SENATORS' OFFICES						
1 at not to exceed	$52,731	$49,941	($2,500 less than top 3)	$56,358	$52,687	($2,500 less than top 3)
5 at not to exceed	49,896	47,500	($5,400 less than top 3)	53,328	49,666	($5,400 less than top 3)
3 at not to exceed	49,329	47,500	($5,900 less than top 3)	52,722	49,099	($5,900 less than top 3)
LEGISLATIVE ASSISTANCE REDUCTION FACTOR	52,542 (j) (157,626)			56,156 (j) (168,468)		

Footnotes:

(a) The amount that may be paid during fiscal year 1980 is limited by H. J. Res. 412 (Public Law 96-86) to a rate not in excess of 5.5% higher than the rate in effect for that position on September 30, 1978.

(b) The rate for this position is limited to the authorized rate for Level III of the Executive Schedule, but at least $1,000 less than the authorized rate for a United States Senator.

(c) These positions were established by Public Law 95-521 and the rates of compensation were set at the authorized rates for Level III and Level IV, respectively, of the Executive Schedule.

(d) The Deputy Sergeant at Arms and Doorkeeper was authorized a maximum annual rate of compensation equal to that of the Assistant Secretary of the Senate, effective August 1, 1979, by Public Law 96-38.

(e) The Chief Reporter of Debates was authorized a maximum annual rate of compensation equal to that of the Senate general maximum, effective August 1, 1979, by Public Law 94-38.

(f) The position of Administrative Assistant to the Sergeant at Arms and Doorkeeper was authorized a maximum annual rate of compensation equal to that of the highest maximum annual rate of compensation paid to an employee in the office of a Senator, effective August 1, 1979, per Public Law 96-38.

(g) The position of Executive Assistant to the Sergeant at Arms and Doorkeeper was authorized a maximum annual rate of compensation equal to that of the second highest maximum annual rate of compensation paid to an employee in the office of a Senator, effective August 1, 1979, per Public Law 96-38.

(h) This rate for Select, Special, and Conference committees is at least $500 less than for other standing committees and policy committees due to prior legislation.

(i) These rates for joint committees are at least $900 and $200, respectively, less than for other standing committees and policy committees due to prior legislation and the fact that these joint committees have no legislative authority.

(j) This amount relates to the maximum reduction factor for the legislative assistance allowance only.

*Composition of top staff levels (Maximum salary rates) for Senate Committees was changed, effective October 18, 1978, by Section 112, Public Law 95-482, as follows:

	From		To
Appropriations	3	at top level	5
Other standing committees	2	at top level	4
	4	at 2nd level	2
Other committees (policy, conference, select, special, and joint)	2	at top level	4
	4	at 2nd level	2

SPECIFIC RATES AND MAXIMUM RATES IN EXCESS OF THE LEVEL III EXECUTIVE LIMITATION
And Limitations Imposed to Maintain Appropriate Relationships Between Positions
Per President Pro Tempore Order of October 13, 1979
Effective October 1, 1979
(Federal Pay Comparability Act of 1970 - Public Law 91-656)

Positions (Fixed Statutory Rates)	Authorized Rate Effective March 1, 1977	Authorized Rate Effective October 1, 1977	Authorized Rate Effective October 1, 1978 (At 5.5% of 9/30/78 Rate)	Authorized Rate Effective October 1, 1979 (At 7.0% of 10/1/78 Rate)
SCHEDULE OF SALARY RATES OF THE VICE PRESIDENT AND MEMBERS OF THE SENATE:				
Vice President	$75,000	No Change	$79,100 (a)	$84,700 (c)
President Pro Tempore	65,000	No Change	68,600 (a)	73,400 (c)
Deputy President Pro Tempore	65,000	No Change	68,600 (a)	73,400 (c)
Majority Leader	65,000	No Change	68,600 (a)	73,400 (c)
Minority Leader	65,000	No Change	68,600 (a)	73,400 (c)
Senators	57,500	No Change	60,700 (a)	65,000 (c)
EXECUTIVE SCHEDULE:				
Level I	$66,000	No Change	$69,600 (a)	$74,500 (c)
Level II	57,500	No Change	60,700 (a)	65,000 (c)
Level III	52,500	No Change	55,400 (a)	59,300 (c)
Level IV	50,000	No Change	52,800 (a)	56,500 (c)
Level V	47,500	No Change	50,100 (b)	53,600 (c)

(a) Limited to authorized rate in effect on September 30, 1978

(b) Limited to $47,500

(c) Limited, in accordance with the provisions of H.J. Res. 412, dated October 12, 1979, to the "payable" rate (authorized rate in effect on September 30, 1978, increased by 5.5 percent) shown here:

(Vice President	$79,125.00
(President Pro Tempore	68,575.00
(Majority Leader	68,575.00
(Minority Leader	68,575.00
(United States Senator	60,662.50
(Level I	69,630.00
(Level II	60,662.50
(Level III	55,387.50
(Level IV	52,750.00
(Level V	50,112.50

OFFICE OF THE VICE PRESIDENT

This appropriation item includes funds for the salaries of the administrative and clerical staff for the Office of the Vice President.

JUSTIFICATION WORKSHEET

APPROPRIATION TITLE: Office of the Vice President (Salaries, Officers and Employees)

FISCAL YEAR: 1981 DATE: JAN 2 8 1980

COMPENSATION	$ 865,368.00
4,284 multiples x $202.....$865,368.00	
Estimate	866,000.00

Estimate for Fiscal Year 1981.....$866,000.00

Less: Amount Available for FY 1980:

PL 96-86.....$810,000.00
Supplemental
Appropriation..... 56,000.00*

_____..... 866,000.00

$ -0-

* Anticipated Supplemental:
Pay Comparability Increase, October 1, 1979

OFFICE OF THE PRESIDENT PRO TEMPORE

This appropriation item includes funds for salaries for staff of the Office of the President Pro Tempore.

JUSTIFICATION WORKSHEET

APPROPRIATION TITLE: Office of the President Pro Tempore (Salaries, Officers and Employees)

FISCAL YEAR 1981 DATE: JAN 2 8 1980

COMPENSATION.....	$ 128,068.00
634 multiples x $202.....$128,068.00	
Estimate.....	$ 129,000.00

Estimate for Fiscal Year 1981.....	$ 129,000.00
Less: Amount Available for F.Y. 1980:	
PL 96-86..... $ 123,000.00	
Supplemental Appropriation... 6,000.00 *	
.....	129,000.00
XXXXXXXXXXXXXXXX.....	$ - 0 -

* Anticipated Supplemental:
Pay Comparability Increase, October 1, 1979

OFFICES OF THE MAJORITY AND MINORITY LEADERS

This appropriation item includes funds for the salaries of the administrative and clerical staff of the Offices of the Majority and Minority Leaders. The offices were created and funded by Public Law 91-145, effective November 1, 1969.

JUSTIFICATION WORKSHEET

APPROPRIATION TITLE: Offices of the Majority and Minority Leaders (Salaries, Officers and Employees

FISCAL YEAR: 1981 DATE: JAN 2 8 1980

COMPENSATION.....	$ 576,508.00
1,417 multiples x $202 = $288,254 each leader x 2 = $576,508.	
Estimate.....	$ 577,000.00

Estimate for Fiscal Year 1981.....$ 577,000.00

Less: Amount Available for FY 1980:

PL 96-86.....$ 540,000.00
Supplemental
Appropriation..... 37,000.00*

_____..... 577,000.00

$ -0-

* Anticipated Supplemental:
Pay Comparability Increase, October 1, 1979

FLOOR ASSISTANTS TO THE MAJORITY AND MINORITY LEADERS

This appropriation item includes funds for the two statutory positions of Assistant to the Majority Leader for Floor Operations and Assistant to the Minority Leader for Floor Operations. These positions were created by the Supplemental Appropriation Act, 1977 (Public Law 95-26), effective April 1, 1977 and are under the jurisdiction of and subject to the control of the Majority and Minority Leaders, respectively.

JUSTIFICATION WORKSHEET

APPROPRIATION TITLE: Assistants to the Majority and Minority Leaders for Floor Operations (Salaries, Officers and Employees)

FISCAL YEAR: 1981 DATE: JAN 2 8 1980

COMPENSATION.....	$ 116,600.00
Assistant to the Majority Leader for Floor Operations at not to exceed.....$58,300*	
Assistant to the Minority Leader for Floor Operations at not to exceed..... 58,300*	
$116,600	
*Limited to $54,332.50 during Fiscal Year 1980	
Estimate.....	$ 117,000.00

Estimate for Fiscal Year 1981.....$117,000.00

Less: Amount Available for FY 1980:

PL 96-86.....$109,000.00
Supplemental
Appropriation.....

_____.....109,000.00

Increase.....$ 8,000.00**

** Fiscal Year 1981 Increase:
Expiration of limitations imposed on top-level salary rates during Fiscal Year 1980.

OFFICES OF THE MAJORITY AND MINORITY WHIPS

This appropriation item includes funds for the salaries of the administrative and clerical staff of the Offices of the Majority and Minority Whips. The offices were created and funded by Public Law 84-242, effective July 1, 1955.

JUSTIFICATION WORKSHEET

APPROPRIATION TITLE: Offices of the Majority and Minority Whips (Salaries, Officers and Employees)

FISCAL YEAR: 1981 DATE: JAN 2 8 1980

COMPENSATION.....	$ 269,064.00
666 multiples x $202 = $134,532 each Whip x 2 = $269,064	
Estimate.....	$ 270,000.00

Estimate for Fiscal Year 1981.....$270,000.00

Less: Amount Available for FY 1980:

PL 96-86.....$252,000.00
Supplemental
Appropriation..... 18,000.00*

_____..... 270,000.00

$ -0-

* Anticipated Supplemental:
Pay Comparability Increase, October 1, 1979

OFFICES OF THE SECRETARIES OF THE CONFERENCE OF THE MAJORITY
AND THE CONFERENCE OF THE MINORITY

This appropriation item contains funds for salaries of staff of the Secretary of the Conference of the Majority and the Secretary of the Conference of the Minority. The offices were created by Section 6 of Senate Resolution 17, agreed to January 10, 1977. Effective April 1, 1977, the positions were established as statutory positions and funded as such by the Supplemental Appropriations Act, 1977 (Public Law 95-26).

JUSTIFICATION WORKSHEET

APPROPRIATION TITLE: Offices of the Secretaries of the Conference of the Majority and the Conference of the Minority (Salaries, Officers and Employees)

FISCAL YEAR: 1981 DATE: JAN 2 8 1980

COMPENSATION		$ 145,036.00
Office of the Secretary of the Conference of the Majority - 359 multiples x $202	$ 72,518.00	
Office of the Secretary of the Conference of the Minority - 359 multiples x $202	72,518.00	
	$145,036.00	
Estimate		$ 146,000.00

Estimate for Fiscal Year 1981 ..... $ 146,000.00

Less: Amount Available for F. Y. 1980:

PL 96-86	$ 140,000.00	
Supplemental Appropriation	6,000.00*	
		$ 146,000.00
		$ -0-

* Anticipated Supplemental:
Pay Comparability Increase, October 1, 1979

OFFICE OF THE CHAPLAIN

This appropriation item contains funds for the salary of the Chaplain of the Senate and a Secretary to the Chaplain.

JUSTIFICATION WORKSHEET

APPROPRIATION TITLE: Office of the Chaplain (Salaries, Officers and Employees)

FISCAL YEAR: 1981

DATE: JAN 2 8 1980

COMPENSATION		$ 58,176.00
Chaplain of the Senate	$36,764.00 (fixed)	
Secretary to the Chaplain at not to exceed	21,412.00	
	$58,176.00	
Estimate		$59,000.00

Estimate for Fiscal Year 1981 ..... $ 59,000.00

Less: Amount Available for F. Y. 1980:

PL 96-86	$ 55,000.00	
Supplemental Appropriation	4,000.00*	
		$ 59,000.00
		$ -0-

*Anticipated Supplemental:
Pay Comparability Increase, October 1, 1979

OFFICE OF THE SECRETARY

This appropriation contains funds for 119 statutory positions, lump-sum allowances for the employment and adjustment of salaries of personnel in the Disbursing Office and in the Stationery Room, and an Administrative Fund for the employment of personnel as authorized by Section 244 of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 74b).

JUSTIFICATION WORKSHEET

APPROPRIATION TITLE: Office of the Secretary (Salaries, Officers and Employees)

FISCAL YEAR: 1981

JAN 2 8 1980

COMPENSATION		$4,682,038.00
119 Statutory Positions (including Financial Clerk)	$3,418,326	
Administrative Fund Authorization	203,414	
Disbursing Office Authorization (excluding Financial Clerk)	735,886	
Stationery Room Authorization	324,412	
	$4,682,038	
Total Compensation		$4,682,038.00
Estimate		$4,660,000.00

Estimate for Fiscal Year 1981		$4,660,000.00
Less: Amount Available for F.Y. 1980:		
PL 96-86	$4,407,000.00	
Supplemental Appropriation	249,000.00 *	
		$4,656,000.00
Increase		$ 4,000.00 **

* Anticipated Supplemental:
Pay Comparability Increase, October 1, 1979 ..... $249,000

** Fiscal Year 1981 Increase:
Increase in position rate of Chief Reporter of Debates - full year funding $4,178

RECAPITULATION

OFFICE: OFFICE OF THE SECRETARY OF THE SENATE

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Administrative Office	9	9	9	$ 368,484
Office of the Parliamentarian	5	5	5	202,528
Legislative Office	12	12	12	405,414
Office of the Printing Clerk	4	4	4	102,414
Daily Digest	4	4	4	124,230
Clerical and Messenger Staff	8	8	8	132,108
Disbursing Office (including Financial Clerk)	34	34	34	794,186
Document Room	19	19	19	370,064
Library	18	18	18	357,944
Stationery Room	16	17	17	324,412
Reporters of Debates	17	17	17	705,586
Public Records Office	9	9	9	185,840
Curator of Art and Antiquities	3	3	3	93,122
Historical Office	5	5	5	132,512
Office of Classified National Security Information	5	5	5	179,780
Administrative Fund	3	3	3	203,414
TOTAL	171	172	172	$4,682,038

STATUTORY POSITIONS

OFFICE: OFFICE OF THE SECRETARY OF THE SENATE (ADMINISTRATIVE OFFICE)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Secretary of the Senate	1	1	1	$ 59,300*
Assistant Secretary of the Senate	1	1	1	58,300**
Special Deputy to Federal Election Commission	1	1	1	56,358***
Administrative Director	1	1	1	43,228
Administrative Assistant	1	1	1	39,592
Technical Advisor	1	1	1	36,158
Secretary	1	1	1	29,088
Secretary	2	2	2	23,230 each
TOTAL - ADMINISTRATIVE OFFICE	9	9	9	$368,484
*Fixed Statutory Rate; limited to $55,387.50 during Fiscal Year 1980				
**Limited to $54,332.50 during Fiscal Year 1980				
***Limited to $52,687 during Fiscal Year 1980				

OFFICE: OFFICE OF THE SECRETARY OF THE SENATE (OFFICE OF THE PARLIAMENTARIAN)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Parliamentarian of the Senate	1	1	1	$ 58,300*
Assistant Parliamentarian	1	1	1	50,298**
2nd Assistant Parliamentarian	1	1	1	36,764
3rd Assistant Parliamentarian	1	1	1	33,936
Secretary to Parliamentarian	1	1	1	23,230
TOTAL - OFFICE OF THE PARLIAMENTARIAN	5	5	5	$202,528
*Limited to $54,332.50 during Fiscal Year 1980				
**Limited to $48,155.00 during Fiscal Year 1980				

OFFICE: OFFICE OF THE SECRETARY OF THE SENATE (LEGISLATIVE OFFICE)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Legislative Clerk	1	1	1	$ 49,692*
Assistant Legislative Clerk	1	1	1	38,784
2nd Assistant Legislative Clerk	1	1	1	31,108
Journal Clerk	1	1	1	49,692*
Assistant Journal Clerk	1	1	1	38,784
2nd Assistant Journal Clerk	1	1	1	31,108
Executive Clerk	1	1	1	29,088
Assistant Executive Clerk	1	1	1	20,604
Enrolling Clerk	1	1	1	36,764
Bill Clerk	1	1	1	36,764
Assistant Bill Clerk	1	1	1	29,088
Terminal Operator	1	1	1	13,938
TOTAL - LEGISLATIVE OFFICE	12	12	12	$405,414
*Limited to $48,155 during Fiscal Year 1980				

OFFICE: OFFICE OF THE SECRETARY OF THE SENATE (OFFICE OF THE PRINTING CLERK)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Printing Clerk	1	1	1	$ 36,764
Assistant Printing Clerk	1	1	1	32,926
Clerk (Office of Printing Clerk)	1	1	1	18,180
Delivery Clerk (Office of Printing Clerk)	1	1	1	14,544
TOTAL - OFFICE OF THE PRINTING CLERK	4	4	4	$102,414

OFFICE: OFFICE OF THE SECRETARY OF THE SENATE (DAILY DIGEST)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Editor, Digest	1	1	1	$ 46,258
Assistant Editor, Digest	1	1	1	34,744
Assistant, Digest	1	1	1	24,240
Clerk, Digest	1	1	1	18,988
TOTAL - DAILY DIGEST	4	4	4	$124,230

OFFICE: OFFICE OF THE SECRETARY OF THE SENATE (CLERICAL AND MESSENGER STAFF)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Special Assistant	1	1	1	$ 20,604
Deputy Special Assistant	1	1	1	18,988
Clerk	6	5	5	15,756
Clerk	0	1	1	13,736
TOTAL - CLERICAL AND MESSENGER STAFF	8	8	8	$132,108

OFFICE: OFFICE OF THE SECRETARY OF THE SENATE (DISBURSING OFFICE)

POSITIONS	NUMBER OF POSITIONS			POSITION RATE
	1979	1980	1981	
Financial Clerk of the Senate	1	1	1	$ 58,300*
*Limited to $54,332.50 during Fiscal Year 1980				
Assistant Financial Clerk	1	1	1	37,976
Staff Assistant	2	2	2	36,158 each
Legislation and Budget Assistant	1	1	1	29,896
Supervisor, Payroll Section	1	1	1	26,866
Payroll Clerk	1	1	1	21,412
Payroll Clerk	1	1	1	19,190
Payroll Clerk	1	1	1	18,584
Payroll Clerk	1	1	1	16,968
Payroll Clerk	1	1	1	11,918
Supervisor, Audit Section	1	1	1	26,866
Audit Clerk	0	1	1	19,796
Audit Clerk	1	1	1	21,210
Audit Clerk	1	1	1	13,736
Audit Clerk	1	1	1	12,120
Audit Clerk	1	1	1	11,918
Supervisor, Accounting Section	1	1	1	26,866
Accounting Clerk	1	1	1	18,584
Accounting Clerk	1	1	1	12,120
Accounting Clerk	1	1	1	11,918
Supervisor, Benefits Section	1	1	1	26,866

POSITIONS	NUMBER OF POSITIONS			POSITION RATE
	1979	1980	1981	
Benefits Clerk	1	1	1	$ 19,594
Benefits Clerk	1	1	1	16,160
Benefits Clerk	1	1	1	14,140
Benefits Clerk	1	1	1	11,918
Clerk	2	2	2	19,998 each
File Clerk	1	1	1	17,776
Clerk-Stenographer	1	1	1	12,120
Clerk-Typist	1	1	1	10,100
Clerk-Typist	1	1	1	10,504
Chief Messenger, Disbursing Office	1	1	1	15,150
Messenger	1	1	1	14,140
Special Officer	1	0	0	(17,372)
TOTAL	33	33	33	$638,724
BALANCE AVAILABLE FOR ADJUSTMENTS AND APPOINTMENTS				97,162
TOTAL ALLOWANCE				$735,886

OFFICE: OFFICE OF THE SECRETARY OF THE SENATE (DOCUMENT ROOM)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Superintendent, Document Room	1	1	1	$ 38,784
Assistant Superintendent, Document Room	1	1	1	32,118
1st Assistant, Document Room	1	1	1	24,038
2nd Assistant, Document Room	1	1	1	23,230
Chief Documents Specialist	1	1	1	33,330
Documents Specialist	1	1	1	19,392
Senior Assistant, Document Room	6	6	6	16,564 each
Assistant, Document Room	4	4	4	14,140 each
Custodian	1	1	1	16,564
Messenger	2	2	2	13,332 each
TOTAL - DOCUMENT ROOM	19	19	19	$370,064

OFFICE: OFFICE OF THE SECRETARY OF THE SENATE (LIBRARY)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Librarian	1	1	1	$ 38,784
Assistant Librarian	1	1	1	28,280
Chief Indexer	1	1	1	26,664
Clerk, Legislative Information	1	1	1	24,240
Technical Services Specialist	1	1	1	23,028
Senior Reference Assistant	1	1	1	20,604
Senior Reference Assistant	1	1	1	19,796
Secretary in the Library	1	1	1	18,988
Assistant Indexer	1	1	1	16,564
Chief, Bill Status Unit	0	1	1	16,564
Reference Assistant	5	4	4	16,564 each
Chief Messenger, Library	1	1	1	15,756
Messenger, Library	1	1	1	14,948
Messenger	2	2	2	13,736 each
TOTAL - LIBRARY	18	18	18	$357,944

OFFICE: OFFICE OF THE SECRETARY OF THE SENATE (STATIONERY ROOM)

POSITIONS	NUMBER OF POSITIONS			POSITION RATE
	1979	1980	1981	
Keeper of the Stationery	1	1	1	$ 38,784
Assistant Keeper of Stationery	1	1	1	32,522
Chief Clerk, Stationery Room	1	1	1	23,028
Bookeeper, Stationery Room	1	1	1	20,402
Assistant Bookeeper, Stationery Room	0	1	1	17,776
Senior Counter Clerk	1	1	1	17,776
Counter Clerk	5	2	2	16,564 each
Counter Clerk	0	1	1	14,948
Counter Clerk	0	1	1	12,726
Counter Clerk	0	1	1	11,918
Secretary, Stationery Room	1	1	1	16,968
Warehouse Supervisor	0	1	1	16,362
Assistant Warehouse Supervisor	0	1	1	15,150
Messenger	5	0	0	------
Warehouseman	0	3	3	13,736 each
TOTAL SALARIES	16	17	17	$312,696
UNUSED BALANCE				11,716
TOTAL ALLOWANCE				$324,412

OFFICE: OFFICE OF THE SECRETARY OF THE SENATE (OFFICE OF THE REPORTERS OF DEBATES)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Chief Reporter of Debates	1	1	1	$ 56,358*
Reporter of Debates	7	7	7	54,540 each**
Assistant Reporter of Debates	1	1	1	37,370
Staff Assistant	1	1	1	31,310
Special Assistant	1	1	1	29,088
Expert Transcriber	6	6	6	28,280 each
TOTAL - OFFICE OF THE REPORTERS OF DEBATES	17	17	17	$705,586
*Limited to $52,687 during Fiscal Year 1980				
**Limited to $50,799 during Fiscal Year 1980				

OFFICE: OFFICE OF THE SECRETARY OF THE SENATE (PUBLIC RECORDS OFFICE)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Superintendent, Public Records Office	1	1	1	$ 38,784
Assistant Superintendent, Public Records Office	1	1	1	28,280
Lobby Registrar, Public Records Office	1	1	1	20,604
Chief Technical Assistant, Public Records Office	1	1	1	16,564
Technical Assistant, Public Records Office	4	4	4	16,564 each
Clerk, Public Records Office	1	1	1	15,352
TOTAL - PUBLIC RECORDS OFFICE	9	9	9	$185,840

OFFICE: OFFICE OF THE SECRETARY OF THE SENATE (OFFICE OF THE CURATOR OF ART AND ANTIQUITIES)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Curator of Art and Antiquities	1	1	1	$ 46,258
Registrar	1	1	1	26,664
Museum Specialist	0	1	1	20,200
Clerk	1	0	0	------
TOTAL - OFFICE OF THE CURATOR OF ART AND ANTIQUITIES	3	3	3	$ 93,122

OFFICE: OFFICE OF THE SECRETARY OF THE SENATE (HISTORICAL OFFICE)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Historian	1	1	1	$ 40,804
Associate Historian	1	1	1	30,098
Photo Historian	1	1	1	29,290
Research Assistant to Historian	1	1	1	16,564
Secretary to Historian	1	1	1	15,756
TOTAL - HISTORICAL OFFICE	5	5	5	$132,512

OFFICE: OFFICE OF THE SECRETARY OF THE SENATE (OFFICE OF CLASSIFIED NATIONAL SECURITY INFORMATION)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Director	1	1	1	$ 56,964*
Professional Staff Member	1	1	1	45,248
Classified Documents Specialist	1	1	1	31,108
Secretary	2	2	2	23,230 each
OFFICE OF CLASSIFIED NATIONAL TOTAL - SECURITY INFORMATION	5	5	5	$179,780
*Limited to $53,254 during Fiscal Year 1980				

COMMITTEE EMPLOYEES

This appropriation contains funds for the professional and clerical staffs of all standing committees of the Senate, including the Select Committee on Small Business and the Special Committee on Aging, as authorized by the Legislative Reorganization Act of 1946, as amended, and Senate Resolutions.

JUSTIFICATION WORKSHEET

APPROPRIATION TITLE: Committee Employees (Salaries, Officers and Employees)

FISCAL YEAR: 1981

JAN 28 1980

COMPENSATION		$13,211,490.00
Committee on Appropriations	$ 2,860,000.00	
16 Standing Committees*	8,590,656.00	
Other Committee Employees	1,760,834.00	
	$13,211,490.00	
*Each Committee = 4 positions at not-to-exceed	$ 56,964.00	
2 positions at not-to-exceed	54,136.00	
2 positions at not-to exceed	52,722.00	
4 positions at not-to-exceed	23,836.00	
	$536,916.00	
Total Compensation		$13,211,490.00
Estimate		$13,059,000.00

Estimate for Fiscal Year 1981 ..... $13,059,000.00

Less: Amount Available for F. Y. 1980:

P.L. 96-86	$11,825,000.00
Supplemental Appropriation	1,234,000.00**
	$13,059,000.00
	-0-

*Limited during Fiscal Year 1980 to: 4 at not-to-exceed $53,254.00
2 at not-to-exceed 50,421.00
2 at not-to-exceed 49,099.00

**Anticipated Supplemental:
Pay Comparability Increase, October 1, 1979 $1,234,000.00

SUMMARY

ADDITIONAL STANDING COMMITTEE STAFF

COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY

None

COMMITTEE ON APPROPRIATIONS

None

COMMITTEE ON ARMED SERVICES

One (1) Clerical Assistant (Min) at not to exceed $23,836, as authorized by Sec. 202 (g), Legislative Reorganization Act of 1946, as amended by PL 92-136, approved Oct. 11, 1971 (permanent), and PL 93-145, approved Nov. 1, 1973.....$ 23,836.

COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS

None

COMMITTEE ON THE BUDGET

None

COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION

None

COMMITTEE ON ENERGY AND NATURAL RESOURCES

None

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

None

SUMMARY

ADDITIONAL STANDING COMMITTEE STAFF

COMMITTEE ON FINANCE

Six (6) Professional Staff Members at not to exceed $52,722, under authority of S. Res. 224, agreed to Apr. 20, 1966 (permanent)	$316,332.	
Six (6) Clerical Assistants at not to exceed $23,836, under authority of S. Res. 66, agreed to Feb. 17, 1969 (permanent)	143,016.	$ 459,348.

COMMITTEE ON FOREIGN RELATIONS

Two (2) Professional Staff Members at not to exceed $52,722 ($105,444), and three (3) Clerical Assistants at not to exceed $23,836 ($71,508), under authority of S. Res. 30, agreed to Feb. 2, 1959 (permanent)	176,952.	
One (1) Professional Staff Member at not to exceed $52,722, under authority of S. Res. 247, agreed to Feb. 7, 1962 (permanent)	52,722	229,674

COMMITTEE ON GOVERNMENTAL AFFAIRS

One (1) Professional Staff Member at not to exceed $52,722, under authority of S. Res. 355, agreed to Aug. 18, 1958 (permanent)	52,722.	
One (1) Clerical Assistant (Min) at not to exceed $23,836, as authorized by Sec. 301, PL 91-510, as amended by Sec. 5 (a), PL 92-136 (permanent)	23,836	76,558

COMMITTEE ON LABOR AND HUMAN RESOURCES

Seven (7) Professional Staff Members at not to exceed $52,722. ($369,054), One (1) Assistant Chief Clerk at not to exceed $52,722, and nine (9) Clerical Assistants at not to exceed $23,836. ($214,524), under authority of S. Res. 74, agreed to Feb. 21, 1967 (permanent)	636,300.	
One (1) Professional Staff Member at not to exceed $52,722, under authority of S. Res. 253, agreed to Feb. 10, 1964 (permanent)	52,722	689,022

COMMITTEE ON THE JUDICIARY

Two (2) Professional Staff Members at not to exceed $52,722. ($105,444), and three (3) Clerical Assistants at not to exceed $23,836. ($71,508, under authority of S. Res. 66, agreed to Feb. 17, 1949 (permanent)	176,952

SUMMARY

ADDITIONAL STANDING COMMITTEE STAFF

COMMITTEE ON RULES AND ADMINISTRATION		
One (1) Professional Staff Member at not to exceed $52,722, under authority of S. Res. 342, agreed to July 28, 1958 (permanent).....	$ 52,722.	
One (1) Assistant Chief Clerk at not to exceed $52,722, under authority of PL 93-145 (permanent).....	52,722	$ 105,444.
COMMITTEE ON VETERANS' AFFAIRS		
None		
SELECT COMMITTEE ON SMALL BUSINESS		
None		
SPECIAL COMMITTEE ON AGING		
None		
TOTAL		$1,760,834.

CONFERENCE COMMITTEES

This appropriation item contains funds for the salaries of the professional, administrative and clerical staffs of the Conference of the Majority and the Conference of the Minority.

JUSTIFICATION WORKSHEET

APPROPRIATION TITLE: Conference Committees (Salaries, Officers and Employees)

FISCAL YEAR: 1981 DATE: JAN 2 8 1980

COMPENSATION		$ 845,976.00
Conference of the Majority - 2,094 multiples x $202	$422,988	
Conference of the Minority- 2,094 multiples x $202	422,988	
	$845,976	
Total Compensation		845,976.00
Estimate		$ 846,000.00

Estimate for Fiscal Year 1981		$846,000.00
Less: Amount Available for FY 1980:		
PL 96-86	$792,000.00	
Supplemental Appropriation	54,000.00*	
		$846,000.00
		$ -0-

* Anticipated Supplemental:
Pay Comparability Increase, October 1, 1979

ADMINISTRATIVE, CLERICAL, AND LEGISLATIVE ASSISTANCE TO SENATORS

This appropriation contains funds for the salaries of the administrative, clerical, and legislative staffs of Senators. The allowance is based on the population of states beginning with states with a population of less than two million to states with a population of 21 million or more for administrative and clerical assistance, and a further allowance for legislative assistance, as authorized by the Legislative Branch Appropriation Act, 1978 (Public Law 95-94).

JUSTIFICATION WORKSHEET

APPROPRIATION TITLE: Administrative, Clerical and Legislative Assistance to Senators (Salaries, Officers and Employees)

FISCAL YEAR: 1981

JAN 2 8 1980

COMPENSATION			$78,544,468.0
Administrative and Clerical Assistance Allowance (See attached schedule of authorized allowances)		$63,550,816.00	
Legislative Assistance to Senators (at $168,468 per Senator)	$16,846,800.00		
Less: reductions for Chairmen and Ranking Minority Members of committees	1,853,148.00	14,993,652.00	
Total Compensation			78,544,468.0
Estimate			$78,447,000.0

Estimate for Fiscal Year 1981 ..... $78,447,000.00

Less: Amount Available for FY 1980:

PL 96-86 $75,133,000.00

Supplemental Appropriation 1,866,000.00 *

76,999,000.00

Increase $ 1,448,000.00 **

* Anticipated Supplemental:
Pay Comparability Increase, October 1, 1979 $1,866,000.

** Fiscal Year 1981 Increase:
Population category increase, State of Louisiana - full year funding $ 98,000

To correct understating of Oct. 1, 1979 cost-of-living increase - F.Y. 1981 full year funding 1,350,000

$1,448,000.

60-569 O—80——5

SCHEDULE OF AUTHORIZED ALLOWANCES FOR ADMINISTRATIVE AND CLERICAL ASSISTANCE TO SENATORS

POPULATION CATEGORY	ALLOWANCE*	NO. OF SENATORS IN EACH POPULATION CATEGORY	FISCAL YEAR 1981 TOTAL COST
Less than 2 million	543,178	34	18,468,052
2 million but less than 3 million	558,934	18	10,060,812
3 million but less than 4 million	596,910	8	4,775,280
4 million but less than 5 million	645,794	12	7,749,528
5 million but less than 7 million	685,790	10	6,857,900
7 million but less than 8 million	727,806	2	1,455,612
8 million but less than 9 million	750,026	2	1,500,052
9 million but less than 10 million	773,458	2	1,546,916
10 million but less than 11 million	808,606	2	1,617,212
11 million but less than 12 million	854,662	4	3,418,648
12 million but less than 13 million	889,810	0	-----
13 million but less than 15 million	934,654	2	1,869,308
15 million but less than 17 million	979,498	0	-----
17 million but less than 19 million	1,024,342	2	2,048,684
19 million but less than 21 million	1,057,874	0	-----
21 million or more	1,091,406	2	2,182,812
TOTAL		100	63,550,816

* Based on allowance categories, effective October 1, 1979

STATES BY POPULATION CATEGORY

These categories are based on the latest Provisional 1979 Population Estimates for States, as provided by the United States Department of Commerce, Bureau of the Census.

States with population of less than 2 million

Alaska
Delaware
Hawaii
Idaho
Maine
Montana
Nebraska
Nevada
New Hampshire
New Mexico
North Dakota
Rhode Island
South Dakota
Utah
Vermont
West Virginia
Wyoming

States with population of 2 but less than 3 million

Arizona
Arkansas
Colorado
Iowa
Kansas
Mississippi
Oklahoma
Oregon
South Carolina

States with population of 3 but less than 4 million

Alabama
Connecticut
Kentucky
Washington

States with population of 4 but less than 5 million

Louisiana
Maryland
Minnesota
Missouri
Tennessee
Wisconsin

States with population of 5 but less than 7 million

Georgia
Indiana
Massachusetts
North Carolina
Virginia

States with population of 7 but less than 8 million

New Jersey

States with population of 8 but less than 9 million

Florida

States with population of 9 but less than 10 million

Michigan

States with population of 10 but less than 11 million

Ohio

States with population of 11 but less than 12 million

Illinois
Pennsylvania

States with population of 12 but less than 13 million

None

States with population of 13 but less than 15 million

Texas

States with population of 15 but less than 17 million

None

States with population of 17 but less than 19 million

New York

States with population of 19 but less than 21 million

None

States with population of 21 million or more

California

DEC 10 1979

Mr. Robert A. Malstrom
Financial Clerk
Dispersing Office
United States Senate
Washington, D. C. 20510

Dear Mr. Malstrom:

The Bureau of the Census has just completed provisional 1979 population estimates for States. A review of these estimates against the population size categories specified in 2 U.S.C. 61-1(d) (1) (A),as amended, indicates that the State of Louisiana has moved into the category "4 million but less than 5 million". Copies of our letters to Senators Long and Johnston are enclosed.

The estimates will be published in January 1980 in Current Population Reports, Series P-25. I am enclosing a table showing States by population rank size according to the estimates.

Sincerely,

VINCENT P. BARABBA
Director
Bureau of the Census

Enclosures

RANK OF STATES ACCORDING TO PROVISIONAL POPULATION ESTIMATES FOR JULY 1, 1979

(Population in thousands)

Rank	State	Pop.	Rank	State	Pop.
1	California	22,694	27	Oklahoma	2,892
2	New York	17,648	28	Colorado	2,772
3	Texas	13,380	29	Oregon	2,527
4	Pennsylvania	11,731	30	Arizona	2,450
5	Illinois	11,229	31	Mississippi	2,429
6	Ohio	10,731	32	Kansas	2,369
7	Michigan	9,207	33	Arkansas	2,180
8	Florida	8,860	34	West Virginia	1,878
9	New Jersey	7,332	35	Nebraska	1,574
10	Massachusetts	5,769	36	Utah	1,367
11	North Carolina	5,606	37	New Mexico	1,241
12	Indiana	5,400	38	Maine	1,097
13	Virginia	5,197	39	Rhode Island	929
14	Georgia	5,117	40	Hawaii	915
15	Missouri	4,867	41	Idaho	905
16	Wisconsin	4,720	42	New Hampshire	887
17	Tennessee	4,380	43	Montana	786
18	Maryland	4,148	44	Nevada	702
19	Minnesota	4,060	45	South Dakota	689
20	Louisiana	4,018	46	North Dakota	657
21	Washington	3,926	47	Dist. of Columbia	656
22	Alabama	3,769	48	Delaware	582
23	Kentucky	3,527	49	Vermont	493
24	Connecticut	3,115	50	Wyoming	450
25	South Carolina	2,932	51	Alaska	406
26	Iowa	2,902			

OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER

This appropriation contains funds for the salaries of 1,306 statutory positions under the Office of the Sergeant at Arms and Doorkeeper. The Sergeant at Arms is also authorized to use not to exceed $45,000 of unobligated funds in this appropriation each fiscal year for the employment of Special Deputies.

JUSTIFICATION WORKSHEET

APPROPRIATION TITLE: Office of the Sergeant at Arms and Doorkeeper (Salaries, Officers and Employees)

FISCAL YEAR: 1981

DATE: JAN 2 8 1980

COMPENSATION (FROM ATTACHED STATUTORY POSITION LISTING).....	$23,159,538.00
PLUS: NIGHT DIFFERENTIAL COMPENSATION.....	115,462.00
Total Compensation.....	23,275,000.00
Estimate.....	$23,275,000.00

Estimate for Fiscal Year 1981.....$ 23,275,000.00

Less: Amount Available for F. Y. 1980:

PL 96-86	$21,196,000.00	
Supplemental Appropriation	1,565,000.00*	
		$ 22,761,000.00 **
Increase		$ 514,000.00

* Fiscal Year 1980 Supplemental Increase:
Pay Comparability Increase, October 1, 1979

**Fiscal Year 1981 Increase:

Parking Positions - Full year funding	$85,356.00
Establish 27 Police Positions	429,000.00
	$514,356.00

RECAPITULATION

OFFICE: OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Administrative Office	67	48	47	$ 893,482
Senate Pages	32	32	32	288,860
Drivers-Messengers	8	8	8	148,672
Senate Chamber	48	48	48	717,908
Press Gallery	6	6	6	174,124
Radio-TV Press Gallery	5	5	5	152,106
Periodical Press Gallery	2	2	2	63,630
Press Photographers Gallery	2	2	2	63,630
Recording Studio	17	16	16	447,026
Cabinet Shop	9	10	10	213,716
Telecommunications Department	25	25	24	383,396
Capitol Custodial Services	67	68	68	819,918
Barber Shop	9	9	9	155,540
Service Department - Administrative	15	16	16	335,522
Service Department - Cheshire Section	15	21	21	312,898
Service Department - Equipment Section	32	35	35	580,346
Service Department - Duplicating Section	35	38	38	646,602
Service Department - Folding and Inserting Section	40	40	40	557,722
Service Department - Microfilm Center	11	0	0	-------
Service Department - Warehouse	7	7	7	102,414
Senate Post Office	80	79	79	985,154
Capitol Police	523	524	560 ~~551~~	+ 159,984 9,649,540
Computer Center	185	220 ~~212~~	220 ~~212~~	+ 218,362 5,175,038
Senate Parking Department	0	30	30	292,294
TOTAL -	1,240	1,289 ~~1,201~~	1,323 ~~1,306~~	$23,159,538

OFFICE: OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER (ADMINISTRATIVE OFFICE)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Sergeant at Arms and Doorkeeper	1	1	1	$ 59,300 *
Deputy Sergeant at Arms and Doorkeeper	1	1	1	58,300 **
Administrative Assistant to the Sergeant at Arms and Doorkeeper	1	1	1	56,358 **
Executive Assistant to the Sergeant at Arms and Doorkeeper	1	1	1	53,328 **
Special Assistant to the Sergeant at Arms and Doorkeeper	0	1 ✓	1 ✓	38,784
Secretary to the Sergeant at Arms	1	1	1	19,594
Secretary for Personnel Administration	1	1	1	25,048
Assistant Chief Clerk	1	1	1	21,816
Chief Clerk	1	1	1	31,714
Clerk	1	1	1	15,756
Clerk	1	1	1	20,604
Clerk	3	3	3	13,332 each
Clerk	1	1	0	(22,220)
Clerk	1	1	1	14,544
Clerk	1	1	1	14,140
Clerk	1	1	1	11,716
Secretary to the Administrative Assistant	1	1	1	18,786
Auditor	0	2	2	15,958 each
Auditor	1	1	1	17,776
Auditor	1	1	1	16,968
Auditor	2	2	2	14,544 each
Special Officer	1	1	1	16,564
Chief Messenger	1	1	1	16,160
Special Employee	13	13	13	8,080 each

* Fixed statutory rate; limited to $55,387.50 during Fiscal Year 1980
** Limited to $54,332.50, $52,687.50, and $49,666.00 respectively, during Fiscal Year 1980

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Executive Secretary to the Sergeant at Arms	1	1	1	$ 31,714
Secretary to the Special Assistant	1	1	1	14,746
Purchasing Clerk	1	1	1	16,968
Secretary to the Deputy Sergeant at Arms	1	1	1	26,664
Secretary/Receptionist	1	1	1	17,372
Parking Attendant Supervisor	2	0	0	(12,120) each
Parking Attendant	20	0	0	(5,050) each
Supervisor of Door Attendants	1	1	1	21,614
Assistant Supervisor of Door Attendants	1	1	1	19,392
Messenger	1	1	1	11,716
TOTAL - ADMINISTRATIVE OFFICE	67	48	47	$893,482

OFFICE: OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER (SENATE PAGES)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Special Employee	2	2	2	$ 8,080 each
Page	30	30	30	9,090 each
TOTAL - SENATE PAGES	32	32	32	$288,860

OFFICE: OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER (DRIVERS-MESSENGERS)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Garage Foreman	1	1	1	$ 18,584
Driver-Messenger, Vice President	1	1	1	18,584
Driver-Messenger, President Pro Tempore	1	1	1	18,584
Driver-Messenger, Deputy President Pro Tempore	1	1	1	18,584
Driver-Messenger, Majority Leader	1	1	1	18,584
Driver-Messenger, Minority Leader	1	1	1	18,584
Driver-Messenger, Attending Physician	1	1	1	18,584
Driver-Messenger	1	1	1	18,584
TOTAL - DRIVERS-MESSENGERS	8	8	8	$148,672

OFFICE: OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER (SENATE CHAMBER)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Floor Assistant	1	1	1	$ 21,816
Messenger at Card Door	1	1	1	21,816
Messenger at Card Door	1	1	1	19,796
Messenger at Pass Door	2	2	2	15,756 each
Press Liaison	1	1	1	18,584
Assistant at the Press Door	1	1	1	14,140
Floor Assistant	2	2	2	20,402 each
Senior Door Attendant	2	2	2	16,968 each
Door Attendant	25	25	25	14,140 each
Door Attendant	6	6	6	13,332 each
Door Attendant	1	1	1	12,120
Door Attendant	1	1	1	11,716
Chief Door Attendant for the Minority	1	1	1	15,756
Door Attendant for the Minority	3	3	3	14,140 each
TOTAL - SENATE CHAMBER	48	48	48	$717,908

OFFICE: OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER (PRESS GALLERY)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Superintendent of Press Gallery	1	1	1	$ 42,218
1st Assistant Superintendent of Press Gallery	1	1	1	37,774
2nd Assistant Superintendent of Press Gallery	1	1	1	29,290
3rd Assistant Superintendent of Press Gallery	1	1	1	25,856
4th Assistant Superintendent of Press Gallery	1	1	1	20,402
Secretary, Press Gallery	1	1	1	18,584
TOTAL - PRESS GALLERY	6	6	6	$174,124

OFFICE: OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER (RADIO-TV PRESS GALLERY)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Superintendent of Radio Press Gallery	1	1	1	$ 42,218
1st Assistant Superintendent in Radio Press Gallery	1	1	1	37,774
2nd Assistant Superintendent in Radio Press Gallery	1	1	1	29,290
3rd Assistant Superintendent in Radio Press Gallery	1	1	1	25,856
Secretary	1	1	1	16,968
TOTAL - RADIO-TV PRESS GALLERY	5	5	5	$152,106

OFFICE: OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER (PERIODICAL PRESS GALLERY)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Superintendent, Periodical Press Gallery	1	1	1	$ 37,774
Assistant Superintendent Periodical Press Gallery	1	1	1	25,856
TOTAL - PERIODICAL PRESS GALLERY	2	2	2	$63,630

OFFICE: OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER (PRESS PHOTOGRAPHERS GALLERY)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Superintendent, Press Photographers Gallery	1	1	1	$ 37,774
Assistant Superintendent, Press Photographers Gallery	1	1	1	25,856
TOTAL - PRESS PHOTOGRAPHERS GALLERY	2	2	2	$ 63,630

OFFICE: OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER (RECORDING STUDIO)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Director, Recording Studio	1	1	1	$ 47,066
Chief, Video Engineer	1	1	1	34,340
Chief Film and Video Cameraman	1	1	1	32,926
Film and Video Cameraman	1	1	1	28,886
Video Engineer	1	1	1	31,108
Chief Audio Engineer	1	1	1	32,320
Laboratory Supervisor	1	1	1	28,886
Video Technician	1	1	1	25,250
Audio Engineer	1	1	1	20,200
Film and Laboratory Technician	1	1	1	21,008
Secretary	1	1	1	15,756
Appointment Secretary	1	1	1	18,180
Audio Engineer	1	1	1	23,836
Film and Laboratory Technician	1	1	1	26,260
Audio Engineer	1	1	1	18,584
Assistant Director, Recording Studio	1	1	1	42,420
Audio Engineer	1	0	0	(16,968)
TOTAL - RECORDING STUDIO	17	16	16	$447,026

OFFICE: OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER (CABINET SHOP)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Chief Cabinetmaker	1	1	1	$ 31,108
Assistant Chief Cabinetmaker	1	1	1	26,866
Cabinetmaker	2	4	4	20,806 each
Cabinetmaker	1	0	0	(19,190)
Assistant Cabinetmaker	2	1	1	17,574
Finisher	1	1	1	20,806
Upholsterer	1	1	1	20,806
Shop Attendant	0	1	1	13,332
TOTAL - CABINET SHOP	9	10	10	$213,716

OFFICE: OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER (TELECOMMUNICATIONS DEPARTMENT)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Telecommunications Director	1	1	1	$ 38,380
Assistant Telecommunications Director	1	1	1	28,280
Chief Telephone Operator	1	1	1	20,604
Assistant Chief Telephone Operator	2	2	2	16,968 each
Telecommunications Assistant	0	0	1	22,220
Telephone Operator	18	18	18	13,332 each
Teletype Operator	2	2	0	(14,140) each
TOTAL - TELECOMMUNICATIONS DEPARTMENT	25	25	24	$383,396

OFFICE: OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER (CAPITOL CUSTODIAL SERVICES)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Chief Janitor	1	1	1	$ 24,846
Assistant Chief Janitor	1	1	1	17,776
Chief Housekeeper	1	1	1	15,352
Night Foreman	1	1	1	13,332
Skilled Laborer	1	1	1	16,160
Skilled Laborer	1	1	1	14,544
Skilled Laborer	1	1	1	14,140
Attendant	2	2	2	12,524
Laborer	1	1	1	14,544
Laborer	2	2	2	13,332 each
Laborer	10	10	10	12,928 each
Laborer	37	36	36	11,716 each
Laborer	4	4	4	11,312 each
Laborer	1	1	1	10,908
Laborer	3	5	5	6,060 each
TOTAL - CAPITOL CUSTODIAL SERVICES	67	68	68	$819,918

OFFICE: OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER (BARBER SHOP)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Chief Barber	1	1	1	$ 21,210
Assistant Chief Barber	1	1	1	19,190
Barber	5	5	5	17,776 each
Barber Shop Attendant	2	2	2	13,130 each
TOTAL - BARBER SHOP	9	9	9	$155,540

OFFICE: OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER (SERVICE DEPARTMENT - ADMINISTRATIVE)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Director, Service Department	1	1	1	$ 46,460
Deputy Director, Service Department	0	1	1	38,784
Assistant Director, Service Department	1	1	1	32,320
Night Superintendent	1	1	1	26,866
Assistant Night Superintendent	1	1	1	26,260
Secretary to the Director, Service Department	1	1	1	18,584
Truck Driver	1	1	1	18,180
Assistant Truck Driver	1	1	1	15,352
Clerk	1	1	1	14,544
Time and Attendance Clerk	1	1	1	14,544
Receiving Clerk	2	3	3	12,928
Supervisor, Supply Section	1	0	0	(18,382)
Mimeograph Operator	1	1	1	12,928
Secretary-Receptionist	1	1	1	16,766
Secretary	1	1	1	15,150
TOTAL - SERVICE DEPARTMENT-ADMINISTRATIVE	15	16	16	$335,522

OFFICE: OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER (SERVICE DEPARTMENT - CHESHIRE SECTION)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Supervisor, Addressograph Section	1	1	1	$ 24,038
Assistant Supervisor, Cheshire Section	1	1	1	19,392
Night Supervisor, Cheshire Section	1	1	1	17,776
Assistant Night Supervisor, Cheshire Section	1	1	1	16,564
Addressograph Operator	8	8	8	15,150 each
Mimeograph Operator	1	1	1	12,928
Assistant Mail Operator	0	6	6	12,928 each
Laborer, Service Department	2	2	2	11,716 each
TOTAL - SERVICE DEPARTMENT - CHESHIRE SECTION	15	21	21	$312,898

OFFICE: OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER (SERVICE DEPARTMENT - EQUIPMENT SECTION)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Equipment Supervisor	1	1	1	$ 26,260
Assistant Equipment Supervisor	1	1	1	21,008
Supervisor, Typewriter Repair Section	1	0	0	(24,038)
Supervisor, Typewriter Repair Section	0	1	1	26,260
Assistant Supervisor, Typewriter Repair Section	1	1	1	22,018
Clerk	2	2	2	14,544
Automatic Typewriter Repairman	6	7	7	19,796 each
Repairman	1	0	0	(18,584)
Repairman	3	3	3	18,180 each
Mailing Equipment Repairman	1	1	1	18,584
Laborer, Service Department	2	2	2	11,716 each
Messenger	4	4	4	11,716 each
Inserting Machine Operator	2	2	2	14,544 each
Mimeograph Operator	1	1	1	12,928
Clerk-Stenographer	1	1	1	14,140
Inventory Clerk	1	1	1	16,766
Assistant Inventory Clerk	1	1	1	13,332
Technical Clerk	1	1	1	15,150
Chief Messenger	1	1	1	12,928
Technical Clerk	1	1	1	15,756
Requisition and Receiving Clerk	0	1	1	14,544
Maintenance and Rental Clerk	0	1	1	14,544
State Office Repair Clerk	0	1	1	14,544
TOTAL - SERVICE DEPARTMENT - EQUIPMENT SECTION	32	35	35	$580,346

OFFICE: OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER (SERVICE DEPARTMENT - DUPLICATING SECTION)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Supervisor, Printing Section	1	1	1	$ 24,038
Assistant Supervisor, Duplicating Section	1	1	1	21,008
Night Supervisor, Duplicating Section	1	1	1	21,008
Assistant Night Supervisor, Duplicating Section	1	1	1	20,402
Composer	1	1	1	18,584
Composer Technician	2	2	2	15,756 each
Senior Press Operator	3	3	3	19,796 each
Addressograph Operator	1	1	1	15,150
Cameraman	1	1	1	18,584
Printing Press Operator	11	11	11	18,584 each
Photostat Operator	1	0	0	(15,756)
Printing Press Operator	0	1	1	15,756
Laborer, Service Department	1	1	1	11,716
Clerk in Service Department	1	1	1	13,736
Messenger	1	1	1	11,716
Inserting Machine Operator	2	2	2	14,544 each
Clerk	1	1	1	13,332
Photostat Operator	3	5	5	13,534 each
Senior Pressman/Repairman	1	1	1	20,200
Layout Technician	1	1	1	15,756
Power Cutter Operator	0	1	1	13,534
TOTAL - SERVICE DEPARTMENT - DUPLICATING SECTION	35	38	38	$646,602

OFFICE: OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER (SERVICE DEPARTMENT - FOLDING AND INSERTING SECTION)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Supervisor, Folding Section	1	1	1	$ 24,038
Assistant Supervisor, Folding Section	1	1	1	19,392
Night Supervisor, Folding Section	1	1	1	17,776
Assistant Night Supervisor, Folding Section	1	1	1	16,766
Inserting Machine Operator	6	6	6	14,544 each
Folding Machine Operator	8	8	8	15,150 each
Laborer, Service Department	13	12	12	11,716 each
Messenger	5	5	5	11,716 each
Senior Folding Machine Operator	1	2	2	15,554 each
Addressograph Operator	1	1	1	15,150
Mimeograph Operator	1	1	1	12,928
Warehouseman	1	1	1	12,928
TOTAL - SERVICE DEPARTMENT-FOLDING AND INSERTING SEC.	40	40	40	$557,722

OFFICE: OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER (SERVICE DEPARTMENT - MICROFILM CENTER)

(MERGED INTO COMPUTER CENTER F.Y. 1980)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Cameraman	6	0	0	$(14,544)
Film Processor	1	0	0	(15,756)
Assistant Film Processor	1	0	0	(14,948)
Micrographics Supervisor	1	0	0	(27,270)
Assistant Micrographics Supervisor	1	0	0	(21,008)
Secretary/Receptionist	1	0	0	(13,736)
TOTAL - SERVICE DEPARTMENT - MICROFILM CENTER	11	0	0	------

OFFICE: OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER (SERVICE DEPARTMENT - WAREHOUSE)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Supervisor, Warehouse	1	1	1	$ 21,816
Assistant Supervisor, Warehouse	1	1	1	14,948
Addressograph Operator	1	1	1	15,150
Warehouseman	3	3	3	12,928 each
Messenger	1	1	1	11,716
TOTAL - SERVICE DEPARTMENT - WAREHOUSE	7	7	7	$102,414

OFFICE: OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER (SENATE POST OFFICE)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Postmaster	1	1	1	$ 45,248
Assistant Postmaster	1	1	1	35,552
Chief Clerk, Post Office	1	1	1	19,796
Superintendant of Mails	1	1	1	22,624
Registry Clerk	1	1	1	14,544
Mail Supervisor	1	0	0	(14,742)
Shift Supervisor	0	1	1	14,140
Shift Supervisor	0	2	2	12,928 each
Mail Specialist	4	4	4	16,766 each
Mail Carrier	35	22	8	14,140 each
Mail Carrier	7	13	16	11,514 each
Mail Carrier	28	32	43	10,302 each
TOTAL - SENATE POST OFFICE	80	79	79	$985,154

OFFICE: OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER (CAPITOL POLICE)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Deputy Chief, Police Force	1	1	1	$ 41,006
Inspector, Police Force	2	3	3	33,734 each
Captain, Police Force	7	7	7	29,088 each
Lieutenant, Police Force	12	12	11	24,240 each
Special Officer, Police Force	2	2	2	24,240 each
Sergeant, Police Force	48	48	54	20,200 each
Detective, Police Force	10	10	10	18,988 each
Technician, Police Force	16	16	16	17,776 each
Plainclothesman, Police Force	8	8	8	17,776 each
Plainclothes Officer, Police Force	2	2	~~11~~ 6	17,776 each
K-9 Officer, Police Force	6	6	6	17,776 each
Private, Police Force*	409	409	431	16,564 each
TOTAL - CAPITOL POLICE	523	524	~~560~~ 551	$9,649,540
				+ 159,984
*All positions of Private funded at the				
salary level of Private First Class				
(Private $15,352; Private, First				
Class = $16,564)				

OFFICE: OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER (COMPUTER CENTER)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Applications Analyst	2	4 ~~3~~	4 ~~3~~	$ 32,522 each
Assistant Director, Computer Center	1	0	0	(40,804)
Assistant Manager, Administrative Support	0	1	1	32,522
Assistant Manager, Educational Development	0	1	1	32,522
Assistant Operations Manager	1	0	0	(29,896)
Assistant Operations Manager	0	1	1	32,522
Assistant Supervisor, Micrographics Operations	0	1	1	18,786
Assistant Tape Librarian	2	0	0	(14,948)
Camera Operator	0	4	4	14,544 each
Communications Software Programmer Analyst	1	1	1	29,896
Communications Software Specialist	1	1	1	36,360
Communications Software Specialist	0	1	1	33,330
Communications Systems Specialist	1	1	1	33,330
Computer Output Microfilm Operator	0	1	1	14,948
Computer Resource and Performance Analyst	2	1	1	25,856
Computer Shift Supervisor	0	3	3	22,826 each
Computer Shift Supervisor	3	0	0	20,402
Computer Specialist	4	4	4	32,522 each
Computer Terminal Installer	3	3	3	14,544 each
Darkroom Technician	0	1	1	16,968
Data Base Systems Programmer	1	1	1	29,896
Data Conversion Operator	2	2	2	12,726 each
Data Resource Analyst	0	1	1	23,432
Data Resource Analyst	0	1	1	18,180
Data Resources Manager	1	1	1	28,280

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Deputy Director, Computer Center	0	1	1	$ 40,804
Director, Computer Center	1	1	1	46,460
Documentation Specialist	1	1	1	24,846
Duplication Technician	0	1	1	14,948
Hardware Manager	1	1	1	28,280
Job Controller	6	6	6	18,988 each
Junior Network Technician	2	2	2	17,170 each
Junior Operator	4	2	2	16,564 each
Junior Systems Programmer	1	0	0	(26,260)
Keypunch Operator	1	1	1	13,938
Lead Operator	6	6	6	18,180 each
Manager, Administrative Applications Development	1	1	1	38,784
Manager, Computer Operations	1	1	1	38,784
Manager, Data Network	1	1	1	38,784
Manager, Legislative Applications Development	1	1	1	38,784
Manager, Member and Committee Applications Development	0	1	1	38,784
Manager, Micrographics Services	0	1	1	32,522
Manager, Office Administration	0	1	1	26,058
Manager, Planning, Budget and Administration	1	1	1	38,784
Manager, Systems Programming	1	1	1	38,784
Manager, Text Processing Applications Development	0	1	1	38,784
Manager, Training and Support Services	0	1	1	38,784
Manager, User Training and Liaison	1	0	0	(38,784)
Messenger	2	1	1	11,716

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Network Equipment Coordinator	0	1	1	$ 15,958
Network Equipment Supervisor	0	1	1	33,330
Network Equipment Supervisor	1	0	0	(29,896)
Network Special Projects Supervisor	0	1	1	36,360
Network Technical Control Supervisor	1	1	1	36,360
Network Technician	2	~~2~~ 3	~~2~~ 3	26,260 each
Network Technician	2	3	3	21,614 each
Office Manager	1	0	0	(22,624)
Office Systems Specialist	8	7	7	20,604 each
Office Systems Specialist	9	10	10	18,786 each
Office Systems Specialist	2	0	0	(16,968)
Office Systems Supervisor	1	0	0	(32,522)
Office Systems Supervisor	1	0	0	(29,896)
Office Systems Training Supervisor	1	0	0	(29,896)
Operations Clerk	6	6	6	14,948 each
Operations Scheduler	0	1	1	23,432
Operations Scheduler	1	0	0	(25,856)
Personnel Management Analyst	0	1	1	32,522
Printing Operator		2	2	15,756 each
Production Manager	0	1	1	29,896
Production Manager	1	0	0	28,280
Programmer Analyst	7	7	7	24,644 each
Programmer Analyst	4	4	4	21,412 each
Quality Controller	0	1	1	18,180
Receptionist	1	1	1	14,948
Receptionist	1	0	0	(13,736)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Reports Analyst	0	1	1	$ 17,776
Quality Control Specialist	0	1	1	15,352
Secretary	1	1	1	23,836
Secretary	1	1	1	17,776
Secretary	1	1	1	16,766
Secretary	1	2	2	16,160 each
Secretary	1	~~3~~ 4	~~3~~ 4	15,958 each
Secretary	3	4	4	15,756 each
Secretary/Receptionist	0	1	1	14,746
Secretary/Receptionist	1	1	1	15,352
Secretary/Typist	1	1	1	14,746
Senior Applications Analyst	2	~~1~~ 2	~~1~~ 2	36,360
Senior Applications Analyst	2	4	4	35,148 each
Senior Camera Operator	0	2	2	15,554 each
Senior Computer Specialist	1	2	2	36,360 each
Senior Computer Specialist	5	5	5	35,148 each
Senior Computer Output Microfilm Operator	0	1	1	16,362
Senior Job Controller	3	3	3	25,856 each
Senior Network Technician	2	~~2~~ 3	~~2~~ 3	29,896 each
Senior Office Systems Specialist	7	7	7	25,856 each
Senior Programmer Analyst	10	~~10~~ 11	~~10~~ 11	29,896 each
Senior Programmer Analyst	13	13	13	27,472 each
Senior Quality Control Specialist	0	1	1	16,362
Senior Quality Controller	0	1	1	20,402
Senior Systems Programmer	2	2	2	35,148 each

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Senior Systems Programmer	3	3	3	$ 32,522 each
Senior Training Specialist	1	2	2	25,856 each
Special Projects Officer	1	2	2	36,360 each
Standards Specialist	1	0	0	(32,522)
Supervisor, Micrographics Operations	0	1	1	24,846
Systems Programmer	1	2	2	29,896 each
Tape Librarian	1	0	0	(16,564)
Tape Librarian	0	1	1	15,756
Technicial Training Specialist	1	0	0	(29,896)
Technicial User Liaison	1	1	1	18,584
Text Processing Specialist	1	2	2	21,816 each
Text Processing Specialist	2	3	3	19,796 each
Text Processing Specialist	1	1	1	16,564
Training and Career Development Coordinator	0	1	1	32,522
Training Specialist	3	2	2	20,604 each
Training Specialist	4	4	4	18,786 each
TOTAL - COMPUTER CENTER	185	~~220~~ ~~212~~	~~220~~ ~~212~~	$5,175,038
				+ 218,362

OFFICE: OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER (SENATE PARKING DEPARTMENT)

POSITIONS	NUMBER OF POSITIONS			NTE POSITION RATE
	1979	1980	1981	
Director	0	1	1	$ 34,744
Special Projects Assistant	0	1	1	17,776
Supervisor, Administrative Operations Sec.	0	1	1	24,240
Office Manager	0	1	1	17,776
Receptionist-Secretary	0	1	1	14,544
Permits Clerk	0	1	1	17,776
Enforcement Liaison Clerk	0	1	1	17,978
Supervisor, Field Operations Section	0	1	1	22,220
Parking Attendant Supervisor	0	2	2	12,120 each
Parking Attendant	0	20	20	5,050 each
TOTAL - SENATE PARKING DEPARTMENT	0	30	30	$292,294

OFFICES OF THE SECRETARIES FOR THE MAJORITY AND THE MINORITY

This appropriation item contains funds for the salaries of personnel under the jurisdiction of the Secretary for the Majority and the Secretary for the Minority. The appropriation includes the compensation of the respective Secretaries.

JUSTIFICATION WORKSHEET

APPROPRIATION TITLE: Offices of the Secretaries for the Majority and Minority (Salaries, Officers and Employees)

FISCAL YEAR: 1981 DATE: JAN 2 8 1980

COMPENSATION		$ 463,828.00
Secretary for the Majority/Minority	$58,800* (fixed)	
Employees, not to exceed (857 units x 202)	173,114	
	$231,914	
	x 2	
	$463,828	
* Limited to $54,860 during Fiscal Year 1980		
Total Compensation		463,828.00
Estimate		$ 464,000.00

Estimate for Fiscal Year 1981 ..... $ 464,000.00

Less: Amount Available for F. Y. 1980:

PL 96-86 Supplemental Appropriation	$ 434,000.00	
	22,000.00 **	
		$ 456,000.00
Increase/~~Decrease~~		$ 8,000.00 ***

** Anticipated Supplemental:
Pay Comparability Increase, October 1, 1979 $22,000.00

*** Fiscal Year 1981 Increase:
Lifting of Maximum Salary Limitations
October 1, 1980 7,880.00

AGENCY CONTRIBUTIONS, LONGEVITY COMPENSATION, AND MERIT COMPENSATION

This appropriation item contains funds for agency contributions for Civil Service Retirement, Federal Employees' Group Life Insurance, and Federal Employees' Health Benefits, which encompasses all positions under the appropriation "Salaries, Officers and Employees", and longevity and merit compensation relating to those statutory positions to which these items apply in the offices of the Secretary of the Senate and the Sergeant at Arms and Doorkeeper.

JUSTIFICATION WORKSHEET

Agency Contributions, Longevity Compensation and Merit Compensation

APPROPRIATION TITLE: (Salaries, Officers and Employees)

FISCAL YEAR: 1981 DATE: JAN 2 8 1980

Allocation of Agency Contributions, Longevity and Merit Compensation:		$13,033,000.00
Civil Service Retirement	$5,941,000	
Life Insurance	416,000	
Health Insurance	3,103,000	
Longevity Compensation	3,406,000	
Merit Compensation	167,000	
	$13,033,000	
Estimate.....		$13,033,000.00

Estimate for Fiscal Year 1981.....$13,033,000.00

Less: Amount Available for F. Y. 1980:

PL 96-86	$9,943,000.00	
Supplemental Appropriation	2,941,000.00*	
		$12,884,000.00
Increase		$ 149,000.00**

*Anticipated Supplemental:

Pay Comparability Increase, October 1, 1979:			
Agency Contributions	$1,272,000		
Longevity Compensation	210,000		
Merit Compensation	11,000	1,493,000	
Increased Health Insurance Contributions due to that cost increase January 1, 1980		1,448,000	$2,941,000

**Added annual entitlements for Longevity Compensation under revised program $ 149,000

OFFICE OF THE LEGISLATIVE COUNSEL OF THE SENATE

This appropriation includes funds for salaries, agency contributions, and expenses for the Office of the Legislative Counsel of the Senate.

JUSTIFICATION WORKSHEET

APPROPRIATION TITLE: Office of the Legislative Counsel of the Senate

FISCAL YEAR: 1981

JAN 2 8 1980

COMPENSATION:			$ 864,082.00
Legislative Counsel		$ 59,300 *	
5 Senior Counsels at $58,300 ** each		291,500	
Other Staff		513,282	
* Limited to $55,387.50 during Fiscal Year 1980			
** Limited to $54,332.50 during Fiscal Year 1980			
AGENCY CONTRIBUTIONS:			
Retirement	7.5% x $864,082.00 (Compensation)	$ 64,806.15	
Life Insurance	847 (M) x $ 3.36 (Per Yr. per M)	$ 2,845.92	
Health Insurance	22 (No. of Employees) x $ 795.96 (Per Yr. Each)	$ 17,511.12	85,163.19
Total Compensation and Contributions			$ 949,245.19
EXPENSES			11,465.64
Total			$ 960,710.83
Estimate			$ 961,000.00

Estimate for Fiscal Year 1981		$ 961,000.00
Less: Amount Available for F.Y. 1980:		
PL 96-86	$ 899,000.00	
Supplemental Appropriation	36,000.00 *	
		935,000.00
Increase/~~Decrease~~		$ 26,000.00 **

* Anticipated Supplemental:

Pay Comparability Increase, Oct. 1, 1979, including agency contributions		$36,000

** Fiscal Year 1980 Increase:

Lifting of Maximum Salary Limitations, Oct. 1, 1980	$23,750.00	
Increase in Health Insurance agency contributions	1,771.44	
	$25,521.44	$26,000.

OFFICE OF SENATE LEGAL COUNSEL

This appropriation includes funds for salaries, agency contributions, and expenses for the Office of Senate Legal Counsel.

JUSTIFICATION WORKSHEET

APPROPRIATION TITLE: Office of Senate Legal Counsel

FISCAL YEAR: 1981

JAN 28 1980

COMPENSATION		$380,337.00
Senate Legal Counsel	$ 59,300*	
Deputy Senate Legal Counsel	56,500*	
Other staff	264,537	
AGENCY CONTRIBUTIONS:		
Retirement 7.5% x $380,337.00 (Compensation)	$28,525.27	
Life Insurance 330 (M) x $ 3.36 (Per Yr. per M)	$ 1,108.80	
Health Insurance 8 (No. of Employees) x $ 795.96 (Per Yr. Each)	$ 6,367.68	36,001.75
Total Compensation and Contributions		$416,338.75
EXPENSES		83,600.00
Total		$499,938.75
Estimate		$500,000.00

Estimate for Fiscal Year 1981		$ 500,000.00
Less: Amount Available F.Y. 1980:		
PL 96-86	$350,000.00	
Supplemental Appropriation		
		$ 350,000.00
Increase		$ 150,000.00**

*Limited to $55,387.50 and $52,750.00, respectively, during Fiscal Year 1980

**The Office of Senate Legal Counsel was established in Title VII of the Ethics in Government Act of 1978 (Public Law 95-521), and Senate Legal Counsel was appointed on June 27, 1979. The office is in the process of organizing and staffing; consequently, this increase is the result of such staffing and expenses.

SENATE POLICY COMMITTEES

This appropriation includes funds for salaries, agency contributions, and expenses for the Majority Policy Committee and the Minority Policy Committee.

JUSTIFICATION WORKSHEET

APPROPRIATION TITLE: Senate Policy Committees (Contingent Expenses of the Senate)

FISCAL YEAR: 1981

JAN 2 8 1980

COMPENSATION			$1,387,740.00
Majority Policy Committee - 3,435 multiples x $202	$ 693,870		
Minority Policy Committee - 3,435 multiples x $202	693,870		
	$1,387,740		
AGENCY CONTRIBUTIONS:			
Retirement 7.5% x $1,387,740.00 (Compensation)		$104,080.50	
Life Insurance 1,396 (M) x $3.36 (Per Yr. Per M)		$ 4,690.56	
Health Insurance 48 (No. of employees) x $795.96 (Per Yr. Each)		$ 38,206.08	$ 146,977.14
	Total Compensation and Contributions		$1,534,717.14
EXPENSES ($13,641.43 each Committee)			27,282.86
	Total		$1,562,000.00
	Estimate		$1,562,000.00

Estimate for Fiscal Year 1981		$1,562,000.00
Less: Amount Available F.Y. 1980:		
PL 96-86	$1,462,000.00	
Supplemental Appropriation	100,000.00*	
		$1,562,000.00
		$ -0-

*Anticipated Supplemental:
Pay Comparability Increase, October 1, 1979, including Agency Contributions

AUTOMOBILES AND MAINTENANCE

This appropriation includes funds to provide for the purchase, lease, and maintenance of twenty-two vehicles for official use of officers and offices of the Senate. Thirteen vehicles are leased and nine are owned outright by the Senate. Drivers are provided for six of the vehicles and those statutory positions are appropriated for in funds under the jurisdiction of the Sergeant at Arms and Doorkeeper.

JUSTIFICATION WORKSHEET

APPROPRIATION TITLE: Automobiles and Maintenance (Contingent Expenses of the Senate)

FISCAL YEAR: 1981 DATE: JAN 2 8 1980

Automobiles and Maintenance		$70,000.00
Leased Vehicles	$28,000	
Purchased Vehicles	24,000	
Maintenance (Gasoline, Oil, Lubrication, Tires, and Repairs)	18,000	
	$70,000	
(SEE ATTACHED ALLOCATION OF LEASED AND PURCHASED VEHICLES)		
Estimate		$70,000.00

Estimate for Fiscal Year 1981		$70,000.00
Less: Amount Available for F. Y. 1980:		
PL 96-86	$65,000.00	
Supplemental Appropriation		
		$65,000.00
Increase		5,000.00*

*Increased cost of gasoline, oil, and maintenance.

AUTOMOBILES AND MAINTENANCE

Fiscal Year 1981

ALLOCATION OF LEASED VEHICLES:	Anticipated Lease Cost Per Annum
Vice President - Mercury	$ 1,900
President Pro Tempore of the Senate - Lincoln	2,450
Majority Leader of the Senate - Lincoln	2,450
Minority Leader of the Senate - Lincoln	2,450
Majority Whip of the Senate - Ford LTD	1,900
Minority Whip of the Senate - Lincoln	2,450
Secretary of the Senate - Lincoln	2,450
Sergeant at Arms and Doorkeeper - Lincoln	2,450
Deputy Sergeant at Arms and Doorkeeper - Mercury	1,900
Office of the Attending Physician - Mercury	1,900
Office of the Secretary for the Majority - Mercury	1,900
Office of the Secretary for the Minority - Mercury	1,900
Office of the Financial Clerk - Mercury	1,900
	$28,000

ALLOCATION OF SENATE OWNED VEHICLES:

Secretary of the Senate - Chevrolet (Impala)
Sergeant at Arms - 1) Cadillac
2) Chevrolet Pickup
3) Chevrolet Blazer
4) Ford Bronco

Mail Cars - 1) Chevrolet Nova Hatchback
2) Chevrolet Nova Hatchback
3) Chevrolet Nova Hatchback
4) Chevrolet Van Truck

INQUIRIES AND INVESTIGATIONS

This appropriation includes funds for the expenses of Inquiries and Investigations authorized by Senate Resolutions for standing committees, special committees and select committees. The appropriation contains $836,078 for the Investigations Division of the Committee on Appropriations in the discharge of its functions, as provided by Senate Resolution 193, agreed to October 14, 1943 (originally funded by Public Law 78-354, which authorized $50,000 for fiscal year 1945; the increase to the current amount is primarily the result of providing for the cost of living salary increases over the 35 year period). The appropriation also includes funding for the Select Committee on Ethics, under authority of Senate Resolution 338, agreed to July 24, 1964, while there is no dollar limit in the authorization, the justification shows $900,000 for budget purposes only.

JUSTIFICATION WORKSHEET

(124)

APPROPRIATION TITLE: Inquiries and Investigations (Contingent Expenses of the Senate)

FISCAL YEAR: 1981

DATE JAN 2 8 1980

COMPENSATION		$ 36,000,000.00
Senate Resolution Authorizations	$29,242,600	
Standing Committee Expenses	390,000	
Committee on Appropriations (Investigations Division), including October 1, 1979 pay comparability increase of $53,807	836,078	
Select Committee on Ethics	900,000	
Pay Comparability Increase, October 1, 1979, including Agency Contributions	1,671,193	
Reserve for new Authorizations	2,960,129	
Total Compensation		36,000,000.00
Estimate		$ 36,000,000.00

Estimate for Fiscal Year 1981 ..... $36,000,000.00

Amount Available for F. Y. 1980:

P.L. 96-86 ..... $32,600,000.00

Supplemental Appropriation 1,725,000.00 *

34,325,000.00

Increase $ 1,675,000.00 **

* Anticipated Supplemental:
Pay Comparability Increase, October 1, 1979, including Agency Contributions

**Fiscal Year 1981 Increase:
Anticipated additional Senate Resolution Authorizations

SENATE RESOLUTION FUNDING AUTHORIZATIONS

Committee	Senate Resolution	Funding Authorizations March 1, 1979 to February 29, 1980	Standing Committee Authorizations - 96th Congress
Agriculture, Nutrition, and Forestry	S. Res. 42	$ 756,000	$ 10,000
Armed Services	S. Res. 81	763,900	110,000
Banking, Housing, and Urban Affairs	S. Res. 57	1,137,600	10,000
Budget	S. Res. 73	2,366,500	10,000
Commerce, Science, and Transportation	S. Res. 26	2,627,800	10,000
Energy and Natural Resources	S. Res. 60	1,465,000	10,000
Environment and Public Works	S. Res. 43	1,787,900	10,000
Finance	S. Res. 52	1,019,600	40,000
Foreign Relations	S. Res. 75	1,464,000	40,000
Governmental Affairs	S. Res. 79	4,328,100	10,000
Judiciary	S. Res. 48	4,735,900	10,000
Labor and Human Resources	S. Res. 31	2,753,000	10,000
Rules and Administration	S. Res. 36	695,000	60,000
Veterans' Affairs	S. Res. 66	269,000	10,000
Select Committee on Small Business	S. Res. 69	326,900	10,000
Special Committee on Aging	S. Res. 65	325,300	10,000
Select Committee on Intelligence	S. Res. 76	1,799,500	-------
Select Committee on Indian Affairs	S. Res. 70	621,600	-------
		$29,242,600	$370,000
Appropriations	S. Res. 193		410,000
			780,000 or $390,000 per session

ANALYSIS OF AUTHORIZATIONS AND APPROPRIATIONS FOR "INQUIRIES AND INVESTIGATIONS" AND "SALARIES, OFFICERS AND EMPLOYEES" AS IT APPLIES TO COMMITTEES OF THE SENATE

Fiscal Year 1980

	Expenses of Inquiries and Investigations			Salaries, Officers and Employees
	Authorized by Senate Resolution	Authorized by Leg. Reorg. Act	Total Authorized	Total Authorized
Aging	$ 325,300.00	$ 5,000.00	$ 330,300.00	$ 536,916.00
Agriculture, Nutrition, and Forestry	756,000.00	5,000.00	761,000.00	536,916.00
Appropriations	836,078.00	205,000.00	1,041,078.00	2,707,002.00
Armed Services	763,900.00	55,000.00	818,900.00	560,752.00
Banking, Housing, and Urban Affairs	1,137,600.00	5,000.00	1,142,600.00	536,916.00
Budget	2,366,500.00	5,000.00	2,371,500.00	536,916.00
Commerce, Science and Transportation	2,627,800.00	5,000.00	2,632,800.00	536,916.00
Energy and Natural Resources	1,465,000.00	5,000.00	1,470,000.00	536,916.00
Environment and Public Works	1,787,900.00	5,000.00	1,792,900.00	536,916.00
Ethics (Select)	900,000.00	---	900,000.00	---
Finance	1,019,600.00	20,000.00	1,039,600.00	996,264.00
Foreign Relations	1,464,000.00	35,000.00	1,499,000.00	766,590.00
Governmental Affairs	4,328,100.00	5,000.00	4,333,100.00	613,474.00
Indian Affairs (Select)	621,600.00	---	621,600.00	---
Intelligence (Select)	1,799,500.00	---	1,799,500.00	---
Judiciary	4,735,900.00	5,000.00	4,740,900.00	713,868.00
Labor and Human Resources	2,753,000.00	5,000.00	2,758,000.00	1,225,938.00
Rules and Administration	695,000.00	30,000.00	725,000.00	642,360.00
Small Business (Select)	326,900.00	5,000.00	331,900.00	536,916.00
Veterans' Affairs	269,000.00	5,000.00	274,000.00	536,916.00
Total Authorized	$30,978,678.00	$405,000.00	$31,383,678.00	$13,058,492.00
Appropriations - Fiscal Year 1980			$32,600,000.00	$11,825,000.00
Add: Cost of Living Increase			1,725,000.00	1,234,000.00
Total Appropriations - Fiscal Year 1980			$34,325,000.00	$13,059,000.00
Summary of Appropriations and Authorizations				
Total Appropriations			$34,325,000.00	$13,059,000.00
Less: Total Authorizations			31,383,678.00	13,058,492.00
Total Appropriations over Authorizations			$ 2,941,322.00	$ 508.00*

*Excess Appropriations over Authorizations for Salaries, Officers and Employees is due to rounding.

ANALYSIS OF ESTIMATED EXPENDITURES, BASED ON EXPENSES PAID FROM OCTOBER 1, 1979, TO JANUARY 31, 1980, FOR COMMITTEES OF THE SENATE FUNDED UNDER "INQUIRIES AND INVESTIGATIONS" AND "SALARIES, OFFICERS AND EMPLOYEES"

Fiscal Year 1980

	Expenses of Inquiries and Investigations			Salaries, Officers and Employees
	Expenditures-Salaries	Expenditures-Other*	Total Expenditures*	Total Expenditures*
Aging (Special)	$ 162,858.00	$ 79,360.00	$ 242,218.00	$ 329,146.00
Agriculture, Nutrition and Forestry	564,976.00	144,395.00	709,371.00	433,546.00
Appropriations	272,501.00	218,717.00	491,218.00	2,512,388.00
Armed Services	651,881.00	68,052.00	719,933.00	412,218.00
Banking, Housing, and Urban Affairs	981,771.00	146,666.00	1,128,437.00	481,819.00
Budget	2,200,895.00	371,308.00	2,572,203.00	247,353.00
Commerce, Science, and Transportation	2,139,927.00	236,114.00	2,376,041.00	476,436.00
Energy and Natural Resources	1,223,078.00	225,903.00	1,448,981.00	496,934.00
Environment and Public Works	1,536,575.00	172,950.00	1,709,525.00	437,765.00
Ethics (Select)	461,157.00	10,447.00	471,604.00	---
Finance	588,712.00	216,699.00	805,411.00	728,702.00
Foreign Relations	1,417,168.00	341,327.00	1,758,495.00	648,600.00
Governmental Affairs	3,657,260.00	451,975.00	4,109,235.00	500,560.00
Indian Affairs (Select)	507,271.00	64,105.00	571,376.00	---
Intelligence (Select)	1,461,173.00	56,802.00	1,517,975.00	---
Judiciary	3,922,496.00	338,709.00	4,261,205.00	599,769.00
Labor and Human Resources	2,412,683.00	272,465.00	2,685,148.00	1,089,315.00
Rules and Administration	597,335.00	15,225.00	612,560.00	469,502.00
Small Busines (Select)	249,747.00	104,672.00	354,419.00	428,090.00
Veterans' Affairs	187,388.00	22,101.00	209,489.00	389,887.00
Total Expenditures	$25,196,852.00	$3,557,992.00	$28,754,844.00	$10,682,030.00

Summary

Appropriations - Fiscal Year 1980	$34,325,000.00	$13,059,000.00
Less: Projected Expenditures	28,754,844.00	10,682,030.00
Projected Balances as of September 30, 1980	$ 5,570,156.00	$ 2,376,970.00

*Annualized - Based on October 1, 1979, through January 31, 1980, expenditures.

FOLDING DOCUMENTS

This appropriation includes funds for the employment of personnel at an hourly rate of pay by the Sergeant at Arms and Doorkeeper. Personnel appointed under this authority are assigned to the Service Department and other departments as needed.

JUSTIFICATION WORKSHEET

APPROPRIATION TITLE: Folding Documents (Contingent Expenses of the Senate)

FISCAL YEAR: 1981 DATE: JAN 2 8 1980

COMPENSATION	$116,554.00
Estimate	$117,000.00

Estimate for Fiscal Year 1981 ..... $117,000.00

Less: Amount Available for F. Y. 1980:

PL 96-86	$109,000.00	
Supplemental Appropriation	8,000.00*	
		$117,000.00
		-0-

*Anticipated Supplemental:
Pay Comparability Increase, October 1, 1979

MISCELLANEOUS ITEMS

This appropriation includes funds for the general expenses of the Senate and is usually referred to as the housekeeping appropriation for the Senate. The major items included are the Senatorial Official Office Expense Account, telephone and telegraph service, mechanical equipment and repair, General Service Administration space reimbursement for Senatorial offices located in Federal buildings in the home states, and computer equipment.

JUSTIFICATION WORKSHEET

APPROPRIATION TITLE: Miscellaneous Items (Contingent Expenses of the Senate) 101

FISCAL YEAR: 1981 JAN 2 8 1980

(SEE MISCELLANEOUS ITEMS APPORTIONMENT SCHEDULE).....	$30,779,938.00
Estimate.....	$30,776,000.00

Estimate for Fiscal Year 1981.....		$30,776,000.00
Less: Amount Available for F.Y. 1980:		
PL 96-86	$39,195,000.00	
Supplemental Appropriation	2,000.00 *	
		39,197,000.00
Decrease		$ 8,421,000.00 **

* Anticipated Supplemental:
Pay Comparability Increase, October 1, 1979

** Fiscal Year 1981 Decrease:

Increase for Resolution and Reorganization Reserve	+ 16,263.
Office of Legal Counsel-to Separate Appropriation	- 350,000.
Employees Compensation Fund	- 6,716.
Calendars	+ 4,160.
Miscellaneous Items (Reserve for Contingencies)	+ 11,642.
Office of the Secretary (Additional supplies for Historical Office, decrease in Microfilm publications for Library, increase for alarm system, Office of Classified National Security Information and decrease of $15,000 for Contractural Services)	- 14,411.
Sergeant at Arms and Doorkeeper (see Apportionment Schedule)	-8,076,000.

MISCELLANEOUS ITEMS APPORTIONMENT SCHEDULE

ITEM	FISCAL YEAR 1980	BUDGET ESTIMATE FISCAL YEAR 1981	DIFFERENCE
Office of the Senate Legal Counsel	$ 350,000	$ - 0 -	$- 350,000
Resolution and Reorganization Reserve	236,439	252,702	+ 16,263
Miscellaneous Items (Reserve for Contingencies)	500,438	512,080	+ 11,642
Employees Compensation Fund Reimbursement	72,372	65,656	- 6,716
Civil Service Retirement Fund - Reemployed Annuitants	500,000	500,000	- 0 -
Commission on Art and Antiquities (S. Res. 382, 90th Congress)	17,500	17,500	- 0 -
Committee on Rules and Administration - Calendars (S. Res. 585, 95th Congress)	47,840	52,000	+ 4,160
Senators' Official Office Expense Accounts (P.L. 92-607)	5,490,000	5,490,000	- 0 -
Reception of Foreign Dignitaries	25,000	25,000	- 0 -
Foreign Travel - Members and Employees	400,000	400,000	- 0 -
	$ 7,639,589	$ 7,314,938	$- 324,651
OFFICE OF THE SECRETARY OF THE SENATE:			
Historical Office: Books and Documents	$ 2,000	$ 2,000	- 0 -
Photographic Supplies	4,500	5,000	+ 500
Library: On-line Information Services	30,000	30,000	- 0 -
Microfilm Publications	13,200	13,000	- 200

MISCELLANEOUS ITEMS APPORTIONMENT SCHEDULE

ITEM	FISCAL YEAR 1980	BUDGET ESTIMATE FISCAL YEAR 1981	DIFFERENCE
Office of Classified National Security Information:			
Maintenance Contract for Alarm System	$ 2,711	$ 3,000	$+ 289
Travel (Public Law 94-59)	10,000	10,000	- 0 -
Substitute Reporters and Transcribers (Public Law 89-90)	20,000	20,000	- 0 -
Office of Public Records (Public Law 92-342)	25,000	25,000	- 0 -
Consultants (not more than two) (Public Law 95-26)	51,000	51,000	- 0 -
Legal Reference Volumes (Senators' Offices) (Public Law 92-51)	35,000	35,000	- 0 -
Contractual Legal and Administrative Services	75,000	60,000	- 15,000
Disbursing Office: Payroll Forms	10,000	10,000	- 0 -
TOTALS - SECRETARY OF THE SENATE	$ 278,411	$ 264,000	$- 14,411
OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER:			
Administrative Office:			
State Offices - GSA Office Rental	3,200,000	3,200,000	- 0 -
GSA Alterations	50,000	55,000	+ 5,000
GSA Furniture and Furnishings	850,000	850,000	- 0 -
Commercial Offices	1,800,000	1,800,000	- 0 -
Telegraph Services - Committees and Official Telegrams	23,000	15,000	- 8,000
Travel (P.L. 94-303)	13,000	13,000	- 0 -
Furniture	125,000	125,000	- 0 -
Contingencies	39,000	39,000	- 0 -
	$6,100,000	$6,097,000	- 3,000
Cabinet Shop:			
Equipment and Supplies	$ 32,000	$ 32,000	- 0 -
Custodial Services:			
Maintenance Equipment	$ 10,000	$ 10,000	- 0 -
Housekeeping Supplies	62,000	70,000	+ 8,000
	$ 72,000	$ 80,000	+ 8,000

MISCELLANEOUS ITEMS APPORTIONMENT SCHEDULE

ITEM	FISCAL YEAR 1980	BUDGET ESTIMATE FISCAL YEAR 1981	DIFFERENCE
Telecommunications Department:			
Telephone Service	$ 2,245,000	$ 2,245,000	$ - 0 -
WATS Service	2,425,000	1,930,000	- 495,000
Mobile Phones	21,000	21,000	- 0 -
Official Long Distance	8,000	14,000	+ 6,000
	$ 4,699,000	$ 4,210,000	- 489,000
Service Department:			
Parts, Repairs and Maintenance	$ 790,000	$ 918,000	$+ 128,000
Equipment - Purchased	2,058,000	2,332,000	+ 274,000
Equipment - Leased	271,000	1,253,000	+ 982,000
Supplies	414,000	441,000	+ 27,000
Travel (P.L. 94-303)	2,000	2,000	- 0 -
Training	2,000	14,000	+ 12,000
	$ 3,537,000	$ 4,960,000	$+ 1,423,000
Computer Center:			
Computers, Controllers and Peripheral Devices	$ 1,762,000	$ 942,000	$- 820,000
Remote Printing, Processing Unit and Power Unit Controller	120,000	- 0 -	- 120,000
Terminals	5,008,000	896,000	- 4,112,000
Network	1,587,000	1,808,000	+ 221,000
Software (Operating Systems, Utilities, etc.)	299,000	252,000	- 47,000
Supplies	568,000	522,000	- 46,000
Travel (P.L. 94-303)	77,000	170,000	+ 93,000
Training	35,000	25,000	- 10,000
Computer Center Space - Lease and Alterations	266,000	266,000	- 0 -
Correspondence Management System in-house transition	3,204,000	- 0 -	- 3,204,000
Professional Services	50,000	66,000	+ 16,000
Micrographics Services	481,000	450,000	- 31,000
Computer Time Sharing	3,325,000	2,425,000	- 900,000
Available undistributed funds	55,000	- 0 -	- 55,000
	$16,837,000	$ 7,822,000	$- 9,015,000
TOTALS - SERGEANT AT ARMS AND DOORKEEPER	$31,277,000	$23,201,000	$- 8,076,000
Anticipated Fiscal Year 1980 Pay Raise Supplemental Pay Comparability, October 1, 1979	$ 2,000	- 0 -	$- 2,000
TOTALS	$39,197,000	$30,779,938	$- 8,417,062

SCHEDULE OF SENATORIAL OFFICIAL OFFICE EXPENSE ACCOUNTS
AS OF JANUARY 1, 1980

Alabama	$ 49,000.00	Montana	$ 57,000.00
Alaska	125,000.00	Nebraska	51,000.00
Arizona	58,000.00	Nevada	59,000.00
Arkansas	49,000.00	New Hampshire	41,000.00
California	87,000.00	New Jersey	44,000.00
Colorado	54,000.00	New Mexico	55,000.00
Connecticut	41,000.00	New York	70,000.00
Delaware	33,000.00	North Carolina	46,000.00
Florida	51,000.00	North Dakota	51,000.00
Georgia	49,000.00	Ohio	58,000.00
Hawaii	143,000.00	Oklahoma	53,000.00
Idaho	57,000.00	Oregon	61,000.00
Illinois	65,000.00	Pennsylvania	58,000.00
Indiana	48,000.00	Rhode Island	39,000.00
Iowa	50,000.00	South Carolina	44,000.00
Kansas	50,000.00	South Dakota	51,000.00
Kentucky	48,000.00	Tennessee	48,000.00
Louisiana	51,000.00	Texas	72,000.00
Maine	44,000.00	Utah	57,000.00
Maryland	37,000.00	Vermont	40,000.00
Massachusetts	46,000.00	Virginia	41,000.00
Michigan	54,000.00	Washington	62,000.00
Minnesota	51,000.00	West Virginia	40,000.00
Mississippi	49,000.00	Wisconsin	51,000.00
Missouri	52,000.00	Wyoming	53,000.00

POSTAGE STAMPS

This appropriation includes funds for (1) first class, air mail, and special delivery postage for the Secretary for the Majority, the Secretary for the Minority, and the Chaplain, and (2) funds for air mail and special delivery postage for the Office of the Secretary, Office of the Sergeant at Arms and Doorkeeper and the President of the Senate.

JUSTIFICATION WORKSHEET

APPROPRIATION TITLE: Postage Stamps (Contingent Expenses of the Senate)

FISCAL YEAR: 1981 DATE: JAN 2 8 1980

Postage:		$7,000.00
Secretary for the Majority.....$210		
Secretary for the Minority..... 210	$ 420	
Chaplain.....	200	
Air Mail and Special Delivery:		
President of the Senate.....	1,215	
Secretary of the Senate.....	4,865	
Sergeant at Arms and Doorkeeper.....	300	
	$7,000	
Estimate.....		$7,000.00

Estimate for Fiscal Year 1981.....$7,000.00

Less: Amount Available for F. Y. 1980:

PL 96-86	$7,000.00	
Supplemental Appropriation		
		$7,000.00
		$ -0-

STATIONERY (REVOLVING FUND)

This appropriation includes funds for stationery and office supplies for the President of the Senate, Standing and Conference Committees of the Senate, Office of the Secretary of the Senate, Office of the Sergeant at Arms and Doorkeeper, Office of the Chaplain, and the Senate Chamber.

JUSTIFICATION WORKSHEET

APPROPRIATION TITLE: Stationery (Revolving Fund) (Contingent Expenses of the Senate)

FISCAL YEAR: 1981 DATE: JAN 2 8 1980

(SEE ATTACHED STATIONERY ALLOCATION)	$ 40,000.00
Estimate.....	40,000.00

Estimate for Fiscal Year 1981.....$ 40,000.00

Less: Amount Available for F. Y. 1980:

PL 96-86 Supplemental Appropriation	$ 40,000.00	
		$ 40,000.00
		$ -0-

STATIONERY (REVOLVING FUND)

Allocation - fiscal year 1981

President of the Senate		$4,500.
Committees and Officers of the Senate:		
Appropriations Committee	$ 600.	
16 Standing Committees @ $300. each	4,800.	
2 Conference Committees @ $300. each	600.	6,000.
Secretary of the Senate:		
Secretary's Office	$4,000.	
Document Room	1,100.	
Daily Digest	150.	
Enrolling Clerk	500.	
Disbursing Office	2,000.	
Historical Office	300.	
Library	2,750.	
Office of Classified National Security Information	500.	
Office of Public Records	6,000.	
Official Reporters	800.	
Stationery Room	350.	18,450.
Sergeant at Arms and Doorkeeper:		
Sergeant at Arms' Office	4,500.	
Periodical Press Gallery	125.	
Photographers Press Gallery	125.	
Post Office	500.	
Press Gallery	500.	
Radio Press Gallery	250.	
Computer Center	1,500.	7,500.
Chaplain		250.
Senate Chamber		3,000.
Miscellaneous Undistributed Allocation		300.
TOTAL		$40,000.

JOINT ECONOMIC COMMITTEE

This appropriation includes funds for salaries, agency contributions, and expenses for the Joint Economic Committee, which is funded as a contingent expense of the Senate.

JUSTIFICATION WORKSHEET

APPROPRIATION TITLE: Joint Economic Committee (Contingent Fund - Joint Items)

FISCAL YEAR: 1981 DATE: JAN 2 8 1980

COMPENSATION		$ 1,588,326.00
AGENCY CONTRIBUTIONS:		
Retirement ..... 7.5% x $ 1,588,326.00 (Compensation)	$ 119,124.45	
Life Insurance ..... 1578 (M) x $ 3.36 (Per Yr. per M)	$ 5,302.08	
Health Insurance ..... 48 (No. of Employees) x $ 795.96 (Per Yr. Each)	$ 38,206.08	162,632.61
Total Compensation and Contributions		$ 1,750,958.61
EXPENSES		399,041.39
Total		$ 2,150,000.00
Estimate		$ 2,150,000.00

Estimate for Fiscal Year 1981 ..... $ 2,150,000.00

Less: Amount Available for F. Y. 1980:

PL 96-86 ..... $ 1,982,000.00
Supplemental Appropriation 116,000.00*

2,098,000.00

Increase ..... $ 52,000.00**

* Anticipated Supplemental:
Pay Comparability Increase, Oct. 1, 1979 $ 116,000

** Fiscal Year 1981 Increase:
Expenses 52,000

September 13, 1979

Robert A. Malstrom
Financial Clerk
United States Senate
Washington, D. C.

Dear Bob:

In response to your recent request, we are submitting the fiscal year 1981 budget request for the Joint Economic Committee:

For salaries and expenses of the Joint Economic Committee for fiscal year 1981, $2,150,000.

We do not now anticipate any FY 1981 request for funds for the Committee's Special Study on Economic Change. Since the Study's funds will remain available for obligation through December 31, 1980, when the study will be completed, we expect these funds to be sufficient.

Sincerely,

Lloyd Bentsen
Chairman

JOINT COMMITTEE ON PRINTING

This appropriation includes funds for salaries, agency contributions, and expenses for the Joint Committee on Printing, which is funded as a contingent expense of the Senate.

JUSTIFICATION WORKSHEET

17.

APPROPRIATION TITLE: Joint Committee on Printing (Contingent Fund - Joint Items)

FISCAL YEAR: 1981 JAN 2 8 1980

COMPENSATION			$667,851.00
AGENCY CONTRIBUTIONS:			
Retirement	7.5% x $595,068.00	$44,630.08	
Life Insurance	713 (M) x $ 3.36 (Per Yr. per M)	$ 2,395.68	
Health Insurance	19 (No. of Employees) x $795.96 (Per Yr. Each)	$15,123.24	62,149.00
	Total Compensation and Contributions		$730,000.00
EXPENSES			56,000.00
	Total		$786,000.00
	Estimate		$794,000.00

Estimate for Fiscal Year 1981		$794,000.00 *
Less: Amount Available F.Y. 1980:		
PL 96-86	$864,000.00	
Supplemental Appropriation		
		$864,000.00
Decrease		$ 70,000.00 **

*The budget estimate for fiscal year 1981 was erroneously submitted to the Office of Management and Budget as $794,000 (because of a misunderstanding in adding the amount of $8,000 for agency contributions relating to an item for adjustment of salaries and additional personnel).

**Original budget request for fiscal year 1980 was $744,000; a budget amendment was subsequently submitted for $120,000 (for additional staff, personnel benefits, travel, supplies and other items, which the Committee on Appropriations, House of Representatives, denied). However, the total made available for continuing appropriations, 1980 (Public Law 96-86) was $864,000. Therefore, the $70,000 shows as a decrease under the amount made available for fiscal year 1980.

December 20, 1979

Mr. Robert A. Malstrom
Financial Clerk
Disbursing Office
U.S. Senate
Washington, D. C.

Dear Mr. Malstrom:

I am forwarding herewith a copy of my letter and enclosure to the Chairman of the Subcommittee on Legislative Branch Appropriations, Committee on Appropriations, U.S. House of Representatives, regarding the appropriation request for FY-1981 for the Joint Committee on Printing. I know you will need these for your information.

With kind regards.

Cordially,

Frank Thompson, Jr.
Chairman

December 15, 1979

Honorable Adam Benjamin, Jr.
Chairman, Subcommittee on Legislative
Branch Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

The Joint Committee on Printing (JCP) respectfully requests $786,000 for Fiscal Year 1981 to support its operations and activities. This request includes an increase of only $16,000, or 2.1% over our estimated FY 1980 expenditures, and a request for one additional Professional Staff member. While the Joint Committee's request is modest, it will enable us to fulfill our prescribed responsibilities.

JURISDICTION AND RESPONSIBILITIES

Under title 44, United States Code, the Joint Committee on Printing has primary responsibility for setting and administering policy for the printing and distribution of government publications. Section 103 establishes the major JCP policy goal to "remedy neglect, delay, duplication, or waste in the public printing and distribution of Government publications." In addition, other sections of the law state that specific actions or assignments are "subject to regulation by the JCP", or must be "approved by the JCP."

The responsibilities of the JCP include:

(1) Establishment of policy for the federal printing and distribution system through the formulation of regulations. Some of the specific regulations are compiled in the publication entitled Government Printing and Binding Regulations.

(2) Establishment of standards and specifications for federal paper procurement and use. The Committee is the final arbiter in differences concerning paper quality between the Government Printing Office and paper contractors.

(3) Oversight of the operation of almost 300 department and agency printing plants, world-wide. The Committee monitors this program through evaluation and inspection of Federal printing plants (including regional GPO offices and field plants, agency plants, and agency copying and duplicating facilities). Operations and management reports are submitted to the JCP, and individual plants are established or disestablished as warranted.

(4) Approval of agency requests to purchase printing and binding equipment.

(5) Oversight of the Federal Printing Procurement Program whereby a substantial percentage of the Government's printing requirements (about 69.8 percent or $426 million in fiscal year 1979) are purchased from commercial sources via competitive bids. The JCP developed this program in 1965 to improve service, effect cost savings, and lessen unnecessary government competition with private industry.

(6) Oversight of the Government Printing Office's operations and policies. Additionally, under 44 U.S.C. 305, the Keiss Act, the Committee serves as the final board of appeal in GPO labor/management negotiations pertaining to wage related matters.

(7) Oversight over public access to government publications and documents through various programs including by-law distribution, sales and the Depository Library Program.

(8) Promotion of cooperation between the Senate and House of Representative's publishing activities in such areas as automated production of Congressional publications and automated indexing.

(9) Formulation of recommendations to Congress for the up-dating, revising, and/or eliminating sections of title 44 of the United States Code.

(10) Compilation, publication, and distribution of certain Congressional publications and supplements including: The Congressional Directory, The Congressional Pictorial Directory, The Capitol Magazine, and the Biographical Directory of the American Congress.

OBJECTIVES OF JCP

The Joint Committee's primary objectives are: 1) to insure cost-effective printing, binding, and distribution services for the Congress and the entire Federal Government, 2) to eliminate duplication and waste in the Government's printing and dissemination programs, and 3) to improve the public's access to government publications and documents.

CONGRESSIONAL PRINTING

The JCP actively supports the Appropriations Committee in their desire to control and reduce congressional and governmental spending.

With that goal in mind, this Committee carefully monitors all Congressional printing activities. For example, we survey Members of Congress before certain documents are printed to determine pre-print

demand so that unwanted copies are not produced (e.g., the bi-weekly and permanent bound Congressional Record, Foreign Relations of the U.S., U.S. Treaties, U.S. Statutes at Large). Further, we actively discourage duplicative and unnecessary insertions in the Congressional Record, and the wasteful practice of compiling and reprinting materials, such as committee prints and reports, into Committee legislative histories. The following letter to all Members is an example of JCP's serious efforts to prevent printing waste and duplication by Congress. (See Enclosure No. 1)

March 13, 1979

Dear Colleague:

The Joint Committee on Printing wishes to express its deep concern and repeat an urgent request to all Members of Congress to take the most stringent measures possible to prevent printing waste and duplication.

The Congressional Printing and Binding Appropriation for Fiscal Year 1979 was $73,961,000. Despite the ever-increasing application of less costly production methods employed through the use of modernized electronic equipment at the Government Printing Office, it is estimated that the FY 1980 costs will increase to $76,212,000.

Therefore, Members are urged to review all material submitted for printing and avoid, wherever possible, unnecessary insertions in the Congressional Record which involve the duplication of articles, editorials, reports, hearings, bills, statement on bills, additional statements, or extension of remarks.

Further, Chairmen are requested to review all committee printing to insure that requisitions are initiated only by a designated individual on behalf of the full committee. In establishing uniform control over committee printing, it is hoped that the wasteful and unnecessary duplication of previously printed material, such as hearings, committee prints, and reports, can be avoided.

I have every expectation that your cooperation will provide greater efficiency, improve production schedules, maximize cost effectiveness, and at the same time assure necessary printing for the Congress and availability of information to the public.

With kind regards.

Cordially yours,

Frank Thompson

FRANK THOMPSON, JR.
Chairman

SAVINGS AND COST AVOIDANCES

Certain specific initiatives, taken by the JCP with the encouragement and cooperation of the Appropriations Committees, have resulted in substantial savings or cost avoidances for Congress. Many of these savings to the Legislative Branch Appropriations have continuing benefits and include the following:

	Estimate for Fiscal 1979	Estimate for Fiscal 1980	
Reduced, by half, the number of Congressional Records each Member can distribute without charge	$1,700,000	$1,712,000	
Standardized the binding of Congressional Serial Set (bound compilation of House and Senate documents and reports) and offered microform version to by-law recipients		839,834	(1)
Limited the Congressional Directory to one full edition per Congress		346,000	
Directed departments, agencies and offices of the Executive and Judicial Branches to pay from their own appropriations for the U.S. Code (Basic Edition and supplements)		325,000	(2)
Eliminated the "automatic" distribution to Members of Congress of the bound Congressional Record for the 95th and succeeding Congresses		255,850	(3)
Eliminated duplication of title printing on each introduced Congressional bill	250,000	250,000	
Increased by $30 the annual subscription rate for Congressional Record		168,000	(4)
Limited to one per Member the receipt of the hard cover Congressional Directory	70,629	75,563	
Eliminated the Congressional Directory Supplement for Second Session (1980) of the 96th Congress		65,000	
Ordered face and back printing on multi-page Congressional form letters instead of printing on one side only	32,000	32,000	
Reduced the automatic distribution of the bi-weekly Congressional Record for the 96th Congress	8,000		

	Estimate for Fiscal 1979	Estimate for Fiscal 1980
Eliminated imprinted names on the Congressional Directory except for Members of Congress	6,420	6,869
Estimated Total Savings	$2,067,049	$4,076,116

(1) The actual savings on the Serial Set for the 96th Congress is estimated at $1.6 million. 50% of the savings will accrue in FY '81.

(2) This savings on 1976 U.S. Code supplements will be accomplished over a period of 5 years. It began in FY-1979. On the next basic edition of the U.S. Code (1982), an additional savings of $550,000 is anticipated.

(3) These savings on printing and binding costs for the 95th Congress will accrue in FY 1980. The FY 1981 savings are estimated at $273,910 making the total saving for the 95th Congress Bound Record $529,760.

(4) Although the price increase took effect in FY '79, the increase in the subscription rate takes about a year to have an effect. The 1980 savings is based on 5,600 estimated subscribers.

NEW CONGRESSIONAL RECORD FORMAT

The Joint Committee has also recently approved a new format for the Congressional Record and authorized the Public Printer to modernize and automate the binding and mailing equipment used in the production of the Congressional Record and the Federal Register. These authorizations will result in savings of over $1.5 million a year. In addition, the JCP directed that the green covered bi-weekly edition of the Record be eliminated as soon as the daily Record is available in its new format. All of these are scheduled to occur not later than the beginning of the 98th Congress.

CONGRESSIONAL PUBLICATIONS ADVISORY COMMITTEE

The JCP's Advisory Committee on Automation and Standardization of Congressional Publications was established in 1977 to reduce the cost of Congressional printing, standardize the composition and format of Congressional publications, coordinate the development of software in support of computerized printing activities, and promote the sharing of technology within the legislative branch. The Senate Rules Committee, the Office of the Secretary of the Senate, the Committee on House Administration, the Library of Congress, and the GPO have participated in the Committee's deliberations under JCP's direction.

As you are aware, with the JCP's approval, this Committee coordinated the electronic composition of all Congressional bills which began in the 96th Congress. Once a comprehensive bills' data base is established, this accomplishment will lessen the cost of printing bills, reduce Congressional distribution and storage problems, and the redundant reprinting of bills with similar texts.

In September of 1979, acting on the Advisory Committee's recommendation, the JCP directed GPO to institute uniform typographic standards for all Congressional Committee Calendars to reduce their cost and improve their timeliness. Both the House and Senate have agreed to develop the necessary software systems to accomplish this task as soon as practicable. The Advisory Committee will be evaluating additional standards in 1980 with initial action being directed toward Committee Reports.

Finally, and most important, the JCP has authorized the Committee to establish goals to prepare for the electronic capture and phototypesetting of the Congressional Record beginning with the 97th Congress. A pilot project will begin in January 1980, utilizing the House and Senate Journals as the test publications to afford GPO the opportunity to develop, test, and correct new composition software and formats so that the transition to photocomposition of the Record will operate smoothly. During 1980, task forces will, additionally, work to design the criteria for a Congressional Record data base, develop secondary applications, and a plan to provide indexing of the Record daily through an on-line automated data base to Members offices and Committees, and to provide a cumulated index on microfiche. The Committee is also evaluating the possibility of making the Record available on microfiche.

FOLLOW-UP TO GPO STUDY

The independent study by Coopers and Lybrand of the Government Printing Office was submitted during the first quarter of fiscal year 1979. The objective of that study was to identify ways to improve the efficiency and cost effectiveness of GPO's operations and service to Congress, Federal departments and agencies, and the public. As a result of on-going JCP-GPO consultations, GPO is taking numerous steps to implement recommended changes in its operation. This joint review and planning process will continue during fiscal years 1980 and 1981. In addition, independent evaluation by the JCP of certain recommendations (possibly with the support of the General Accounting Office) will be completed before any initiation of further operational or policy changes during fiscal years 1980 and 1981.

STATUS OF TITLE 44 REVISION ACTIVITIES

In early 1978, the JCP addressed the long overdue revision of title 44, United States Code. This revision is necessary because of technological advances which are changing the way Government publications, documents and information is generated, produced, and disseminated, and by a growing public demand for improved and increased access to this information.

The JCP first solicited comments on title 44 from all executive, judicial and legislative departments, agencies and offices, and a wide range of individuals and organizations in the private sector. An Ad Hoc Advisory Committee on Revision of Title 44 was then established by JCP early in FY 79 and a series of 13 public hearings were held from November 1978 to May 1979. The Advisory Committee's report was issued in May 1979, and I am attaching a copy for your review so you too can appreciate the impressive list of participants on this Committee and understand the enormity of issues involved in updating title 44.

H.R. 4572 and S. 1436, entitled "The Public Printing Reorganization Act of 1979", were introduced in June 1979 in the House and Senate, and four days of joint hearings on the proposed legislation were held before the Committee on House Administration and the Senate Committee on Rules and Administration during July 1979. Subsequently, a revised bill, H.R. 5424, entitled "The National Publications Act of 1979", was introduced in the House of Representatives on September 27, 1979, and an additional public hearing was held on November 14, 1979. Mark-up of H.R. 5424 is scheduled for the end of January 1980 in the House, and it is hoped that Congress will complete its consideration of this important legislation in the second session of the 96th Congress.

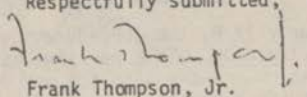
ACTUAL EXPENDITURES IN FISCAL YEAR 1979

The Joint Committee's actual expenditures for fiscal year 1979 totalled $641,174, or almost $75,000 less than our appropriation. Unfortunately, during fiscal year 1979, the JCP was unable to complete all of its planned activities due to uncertainty as to the amounts that would be authorized (for FY-1980 Legislative Branch Appropriations and for supplemental funds for FY 1979), the additional increment of time and effort required of our senior staff in connection with the revision of title 44, and the ultimate denial of our request for two additional staff positions. These circumstances combined to adversely affect our original plans for the use of temporary personnel and contract employees in FY-1979, for example, accounting for our expenditure of only $28,297 instead of the $45,000 budgeted. Similar reductions in expenditures resulted throughout other elements of the JCP's budget for FY-1979.

NEED FOR FULL AMOUNT REQUESTED FOR FY-1981

The Joint Committee trusts that the events described above, which were not under the control of the JCP, will not adversely affect our request for FY 1981. We appreciate the support the Appropriations Committees have given us in the past and anticipate continuing our mutually beneficial and supportive relationship in FY 81. As I have been pleased to report to you in the past appearances as Chairman of the Joint Committee on Printing, the JCP will continue to generate savings both to Legislative Branch Appropriations and to all government appropriations far exceeding its modest request for FY 1981. Indeed, our FY 1980 savings will be more than five times the amount the JCP is requesting for the next fiscal year.

Respectfully submitted,



Frank Thompson, Jr.
Chairman

JOINT COMMITTEE ON PRINTING

Prepared Nov. 27, 1979

	FY 1979 Actual	FY 1980 Estimate	FY 1981 Estimate
Appropriation or Estimate	$ 656,000. (1)	$864,000. (3)	$786,000.
Supplemental Appropriation or Estimate	60,000. (2)		
Additional Appropriation			
Total	$ 716,000.	$864,000. (3)	$786,000.

PERSONAL SERVICES Salary Levels:	FY 1979 Actual	FY 1980 Estimate	FY 1981 Estimate
$40,001. to $52,310	4	7	7
$30,001. to $40,000	7	5	6
$20,001. to $30,000	4	5	5
$10,001. to $20,000	1	0	0
$1. to $10,000	0	0	0
Total Number	16	17	18

Total Salaries, including compensation & Agency Contributions	599,240	704,000 (4)	730,000
Travel, Office Supplies, Telephone, Telegraph & Miscellaneous	9,750	23,000	23,000
Temporary personnel, contract employees and reimbursable payments to agencies	28,297	28,000	28,000
Hearing expenses (reporter's fees, witnesses fees, etc.)	3,887	5,000	5,000
Totals	$641,174	$760,000 (4)	$786,000

(1) Appropriation authorized by Public Law 95-391 (H.R. 12935) Sept. 30, 1978
(2) Supplemental Appropriation authorized by Public Law 96-38 (H.R. 4289) July 25, 1979
(3) $864,000 appropriation was requested, but an appropriation of $719,000 was recommended in House Report 96-245 (June 7, 1979) and H.R. 4390 which awaits action by the 96th Congress. The Congressional Record for October 12, 1979 (Page H.9080) contains a statement by Representative Adam Benjamin, Chairman of the House Subcommittee on Legislative Branch Appropriations, that it is his expectation that the $145,000 difference should only be applied to increased pay costs thus obviating the need for supplemental pay increase appropriation.
(4) Includes cost-of-living salary adjustment of 6.87 percent effective October 1, 1979, and reserve for prospective salary adjustments, staff changes and related agency contributions.

CAPITOL GUIDE SERVICE

This appropriation includes funds for salaries, agency contributions, longevity compensation, and expenses of the Capitol Guide Service

JUSTIFICATION WORKSHEET

APPROPRIATION TITLE: Capitol Guide Service (Contingent Fund - Joint Items)

FISCAL YEAR: 1981 DATE: JAN 2 8 1980

COMPENSATION:		$ 592,907.00
AGENCY CONTRIBUTIONS:		
Retirement 7.5% x $ 519,647.00 (Compensation)	$ 38,973.53	
Life Insurance 600 (M) x $ 3.36 (Per Yr. per M)	$ 2,016.00	
Health Insurance 28 (No. of employees) x $ 795.96 (Per Yr. Each)	$ 22,286.88	63,276.41
Total Compensation and Contributions		$ 656,183.41
EXPENSES		7,092.75
Total		$ 663,276.16
Estimate		$ 664,000.00

Estimate for Fiscal Year 1981 $ 664,000.00

Less: Amount Available for F. Y. 1980:

PL 96-86	$ 613,000.00	
Supplemental Appropriation	42,000.00*	
		655,000.00
Increase		$ 9,000.00**

* Anticipated Supplemental:

Pay Comparability Increase, Oct. 1, 1979, including agency contributions	$40,031.00	
Increased health insurance agency contributions effective Jan. 1, 1980	1,690.00	$ 42,000.00

** Proposed position increases, including agency contributions $ 5,869.77

Increased health insurance agency contributions 2,254.56 $ 9,000.00

CAPITOL GUIDE SERVICE -
STAFF STRUCTURE, AS OF
OCTOBER 1, 1979

1	Chief Guide	at NTE $26,664 per annum
1	Assistant Chief Guide	at NTE 24,644 per annum
1	Deputy Chief Guide	at NTE 24,644 per annum
1	Guide (Training Instructor)	at NTE 21,614 per annum
1	Guide (Guide Supervisor)	at NTE 16,160 per annum
3	Guides	at NTE 21,008 per annum (each)
1	Guide	at NTE 15,554 per annum
2	Guides	at NTE 14,948 per annum (each)
17	Guides	at NTE 14,140 per annum (each)
28		
Plus:		
10	Guides (Temporary)*	at NTE $12,928 per annum (each)
2	Guides (Temporary)**	at NTE 12,928 per annum (each)
40		

*for not more than 6 months each, under authority of Public Law 95-391

**for not more than 120 days each, under authority of Public Law 95-391.

October 1, 1979

CAPITOL GUIDE SERVICE

FISCAL YEAR 1981 APPROPRIATION REQUEST

The Capitol Guide Service budget for Fiscal Year 1981 contains a recommendation for selected compensation increases in the total amount of $5,454.00. An analysis of certain positions including how we utilize some of our personnel has shown the need for increases to compensate these individuals commensurate with their increased duties.

The responsibilities of the Chief Guide have grown signigicantly in recent years and I am therefore recommending an increase $2,222.00 for this position. These additional responsibilities include supervising an increased number of personnel while overseeing the establishment of new programs designed to permit the Capitol Guide Service to better serve the Congress and the public. The expanded scope of the Chief Guides duties include coordinating with other departments the handling of an evergrowing number of special or unusual circomstances as well as testifying on proposed legislation.

I am also recommending that four (4) Guides be elevated to what we consider the advanced category with a corresponding increase of $808.00 each. These are personnel who are extremely knowledgeable and have demonstrated an exceptional ability to handle situations of an unusual or delicate nature. They can be utilized without hesitation in situations requiring special consideration.

October 1, 1979

Honorable F. Nordy Hoffmann
Sergeant at Arms
United States Senate
Washington, D. C. 20510

Dear Mr. Hoffmann:

Enclosed is the estimated budget of the Capitol Guide Service for Fiscal Year 1981, in the amount of $661,000.00. This budget is based on current NTE rates with selected compensation increases and includes the annual pay comparability increase effective October 1, 1979.

The other increase is that mandated by longevity compensation and associated agency contributions in the amount of $7,637.00 and this is partially offset by a reduction in expenses. The net result is an increase of only $6,000.00 over the Fiscal Year 1980 budget.

Should you have any questions concerning this budget, please don't hesitate to contact me.

Sincerely,

Thomas L. Nottingham

Thomas L. Nottingham,
Chief Guide

APPROPRIATION FOR FISCAL YEAR 1981

FISCAL 1981 ESTIMATE: $661,000.00

Compensation	$580,735.00*	$592,907.00	+$12,172.00
Agency Contributions	60,080.70	61,000.25	+ 919.55
Expenses-Uniforms, etc.	14,184.30	7,092.75	- 7,091.55
	$655,000.00*	$661.000.00	+$ 6,000.00

* Includes cost of living increase effective October 1, 1979.

	NTE Rate Fiscal Year 1981	Total Fiscal Year 1981
Chief Guide	$28,886	$28,886
Assistant Chief Guide	24,644	24,644
Deputy Chief Guide	24,644	24,644
Guide (Training Instructor)	21,614	21,614
Guide (Guide Supervisor)	16,160	16,160
Guide - 3 (Senior)	21,008	63,024
Guide - 1 (Supervisor-Relief)	15,554	15,554
Guide - 6 (Advanced)	14,948	89,688
Guide - 13	14,140	183,820
		$468,034
Guide (Temporary - for not more than 6 months) - 10 positions	12,928	64,640
Guide (Temporary - for not more than 120 days) - 2 positions	12,928	8,620
		$541,294
Longevity Compensation - 28 positions		51,613
		$592,907

Agency Contributions:		
Retirement - 7.5% x $519,647	38,973.53	
Life Insurance 600 x $3.324 per year	1,994.40	
Health Insurance - 28 x $715.44 per year	20,032.32	61,000.25
Compensation and Agency Contributions		$653,907.25
Expenses		7,092.75
		$661,000.00

APPROPRIATION ESTIMATE FISCAL YEAR 1981

Position	No.	1980 Total NTE	No.	1981 Total NTE	Change
Chief Guide	1	$26,664	1	$28,886	+$ 2,222
Deputy Chief Guide	1	24,644	1	24,644	-0-
Assistant Chief Guide	1	24,644	1	24,644	-0-
Guide (Training Instructor)	1	21,614	1	21,614	-0-
Guide Supervisor	1	16,160	1	16,160	-0-
Guide (Senior)	3	63,024	3	63,024	-0-
Guide (Supervisor-Relief)	1	15,554	1	15,554	-0-
Guide (Advanced)	2	29,896	6	89,688	+ 59,792
Guide	17	240,380	13	183,820	- 56,560
	28	$462,580*	28	$468,034	+$ 5,454
Guide (Temp. - 6 mos.)	10	64,640	10	64,640	-0-
Guide (Temp. - 4 mos.)	2	8,620	2	8,620	-0-
	40	$535,840	40	$541,294	+$ 5,454
Longevity Compensation		44,895		51,613	+ 6,718
		$580,735		$592,907	+$12,172
Agency Contribution		60,081		61,000	+ 919
		$640,816		$653,907	+$13,091
Expenses-Uniforms, etc.		14,184		7,093	- 7,091
		$655,000*		$661,000	+$ 6,000

* Includes cost of living increase effective October 1, 1979

JOINT COMMITTEE ON PRINTING

STATEMENT OF HON. FRANK THOMPSON, JR., CHAIRMAN

ACCOMPANIED BY:
GORDON ANDREW McKAY, GENERAL COUNSEL
FAYE M. PADGETT, DEPUTY STAFF DIRECTOR

1980 APPROPRIATION AND 1981 BUDGET REQUEST

Senator SASSER. The next witness this morning is our colleague from the House, the Honorable Frank Thompson, Jr., chairman of the Joint Committee on Printing. Welcome this morning, Mr. Chairman.

Mr. THOMPSON. Good morning.

Senator SASSER. The amount included in the 1981 President's budget for the Joint Committee on Printing is $794,000, a decrease of $70,000 below the 1980 level.

Mr. Chairman, you just proceed this morning any way that you might wish to.

PREPARED STATEMENT

Mr. THOMPSON. Thank you, Mr. Chairman. With your permission, rather than reading my entire supplementary statement this morning, I suggest a brief synopsis of our request and supporting justification might be helpful to you.

Senator SASSER. Your prepared statement will be placed in the record at this point.

[The statement follows:]

Statement of Frank Thompson, Jr.

SUPPLEMENTARY STATEMENT

On December 15, 1979, the Joint Committee on Printing (JCP) submitted its Fiscal Year 1981 Budget Request totalling $786,000, covering 18 staff positions. This is only a 3.4% increase over the appropriation your subcommittee recommended for FY-80. Today, I would like to supplement that report by discussing additional actions taken and planned by the Joint Committee and summarizing the circumstances affecting past, present and future activities.

Since that submission a number of actions have been undertaken by the Joint Committee to produce savings to the Legislative Branch Appropriations. I would like to highlight some of them for the Subcommittee this morning.

Microform Savings

In December, we projected a $1.6 million savings for FY '80 and '81 by instructing the Government Printing Office (GPO) to offer the bound compilation of House and Senate Documents and reports to by-law recipients in microformat. A survey of depository libraries, which GPO is completing, indicates 600 libraries, rather than the 365 estimated, would prefer these publications in microfiche rather than paper. The two-year savings is now projected to be over $2.1 million.

Congressional Printing

With the cooperation and agreement of the Parliamentarian and Clerk of the House, the Joint Committee has directed that Presidential messages will be printed only in the Senate portion of the Congressional Record. However, these messages will continue to be separately printed as House documents and will be available through the House Document Room and the depository library system to the public. This change is the result of a Joint Committee study which indicates that $60,000 can be saved each session by eliminating the duplicative printing of Presidential messages.

The Congressional Record

Of vital concern to the Joint Committee is the desire of the Appropriations Committees to make the Congressional Record a self-sustaining sales item. Effective with the 96th Congress, the Joint Committee increased the subscription price of the Congressional Record from $45 to $75 per year. Although this increase is generating additional revenue each year of $175,000, a subsidy of $450,000 is still needed for FY '81 for the Congressional Record subscription sales program. To pay for itself, a subscription price of $150 a year would have to be charged for the Congressional Record. Although the Joint Committee has promised to consider an additional increase not later than the beginning of the 97th Congress, the Committee feels strongly that a 100% price increase would not be in the best interest of Congress and the public. Instead, the Committee proposes to gradually increase the subscription price.

Further, the Joint Committee hopes that by continuing to encourage the utilization of new technology in the printing and distribution of the Record, spiraling costs can be contained. For example, the JCP has asked the GPO to prepare to electronically phototypeset the Congressional Record by the 97th Congress. However the adverse impact of automation on GPO's employees must first be carefully evaluated. Although automation should save money, Congress also must be concerned with the displacement of substantial numbers of dedicated workers at GPO. This is an issue that the Joint Committee, and perhaps the entire Congress, will have to examine thoroughly and resolve in the very near future.

We indicated in our December 1979 budget submission that the JCP had recently approved a new format for the Record and authorized the Public Printer to modernize and automate the binding and mailing equipment used for the Record and the Federal Register. These authorizations will produce savings not later than the 98th Congress of over $1.5 million a year.

Also, we are placing high priority on providing an on-line daily index to the Congressional Record for Members, their staffs, committees, and legislative branch agencies.

We are currently evaluating microforms as a medium for Congressional publications because the cost benefits of microfiche are significant. For example, the inclusion of microforms instead of paper in the depository program saved the depository appropriation about $10 million (excluding postage) between October 1977 and January 1980. 11,130,929 microfiche were produced at a cost of $.07 per fiche for a total of $779,165 versus 12,439,864 paper copies at $.85 per copy at a cost of $10,573,884.

As a pilot project, during the second session of the 96th Congress, the Congressional Record Index is to be produced on computer generated microfiche for Congressional offices and depository libraries. During this test period, this new product will complement the printed product, and not necessarily eliminate or decrease printed copies until the Committee can determine how publications in microform are accepted by the Congress.

The Joint Committee is addressing important policy decisions concerning the Congressional Record including the most cost-effective way of producing it for Congress and the public. Thus, we respectfully suggest the Appropriations Committees defer making any reduction in the subsidy requested by GPO for the Congressional Record sales program until these important technological questions can be resolved and cost savings accurately projected. While we share your concern about the increasing costs of the Record sales program, we might cause more problems by substantially increasing the subscription price now.

Title 44 Revision

I am certain the Subcommittee would appreciate a report on the status of H.R. 5424, entitled "The National Publications Act of 1980", since if adopted it would supersede the current provisions of Title 44 of the United States Code. This legislation, which represents the first major change to title 44 since the enactment of the Printing Act of 1895, restructures the Government Printing Office as the National Publications Office.

H.R. 5424 provides for modern printing and distribution management techniques, emphasizes a greater degree of public participation in the decision-making process, improves the Federal Depository Library Program and broadens public access to government publications. It also strengthens Congressional controls over the Federal printing establishment.

By imposing strict methods to measure cost-effectiveness and accountability within the government's vast printing bureaucracy, the bill seeks to establish firm controls over mounting costs and to achieve significant cost savings for the taxpayers.

Today, we are faced with a mismatched conglomeration of statute and administrative fiat which is often confusing. The precise language of the statute has been often ignored and ad hoc administrative decisions have been made with inappropriate attention given to a cohesive policy for the present and the future.

Enactment of H.R. 5424 would result in a change in the policy making process and the policy makers. The Joint Committee would be replaced by a National Publications Commission, composed of a Chairman, who also serves as the NPO's chief executive officer, and six other Commissioners. Rather than six Members of Congress and a Public Printer making all policy and administrative decisions, the bill envisions broad public input into the policy making process and responsible full-time professionals directing the implementation of such policy.

Should H.R. 5424 become law, the Joint Committee's duties and responsibilities would be transferred to the appropriate committees of the Congress and the National Publications Office. H.R. 5424 contains an explicit provision carrying forward the decisions of the JCP until reviewed by NPO or in certain instances for not more than one year after the effective date of the act. The funds appropriated for the Joint Committee would be made available to the National Publications Commission so it can immediately function. Thus, any funds appropriated for the policy making responsibilities of the Joint Committee will be used either by the JCP or the National Publications Commission throughout FY 1981.

However, prior to passage of H.R. 5424, the Joint Committee must, and will continue to fulfill all of its statutorily assigned duties. The Joint Committee is charged with broad responsibilities over the Federal government's printing, binding, and distribution programs. We take these duties seriously as evidenced by the substantial savings the JCP has generated during my term as Chairman.

Analysis of JCP Problems during FY '79 and '80

Unfortunately though, during Fiscal Year 1979 due to circumstances beyond our control, the Joint Committee was unable to complete several planned activities. As a result, the JCP returned almost $75,000.00 of the funds finally appropriated to us for FY '79.

A substantial commitment of time and effort was required of several key staff members through June 1979, on title 44 revision activities, including the Ad Hoc Committee Hearings about which I previously reported to you. More importantly, the JCP could not fully plan for and use its funds in FY '79 because of the continuing uncertainty about the availability of supplemental funds and staff.

The ultimate reduction of our request -- both of funds and staff -- on May 31, 1979, made it impossible for the JCP to fulfill all of its planned activities in the remaining four months of the fiscal year with such reduced resources.

Regarding Fiscal Year 1980, the Joint Committee's original request was for $864,000 and 20 staff positions, including sufficient resources to complete the work remaining from the previous year. When the House Legislative Branch Appropriations Subcommittee recommended reducing our appropriation by $145,000 and 3 positions, the JCP fell further behind.

I am pleased to report that notwithstanding these problems the JCP has produced over $6 million in cost savings for the Government during these fiscal years. To the best of our ability, we will meet the responsibilities Congress has given us but we must have your support.

ACCOLADES TO SENATOR SASSER

Mr. THOMPSON. Before I begin now, I would like to express my personal and the Joint Committee's collective thanks to you, Senator Sasser, for really outstanding leadership and service you have given to the legislative branch as chairman of this subcommittee.

I think that if every public servant took his responsibilities as seriously and earnestly as you do, the resultant savings to the taxpayers on the one hand and the increased productivity on the other hand would be phenomenal. I only hope the State of Tennessee appreciates your efforts as much as your colleagues do and that you will be here for a long time.

Senator SASSER. Let me say, Mr. Chairman, I share your hopes that the State of Tennessee feels the same.

[Laughter.]

Senator SASSER. Thank you for your kind words.

Mr. THOMPSON. That is a unanimous-consent request, by the way.

[Laughter.]

BUDGET REQUEST

Mr. THOMPSON. For fiscal 1981, the President's budget reflects that the Joint Committee on Printing is requesting appropriations totaling $794,000 including 18 staff positions.

This request represents a reduction of $70,000 and is about 8 percent below the funds made available to the Joint Committee for the current fiscal year. I doubt, Mr. Chairman, whether many others who will appear before your subcommittee will request less funding for fiscal year 1981 than they did for fiscal year 1980.

In addition, the Joint Committee already requested less than almost all other continuing committees of the House and Senate last year. Mr. Chairman, the Joint Committee will continue to do more for less if given this modest appropriation.

SAVINGS EFFECTED BY THE JOINT COMMITTEE

I reported to you in my December 15, 1979, budget request, to quote it, that "our fiscal year 1980 savings will be more than five times the amount the Joint Committee is requesting for the next fiscal year."

Since December I am pleased to add two more accomplishments of the Joint Committee which produced savings for the legislative branch totaling $560,000. These actions are the result of increased use of microfiche by depository libraries and the elimination of duplicative printing of material in both the House and Senate portions of the Congressional Record.

A considerable number of studies and programs are being conducted by the Joint Committee which will reduce legislative branch appropriations even more. I have detailed a few examples of such savings in my supplemental statement for your benefit.

Let me conclude my brief statement by reemphasizing that the Joint Committee is proud to be your partner in setting an example of efficient but effective Government, not only in the legislative branch, but for the entire Federal Establishment.

I want to assure you that given modest but adequate funding for fiscal year 1981, the Joint Committee will continue to do so. Thank you, sir.

SELF-SUSTAINING SELLING PRICES FOR PUBLICATIONS

Senator SASSER. Well, thank you, Mr. Chairman.

Over the last few years, our committees have been working together to reduce or eliminate subsidies in publications which are made available to the public by the Government Printing Office. As you know, we have attempted to put these publications such as, for example, the Federal Register, a publication entitled "How Our Laws Are Made," "Our Flag," the Congressional Record, and other publications on a self-sustaining basis.

Can you bring us up to date on this joint effort, Mr. Chairman, on how much we are saving the taxpayers by these efforts?

Mr. THOMPSON. Yes, I can, Mr. Chairman. I am pleased to report that the prices of all of these publications, except the Congressional Record, have been increased to self-sustaining levels.

For example, the yearly subscription price of the Federal Register was increased on February 1, 1980, 50 percent to $75 a year. This increase alone will generate additional revenue and save the Congress approximately $977,000.

Price increases in other publications, like "How Our Laws Are Made," "Our Flag," and "The Capitol," will generate additional savings of approximately $22,000 a year.

SUBSCRIPTION PRICE OF THE CONGRESSIONAL RECORD

The Congressional Record, however, continues to require a subsidy. As you know, effective with the 96th Congress, the Joint Committee increased the subscription price of the Record 67 percent from $45 to $75. As a result, $175,000 per year of additional revenue has been generated. However, a subsidy of $450,000 is needed for fiscal year 1981 for the Congressional Record subscription sales program.

The Government Printing Office estimates that the actual cost of the subscription to the Record for 1979 was $134.70. It is anticipated that in fiscal year 1981 a sales price of $150 would be necessary to make the Record subscription sales fully self-sustaining.

As indicated in last year's testimony, the Joint Committee intends to consider an additional Congressional Record increase, not later than the beginning of the 97th Congress. Our goal is to gradually increase the Record price so that it will be self-sustaining; however, the Joint Committee's position is that doubling the price at this time to make the publication self-sustaining is not in the best interests of the Congress and the public.

I am pleased to conclude by indicating that the original congressional subsidy for these publications was $3,200,000. A $2,570,000 reduction in this subsidy is now possible.

BACKGROUND AND STATUS OF H.R. 5424 (NATIONAL PUBLICATIONS ACT)

Mr. Sasser. I understand that the National Publications Act, which was intended to revise and streamline Federal printing operations, has been reported out of the committee to the House. Are there any points you would like to bring to the subcommittee's attention regarding this legislation, Mr. Chairman?

Mr. THOMPSON. Yes, Mr. Chairman. The bill was first introduced in September 1979 with 20 bipartisan cosponsors. Hearings were held on the predecessor bill, which was H.R. 4572, on July 10, 19, 24, and 26 and on the new version, H.R. 5424, on November 14.

It was reported by the Committee on House Administration on January 23, 1980, by a vote of 14 in favor, 5 against, and 2 abstentions.

We expect the committee report to be filed very shortly, and we are hoping to bring the bill to the floor early this session. There are three points which I would like to make: H.R. 5424 now returns the National Publications Office to the legislative branch, contrary to H.R. 4572, which placed it in the executive branch.

GOVERNMENT PRINTING OFFICE

The unique relationship of the Government Printing Office to the legislative branch and the necessary oversight duties of the Congress suggested to us that the change to the executive branch could be and probably would be counterproductive.

Many Members, House Members and a few of the Members of this body, approached me and Representative Hawkins urging that we keep the GPO, now the National Publications Office, in the legislative branch. Conversely, no one argued to keep GPO in the executive branch, including the administration.

Two more points: The bill provides for continuity between the present Joint Committee on Printing, GPO operation, and the new National Publications Office. All funds available to the Joint Committee would be made available to the National Publications Commission and all regulations and decisions of the Joint Committee will remain in effect until superseded by the new Commission or until 1982, whichever comes first.

All of the activities and the broad scope of duties of the Joint Committee will be directly incorporated into the new National Publications Office and the appropriate committees of the Congress.

CONSIDERATION OF THE NATIONAL PUBLICATIONS ACT

We hope to file a report soon. It may be possible to bring up the bill for final action in the House as early as next month. In any event, after the House completes consideration, Senator Pell has promised me that the Senate Committee on Rules and Administration will proceed to take up the matter as promptly as possible for them.

It is going to be a tight squeeze to have both Houses complete consideration of the legislation and to have the President sign it into law this year, however.

We hope that it will be done, and we expect that we can make it.

I might conclude, Senator, by saying that since the hearings on the earlier bill and the revisions which we have made as a result of those hearings, which were extraordinary and comprehensive, the bill has amazingly broad support from outside, from academia, the publishing industry, libraries, associations, and so on. So we are really reasonably sanguine about it.

QUESTIONS SUBMITTED FOR THE RECORD

Senator SASSER. Well, thank you, Chairman Thompson, for appearing before us today. Your testimony has been very helpful, and I want to express my appreciation for your splendid cooperation throughout the year and also that of your staff. We will have a few more questions which we will propound in writing.

Mr. THOMPSON. We would be delighted to respond.

Senator SASSER. Thank you for appearing here this morning.

[The questions and answers follow:]

COMPREHENSIVE LIST OF SAVINGS AND COST AVOIDANCES

Question. Please provide for the record a comprehensive list of savings achieved in printing operations as a result of our cooperative efforts over the past few years. Also describe other Joint Committee efforts to modernize congressional publishing.

COMPREHENSIVE LIST OF SAVINGS AND COST AVOIDANCES

Certain specific initiatives, taken by the JCP with the encouragement and cooperation of the Appropriations Committees, have resulted in substantial savings or cost avoidances for Congress. Many of these savings to the Legislative Branch Appropriations have continuing benefits and include the following:

	Estimate for Fiscal 1979	Estimate for Fiscal 1980
Reduced by half the number of Congressional Records each Member can distribute without charge	$1,700,000	$1,712,000
Standardized the binding of Congressional Serial Set (bound compilation of House and Senate documents and Reports) and offered microform version to by-law recipients		1,089,839 (1)
Limited the Congressional Directory to one full edition per Congress		346,000
Directed departments, agencies and offices of the Executive and Judicial Branches to pay from their own appropriations for the U.S. Code (Basic Edition and supplements)		325,000 (2)
Eliminated the "automatic" distribution to Members of Congress of the bound Congressional Record for the 95th and succeeding Congresses		255,850 (3)
Eliminated duplication of title printing on each introduced Congressional bill	250,000	250,000
Increased by $30 the annual subscription rate for Congressional Record		168,000 (4)
Limited to one per Member the receipt of the hard cover Congressional Directory	70,629	75,563
Eliminated the Congressional Directory Supplement for Second Session (1980) of the 96th Congress		65,000

	Estimate for Fiscal 1979	Estimate for Fiscal 1980
Eliminated duplicate printing of Presidential messages to Congress in the Congressional Record		$ 60,000
Ordered face and back printing on multi-page Congressional form letters instead of printing on one side only	$ 32,000	32,000
Reduced the automatic distribution of the bi-weekly Congressional Record for the 96th Congress	8,000	
Eliminated imprinted names on the Congressional Directory except for Members of Congress	6,420	6,869
Estimated Total Savings	$2,067,049	$4,386,121

(1) The actual savings on the Serial Set for the 96th Congress is estimated at $2.1 million. 50% of the savings will accrue in FY '81.

(2) This savings on 1976 U.S. Code supplements will be accomplished over a period of 5 years. It began in FY-1979. On the next basic edition of the U.S. Code (1982), an additional savings of $550,000 is anticipated.

(3) These savings on printing and binding costs for the 95th Congress will accrue in FY 1980. The FY 1981 savings are estimated at $273,910 making the total saving for the 95th Congress Bound Record $529,760.

(4) Although the price increase took effect in FY '79, the increase in the subscription rate takes about a year to have an effect. The 1980 savings is based on 5,600 estimated subscribers.

NEW CONGRESSIONAL RECORD FORMAT

The Joint Committee has also recently approved a new format for the Congressional Record and authorized the Public Printer to modernize and automate the binding and mailing equipment used in the production of the Congressional Record and the Federal Register. These authorizations will result in savings of over $1.5 million a year. In addition, the JCP directed that the green covered bi-weekly edition of the Record be eliminated as soon as the daily Record is available in its new format. All of these are scheduled to occur not later than the beginning of the 98th Congress.

CONGRESSIONAL PUBLICATIONS ADVISORY COMMITTEE

The JCP's Advisory Committee on Automation and Standardization of Congressional Publications was established in 1977 to reduce the cost of Congressional printing, standardize the composition and format of Congressional publications, coordinate the development of software in support of computerized printing activities, and promote the sharing of technology within the legislative branch. The Senate Rules Committee, the Office of the Secretary of the Senate, the Committee on House Administration, the Library of Congress, and the GPO have participated in the Committee's deliberations under JCP's direction.

As you are aware, with the JCP's approval, this Committee coordinated the electronic composition of all Congressional bills which began in the 96th Congress. Once a comprehensive bills' data base is established, this accomplishment will lessen the cost of printing bills, reduce Congressional distribution and storage problems, and the redundant reprinting of bills with similar texts.

In September of 1979, acting on the Advisory Committee's recommendation, the JCP directed GPO to institute uniform typographic standards for all Congressional Committee Calendars to reduce their cost and improve their timeliness. Both the House and Senate have agreed to develop the necessary software systems to accomplish this task as soon as practicable. The Advisory Committee will be evaluating additional standards in 1980 with initial action being directed toward Committee Reports.

Finally, and most important, the JCP has authorized the Committee to establish goals to prepare for the electronic capture and phototypesetting of the Congressional Record beginning with the 97th Congress. A pilot project will begin in January 1980, utilizing the House and Senate Journals as the test publications to afford GPO the opportunity to develop, test, and correct new composition software and formats so that the transition to photocomposition of the Record will operate smoothly. During 1980, task forces will, additionally, work to design the criteria for a Congressional Record data base, develop secondary applications, and a plan to provide indexing of the Record daily through an on-line automated data base to Members offices and Committees, and to provide a cumulated index on microfiche. The Committee is also evaluating the possibility of making the Record available on microfiche.

REQUIREMENTS FOR PUBLICATIONS

Question. Please provide for the record a copy of the most recent letter transmitted to the Members inquiring as to their need for certain publications such as the bound Record, et cetera.

July 9, 1979

Dear Colleague:

The Joint Committee on Printing is diligently working to reduce Congressional printing costs which exceeded $73 million in 1978. In this connection, I am writing you concerning the distribution of the permanent bound Congressional Record for the 95th Congress (January 4, 1977 to October 15, 1978) which is scheduled for late July. It is estimated that a complete set of the Record will total 64 volumes and will cost approximately $5,000 per set to produce.

PL 95-391 directs that each Member of Congress must stipulate in writing his or her desire to receive this publication. Previously, a copy of the bound Record was automatically distributed to each Member.

I respectfully request that each Member personally consider the need of his office for this very expensive version of the Record for the 95th Congress. As you may know, the Congress pays for the copies of the bound Record which are distributed throughout the country to 1,300 congressionally designated depository libraries, and this version of the Record is available to your staff for research through the Library of Congress and the House and Senate libraries.

Should you wish to order the Congressional Record for the 95th Congress, please advise me in writing by July 17, 1979.

Kind personal regards.

Cordially yours,

Frank Thompson, Jr.

Frank Thompson, Jr.
Chairman

March 13, 1979

Dear Colleague:

The Joint Committee on Printing wishes to express its deep concern and repeat an urgent request to all Members of Congress to take the most stringent measures possible to prevent printing waste and duplication.

The Congressional Printing and Binding Appropriation for Fiscal Year 1979 was $73,961,000. Despite the ever-increasing application of less costly production methods employed through the use of modernized electronic equipment at the Government Printing Office, it is estimated that the FY 1980 costs will increase to $76,212,000.

Therefore, Members are urged to review all material submitted for printing and avoid, wherever possible, unnecessary insertions in the Congressional Record which involve the duplication of articles, editorials, reports, hearings, bills, statement on bills, additional statements, or extension of remarks.

Further, Chairmen are requested to review all committee printing to insure that requisitions are initiated only by a designated individual on behalf of the full committee. In establishing uniform control over committee printing, it is hoped that the wasteful and unnecessary duplication of previously printed material, such as hearings, committee prints, and reports, can be avoided.

I have every expectation that your cooperation will provide greater efficiency, improve production schedules, maximize cost effectiveness, and at the same time assure necessary printing for the Congress and availability of information to the public.

With kind regards.

Cordially yours,

FRANK THOMPSON, JR.
Chairman

February 7, 1979

Dear Colleague:

In recent years various public laws have been passed which make it mandatory for a Senator, Representative, Delegate, or the Resident Commissioner to specifically request in writing his/her desire to receive certain publications.

The purpose of this requirement is twofold: the reduction of unwanted publications being received in Members' offices and the large savings to be realized by the reduction of printing, binding, and distribution of these unwanted publications.

Accordingly, the Joint Committee on Printing would appreciate receiving written notification from you concerning your desire to receive or not receive these publications. Since distribution lists, of necessity, must be prepared well in advance of the actual distribution, your immediate completion and return of this form (attached hereto) should be made as soon as possible, but not later than February 28, 1979.

If you have any questions in this matter please call the Congressional Directory Office, telephone 52240.

With kind regards.

Cordially,

FRANK THOMPSON, JR.
Chairman

TO: Chairman of the Joint Committee on Printing

FROM: The Honorable

1. I would ( ) would not ( ) like to receive copies of the Foreign Relations of the United States during the 96th Congress.

2. I would ( ) would not ( ) like to receive copies of the United States Treaties and Other International Agreements during the 96th Congress.

3. I would ( ) would not ( ) like to receive copies of the United States Statutes at Large during the 96th Congress.

4. I would ( ) would not ( ) like to receive the green-bound semi-monthly edition of the Congressional Record during the 96th Congress.

5. I would ( ) would not ( ) like to receive the bound edition of the Congressional Record during the 96th Congress.

_____ _____

DATE SIGNATURE OF MEMBER

RETURN TO: Congressional Directory Office
Room HB-30, The Capitol
Washington, D. C. 20515

SAVINGS EFFECTED

Question. How much does this joint effort save the taxpayers when compared to the operation before any letter was utilized?

Answer. A savings of more than $500,000 was generated solely through the Joint Committee's letter to all Members concerning the bound Congressional Record for the 95th Congress. The chairman asked each Member to personally reevaluate his or her need for the expensive 64 volume leather bound set. The response from Members, more than half of whom chose to forego receiving the volumes, was indicative of their desire to curb unnecessary Congressional printing and the resultant costs.

Following are typical quotations from letters by Members to the chairman in response to the Joint Committee's letter on the bound Congressional Record: "Let me commend your committee for its efforts to reduce the costs of Government by limiting the number of publications made available to Congressional offices" * * * "I feel the public should be saved the cost of producing these books for my office use" * * * "I respectfully decline receipt of this publication in the interest of less waste in Government spending" * * * "Your forthright and persuasive correspondence influenced my decision, and I commend you on your stand for fiscal responsibility."

Specific savings as a result of the Joint Committee's letter of March 13, 1979 are difficult to identify but are believed to be sizable. The chairman requested that each Member review all material submitted for printing and avoid unnecessary insertions in the Congressional Record. This letter also requested all committee chairmen to review all committee printing to insure that requisitions are initiated only by a designated individual on behalf of the full committee. The objective was not to deny any necessary printing, but to prevent duplication and related waste and to alert Members and chairmen on the need for vigilance.

U.S. SENATE

OFFICE OF THE SECRETARY OF THE SENATE

STATEMENT OF STAN KIMMITT, SECRETARY OF THE SENATE

ACCOMPANIED BY:
WILLIAM A. RIDGELY, ASSISTANT SECRETARY
ROBERT A. MALSTROM, FINANCIAL CLERK
GAIL S. MARTIN, ADMINISTRATIVE ASSISTANT
BARRY J. WOLK, TECHNICAL ADVISER
LLOYD L. HYSELL, KEEPER OF STATIONARY

1980 APPROPRIATION AND 1981 BUDGET REQUEST

Senator SASSER. The next item is a 1981 budget request in the amount of $4,660,000 for the Office of the Secretary of the Senate. This is an increase of $4,000 over the comparable appropriation for fiscal year 1981. No additional positions are requested for fiscal year 1981 in the Office of the Secretary.

Mr. Stan Kimmitt, the very able Secretary of the Senate, is with us today to explain this budget request in some greater detail. If you would come forward, Mr. Kimmitt, and proceed.

Mr. KIMMITT. Thank you, Mr. Chairman, for the opportunity to appear today and present the budget for the Office of the Secretary of the Senate.

PREPARED STATEMENT

I have with me a full statement regarding the fiscal year 1981 budget recommendations for the Secretary's Office. With your permission, I will ask that it be printed in the record, and I will proceed with a short summary statement.

Senator SASSER. Your prepared statement will be inserted in the record at the conclusion of your remarks.

BUDGET REQUESTS FOR 1978, 1979, AND 1981

Mr. KIMMITT. We said our total appropriation request of $4,948,000, which includes our portion of miscellaneous items, represents a decrease of $11,000 below our 1980 appropriation. This amount reflects an increase of $4,000 to which you referred, to fully fund the necessary not-to-exceed rate of the Chief Reporter and with a $15,000 decrease in miscellaneous items. We are working very hard to keep our expenses at a minimum without curtailing any of our current services.

As a matter of fact, I am pleased to say that fiscal years 1979, 1980, and 1981 we have had a constantly decreasing request, whereas in fiscal year 1979 I think we asked for $260,000 over 1978; fiscal year 1980, $70,000 over fiscal year 1979. We are now asking for $11,000 below our 1980 budget.

STATIONERY ROOM

As you know, we recently installed a minicomputer in the stationery room and renovated the entire store sales area. These two steps are a part of our program to provide the Senate with a decent stationary facility and better service.

MINICOMPUTER BENEFITS

The minicomputer was installed on May 1, 1979, and is now fully in operation. We are already benefiting from the system and estimate that, in less than 1 year, we have saved $56,500. For example, we did not have to buy a new bookkeeping machine for $17,500 to replace the one which the company no longer manufactures; in addition, we have not needed to increase staff by an additional bookkeeper, warehouseman, and counter clerk for an aggregate $39,000 as originally anticipated under the manual system.

We can now take better advantage of discounts for prompt payment, and for the first time, we have accurate checkout figures.

With staff manually computing sales tickets, we had a previous error rate as high as 10 percent. The new system will also give us better control of the inventory.

We now have immediate information on inventory levels, and the system will generate notification when stock levels drop to reorder points. It is no longer necessary to depend on someone eyeballing or physically counting an item. In time, we will have more information showing buying patterns, product preference, and vendor responsiveness.

RENOVATION OF THE STATIONERY ROOM

However, I wish to stress that the computer is only a part of the solution to modernizing the stationery room. Within a period of less than 7 weeks, the salesroom was completely renovated to provide for self-service and a better display of merchandise, and increased shelf space.

Since Senate employees can now serve themselves, and with the automated checkout equipment, Senate staff are spending 50 percent less time at the sales counter.

The original cost estimate for this renovation was $40,000. The Architect's Office and our staff managed to purchase all equipment, supplies, and outside labor for approximately $18,000. The use of in-house labor and assistance from corporate sales personnel, who supervised the installation of equipment at no charge, helped to bring this project in under 50 percent of the original estimated cost. Special thanks should be given to George White and Mr. Caraway, and his staff, for their assistance in this regard.

SOLUTIONS FOR THE OUT-OF-STOCK PROBLEM

We still cannot guarantee that an item will never be out of stock but the following proposal should help us to meet 99 percent of the demands.

First we will need more money in order to purchase larger quantities of items.

I have an administrative provision which would provide for a transfer of $100,000 from the contingent fund to the revolving fund to increase the inventory capitalization. We would not be providing additional supplies to Senators, but we would be insuring that our stock is adequate to meet demand.

Senator SASSER. Without objection, the proposed administrative provision will be printed in the record at this point.

[The information follows:]

ADMINISTRATIVE PROVISION

Section —. In order to provide additional capital for the revolving fund established by the last paragraph under the heading "Contingent expenses of the Senate" appearing under the heading "Senate" in chapter XI of the Third Supplemental Appropriation Act, 1957 (2 U.S.C. 46a–1), the Secretary of the Senate is authorized and directed to transfer $100,000 to such revolving fund from "Miscellaneous items" in the contingent fund of the Senate.

SPACE AVAILABILITY

Mr. KIMMITT. Additionally, large quantity purchases usually result in a lower cost, thereby realizing a saving and a lower cost to Senate offices.

Second, we will need a place to store a larger inventory. During meetings in January with the Architect of the Capitol, the Sergeant at Arms, and the staff of the Committee on Rules and Administration we discussed among many subjects the problems of space. I specifically addressed our need for larger quarters for both the salesroom and the warehouse.

It was generally concluded that after completion of the Hart Building, appropriate space would be located and provided in the Russell Building.

In the meantime, we have surveyed all available space, including the Alexandria warehouse, for possible use to store larger quantities of merchandise. However, there are several important factors that must be considered, which include temperature and humidity controls, vehicles to handle heavy inventory items, and staff utilization.

If space outside of the Senate complex were to be made available, the warehousing problem would appear to be alleviated, but the disadvantages may well outweigh the advantages.

For example, the Alexandria warehouse is neither heated nor air-conditioned. Most of the merchandise in the stationery room must be maintained under temperature and humidity controls according to specifications prescribed by the manufacturers. This factor severely reduces the inventory items that can be warehoused without heat and air-conditioning.

Distance may make it necessary to double-handle inventory. It is not feasible to expect that all of the more than 50 vendors and trucking firms could forewarn us as to an exact delivery time. Therefore, unless personnel were assigned to a warehouse full time, deliveries would have to be made to the Russell Building and then transferred to the warehouse. This type of double handling is counterproductive.

The transfer of inventory between the Alexandria warehouse and the stationery room would require stationery room staff to be involved in this handling of merchandise and may have an impact on other duties.

In order to continue with existing warehouse and inventory accounting, regardless of location, assignment of a warehouse will require additional bookkeeping effort and audit trails to support a separate inventory and associated warehouse transfers.

WAREHOUSE SPACE WITHIN THE SENATE COMPLEX

Warehouse space in either the Russell or Dirksen Buildings would appear to provide maximum advantages in all areas. Although current warehouse space is not contiguous to the salesroom, at least it is within the confines of the office building. Any additional space assigned for warehousing by the Committee on Rules and Administration within the office building would not generate transportation or transfer problems that might be experienced with space outside the Senate complex.

We will continue our liaison with the Committee on Rules and Administration in an effort to locate additional warehouse space within the Russell or Dirksen Building.

CHANGE OF TITLE IN HISTORICAL OFFICE

In conclusion, I have only one other item to bring to your attention which is not covered in my full statement. At this time I am requesting consideration of a title change only—not a change in an NTE rate—from the research assistant in the Historical Office to assistant historian. This change more accurately reflects the nature of the position as it has evolved over the past 4 years.

PREPARED STATEMENT

Senator SASSER. Your prepared statement will be inserted in the record at this point.

Mr. KIMMITT. Thank you, Mr. Chairman. I will be pleased to answer any questions you or your committee may have.

[The statement follows:]

STATEMENT OF J. STANLEY KIMMITT

Mr. Chairman, our office is pleased to submit our fiscal year 1981 budget recommendations which are shown in Figure 1. The total appropriation of $4,948,000 represents a decrease of $11,000 below our 1980 appropriation. The increase of $4,000 for the funding of the NTE rate of the Chief Reporter of Debates is offset by a reduction in expenses under "Miscellaneous Items". The $4,948,000 requested includes funds for the Disbursing Office and the administrative payroll which would continue to be funded at $203,414.

MERIT PROGRAM

As we reported to you on October 11, 1979, the merit program guidelines were developed for our office and of the ten candidates nominated, seven were awarded merit increases during the past fiscal year. The program has provided a much needed mechanism for rewarding employees who are providing more than satisfactory services in the Secretary's Office, and has minimized our need to request adjustments of position rates from your Committee.

STATIONERY ROOM

The minicomputer was installed in the Stationery Room on May 1, 1979. Although some software problems were encountered, the system is now fully operational. Immediately prior to the computer installation, Stationery Room personnel in sales, purchasing, receiving, and accounting were given training in the use of the system. We are confident that the new system will result in better service to the Senate and at cost savings.

60-569 O—80——10

OFFICE OF THE SECRETARY

	FISCAL YEAR 1980	FISCAL YEAR 1981	INCREASE/DECREASE
SALARIES, OFFICE OF THE SECRETARY			
Fiscal Year 1980 Obligations	$4,407,000		
October 1, 1979, increased pay cost	249,000		
Total obligations for fiscal year 1980	$4,656,000		
Fiscal Year 1981 base program		$4,660,000	$+ 4,000*
Financing:			
Less: Unobligated balance, start of period	-0-	-0-	-0-
Appropriation	$4,656,000**	$4,660,000	$+ 4,000
EXPENSES, OFFICE OF THE SECRETARY			
Miscellaneous Items:			
Historical Office: Books and Documents	$ 2,000	$ 2,000	$ -0-
Photographic Supplies	4,500	5,000	+ 500
Library: On-line Information Services	30,000	30,000	-0-
Microform Publications	13,200	13,000	- 200
Office of Classified National Security Information: Maintenance contract for alarm system	2,711	3,000**	-0-
Travel (Public Law 94-59)	10,000	10,000	-0-
Substitute Reporters and Transcribers (Public Law 89-90)	20,000	20,000	-0-
Office of Public Records (Public Law 92-342)	25,000	25,000	-0-
Consultants (not more than two) (Public Law 95-26)	51,000	51,000	-0-
Legal Reference Volumes (Senators' Offices) (Public Law 92-51)	35,000	35,000	-0-
Contractual Legal and Administrative Services	75,000	60,000	- 15,000
Disbursing Office: Payroll Forms	10,000	10,000	-0-
Total Obligations, Miscellaneous Items	$ 278,411	$ 264,000	$- 14,700
Financing:			
Less: Unobligated balance, start of period	-0-	-0-	-0-
Appropriation	$ 279,000**	$ 264,000	$- 15,000**
SUMMARY OF APPROPRIATIONS REQUESTED			
Salaries (salaries, officers, and employees)	$4,656,000	$4,660,000	$+ 4,000
Expenses (miscellaneous items)	279,000	264,000	- 15,000
Postage	4,865	4,900**	-0-
Stationery	18,450	18,450	-0-
Total Obligations	$4,958,315	$4,947,350	$- 11,000
Total Financing:			
Less: Unobligated balance, start of period	-0-	-0-	-0-
TOTAL APPROPRIATION	$4,959,000**	$4,948,000**	$- 11,000

* Full Funding of NTE Rate of Chief Reporter
**Items which have been rounded

Figure 1

We have also completed a study in conjunction with the Architect's Office to convert the Stationery Room to a self-service facility. Our original estimate for the Architect's budget was $40,000, and actual cost for renovating the space and new equipment (gondolas, shelving, etc.) was approximately $18,000, less than one-half the estimate. The project was completed on January 28, 1980.

Most of the problems that were stated in prior years still exist. The space remains decentralized, i.e., bookkeeping in 46-B Russell, sales in 41 Russell, three storerooms (16-A Russell, 149 Russell and SB-218 Dirksen). As a result of this decentralization and limited space assignments, larger and more economical purchases cannot be made.

The Stationery Room experiences some difficulty in making deliveries to the five exterior Senate buildings (Immigration, Plaza Hotel, etc.). Specifically, deliveries cannot be made during inclement weather, and the elevators in the exterior buildings are not equipped to handle any of our delivery vehicles except the two-wheeled hand trucks. It is hoped that upon completion of the Hart Building most of these problems will be resolved.

Our experiment with lump-sum authority in the Stationery Room is working well, and we recommend that the requirement to maintain the statutory positions be dropped, and the office operate fully under the lump-sum concept.

HISTORICAL OFFICE

Conference Proceedings

The office's most tangible accomplishment during the year was publication of the proceedings from the September 1978 Conference on the Research Use and Disposition of Senators' Papers. The 186-page volume includes conference transcripts and background studies. It is fully indexed and includes a "checklist" and extensive subheadings to highlight the meeting's conclusions. Copies were sent to all Senators, to the approximately 500 libraries that have custody of former Senators' papers, and to the many House Members who requested them.

Oral History

The most extensive project thus far in the office's oral history program was completed in February 1979. A 555-page transcript of 10 hour-long sessions with the Senate Parliamentarian Emeritus Floyd Riddick is now available for use at the Library of Congress, Senate Library, and other research institutions. Oral histories have also been completed for Darrell St. Claire, former Assistant Secretary, Frank Attig, a former Official Reporter of Debates, and others are planned for next year.

Senators' Records

The office provided advice on disposition of non-current files to 35 Senatorial offices. Services ranged from meetings with individual Senators, to briefings for entire office staffs on the value of a carefully planned disposition program. The Historian met with archivists whose institutions are receiving current Senators' papers as well as those who are soliciting donations of future collections. The office assisted Senators in locating qualified staff to organize their older records and in selecting suitably-equipped despositories.

Committee Records

Work continued on a handbook for committee staffs on procedures for transferring records to the National Archives. This should minimize the preservation of outdated "non-record" material as well as the loss of substantive policy related files. The office received approximately 100 requests from committees and researchers to evaluate restricted Senate files at the National Archives for possible public access. Two committees requested special assistance in planning for the organization, with a view to eventual access, of sensitive records more than 20 years old.

Photohistorian

The Photohistorian with the assistance of interns and a staff member on loan from the Secretary's Office, organized a major portion of the thirty-thousand-item Arthur Scott photo collection. During November and December 1978 he worked with the staff of the Sergeant at Arms and

the Office of the Secretary in preparing display and visual material for the new Senators' Orientation Program. He assisted the Curator's Office in the design and production of exhibits and provided extensive aid to the editing of a greatly revised forthcoming edition of The Capitol. The Photohistorian continues his search of the Library of Congress' extensive photo collections for Senate-related material. In support of the Photohistorian's activities and due to increasing costs, we are seeking an increase of $500 for photographic supplies.

SENATE LIBRARY

On-Line Services

The demand for services provided by the Senate Library continue to increase, but we did notice a 17 percent decrease in the bill status calls from the previous fiscal year. In part, this decrease may be attributed to the long recess at the close of the 95th Congress (virtually the entire first quarter of fiscal year 1979), and to the typically slow period associated with the initial months of a new Congress; more importantly, it may also be attributed to greater use of Legis by staff members in their own offices. This assumption, if true, would be an encouraging development.

A welcomed improvement in Legis was the addition last spring of full text searching in the chronology field; this capability provides a simpler method of searching when combining subject term with action taken.

The staff responded to 9,206 reference requests, a 17 percent increase over last year. Among the resources added to improve reference capabilities was the September acquisition of the Lockheed DIALOG system. The reference staff also substantially increased its vertical file of articles and reports on major issues. To sharpen reference skills and to foster greater cooperation with the Congressional Research Service, a personnel exchange program was initiated in September.

Rather than individually list all of the on-line information services the Library subscribes to, we have listed a single consolidated line

item for $30,000 in our budget. We currently subscribe to the New York Times Infobank, Congressional Information Service data base, Lockheed DIALOG system, and the UPI NEWSHARE service. At this time, we are seeking no increase in the funding for these services.

Micrographics Center

A major acquisition to this collection was the Library of Congress' microfilm set of bills and resolutions from the First to the Seventeenth Congresses. This set fills the gap in our hard copy collection of the first 16 Congresses. Other additions to the microform collection included CRS Issue Briefs and Reports; back runs of 11 periodicals and numerous series acquired from the Superintendent of Documents through the depository library program.

The Center was used 538 times during fiscal year 1979, a decline of 6 percent. In addition to the microform acquisitions mentioned above, a new Minolta microfiche/microfilm reader/printer was received in March.

There is a $200 reduction in our request for microform publications leaving sufficient funding to continue our micrographics acquisition for our fiscal year 1981 program.

Government Documents Collection

One of the major developments of the year was the designation of the Senate Library as a government documents depository library. A complete review of our government documents collection was conducted; we discontinued some series and added many others. Our goal as a depository library is to strengthen substantially this part of the Library's resources.

Book Collection

The Library placed 611 orders for books in fiscal year 1979 and processed 1,384 new items received, while recataloging 1,796 old titles as part of the long-term project to recatalog the entire book collection (a 27 percent increase in this activity over the previous year). This effort required the preparation and filing of 3,133 new sets of catalog cards, including those for the shelf list, a 41 percent increase in production.

Reorganization of the Off-Site Storage Areas

A major achievement was the completion of the reorganization of materials stored in the Library of Congress' vault and in the Alexandria warehouse by the summer interns. This reorganization included the weeding of duplicate and obsolete items, the transfer of thousands of volumes between the Capitol and the two storage sites, and the ordering and inventory of the stored materials.

Publications Program

SENATE CAMPAIGN INFORMATION - At our suggestion, agreement was reached in June with the Senate Committee on Rules and Administration to merge SENATE CAMPAIGN INFORMATION with ELECTION LAW GUIDEBOOK. This action is expected to eliminate duplication of effort and to save the Senate $14,000. The Rules Committee will publish the combined booklet as a Senate document, thus increasing its availability.

NOMINATION AND ELECTION OF THE PRESIDENT AND VICE PRESIDENT - Compilation of this publication by CRS began in May and was expected to be ready by the first of November with publication scheduled for January 1980.

HEARINGS INDEX - Indexing and the entry of data into the automated publication system for congressional hearings from the 95th Congress was completed by early summer. Several samples of typeset proof of both the subject and committee indexes have been produced but programing problems have been encountered. Attempts to eliminate these problems have been made, and the scheduled publication date will have to be revised from December 1979 to April 1980.

Indexing of hearings from the 96th Congress is progressing slowly because desired changes have yet to be programmed.

PROPOSED AMENDMENTS TO THE CONSTITUTION - Amendments proposed during the 95th Congress have been indexed and are being added to the data previously prepared for the 1969-76 period. This publication will be available in June of 1980.

Magazines

The Secretary's Office obtains and distributes several current events magazines for the Senate Library and Marble Room. By changing our procedures to purchase through subscription, we estimate a savings of approximately $570. While this may not appear to be a large amount of money, we believe that continued efforts of this nature do accumulate and can represent significant savings to the Senate.

CURATOR

A number of study projects on the history and furnishings of the Capitol's Senate wing and the Russell Office Building were undertaken or completed in the past year. Of major interest was the monograph entitled "The Senate Chamber Desks". Compiled after several years of research, and produced with the cooperation of the Senate Historical Office, the study involved a detailed examination of each Member's desk in the Senate Chamber and the recording of all names inscribed inside each desk drawer. Other notable research projects in progress or recently completed include: a history of the Members' suites in the Russell Senate Office Building; a study of the Senate Appropriations Committee Capitol suite; the establishment of a slide library devoted to the paintings, sculpture, furnishings and interior views of the Senate, from its earliest days to the present; and the compilation of an annotated bibliography on the Senate in the 19th Century.

After nearly ten years of research, writing and editing, the first comprehensive catalog of paintings and sculpture in the collection of the U.S. Senate was completed this year. The catalog is presently available in computer-print form and an illustrated edition will be published next year. In years to come, catalogs of other collections for which the Commission on Art and Antiquities is responsible will be produced in similar format.

Since the beginning of the 96th Congress, the office has assisted several Members in securing the loan of appropriate examples of paintings, drawings and sculpture for their Senate offices. Usually these loans

have come from State institutions and for a period of not less than a year. The Curator's office also continues to provide registrarial services for loans of fine art(s) to the Senate's leaders and officers.

Under the Foreign Gifts and Decorations Act (5 U.S.C. 7342), as amended in 1978, procedures were established for the disposal of foreign gifts and decorations received by Senators and Senate employees. To oversee the disposition of such gifts, the legislation named the U.S. Senate "Commission on Art and Antiquities". The Commission met during the year to consider the placement of several objects which had been referred to it under the Act. The Commission also considered the placement of a number of additions to the Senate collection, including marble busts of Vice Presidents Nixon and Lyndon B. Johnson, which had been completed several years earlier but never installed.

Our exhibits program enjoyed its most successful year to date. After the closing of the "Disputed Election of 1876" in late winter, an updated version of the popular exhibit "Senate Art in Stamps" was installed. First produced in 1974, the display presented a series of U.S. postal issues whose designs were based on Senate paintings and sculpture. Viewers of the exhibit also received a printed guide which provided a walking tour of the original portraits in the Senate wing. In the fall, the exhibit "Manners in the Senate: Nineteenth Century Women's Views" was opened. Drawn from the chronicles of several women writers of the last century, this exhibit was the culmination of a year of research and planning. Produced with the cooperation of several offices under the Secretary of the Senate and Sergeant at Arms, including the Historical Office and the Cabinet Shop. Future exhibit topics, now in the planning stage, include the historic Webster-Hayne debate, whose 150th anniversary will be observed in 1980.

As Executive Secretary of the Commission on Art and Antiquities, I serve as the Senate's representative on the Federal Council on the Arts and the Humanities, which provides the Senate with an opportunity to participate in a number of museum-related projects sponsored by the

federal government. Among the programs developed by the Council in the past year are: formulation of a Federal Museum Policy; establishment of an Arts in Education Plan; and the publication of a directory listing all cultural programs in federal agencies, including those of the Commission on Art and Antiquities.

Whenever possible, the office participates in conferences and workshops organized by the museum profession. These meetings provide excellent forums for keeping abreast of the ever-growing challenges faced by the museum world and give us an opportunity to promote interest in the Senate's curatorial program.

TRAVEL

Staff of the Secretary's Office attended 15 conferences and meetings. They included the Oral History Association, National Micrographics Association, Annual Conference of Special Libraries Association, National Computer Conference, etc. In spite of increasing travel costs, we are not requesting an increase to our budget for fiscal year 1981.

OFFICE OF PUBLIC RECORDS

From January 1, 1979 to November 15, 1979, service has been provided to approximately 1,550 members of the press and public. During this period, in excess of 44,400 copies of reports and statements were released. The largest of which occurred on May 18, 1979, when Public Financial Disclosure Reports were provided to the press and public. A total of 23,286 documents were sold on that day alone.

Senate Public Financial Disclosure

Senate Rule 42 and the Ethics in Government Act

From January through October, approximately 2,250 reports were received totaling in excess of 31,000 pages.

A press release was distributed on April 22, 1979 in preparation for the May 15 filing date. The reverse side of this release served as a form for individuals and/or organizations to request copies of these reports. Such information enabled the office to process and make the reports available on the release date with a minimum of confusion. All

Senatorial and candidate reports were received, acknowledged and prepared for processing by the close of business on May 16. On Friday, May 18, these reports were released to the press and public.

Federal Election Campaign Act

From January through October a total of 2,544 reports were filed involving the processing of 26,440 individual pages.

Federal Regulation of Lobbying Act

Reports under the Federal Regulation of Lobbying Act are due on a quarterly basis. Approximately 20,000 registrations, quarterly reports and amendments were received, processed, and made available for public inspection and copying for the period January through October 1979.

General Activities

The "Compilation of Reports and Statements to be Filed by Senators, Officers, and Employees of the U.S. Senate and Other Individuals in 1979" initially prepared by this office in 1978 underwent its third revision. Distribution was made to all Senators, Senate committees, and selected staff members. A fourth revision has recently commenced and is planned for distribution during the first quarter of 1980, depending upon the proposed Federal Election Campaign Act Amendments of 1979.

During the latter part of October, an on-line terminal was installed to provide access to the Scorpio and Legis systems. Staff training is now in progress. It is anticipated that this system will be useful in keeping track of legislation affecting the office.

A detailed study was undertaken analyzing the indexing and information system requirements of the Office of Public Records. Subsequent meetings were held resulting in the Senate Computer Center's recommendations that work commence immediately on a new system in line with the requirements outlined by the Office of Public Records. Target date for completion is February 1980.

ADDITIONAL PUBLICATIONS

Our Office has reviewed the content and format of the Senate Journal in 1978 and as a result made changes which significantly reduced the

size of the publication. In 1977 the Senate Journal of 1,894 pages cost approximately $342,082 while the 1978 Journal of 1,165 pages cost an estimated $262,000. This represents a savings of about $80,000. We are working with the Advisory Committee on Automation and Standardization of Congressional Publications (Joint Committee on Printing) to pilot test electronic phototypesetting of the Journal in 1980. Because of the similarities between the Journal and the Congressional Record, this pilot will permit the Government Printing Office to develop, test, and correct new software and formats for the proposed electronic phototypesetting of the Record.

In 1978 the Legislative Clerk prepared, and this office published, a document entitled "Senate Legislative Procedural Flow". This document follows the path of a bill from its introduction to its public distribution as a law. Treaties and Presidential nominations are likewise examined in their progression to ratification and confirmation, respectively. To date we have distributed more than 5,000 copies of this publication to Senate staff and the public.

CONTRACTUAL LEGAL AND ADMINISTRATIVE SERVICES

In our fiscal year 1979 budget, we requested a new item "Contractual Legal Services" to cover the estimated expenses of lawsuits naming the Secretary as a defendant. As a result of Title VII of the Ethics in Government Act of 1978, which created the Office of Senate Legal Counsel, and the subsequent transfer of cases to that office, we are decreasing this amount by $15,000. We are also proposing to use these funds for administrative services. As shown by the interest of Senate staff in publications such as "Senate Legislative Procedural Flow" and attendance at seminars on office accounting and voucher preparation, we believe that other approaches could be taken to present this type of information. For example, it might be possible to develop an audio-visual explaining the basic information for voucher preparation, thus decreasing the amount of time spent by Disbursing staff to continually present this information to staff and to new Senators and their staff. If slides are

used, the presentation could be updated as Senate Rules and procedures are modified.

CLOSING REMARKS

At this time I would like to express my appreciation for the support we have received from your committee, the Committee on Rules and Administration, the Architect of the Capitol, and the Sergeant at Arms. In particular, we have successfully implemented the automated system in the Stationery Room and have worked closely with the Architect's Office on the redesign of the Stationery Room. During the year, with the assistance of Rules and many others, we have revised and consolidated the amendment form and revised regulations regarding transcript page counts, and at their request, have taken over from GPO the responsibility for this activity.

The continued excellent rapport with the Sergeant at Arms' Office has been evidenced in the joint sponsorship of monthly seminars for staff and the orientation program for Senators-elect and their staff. In addition, the adoption of new technology, computer services, in particular, now touches nearly every department under the Secretary's jurisdiction. We have established liaison through the Assistant Director of the Senate Computer Center and meet periodically to review the status of our data processing activities.

MINICOMPUTER COST BENEFITS

Senator SASSER. Thank you, Mr. Kimmitt. You and I have walked through the new stationery room together and I must say that it is a greatly improved layout from what we had heretofore.

I gather from your testimony today that you are convinced that the installation of the minicomputer in the stationery room is justified on a cost-benefit basis.

Perhaps you could provide for the record a life-cycle benefit-cost analysis, that is, show the benefits or savings on one side and the costs on the other for a period of, oh, approximately 10 years.

I take it that could be done, could it not?

Mr. KIMMITT. Yes, sir, the cost of our computer system was $116,000. The amortization for an 8-year period is $14,500 a year; other costs incurred during the past year are $5,000 for inventory labels and $1,100 for computer paper.

This results in a total cost of $20,600. If the manual system had been continued, a new bookkeeping machine would have been necessary at the approximate cost of $17,500.

Additionally, due to increased sales, additional personnel could be necessary at an approximate cost of $39,000. This is a total of approximately $41,000 a year using an 8-year amortization year, therefore, there is a real savings of approximately $25,000 per year.

In addition to the real savings, there are intangible benefits: One, more accurate sales, daily checkouts and month-end statements; two, up-to-the-minute inventory information which enables the stationery room to automatically reorder merchandise when it reaches the reorder point compared to a 1-week delay under the manual system; and three, automatic generation of purchase orders and vouchers.

We will get to your staff a more accurate 10-year life-cycle benefit-cost analysis.

STATEMENT OF COMPUTER LIFE-CYCLE ANALYSIS

A 10-year life cycle benefit-cost analysis of the Stationery Room is as follows:

The cost of our computer was $116,000. The amortization for a 10-year period is $11,600 per year; other costs incurred during the past year are $5,000 for inventory labels and $1,100 for computer paper. This results in a total cost of $17,700 during the first year.

If the manual system had been continued, a new bookkeeping machine would have been necessary at the approximate cost of $17,500. Based on a 10-year amortization, this equates to $1,750 per year.

Under the manual system, because of increased sales, additional personnel would have been necessary at an approximate cost of $39,000.

This is a total of approximately $40,750 a year, which results in a real savings of $23,050 per year.

STATIONERY ROOM STOCK LEVELS

Senator SASSER. Mr. Kimmitt, do we still run out of stock at the stationery room, now that we have this computer?

Mr. KIMMITT. Yes, sir; we occasionally experience an out-of-stock condition and there are three primary contributors to this condition: One, manufacturers' order delays which affect vendors and their customers; two, transportation schedules, which are affected by strikes,

inclement weather, and breakdowns; and three, unusual buying trends due to unanticipated customer demand.

In addition to this, with the ancillary problem of the warehousing space, when we come to the Christmas period, we can only stock so much. If there is a run on one item, we run out of it. We can reorder, but we are not sure that that order will come in rapidly, and we can't order the quantity that we need in the first place because we don't have the warehousing space.

HOUSE-SENATE STATIONERY ROOM COMPARISONS

Senator SASSER. How does the Senate record compare with the House stationery room in keeping their inventory constant?

Mr. KIMMITT. We checked with the House stationery room, and they indicated that they experienced similar problems and for the same reasons.

In other words, they too run out of items, even though they have more space to work with, but the same factors contribute to their out-of-stock conditions.

Senator SASSER. How many items does the House stationery room stock compared to the number of items that the Senate stocks?

Mr. KIMMITT. The House stationery room stocks, according to our contacts, between 2,500 and 3,000 items. We stock about 2,000 items.

CULVER COMMISSION REPORT—SENATE MANAGEMENT GROUP

Senator SASSER. We have some additional questions which we will submit to you for the record, Mr. Kimmitt, but a few years ago there was a study made on improving operations in the Senate. Could you bring us up to date on that? Perhaps you could give us a short explanation and provide for the record the correspondence, et cetera, that has been exchanged recently on this matter so that all members may have an opportunity to review the record on this matter.

Mr. KIMMITT. Yes, sir. This has to do, I think, with the Culver commission report and the follow-on activities from that date. Beginning in April 1978, the Rules Committee passed S. Res. 166, which dealt with this problem. In May of that year an informal Senate management group was formed, consisting of Nordy Hoffmann, the Sergeant at Arms, George White, the Architect, and me, to get our recommendations for coordinating and solving some of the problems brought out by the Culver commission.

We met in May 1978, and since that time have corresponded with and met with the chairman and ranking minority members of the Rules Committees as well as you and the ranking minority member of your subcommittee. This was during July 1978, I believe. In August 1978, we made a report to the chairman of the Rules Committee on the activities and progress of the Senate management group, together with four specific recommendations, stating that if timely decisions could be reached by the Rules Committee and others, gradual improvement in services would evolve.

Again, in October 1979, the management group met, to update a

review of activities and make recommendations. In January of this year the Sergeant at Arms, the Architect of the Capitol, and I, along with our assistants, met with the Rules Committee staff regarding furniture, acquisition of equipment and office supplies, maintenance services, information services, and allocation of space in the Capitol.

In February, the group received a questionnaire from the staff of the Rules Committee asking for specific information. On the 11th of February, just a few weeks ago, we provided to the chairman of the Rules Committee a letter in this regard.

So there is activity in this field, primarily with the Committee on Rules and Administration, which has primary jurisdiction in this regard. As to providing you with a copy of that report, I have no reluctance to do it at all. However, I think, out of courtesy to the chairman of the Rules Committee, to whom the letter was addressed, that I should obtain his concurrence. I feel confident that he will give it.

Senator SASSER. We would like to have a copy of it, Mr. Kimmitt. I think that would be helpful.

Mr. Kimmitt, thank you for your testimony. Let me say that your cooperation and that of your staff throughout the years is exemplary and we very much appreciate it.

Mr. KIMMITT. Thank you, sir.

Senator SASSER. And I want to commend you on the terrific way, on the magnificent way the computer operates.

QUESTIONS SUBMITTED FOR RESPONSES

I have some questions which I will furnish you. Kindly respond to them for the record and include a chronology of events and associated materials related to the Culver commission.

[The questions and answers follow:]

Additional Committee Questions

INCREASE CAPITALIZATION-STATIONERY ROOM

Question: In your suggestion for an increase in the capitalization of the Stationery Room, you are requesting that $100,000 previously appropriated to the Senate Contingent be transferred to the Stationery Room Revolving Fund. This would not require any additional appropriations, because savings accumulated in the Contingent Fund would be used. Am I correct?

Answer: Authorization for the transfer of $100,000 from the Contingent Fund of the Senate to the appropriation "Stationery -Revolving Fund" would not be an appropriation of new money.

Since the $100,000 has already been appropriated for the Senate, the transfer of such an amount from one appropriation to another within the Senate, would have no effect on the total appropriation for the Senate. The transfer itself could be considered a reapportionment of funds.

Question: Can these additional funds for capitalization be justified? In other words, with the additional capitalization, could the Stationery Room save money by making better use of volume discounts as well as avoiding the inconvenience caused by running out of stock?

Answer: First, the current capitalization of the Stationery Room inventory is restrictive to the extent that it precludes larger purchases in order to take advantage of volume discounts. Second, this restriction impacts the inventory as it relates to the problem of minimizing out-of-stock merchandise.

Additional funding of the inventory capitalization would greatly enhance the advantages of volume discounts and would, taking into account adequate warehouse space, considerably minimize the out-of-stock problem. There is no way to guarantee that the Stationery Room would not run out of a given item at any given time.

As to volume discounts and the savings that would accrue to Senate offices, the following examples are cited:

Example number one: The Stationery Room currently contracts for 8,000 reams of letter-size Xerox paper per year. This amount is received in quarterly shipments. If the above cited restrictions did not exist, the Stationery Room would be able to purchase 8,000 reams with one delivery and thereby save a volume discount of $1,700 or 7½ percent.

Example number two: The Stationery Room purchases one million #10 envelopes per year shipped quarterly. If above cited restrictions did not exist, a single once a year order would save a volume discount of $1,735.50 or 13 percent.

These two examples recognize a savings of more than $3,400 per year. Taking into account the many other inventory items to which a discount may apply, even greater savings would accrue and be passed on to Senate offices.

SENATE MANAGEMENT BOARD

Chronology of Events

4/26/78	Rules Committee consideration of S. Res. 166
5/3/78	Meeting of "Management Group"
5/4/78	Meeting of "Management Group"
7/10/78	JSK letter citing the approval of the chairman and ranking minority member of Rules Committee of the concept of establishing an informal Management Board This letter also cited a scheduled meeting on 7/27/78 with Senators Pell, Hatfield, Sasser and Schweiker
7/13/78	Copy of Senator Schweiker letter citing a meeting between several officers of the Senate and Senators Pell, Hatfield and himself agreeing on establishment of a new Senate Management Board
7/19/78	Meeting of "Management Group"
7/25/78	Meeting of "Management Group"
8/10/78	JSK report to Chairman Pell on activities and progress of Senate Management Board together with four specific recommendations for Rules Committee consideration and citing that if timely decisions can be reached by Rules Committee and others, gradual improvement in specific services will evolve
10/14/78	JSK memo to Senator Pell re: acting as arbitrator between Sergeant at Arms and Rules Committee staff on revision of "Guidelines for Information Processing and Computer Service Activities"
10/4/79	Meeting of "Management Group". Update review of activities and recommendations
1/18/80) 1/24/80) 1/25/80)	Meetings with Rules Committee staff re: Furniture; Acquisition of Equipment and Office Supplies; Maintenance and Custodial Services; Computer Information Services, and Allocation of Space in the Capitol
2/5/80	Memorandum with Questionnaire received from Paul Goulding and Tom Decker
2/6/80	Meeting re: Goulding and Decker memorandum and questionnaire
2/11/80	Response to Senator Pell, Chairman, Committee on Rules and Administration, re: Goulding and Decker memorandum and questionnaire

February 5, 1980

MEMORANDUM

TO: The Honorable J. Stanley Kimmitt

FROM: Paul Goulding, Tom Decker

RE: Staff Discussions on Operation of the Senate Follow-up Questionnaire

We appreciate your active personal participation at the recent informational meetings.

As you know, the administrative issues discussed were reported on in 1976. Their resolution is of significant interest to you as well as the Senate Rules Committee.

Your sharing of the information developed to date has brought us closer to proposed courses of action for Committee consideration in a most orderly fashion.

Although the meetings have been highly productive, you will, of course, recognize that they were not an appropriate forum to obtain precise statistical data, to array the advantages and disadvantages of alternative arrangements, and to clearly define certain activities.

In order not to overly prolong our meetings, we avoided discussing the type of detailed data contained in the attached questionnaire. The questionnaire has been designed to fill these gaps, some of which were covered in varying degree during our meetings.

Receipt of the completed questionnaire by February 11, 1980 would be appreciated.

QUESTIONNAIRE INSTRUCTIONS

The Senate Rules Committee has indicated a need for specificity to provide a sound basis for arriving at informed judgments. This questionnaire is designed to fill certain gaps remaining in our data base, and is composed of two parts. Please complete only those items which pertain to your organization.

Part I is designed to provide general resource data covering staffing and costs by activity during Fiscal Year 1979.

Part II is designed to supply general program data, your assessment of the advantages and disadvantages of alternative arrangements, and certain more clarifying definitions.

In some instances you may have actual data readily available; and in other instances informed estimates. It is not the intent to cause you to devote significant staff hours to develop actual data for this questionnaire. However, it would be appreciated if you would enter the word "estimate" whenever estimated data are used.

It will be noted that suggestions are made for certain officials to respond to selected questions. This is not designed to preclude any official from including his views on any question; in fact, your views would be welcome and of material assistance.

I. RESOURCE DATA - Fiscal Year 1979

Submitted by: _____

Activity	Authorized Positions	Costs		
		Salaries	Expenses	Total
1. Office Supplies				
2. Office Equipment				
3. Vehicle Servicing				
4. Facilities Maintenance				
5. Custodial/Janitorial Services: a. Senate side of Capitol				
b. Senate Office Buildings (including annexes)				
6. a. Furniture/Furnishings (less Cabinet makers) in Senate side of Capitol				
b. Cabinet Makers				
7. Information Processing and Computer Services.				

II. PROGRAM DATA

1. Office Supplies

a) The Senate Management Board has recommended that office supplies should be the responsibility of the Secretary of the Senate. In this connection, it would be helpful for the Committee to become aware of the dollar amount of office supplies purchased and issued during Fiscal Year 1979 by the:

	Purchased	Issued
--Stationery Room		
--Service Department		

b) The consensus at our meeting on January 18, 1980, was that the transfer should take place after the Hart Building is available. However, the Committee may desire that the transfer should take place before that time. Some reasons advanced for deferring the transfer were the desire for 1) more space, and 2) to locate the Stationery Room and the Service Department in contiguous space, which apparently is not now feasible. Please include any other reasons for deferring action until the Hart Senate Building is available.

With respect to the need for more space, it would be appreciated if the Secretary of the Senate, in concert with the Sergeant at Arms, would arrange to furnish the following space information:

Square Feet of Space	Stationery Room	Service Department
Currently Occupied		
Additional Space Required	_____	_____
Totals:		

c) The Committee would undoubtedly be favorably impressed at the evident spirit of cooperation and extra bonus, if the Architect of the Capitol were to furnish a list of each item, and its FY 1979 dollar amount of purchases and issues, proposed for transfer to the Secretary of the Senate, eg. electrical extension cords.

2. Office Equipment

a) It was indicated that office equipment is the sole responsibility of the Sergeant at Arms. No suggestions for change were made.

b) It would be helpful for the Sergeant at Arms to include the dollar amount of office equipment purchased in FY 1979 by each of the following three categories: 1) standard office equipment; 2) word processing equipment, and; 3) computer equipment, and to briefly describe the major ways in which office equipment procedures differ from office supply procedures. Such a background statement -- which should be less than a page -- would be helpful in responding to questions that might be raised by Committee members. Questions may arise because most organizations lodge responsibility for both expendable supplies and non-expendable equipment in the same organization.

3. Vehicle Servicing

The Senate Management Board has recommended that the Sergeant at Arms should assume full control for servicing of vehicles. We would appreciate it if the Sergeant at Arms, in concert with the Architect of the Capitol, would furnish a brief statement of what is included in vehicle servicing.

4. Facilities Maintenance

This is the sole responsibility of the Architect of the Capitol. No suggestions for change were made. During the meeting, the Architect of the Capitol provided a general definition of facilities maintenance. A more precise definition would be helpful. (See 5 below)

5. Custodial and Janitorial Services

a) During the meeting the Architect of the Capitol furnished a general definition to distinguish custodial and janitorial services from facilities maintenance (see 4 above). It would be helpful for the Architect to develop a more precise definition in concert with the Sergeant at Arms.

b) Senate Side of the Capitol
Both the Architect of the Capitol and the Sergeant at Arms have responsibility for custodial and janitorial services in the Senate side of the Capitol. It would be appreciated if the advantages and disadvantages (including staff and dollar savings and costs, and security considerations) were submitted for each of these three alternatives:

1- The current arrangement of multiple responsibility (the areas of responsibility should be specified).
2- Lodging all responsibility with the Architect of the Capitol.
3- Lodging all responsibility with the Sergeant at Arms.

c) Senate Office Buildings (including annexes)
It would be appreciated if the advantages and disadvantages were submitted for each of these two alternatives as they apply to the Senate Office Buildings (including annexes):

1- The current arrangement of retaining all responsibility with the Architect of the Capitol.
2- Lodging all responsibility with the Sergeant at Arms.

6. Furniture and Furnishings in the Senate Side of the Capitol

a) This activity includes the procurement, fabrication, repair, moving, storing and disposal of furniture and furnishings. The Senate Management Board recommended that this activity should remain as is, but that the Rules Committee should initiate a study to determine the feasibility of developing centralized procurement either in the Sergeant at Arms or the Architect of the Capitol.

b) The Sergeant at Arms indicates that he has a cabinet shop to service the Senate side of the Capitol with custom furniture, some of which have historical value. FY 1979 expenditures were about $125,000. It has been made clear that cabinet makers are different from carpenters. The Sergeant at Arms has also indicated the need to be responsive, and that the current arrangment provides maximum flexibility. The Architect of the Capitol affirms he has no cabinet makers, and that there is no duplication with the Sergeant at Arms.

c) The Architect of the Capitol is responsible for the care, repair, and purchase of furniture and furnishings for the Senate Office Buildings and annex buildings. He has indicated that FY1979 purchases were about 31 million dollars. However, this amount includes purchases of all items for the House as well as the Senate, and other organizations served by the Architect. It would be desirable for the Architect to separately furnish FY 1979 furniture and furnishings purchases for the Senate side of the Capitol, if any.

d) It would also be desirable for both the Architect and the Sergeant at Arms to indicate the estimated staff years devoted to the following functions as they apply to the Senate side of the Capitol:

1- Procurement
2- Fabrication
3- Moving
4- Storing
5- Disposal
6- Other (list)

The foregoing would be helpful in responding to Committee questions. In this connection, Committee members may pursue the desirability of transfering the cabinet shop to the Architect of the Capitol, so that all facets of furniture and furnishings would be the responsibility of one organization. In view of this, it would be desirable to have available the advantages and disadvantages of:

1- The current arrangement.
2- An arrangement which would transfer the cabinet shop to the Architect of the Capitol.

e) It would also be desirable for the Sergeant at Arms to briefly identify and outline the current staff, FY 1979 dollar amount of procurement, and need if any, or any furniture and furnishings functions not covered above which are not part of the cabinet shop.

7. Information Processing and Computer Servicing

a) The Senate Management Board has recommended that the Rules Committee should update its original guidelines developed in 1971.

b) Several replacement guidelines were developed with differences in approach and responsibilities.

c) The attached draft guidelines have been developed since our meeting on January 25, 1980, and are based on these management concepts:

1- The Rules Committee will continue to be responsible for initiation, policy making, and oversight functions.

2- Users will submit written requests for information processing and computer services to one point, the Committee.

3- The Committee will have complete flexibility in designating the project director. The project director will be responsible to ensure that all necessary actions are effectively accomplished, and that the policies of the Committee are followed.

4- The Committee will delegate responsibility to the Sergeant at Arms for the operation, administration, and maintenance of the Senate's Computer Center, including procurement, except for those instances when the Committee determines otherwise.

5- Qualified users may undertake preliminary studies but cannot commit the Senate.

d) We would appreciate receiving your concurrence and/or comments on the draft guidelines.

8. Allocation of Space in the Capitol

a) During the meeting on January 25, 1980, the Architect of the Capitol provided a preliminary assessment that about 30 additional offices could become available in the Senate side of the Capitol when the Hart Building is completed and available. However, the Culver Commission stressed that each Senator should have an office in the Capitol.

b) The Architect of the Capitol agreed to provide a plan and schedule covering such matters as remodeling, moving, and additional offices that

would become available. A significant number of rooms that could be used as Senate offices were identified during our combined walk-through of the space. In consideration that it would be highly desirable for each Senator to have an office, it would be very helpful if the plan and schedule were to at least cover:

1- The number of offices currently in use by Senators.

2- The number of additional offices and their room numbers, that would become available by time frame. If any issues need to be resolved, these should be discussed.

3- If the results of 1 and 2 above reflect that less than 100 offices would become available, the reasons should be outlined.

c) A special review should be made of both Capitol libraries. We would appreciate receiving the benefit of your assessment of the feasibility of:

1- Both libraries being in the same or contiguous space.

2- Moving one or both libraries from the Capitol. What significant problems would this raise?

In each instance please indicate the number of additional offices that would become available for use by Senators.

February 11, 1980

The Honorable Claiborne Pell
Chairman, Committee on Rules
and Administration
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Late on February 5, 1980, the Senate Management Board members received a memorandum from Messrs. Goulding and Decker, which requests information to be made available by today. Fortunately, most of the information is already available to the Committee. We were somewhat puzzled by the raising of questions in the memorandum that have already been covered in the series of meetings which were personally attended by the Secretary, the Sergeant at Arms, and the Architect. The transcripts and materials developed from these five meetings held in January, the fiscal year 1979 appropriations hearings and justifications, and the earlier documents of the Commission on the Operation of the Senate contain most of the information.

Since, as noted by the memorandum, it would take an inordinate amount of time to interpret some of the questions and to reassemble all of the information, we have attempted to be responsive by examining the above cited documents and providing a listing of references to appropriate page numbers, and where required, relevant additional comments.

The Management Board as noted in the meeting transcripts, has worked diligently to resolve many of the issues surfaced by the Commission on the Operation of the Senate. In fact, the Board has devoted considerable time to consolidating activities and rendering more efficient service to the Senate. To that end, the Board submitted specific recommendations to your Committee in August of 1978, and although we received an acknowledgement in December of 1979, we are, of course, awaiting your decisions on those recommendations.

Mr. Chairman, we have been encouraged by the thoughts recently expressed on your behalf by members of your staff that the roles of the Officers of the Senate and the Architect of the Capitol should, in fact, be strengthened. However, recent discussions with the Committee staff have led us to the opinion that your Committee intends to be more involved in the daily administrative services of the Senate. For example, the language of the draft resolution, attached to the February 5 memorandum, on Information Processing and Computer Services would relieve the Sergeant at Arms of many of his operating responsibilities for providing these services.

Mr. Chairman, we have the most profound respect for the Senate, and we feel a great sense of honor and privilege in serving you and your colleagues. It is with a feeling of concern, but also of confidence in the will and judgment of the Members of the Senate, that, if you agree, we be given an opportunity to appear before your full Committee to clarify the roles and functions of the Secretary, the Sergeant at Arms, and the Architect. We are personally most anxious to ensure that we are properly discharging our responsibilities in carrying out Senate policies.

Sincerely,

Secretary of the Senate Sergeant at Arms Architect of the Capitol

QUESTIONNAIRE RESPONSE

The Resource Data for fiscal year 1979 for the Secretary of the Senate and the Sergeant at Arms can be found in the printed Senate hearings of the Committee on Appropriations on the Legislative Branch Appropriations for that year; the Resource Data for the Architect of the Capitol is attached.

The Program Data:

1. Office Supplies.

   a. The Stationery Room purchased $1,616,382.41 worth of merchandise in FY 79 and had sales of $1,461,312.50 during that same period.

      The Service Department purchased $119,700 worth of merchandise in FY 79. See pages 7-11 of transcript, January 18, 1980, for dollar amounts, number of items and square feet used by the Service Department for their supplies.

   b. The Senate Stationery Room currently occupies approximately 4,000 square feet. It is estimated that the minimum

warehouse, sales area, and office space in a new location would be approximately 10,100 square feet which would include the consolidation of the supply section of the service department.

c. The Architect of the Capitol discussed in detail the proposal to transfer electrical extension cords, etc., to the Secretary of the Senate. This discussion is contained on pages 12-15 of the transcript of the meeting on January 18, 1980.

2. Office Equipment.

a. No answer required.

The Sergeant at Arms made the following purchases in FY 79:

b. General office equipment:	$1,115,032.44
Automatic typing equipment:	162,400.32
Computer Equipment: (See Senate Legislative Appropriations FY 79 Hearings)	
Micrographics equipment:	$ 217,007.89

Equipment and office supplies furnished by the Sergeant at Arms are provided in accordance with the rules and regulations approved by the Committee on Rules and Administration.

3. Vehicle servicing includes:

Washing authorized government vehicles.

Filling gasoline tanks on official government vehicles; checking and charging batteries; checking oil levels, adding oil, as required.

In addition to servicing vehicles, the attendants on duty in the Senate Garage who serve under the direction of the Architect of the Capitol are responsible for:

Enforcing regulations governing the use of the garage, insuring that only authorized vehicles are in the assigned parking spaces, and that vehicles are properly parked.

Operating electrically controlled garage doors.

Moving improperly or temporarily parked cars.

Cleaning the garage offices and washracks.

Maintaining daily records of gasoline and oil issued.

4. Facilities Maintenance.

Facilities maintenance involves the structural and mechanical care, repair, operation, and improvement of buildings and ground The services provided include the furnishing of electricity, elevator, heating, air conditioning, and thus energy management, water, and sewer service to building occupants; and the maintenance and repair to buildings and operating equipment. Also, facilities maintenance includes alterations and improvements to the physical facilities to accommodate increased or changing usage patterns, and establishing fire prevention and other safety program.

It is important to note that individuals managing a facilities maintenance program must be knowledgeable of the needs, requirements, and operating principles of building systems; versed in maintenance and construction techniques; aware of the capabilities of various skilled trades; and have the ability to direct and coordinate a comprehensive program of this type. In the office of the Architect of the Capitol, the facilities maintenance programs are coordinated by a staff of professional architects and engineers.

5. Custodial and Janitorial Services.

a. The difference between custodial services and building maintenance was discussed in detail at the meeting of January 24, 1980. For a review of this information, see pages 2-9 of the meeting transcript. In summary, custodial and janitorial services include the cleaning of offices suites, conference rooms, corridors and other occupied and unoccupied spaces; for example, among the tasks involved are dusting, vacuuming, emptying trash containers, polishing furniture, washing windows, scrubbing and

waxing floors, washing walls, and moving furniture. In carrying out these tasks the employees use such equipment as vacuum cleaners, mops and scrubbing machines.

b. The areas in the Senate side of the Capitol cleaned by the Sergeant at Arms and the Architect of the Capitol are discussed in considerable detail in the transcript of the January 24 meeting. Particular attention is directed to pages 11 and 13 of the transcript where the concerns involving security considerations are discussed.

The Architect of the Capitol estimates that on the average 2 employees under his jurisdiction are assigned to custodial activities in the Senate Side of the Capitol, at an annual cost of approximately $31,000. It is assumed that if these custodial activities are transferred to the Sergeant at Arms, the cost of the services would become a part of his budget, thus no savings would accrue.

As for cost savings related to transferring any or all of the cleaning responsibility for the Senate Wing of the Capitol to the Sergeant at Arms or Architect of the Capitol exclusively, we do not believe there would be any savings, since it would presumably take approximately the same number of employees to handle the offices served by the custodial staff.

Of major concern, however, if all custodial services on the Senate Side are transferred to the Sergeant at Arms are those areas in the center of the Capitol, for example, the Rotunda and Crypt, the East Front foyer on the first and second floors, and the East-West corridors, which should not be under split jurisidiction. Those areas should continue under the Architect who has jurisdiction over custodial services on the House Side of the Capitol.

c. See transcript for January 24, 1980.

6. Furniture and Furnishings in the Senate Side of the Capitol.

a. No answer required.

b. No answer required.

c. During the fiscal year 1979, the Architect of the Capitol, arranged for the temporary employment of a cabinetmaker to construct benches for Room S-128 in the Capitol. This action was taken after the Senate Sergeant at Arms advised that his cabinet shop was so busy that it would be impossible to have the benches constructed within the short time available to complete renovation of that space. The cost of the benches, including labor and materials, was approximately $26,000. Such occasions occur very rarely, but are indicative of the spirit of cooperation that exists between the Architect of the Capitol and the Sergeant at Arms.

In addition, the Architect of the Capitol does furnish and maintain venetian blinds and shades for windows on the Senate Side of the Capitol. During fiscal year 1979 approximately $500 was expended for this purpose.

d. The amount of time devoted by the Architect's staff to the functions outlined in this section is very limited and cannot be measured in man years.

The needs for the Senate Sergeant at Arms to have his own cabinet shop was discussed in considerable detail and a part of the hearing record. The major reason for this relates to the cabinet work performed to maintain the character of the furnishings in the Senate Chamber and other special historic and ceremonial rooms in the Capitol.

The furniture and furnishings budget of the Sergeant at Arms for the Senate Wing of the Capitol, exclusive of the cabinet shop salaries is $125,000. This money is used to purchase furniture, carpets, drapes, and related furnishings

used in Capitol offices in the Senate Wing. Aside from standard office furniture, the Sergeant at Arms procures special furniture as may be required for historic or ceremonial rooms. This procurement activity is handled by the Chief Clerk within the accounting office. Furniture procurement is only one of a multitude of duties of this employee and requires only a fractional portion of her time.

Fabrication of special pieces of furniture is performed by the Cabinet Shop. This shop is also responsible for repair, refinishing, and maintenance of Senate Wing furniture, and performs additional services such as picture framing for the offices of Senators. There are nine authorized positions within the Cabinet Shop. The Budget Resources used by the Cabinet Shop are listed in the printed Senate Appropriations Hearings for FY 79. Furniture fabrication is a specialized limited activity and perhaps consumes approximately one-fourth of the personnel resources of the shop, the rest being devoted to the other activities previously mentioned.

The moving of furniture within the Senate Wing of the Capitol is performed by the Custodial Services staff under the jurisdiction of the Sergeant at Arms. This is one of the numerous functions of the custodial services department, the major responsibility being the cleaning of the Senate Wing of the Capitol. It would be difficult to give a precise figure of man-years required to support the moving of furniture, but it would be no more than six or seven. The functions of the custodial services staff are covered in greater detail in the January 24, 1980 meeting transcripts.

e. The Sergeant at Arms has no other furniture, furnishings functions for the Senate Wing of the Capitol other than

those outlined above and as discussed at the January 24, 1980 meeting.

7. Information Processing and Computer Services.

a. No response required.

b. No response required.

c. No response required.

d. The staff of the Rules Committee submitted a proposed draft of regulations on computer services to the Sergeant at Arms and other officials at the meeting of January 25, 1980. At that meeting, Mr. Cochrane suggested as a result of the previous discussion regarding the draft document, that "...we are going to have to look at this in a smaller group and with the principals involved and try to--if we must go back and write a charter, write it in general basic terms, somewhat like the Constitution, and leave it free to be interpreted as we go along." No response can be given at this time to the computer services draft outline contained in the memorandum of February 5, 1980 since it appears to totally contradict the provisions of the draft submitted by the Rules Committee staff to the participants at the January 25, 1980 meeting.

8. Allocation of Space in the Capitol.

a. No response required.

b. At the present time, 56 Senators, including the Leadership, are assigned offices in the Capitol. The proposed relocation of the Disbursing Office, Document Room and Libraries will more than accommodate the remaining 44 Senators, if equal or better space can be provided.

c. Both the Senate Library and the Library of Congress Law Library share contiguous space and collections. Section 131, of Title 2 of the U. S. Code, requires that the Law

Library be preserved in the Capitol. A transfer of this Library out of the Capitol would require statutory authority.

There would be no significant problem moving the Senate Library to one of the office buildings, provided equal or better space and facilities were made available.

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1. RESOURCE DATA - Fiscal Year 1979

Submitted by: Architect of the Capitol - CAPITOL BUILDINGS

Activity	Authorized Positions	Costs		
		Salaries	Expenses	Total
1. Office Supplies				
2. Office Equipment				
3. Vehicle Servicing				
4. Facilities Maintenance	94	$2,200,000	$700,000	$2,900,000
5. Custodial/Janitorial Services: a. Senate side of Capitol	2	30,000	1,000	31,000
b. Senate Office Buildings (including annexes)				
6. a. Furniture/Furnishings (less Cabinet makers) in Senate side of Capitol				
b. Cabinet Makers				
7. Information Processing and Computer Services.				

*ESTIMATED COSTS

I. RESOURCE DATA - Fiscal Year 1979

Submitted by: Architect of the Capitol - SENATE OFFICE BUILDINGS

Activity	Authorized Positions	Costs		
		Salaries	Expenses	Total
1. Office Supplies				
2. Office Equipment				
3. Vehicle Servicing				
4. Facilities Maintenance	170	$4,200,000	$1,280,300	$5,400,(
5. Custodial/Janitorial Services: a. Senate side of Capitol				
b. Senate Office Buildings (including annexes)	295	$3,900,000		$3,900,(
6. a. Furniture/Furnishings (less Cabinet makers) in Senate side of Capitol				
b. Cabinet Makers				
7. Information Processing and Computer Services.				

*ESTIMATED COSTS

1. RESOURCE DATA - Fiscal Year 1979

Submitted by: Architect of the Capitol - SENATE GARAGE

Activity	Authorized Positions	Costs		
		Salaries	Expenses	Total
1. Office Supplies				
2. Office Equipment				
3. Vehicle Servicing	7	$157,100	$6,900	$164,000
4. Facilities Maintenance				
5. Custodial/Janitorial Services: a. Senate side of Capitol				
b. Senate Office Buildings (including annexes)				
6. a. Furniture/Furnishings (less Cabinet makers) in Senate side of Capitol				
b. Cabinet Makers				
7. Information Processing and Computer Services.				

*ESTIMATED COSTS

OFFICE OF SENATE LEGAL COUNSEL

STATEMENT OF MICHAEL DAVIDSON, COUNSEL

ACCOMPANIED BY ROBERT K. KELLEY, DEPUTY COUNSEL

PREPARED STATEMENT

Senator SASSER. Mr. Davidson, how are you?

Mr. DAVIDSON. I have a prepared statement which I will summarize.

Senator SASSER. Your prepared statement will be inserted in the record at the conclusion of your remarks.

BUDGET REQUEST

Mr. DAVIDSON. Thank you very much for having us here today. I wish to introduce Robert K. Kelley, Deputy Senate Counsel.

Senator SASSER. Welcome, Mr. Kelley. For the record, the next item is the newly established Office of the Senate Legal Counsel. The President's budget request for 1981 is $500,000, an increase of $150,000 over the amount available for the current fiscal year.

This is a new office recently established by law. The Senate Legal Counsel, Mr. Michael Davidson, is making his first appearance before the subcommittee.

I want to welcome you, Mr. Davidson, Mr. Kelley. Inasmuch as this is your first appearance, would you both please provide for the record a biographical sketch and proceed to give us some background about this new office and the justification for the budget estimate?

BIOGRAPHIES

Mr. DAVIDSON. Thank you again, Mr. Chairman. We have provided biographical sketches and very much appreciate this opportunity to explain the work of this office.

[The résumé follows:]

BIOGRAPHY OF MICHAEL DAVIDSON

Employment—assumed present position July 11, 1979; August 1977 to July 1979—Chief Staff Counsel, U.S. Court of Appeals for the District of Columbia Circuit; October 1974 to July 1977—visiting Associate Professor of Law, State University of New York at Buffalo; March 1973 to May 1974—Director, Housing Litigation Bureau, Housing and Development Administration, New York City; December 1966 to March 1973—(with a break between October 1970 and September 1971, while my wife and I lived and traveled in South America)—Assistant Counsel, NAACP Legal Defense and Educational Fund; and September 1964 to September 1966—Peace Corps Volunteer, Kenya.

Education—University of Chicago Law School, J.D., 1961–64; Cornell University, B.A., 1957–61; and Midwood High School, Brooklyn, N.Y., 1953–57.

Bar admissions—New York State, U.S. Supreme court, U.S. Courts of Appeals for the first, second, fourth, fifth, and sixth circuits, and the U.S. District Courts for the eastern, southern, and western districts of New York.

BIOGRAPHY OF ROBERT K. KELLEY

Assumed present position August 27, 1979.

Previous positions—Deputy to the President's Special Representative for Nonproliferation, Department of State (1977–79); Administrative Assistant and Legislative Counsel, Senator Charles McC. Mathias, Jr. (1976–77); Counsel, Senate Select Committee on Intelligence (1975–76); Attorney, Wilmer, Cutler, and Pickering, Washington, D.C. (1972–75); and Foreign Service Officer, U.S. Department of State (1966–69).

Education—J.D., Boalt Hall School of Law, University of California, Berkeley (1972); M.A., Political Science, University of California, Berkeley (1966); and B.A. History, University of Notre Dame (1962).

Bar admissions—District of Columbia and California

RESPONSIBILITIES AND CHARGES OF THE OFFICE

Mr. DAVIDSON. The Office was established by title VII of the Ethics and Government Act of 1978. As you indicated, this is the first occasion for the Appropriations Committee to consider a budget for the Office since my appointment in July 1979. Our full statement, which we are submitting for the record, sets forth a proposed budget of $500,000 for fiscal year 1981.

The Office is charged with the responsibility of representing the Senate, its committees, Members, officers, and employees in litigation, when directed to do so by the Senate. Representation may be provided in the defense of civil actions, which relate to the official or representative functions of Senate parties and with respect to subpenas, issued to Senate parties in any proceeding, civil or criminal.

The Counsel may also be directed to bring civil actions to enforce Senate subpenas, or to apply for witness immunity orders. The Counsel is charged with advising the Senate when he believes the Senate should intervene or appear as amicus in pending litigation, and to appear in such cases if the Senate directs him to do so.

CASELOAD

Our case load since my appointment in July 1979, illustrates these varied functions: six cases were initially referred to us; an additional eight cases have been referred since September. Of the initial six, one included defense of a Senator in a libel suit, another involved responding to a Common Cause subpena for franked mass mailing records relating to all Senators, and a third involved representing a subcommittee in document demands and depositions in a civil damage suit against a former chairman and staff.

Of the subsequent eight cases, five have involved subpenas to Members and staff; others include representation of members in the Maryland Tax Court with respect to the constitutionality of a Federal statute and an amicus brief in defense of a statute's constitutionality.

ADVISORY FUNCTIONS AND RESEARCH

The Counsel may be called upon to perform a number of advisory functions. One is to advise committees or subcommittees about rules, procedures and legal questions in Congressional investigations.

The Office is charged with compiling legal research files of materials from court proceedings which have involved Congress, its Members, committees, and staff.

STAFF

We now have two assistant counsel on our staff. The proposed budget will permit us to have a third assistant counsel to enhance our ability to respond to the requests for representation and advice which we receive. We also propose to hire a librarian or archivist to assist in compiling legal files of materials from court proceedings which have involved the Congress.

The project is an historical one and should go back to the first case involving a Member. We plan to develop an indexing system that will enable us to draw on all precedents. This should be of great value in litigation affecting the Congress.

PREPARED STATEMENT

Senator SASSER. Your prepared statement will be inserted in the record at this point.

Mr. DAVIDSON. Thank you very much. I am prepared to respond to any questions you might have.

[The statement follows:]

STATEMENT OF MICHAEL DAVIDSON

Thank you, Mr. Chairman. I appreciate the opportunity to appear before your Committee to discuss the budget for the Office of Senate Legal Counsel for fiscal year 1981. May I introduce Robert K. Kelley, the Deputy Senate Legal Counsel, who is with me today.

The Office of Senate Legal Counsel was established by Title VII of the Ethics in Government Act of 1978, Pub. L. 95-521, 2 U.S.C.A. § 288 (Supp. 1979). This is the first occasion for the Appropriations Committee to consider a budget for the Office since the appointment of the Counsel in July, 1979. This statement sets forth the proposed budget of $500,000 for the Office of Senate Legal Counsel for fiscal year 1981 which is $150,000 more than fiscal year 1980, and describes, in support of the proposed budget, the purposes and organization of the Office.

The details of my budget request is as follows:

Salaries:

Current Positions:

Counsel		$ 55,387*
Deputy Counsel		52,750*
Assistant Counsel	$ 38,178	
Assistant Counsel	32,118	
Information Specialist	30,300	
Administrative Assistant	25,048	
Staff Assistant	19,392	$145,036**

Proposed Additional Positions:

Assistant Counsel	$ 38,178	
Librarian/Archivist	30,300	
Legal Secretary	19,392	
Legal Assistant	19,392	$107,262**
Interns (Research Assistants)		5,000

*/ The salaries of the Counsel and Deputy Counsel are fixed by the statute creating the office.

**/ The salaries listed for current positions, other than the Counsel and Deputy Counsel, are estimated salaries. The salary of Assistant Senate Legal Counsels may not exceed a rate equal to level V of the Executive Schedule. The Counsel is authorized by the statute to fix the compensation for Assistant Counsel and other personnel within the limits of available funds, and the statutory limit for Assistant Counsel.

Agency Contributions for Retirement, Life Insurance and Health Insurance		36,000
Reserve for Adjustment in Salaries (not including Cost-of-Living Increase)		15,000
		$416,435

Other Expenses:

Outside Counsel and Consultants	$15,000	
Office Law Library	10,000	
Telephone	3,000	
Stationery	3,600	
Litigation expense (travel, transcripts, etc.)	50,000	
Miscellaneous	2,000	83,600
		$500,035
Rounded to		$500,000

2. Responsibilities of the Office

The office is charged with the responsibility of representing the Senate, its committees, members, officers and employees in litigation, when directed to do so by the Senate. Representation may be provided in the defense of civil actions which relate to the official or representative functions of Senate parties. Representation may also be provided in respect to subpoenas issued to Senate parties in any proceeding, civil or criminal. The Counsel may be directed to bring civil actions to enforce Senate subpoenas, or to apply for immunity orders. The Counsel is also called on to advise when he believes the Senate should intervene or appear as amicus in pending litigation, and to appear in such cases if the Senate directs him to do so.

Additionally, the Counsel may be called upon to perform a number of advisory functions. One of these functions is to advise officers of the Senate with respect to subpoenas, orders or request for withdrawal of papers presented to the Senate. Another is advise committees or subcommittees about rules and procedures for congressional investigations and to provide advice with respect to questions which arise during the course of investigations.

A third responsibility is to compile and maintain legal research files of materials from court proceedings which have involved Congress, a House of Congress, an office or agency of Congress, or any committee, subcommittee, member, officer or employee of Congress. The statute provides that the public court papers and other research memoranda which do not contain information of a confidential or privileged nature shall be made available to the public. This task is of fundamental importance because it will enable this office to develop for the Senate a way of rapidly recalling past experiences in Congressional litigation in order to represent the Senate more effectively.

3. Accountability of Office

The Ethics Act provides that the office is directly accountable to the Joint Leadership Group. The Joint Leadership Group consists of Senators Robert C. Byrd, Howard H. Baker, Jr., Warren G. Magnuson, Edward M. Kennedy, Strom Thurmond, Claiborne Pell, Mark O. Hatfield, in their capacities, respectively, as the majority and minority leaders, President pro tempore, chairman and ranking minority members of the Judiciary Committee, and chairman and ranking minority members of the Rules Committee. The Secretary of the Senate assists the Joint Leadership Group in the performance of its duties.

4. Funding under the Contingent Fund

Section 716 of the Ethics Act provides that the expenses of the office shall be paid from the contingent fund of the Senate. Our proposal is that the appropriation for the Office of Senate Legal Counsel be included as a separate line item under the contingent fund.

It is always possible that the expenses of the office will increase sharply during the year as a result of unforeseen expenses resulting from the assignment of cases to the office by the Senate. If that occurs, we would

consult with the Joint Leadership Group as to appropriate means to obtain additional funds from the contingent fund of the Senate. Our objective, barring unforeseen events, is to maintain expenses at the level of this budget request.

5. Present and future staffing

The statute provides for the appointment of a Counsel and a Deputy Counsel, at salaries fixed according to the Executive Schedule. As indicated earlier, the Counsel is authorized to fix the salaries of assistant counsel and other personnel within the limits of available funds. The specific salary figures in the proposed budget are estimates to reflect the salary structure which has been established. Actual salaries for the next fiscal year will be fixed according to particular staffing needs within the limits of the total budget.

(a) Assistant Counsel

Two assistant counsel have been appointed. Our belief is that the current and expected workload of the office justifies the hiring of one additional lawyer, and the proposed budget provides for the hiring of a third assistant counsel. the problems presented to the office often require prompt answers, and a third assistant will enhance our ability to be responsive.

(b) Legal Assistants

We propose to organize a two-person unit to collect and analyze documents and develop and operate a retrieval system for the large amount of factual information involved in a number of our lawsuits. One person, with the job title "information specialist," is at work; our proposal includes the position of legal assistant to assist in this area. The pending challenge to the franking statute, Common Cause v. Bolger, alone involves drawers of documents relating to the mailings of more than 100 members.

(c) Librarian or Archivist

As mentioned earlier, section 708(b) of the Ethics in Government Act requires us to compile and maintain legal

research files of materials from court proceedings which have involved Congress, a House of Congress, an office or agency of Congress, any committee, subcommittee, member, officer or employee of Congress. This will be a valuable and exhaustive process. While much of the contemporary material has been collected, the project is an historical one and should go back to the first case involving a member. Within our office we should develop an indexing system to take advantage of the large amount of material which will be provided. I propose to hire a librarian or archivist to identify, collect, and index the material. It might be helpful to have a legal historian available as a consultant on the project.

(d) Support Staff

We now have two people, an administrative assistant and staff assistant, who manage the office and perform all secretarial functions. The proposed budget would provide for the hiring of a legal secretary.

(e) Total Staff

The complement of 11 persons described above -- 5 lawyers (including Counsel and Deputy Counsel), 2 legal assistants, 1 librarian or archivist, and 3 supporting personnel -- should be the upper limit of staff required for this office for the foreseeable future. At the end of two years the need for a librarian or archivist should be reexamined in light of the progress made in collecting, organizing and analyzing the historical materials gathered pursuant to Section 708(b) of the Ethics Act.

6. Special Projects for the Next Year

In addition to litigation, counseling, and the historical project discussed above, two special projects are in progress. One involves the development of a manual for congressional investigations. The other is a study of the privileges of the Congress in respect to demands upon it for information. Our objective is to have working drafts of both undertakings in time for the organization of the 97th Congress.

FORSEEABLE LITIGATION

Senator SASSER. What kind of litigation do you foresee, Mr. Davidson, for the remainder of 1980 and 1981?

Mr. DAVIDSON. Much of the litigation with which the Office is presently involved will continue through 1980, perhaps into the next fiscal year.

For example, the discovery phase of the Common Causes challenge to the constitutionality of the franking statute should be concluded within the next 6 months, and the case should then be addressed on its merits.

The Office will continue to defend the provision of the Communications Act which prohibits editorializing and the support of candidates by public broadcasters. The provision is designed to prevent the intrusion of politics into public broadcasting. The Senate has appeared as amicus following the failure of the Department of Justice to defend the statute. It is difficult to predict what new cases there may be. We do expect to be involved closely with several investigating committees in efforts to enforce their subpenas and obtain immunity orders when necessary.

Beyond that, the principal mission of the Office is to defend the constitutional prerogatives of the Senate in cases initiated by parties outside the Senate. We cannot forecast what challenges will be posed over the next year, but the experience of recent years and our own in the last 6 months indicates there will always be new ones.

Senator SASSER. Do you have any anticipated date when this Common Cause lawsuit is going to be concluded or is it just going to go on and on, ad infinitum?

Mr. DAVIDSON. The court has permitted an extensive discovery effort by Common Cause, which, again, with the initiation of the lawsuit in 1973, but our Office will now begin to move litigation, as best we can, to conclusion. The merits of it should be addressed, if the court has jurisdiction to do that, and the case resolved, and I would hope that we can successfully do that over the course of the next year.

Senator SASSER. What about the law firm that is representing the Senate in the Common Cause suit? Have they been discharged?

Mr. DAVIDSON. The resolution which assigned that case and others to our Office involved a change from private counsel to Senate counsel, so the work of that law firm has been completed.

Senator SASSER. All right, Mr. Davidson, thank you very much for appearing here this morning.

Mr. DAVIDSON. Thank you.

SUMMARY OF ACTIVITY

Senator SASSER. Mr. Davidson, would you provide for the record a summary of the activities that your office has been engaged in since its inception?

[The summary follows:]

Six cases were initially referred by Senate Resolution to the Office of Senate Legal Counsel for representation.*/ These included (1) the defense of Senator Proxmire in a libel suit, (2) representation in respect to discovery matters in Common Cause's challenge to the constitutionality of the franking statute, and (3) representation of the Permanent Subcommittee on Investigations in respect to discovery of Committee documents sought by plaintiffs in a civil suit brought against the estates of Senator McClellan and several former Committee employees.

Since these initial six cases referred by S. Res. 226, the Senate has approved eight resolutions directing the Office to undertake representation in eight additional cases. (Appended to my statement is a listing and brief description of these resolutions.) Five of these cases involved subpoenas for testimony or documents issued to Members or Senate staff; one case involves an appearance on behalf of the Senate in support of the constitutionality of a statute which the Department of Justice declined to defend; another involved representation of a Senator as appellee in a civil action; an eighth resolution directed the Office to represent Senators in proceedings before

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*/ S. Res. 226, 97th Cong., 1st Sess. (1979).

the Maryland Tax Court where Public Law 95-67 may be asserted as a bar to tax liability.

During the Inter-Session recess the Joint Leadership Group also directed the office to represent the members of the Senate Subcommittee on Limitations of Contracted and Delegated Authority in defense of an action to enjoin enforcement of a subcommittee subpoena.

Highlights of the Office's activity in the cases and matters pursuant to these resolutions include the following:

-- represented four Senate employees in depositions to protect the privileges of the Senate

-- filed motions to appear as amicus and to dismiss in League of Women Voters v. FCC

-- represented the Senate computer center in its response to Common Cause's subpoena of data relating to franked mail from 1976-1979

-- negotiated agreement with counsel for former OMB Director Lance providing for affidavits by Senate employee in lieu of personal appearance testimony

-- assisted several committees and subcommittees with legal questions relating to the conduct of investigations and hearings, and proposed rules and procedures.

Resolutions */ Directing Senate Legal Counsel to Provide Representation

S. Res.	Date	Case	to represent
226	Aug. 3, 1979	Hutchinson v. Proxmire, et al.	Senator Proxmire, Morton Schwartz, Legislative Assistant to Senator Proxmire
		Common Cause v. Bailar, et al.	The Senate, its committees, Members, officers and employees (in respect to discovery--subpoena)
		Chadha v. INS	Secretary of the Senate (as amicus curiae on behalf of the Senate)
		McSurely v. McAdams, et al.	Permanent Subcommittee on Investigation (in respect to discovery)
		Albaugh v. U.S.	Secretary of the Senate
		Dawson v. Byrd, et al.	Senator Robert C. Byrd, and the Members of the Senate
230	Sept. 13, 1979	SEC v. Wheeling-Pittsburgh Steel Corp.	Timothy Keeney, Senate employee (subpoena)
237	Sept. 19, 1979	Fitzgerald v. Butterfield, et al.	R. Kaufman, R. Tammen and D. Julyan, Senate employees (subpoenas)
243	Sept. 24, 1979	Mims v. Thurmond, et al.	Senator Strom Thurmond (appellee)
259	Oct. 16, 1979	Art Metal v. Freeman, et al.	R. Chiodo, Senate employee (subpoena)
270	Oct. 30, 1979	U.S. v. Arens	Senator Henry M. Jackson and S. Kimmitt, Secretary of the Senate (subpoenas)
279	Nov. 19, 1979	U.S. v. Lance, et al.	R. Wegman and John Childers, Senate employees (subpoenas)

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S. Res.	Date	Case	to represent
328	Dec. 21, 1979	League of Women Voters v. FCC	The Senate (as amicus curiae in support of the constitutionality of 47 U.S.C. § 399(a)
329	Dec. 21, 1979	Proceedings before the Maryland Tax Court, and appeals therefrom in which Pub. L. 95-67 may be asserted as a bar to tax liability	Members

*/ During the Inter-Session Recess, the Joint Leadership directed the Office to represent the Senate Judiciary Subcommittee on Limitations of Contracted and Delegated Authority in defense of an action to enjoin a Subcommittee subpoena.

ARCHITECT OF THE CAPITOL

STATEMENT OF GEORGE M. WHITE, ARCHITECT OF THE CAPITOL

ACCOMPANIED BY:

ELLIOTT CARROLL, EXECUTIVE ASSISTANT
WILLIAM F. RAINES, JR., ADMINISTRATIVE ASSISTANT
J. RAYMOND CARROLL, DIRECTOR OF ENGINEERING
BEN WIMBERLY, GENERAL COUNSEL
EMANUELE CRUPI, BUDGET OFFICER
J. LEWEY CARAWAY, SUPERINTENDENT, SENATE OFFICE BUILDINGS
PAUL PINCUS, LANDSCAPE ARCHITECT
TOM WARD, SUPERVISING ENGINEER, CAPITOL BUILDING
HENRY C. KILBY, JR., ASSISTANT BUDGET OFFICER

1980 APPROPRIATIONS AND 1981 BUDGET REQUEST

Senator SASSER. Our next witness is going to be the Architect of the Capitol. Welcome, Mr. White. The fiscal year 1981 President's budget request for the activities under the Architect of the Capitol is $77,379,000 and 2,012 positions, a net increase of $10,995,000 and 11 positions over the comparable 1980 level. The bulk of the increase is related to a construction and renovation project at the Library of Congress.

You may proceed with your statement and justification, Mr. White.

Mr. WHITE. Thank you, Mr. Chairman. I am pleased again to appear before your committee, at this time to present the appropriations request for fiscal year 1981 for my office and the Botanic Garden.

On the assumption that there may be some specific areas that the committee wishes to pursue and since I presume time is of the essence, I will very briefly summarize my statement which I understand will be included as part of the record.

Senator SASSER. Yes, it will be included in the record at the conclusion of your remarks.

BUDGET REQUEST AND POSITIONS

Mr. WHITE. As you stated, the total appropriation request is $77,379,000, which includes funding for 2,012 positions. This represents a net increase of $10,995,000 and 11 positions over the fiscal year 1980 total of $66,384,000 and 2,001 positions.

Stated differently, gross increases requested are $19,006,500, and 22 positions which have been reduced by nonrecurring fiscal year 1980 program deductions amounting to $8,011,500 and the abolition of 11 positions. If the item "House Office Buildings" is excluded, the $19,006,500 increase for 1981 reduces to $16,595,000, of which $2,476,000 is for Senate Office Buildings and the Senate Garage, and the 22 additional positions remain unchanged.

CATEGORIES OF INCREASES

Basically, the $19,006,500 increases fall into five categories. They are as follows: $1,075,600 or 6 percent of the total, for mandatory items; $374,200 or 2 percent, for 22 new positions requested; $4,086,100 or 21 percent for annual recurring maintenance items; $3,910,100 or 21 percent for cyclical maintenance; and $9,560,500 or 50 percent for continuing and initiating other programs.

MAINTENANCE OF ESCALATORS

I should like to mention, Mr. Chairman, a specific item that is in our justifications; we indicate an item for maintenance of escalators in the Capitol Building on the Senate side which we have since determined has become an emergency matter, and which we intend to accomplish with payment from our contingent funds for which funds have already been appropriated, if that is in agreement with the committee.

Senator SASSER. There is no objection to that.

Mr. WHITE. Thank you, Mr. Chairman.

PREPARED STATEMENT

Senator SASSER. Your prepared statement will be inserted in the record at this point.

Mr. WHITE. That concludes my comments. I will be delighted to respond to any questions you may have.

[The statement follows:]

Statement of George M. White

Thank you, Mr. Chairman. In presenting our appropriations request for fiscal year 1981, if it is agreeable, I thought it would be appropriate, as we did last year, to present a brief summary of the various requests, following which I would be pleased to respond in detail to questions regarding any of the specific items that you wish to pursue.

The justifications have been prepared, Mr. Chairman, to include all items pertaining to the "Architect of the Capitol", including the Botanic Garden, House items, Senate items, and joint items.

The total appropriation request for fiscal year 1981 is $77,379,000, which includes funding for 2,012 positions. This represents a net increase of $10,995,000 and 11 positions over the fiscal year 1980 total of $66,384,000 and 2,001 positions. Stated differently, gross increases requested are $19,006,500, and 22 positions which have been reduced by nonrecurring fiscal year 1980 program deductions amounting to $8,011,500 and the abolition of 11 positions. If the item "House Office Buildings" is excluded, the $19,006,500 increase for 1981 reduces to $16,595,000, of which $2,476,000 is for Senate Office Buildings and Senate Garage, and the 22 additional positions remain unchanged.

The $19,006,500 increases fall into five categories, namely,

Mandatory Items, which total $1,075,600, or 6% of the increase; This category includes annualization of Civilian Pay Act and Wage-rate pay increases effected in October 1979; related benefits and premium pay for existing and additional positions requested; within-grade salary advancements and other changes authorized by law.

New Positions, which total $374,200, or 2% of the increase; Twenty-two additional positions, consisting of 17 for "Salaries, Architect of the Capitol" and 5 for the "Capitol Buildings" are requested for fiscal year 1981. They are being requested to handle increased workload demands, implement new, expanded, and improved programs, and, in general, apply more extensive efforts to improve overall services to the Congress.

Annual Recurring Maintenance, which totals $4,086,100, or 21% of the increase; The two significant increases contained in this category, representing 77% of the total, are $2,359,700 for purchase of electrical energy from the Potomac Electric Power Company and $780,000 for the purchase of low sulphur coal through the Federal Supply Service, General Services Administration. The balance of $946,400, of which approximately $250,000 represents inflationary increases, is required to finance normal maintenance responsibilities, such as painting; repairs and improvements to electrical, electronic, air conditioning, and other mechanical systems; procurement of supplies and materials, equipment, furniture and furnishings; and control of insects and pests.

Cyclical Maintenance, which totals $3,910,100 or 21% of the increase; As indicated in the past, I define this category as long term maintenance items that arise only once in ten or twenty years, such as roof repairs, sidewalk replacement and so forth. The three largest items, in monetary terms, requested under this category are replacement of sections of the air conditioning systems, Russell Building ($1,730,000), roof repairs, replacements, and required related work at the Capitol

Power Plant and the Botanic Garden ($630,200), and continued funding for the replacement of expansion joints in steam lines ($300,000). The remainder of $1,249,900 is spread over such programs as replacement of Minton tile ($196,000); rectifying drainage conditions, Rayburn Building central court pool ($108,200); replacement of Capitol Grounds equipment ($161,500); elevator modernization, Immigration Building ($170,000); other miscellaneous items totaling $614,200, of which none exceeds $100,000, for property and equipment maintenance and preservation and other periodic needs.

Continuing and Initiating Other Programs, which total $9,560,500, or 50% of the increase; Included in this category are four substantial items amounting to $9,052,500, or 95% of the total under this heading, of which $950,000 is needed to finance the renovation of the Longworth Cafeteria consisting of a complete remodeling of the dining and serving area and related and mechanical work; $300,000 to continue funding for improving and expanding the electrical and communication capabilities in the Longworth Building, including the lowering of corridor ceilings and installing power wiring, cabling, and other appurtenances in the concealed space between the existing and proposed hung ceilings; $695,500 for installation of additional X-ray inspection equipment, as part of the Capitol Complex Security System, and $107,000 for office intrusion alarms that are intended to be connected to that system; and $7,000,000 for necessary fire protection improvements in the book stacks in both of the old buildings of the Library of Congress, removal of temporary partitions in the Library of Congress Main

Building, and architectural/engineering fees, for a major program of renovation and restoration of the Main and Jefferson Buildings; the construction portions of the request are intended to be the first phase of that program. The balance of $508,000 will finance such programs as the installation of bronze handrails in the House Chamber Gallery, $185,500; purchase of electrical testing and micrographic equipment, sound absorbent partitions and computer terminal tables in the Senate Office Buildings, $117,000; installation of fire protection improvement equipment in the Security Complex, Russell Building, the HIS computer rooms in the Rayburn and House Annex No. 2, and the attic of the Longworth Building, $170,500; and $35,000 for modernization of speech reinforcement systems in 11 subcommittee hearing rooms in the House Office Buildings.

Mr. Chairman, that concludes my brief summary and I shall be pleased to respond to questions that you and the Committee may have.

ELEVATOR OPERATOR POSITIONS

Senator SASSER. Several years ago the Congress enacted legislation to limit the number of elevator operators. Please review that provision and indicate by year progress toward this goal and how much it saved the taxpayers.

Mr. WHITE. In total, Mr. Chairman, we began with 152 operators. At the end of the process, which has not yet been achieved, but will be by September 30, we will have reduced from 152 to 76.

In other words, we will have reduced the number of operators by 50 percent. The reduction required by the legislation, was to 90 operators. I will be glad to submit for the record the process by which that reduction has taken place since 1977.

[The information follows:]

ELEVATOR OPERATORS

The Legislative Branch Appropriation Act, 1977, Public Law 94-440 approved October 1, 1976, contains the following provision:

"Automatic Elevator Operators

No part of the funds appropriated under this Act shall be used for the payment of compensation for more than forty-six elevator operator positions under the heading "Architect of the Capitol, Capitol Buildings"; sixteen elevator operator positions under the heading "Architect of the Capitol, Senate Office Buildings"; and twenty-eight elevator operator positions under the heading "Architect of the Capitol, House Office Buildings": Provided, That such provision shall not be applicable to present incumbents of elevator operator positions."

Originally there were 152 operators assigned to the Legislative group of buildings and Public Law 94-440 required that this number be reduced by 62 positions, leaving a total of 90 operators.

The number of operators in the House Office Buildings were to be reduced from 52 to 28 positions, a reduction of 24 positions (The three positions assigned to the freight elevators were subsequently converted to laborer positions, thereby, reducing the number of operators in House Office Buildings to a total of 25); in the Capitol from 52 positions to 46, a reduction of 6 positions; and in the Senate Office Buildings, from 48 positions to 16 positions, a reduction of 32 positions.

As of this date, 58 of the 62 positions have been abolished, leaving a total of 4 positions to be abolished (Senate Office Buildings), through attrition, pursuant to Public Law 94-440.

In the House Report accompanying the Fiscal Year 1980 Legislative Bill the Committee has directed that, as of September 30, 1980, the number of operators in the House Office Buildings be further reduced from 25 to 14, a reduction of 11 positions.

	Positions	Amount
Reductions to date.....	58	$490,100
Additional reductions.....	15	145,800
Total reductions.....	73	$635,900

ARCHITECT OF THE CAPITOL

ELEVATOR OPERATOR POSITIONS

Status as of January 31, 1980

	Authorized Fiscal Year 1977		Base Reductions Fiscal Year 1978		Base Reductions Fiscal Year 1979		Total Reductions as of 1/31/80		Position Limitations P.L. 94-440	Additional Positions to be Abolished	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Pos.	Amount
Capitol Building.....	52	$ 430,600	6	$ 50,600	...	$	6	$ 50,600	46	...	$ .....
House Side.....	(22)	(185,800)	(...)	(.....)	(...)	(.....)	(...)	(.....)	(22)	(...)	(.....)
Senate Side.....	(30)	(244,800)	(6)	(50,600)	(...)	(.....)	(6)	(50,600)	(24)	(...)	(.....)
Senate Office Buildings.....	48	422,200	28	236,900	...	.....	28	236,900	16	4	40,800
House Office Buildings.....	52	439,000	17	143,500	7	59,100	24	202,600	28 1/	11 2/	105,000
Totals.....	152	$1,291,800	51	$431,000	7	$59,100	58	$490,100	90 1/	15	$145,800

1/ As reported in the House Hearings of the Legislative Branch Appropriations Subcommittee, 1980, page 2040, "28 positions are authorized, but three positions were assigned to the Building Superintendent for freight elevators. The incumbents of those positions are being employed in laborer - type positions where there is a more urgent need." Accordingly, the two cited figures are to be reduced by 3.

2/ These 11 positions are to be abolished by September 30, 1980. Hopefully, the required reduction can be accommodated through attrition, if not, additional cuts will be made in order to comply with the directive. The reduction and related funding has been reflected in the fiscal year 1981 justifications.

Note: The total number of elevator operator positions available as of September 30, 1980, will be limited to 76, which will be distributed as follows: 46 in the Capitol, 16 in Senate Office Buildings, and 14 in House Office Buildings.

( ) Parentheses = non add

REDUCTIONS AND SAVINGS

Mr. WHITE. We reduced 51 positions in 1978; and 7 positions in 1979 for a total for those 2 years of 58. We expect to reduce by attrition between now and September 30 the balance. If the attrition time that is allotted for operators assigned to the House doesn't result in the total reduction, then as of September 30, we will achieve the goal by reduction in force of those assigned to the House irrespective of attrition.

Senator SASSER. How much is saved out of all of this?

Mr. WHITE. We will have saved, on an annual basis, approximately $650,000 each year by that total reduction.

It is a major benefit, I believe, to our budget, and of course to the treasury.

We think, Mr. Chairman that the service to the Congress has not been diminished. Of course, as you may recall, that results largely from the expenditure of funds in which we engaged in order to modernize and automate the elevators. That cost is rapidly repaid through a reduction in labor cost in the form of fewer operators.

CONDITION OF THE SENATE OFFICE BUILDINGS

Senator SASSER. Mr. White, I continue to get complaints from my colleagues and from constituents and others about the operation of the Senate Office Buildings.

Perhaps I should address some of these complaints to the superintendent of Senate Office Buildings, Mr. Caraway. It seems to me that with a budget of 511 positions and a budget request of $13.5 million that the least we can expect is that the Senate Office Buildings be kept clean.

Now, I have people complain to me about—and Senators complain to me—about the building not being clean, about brass never having been polished for years or years ago it was polished; elevators breaking down. There is an elevator in the Dirksen Building, and in the 3 years I have been in the U.S. Senate, that elevator has never operated properly.

It might have been repaired to operate properly in the last month, but I am not sure about that. It is one of the private elevators for Senators.

In the Russell Building we don't seem to have the capacity to get all of the bulbs working in the elevators properly at the same time, indicating or illuminating the floor that the elevator is coming to and that sort of thing.

Why can't we do better?

Mr. WHITE. I think your criticism is valid with regard to the elevators, Mr. Chairman. We can do better. We are in the process of doing better.

PREVENTIVE MAINTENANCE

One of the considerations that is related to that is the preventive maintenance program which we began to institute last year in order to try to anticipate difficulty rather than wait until it arises. Over the years, it seems that preventive maintenance hasn't been given the kind of effort that we think it should be.

As you may recall, we began that program last year. The effect on the elevators will be noticed and is beginning to be noticed now. We have a new elevator engineer and new effort is being exerted to monitor and maintain those elevators.

I might say that the capacity that we now have for rotation of elevator mechanics from one building to another will enable us to increase our preventive maintenance capacity as well.

We have noticed difficulty with those elevators, and we are in the process of rectifying the situation. With regard to the cleaning of the buildings, that is a continuous problem, Mr. Chairman, and I will let Mr. Caraway speak to that himself.

We have had, from time to time, difficulties that arise because of people leaving trays of dirty dishes in the corridors as well as furniture and things of that nature.

HALL MONITORS

Several years ago we established a policy of having a monitor roam through the halls of each of these buildings on a rather intensive basis; the Democratic Policy Committee suggested that we do that since there seemed to be no way of controlling the placing of trays of dishes out in the corridor.

I believe that has been alleviated to some degree. On the other hand, I think that we are still monitoring the hallways, perhaps not with the same frequency that it needs.

As you know, a monitor can walk down the hallway and pick up all of the things that are placed out there and 3 minutes later more can show up. So it is a continuous problem that we don't really know quite how to solve.

Let me ask Mr. Caraway to speak to that, if he would. Lewey, do you want to respond to the question?

Mr. CARAWAY. Dirty dishes?

Senator SASSER. No, I haven't seen dirty dishes, quite frankly.

Mr. CARAWAY. They were right across from your door one day last week. I thought maybe you saw it.

Senator SASSER. No, sir, I didn't.

Mr. CARAWAY. We have a monitor who goes around all the time, making reports on dirty dishes and any furniture in the corridors. We have it picked up. Of course, the dirty dishes we are not responsible for, Mr. Chairman, but we do try to keep them out of the halls.

Now, as Mr. White said, we can go down the corridor and somebody will come right behind us and place dirty dishes, newspapers, and pieces of furniture from their office into the corridor.

It is a problem that I do not think we have a responsibility for because, as I say, we have monitors going around all the time, trying to maintain clean corridors.

Senator SASSER. Well, just let me, Mr. Caraway, I am—frankly, I haven't seen the dirty dishes in the corridor. That is really not my concern.

COMPLAINTS ABOUT THE OPERATION OF THE BUILDINGS

The concern of others of my colleagues who complain to me, and they complain because I happen to be chairman of this subcommittee—I think they direct some of their complaints to the Rules Committee also.

There are complaints about the elevators and there are complaints about general overall cleanliness in certain areas, such as on the public elevators.

I know we have got an enormous volume of people to come through these Senate Office Buildings every day. I'm told that about 4 to 6 million people visit the Capitol complex every year. It is exceedingly difficult, I am sure, to keep them clean and up to high standards.

CONSTITUENT COMPLAINTS

But I hear complaints from constituents. They say this is one indication Government can't even keep their own buildings clean over here. I bring this up simply to point out my wish and the wish of others that we try to do better.

I know that is not the easiest thing to do—to mobilze the people you are dealing with but we really do need to do better. I think we can.

Mr. WHITE. Mr. Chairman, I can assure you that we will intensify our efforts. I believe there is always room for improvement. In certain cases that you have cited, there is room for improvement, and we will exert all our efforts in that regard.

CLEANING OF THE ELEVATORS

Mr. CARAWAY. The cars are cleaned every night, Senator, the brass, the doors, all of it.

Senator SASSER. Well, Mr. Caraway, I know that you try to do your best, but I am simply reciting some of the complaints and problems that I encounter with some of my colleagues and also comments I get from constituents.

Mr. CARAWAY. I know they get dirty during the day. We have had to have the doors in front of our office cleaned daily because of the heavy traffic.

We clean the doors during the day. Every car is cleaned every night.

Senator SASSER. Every elevator?

Mr. CARAWAY. I beg your pardon?

Senator SASSER. Did you say corridor?

Mr. WHITE. The cars are cleaned every night.

Senator SASSER. You mean the cars, the elevator cars?

Mr. CARAWAY. The cars, yes, sir.

LIBRARY OF CONGRESS RESTORATION PROGRAM

Senator SASSER. All right, Mr. White, what would be the adverse effect, if any, of deferring the $7 million requested for restoration of the Main and Thomas Jefferson Buildings? Could you provide the details of that for the record?

Mr. WHITE. I would be glad to, Mr. Chairman. I might say, Mr. Chairman, that from the standpoint of the architecture and the construction of the buildings, anything we do later will cost more.

From the standpoint of the Library's program, perhaps the librarian could respond.

Senator SASSER. Well, Mr. Welsh, the Deputy Librarian is here. Have a seat, Mr. WELSH. Thank you, Mr. Caraway.

Mr. WELSH. I will be pleased to. There are at least five reasons in my judgment why this program, which is a multiyear program, should not be deferred.

Senator SASSER. What is the total cost, by the way?

TOTAL RESTORATION COST

Mr. WELSH. The total cost in Mr. White's budget is $57 million. In addition to that, there is an item of $3.5 million in the Library of Congress budget. That item is a little soft; I think it will cost more than that.

OCCUPANCY OF THE MADISON MEMORIAL BUILDING

First, we have been waiting since 1958 for the Madison Building to be completed. We have begun to occupy that building now. It will make it possible for us to utilize fully the three buildings. Service has been very, very poor in the two buildings because the staff has been inadequate and because the materials—75 million items in our collections—are not located near the reading room. With the occupancy of the Madison Building we hope to launch a major program to renovate, restore, and refit the Thomas Jefferson Building and the Main Building, bringing those buildings up to a level that will solve the service problems we have faced.

ALTERATION FOR INTERIM OCCUPANCY

Another item in the $7 million request is alteration for interim occupancy. In order to reduce our rental space, which is a requirement imposed upon us and to bring our staff back to Capitol Hill, some monies must be appropriated so that we can refit the buildings as the staff moves back.

RESTORATION OF THE MAIN BUILDING

A third item is the restoration of the Main Building, one of the most beautiful buildings in this country. It has suffered greatly because of interim occupancy. There needs to be work done to restore the exterior of the building so that the damage done through rain penetration can be stopped and some of the fine artwork in the buildings can be restored. Temporary partitions which have been set up to house the Congressional Research Service. They should be removed and the restoration work proceed.

HEALTH SAFETY AND FIRE PROTECTION

Another item, a major one is health safety. Because of the crowding of the two buildings, the staff has been forced to work in not only unsightly areas, but in areas that are absolutely unsafe for habitation. To protect both our collections and our staff, we need to launch a massive program of fire protection.

PROGRAM DEFERRAL

Mr. White obviously needs funds in this budget to begin the design drawings to implement this whole plan. Further, Mr. White has estimated that it would cost $6 million to defer this program for 1 year. Those are the major reasons, Mr. Chairman, why this program must be begun as soon as possible.

Thank you.

ASSIGNMENT OF PERSONNEL

Senator SASSER. All right, sir. Thank you, Mr. Welsh.

Last year the House approved an administrative provision which allows personnel to be assigned from building to building depending on need. What is the status of this provision and what precautions are needed to prevent abuses of assignment of personnel to the House Office Buildings at the expense of personnel needed here in the Senate.

Chairman Magnuson is concerned about this.

Mr. WHITE. Mr. Chairman, the provision didn't become operative, as you know, until October 1. We really haven't had time yet to implement it except in one minor way: That is, we have not hired some of the authorized elevator mechanics for the Madison Library Building, on the presumption that we will be able to use some that we already have.

ELEVATOR MECHANICS

Senator SASSER. Let me interrupt here a minute. Why don't we contract out for elevator mechanics?

Mr. WHITE. That is a suggestion, of course, that has been reviewed before. I believe that the primary reason is that when we need service in the legislative branch, we need it in a hurry. If an elevator is stuck between floors and there are several Senators on it, we need to get them out in a big hurry. We need to have people here who can handle that.

Senator SASSER. How many elevator mechanics do we have?

Mr. WHITE. We have 63 elevator mechanics.

Senator SASSER. Why couldn't we have four or five of them waiting around to get Senators out of elevators if they get stuck and then contract out for the rest of the elevator mechanics?

Mr. WHITE. Well, I would point out, Mr. Chairman, that in order to conduct a proper preventive maintenance program, we really need to do more than that. One of the reasons that we are concerned with elevators is the reason that you mentioned earlier, namely, that we need better service and consequently a program for that purpose.

The number of people is not the problem; the capacity that we have here now is, however, probably more than we need, which is why the administrative provision was instituted to begin with.

I pick this category as an example because it is the area in which we intend to begin to use that administrative provision. It is one that we are easily capable of gaining control over.

Senator SASSER. How many elevators do you have to service, Mr. White? Do you have that figure?

DUTIES OF ELEVATOR MECHANICS

Mr. WHITE. Yes, let me first state that elevator mechanics handle more than elevators. We have 182 elevators, 13 dumbwaiters, 14 lifts, 4 conveyors, 39 escalators, and 2 subway cars.

My list shows only two subway cars, but we have six. The four subway cars on the Senate side are maintained by another group, not elevator mechanics. That is, they are not designated as elevator mechanics and don't come within that total number of 63.

That is the number of pieces of equipment that these people maintain. One of the reasons for the administrative provision was that coupled with the fact that we maintain buildings all over the Hill, is the fact that appropriations are made in such a way that we can't transfer funds from the Senate Office Buildings, for example, to the Supreme Court or to the Library of Congress. As you know, those appropriations are made separately.

FIXED AND ROTATING GROUPS

As a consequence, we had to have mechanics in each group of buildings, which the administrative provision enables us to avoid. In other words, we can keep a small group of people necessary for the kinds of things you described and have, in effect, a pool of others to rotate in various places about the Hill as they are needed, just as would be done by an outside contracting firm.

We have not implemented that provision totally, but in order to alleviate the concern which you mentioned, and which is a valid concern, we have established a policy which has been written and submitted to the full committee, which states that the minimum number of personnel required to handle any part of the maintenance of any of these buildings would not be diminished, that the whole purpose of this is to do as you suggested, namely, to have a floating group beyond the minimum that can go from one building to another as the need arises.

We think that is a much more efficient way of operating and we can provide the services that are needed on the Hill, which my experience in commercial industry indicates is not available to the same degree that would be required here.

That is the reason for doing it in-house. We think we can maintain a higher degree of maintenance capacity with lower costs this way.

But we will need some experience with the use of that administrative provision in order to be able to assure ourselves of that.

SPACE UNDER JURISDICTION OF THE ARCHITECT

Senator SASSER. How much space is under the jurisdiction of the Architect of the Capitol?

Mr. WHITE. At the moment, Mr. Chairman, including occupancy of the Madison Library Building, we have 10,867,000 square feet under our jurisdiction. That has increased, Mr. Chairman, in the last 10 years from 7,741,000 in 1970 to 10,867,000 in 1980 or an increase of 40 percent in the total number of square feet under roof.

ENERGY CONSERVATION

Senator SASSER. What is the Architect doing to cut back on the use of heat, light, cooling, in order to try to conserve energy?

Mr. WHITE. We have done several things, Mr. Chairman. The first thing, of course, was to issue a plea through both the Rules Committee on the Senate side and the Speaker's office and the House Office Building Commission on the House side, for everyone to be sensitive to the need to conserve energy.

In all the public spaces, we have reduced the winter temperature to 65 degrees in accordance with the Presidential instruction. Individuals are asked to do the same thing in their own offices, where they maintain control over their own thermostats. We, of course, can't control that precisely.

We have, however, in addition to that, established an energy management program which has not yet been fully implemented, but for which funds were appropriated, and for which we are not asking for additional funds this year; that program includes the installation of sensing devices and control devices so that we can distribute the energy in a more conservative way all over the Hill.

We are heavily involved in energy conservation. As you know, the expansion of the powerplant, which has been taking place, will enable us, through the control system that is being installed there, to technically maintain a better control over energy use, as well.

PROCUREMENT PROCEDURES

Senator SASSER. I want to direct a question to the procedures which are utilized for the procurement of goods and services for repairs and also for improvements.

Now, Mr. White, what is the magnitude of your contracting operation? That is, excluding construction of new buildings in terms of numbers of contracts and dollars expended? I want to find out in terms of the numbers of contracts and dollars expended, how many dollars and how many contracts are competitive and how does this competitive process work?

Mr. WHITE. The magnitude of the contracting operations, Mr. Chairman, amounts to, for the past year, $3,678,000, rounded out. That is exclusive of, as you suggested, new buildings and similar larger items.

There were 65 contracts involved in that amount. Of that, about 50 contracts were competitively bid. We are required, as you know, by law to have competitive bids for all items that amount to more than $10,000.

However, even if an item is less than $10,000 and we are not required to have competitive bids, we solicit quotations from several suppliers—that is a policy that I established in the Office—even though it is not required by law, so that we are sure that we are getting the best prices that we can.

Senator SASSER. Well, that is commendable.

Mr. WHITE. I wonder if I could ask Bill Raines to supply some additional information that he may be more familiar with than I am, with regard to the process, Mr. Chairman. Mr. Raines is my Administrative Assistant and has that area under his jurisdiction.

Mr. RAINES. Mr. Chairman, the total magnitude of our contracting operation for fiscal year 1979 was $30 million, including construction contracts. We issued purchase orders totaling approximately $6.5 million; and then we had the contracts that Mr. White spoke about; that amounts to $3.6 million.

Our orders for goods and services, excluding our construction operation, total approximately $10 million. The $6.5 million in purchase orders was for the procurement of supplies and materials through the General Services Administration's Federal Supply Service. The remaining orders are those of less than $10,000, or for procurements which have been specifically excluded by law from the competitive bidding requirements.

NEGOTIATED CONTRACTS

Senator SASSER. What percentage of the contracts are negotiated and how does this process work?

Mr. RAINES. Under the negotiating procedures, of the total $3.6 million of contracts that were issued during fiscal 1979, we had 15 contracts that were negotiated with a value of $1.4 million. That represents about 23 percent of the total contracts, excluding construction operations.

Senator SASSER. Under what conditions are contracts negotiated and who approved the negotiated contracts?

Mr. RAINES. Well, we would negotiate contracts for personal services, for example, for consultants. I believe the best example I can give is the negotiated contracts with the consultants concerning renovations for the Russell and Dirksen Buildings. Specifically excluded from the competitive bidding requirements, are personal service contracts. Mr. White has engaged the services of consultants through the negotiating process.

We also negotiate contracts in those cases where bids are solicited for goods and services, but none are received.

Mr. WHITE. With regard to the personal services contracts that are negotiated, Mr. Chairman, we follow the so-called Brooks law. I don't remember the precise public law number. That law spells out procedures by which personal service contracts should be negotiated.

Senator SASSER. Where do you advertise for competitive bids?

Mr. RAINES. In the Commerce Business Daily; City Post Office; the Dodge Reports run ads on competitive bids that are being solicited.

SENATE RESTAURANTS

Senator SASSER. Several years ago, the Senate cafeteria and restaurant complex were receiving subsidies of up to $500,000 a year. This subcommittee eliminated the subsidies, and we asked you to bring the subcommittee up to date and provide a report for the record on the restaurant operations and the effect of the elimination of the subsidy.

Mr. WHITE. We will be glad to provide that for the record, Mr. Chairman. I might say in passing, as you have stated, we have not taken any funds nor asked for any funds for 1978, 1979, or 1980, nor are we asking for any in 1981.

Senator SASSER. The report on the restaurant operations will be inserted in the record at this point.

[The information follows:]

SENATE RESTAURANTS - FISCAL YEAR 1981 - Funds requested..... $ None

Authorization Governing Funding

40 U.S.C. 174j-4 provides, in pertinent part, as follows:

> "There is established with the Treasurer of the United States a special deposit account in the name of the Architect of the Capitol for the United States Senate Restaurants. ***Any amounts appropriated for fiscal year 1973 and thereafter from the Treasury of the United States, which shall be part of a 'Contingent Expenses of the Senate' item for the particular fiscal year involved, shall be paid to the Architect of the Capitol by the Secretary of the Senate at such times and in such sums as the Senate Committee on Rules and Administration may approve. Any such payment shall be deposited by the Architect in full under such special deposit account."

Fiscal Year 1980 Appropriations..... $ None

Fiscal Year 1981 Estimate..... $ None

SENATE RESTAURANTS..... $ None

Effective August 1, 1961, management of the Senate Restaurants in the Capitol and Senate Office Buildings was placed under the direction of the Architect of the Capitol, subject to approval of the Senate Committee on Rules and Administration as to matters of general policy, pursuant to Public Law 87-82, approved July 6, 1961, as amended.

The following units are in operation:

Capitol Building.....	Main dining room and private dining rooms for Senators (S-109, S-113 and S-114).
	Main dining room for staff, press and public (S-112).
	Vandenberg Room for staff and public (S-138).
	Family dining room for staff and public (S-115).
	Special Breakfast and Luncheon room (S-120).
	Snack Bar (Basement).
Dirksen Office Building..	North Cafeteria for Senators and Senate employees (Basement).
	South Cafeteria for staff, visitors and agency employees (Basement).
	Newsstand.
	Carry-out (Basement -- off northeast corner of South Cafeteria).
	Senators' dining rooms (Ground Floor).
	Special Function Rooms, G-219 and G-221.
Russell Office Building..	Coffee Shop and Carry-out and Cigar Stand (Basement Floor).

Management Personnel and Miscellaneous Expenses

Since fiscal year 1972, appropriations for the Senate Office Buildings have been available for employment of management personnel of the Senate Restaurant facilities and certain miscellaneous restaurant expenses.

Operating Funds

The Legislative Branch Appropriation Act 1973 amended Public Law 87-82 to provide that funds appropriated pursuant to the Act of July 6, 1961, as amended, specifically for the Senate Restaurants for fiscal year 1973 and thereafter, shall be paid to the Architect of the Capitol by the Secretary of the Senate at such times and in such sums as the Senate Committee on Rules and Administration may approve.

Improvements have been made in the efficiency of the Senate Restaurants in order to eliminate the operating deficit. This has been reflected by the decrease in operating losses from $239,659 in fiscal year 1975 to a profit of $17,455 in fiscal year 1978. In fiscal year 1979 there was a deficit of $79,424 which we attribute to wholesale food price increases which were at a much higher rate than was anticipated for the fiscal year. We had recommended to the Committee on Rules and Administration an increase of eight percent (8%) in the menu prices of food sold, based on anticipated increases in wholesale food prices of between six and eleven percent. The Committee approved the menu price increase effective February 26, 1979. However, though we continue to be alert to ways of improving the operating efficiency of the Restaurants, our efforts in that regard were outrun by the rise in food costs during fiscal year 1979.

For fiscal year 1980 a ten percent increase in menu prices has been approved by the Committee on Rules and Administration, effective October 1, 1979. This increase is necessary to meet rising labor cost and to offset increases in the cost of food items. Our budget projections indicate that the increase will result in a break-even operation for fiscal year 1980, barring unforeseen circumstances.

No funds were requested for fiscal year 1980 and none are being requested for fiscal year 1981.

FINANCIAL STATEMENT

FISCAL YEAR 1979 (Full Year)

FACILITY	GROSS SALES	NET LOSS (-) or PROFIT (+)
Capitol dining rooms	$ 665,261	(-) $291,875
Snack bar in Capitol	132,214	(+) 6,056
Coffee Shop, Russell Office Building	336,898	(+) 59,698
Cigar Stand, Russell Office Building	228,705	(+) 52,105
Vending Machines	7,503 1/	(+) 28,769 2/
Cafeteria in Dirksen Office Building	1,380,038	(-) 89,422
Senator's dining room in Dirksen Office Building	80,328	(-) 20,642
Cigar Stand, Dirksen Office Building	326,257	(+) 67,094
Carry-out in Dirksen Office Building	431,418	(+) 108,793
TOTALS	$3,588,622	(-) $ 79,424

1/ Gross sales during period October 1, 1978 through December 15, 1978 following which the vending operations was contracted out.

2/ Includes $1,653 profit during period October 1, 1978 through December 15, 1978 and $27,116 commission from vending contractor.

FINANCIAL STATEMENT

FISCAL YEAR 1978 (Full Year)

FACILITY	GROSS SALES	NET LOSS (-) or PROFIT (+)
Capitol dining rooms	$ 693,066	(-) $271,887
Snack bar in Capitol	134,770	(+) 23,586
Coffee Shop, Russell Office Building	327,197	(+) 80,428
Cigar Stand, Russell Office Building	233,314	(+) 53,016
Vending Machines	35,693	(+) 29,301
Cafeteria in Dirksen Office Building	1,282,836	(-) 64,385
Senator's dining room in Dirksen Office Building	66,834	(-) 27,921
Cigar Stand, Dirksen Office Building	355,867	(+) 88,882
Carry-out in Dirksen Office Building	353,110	(+) 106,435
TOTALS	$3,482,687	(+) $ 17,455

COMPARATIVE STATEMENT OF OPERATIONS
FISCAL YEARS 1973, 1974, 1975, 1976, 1977, 1978, 1979

FISCAL YEAR	SALES	OPERATING PROFIT (+) or LOSS (-)	APPROPRIATED FOR TRANSFER TO SENATE RESTAURANT ACCOUNT	AMOUNT OF APPROPRIATIONS ACTUALLY TRANSFERRED
1973	$1,769,219	(-) $348,342	$497,000	$350,000
1974	2,115,292	(-) 311,086	497,000	400,000
1975	2,480,402	(-) 239,659	497,000	250,000
1976	2,758,424	(-) 182,132	497,000	225,000
1976 (Transition Quarter)	779,785	(-) 49,634	75,000	75,000
1977	3,069,579	(-) 89,049	250,000	250,000
1978	3,482,687	(+) 17,455	- 0 -	- 0 -
1979	3,588,622	(-) 79,424	- 0 -	- 0 -

STAYING WITHIN THE OPERATING BUDGET

Mr. WHITE. We have been able to operate within the limits that have been set for us on that basis. We have had to raise some prices as you may know. We have cut costs as well in order to stay within the operating budget.

So in effect, we are in a break-even position, even though our net profit may be a little more one year or less the next. Up to now, we haven't been in a position to need funds. Of course, as you also are aware, the operation of the Senate Restaurants is under the basic authority of the Senate Committee on Rules and Administration.

That committee has been very cooperative in permitting us to raise prices as the need occurs. We have had, as everybody knows, continuous rises in the cost of food, as well as automatic rises of the cost of labor. In the face of that, we have been able to operate, we think, in a reasonable fashion and therefore have not asked for any funds.

FOOD PRICES

Senator SASSER. Why are our Senate dining room prices higher than the House prices, Mr. White?

Mr. WHITE. I am not completely familiar with how the House adjusts its prices, but I believe it results from the fact that in the setting of prices on the Senate side, the policy was established that each of the food serving entities should stand on its own, more or less, and that the cafeteria prices, for example, ought not to subsidize in an unreasonable way the losses that might occur in the dining room, which is an area in which losses generally cannot be avoided.

On the House side, I believe that they have higher prices in the cafeterias than we do for similar items, which, in effect, causes a higher subsidy of the House's dining room where they also experience losses, by the purchases that are made in the cafeteria.

On the Senate side, we thought it was a little more fair to do it the way we have.

Senator SASSER. That is, indeed, the case. I agree that is more fair.

Mr. WHITE. I have just been informed, Mr. Chairman, that for comparable items, prices in the cafeteria on the House side are almost 20 percent higher than ours on the Senate side. That is an indication of the circumstances that I described. I should like to submit additional information for the record.

Senator SASSER. You may submit additional information at this point in the record.

[The information follows:]

The Architect of the Capitol is, by law, charged with responsibility for the operation of the Senate restaurants, subject to policy direction by the Senate Committee on Rules and Administration. Recommendations for adjustments in the Senate restaurant menu prices are submitted to Chairman Pell by the Architect as necessary to maintain a breakeven operation.

The House restaurants are operated by the House Administration Committee, with responsibility therefor assigned to the Subcommittee on Services under the chairmanship of the Hon. Ed Jones.

Since fiscal year 1978, the Senate restaurants have operated without funds being appropriated for that purpose, and no funds are requested for fiscal year 1981. This

has been made possible by improvments in the efficiency of the restaurants and increases in the menu prices.

The menu prices in the Senate restaurants are based on food and labor costs, and are established at levels that provide for a breakeven operation. Prior to recommending price adjustments to the Committee on Rules and Administration, we confer with House restaurant officials in an effort to insure that our prices are competitive. However, it is very difficult to compare menu prices because of the differences in portions served, the items selected to accompany each main course, and product specifications. Following our hearings on February 19, we attempted to compare dining room menus from the House and Senate, but the entrees were so different as to make the comparison virtually impossible. We have furnished copies of menus from the House and Senate to your subcommittee staff.

We recognize that there may be certain items on the Senate restaurant menu which are higher priced than similar items in the House restaurants, but likewise there are Senate items that are lower than House items. In that regard, we are continuously alert to ways of improving our pricing structure that will permit us to provide services that are pleasing to Senators and their constituents, at prices that will produce a breakeven operation.

Mr. Chairman, I appreciate your interest in the Senate restaurant operation. I shall, of course, be pleased to provide the subcommittee with a copy of the Senate restaurant approved menu prices, if you deem that desirable.

EQUIPMENT EXPENDITURES: FOURTH QUARTER OBLIGATIONS

Senator SASSER. One final question—perhaps it is a statement as much as anything, Mr. White.

I am advised that the Architect's Office obligated 63 percent of the total annual equipment expenditures for Capitol buildings in the fourth quarter of fiscal year 1978. The appropriation account Capitol Grounds 46 percent of other services and 36 percent of the equipment account were obligated in the fourth quarter of the fiscal year.

Now, someone looking at this might very well say, "This is prima facie evidence of the old spend it or lose it syndrome."

What is your reaction to that, Mr. White?

Mr. WHITE. I think, Mr. Chairman, that that is what appears on the face of it, as you described, but in fact, the results are somewhat different than that. All of our departments and operating entities are instructed not to conduct their purchases on that basis.

If you look at the overall obligations in the fourth quarter for 1978, for example, you will find that overall, we obligated only 23.36 percent of our total in the fourth quarter.

In 1979, it was 21.29 percent. That does include payroll, which, of course, is fairly stable.

On the other hand, it is less than 25 percent in total, and the payroll is just about 25 percent. So that our total obligations for the fourth quarter are less than 25 percent.

Now, in individual instances, what you described may be true; some of that, Mr. Chairman, results in the fact that nothing that we do in the form of expenditure of funds is for some on-going program such as an executive branch agency might have where it establishes a program during the fourth quarter that carries on to the next year. All the money that we spend is for the legislative branch; if we buy light bulbs in the fourth quarter, we don't have to buy them in the first quarter of the next year.

In some cases, those expenditures are made to stock items and thus not requiring expenditures of money at increased prices in the following year. So there is some of that taking place.

Even within that circumstance, Mr. Chairman, for the year 1979 for example, the total lapsed dollars that we sent back to the U.S. Treasury out of our total budget was $2,745,000, so that we are not spending the money unreasonably, in my judgment.

Careful control is exerted in order to be certain that that is the condition that prevails.

QUESTIONS SUBMITTED FOR RESPONSES

Senator SASSER. Well, Mr. White, I want to thank you for your testimony today, and also yours, too, Mr. Caraway.

The subcommittee appreciates the cooperation of you and your staff throughout the year. We will have a number of additional questions to which I would like to ask you or your staff to respond in writing for the record.

Mr. WHITE. Thank you, Mr. Chairman.

[The questions and responses follow:]

Additional Committee Questions

PRODUCTIVITY MEASUREMENT

Question: What kinds of measurements of productivity does the Architect use to assure that the public is getting its money's worth in the operation of the Senate Office Buildings and other areas under the Architect's jurisdiction?

Answer: The determination of staffing and resource productivity has, in general, not been accomplished through the use of specific productivity measures because of the difficulty in establishing standards for effectiveness. However, several management tools are in the process of being implemented that will enable managers to better examine and control certain aspects of productivity.

In terms of work productivity as it is defined in relation to work efficiency, the most significant improvement in this area has been the development of a preventive maintenance program. The concept of preventive maintenance is to perform maintenance functions on a piece of equipment or building before a partial or total failure or before a resulting functional inefficiency. Using the Supreme Court elevator maintenance staff and functions as a pilot program, a computer program has been developed to monitor and control preventive maintenance. Each work function has been isolated and a standard time for accomplishing that function has been allotted to it. The computer then issues work orders to the maintenance crew according to a predetermined schedule. Actual work times are compared with the work standards to identify problem areas and compare efficiency in service. Unanticipated needs are also identified, and the time spent responding to them is also logged. Management can then, after a reasonable trial period, measure with some degree of reliability the general efficiency of that maintenance function, and also identify problem areas for further study. In addition to the measurement of efficiency, some measurement of effectiveness must occur; it is more difficult to set standards for effectiveness in that quality becomes a parameter which must be defined in terms of some unit. Thus far quality and effectiveness have been measured informally by opinions formed after years of experience and observing how well various functions operate.

Although this particular effort is in the latter stages of development its potential benefits have already become apparent. Once the program is developed and coordinated for all maintenance functions throughout the various operations under the Architect's jurisdiction, the overall work unit productivity of those functions can be measured. Improvements that might be needed in operations effectiveness will be achieved through better control over work functions, close monitoring of quality, and the use of periodic review of how well various functions performed.

The monitoring of our resource productivity has in the past been accomplished through the examination of monthly financial statements. Over the past several months, however, a new financial plan has been developed which will enable staff to more efficiently plan and control expenditures throughout the fiscal year. As experience is gained with this financial plan, efforts will be made to improve internal monitoring of our resources. Performance on a monthly, quarterly and annual basis will be utilized in the annual budget preparation. Areas where spending patterns do not follow the

plan will be more apparent and susceptible of more timely investigation to determine the causes of the anomaly.

Although these efforts have been initiated for reasons additional to the improvement of productivity, benefits will be realized from them in terms of productivity measurement. Attention is being given to these programs and office personnel are becoming more aware of the general need for these improvements in operations. As has been emphasized before, work measurement in terms of efficiency can be reasonably readily examined and compared, and efforts will be made in this area to improve office performance where possible. It is the measurement of effectiveness, which is really a qualitative measurement, that must rely on management judgment to determine how well we are performing our functions. As this process proceeds and our staff becomes more aware of them, I anticipate that qualitative goals will improve.

ENERGY CONSERVATION

Question: How much has been saved so far due to the Architect's energy conservation program in the Capitol complex?

Answer: Steam energy usage for each building is not yet available in suitable form for comparison purposes. However, yearly steam usage comparisons for the Capitol complex are available in the data included in the annual revision of the Program for Energy Conservation and electrical usage comparisons are available for each building in that same report.

ENERGY SURVEYS

Question: Has the Architect conducted energy surveys for the Capitol complex? If so, provide the results for the record.

Answer: Energy audits have been conducted, which result in voluminous raw data, that are being used to develop energy conservation measures and strategy. Although the raw data has not been compiled in presentation form it is available for continuing daily use.

CAPITOL COMPLEX SECURITY SYSTEM

Question: Please provide for the record an update of the authorized security program for the Capitol complex.

Answer: Installation of security systems in the Capitol complex is authorized at a present limit of cost of $5,892,000 by H. Con. Res. 550, 92nd Congress, as amended by the Second Supplemental Appropriations Act, 1973, the Second Supplemental Appropriations Act, 1975, the Legislative Branch Appropriation Acts, 1977 and 1978, and the Continuing Resolution, 1980 (P.L. 96-86). An additional request and increase in the limitation of cost is requested in the amount of $802,500 in FY 1981 for the acquisition of nine additional X-ray units ($695,500) and acquisition and installation of office intrusion alarm equipment ($107,000). Of the total $5,892,000 appropriated to date, the unobligated balance available for expenditure as of December 31, 1979, was $120,831.

RUSSELL BUILDING AIR CONDITIONING

Question: What would be the adverse effect, if any, of deferring the $1.7 million air conditioning project for the Russell Senate Office Building?

Answer: There are two adverse effects that would result if the $1.7 million project to replace sections of the Russell Building air conditioning system was deferred. The system is over 40 years old, and although certain components were rebuilt 20 years ago, continuous maintenance is required to keep the equipment in operation. If the project is deferred, this concentrated effort must continue. The second effect is that the cost will escalate if the project is deferred. The components will definitely require replacing in the future, and whereas the system can be maintained to continue operation, replacement costs will be much higher due to the increased rate of inflation.

BALANCE OF SEC. 311 WITHHOLDINGS

Question: What is the balance of funding withheld from obligation pursuant to Sec. 311 of P.L. 95-391?

Answer: The current balance of funding withheld from obligation is $1,407,000. The table below summarizes the use of funds withheld from obligation in FY 1979 and the current balance.

Analysis of Use of Restricted Funds

Amount of Restricted funds House Office Buildings (Sec. 311 - P.L. 95-391)		$ 2,599,000
The following amounts were released for pay absorption:		
"Salaries, Architect"	$108,000	
"Capitol Buildings"	223,000	
"Capitol Grounds"	79,000	
"Senate Office Buildings"	61,000	
"House Office Buildings"	570,000	
"Library Buildings and Grounds"	95,000	
"Botanic Garden"	56,000	
Total amount of Restricted funds released and/or transferred		-1,192,000
Balance of House Restricted funds		1,407,000
Amount of Restricted funds Capitol Power Plant (Sec. 311 - P.L. 95-391)		380,000
The following amount was released for pay absorption:		
"Capitol Power Plant"	100,000	
"Senate Office Buildings"	273,000	
"Senate Garage"	7,000	- 380,000
Balance of "Capitol Power Plant" Restricted funds		.....

Amount of Restricted funds Senate Office Buildings (Sec. 311 - P.L. 95-391).....	55,000
The following amount was released for pay absorption for "Senate Office Buildings".....	- 55,000
Balance of Senate Restricted funds.....	.....
Total amount of Restricted funds "All" Appropriations (Sec. 311 - P.L. 95-391).....	3,034,000
Total amount of Restricted funds released and transferred for pay absorption.....	1,627,000
Total amount of Restricted funds available for release.....	$ 1,407,000

NEW POSITIONS REQUESTED

Question: What would be the adverse effect if the 17 new positions requested in "Salaries" for FY 1981 were not allowed?

Answer: These 17 positions are requested because of the expanded duties and responsibilities of the Architect that have occurred over the past several years. Some of these additional functions are now assigned to temporary personnel. It is the purpose of the request to establish permanent positions for some of these personnel. In the FY 1981 request for 17 positions, ten, which are identified in the justifications, are to establish permanent slots for temporary personnel who are required to continue the effective and efficient operations of the office. The remaining seven positions are additional staff required to accommodate the workload increases.

IMMIGRATION BUILDING IMPROVEMENTS

Question: What would be the adverse effect of deferring the improvements to the Immigration Building under the heading "Cyclical Maintenance," amounting to $237,000.

Answer: There are two projects under "Cyclical Maintenance" for the Immigration Building. The first project is in the amount of $67,000 and is for covering some exposed structural beams. These steel beams should be protected from the elements. If this project is deferred, it will cost more to accomplish in the future due to inflation. At the same time, the steel beams will deteriorate due to exposure, and water penetration will cause some damage to the building. The second project is the $170,000 elevator modernization project. If the building will be occupied for more than the next three to five years, this work should take place to assure the continued reliability and safety of these elevators.

MINTON TILE

Question: In the Capitol Building you are requesting the first allotment for a program to replace Minton tile. What is the extent of this program, what will be its cost, and where will the tile be replaced?

Answer: The Minton tile replacement program has been developed because of the concern over the large number of badly worn, mismatched and broken tiles throughout the heavily traveled areas of the Capitol. These individual tiles have been identified and catalogued. Work on the initial phase, which will take place on the first floor, Senate wing, is estimated to cost $196,000 for procurement of the tiles and the work needed to remove the old tile and replace it. The number of tiles in this phase is estimated to be approximately 15 percent of the total number. Escalation for inflation has been added to the base costs, and the total program cost is estimated to be $1,500,000.

The timetable for this project is as yet not firmly developed. It is hoped that the manufacture of these special tiles for the initial phase will take less than 12 months. Because the tiles are of a highly complicated decorative motif, and because the method of manufacture has had to be reconstituted from historical records of the middle and late 1800's some delays could be expected. Another factor making the establishment of a timetable for this program difficult is the problem of work area access. This work will have to be performed so as not to disrupt the operations of the Congress, and construction work will therefore be subject to its schedule.

COMPARISON OF SPACE AND PERSONNEL

Question: The Committee notes that you have accepted the responsibility for several additional office buildings, and that the Madison Building is due for completion soon. For the period 1970 - 1980, provide a comparison of the total building space, acreage, and the number of employees authorized to care for these buildings and grounds.

Answer: The information requested follows.

NUMBER OF BUILDINGS AND NUMBER OF SQUARE FEET OF SPACE UNDER JURISDICTION OF THE ARCHITECT OF THE CAPITOL 1970 - 1980

Date and Authority of Additional Buildings	Building	Gross Square Feet of Space	
As of 1970 the total number of buildings and square feet of space were as follows:	United States Capitol	755,031	
	Cannon	671,921	
	Longworth	599,675	
	Rayburn	2,375,000	
	Russell	658,250	
	Dirksen	712,910	
	Capitol Power Plant	59,000	
	Library - Main	666,074	
	Library - Jefferson	762,000	
	Botanic Garden	89,000	
	Supreme Court	392,737	
		7,741,598	square feet as of 1970
Additions			
1971 Public Law 91-382 (Legislative Branch Appropriation Act, 1971)	Plaza Hotel	32,220	
1972 Public Law 92-313 (Public Buildings Amendments of 1972)	Congressional Hotel (House Annex #1)	124,400	Originally acquired in 1957 as a part of Lot 20 in Square 692.
1974 Public Law 92-607 (Supplemental Appropriations Act, 1973)	Immigration	84,614	
Public Law 93-180 (Authorizes the Architect of the Capitol to secure storage space)	No. 10 P Street, S.W. Washington, D. C.	11,662	Leased warehouse storage space.
1975 Public Law 92-607 (Supplemental Appropriations Act, 1973)	Hill Apartments	35,099	
	Senate Courts Apartments	67,000	
	Capitol Hill Hotel	41,281	
Public Law 94-6 (Urgent Supplemental Appropriations Act, 1975)	FBI (House Annex #2)	585,532	
1976 Public Law 94-157 (Supplemental Appropriations Act, 1976)	Building located at 400 North Capitol Street	38,000	Leased space for use by the U.S. Senate.
1979 Public Law 89-260 (Authorizes the Architect of the Capitol to construct third Library of Congress Building)	James Madison Memorial	2,106,199	
Total.....	21 Buildings	10,867,605	square feet as of 1980

ADDITIONS TO AREAS UNDER THE JURISDICTION
OF THE ARCHITECT OF THE CAPITOL,
FOR THE MAINTENANCE AND IMPROVEMENT THEREOF
1970 - 1980
(Includes Both Building Sites
and Grounds about same)

Date and Authority of Additions	Description of Building, Site, or Land Acquisition	Land and Site Area by Acres	Description of Acquisition
As of 1970 the total area was comprised of the following:	Capitol Building and Grounds	127.0	
	Cannon Building	5.0	
	Longworth Building	2.0	
	Rayburn Building	15.6	
	Russell Building	4.0	
	Dirksen Building	3.0	
	Extension of Addl. Senate Site	4.4	
	LOC, Main and Jefferson Buildings	15.0	
	Square 732 (JMMB)	8.0	
	Square 639	1.8	
	Capitol Power Plant	6.3	
	Botanic Garden (Including Poplar Point Nursery)	33.0	
		225.1 acres	
Additions			
1970 Public Law 91-145 (Legislative Branch Appropriation Act, 1970)		0.6	Square 725 - private properties added to the Capitol Grounds for Extension of Senate Site (Lots 892, 893, 894 and 895).
Public Law 91-382 (Legislative Branch Appropriation Act, 1971)		0.4	Square 724 - Plaza Hotel properties - Lot 845 and 832 added to the Capitol Grounds for Extension of Senate Site.
1972 Public Law 91-145 (Legislative Branch Appropriation Act, 1970)		0.1	Square 725 - National Woman's party properties (Lots 863-864) added to the Capitol Grounds for Extension of Senate Site.
Public Law 92-184 (Supplemental Appropriations Act, 1972)		0.2	Square 724 - (Lot 18) - added to the Capitol Grounds for Extension of Senate Site.
1973 Public Law 92-607 (Supplemental Appropriations Act, 1973)		2.2	Square 764 - Old Providence Hospital Site - added as an addition to the Capitol Grounds - pending its development for permanent use as the site of the John W. McCormack Residential Page School.

ADDITIONS TO AREAS UNDER THE JURISDICTION
OF THE ARCHITECT OF THE CAPITOL,
FOR THE MAINTENANCE AND IMPROVEMENT THEREOF
1970 - 1980
(Includes Both Building Sites
and Grounds about same)
(continued)

Date and Authority of Additions	Description of Building, Site, or Land Acquisition	Land and Site Area by Acres	Description of Acquisition
Additions (continued)			
1974 Public Law 92-607 (Supplemental Appropriations Act, 1973)		0.7	Square 724 - (Immigration Building) - Lot 844 - added to the Capitol Grounds for Extension of Senate Site.
1975 Public Law 92-607 (Supplemental Appropriations Act, 1973)		1.1	Square 724 - The Monocle Restaurant; The Spencer Apartments; a two story apartment building next to the Spencer Apartments; a two story apartment building in the middle of the block of Second Street, N.E.; The Tenney Apartments; *The Stanton Apartments; a residential building next to the Stanton Apartments; a residential building on C Street; The Senate Courts Apartments; The Capitol Hill Hotel - Lots 79, 80, 86, 94, 805, 806, 833, 838, 839 and 840 - added to the Capitol Grounds as a site for parking facilities for the United States Senate. *Known as the "Hill Apartments Building".
Public Law 94-6 (Urgent Supplemental Appropriations Act, 1975)		3.1	Square 581 - The building located on such square - known as the FBI Building made part of the House Office Building Complex as an additional annex for the House of Representatives.
Public Law 93-198 (District of Columbia Self-Government and Governmental Reorganization Act)		5.0	Amends Section 1 of the Act of July 31, 1946, as amended by the Act of October 20, 1967 (60 Stat. 718; 81 Stat. 275; 40 U.S.C. 193a) to include within the definition of the United States Capitol Grounds, the following streets: Independence Avenue from the west curb of First Street, S.E. to the east curb of First Street S.W., New Jersey Avenue S.E. from the south curb of Independence Avenue to the north curb of D Street S.E., South Capitol Street from the south curb of Independence Avenue to the north curb of D Street;

ADDITIONS TO AREAS UNDER THE JURISDICTION
OF THE ARCHITECT OF THE CAPITOL,
FOR THE MAINTENANCE AND IMPROVEMENT THEREOF
1970 - 1980
(Includes Both Building Sites
and Grounds about same)
(continued)

Date and Authority of Additions	Description of Building, Site, or Land Acquisition	Land and Site Area by Acres	Description of Acquisition
Additions (continued)			
Public Law 93-198 (District of Columbia Self-Government and Governmental Reorganization Act) (continued)			Delaware Avenue S.W. from the south curb of C Street S.W. to the north curb of D Street S.W., C Street from the west curb of First Street S.E. to the intersection of First and Canal Streets S.W., D Street from the west curb of First Street S.E. to the intersection of Canal Street and Delaware Avenue S.W., that part of First Street lying west of the outer face of the curb of the sidewalk on the east side thereof from D Street N.E. to D Street S.E., that part of First Street within the east and west curblines thereof extending from the north side of Pennsylvania Avenue N.W. to the intersection of C Street and Canal Street S.W., including the two circles within such area.
Total.....		238.5 acres	

Statement With Respect To Personnel

Personnel management is, I know, a matter of interest to all members of the Committee; it should thus be noted that the total staff of the Architect of the Capitol, including the Botanic Garden, funded annually in the Legislative Branch Appropriation Act, has increased during the last decade by 429 positions. This represents a net increase of 27%, from 1,572 positions in 1970 to 2,001 in 1980.

A comparison of employees per square foot indicates that in 1970 there was an average of two employees per 10,000 square feet of building space. In 1980, there was an average of 1.8 employees per 10,000 square feet of building space.

Of the 429 net positions comprising the 27% increase, 357 (or 23%) were required for the following; to staff the two House Office Annex Buildings (143), to augment the charforce of the Rayburn Building (20), to staff the five Senate Office Annex Buildings (105), to staff the James Madison Memorial Building (61), and as a result of the transfer of the janitorial care of the House Side of the Capitol from the House Doorkeeper to the Architect (28).

The remainder, 72 positions (or 4%) has occurred in general maintenance, operational, and administrative functions throughout the organization. This minimal increase is, in my judgement, evidence of an economical and efficient operation; since the cost of personal services generally constitutes approximately 70% of our annual appropriations, efficiencies in that regard are directly reflected in lower expenditures.

It should be noted as well, that in addition to increased building areas to maintain, repair and modify, new functions such as electronic systems for security, preventive maintenance and energy management are being accomplished with minimal staff increases.

Fiscal Year	Authorized Positions
1970.....	1,572
1971.....	1,580
1972.....	1,669
1973.....	1,693
1974.....	1,743
1975.....	1,902
1976.....	1,926
1977.....	1,944
1978.....	1,896
1979.....	1,995
1980.....	2,001
Increase: 1970-1980...	27%

Comments with regard to personnel increase (1970-1980)

The principal reason for the increase in personnel since 1970 is due to addition of the following 357 positions.

Capitol Buildings (28 positions)

This increase is due to transfer of janitorial care of House side of Capitol from the Doorkeeper of the House to the Architect of the Capitol since 1970.

Senate Office Buildings (105 positions)

This increase is due to staffing 5 annex buildings added to the Senate Office Buildings Complex since 1970; also, to expanded activities in the Russell and Dirksen Office Buildings.

House Office Buildings (163 positions)

This increase is due to staffing House Annex #1 (former Congressional Hotel) and House Annex #2 (former FBI Building), added to the House Office Buildings Complex since 1970 (143); to an increase in the number of charwomen for the Rayburn Building to meet additional cleaning requirements (20).

Library Buildings and Grounds, Structural and Mechanical Care (61 positions)

This increase is due to staffing of the James Madison Memorial Building to handle the required operation and maintenance functions.

Note: During this 10 year period 69 positions were eliminated, of which 58 were elevator operator positions and 11 charforce positions.

ARCHITECT OF THE CAPITOL
SUMMARY OF POSITIONS
FISCAL YEARS 1970 - 1980

Appropriation	Fiscal Year 1970	Fiscal Year 1971	Fiscal Year 1972	Fiscal Year 1973	Fiscal Year 1974	Fiscal Year 1975	Fiscal Year 1976	Fiscal Year 1977	Fiscal Year 1978	Fiscal Year 1979	Fiscal Year 1980
Salaries, Architect of the Capitol	59	60	61	63	64	66	72	76	78	90	94
Capitol Buildings	186	189	190	190	227	224	213	215	210	215	215
Capitol Grounds	78	78	78	78	78	78	78	80	80	80	80
Senate Office Buildings	385	385	448	448	451	488	517	525	497	509	511
Senate Garage	7	7	7	7	7	7	7	7	7	7	7
House Office Buildings	644	648	668	690	694	817	817	817	800	797	797
Capitol Power Plant	92	92	92	92	92	92	92	92	92	104	104
Library Buildings and Grounds, Structural and Mechanical Care	65	65	69	69	73	73	73	75	75	136	136
Salaries and Expenses, Botanic Garden	56	56	56	56	57	57	57	57	57	57	57
Total	1,572	1,580	1,669	1,693	1,743	1,902	1,926	1,944	1,896	1,995	2,001

PAY RAISE SUPPLEMENTAL

Question: What are you requesting for the pay raise supplemental for FY 1980, and how much of the gross cost has been volunteered as absorption?

Answer: The two tables that follow summarize the pay raise supplemental gross cost of $2,595,900, the $431,900 absorption, and the $2,164,000 requested.

SUPPLEMENTAL APPROPRIATIONS REQUESTED FOR FISCAL YEAR 1980 FOR INCREASED PAY COSTS

The gross cost of mandatory pay increases required by law to be paid to employees of the Architect of the Capitol and the Botanic Garden in the fiscal year 1980 totals $2,595,900. It is proposed to absorb $431,900 or 17% of this total cost, resulting in a request for Supplemental Pay Appropriations for the fiscal year 1980 in the total amount of $2,164,000.

Breakdown of Increased Pay Costs

The gross increased pay cost of $2,595,900 is broken down, as follows:

(1) GS and Unclassified Employees		
Civilian Pay Act Increase authorized by subchapter 1 of chapter 53 of 5 U.S.C., as implemented by Executive Order 12165 effective October 7, 1979:		
Gross Cost, Fiscal Year 1980.....	$ 534,400	
Proposed absorption.....(-)	303,400	
Pay Supplemental Required.....		$ 231,000
(2) Wage-Board Employees		
Wage-Board Increases authorized by 5 U.S.C. 5343, 5344, 5349, on the basis of prevailing rates in industry:		
Gross Cost of Pay Increases, effective October 21, 1979, payable for 11 months in fiscal year 1980.....	$2,061,500	
Proposed absorption.....(-)	128,500	
Pay Supplemental Required.....		1,933,000
GRAND TOTAL PAY INCREASE SUPPLEMENTAL APPROPRIATIONS REQUIRED AND REQUESTED FOR FISCAL YEAR 1980.....		$2,164,000

SUPPLEMENTAL APPROPRIATIONS REQUESTED FOR FISCAL YEAR 1980

Appropriations	Gross Cost			Absorption	Supplemental Appropriations Requested for Fiscal Year 1980
	Civilian Pay Act	Wage Board	Total		
Salaries, Office of Architect of Capitol	$154,100	$ 30,700	$ 184,800	$ 12,800	$ 172,000
Capitol Buildings	82,400	226,000	308,400	400	308,000
Capitol Grounds	7,700	100,300	108,000	1,000	107,000
Senate Office Buildings	104,300	498,000	602,300	104,300	498,000
Senate Garage	...	10,200	10,200	200	10,000
House Office Buildings	154,400	759,900	914,300	214,300	700,000
Capitol Power Plant	5,400	152,200	157,600	32,600	125,000
Library Buildings and Grounds, Structural and Mechanical Care	14,700	208,600	223,300	49,300	174,000
Salaries and Expenses, Botanic Garden	11,400	75,600	87,000	17,000	70,000
Totals	$534,400	$2,061,500	$2,595,900	$431,900	$2,164,000

LIBRARY OF CONGRESS RENOVATION

Question: A major renovation and restoration program is proposed for the Library of Congress Main and Jefferson Buildings with an initial funding request of $7,000,000. Would you provide for the record the cost estimate summary and fiscal year obligation tables for the proposed program?

Answer: The information requested follows.

Library of Congress
Main and Jefferson Buildings Restoration Project
Cost Estimates Summary

	Main Building	Jefferson Building	Total
1. Cleaning/Renovation (Exhibit/Public Areas)	$ 163,400	$	$ 163,400
2. Alterations for Interim Occupancy (Occupancy Accommodations)	466,000	1,086,500	1,552,500
3. Restoration - Interior (Architectural/ Mechanical/Electrical/Research/Restore Artwork and Statues)	22,669,800	.....	22,669,800
4. Fire Protection Program (Architectural/ Mechanical/Electrical)			
A. Bookstack Sprinklers	1,439,400	1,003,600	2,443,000
B. Balance of Program	9,406,000	11,022,500	20,428,500
Subtotal A and B	10,845,400	12,026,100	22,871,500
5. Renovation of Coolidge Auditorium	915,300	.....	915,300
6. Renovation of 5th Floor Reading Room	.....	281,600	281,600
7. Exterior Restoration	1,102,300	419,600	1,521,900
8. Miscellaneous Improvements			
A. Clean Bronze Doors	38,300	.....	38,300
B. Audio Visual Connections	49,500	.....	49,500
C. Elevator Modernization	600,000	165,000	765,000
D. Installation of Storm Windows	1,357,400	807,900	2,165,300
E. Master Lock System	70,000	260,800	330,800
F. Graphics	383,700	316,800	700,500
G. Data Cabling System	70,000	100,000	170,000
H. Revolving Door Replacement	359,600	.....	359,600
I. Drinking Water Chiller Replacement	.....	30,000	30,000
J. Air Conditioning Modernization	.....	1,300,000	1,300,000
K. Electrical Service and Distribution System Modernization	.....	1,000,000	1,000,000
L. Computer Center Air Conditioning	.....	45,000	45,000
Subtotal Miscellaneous Improvements	2,928,300	4,025,500	6,954,000
Totals	$39,090,700	$17,839,300	$56,930,000

Library of Congress
Summary of Obligations
In-House Cost Basis

Building	Total	Fiscal Year 1981	Fiscal Year 1982	Fiscal Year 1983	Fiscal Year 1984	Fiscal Year 1985	Fiscal Year 1986	Fiscal Year 1987
Main								
A/E Fees.....	$ 3,580,500	$3,580,500	.....	.....	.....	.....	.....	.....
CMD Services.....	3,114,200	195,100	$ 646,600	$ 579,000	$ 463,400	$ 463,400	$ 473,100	$ 293,600
Construction.....	32,396,000	953,500	5,067,100	6,639,700	5,372,900	5,372,900	5,467,000	3,522,900
Subtotal....	39,090,700	4,729,100	5,713,700	7,218,700	5,836,300	5,836,300	5,940,100	3,816,500
Jefferson								
A/E Fees.....	918,500	918,500	.....	.....	.....	.....	.....	.....
CMD Services.....	1,159,400	164,000	258,100	281,700	223,400	232,200	.....	.....
Construction.....	15,761,400	1,420,100	3,766,400	4,080,500	3,317,200	3,177,200	.....	.....
Subtotal....	17,839,300	2,502,600	4,024,500	4,362,200	3,540,600	3,409,400	.....	.....
Grand Total								
A/E Fees.....	4,499,000							
Less: FY 1980 Appropriation..	(-) 250,000							
Balance Required.....	4,249,000	4,249,000	.....	.....	.....	.....	.....	.....
CMD Services.....	4,273,600	359,100	904,700	860,700	686,800	695,600	473,100	293,600
Construction.....	48,157,400	2,373,600	8,833,500	10,720,200	8,690,100	8,550,100	5,467,000	3,522,900
Total.....	$56,930,000	$6,981,700 1/	$9,738,200	$11,580,900	$9,376,900	$9,245,700	$5,940,100	$3,816,500

1/ Say $7,000,000.

A/E Fees.....	$4,250,000
CMD Services..	360,000
Construction..	2,390,000
Total.....	$7,000,000

Library of Congress - Main Building
Cost Estimates Summary

Activity	Construction Cost	Escalation to Midpoint of Construction	Subtotal	Contingency	Total Construction Cost	Construction Management Division Services	A/E Fees	Total
1. Cleaning/Renovation (Exhibit/Public Areas)...	$ 80,000	$ 30,000	$ 110,000	$ 38,500 (35%)	$ 148,500	$ 14,900	$	$ 163,400
2. Alterations for Interim Occupancy.....	300,000	105,500	405,500	60,500 (15%)	466,000	.....	.....	466,000
3. Restoration - Interior (Architectural/ Mechanical/Electrical/Research/ Restore Artwork & Statues).....	7,222,000	6,211,900	13,433,900	4,701,900 (35%)	18,135,800	1,813,600	2,720,400 (15%)	22,669,800
4. Fire Protection Program (Architectural/Mechanical/Electrical)								
A. Main Building Stack Sprinkler.....	824,000	266,400	1,090,400	218,100 (20%)	1,308,500	130,900	..... (10%)	1,439,400
B. Balance of Program....	3,832,000	2,700,000	6,532,000	1,306,400 (20%)	7,838,400	783,800	783,800 (10%)	9,406,000
Subtotal A and B.....	4,656,000	2,966,400	7,622,400	1,524,500	9,146,900	914,700	783,800	10,845,400
5. Renovation of Coolidge Auditorium.....	448,000	187,600	635,600	127,100 (20%)	762,700	76,300	76,300 (10%)	915,300
6. Exterior Restoration.....	598,400	273,000	871,400	130,700 (15%)	1,002,100	100,200	.....	1,102,300
7. Miscellaneous Improvements								
A. Clean Bronze Doors....	21,000	6,800	27,800	7,000 (25%)	34,800	3,500	.....	38,300
B. Audio Visual Connections.....	49,500	.....	49,500	.....	49,500	.....	.....	49,500
C. Elevators.....	600,000	.....	600,000	.....	600,000	.....	.....	600,000
D. Installation of Storm Windows.....	700,000	287,000	987,000	247,000 (25%)	1,234,000	123,400	.....	1,357,400
E. Master Lock System....	70,000	.....	70,000	.....	70,000	.....	.....	70,000
F. Graphics.....	150,000	140,700	290,700	58,100 (20%)	348,800	34,900	.....	383,700
G. Data Cabling System...	70,000	.....	70,000	.....	70,000	.....	.....	70,000
H. Revolving Door Replacement.....	233,000	51,300	284,300	42,600 (15%)	326,900	32,700	.....	359,600
Totals.....	$15,197,900	$10,260,200	$25,458,100	$6,937,900	$32,396,000	$3,114,200	$3,580,500	$39,090,700

Library of Congress - Main Building
Fiscal Year Obligations Summary

Activity	Total	Fiscal Year 1981	Fiscal Year 1982	Fiscal Year 1983	Fiscal Year 1984	Fiscal Year 1985	Fiscal Year 1986	Fiscal Year 1987
1. Cleaning/Renovation (Exhibit/ Public Areas)								
CMD Services	$ 14,900	$ 14,900	.....	.....	.....	.....	.....	.....
Construction	148,500	148,500	.....	.....	.....	.....	.....	.....
Total	163,400	163,400	.....	.....	.....	.....	.....	.....
2. Alterations for Interim Occupancy	466,000	71,000	$ 66,000	$ 66,000	$ 66,000	$ 66,000	$ 66,000	$ 65,000
3. Restoration - Interior (Architectural/Mechanical/Electrical/Research/ Restore Artwork and Statues								
A/E Fees	2,720,400	2,720,400	.....	.....	.....	.....	.....	.....
CMD Services	1,813,600	.....	320,000	320,000	320,000	320,000	320,000	213,600
Construction	18,135,800	.....	1,450,900	3,627,200	3,627,200	3,627,200	3,627,200	2,176,100
Total	22,669,800	2,720,400	1,770,900	3,947,200	3,947,200	3,947,200	3,947,200	2,389,700
4. Fire Protection Program (Architectural/Mechanical/Electrical)								
A. Main Building Sprinkler								
CMD Services	130,900	35,300	47,800	47,800	.....	.....	.....	.....
Construction	1,308,500	130,900	588,800	588,800	.....	.....	.....	.....
Total	1,439,400	166,200	636,600	636,600	.....	.....	.....	.....
B. Balance of Program								
A/E Fees	783,800	783,800	.....	.....	.....	.....	.....	.....
CMD Services	783,800	109,800	109,800	125,400	125,400	125,400	125,400	62,600
Construction	7,838,400	.....	783,800	1,489,300	1,489,300	1,489,300	1,489,300	1,097,400
Total	9,406,000	893,600	893,600	1,614,700	1,614,700	1,614,700	1,614,700	1,160,000
Subtotals A and B								
A/E Fees	783,800	783,800	.....	.....	.....	.....	.....	.....
CMD Services	914,700	145,100	157,600	173,200	125,400	125,400	125,400	62,600
Construction	9,146,900	130,900	1,372,600	2,078,100	1,489,300	1,489,300	1,489,300	1,097,400
Total	10,845,400	1,059,800	1,530,200	2,251,300	1,614,700	1,614,700	1,614,700	1,160,000

Library of Congress - Main Building
Fiscal Year Obligations Summary
(continued)

Activity	Total	Fiscal Year 1981	Fiscal Year 1982	Fiscal Year 1983	Fiscal Year 1984	Fiscal Year 1985	Fiscal Year 1986	Fiscal Year 1987
5. Renovation of Coolidge Auditorium								
A/E Fees	$ 76,300	$ 76,300	.....	.....	.....	.....	.....	.....
CMD Services	76,300	15,300	$ 54,900	$ 6,100	.....	.....	.....	.....
Construction	762,700	45,800	655,900	61,000	.....	.....	.....	.....
Total	915,300	137,400	710,800	67,100	.....	.....	.....	.....
6. Renovation - Exterior								
CMD Services	100,200	18,000	18,000	18,000	$ 18,000	$ 18,000	$ 10,200	.....
Construction	1,002,100	180,400	180,400	180,400	180,400	180,400	100,100	.....
Total	1,102,300	198,400	198,400	198,400	198,400	198,400	110,300	.....
7. Miscellaneous Improvements								
A. Clean Bronze Doors								
CMD Services	3,500	1,800	1,700	.....	.....	.....	.....	.....
Construction	34,800	17,400	17,400	.....	.....	.....	.....	.....
Total	38,300	19,200	19,100	.....	.....	.....	.....	.....
B. Audio Visual Connections	49,500	49,500	.....	.....	.....	.....	.....	.....
C. Elevator Modernization	600,000	300,000	300,000	.....	.....	.....	.....	.....
D. Installation of Storm Windows								
CMD Services	123,400	.....	61,700	61,700	.....	.....	.....	.....
Construction	1,234,000	.....	617,000	617,000	.....	.....	.....	.....
Total	1,357,400	.....	678,700	678,700	.....	.....	.....	.....
E. Master Lock System	70,000	.....	70,000	.....	.....	.....	.....	.....

Library of Congress - Main Building
Fiscal Year Obligations Summary
(continued)

Activity	Total	Fiscal Year 1981	Fiscal Year 1982	Fiscal Year 1983	Fiscal Year 1984	Fiscal Year 1985	Fiscal Year 1986	Fiscal Year 1987
7. Miscellaneous Improvements (continued)								
F. Graphics								
CMD Services	$ 34,900	.....	.....	.....	.....	.....	$ 17,500	$ 17,400
Construction	348,800	.....	.....	.....	.....	.....	174,400	174,400
Total	383,700	.....	.....	.....	.....	.....	191,900	191,800
G. Data Cabling System	70,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	10,000	10,000
H. Revolving Door Replacement								
CMD Services	32,700	.....	32,700	.....	.....	.....	.....	.....
Construction	326,900	.....	326,900	.....	.....	.....	.....	.....
Total	359,600	.....	359,600	.....	.....	.....	.....	.....
Subtotals - Miscellaneous Improvements								
CMD Services	194,500	1,800	96,100	61,700	.....	.....	17,500	17,400
Construction	2,734,000	376,900	1,341,300	627,000	10,000	10,000	184,400	184,400
Total	2,928,500	378,700	1,437,400	688,700	10,000	10,000	201,900	201,800
Grand Totals								
A/E Fees	3,580,500	3,580,500	.....	.....	.....	.....	.....	.....
CMD Services	3,114,200	195,100	646,600	579,000	463,400	463,400	473,100	293,600
Construction	32,396,000	953,500	5,067,100	6,639,700	5,372,900	5,372,900	5,467,000	3,522,900
Total	$39,090,700	$4,729,100	$5,713,700	$7,218,700	$5,836,300	$5,836,300	$5,940,100	$3,816,500

Library of Congress - Jefferson Building
Cost Estimates Summary

Activity	Construction Cost	Escalation to Midpoint of Construction	Subtotal	Contingency 20% Unless Noted	Total Construction Cost	Construction Management Division Services	A/E Fees	Total
1. Occupancy Accommodations...	$ 634,900	$ 309,900	$ 944,800	(15%) $ 141,700	$ 1,086,500	$	$	$ 1,086,500
2. Fire Protection Program (Architectural/Mechanical/Electrical)								
A. Bookstacks - Sprinklers.....	515,000	245,300	760,300	152,100	912,400	91,200	.....	1,003,600
B. Balance of Program....	5,185,000	2,469,600	7,654,600	1,530,900	9,185,500	918,500	918,500	11,022,500
Subtotal A and B.....	5,700,000	2,714,900	8,414,900	1,683,000	10,097,900	1,009,700	918,500	12,026,100
3. Renovation of 5th Floor Reading Room.....	164,500	80,400	244,900	(15%) 36,700	281,600	.....	.....	281,600
4. Miscellaneous Improvements								
A. Exterior Restoration..	250,300	109,500	359,800	(10%) 36,000	395,800	23,800	.....	419,600
B. Drinking Water Chiller Replacement.....	30,000	.....	30,000	.....	30,000	.....	.....	30,000
C. Air Conditioning Modernization.....	1,300,000	.....	1,300,000	.....	1,300,000	.....	.....	1,300,000
D. Freight Elevator Modernization.....	165,000	.....	165,000	.....	165,000	.....	.....	165,000
E. Electrical Service and Distribution System Modernization.....	1,000,000	.....	1,000,000	.....	1,000,000	.....	.....	1,000,000
F. Installation of Storm Windows.....	429,000	209,700	638,700	(15%) 95,800	734,500	73,400	.....	807,900
G. Computer Center Air Conditioning.....	45,000	.....	45,000	.....	45,000	.....	.....	45,000
H. Master Lock System....	139,000	58,600	197,600	39,500	237,100	23,700	.....	260,800
I. Graphics.....	150,000	90,000	240,000	48,000	288,000	28,800	.....	316,800
J. Data Cabling System...	100,000	.....	100,000	.....	100,000	.....	.....	100,000
Totals.....	$10,107,700	$3,573,000	$13,680,700	$2,080,700	$15,761,400	$1,159,400	$918,500	$17,839,300

Library of Congress - Jefferson Building
Fiscal Year Obligations Summary

Activity	Total	Fiscal Year 1981	Fiscal Year 1982	Fiscal Year 1983	Fiscal Year 1984	Fiscal Year 1985
Occupancy Accommodations	$ 1,086,500	$ 270,000	$ 270,000	$ 182,200	$ 182,200	$ 182,100
Fire Protection Program						
A. Bookstacks - Sprinklers						
A/E Fees	.....	.....	.....	.....	.....	.....
CMD Services	91,200	18,300	18,300	18,200	18,200	18,200
Construction	912,400	182,500	182,500	182,500	182,500	182,400
Total	1,003,600	200,800	200,800	200,700	200,700	200,600
B. Balance of Program						
A/E Fees	918,500	918,500	.....	.....	.....	.....
CMD Services	918,500	137,700	195,200	195,200	195,200	195,200
Construction	9,185,500	648,000	2,134,400	2,134,400	2,134,400	2,134,300
Total	11,022,500	1,704,200	2,329,600	2,329,600	2,329,600	2,329,500
Subtotals A and B						
A/E Fees	918,500	918,500	.....	.....	.....	.....
CMD Services	1,009,700	156,000	213,500	213,400	213,400	213,400
Construction	10,097,900	830,500	2,316,900	2,316,900	2,316,900	2,316,700
Total	12,026,100	1,905,000	2,530,400	2,530,300	2,530,300	2,530,100
Renovation of 5th Floor Reading Room	281,600	.....	.....	.....	.....	281,600
Miscellaneous Improvements						
A. Exterior Restoration						
CMD Services	23,800	8,000	7,900	7,900	.....	.....
Construction	395,800	132,000	131,900	131,900	.....	.....
Total	419,600	140,000	139,800	139,800	.....	.....
B. Drinking Water Chiller Replacement	30,000	30,000	.....	.....	.....	.....
C. Air Conditioning Modernization	1,300,000	.....	433,400	433,300	433,300	.....
D. Freight Elevator Modernization	165,000	.....	.....	165,000	.....	.....

Library of Congress - Jefferson Building
Fiscal Year Obligations Summary
(continued)

Activity	Total	Fiscal Year 1981	Fiscal Year 1982	Fiscal Year 1983	Fiscal Year 1984	Fiscal Year 1985
4. Miscellaneous Improvements (continued)						
E. Electrical Service Distribution System Modernization	$ 1,000,000	$ 92,600	$ 226,900	$ 226,900	$ 226,800	$ 226,800
F. Installation of Storm Windows						
CMD Services	73,400	.....	36,700	36,700	.....	.....
Construction	734,500	.....	367,300	367,200	.....	.....
Total	807,900	.....	404,000	403,900	.....	.....
G. Computer Center Air Conditioning	45,000	45,000	.....	.....	.....	.....
H. Master Lock System						
CMD Services	23,700	.....	.....	23,700	.....	.....
Construction	237,100	.....	.....	237,100	.....	.....
Total	260,800	.....	.....	260,800	.....	.....
I. Graphics						
CMD Services	28,800	.....	.....	.....	10,000	18,800
Construction	288,000	.....	.....	.....	138,000	150,000
Total	316,800	.....	.....	.....	148,000	168,800
J. Data Cabling System	100,000	20,000	20,000	20,000	20,000	20,000
Subtotals - Miscellaneous Improvements						
CMD Services	149,700	8,000	44,600	68,300	10,000	18,800
Construction	4,295,400	319,600	1,179,500	1,581,400	818,100	396,800
Total	4,445,100	327,600	1,224,100	1,649,700	828,100	415,600
Grand Totals						
A/E Fees	918,500	918,500	.....	.....	.....	.....
CMD Services	1,159,400	164,000	258,100	281,700	223,400	232,200
Construction	15,761,400	1,420,100	3,766,400	4,080,500	3,317,200	3,177,200
Total	$17,839,300	$2,502,600	$4,024,500	$4,362,200	$3,540,600	$3,409,400

EMPLOYEE HIRING AND PROMOTIONS

Question: Please provide for the record the methods used to hire and promote employees.

Answer: Employees of this office are selected, with one exception, and appointed by the Architect of the Capitol. The exception occurs in the case of patronage elevator operators who are selected by the Senate or House Patronage Committees. The operators are then appointed by the Architect and serve as employees of his office.

New appointments to the regular force are made on a merit basis. Many of such appointees have, prior to their appointment to the regular force, worked under the office from time to time in a temporary capacity, either on our rolls or on the rolls of contractors, in connection with seasonal activities, special maintenance and repair activities, or construction work and have demonstrated their fitness for such appointments.

It has been a long standing practice of the Architect to fill higher graded positions, where possible, by promotion within the service, and of appointing new employees to lower graded positions. Employees are trained within the ranks and promoted to vacancies in higher graded positions on the basis of qualifications, seniority and experience.

The Architect of the Capitol is subject to the provisions of Chapter 51 of Title 5, United States Code (formerly known as the Classification Act of 1949, as amended) and positions in the office subject to that provision of law are graded on the basis of standards issued by the Office of Personnel Management (OPM). Promotions are based on increased duties and responsibilities that may be assigned to positions from time to time, when such duties and responsibilities compare favorably with OPM position classification standards for GS or white-collar positions. Similarly, wage board positions are also evaluated on the basis of standards issued by OPM. In the latter case, the provisions of Chapter 53 of Title 5, United States Code apply.

All positions subject to Chapter 51 or Chapter 53 are reviewed periodically for the purposes of maintaining accurate position descriptions and determining if additional duties and responsibilities have been assigned to justify promotions of incumbents.

SUBCOMMITTEE RECESS

Senator SASSER. I thank you all for appearing this morning. That concludes our hearing this morning, and the subcommittee will stand in recess until Thursday, February 28.

[Whereupon, at 11:45 a.m., Tuesday, February 19, the subcommittee was recessed, to reconvene on Thursday, February 28.]

LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1981

THURSDAY, FEBRUARY 28, 1980

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

The subcommittee met at 2:10 p.m., in room S-146, the Capitol, Hon. Jim Sasser (chairman) presiding.

JOINT ECONOMIC COMMITTEE

STATEMENTS OF:
HON. LLOYD BENTSEN, U.S. SENATOR FROM TEXAS
HON. CLARENCE BROWN, U.S. REPRESENTATIVE FROM OHIO

ACCOMPANIED BY:
JACK ALBERTINE, EXECUTIVE DIRECTOR
LOUIS KRAUTHOFF, ASSISTANT DIRECTOR AND DIRECTOR, SPECIAL STUDY ON ECONOMIC CHANGE
CHARLES BRADFORD, MINORITY COUNSEL

1980 APPROPRIATION AND 1981 BUDGET REQUEST

Senator SASSER. The subcommittee will come to order.

The first witness this afternoon is my distinguished colleague from Texas, Senator Lloyd Bentsen, the chairman of the Joint Economic Committee.

He is joined by our able colleague from the House of Representatives, Congressman Clarence Brown, ranking minority member of the committee.

The 1981 President's budget for the Joint Economic Committee is $2,150,000 and 46 positions, a decrease of $715,000 below the 1980 level.

Mr. Chairman, you may proceed as you wish.

Senator BENTSEN. Thank you very much, Mr. Chairman.

I am pleased to appear before you this afternoon to discuss the budgetary requirements of the Joint Economic Committee for fiscal year 1981.

Mr. Chairman, we have submitted a detailed statement to you. Therefore, I would like to make only a few brief comments today.

We are requesting $1,950,000 for fiscal year 1981. This is $200,000 less than the $2,150,000 requested in the President's budget for the Joint Economic Committee. This $1,950,000 is $608,000 below the re-

quest we submitted for fiscal year 1980 and represents a 24-percent reduction from the total appropriation requested by the JEC for fiscal year 1980.

This substantial reduction is made possible because the committee will complete its special study on economic change by December 31, 1980. We are determined to complete the special study without additional funds beyond what has already been appropriated for that project.

Our budget is lean. For the fourth consecutive year, we are not requesting an increase in staff. While our staff size has remained constant, I believe the quality of our work is constantly improving and hence our service to our colleagues in Congress is growing.

We are very proud of the work we have done. In March 1979, for the first time in 20 years, every member of the Joint Economic Committee—Democrats and Republicans, liberals and conservatives—signed the committee's annual report. Today we are releasing the latest annual report which, again, is unified. The committee also issued a unified midyear report last August.

CHANGES IN DIRECTION OF ECONOMIC POLICY

These reports recommend a fundamental change in the direction economic policy has taken over the last generation. The committee calls for an end to the economic philosophy which seeks to solve all economic problems by focusing exclusively on the demand side of the economy. Instead, we urge a new economic strategy to enhance the supply side of the economy through new incentives for saving and investment, rational reform of the Federal regulatory system, and reduction in the reliance on undependable foreign sources of energy.

Our reports debunk the myth that this Nation can only reduce inflation by wringing it out of the system through monetary and fiscal policies which produce recession. Lowering wage expectations by raising the unemployment rate will not work to reduce inflation over the long run. The reason is that recessions reduce investment spending and that means poor productivity performance, which results in upward pressure on prices.

FOCUS ON INCREASING PRODUCTIVITY

We have taken the position that expanding the capacity of the economy to produce more goods and services more efficiently is the most effective policy to combat inflation. We believe that the way to fight inflation is to put people to work, to put more goods on the shelves, not by putting more workers on unemployment lines.

Mr. Chairman, I believe that the Joint Economic Committee is on the cutting edge of a new approach to economics. We have requested an appropriation which is lean, but which will permit us to continue to serve our colleagues in the Congress by responding to requests for analysis and information and by providing new approaches to the serious economic problems our country faces today.

It is terribly important that we have the resources necessary to come up with the ideas and recommendations to turn this economy around so

that our people will enjoy an increased standard of living during the last 20 years of the 20th century, and beyond.

STATEMENT OF REPRESENTATIVE CLARENCE BROWN, RANKING MINORITY MEMBER

I would like to defer to my distinguished colleague, the ranking minority member, Clarence Brown, who has been a valuable member of this committee, and has been a great contributor to this joint effort.

Representative BROWN. Thank you.

Chairman Sasser, I appreciate this opportunity to appear with my distinguished colleague on the Joint Economic Committee for the JEC appropriation request for fiscal 1981. I support the tight budget that has been presented to you by Senator Bentsen.

Ours is a lean and effective committee, in the statutory sense. Our budget request, I think, reflects a lean and hard-working staff. They work long hours and they have given excellent service, both to the majority and the minority side.

I have been a member of the Joint Economic Committee, Mr. Chairman, since 1969 and have served as the ranking minority member for 4 years, rotating with Senator Javits.

QUALITY OF WORK

I would have to say to you, I feel the Joint Economic Committee is doing better work now than at any time since I joined the committee 11 years ago. The credit for that must fall on the shoulders of Senator Bentsen for his enlightened, strong, dedicated leadership of this committee. His ability to bring about a consensus report from the committee rivals the leadership that we had on this committee from its inception days when Paul Douglas, the late Senator from Illinois, and the late Senator Bob Taft from my State were serving in that role alternately as chairmen.

1980 CONSENSUS ANNUAL REPORT

We just released our 1980 annual report, as Senator Bentsen said. It is another consensus report. It is, I think, an extremely unusual accomplishment in a Presidential election year, to achieve another consensus; this time a continuation of the work that we began last year, and it attests to the soundness of the policy recommendations contained in the report of 1979.

Last year, the Joint Economic Committee was on the cutting edge of economic theory in this country. Walter W. Rostow, last October, called the 1979 report of the Joint Economic Committee an historic document. The 1980 report, scheduled for release after 6 p.m. this evening, carries that project a step further, and I think adds to our accomplishments.

POLICIES AND RECOMMENDATIONS

The policies and recommendations set forth in our 1979 and 1980 reports outline the path to economic salvation and economic prosperity for this country. We need them in this era of 18-percent inflation, neg-

ative productivity, and with unemployment on the increase. These reports cite inflation as the country's No. 1 problem and a major roadblock to economic growth. To deal with this persistent problem in the most fundamental way, the committee calls for expanding the supply side of the economy by increasing capital formation, labor productivity, and output. We need tax cuts to stimulate savings, to get that capital, and to modernize our equipment in this country and to enhance labor productivity and output.

The Joint Economic Committee is making its mark on Capitol Hill and elsewhere in policymaking and academic circles, because this report is now being circulated in the boardrooms of the country, in the economic departments of the universities of the country, and in the economic journals.

MINORITY PARTICIPATION

The minority members of the committee are pleased to have participated in pointing the way, refining the ideas and presenting them for consideration. I feel that the Congress and the country are getting more than their money's worth in the effort of this committee.

I strongly endorse the committee's budget request and hope the Senate will see fit to continue to encourage us with its "generosity."

Senator SASSER. Thank you, Congressman Brown. I want to take this opportunity to commend the chairman and the Joint Economic Committee for coming to us with a lean budget this year; also for holding staff constant, no staff increases. That is always music to our ears here on the Legislative Appropriations Subcommittee.

Mr. Chairman, I want to pay tribute to you for the splendid work you have done.

Congressman Brown indicated the leadership that you have given the committee over the past 2 years rivals that of such giants of the economic and political field—Senator Paul Douglas and Senator Robert Taft—and I want to tip my hat to you. I have been watching the activities on the Joint Economic Committee with great interest. Many of us have in the Senate. I thank you for your splendid efforts.

Senator BENTSEN. You are very generous.

Let me say that I believe the committee's work reflects the work of the very able staff and the splendid support I have received from Bud Brown and other members of this committee.

Senator SASSER. At the risk of exposing a lack of economic expertise on this side of the table, I would like to propound a few questions here. Some are elementary, but we would like to have an answer to them.

PRODUCTIVITY IN JAPAN AND GERMANY

Is it true the Japanese and Germans are still ahead of us in total productivity? Is that correct, or are we still ahead?

Senator BENTSEN. We are still ahead. In the overall productivity, across all industries, the United States is still ahead, but the problem is that the trend lines are most alarming. We had productivity in this country go down 2 percent last year. We see the Japanese continue to increase somewhere on the order of 4½ percent.

Take the steel industry for example. Let me give you an example of that. There are 22 modern blast furnaces in the world. Fourteen of them are in Japan. None is in the United States, not one. It is a question of putting better tools in the hands of the working people of Japan, Germany, or the United States; and in Japan they are turning over the industrial base once every 10 years.

UNITED STATES VERSUS JAPANESE INDUSTRIAL BASE TURNOVER

In the United States, now, we are turning over the industrial base, modernizing it, once every 30 years. You do not have to be an economic genius to know their working people have better tools than our people. To get it right down in layman's language, if you are going out to saw firewood these days, you wouldn't go out with a handsaw and do it, you would do it with a powersaw. So what we are talking about is not replacing people with machines; we are talking about not working longer hours or faster, but giving them better tools.

INFLATION RATE IN RELATION TO PRODUCTIVITY

Senator SASSER. Mr. Chairman, how does increasing productivity, perhaps the failure to increase productivity, relate to the rate of inflation?

Senator BENTSEN. If you have a situation where wages go up faster than the increase in productivity, prices follow that, and so you have an increase in unit labor costs, which pushes up prices. So productivity must increase and that is not happening in this country. It is on the downslide.

INFLATION RATE IN RELATION TO BALANCE OF PAYMENTS

Senator SASSER. How does productivity relate to our balance of payments?

Senator BENTSEN. I just got back from the Far East. The Japanese are beating the pants off us out there. They are taking away the market share and they are doing it by increasing productivity where we are not. They are putting the product out there cheaper than we can put it out here in many, many instances because of their increase in productivity among particular industries. We have now seen ourselves with a deficit in trade over the last 2 years that approaches about $60 billion. A good part of that comes, of course, from the price of oil.

And a good part of it comes from the fact we are not keeping pace on productivity. The competition is beating us.

Senator SASSER. If you took our agricultural exports out, you would really have——

Senator BENTSEN. We have about $14 billion. I don't have the 1979 figures, but that is the 1978 figure.

EFFECTS OF INCREASED ENERGY PRICES

Senator SASSER. Mr. Chairman, is there any way our economy is going to be able to handle the massive increases in energy prices that appear to be facing us during the decade of the 1980's if we do not increase our rate of growth and rate of productivity?

Senator BENTSEN. No way we can do it. We are headed for lowering the standard of living of the people of the United States unless we increase productivity.

ADVERSARY RELATIONSHIP BETWEEN GOVERNMENT, BUSINESS, AND LABOR

We have had an adversary relationship between Government, business, and labor. That is historical in this country. But our major trading partners have a joint effort on the part of business and labor and Government. That means we have to support the kinds of things that increase productivity and modernize plants.

JAPANESE EXPLOITATION OF U.S. TECHNOLOGY

Senator SASSER. Are the Japanese exploiting our technology to increase productivity?

Senator BENTSEN. We brought over and had testify before us the head of one of the productivity centers for Japan, and he told us what happened after World War II. He said, "You know, you sent your Marshall Plan people over and told us we had to adopt certain goals of productivity and certain procedures to get there, and," he said, "we did it. The only trouble was you didn't follow your own advice." So they took our technology and they improved on it and they expanded on it. Now we have a lot to learn from them.

I don't know if you have read Dr. Vogel's book on "Japan, No. 1", but I commend it to you. I don't agree with all of it, but it does show some major things that Japan has done to capitalize on some of the things they have done in the past.

EXPLOITATION OF U.S. MANAGEMENT TECHNIQUES

Senator SASSER. They not only took our technology, but also our management techniques, didn't they?

Senator BENTSEN. They sure did. Our top business schools nowadays have a substantial number of people from other countries who are taking back our management techniques to their own countries.

METHODS OF INCREASING PRODUCTIVITY

Senator SASSER. Mr. Chairman, I think you and I have discussed this before. We both agree that it is critical to get productivity up in this country. We have seen a slide now over a period of a decade, a decrease in per capita productivity of the United States in comparison to some of our more aggressive trading partners around the world.

How do we get productivity up?

DEPRECIATION SCHEDULES

Senator BENTSEN. There are a number of ways. One of them, I think, is to match what some of our trading partners are doing in the way of depreciation schedules. That means to increase the cash flow of corporations. A lot of corporate presidents would like to have a cut in the corporate tax rate, and I can understand that. But the way you get the most bang for the buck is by doing it on the depreciation schedule.

What we should do is substantially cut down on the amount of tax life for a machine so they can use the funds to replace that machine. Canada is now doing it; Japan is doing it; Germany is doing it; and we must do it.

GOVERNMENT REGULATIONS

The other thing is on regulations. We should put cost effectiveness in every regulation that affects productivity in this country so that we use the most cost-effective means of achieving whatever that social goal is that that particular regulation is pointed toward.

Much legislation has been passed in trying to reach environmental goals which are worthy and good ones, but without cost effectiveness. That just really is not very smart. We can achieve those goals, but we should use the most cost-effective way to get there.

REDUCTION IN U.S. SAVINGS RATES

Senator SASSER. If we are going to modernize our productive capacity, that is going to require the outlay of a substantial amount of capital. Something that is troubling Congress generally in this country is the low savings rate. Our people are saving now at the lowest rate, if I recall the figures correctly, at the lowest at any time since the Second World War, and we traditionally have not been some of the best savers of the world in comparison to populations of other highly industrialized countries. But we need this savings for capital investment, saving is diminishing and declining rapidly, and inflation is running the funds out of the savings account.

Do you have any ideas for reversing this trend, Mr. Chairman?

Senator BENTSEN. Yes. What you have stated is very true. The savings rate in this country has now dropped below 4 percent. The Japanese had a savings rate of approximately 24 percent. The Germans have one of approximately 14 percent, and the French had one of approximately 17 percent. Now, we passed a very modest amendment the other day, which you voted for, to exempt the first $200 in interest on savings, $400 for a married couple. That is a step in the right direction. It is not enough, but it helps.

REWARDS FOR SAVERS

There are some who said you are rewarding people who are always saving. It is time somebody did reward people who are saving. The mutual banks in this country from June to November lost approximately $6 billion in savings. So we have to at least put a finger in the dike to try to stop that.

LOSSES OF SAVINGS AND LOANS ASSOCIATIONS

In January, 26 percent of the savings and loans in this country lost money. I would guess by February it would be close to 50 percent. If you took the bond portfolio of some of the major financial institutions today and valued them at market value, the institutions have no capital service left and have debts. That is the kind of thing we are running into. It is time we turned that around. One of the ways to do it is by taking tax off of interest.

Senator SASSER. Mr. Chairman, thank you very much for appearing here this afternoon and giving us the benefit of your views and also giving us the benefit of your budget.

Senator BENTSEN. Thank you very much. I appreciate very much the time you have given us.

CONGRESSIONAL BUDGET OFFICE

STATEMENT OF DR. ALICE M. RIVLIN, DIRECTOR

ACCOMPANIED BY:
ROBERT D. REISCHAUER, DEPUTY DIRECTOR
ALFRED B. FITT, GENERAL COUNSEL
STANLEY L. GREIGG, DIRECTOR, OFFICE OF INTER-GOVERNMENTAL RELATIONS
CHARLES S. BARDEN, JR., DEPUTY ASSISTANT DIRECTOR FOR ADMINISTRATION
JAMES L. BLUM, ASSISTANT DIRECTOR, BUDGET ANALYSIS DIVISION
ROBERT D. HARRIS, DEPUTY ASSISTANT DIRECTOR, BUDGET ANALYSIS DIVISION

1980 APPROPRIATION AND 1981 BUDGET REQUEST

Senator SASSER. Our next witness is Dr. Alice M. Rivlin, Director of the Congressional Budget Office.

Dr. Rivlin, you have heard these problems that the chairman of the Joint Economic Committee has laid out. We are confident that you will have a solution to all these problems right now.

We look forward to hearing from you on the solution since he did define the problems.

The 1981 President's budget request for CBO is $13,544,000 and 218 staff positions, an increase of $1,013,000 over the amount anticipated to be approved for fiscal year 1980. No change in the 218 staff positions is requested.

Dr. Rivlin, I want to commend you at the outset for holding your staff constant and steady. You may proceed, Dr. Rivlin.

Dr. RIVLIN. Thank you very much, Mr. Chairman.

Sitting at the table with me is Stanley Greigg, Director of our Office of Intergovernmental Relations. I also have with me numerous other members of the CBO staff.

In my testimony today, I will address two subjects. First, I will present a very brief summary of the key elements of the 1981 appropriation request for the Congressional Budget Office. The comprehensive statement and justification material previously submitted have been printed in volume I of the 1981 hearings. I will then, as you requested, turn to a discussion of the subject of inflation. I know this is a topic of vital interest to you, as it is to almost everybody at the moment. It is a topic we last discussed at your hearings in Nashville.

HIGH INTEREST RATES

Senator SASSER. You will recall at those hearings we discussed the problem of high interest rates.

Dr. RIVLIN. Yes, we did. We didn't know how bad it was going to be.

Senator SASSER. We didn't. It has gotten worse since then. We were alarmed because the Federal discount rate had been raised from, what, 10 to 11 percent at that juncture? It is now up to 13 percent. Please proceed.

AUTHORIZED PERSONNEL CEILING

Dr. RIVLIN. As to the CBO request for fiscal year 1981, I am requesting an appropriation of $13,544,000, an increase over fiscal year 1980 of approximately 8 percent. This budget allows for no growth except a moderate inflation allowance. It does not contain funds for expanded responsibilities or additional staff positions. Rather, it would simply continue CBO's current organization and its services to the Congress.

CBO's authorized personnel ceiling is 218. The actual staff has been held slightly below that level, however, in order to stay within fiscal year 1980 budget limitations. Our fiscal year 1981 request would allow us to bring the staff to the fully authorized level.

You will recall that the conference committee substantially reduced our fiscal year 1980 request. Because of this limitation on funds, we have had to operate on very limited resources and hold the actual staff level below our authorized ceiling.

1980 SUPPLEMENTAL BUDGET REQUEST

We have submitted a fiscal year 1980 supplemental budget request for $414,000 to cover the incremental costs of salaries and benefits resulting from the October 1979 Federal comparability pay increase.

In our recent hearing before the House Subcommittee on Legislative, we were asked whether we could absorb these increased costs within our fiscal year 1980 budget. We have, therefore, again carefully examined the resources currently available to us and have concluded that we cannot absorb this amount without firing staff and sharply reducing services to the Congress.

Mr. Chairman, I have explained in capsule form some highlights of our budget request. I would be pleased to discuss further any items in our budget request or review CBO's activities.

Pending further discussion of that, let me turn to the discussion of inflation.

THE PROBLEM OF INFLATION

Throughout the 1970's, the United States struggled with the problem of inflation. The rising prices we faced at the start of that decade were in part a legacy of deficit spending in the 1960's when the economy was operating at a high level of capacity utilization; in part, they also reflected a trend of wages rising faster than productivity.

The wage and price controls imposed during the Nixon administration gave only temporary respite. When they were removed, the devaluation of the dollar, the huge OPEC oil price increase, worldwide economic expansion, and commodity and inventory speculation all led to an explosion of prices.

Senator SASSER. Let me interrupt you there. The wage and price controls were removed prior to the Arab oil embargo prior to 1973?

Dr. RIVLIN. Yes, the final phase—phase 4—began in August 1973 and ended in April 1974.

Inflation reached double-digit rates. A severe recession in 1974–75 slowed inflation somewhat, but lagging productivity growth, repeated OPEC price increases and episodes of rising food prices kept the inflation rate from returning to the level of the 1960s or anywhere near it.

UNEMPLOYMENT

During this period, economic policymaking has been extraordinarily difficult. Because of the slow recovery from the recession and the rapid growth in the labor force, unemployment rates stayed at relatively high levels. At the same time, price increases persisted despite considerable slack in the economy.

An effort to dampen inflation through more restrictive fiscal and monetary policy would, it was feared, worsen the unemployment situation. Instead, the Congress began to try to protect various groups from the effects of rising prices by such measures as tying Federal benefits to the Consumer Price Index, increasing the minimum wage, raising farm crop support levels, and imposing restrictions on international trade. These accommodations have, in many cases, added to the rise in prices and increased the momentum of the inflationary pressure.

RESURGENCE OF INFLATION

Recently there has been a resurgence of inflation. The Consumer Price Index rose at about a 13 percent rate during most of 1979, and it is virtually certain to accelerate further in the first quarter of 1980, as we have already seen.

An important cause of this reacceleration is a huge round of OPEC price increases that occurred in 1979. The consequences of the jump in crude oil prices are quite widespread. Not only did the prices of petroleum products rise sharply, but the prices of goods and services that use oil and oil products as inputs also accelerated.

The inflationary impact of the deregulation of domestic oil prices has also increased. The huge drain on the balance of payments caused by rising oil import prices puts pressure on the exchange value of the dollar, thus raising the cost of other imports.

HIGH INTEREST RATES

Attempts made by the Federal Reserve to defend the dollar and to slow inflation lead to higher interest rates; these in turn affect the cost to firms of doing business and the cost to consumers of purchasing durable goods on credit.

Senator SASSER. Dr. Rivlin, do you recall when they started raising the discount rate, in November of 1978?

Dr. RIVLIN. Yes, October of 1978.

Senator SASSER. October of 1978, the Federal discount rate at that time was about 8 percent; is that correct?

Dr. RIVLIN. The Federal discount rate in October 1978 was 8.25 percent.

Senator SASSER. The rate of inflation at that time, as I recall, was maybe 9½ percent; does that sound about right?

Dr. RIVLIN. The average inflation for September, October, and November of 1978 was 9.4 percent.

Senator SASSER. You know, we have raised that Federal discount rate and chased the interest rates up in an effort to control inflation and combat inflation, and we ended up with 13.3 percent inflation at the end of last year, and the Federal discount rate was, what, at the end of last year, 12 percent?

Dr. RIVLIN. Yes.

Senator SASSER. Twelve percent, interest rates 16½ percent. You can almost draw a line and chart the increase, as interest rates go up, inflation increases. It appears to me that has got to be a significant element in our inflated economy.

FEDERAL RESERVE RAISING OF INTEREST RATES

Dr. RIVLIN. Of course, the reason the Federal Reserve is raising the interest rate is exactly to slow down the inflation. It is true that it is not working yet.

Senator SASSER. How high do we have to get it before they work?

Dr. RIVLIN. I don't know. I think we are now seeing some effects of the kind the Federal Reserve is trying to achieve. The point of raising the interest rate is to slow down the economy. Now, the economy slowed down a lot last year, for various reasons. Certainly part of it was the higher interest rates.

Despite the slowdown in the economy, we have had continued inflation at accelerated rates. I don't think that can be blamed on the Federal Reserve, although it is true that the shortrun effect of raising interest rates is to increase inflation. Interest is a cost and it enters into the cost of goods.

TVA ELECTRICAL RATES

Senator SASSER. I held hearings, the day before yesterday, on the Tennessee Valley Authority. The Tennessee Valley Authority is in the process of constructing a whole series of nuclear power plants to generate electrical energy. We have five or six of them going. They have been going over a period of time.

They have had more nuclear facilities, for better or worse, than anybody else in the world, I suppose. They have had to borrow enormous sums of money to construct these things over a period of a decade. We are looking in the Tennessee Valley area at an increase in electrical rates of 30 percent brought about almost solely and entirely by increasing interest rates that the TVA has to pay on the bonds and loans that they get to construct these nuclear power plants.

Now that one-third increase in electrical rates is shot all through that economy down there, and if that is not inflationary, I don't know what is. That is caused purely by high interest rates.

Dr. RIVLIN. That is inflationary. That is a good example of interest

entering in as a cost and being reflected in prices. On the other hand, investors generally will be more reluctant to invest if interest rates are high, which should, other things being equal, slow down the economy.

SELECTIVE CREDIT CONTROLS

Senator SASSER. Theoretically. How would selective credit controls work?

Dr. RIVLIN. The point of selective credit controls would be to say, we want to slow down the economy but we don't want to damage a particular industry, we want to give priorities to particular industries.

Senator SASSER. Lower rates for productive equipment, powerplants, lower rates for the means of production, and perhaps lower interest rates for consumer credit.

Dr. RIVLIN. That is a possibility. We have mechanisms for controlling the rate of consumer credit that the Federal Reserve can use. Other things being equal, the Federal Reserve and the banking system generally don't like to get into the business of being rationers of credit, in deciding what is a good industry and what is a bad industry. They would rather use the interest rate and see who can borrow at those rates.

Senator SASSER. I am sure they would rather do that.

You may proceed with your prepared statement, Doctor.

Dr. RIVLIN. At the same time, other factors have contributed to price acceleration: reduced meat supplies have kept food prices high; the demographic structure of the population has put a heavy demand on housing construction; and the inclusion of health insurance as a normal part of employee benefits has been a factor in the rapid increases in health care costs.

PROSPECTS FOR CONTROLLING INFLATION

The future unfortunately does not look reassuring as far as inflation is concerned. Until our economy fully absorbs the increase in energy prices, and until we reduce our dependence on imported oil, the dollar will be under continual pressure. This will keep interest rates high. Without increased investment in capital goods, the prospects for a return to more rapid productivity growth are diminished. Without productivity gains, wage increases are quickly translated into more price increases, as Senator Bentsen has pointed out.

These problems are not insurmountable, but we should not expect to find quick, easy, costless solutions. It will likely take years, not months, to bring inflation under control. As a nation, we will have to endure a period of less rapid gains in our level of consumption. It is during such periods of lagging, or even falling, real income that competition over shares of the national income becomes most intense.

Frequently, this struggle leads to legislative proposals to redress the burdens felt by various groups in the economy. The problem with such proposals is that if they passed they would often undercut or dilute the fight against inflation.

Senator SASSER. Talking about something like, say, energy stamps, that would fall in that category, wouldn't it?

Dr. RIVLIN. Yes, I think it would. Or, indeed, anything to protect individual groups.

Senator SASSER. If the TVA raises their rates one-third, and many homes in the Tennessee Valley area are heated with electricity, then we may be looking at the need for some sort of subsidy down there for people to pay their electrical bills. So the thing just goes round and round.

Dr. RIVLIN. That is right.

Senator SASSER. Go ahead.

Dr. RIVLIN. Examples of measures that weaken the fight against inflation are numerous. Granting trade protection by limiting import competition forces the consuming public to subsidize high cost and possibly inefficient domestic industries.

Higher farm price supports raise prices to consumers and require measures to reduce surplus production and keep out cheaper foreign products. Higher minimum wages increase labor costs and make it harder for young people to find jobs.

Increases in social security payroll taxes raise labor costs and show up in higher prices.

INFLATIONARY IMPACT ANALYSES

In the Congress, as in the country at large, there is a heightened awareness that many policies that have useful social benefits, and are desirable in themselves, may also have adverse effects on prices.

In order to weigh more carefully its decisions on such policies, the Congress has expressed a desire for analyses of the price impacts of these legislative proposals as well as studies of fiscal policy options that would affect inflation.

CBO has responded to this concern with a number of studies, some of which are listed in my prepared statement.

Currently we are engaged in a broad study of policy options for increasing productivity growth.

INFLATIONARY IMPACT STUDIES

In addition, at the request of the Congress, CBO has organized an inflation impact unit which has undertaken to identify and analyze legislative proposals that may have a significant inflationary impact. In the past 12 months, we have done inflation impact studies on a wide variety of areas on proposals to: raise farm crop supports to 90 percent of parity; raise sugar price supports; raise milk price supports; ratify the International Coffee Agreement; and contain hospital costs.

Senator SASSER. How did that come out?

Dr. RIVLIN. The Congress hasn't passed it.

Senator SASSER. How did the study come out?

Dr. RIVLIN. The study came out that there would be a substantial effect on the Consumer Price Index—essentially through price control on hospital costs.

Senator SASSER. I would like to see a copy of that study.

Dr. RIVLIN. We can get you that very easily, Mr. Chairman.

Other subjects of inflationary impact analyses have been: beef import quotas, deregulation of domestic crude oil, and deregulation of railroads.

DEREGULATION OF DOMESTIC CRUDE OIL

Senator SASSER. I would like to see the study of deregulation of domestic crude oil.

Dr. RIVLIN. OK.

Senator SASSER. I won't say I told you so.

Dr. RIVLIN. The inflation unit is working on a series of background papers on topics dealing with the causes and behavior of inflation as they relate to economic policymaking. One that is nearing completion explores the impact of railroad deregulation on overall transportation costs.

Another topic of concern at this time is the role played in inflation by indexation measures that tie income payments to changes in the Consumer Price Index.

In conclusion, may I say that no single measure will suffice to combat inflation. An anti-inflationary fiscal policy can be made more effective, however, if it is combined with measures to stimulate productivity growth, policies to reduce the impact of high energy costs, and short-run policies to reduce the upward pressure on prices.

Thank you, Mr. Chairman.

WAGE AND PRICE CONTROLS

Senator SASSER. Thank you, Dr. Rivlin. You were nice to remember that we held some hearings down in Nashville.

It seems to me, Dr. Rivlin, what you are saying is that we are in for a period of belt tightening here and it may go on for a number of years and the solution includes, in varying degrees, reducing dependence on imported oil, increasing productivity.

This is necessary to bring about lower interest rates, increased investment, a more stable dollar and eventually more stable prices and wages.

It appears this belt tightening is either going to be voluntary or mandatory. This brings us to the matter of mandatory wage and price controls, a subject that all of a sudden is receiving a lot of attention in the press, and although this concept was eschewed for many years, all of a sudden it is sort of becoming fashionable and in vogue again to talk about wage and price controls.

NEWSPAPER ARTICLES

Yet, the Wall Street Journal carried two editorial page articles on this issue, one by Walter Heller: "The case for wage price controls;" and the second, by Dr. Charles Schultze: "Why controls don't work."

In addition, yesterday's New York Times carried an editorial entitled "Staring Coldly at a Wage-Price Freeze."

Without objection, I will enter these three articles in the record at this point.

[The articles follow:]

[From the Wall Street Journal, Wednesday, Feb. 27, 1980]

WALTER HELLER: THE CASE FOR WAGE-PRICE CONTROLS . . .

By WALTER W. HELLER

A small but growing minority of economists and financial leaders has joined the large majority of the public—65% in the Times-CBS Poll and 58% versus 34% in the Gallup Poll—and Senator Kennedy in calling for mandatory wage-price controls. What is it that propels them, most of them kicking and screaming, across the Rubicon?

And what is it, first of all, that impels the great majority of economists and financial leaders, the White House, and key legislators like Senator Proxmire to oppose such controls?

—Controls suspend a large chunk of our economic freedom of choice.

—They warp the allocation of resources and undercut economic efficiency by substituting government fiat for the normal workings of the pricing mechanism and the profit motive.

—They invite chicanery, cheating and corruption.

—They require a huge bureaucracy—against 230 people administering the voluntary controls today, the Nixon controls required a staff of 4,000.

—Neither voluntary nor mandatory re- ints can control OPEC, God and :ker.

Primarily an Instrument

On the last point: the U.S. government cannot dictate world oil prices; cannot repeal the laws of nature as they impact food prices; and cannot fix interest rates without hobbling Federal Reserve policy—interest rates are primarily an instrument, and only secondarily a target, of economic policy.

So the costs of controls are great. But those advocating controls see the costs of *not* imposing them as even greater. A 13% rate of inflation in 1979 and an 18% rate in January compel us to examine their case. (It is not my case—yet.)

First, the negative side of the case, the argument that other policies haven't worked and won't work. This consists of four main points: (1) the alarming outlook and record of U.S. inflation; (2) the increasingly stubborn resistance of wages and prices to the downdrafts of recession; (3) the resulting huge cost—in lost output, jobs, profits, and investment—of subduing inflation by "monetary-fiscal discipline," and (4) the dwindling impact of voluntary wage-price restraints.

Point One begins with the bleak pros- that the bulge of 15% to 20% inflation s will last for several months as surg- .g oil prices and mortgage interest rates continue to balloon the Consumer Price Index. What's even bleaker is that under the best of circumstances—inflation subsiding somewhat as oil price boosts moderate as the economy cools, and as mortgage rates level off and ease a bit—we will still be saddled with an 8% to 10% inflation rate as we head into the next expansion.

In other words, stripping away the major culprits in our double-digit inflations of recent years—oil, housing, and food—lays bare the basic or bedrock inflation rate, the self-propelling circuit of wages chasing prices and prices chasing wages. It has ratcheted upward from only 1% a year in the early 1960s to 3% after the 1969-70 recession, between 5% and 6% after the 1974-75 recession, and nearly 8% today.

The relentless arithmetic of hardcore inflation tells us that with average hourly compensation rising nearly 9% a year and average hourly output rising only 1% (in trend terms), the result is to put an 8% floor under cost-push inflation. And with wages on the catch-up trail this year, that hard-core price-wage spiral seems to be moving up another notch. No attack on inflation that fails to lower this orbit can hope to succeed.

Point Two: The day when moderate recessions took much starch out of wage-price boosts has seemingly passed. Observable practice in the great bulk of the economy is to boost wages and mark up prices through thick and thin, thus thwarting anti-inflationary monetary and fiscal policies. Even when these policies do bite into consumer and business demand—and most of the bite of 1979-80 restraint still lies ahead—they do little to break the momentum of cost-push inflation. Their main victims are workers who lose jobs, companies who lose profits and the country, which loses both production and productivity.

Point Three: It follows that to be tough enough to squeeze the inflationary water out of the economy, fiscal-monetary policy has to take a bitter toll of its lifeblood—a loss of $200 billion of GNP (and three million jobs) to knock one percentage point off the underlying inflation rate. Study after study has confirmed the mountainous costs and mouse-like benefits of sole reliance on monetary-fiscal policy to fight inflation.

Point Four: To improve on that 200-to-1 ratio—to translate more of the fiscal-monetary squeeze on demand into lower price and wage inflation and less into lost jobs and output—President Carter put wage-price guidelines into effect in October 1978. Though they did slow wage increases in 1979, they are being outflanked by the oil and housing price explosions and undermined by outsized union wage settlements and progressive easing of the wage standards. So the role of the guidelines as circuit-breakers for the price-wage price spiral is, alas, steadily eroding. And no new moves to strengthen them are in the offing.

The positive case for wage-price controls begins where the negative case ends: Although monetary-fiscal discipline is a necessary condition for success in the battle against inflation, it is simply not sufficient. To gain the anti-inflationary payoff on restrictive Federal Reserve and budgetary policies without incurring the crippling costs of an economic depression demands direct de-escalation of that vicious circle of price-wage inflation. To do that job and break both the momentum and psychosis of inflation would be the primary target of mandatory controls.

It follows that controls would have to be part of a coordinated attack on inflation, with monetary-fiscal restraints keeping the economy's blood pressure down while wage-price restraints lower the patient's fever. With rising energy and interest costs still coursing through the economy, an absolute freeze on wages and prices would ask more of the private economy than it can deliver. A reasonable target would be to lower the wage-price merry-go-round from its present 9-8 orbit to perhaps a 5-4 or even a 4-3 orbit. Then, in a year or at most two, the controls could come off without a price-wage pop-up.

The critics who, to the contrary, cite the sorry record of the Nixon controls should remember the impressive record of the Truman controls in the Korean war. The Nixon controls served as a screen behind which tax cuts, spending boosts and easy money were used to pump up the economy. Small wonder that the resulting excess demand expressed itself in a wage and price bulge the moment ceilings were taken off. But no such bubble followed removal of the Truman controls in 1953. Financing the Korean war out of tax increases and keeping a tight rein on the money supply kept private demand in check and led to several years of virtual price stability after the controls came off. It can be done.

But won't the "uncontrollables"—food, interest rates, and oil—doom the controls program before it starts? Not necessarily.

In the case of food, granted, the main policy instrument is prayer. But as costs of farm inputs are curbed by controls, an alert farm policy program can also de-escalate farm price supports, manage grain reserves, and end land set-asides to help hold farm prices in check.

As for interest rates, credible controls on wages and prices would lower inflation expectations and thus also lower long-term rates, including mortgage rates. Even with sustained monetary restraint, short-term rates would also come down from their lofty heights. So interest rates would be curbed even without putting handcuffs on them. Quantitative credit restraints are an available option, but an effective combination of wage-price and monetary-fiscal restraints could render them unnecessary.

That leaves OPEC, the prime mover of this era of inflation. To loosen its stranglehold, gasoline rationing would accompany controls. The resulting slash in consumption and improved bargaining position with our allies could spearhead a world-wide cutback in oil use and oil inflation.

Apart from these short-run policies, other components of an all-out assault on inflation would include such longer-run measures as boosters to industrial productivity in the form of tax incentives for investment and more generous research support; reduction of payroll taxes; government regulatory reform to reduce costs and stimulate competition; and reduction of import quotas and other trade barriers.

Grave Doubts

Some of the gravest doubts about controls go not to the acknowledged costs of even a carefully coordinated and compre-

hensive program, but rather to the nasty practical and political problems of instituting controls in a democracy, to wit:

—Would anticipatory price and wage boosts negate a good deal of the impact of controls, or are their proponents right when they say that a White House call for controls could forestall much of this effect by insisting that the controls be backdated to the date of the presidential message or even earlier?

—Would the necessary monetary-fiscal discipline be maintained, or would it erode once controls were put in?

—Would the force of the controls be diluted and delayed by union resistance to any modification of existing contracts, including cost-of-living adjustments?

—Would the enabling legislation be pitted and pock-marked with special exceptions and loopholes for powerful and well-organized pressure groups?

—Would effective U.S. price curbs make scarce commodities and products a juicy target for foreign buyers and therefore require distasteful export controls?

Whatever the merits of an "ideal" controls program, there would be little merit in a program that has to go it alone without the supporting fiscal-monetary restraint, is riddled with special-interest exceptions and is preceded by months of pulling, hauling and indecision. As the White House and Congress re-examine the case for controls, they should bear vividly in mind that the process that produces the controls is as important as the controls themselves.

Mr. Heller is Regents' Professor of Economics at the University of Minnesota, former chairman of the Council of Economic Advisers under Presidents Kennedy and Johnson and a member of the Journal's Board of Contributors.

. . . AND CHARLES SCHULTZE: WHY CONTROLS DON'T WORK

By CHARLES L. SCHULTZE

High rates of inflation have been with us for over 12 years. They have been exacerbated in the last year by a huge increase in oil prices and by a sharp slowdown in productivity growth. Reducing this deep-seated inflation will require the continued application of public and private restraint over a number of years. Unwilling to face that prospect, some people have begun to call for mandatory wage and price controls in the hope of reducing inflation quickly and surely.

In my judgment mandatory wage and price controls are neither a quick nor a sure way to reduce inflation. They suffer from two fatal defects under today's circumstances. First, they cannot be maintained long enough to do the job; and second, they are likely to cause major harm to the economy.

Taking into account variations in style, there are literally millions of different products to be priced in the United States. As costs of energy, raw materials, labor and environmental controls change, and as market conditions vary, these millions of prices have to be changed and kept up to date, in some cases daily. There are 10 million nonfarm businesses in the United States, each of whom has to set wages. No set of mandatory wage and price control regulations can accurately fix these millions upon millions of prices and wages and keep them up to date. As a consequence, two things happen under mandatory controls:

—Pressures build up that inevitably force product after product to be wholly or partially decontrolled, and

—Distortions and absurdities in the economy grow ever greater, leading to major inefficiencies, shortages, and even greater pressures on costs and prices.

These consequences were clearly demonstrated during the period of wage and price controls imposed by President Nixon between 1971 and 1974.

The Nixon controls did lower the inflation rate in late 1971 and early 1972 by about one percentage point below its previous level. But starting in the second half of 1972, the rate of inflation steadily rose and by the first half of 1973, the inflation

rate was about six percentage points higher than it was in the pre-control period.

The latest economic study of this period of price controls, conducted for the National Bureau of Economic Research, uses two different approaches to isolate the effect of controls from all other factors affecting inflation. Under one approach the study concludes that over the whole period, 1971-1975, controls *raised* the average inflation rate by 0.3% a year; under the approach most favorable to controls, the estimated effect was a reduction in the average inflation rate, but only 0.5% a year.

In effect, given the uncertainties which surround such estimates, the fairest conclusion to draw from this study is that controls had little or no impact on the average rate of inflation when the whole period is taken into account—the surge of prices when controls were relaxed or lifted counterbalanced the reduction of inflation during the first year.

As the period of controls lengthened, the distortions and absurdities grew apace. A federal bureaucracy tried in vain to keep up with the ever-changing economic situation in thousands upon thousands of different situations, unaided by a wartime environment in which the overwhelming share of industrial output is allocated by federal order to the military.

Many metals, like copper, zinc, aluminum, and lead were in short supply around the world during the Nixon control period. World prices rose above controlled domestic prices; exports boomed; and domestic shortages spread rapidly. Paper products were in tight supply everywhere; exports from the United States increased, and the publishing industry was suddenly short of newsprint.

Fertilizer prices abroad were $30 a ton above domestic prices in 1972-73. To prevent another export surge, lifting controls was considered, but that would have diverted supplies of ammonia from the production of explosives, which were urgently needed to increase coal production. Output of coal was also hampered by shortages of mine roof bolts, a product that few people had ever bothered about until controls made their production unprofitable.

Since neither import nor export prices were controlled, many products were shipped to Canada and then reimported. The extra transportation costs added further to inflation.

During the 60-day freeze imposed in mid-1973, uncontrolled feed grain prices rose sharply. But since meat prices were frozen, production of livestock and poultry became unprofitable. Farmers slaughtered livestock and poultry rather than marketing them. They were losing $100 a head on sales of cattle. At one point in the summer of 1973, 46 beef packing houses were closed, and 6,000 employes were laid off.

Shopping for meat and poultry across Canadian and Mexican borders became a stampede. The liquidation of cattle herds precipitated by the effects of controls continued until 1979. In three years the breeding herd was reduced by 20%. We are still suffering from the fiasco—in 1978 and 1979, beef prices rose 50%, partly because of the effects of the earlier controls.

Eventually, of course, the mounting distortions lead to demands for exemptions which have to be granted to keep the economy from grinding to a halt. By March 1974, just before the Nixon controls were removed altogether, the industries that had been exempted from controls included: fertilizer, cement, zinc, aluminum, automobiles, mobile homes, rubber tires and tubes, all retail trade, furniture, paper, coal, shoes and other footwear, canned fruits and vegetables, petrochemicals, prepared feeds, and semi-conductors.

Running a mandatory wage and price control system necessarily adds substantially to the federal bureaucracy engaged in making detailed decisions about our economy. The 1971-74 controls, which after a relatively short period of time were loosened and riddled with exemptions, nevertheless required 4,000 people to administer. The late AFL-CIO President, George Meany, who was an advocate of controls, estimated in 1978 that to be fair and equitable, mandatory controls would have to be very comprehensive, requiring 250,000 to 300,000 federal employes to operate them. By contrast, the current voluntary and informal wage and price standards are administered by less than 200 people.

Some of today's advocates of controls admit to the problems of the Nixon-era controls, but tell us that they would administer controls, along with other elements of

economic policy, so as to avoid all the "mistakes" which caused controls to do such a poor job last time. They note that the earlier period of controls was wrecked by excessive stimulation of the economy in 1972, by a worldwide boom in 1973, by a crop shortage in the same year, and in 1974 by the Arab oil embargo.

This time, we are told, the painful course of fiscal and monetary restraint will be adhered to for as long as necessary. Presumably, other means—as yet unspecified—will avoid crop shortages, OPEC oil price increases, and any international commodity speculation.

The real world, of course, is quite different from this idyllic picture. Inevitably controls will be mandated over products whose prices simply cannot or should not be controlled. Over the last two years, the chief areas of inflation have been rapidly rising prices of meat, oil and housing. It is hard to believe that Congress would enact a price control law which permitted these products to remain uncontrolled.

The last time price controls were attempted on meat a disaster resulted; recontrolling the price of domestic crude oil would fundamentally reverse the nation's energy policy and put us more and more at the mercy of OPEC oil producers; and attempting to control the prices at which three million individuals sell their houses each year would be an administrative nightmare. And even if the Congress allowed the latitude to exempt these areas from control, how would the price controllers explain to the public the intrusive use of controls over most areas of the economy, where inflation was least, while exempting all the areas where inflation was greatest?

Inflation can be conquered by the continued application of public and private restraint, and by attention to long-run policies that increase supply and productivity. But after more than 10 years at high levels, exacerbated by huge oil price increases, inflation will not be conquered quickly. It will take a steady effort and persistence over a number of years. Wage and price controls offer no shortcut to the goal of price stability. Rather, they will take us down the wrong road, at the end of which, after wasting much effort and incurring large costs, we will have to retrace our steps and start all over again.

Mr. Schultze is chairman of the Council of Economic Advisers. This article was excerpted from an address he delivered last Friday to the Miami News Business Leader of the Year Luncheon.

[From the New York Times, Wednesday, Feb. 27, 1980]

Staring Coldly at a Wage-Price Freeze

One morning soon the nation may wake up to the news that President Carter has declared a national economic emergency and asked Congress for the power to freeze wages, prices and rents retroactive to Feb. 15. Judging from the polls, most Americans would breathe a sigh of relief; at last, someone was doing *something* about inflation.

It happened that way in August 1971, when another President, also opposed to controls, was forced by politics and rising prices to adopt them. It could happen again. Mr. Carter and his advisers are struggling to put their Humpty Dumpty economic policies together again in the wake of January's accelerating inflation. The White House insists that no freeze is coming, but so did the Nixon White House a decade ago. With consumer prices soaring at an annual rate of 18 percent and no relief in sight, a freeze has obvious attraction for politicians who must face the voters in the fall.

The mounting pressure for a freeze is understandable but misguided. The nation does not need and should not want a freeze — or any other rigid wage and price controls. After such a freeze, prices that had been artificially held down would explode — unless, of course, the freeze were melted into looser but still comprehensive restraints. The unwinding process, as the country learned from the Nixon experience, can be an agony for both controllers and controllees. Sooner or later, wages, prices and most other economic decisions would be distorted, creating inefficiencies, injuring productivity — and again generating inflation.

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Still, the present inflation does demand a new policy response. The nation has lost real income from rising energy prices and diminishing productivity. Accelerating inflation is a futile and costly way to pay for these losses. The better way is to focus the national effort on two fronts: A substantial reduction in Federal spending and a form of wage controls that contains inflation with a minimum of bureaucratic interference.

To bring down the inflation rate, the nation will have to live with some kind of controls for a long time. This means they need to strike first at wages — and through them at prices — because long-term price controls ruin the economy. The way to make wage restraints acceptable is to encourage them with tax incentives and penalties. Although these lack the dramatic appeal of a freeze, they would do far more good. We expect to say more about them later in the week.

Our concern about a freeze, however, goes beyond its pointlessness. The most worrisome thing is that a freeze could seriously undermine a more effective policy. Once a freeze or other comprehensive controls were in place, the country would relax while the politicians fled the difficult policy choices to concentrate on their re-election. Whatever urgency the country now feels would evaporate. If Congress could not resist special interests to hold down the budget and to restrain wages while inflation roared, think how tempting it would be to duck the problem once inflation was artificially — and temporarily — frozen at 3 or 4 percent.

Most advocates of a freeze know that other measures would be needed. But they think a freeze is the necessary first act. They dream. There is nothing in the recent behavior of the American political system to suggest that the first act would be followed by a second. A freeze would end up freezing only the politicians.

Senator SASSER. Are you familiar with these articles?

Dr. RIVLIN. Yes, Mr. Chairman, I am.

Senator SASSER. What is your reaction to them?

Dr. RIVLIN. I have a very mixed reaction to them, as I think most economists do. Controls are costly. They are costly in terms of the distortions that they impose on the economy. The price system works to transmit signals as to what is in short supply, what is not in short supply, where additional demands should flow.

To freeze prices or to control them is to deprive yourself of those signals. That can be costly in the long run.

It also takes a substantial bureaucracy to administer this.

Past experience with price controls, except during periods of extreme national emergency, as in World War II, is not terribly encouraging. It is difficult to operate them without unfairness, without distortions in the long run.

On the other hand, I think one can argue, and Walter Heller does argue this, that controls would buy some time to take a little of the pressure off the economy and to do some of the other things that are necessary to take the pressure off inflation and to change expectations.

Senator SASSER. Do you remember what the rate of inflation was when President Nixon imposed wage and price controls in 1971? Did we have a rate of inflation of 6 percent? I recall it was 5 or 6 percent.

Dr. RIVLIN. President Nixon imposed controls in August 1971. The inflation rate for the second 3 months of 1971 had been 5.5 percent.

Senator SASSER. It did have the effect of stabilizing the economy and dampening the rate of inflation, did it not?

Dr. RIVLIN. It did initially.

Senator SASSER. Then you got the spurt after they were taken off.

Dr. RIVLIN. What was done in 1971 was a price freeze. Of course, the President had the power to do that then, whereas this President does not have that power. He would have to ask Congress for the power. As long as prices were frozen, it worked reasonably well. There was compliance with the freeze.

The problem was that the economy was accelerating at that point—in part due to Government action—and pressures were building up for additional price increases after the freeze came off. Indeed, those increases did occur.

Senator SASSER. And after the freeze came off, we had our first double-digit inflation, right?

Dr. RIVLIN. We didn't have that until after the big OPEC price increase.

Senator SASSER. After the freeze came off, what did the rate of inflation jump to, 8 percent?

Dr. RIVLIN. Controls came off at the end of April 1974. Because of the effects of the embargo, inflation reached double-digit rates at the end of 1973 and continued at double-digit rates, reaching higher than 12 percent in 1974.

Senator SASSER. So if you use the figures for January, we are looking at 18 percent rate of inflation this year, aren't we?

Dr. RIVLIN. I don't think we are looking at 18 percent for the whole year, necessarily. At an annual rate, the January figures translate into something like that.

PROBLEMS WITH CONTROLS

Senator SASSER. I have interrupted you. What is your reaction to these articles, particularly to Dr. Schultze?

Dr. RIVLIN. At the moment, I still feel that the pricing controls are not worth the costs.

The recent acceleration of inflation has really been concentrated in very identifiable areas. It has been the housing price increase—in part because of the higher interest rates—and it has been the pass-through of the oil increases. Those are particularly difficult things to control. If we had had wage and price controls for the last year, I am not sure we would have been much better off.

You can't tell businesses not to pass through their energy costs. In a wage and price control situation, you have to allow people to pass through energy costs, or interest costs.

An inflation that is coming from the wage side can be held down by wage controls, but that has not been the history of this particular inflation.

So my feeling, while I am getting a little bit more susceptible to the notion that controls might be good, is still that, if we do everything else in our power over the next few months to hold the inflation down, inflation probably can be started down without paying the price that controls would impose.

Senator SASSER. I hope you are right about that. Dr. Rivlin, thank you for your testimony today. The cooperation of yourself and your staff throughout the entire hearing is much appreciated.

QUESTIONS SUBMITTED FOR RESPONSES

I have got a number of questions which I would like to propound to you in writing for the record. If you would respond in your usual prompt fashion, we would appreciate it.

Dr. RIVLIN. Fine, we will be happy to do that, Mr. Chairman.

Senator SASSER. Thank you, Dr. Rivlin.

[The questions and responses follow:]

STATE-LOCAL FISCAL IMPACT STATEMENTS

Questions. 1. Dr. Rivlin, there is a considerable sentiment in the House of Representatives for passing legislation that would require the Congressional Budget Office (CBO) to provide estimates of the State and local costs incurred in complying with Federal programs. This legislation—H.R. 3697—is now cosponsored by over 140 House Members.

What is your estimate of the CBO costs that would be required to carry out this legislation? Could CBO reasonably expect technical assistance from congressional or executive agencies such as the Treasury Department or General Accounting Office (GAO) on this sort of endeavor? And what would be the quality of State-local "fiscal notes" prepared under this proposed legislation?

2. Dr. Rivlin, let me pursue this matter just one step further. Nearly 30 States, by

rule or statute, require all State legislation to carry a "fiscal note" spelling out the State and local costs of pending State legislation, do you think it might be feasible for CBO to conduct a limited pilot study during fiscal year 1981 to develop a model "fiscal note" program. It would be my understanding that the program would be basically confined only to Federal legislation having major fiscal impact on State and local governments. Also, the program would provide high-quality "fiscal notes" of the State-local costs associated with Federal legislation?

Answer. CBO's preliminary estimates are that an increase in staff of six to eight professionals and additional funds of up to $600,000 would be required to comply with the provisions of H.R. 3697. These are preliminary estimates, however. In addition, there are questions concerning the information resources that would be available from Federal agencies and State and local governments to support the development of such cost estimates.

Therefore, as the chairman has suggested, CBO will examine over the next several months the feasibility of undertaking the responsibilities proposed in H.R. 3697. Subjects of the study would include: existing fiscal note processes at the State and local levels—their use, accuracy, number, and the resources needed to develop them; data resources at the State and local level that could be useful to CBO; the establishment of an information network with CBO; data resources at the Federal level that could be utilized; CBO staff and resource requirements.

In carrying out this study, CBO plans to consult with the major organizations representing State and local governments.

House Information System

Question. For fiscal year 1980 the House information system developed a new rate schedule for ADP services which was to have resulted in increased billings to CBO of approximately $1 million. How is that working out?

Answer. Beginning October 1, 1979, the House information system (HIS) began charging the Congressional Budget Office for computer services based on an established rate structure and employing a commonly used resource utilization system. On January 1, HIS recalculated some of their charges based on early experience with the system and also due to a larger number of reimbursable users. Through February our reim-bursements to HIS have been about $420,000, a rate close to our budget estimate.

CBO Average Salary

Question. Dr. Rivlin, what is your average salary and how does this compare with the Office of Management and Budget?

Answer.

Average Salary Comparison [a]

	Fiscal year 1979 actual	Fiscal year 1980 estimate	Fiscal year 1981 estimate
OMB:			
Average ES salary	$47,528	$50,142	$50,142
Average GS salary	28,384	31,270	31,270
CBO:			
Average salary, ungraded positions	27,453	29,941	30,615

[a] The Budget of the U.S. Government, fiscal year 1981.

Studies and Surveys

Question. Are you requesting money for any increased study activity in fiscal year 1981?

Answer. No, we plan to maintain our fiscal year 1980 level of effort in fiscal year 1981. We are requesting an 8-percent increase in funding for studies and surveys to partially offset the effect of inflation.

GOVERNMENT PRINTING OFFICE

STATEMENT OF JOHN J. BOYLE, PUBLIC PRINTER

ACCOMPANIED BY:

SAMUEL L. SAYLOR, DEPUTY PUBLIC PRINTER
WALTER C. DeVAUGHN, ASSISTANT PUBLIC PRINTER FOR MANAGEMENT AND ADMINISTRATION
CARL A. LaBARRE, ASSISTANT PUBLIC PRINTER, SUPERINTENDENT OF DOCUMENTS
BRYAN W. MERCER, SPECIAL PROJECTS OFFICER
WILLIAM F. KLUGH, ACTING COMPTROLLER
W. SCOTT SONNTAG III, SUPERINTENDENT, CONGRESSIONAL INFORMATION DIVISION

RETIREMENT OF PUBLIC PRINTER

Senator SASSER. Our next witness is Mr. John J. Boyle, the Public Printer.

Mr. Boyle will embark upon a well-earned retirement the day after tomorrow, after having served the Federal Government for over 32 years.

Mr. Boyle currently heads up the largest printing plant in the United States of America.

I might add, parenthetically, that this subcommittee has been trying to reduce the size of that operation, and with some success.

EMPLOYEES

With your cooperation, Mr. Boyle, the number of people employed at the Government Printing Office has decreased from 7,914, when you became Public Printer in 1977, to 7,226 currently. And all of this was accomplished by attrition, rather than by lay-offs or reductions in force. That is good progress, Mr. Boyle, and I want to commend you for it.

RETIREMENT OF THE COMPTROLLER

Bryan W. Mercer, the Government Printing Office's very able Comptroller for the past 6 years is also retiring after 32 years in Federal service.

We appreciate the responsiveness and cooperation of both of you gentlemen over the years. Let me say to you my best wishes to both of you on your retirement. My father, some years ago, retired from the Federal Government after 35 years of Federal service, and I warn you, Mr. Boyle, and Mr. Mercer, he said he could not find time in the day after he retired to do all the things he wanted to do. So you are going to be busier than ever, I suspect, in retirement.

1980 APPROPRIATION AND 1981 BUDGET REQUEST

The 1981 President's budget request for the Government Printing Office is $138,323,000, an increase of $25,986,000 over the 1980 level.

Please proceed, Mr. BOYLE.

Mr. BOYLE. Thank you, Mr. Chairman.

I appreciate your remarks and I assure you I will find time enough in the day with fishing and golfing.

Senator SASSER. Well, you may be surprised.

Mr. BOYLE. I appreciate what the chairman has been trying to do over the past several years since I have been coming to these appropriation hearings. I think the Government Printing Office has responded and has attempted to reduce the cost of Government printing.

INTRODUCTION OF ASSOCIATES

First of all, may I introduce my colleagues?

Senator SASSER. Please do.

Mr. BOYLE. To my right is Samuel L. Saylor, Deputy Public Printer, who will assume the duties of the Public Printer when I leave. To his right is Carl A. LaBarre, who is Assistant Public Printer, Superintendent of Documents.

To my left is Walter C. DeVaughn, Assistant Public Printer for Management and Administration.

To his left is Bryan Mercer, our former Comptroller and to my rear is Bill Klugh, Acting Comptroller.

Scott Sonntag is our Superintendent, Congressional Information Division.

PREPARED STATEMENT

I have submitted a general statement for the record. With the chairman's permission, I would like to read a brief summary of it.

Senator SASSER. Your entire statement will be incorporated in the record, and we will look forward to getting your synopsis.

[The statement follows:]

Statement of John J. Boyle

The funds requested for Fiscal Year 1981 for the Government Printing Office aggregate $159,192,000. This amount consists of $89,978,000 for Congressional Printing and Binding; $22,145,000 for Printing and Binding authorized by law to be distributed without charge to the recipient; $26,200,000 for the various programs of the Office of the Superintendent of Documents; and $20,869,000 for Acquisition of Site and General Plans and Designs associated with the proposed construction of a new Government Printing Office building.

The estimates that were developed for the Congressional Printing and Binding and Printing and Binding Appropriations reflect the increasing volume of Congressional printing workload coupled with the inflationary rise in the costs of labor and materials. These increases have been partially offset by known cost reductions which resulted from the actions of this Committee, the Joint Committee on Printing, and the Government Printing Office during the past fiscal year as well as anticipated reductions which should result from the goals that I have established in the areas of productivity improvement from increased utilization of automated equipment and technology, and continued use of modern management techniques.

The amount requested for Congressional Printing and Binding for Fiscal Year 1981 is $13,766,000 more than the Fiscal Year 1980 request. The increase includes a $3.4 million deficiency for Fiscal Year 1978 to cover unanticipated increases in Congressional hearings and a $1,178,000 deficiency for Fiscal Year 1980 to restore the funds cut from the original appropriation request. The initial estimate for hearings in Fiscal Year 1978 was 550,000 pages but the actual volume was over 690,000 pages or an increase of 25 percent above our estimate. This represents the highest number of hearing pages in our history and is a good example of the reason for the difficulty in projecting the volume and cost of Congressional printing. We are asking for the restoration of Fiscal Year 1980 funds because the reductions made by the Appropriation Committee in anticipation of savings to result from the revision of Title 44 have not materialized. However, the original request for Fiscal Year 1980 has been adjusted downward to take into account the $282,000 voluntary reductions I presented last year and the $252,000 savings due to the elimination of 425 sets of Members' Bound Records authorized by the Joint Committee on Printing.

The remaining $9,188,000 is applicable to Fiscal Year 1981 and the increase is due mainly to increased volume of hearings and higher costs of labor and materials. When compared to the Fiscal Year 1980 budget estimate, the Fiscal Year 1981 request represents a 12.1 percent increase. Approximately $3.5 million or 38 percent of the increase is due to volume and the remainder is due to increased costs of labor and materials, including an increase of 31 percent in the cost of paper during the last year.

The amount requested for Printing and Binding which is not directly related to the Congress is $6,423,000 more than the Fiscal Year 1980 request. The increase includes a deficiency of $2,423,000 for Fiscal Year 1979 which is due mainly to increases in the costs of labor and materials (especially paper) for the Congressional Record, for Miscellaneous Publications, and for International Exchange Publications. The deficiency has been reduced from last year's estimate for the savings realized from the microfiche distribution of the Bound Record to Depository Libraries and the requirement for agencies to pay for their copies of the U.S. Code and Supplements. The Fiscal Year 1980 deficiency request of $2,872,000 is to restore funds cut from our original appropriation request because the reductions made by the Appropriation Committee in anticipation of savings to result from the revision of Title

44 have not materialized. However, the original request has been reduced for the savings to be realized from the microfiche distribution of the Bound Record and the requirement for agencies to pay for the U.S. Code and Supplements. The remaining $1,128,000 is applicable to Fiscal Year 1981 and is due mainly to increases in the costs of labor and materials. When compared to the Fiscal Year 1980 budget estimate, the Fiscal Year 1981 request represents an increase of 7.2 percent.

PRODUCTIVITY IMPROVEMENTS

In Fiscal Year 1979 GPO again handled more work with fewer people than in the previous year. As of September 30, 1979 there were 7,226 employees on the rolls which is a decrease of 348 from the previous year and a decrease of 1,000 employees since September 30, 1976. This total represents the lowest number of employees on the rolls since February 28, 1963. From a high point of 8,527 employees in 1972, GPO employment has steadily decreased to its present level. These decreases are being realized in all areas of GPO including production, administration and documents.

AUTOMATION OF CONGRESSIONAL PRINTING

In Fiscal Year 1979 we continued our efforts in converting Congressional printing work to Electronic Photocomposition. Software was developed for updating a data base of the Annual Supplement to the U.S. Code. This software will materially reduce the manual keyboarding time and costs. Since bills were converted to Electronic Composition, a data base for bills has been established. A system concept to build an Integrated Law Revision and Retrieval System was developed in cooperation with the Law Revision Counsel, HIS and GPO. It is planned to have this system operational in time to produce the 1982 Edition of the U.S. Code in a completely automated manner.

Although this system will lower production costs, it is important to realize that a Legal Integrated Data Base will be established and kept current on a daily basis. Thus automated retrieval for legal research will at long last become a practical reality for the Congress.

During 1979 GPO developed an Integrated Publication System which generates input for photocomposition for an entire series of publications by extracting, analyzing, editing, and translating data from a single data base. Just recently this system was used to produce the Budget Appendix, Appropriation Committee Prints, Introduced Bills, Enrolled Bills and Statutes at Large from a common data base.

The initial creation of this data base resulted in savings of $400,000 in composition costs for the Fiscal Year 1980 Budget Appendix which were passed on to the customer agency.

Efforts are underway to convert Senate Committee calendars to photocomposition with the calendar of the Senate Banking, Housing, and Urban Affairs Committee being the first. Additional calendars are to be converted as the Committee approvals are received. House Committee calendars had been converted over the past several years. In 1980 the House and Senate Journals are being incorporated into the system. Since the style of the Journals is similar to the Congressional Record, the Journals will be used to test the system that will be used to produce the composition for the Congressional Record. The conversion of the Daily and Bound Editions of the Congressional Record to photocomposition is targeted for January 1981 to coincide with the convening of the First Session of the 97th Congress. The first phase of this conversion has already begun with the Extension of Remarks portion of the Daily Record now being photocomposed. The savings due to automation of Congressional publications will not be realized until the systems are fully operational.

MODERNIZATION OF EQUIPMENT

During Fiscal Year 1979 three 41 x 54 inch perfecting presses were installed and placed into operation and two surplus 60-inch presses were acquired from the Department of the Navy . In Fiscal Year 1980 we anticipate the delivery of two new 35 x 50 inch double unit web presses which will augment our Congressional Record and Federal Register capacity and the competitive acquisition of an IBM 3033 or equivalent computer central processing unit. This unit will provide the necessary capacity to process on-line systems for production estimating, plant scheduling and control, and the distribution and sale of Government publications.

In December 1979, we received approval from the Joint Committee on Printing to proceed with preliminary steps on our proposal to modernize and automate the binding and mailing equipment used in the production of the Congressional Record and the Federal Register. This new equipment is needed to replace obsolete and worn machinery that is suffering high maintenance costs. The existing equipment must be replaced or the day will come when we will not be able to deliver the Congressional Record and the Federal Register overnight. We have selected a course of action that will not only provide better service and a better product but will also pay for itself by reduced costs. The lead time for replacement of machinery is estimated to be about 3 years and, when more precise cost information is known, this project will be the subject of an appropriation request.

We are currently in the process of soliciting bids for a photocomposing machine to replace the two Linotron 1010 Electronic Composing Systems that have been in service in the GPO since 1967. An interesting development in connection with this new photocomposer was a recent announcement by major suppliers that the resin-coated photographic paper used in the photocomposers would double in price, due to its high silver content. The new machine to be installed will have an added feature of being able to record photocomposition in a 24-times reduction directly on microfilm. We intend to use this capability to drastically reduce the use of the resin-coated paper by producing a large proportion of the output on microfilm, and then using an electrostatic enlarger-copier to reproduce the text in full size on plain bond paper.

The Production Reporting for Operations, Budgeting, and Expenditures (PROBE) system has now been fully implemented so that all employees of GPO are reporting through this system. PROBE is providing more accurate and current attendance and time and job accounting data with 79 fewer employees in those operations.

Our Quality Assurance Through Attributes Program (QATAP) has been well received by our customer agencies and printing contractors. The QATAP requirements and provisions are now a part of the specifications in all general printing contracts of the Central Office and Region 3. During Fiscal Years 1980 and 1981 this program will be expanded to all GPO printing procurement offices and attributes will be developed for quality assurance of microfiche. We believe that this program has already increased the quality of Government printing and that when fully implemented will reduce the overall cost of printing to the Congress and the Executive agencies.

SUPERINTENDENT OF DOCUMENTS PROGRAMS

I would now like to address the programs of the Superintendent of Documents, for which we are requesting $26,200,000 for Fiscal Year 1981. However, I would like to report that my original request can be reduced by $2,570,000 due to the recent actions of the Administrative Committee of the Federal Register, of which I am a member. These actions were

taken subsequent to submission of our budget request and will be explained in detail later in this statement. This reduction changes our request to $23,630,000 which is an increase of only $229,000 or less than one percent over the Fiscal Year 1980 appropriation and proposed pay supplemental.

The four major programs of the Superintendent of Documents are:

1. The sale to the public of Government publications produced by or through the Government Printing Office.

2. The distribution of Government publications to designated depository libraries.

3. The compilation and publication of catalogs and indexes of Government publications.

4. The mailing of certain Government publications for Members of Congress and other Government agencies in accordance with specific provisions of law or on a reimbursable basis.

These programs are related to the publication activity of other agencies and consequently, the Superintendent of Documents can exercise little control over the volume of work that he may be called upon to handle and the related costs.

FUNDING FOR DOCUMENTS PROGRAMS

This appropriation request is less than one-third of the total Documents operating budget for Fiscal Year 1981. Reimbursements from other agencies for providing mailing and distribution services and revenue received from the sale of Government publications finance all remaining Documents operations.

SALES PROGRAM

The purpose of the sales program is to make the vast quantity of information published by the Federal Government more accessible to the general public. The sale of these publications to the public is our largest activity.

Our original appropriation request included $3,020,000 to support the sale of several items which, for various reasons, were not priced to recover all of our costs. Most of these funds were required to support the Federal Register sales program. The Administrative Committee of the Federal Register, in a meeting held after the submission of our budget estimates, authorized an increase in the subscription and single copy prices of the Federal Register effective February 1, 1980. The Committee also authorized arrangements to provide user agency funding for the remaining costs of the Federal Register sales program which are not recovered by sales revenue. I am pleased that these actions permit us to reduce our Fiscal Year 1981 Salaries and Expenses Appropriation request by $2,570,000. The remaining $450,000 is needed to support the deficit in the Congressional Record Sales Program.

In Fiscal Year 1979, we experienced a reduction in workflow because of the elimination of some of our most important revenue producing subscriptions by their respective publishing Government agencies who are attempting to reduce their printing costs. In the same period, due to the rate of inflation, we experienced significant upward pressure on our Government publication prices and our operating costs. When combined, these factors resulted in our total sales revenue falling below forecasted levels. Consequently, this combination of unanticipated

volume decrease and an increase in costs of publications greater than we had predicted resulted in a net loss for the sales program in Fiscal Year 1979. It appears that this trend has been reversed and the volume increases in the first quarter of Fiscal Year 1980 are beyond our expectations.

We are committed to financing the General Sales Program on a self-sustaining basis. I have, therefore, directed that continued emphasis will be placed on increasing the public's awareness of our services, improving service to our customers, increasing our productivity, and reducing our costs.

To increase customer awareness and improve service we have expanded our marketing activities through visits to publishing Government agencies, more frequent contact with media representatives, the generation and distribution of flyers, and attendance at book fairs. In addition, we have undertaken a program to renovate, upgrade, and in some cases, possibly relocate some of our 27 bookstores. This program is already beginning to pay off in increased sales.

To increase service and productivity and to reduce costs we are continuing to develop modern and efficient materials handling facilities and complementing them with computerized data processing applications. We are constantly monitoring and adjusting work flows to insure that they are smooth. Both the number of titles on backorder and the backorder volume have been greatly reduced.

To reduce costs we are monitoring mailing costs and utilizing third-class bulk postage rates and commercial carriers when economical. Some outgoingmail is presorted resulting in a significant savings. These efforts are producing a responsive order processing system which provides substantially better customer service. At the same time, productivity has improved and the number of employees needed to support the program has declined or remained constant.

CREDIT CARD SALES

In Fiscal Year 1979, we began, for the first time, to accept customer purchases with either one of two major credit cards. Initially, we accepted credit card orders only in our bookstores, however, we have since begun to accept the use of credit cards for mail order and telephone purchases. This service is becoming increasingly popular with our customers and we believe it will increase sales. The operations of the sales program have improved substantially in recent years and this trend is expected to attract an increasing number of customers.

DEPOSITORY LIBRARY PROGRAM

Providing the public with better access to the whole range of Government publications is the purpose of the Depository Library Program. This is the largest program funded by the Salaries and Expenses Appropriation. During Fiscal Year 1979, we distributed more than 19.5 million publications to libraries which have been designated by Members of Congress or by Title 44 as Depositories for Government Documents. There were 1,329 such libraries by the end of Fiscal Year 1979. Presently, there are 1,336 depositories.

A total of 98 new depository libraries were designated in Fiscal Year 1979. Most of the designations were a result of Public Law 95-261, which allows accredited law school libraries to be designated as depositories.

To accommodate the continued growth of the Depository Program we plan to automate the depository line and item books. Our Fiscal Year 1981 budget

includes the one time expense for this project. We are also seeking additional warehouse space to provide adequate facilities to efficiently handle the growing workload.

MICROPUBLISHING

The micropublishing program has many benefits. The per copy production and distribution costs are lower for GPO and the storage costs are lower for the recipients, when compared to the costs of hard copy. In addition, micropublishing permits us to provide some documents when sufficient hard copy is not available without incurring the substantial expense of going back to press.

CATALOGING AND INDEXING PROGRAM

Complementing the Depository Library Program is our Cataloging and Indexing Program, through which we produce the "Monthly Catalog of United States Government Publications." The Monthly Catalog provides researchers and librarians, students and all citizens with an organized guide to the voluminous output of the Federal Government's publishing efforts. Over 41,000 documents were cataloged in Fiscal Year 1979. We are continuing to explore the development of a system to fully automate the Monthly Catalog and depository records.

MAILING AND DISTRIBUTION SERVICES

Documents also provides mailing and distribution services to the Congress and other government agencies. Specific provisions of law require us to distribute some publications, and this effort is financed by the Salaries and Expenses Appropriation. The remaining workload is handled on a reimbursable basis, with the publishing government agencies paying for distribution.

In total, Documents distributed over 70 million publications without charge to the recipient in Fiscal Year 1979. Much of this workload is associated with the distribution of free Consumer Information publications for the General Services Administration. Our Pueblo Distribution Center handled over 2.9 million orders in this program last year, and all expenses associated with this effort were reimbursed through GSA.

NEW GPO BUILDING

Again this year our request includes an estimate for acquisition of site and general plans and design of the new GPO plant. The estimate of $20,869,000 is the latest estimate of the General Services Administration and represents an increase of $1.5 million over our withdrawn 1980 appropriation request due to escalating costs. The matter is still pending before the Senate Environment and Public Works Committee and I have sent a letter to the Chairman of that Committee to solicit his support for the prompt consideration of our building project. In view of the escalating costs for each year the project start is delayed, we are hopeful that the Senate Committee's approval will be received prior to mark-up of the Legislative Appropriation Bill. Without the authorization of both the necessary Senate and House Committees we are aware that this item request would be deleted.

PRINTING COSTS

Before I conclude, I would like to cite an example of GPO's commitment to controlling Government printing costs.

I recently received a letter from Mr. Boyd Alexander, Director of the House Information Systems, commending the staff of our Electronic Systems Branch for their ability at maintaining and troubleshooting the Atex systems installed at the House. Mr. Alexander states "By having GPO perform maintenance of our Atex system, we have realized a substantial cost savings."

I will be happy to respond to your questions.

CONGRESSIONAL PRINTING AND BINDING

Mr. BOYLE. Thank you, Mr. Chairman.

The funds requested for fiscal year 1981 to cover the costs of Congressional printing and binding total $85.4 million, an increase of $9.2 million or 12.1 percent over that requested for 1980 and $10.9 million or 14.6 percent over the amount approved for fiscal year 1980.

About $5 million or 54 percent of this increase is due entirely to Congressional hearings. The remainder of the increase is due to increased volume in all categories of Congressional work together with an overall increase of 8.4 percent in labor and material costs.

The funds requested for printing and binding required by law to be distributed without charge to the recipient total $16,850,000, an increase of $1,128,000 or 7.2 percent over our 1980 request, $4,350,000 or 34.8 percent over the amount approved for 1980. The increase is due to higher costs for paper and materials and other supplies and a volume increase for miscellaneous publications and international exchange publications.

Our fiscal year 1981 Congressional printing and binding request includes funds to cover deficiencies of $3,400,000 for fiscal year 1978 and $1,178,000 for fiscal year 1980. The 1978 deficiency is the result of printing 690,000 pages of hearings, the highest number of hearings printed in the history of the Congress, an amount that exceeded our estimate by 25 percent. The 1980 deficiency is necessary to cover the costs of Congressional printing and binding which were deleted from our 1980 request in anticipation of savings to result from the revision of title 44 which never materialized.

1979 AND 1980 DEFICIENCIES

A deficiency request of $5,295,000 for printing and binding includes $2,423,000 for fiscal year 1979 and $2,872,000 for fiscal year 1980. The 1979 deficiency is due primarily to a sharp rise in paper and materials and inflation in general. The 1980 deficiency is necessary to restore those funds deleted because of the anticipation of savings to result from the revision of title 44.

FEDERAL REGISTER

The Superintendent of Documents salaries and expenses appropriation which is explained in detail in the general statement has been

reduced by $2,570,000 as a result of the Federal Register program becoming selfsustaining. The request for a supplemental appropriation of $790,000 to cover postage for the Federal Register in 1980 has been withdrawn because of those same changes. The adjusted documents request for 1981 is now only 0.8 percent more than the 1980 request notwithstanding increases in wages and cost of publications distributed.

REDUCTIONS OF COST AND PERSONNEL

Our program of reducing costs through the use of the latest technologies is continuing and each year shows greater improvements.

The unit costs of at least two categories of Congressional printing, bills and hearings, have declined by 10 and 60 percent respectively and we expect even greater gains when the program is fully implemented.

Notwithstanding increased workloads, we again managed to reduce the number of people on our rolls by 348 last year. As of September 30, 1979, there were 7,226 employees working at GPO, the lowest number since February 1963. We have attritioned 1,300 people in the last 7 years and at the same time the value of the printing and binding produced for the Congress and the Executive agencies has increased from $262 million in 1972 to $630 million last year.

My general statement covers these and other subjects in greater detail, Mr. Chairman.

This concludes my summarization and my colleagues and I will be happy to respond to any questions the committee may have.

Senator SASSER. Thank you, Mr. BOYLE.

HEARINGS

I note that your testimony indicates there may be a $5 million increase due to Congressional hearings. Let the record show that this subcommittee and our sister subcommittee in the House are collaborating on printing our hearings this year so as to minimize costs. We have cut back on the number of copies also so as to more closely aline supply with demand and to eliminate waste.

We hope for some good savings here, also.

QUESTIONS SUBMITTED FOR RESPONSES

Mr. Boyle, we have a number of questions for the record which I will ask you to respond to in writing.

I want to thank you for your testimony and thank you, Mr. Mercer, again, for your years of Federal service and may the years bring to you a lot of big fish and also may you always shoot only par golf.

Mr. BOYLE. Thank you, Mr. Chairman.

[The questions and responses follow:]

Submitted Questions

EXPLANATION OF INCREASES

Question: The GPO budget request for Fiscal Year 1981 is $25 million above the Fiscal Year 1980 request. The GPO increase is one half of the total increase requested for the entire legislative branch.

(a) How much of this increase is due to deficiencies from prior years?

(b) What would be the effect of funding deficiencies for prior years in supplemental appropriations for fiscal year 1980?

(c) What would be the adverse effect, if any, of no increase being allowed for fiscal year 1981 operations?

Answer: (a) About $9.9 million or approximately 39.5 percent of the increase is attributable to deficiencies for prior years.

(b) There would no adverse effect on GPO operations if the deficiencies were removed from the Fiscal Year 1981 request and included in the Fiscal Year 1980 Supplemental Appropriation Act. The principal concerns are to receive the funds so that the necessary printing and binding for Congress is not impaired and that the language in the Supplemental Act would authorize the use of the funds as in the basic Act.

(c) Unlike most agencies, the GPO does not control all the expenditure of money appropriated to it. It must print the entire proceedings of the Congress in the Congressional Record, no matter what the length, and whatever else Congress sends to it. Therefore, if printing exceeds the amounts provided, deficiencies in future years would be necessary.

GPO must distribute free publications in what ever numbers Congress designates. If the Congress did not appropriate sufficient funds, at this time or in the future, to pay for all Printing and Binding ordered by the Congress, GPO would have to reduce the level of its services to Congress. If the agency were required to maintain its normal level of congressional services, its appropriated funds will become exhausted at sometime during the coming fiscal year. At that point GPO would have no legal authority to obligate money and its operations would have to cease.

APPROPRIATIONS OF THE GPO

Question: You have three appropriations: Congressional Printing and Binding, Printing and Binding, and Salaries and Expenses. The Congressional Printing and Binding seems straight forward enough and appears to be the appropriation that provides for printing and binding used by the Congress. Is that correct? What is the Printing and Binding appropriation needed for?

Answer: Yes, the Congressional Printing and Binding Appropriation provides funds to pay for printing and binding that is used by the Congress as an integral part of the legislative process. The Printing and Binding Appropriation is needed to provide funds for printing and binding of Congressional material

that is authorized by law to be distributed without charge to the recipient. The most significant items included in this appropriation are publications for International Exchange, the Daily Congressional Record which is distributed to Member's constituents and the Bound Record which is distributed in accordance with law. Prior to Fiscal Year 1978 Printing and Binding was combined with Congressional Printing and Binding. It would be easier for all concerned if the appropriations for Congressional Printing and Binding and for Printing and Binding were re-combined. We recommend that the committee do so. This would save some administrative costs as well as save cost in Treasury, Congress, etc. since only one instead of two appropriations would have to be administered, budgeted, accounted for and justified to Congress.

Question: The operation of the Superintendent of Documents is supposed to be self-sufficient. Why do you need an appropriation for these operations?

Answer: Not all of the operations of the Superintendent of Documents are supposed to be self-sufficient. Only the General Sales Program which was converted in Fiscal Year 1978 to a self-sustaining basis by the actions of the Appropriations Committees falls under the criteria. The remaining programs of the Superintendent of Documents namely: Depository Library Program, Cataloging and Indexing Program, and By-Law Distribution Program are not self-sustaining and, therefore, must be funded by appropriations.

BREAKDOWN OF FY 1979 REQUIREMENTS

Question: Can you break out by Committee or otherwise the actual requirements for fiscal year 1979?

Answer: There is no record maintained by source for Congressional orders as they are received. The following information does breakdown those orders which have been completed and billed. However, there are orders still outstanding and uncompleted which we estimate which cost approximately $15.5 million for which the source is unavailable at this time.

CONGRESSIONAL PRINTING AND BINDING
AND PRINTING AND BINDING APPROPRIATIONS
SUMMARY OF BILLINGS BY ORDERING SOURCE
FOR FISCAL YEAR 1979
AS OF 12-31-79

SOURCE	AMOUNT
HOUSE OF REPRESENTATIVES	
House	$ 5,629,815
Clerk of House	764,485
House Members	58,674
Committees	
Agriculture	382,223
Appropriations	2,819,679
Armed Services	500,158
Banking, Finance, and Urban Affairs	586,238
District of Columbia	257,645
Education and Labor	676,981
International Relations	1,497,883
Government Operations	729,973
House Administration	291,780

Interior and Insular Affairs	366,596
Interstate and Foreign Commerce	1,646,575
Judiciary	993,179
Merchant Marine and Fisheries	554,294
Post Office and Civil Service	346,312
Public Works and Transportation	322,344
Rules	46,948
Science and Technology	1,528,401
Select Committee on Population	111,947
Veterans Affairs	359,015
Ways and Means	1,244,654
Committee on Small Business	292,591
Select Committee on Ethics	393
Committee on Standards of Official Conduct	39,179
Commission on Congressional Mailing Standards	5,597
Committee on the Budget	386,597
Select Committee on Aging	489,917
House Legislative Counsel	19,323
Select Committee on the Outer Continental Shelf	43,571
Select Committee on Intelligence	43,528
Select Committee on Narcotics Abuse and Control	337,884
Select Committee on Assassinations	338,510
Select Committee on Congressional Operations	210,850
TOTAL HOUSE	$23,923,739

SOURCE	SENATE	AMOUNT
Senate		$6,008,280
Secretary of Senate		286,885
Senate Members		2,175
	Committees	
Agriculture, Nutrition, and Forestry		779,634
Appropriations		1,051,377
Armed Services		766,745
Banking, Housing, and Urban Affairs		726,625
Commerce, Science, and Transportation		1,096,798
Finance		1,205,461
Foreign Relations		927,288
Governmental Affairs		872,598
Energy and Natural Resources		944,349
Judiciary		1,211,140
Human Resources		649,163
Environment and Public Works		627,974
Rules and Administration		110,424
Democratic Policy Committee		10,887
Republican Policy Committee		34,263
Select Committee on Small Business		326,729
Special Committee on Aging		239,549
Select Committee on Ethics		18,123
Select Committee on Nutrition and Human Needs		700
Veterans Affairs		380,988
Senate Legislative Counsel		15,039
Sergeant at Arms		13,611
Committee on the Budget		430,677
Select Committee on Intelligence		61,639
Select Committee on Indian Affairs		102,357
TOTAL SENATE		$18,901,478

Other

By Law	$ 5,957,867
Architect of the Capitol	22,982
Joint Committee on Printing	320,754
Joint Economic Committee	675,399
Joint Committee on Internal Revenue Taxation	235,768
Miscellaneous Billings*	22,312,728
TOTAL OTHERS	$29,525,498

* Miscellaneous P & B, Bills, Reports, Documents, etc.

SAVINGS EFFECTED IN APPROPRIATIONS

Question: How effective was the restriction on distribution of the Bound Record that was included in the Fiscal Year 1979 Appropriation Act?

Answer: The restriction on Members receiving automatic distribution of the Bound Record has been very effective. Prior to the restriction there were more than 700 copies of the Bound Record distributed to Members and committees. After the restriction this number decreased to approximately 225 copies or a reduction of about 500 sets of the Bound Record. Copies to Members accounted for 438 sets with the balance of the reduction being attributed to committee copies.

Question: Last year the Joint Committee on Printing required Executive Branch Agencies to pay for their copies of the U.S. Code and Supplements. What will be the effect of this change on your Appropriation Requests?

Answer: The effect of this action will not be fully realized until Fiscal Year 1982 when the entire U.S. Code is reprinted. The savings should amount to approximately $1 million in that fiscal year. In the interim we save only on the costs of the supplements. We estimate the savings to date to be about $75,000.

Question: A few days ago the Joint Committee on Printing testified before this Committee and discussed several areas where savings have been achieved in Congressional Printing and Binding activities. Have these savings been factored into your budget request?

Answer: The savings reported by the Joint Committee on Printing have been initiated over the past several years. The savings for each specific action were factored into the budget request as of the effective date of the action and have continued to be factored into subsequent requests.

DETAILS OF CONGRESSIONAL PRINTING AND BINDING

Question: I noticed that the funds requested in Congressional Printing and Binding for the Congressional Record Program remained the same in 1981 as in 1980. Please explain why there was no increase in this category even though you're anticipating increases in cost for labor and materials.

Answer: While our estimates for the Fiscal Year 1981 Congressional Record Program do include increases for the

inflationary rise in the costs of labor and materials, these estimates have been adjusted downward to reflect the anticipated decrease in volume for the Daily and Bound editions and the anticipated reductions which should result from the goals we have established in the area of productivity improvement. In addition, the restriction that was placed on Member's copies of the Bound Record resulted in a reduction of the number of sets printed thereby lowering the budget request.

Question: In your opening remarks about Congressional Printing and Binding, you indicated Hearings was a major factor in the increase of the Fiscal Year 1981 request over the Fiscal Year 1980 request. Please explain why the estimate for Hearings has been increased in Fiscal Year 1981.

Answer: In determining the funds necessary, volume estimates are made based on past experience and on known changes to printing requirements. Historically, the volume in this category fluctuates from year to year while the long term trend shows a continual increase. We expect Fiscal Year 1981 to follow the normal pattern of increase and, therefore, have requested funding in Fiscal Year 1981 to support an estimated 614,000 pages of Congressional hearings.

DETAILS OF PRINTING AND BINDING

Question: In the request for the Printing and Binding Appropriation, funds for the Bound Record decreased in Fiscal Year 1981 over 1980. Please explain what caused this change.

Answer: The funds requested for the Bound Record in Fiscal Year 1981 were reduced because of the action taken by the House and Senate Appropriation Committees whereby automatic distribution of the Bound Record to Members was discontinued. Members were required by Public Law 95-391 to request in writing that they receive a copy of the Bound Record. Another contributing factor to the decrease is the production of the Bound Record in microfiche format for approximately 465 depository libraries. The libraries are requesting microfiche in lieu of the printed version of the Bound Record.

Question: What caused the substantial increase in the request for miscellaneous publications in the Printing and Binding Appropriation Account?

Answer: The increase was caused by volume exceeding our original estimate. For example, in Fiscal Year 1978 the estimated volume was 5,000 pages but the actual volume amounted to 6,700 pages. Accordingly, the estimate for Fiscal Year 1981 was increased to be more comparable with the expected volume.

GENERAL SALES PROGRAM

Question: Your supporting documentation indicates that the General Sales Program lost more than $6 million in Fiscal Year 1979. Please explain what caused this loss and what actions have been taken to remedy this situation.

Answer: During the past several years, we have been working hard to modernize the operations of the Sales Program to make them more efficient and responsive to the public, and to reduce our

dependence on increasingly expensive labor. By Fiscal Year 1978, we were confident the system could effectively handle additional volume and we began expanding our efforts to increase the public's awareness of the available information in government publications. We expected the additional volume of business to be enough to recover the increases in cost which we expected. Unfortunately, while the cost increases did materialize, the growth in volume did not. At the same time several important revenue generating subscriptions were cancelled by the publishing agencies in their attempts to reduce their costs. These several factors combined to produce the loss.

Apparently, our efforts to expand the public's awareness of our publications were not ineffective but merely took longer to take hold than we expected. During the first quarter of Fiscal Year 1980, our sales volume has exceeded even our most optimistic projections.

Question: In your general statement you mentioned that you are utilizing third class bulk postage to reduce mailing costs. I think this is commendable. What are the savings anticipated from using third class bulk rate?

Answer: During Fiscal Year 1979 we converted our sales mailing operations in Laurel, Maryland, to allow us to use the third class rate for eligible packages when that rate was cheaper than the fourth class book rate. Based on our experience to date, we expect this change to reduce the postage expenses of the General Sales Program by $600,000 in Fiscal Year 1981. None of this savings is attributable to operations funded by the Salaries and Expenses Appropriation for the Superintendent of Documents.

SPECIAL SALES PROGRAM

Question: Would you please bring the Committee up-to-date on the actions taken to eliminate the Special Sales Program i.e. (Congressional Record and Index, Federal Register and Index, Cumulative List of CFR Sections Affected, Weekly Compilation of Presidential Documents) from the Salaries and Expenses Appropriation.

Answer: The Special Sales Program covered those publications and subscriptions which, for a variety of reasons, the Public Printer could not price to recover all costs. During the past year we were successful in our efforts to reprice all of the regular publications in this program. This left only the Congressional Record and the Federal Register and their related subscriptions. We have reduced the Salaries and Expenses Appropriation Request by more than $2.5 million because of actions taken by the Administrative Committee on the Federal Register to increase prices and provide alternative funding for sales of the Register. We are also continuing to work with the Joint Committee on Printing to reduce the subsidy for the Congressional Record, for which we are still seeking $450,000 in Fiscal Year 1981.

Question: Does this mean that the Federal Register is fully self-sustaining or is the Federal Government still subsidizing this publication?

Answer: The total cost for printing, binding and distributing the Federal Register in Fiscal Year 1979 amounted to $25,300,000.

Of this only $2,000,000 was recovered from subscriptions to the Federal Register, the balance was recovered through billings to publishing agencies against their appropriation and the subsidy in the Superintendent of Documents Salaries and Expenses Appropriation. The increase in price for a subscription to the Federal Register to $75 substantially eliminated the subsidy previously provided in the Salaries and Expenses Appropriation for the Superintendent of Documents operations.

Question: Is the Congressional Record Sales Program receiving any subsidy or is it fully self-sustaining?

Answer: The Congressional Record is the only title remaining from the Special Sales Program. The total subsidy requested for Fiscal Year 1981 is $450,000. We are working with the Joint Committee on Printing to eliminate the need for this subsidy.

DEPOSITORY LIBRARY PROGRAM

Question: What is the status of the Depository Library Program vis-a-vis law libraries?

Answer: As of January 30, 1980 there were 1,336 depository libraries. The program added 102 libraries in Fiscal Year 1979 including 88 libraries under the provisions of Public Law 95-261, which provided for designating accredited law school libraries as depositories. An additional 248 designations are possible under the laws governing the total program. We have estimated that 25 additional libraries will be added in Fiscal Year 1980 and 20 in Fiscal Year 1981.

Question: Why do you need an additional 44,000 square feet of warehouse space for your Documents Operations?

Answer: The additional space is needed to support the distribution programs of the Superintendent of Documents. All three major programs have experienced growth during the five years since the Eisenhower Avenue Warehouse space was first occupied.

Professional cataloguers have been added to the staff to provide adequate coverage for the growing output of Government publications.

The space requirements of the Depository Library Distribution Program have grown with increases in the number of libraries and the number of items being distributed. Facilities also have to be available to accommodate the collation and distribution of micropublishing products. The mechanization and automation of Depository Distribution activities will require a larger area for efficient operation.

More and more agencies are using the mailing services provided by the Superintendent of Documents, thereby, increasing our storage and materials handling space needs.

JUSTIFICATION OF NEW BUILDING

Question: Although the jurisdiction for the new GPO building is reserved to the full Appropriations Committee, I think it would be appropriate to raise a few questions on this matter. What is the status of the authorization for the new GPO building?

Answer: On August 2, 1978, pursuant to the Buildings Act of 1959, as amended, the House Committee on Public Works and Transportation approved the Federal construction of a new Government Printing Office (GPO) in Northeast Washington, D.C. Currently, we are awaiting an agenda assignment from the Senate Environment and Public Works Committee for presentation of the GPO relocation project. With Senate approval, we will have completed the authorization aspect required prior to the funding of the new facility.

Question: In light of the success you are having in improving the operations of the GPO through automation do you still need a new building?

Answer: Most of the modernization up to this point has been in the area of composition, the elimination of 164 linotype machines, 80 monotype keyboards, 120 monotype casters. We have also disposed of the accompanying very heavy support equipment, utilized the space for other operations, and retrained and reassigned the operators. We had type storage racks floor to ceiling, 8 feet high, with type that was stored from year to year. This is no longer necessary in that the storage of computer tapes and files can be accomplished in very little space, and handled entirely differently due to a weight differential between a reel of tape, containing up to 1,000 pages of printing, and a tray of type containing one page.

The automation in the pressroom is bringing bigger and faster presses. We have trouble installing a modern web-type press because our ceilings are too low, and we have too many piers that interfere with the installation and alignment of large modern presses. You can't turn a corner with a press.

The justification for a new building and the cost savings was based upon projected savings in the cost of moving material on 36 elevators. No matter how much automation takes place--and more will--we need a new building now more than ever because we want to obtain the efficiencies and economies of coming in one end of the building with paper and going out the other end with the finished product. You can't do that in a multi-story building.

The light industrial support activities would not necessarily be on that main floor. They could be on a second floor, and of course the administrative offices could possibly be on a third or fourth floor; but the plant itself, the heavy industrial part of the plant would be an in-line one floor operation.

Another important consideration is that in our operation a lot of paper is damaged. Every time that someone operating a power truck, with a roll of paper, bumps something else, you have damaged paper. The damaged paper will cause problems on the press, in addition to the waste from paying for paper you cannot use. In a building, like ours, with paper being hauled from floor to floor, in and out of elevators, and weaving around supporting piers, employees cannot help but damage paper.

Our estimate of savings is based upon the building paying for itself by the elimination of people moving materials. The trouble is that each month of delay building costs are going up. For every month we delay the acquisition of property the cost will escalate

over $1 million. That is the reason our request this year contains an inflationary factor of about 8 percent which is what GSA projected.

REDUCTION IN THE NUMBER OF EMPLOYEES

Question: You mentioned that the number of employees on the rolls has decreased by 1,000 over the past 3 years. Please explain how you were able to bring about such a dramatic reduction in the workforce without adversely affecting your performance.

Answer: Automation has helped considerably, especially in the electronic printing area. With the exception of 67 term (temporary) linotype and monotype keyboard operators, we have not hired journeymen-level personnel for 3 years, thus losing most of our people through attrition.

We have retrained hundreds of the people we have on board to become efficient in photocomposition, offset stripping and platemaking, and proofreading, and we are still training. Much of our photocomposition work is keyboarded at the source and we receive magnetic tapes in lieu of hard copy. We normally run the tapes, generate pages or galleys, and then proofread and correct what someone else has keyboarded. Also, our electronic photocomposition systems create a data base from which duplicate jobs can be processed in different sizes and formats without rekeyboarding.

Our pressrooms have also been modernized, requiring fewer people, due to highly sophisticated high-speed equipment.

The printing procurement program has also helped us maintain peak performance from a reduced workforce by contracting out about 70 percent of the workload.

NEW EQUIPMENT EXPENDITURE

Question: You mentioned a new Bindery System for the Congressional Record. How much is this going to cost and how do you expect to finance it?

Answer: At the present time our best guess is that the system will cost somewhere between $8 and $9 million. In February 1980, we met with representatives from several bindery equipment manufacturing firms for a presolicitation bid conference to discuss our needs and the necessary equipment and systems to meet these needs. They are scheduled to report back to us in April 1980 with their proposals and estimated prices. At that time detailed specifications will be prepared and formal bids will be solicited through the competitive procurement process.

This system will be financed from the revolving fund if sufficient monies are available in the fund. If not, we would request Congress to appropriate additional working capital to the revolving fund.

STATUS OF COOPERS AND LYBRAND RECOMMENDATIONS

Question: What is the status of the recommendations which came from the Coopers and Lybrand Study?

Answer: The following letter of January 14, 1980 is submitted for the record. It is a copy of the status report which was filed with the Joint Committee on Printing.

January 14, 1980

Mr. Denver Dickerson
Staff Director
Joint Committee on Printing
Room S-151 - U.S. Capitol
Washington, D.C. 20510

Dear Denver:

The following status report responds to your inquiry of December 13, 1979, regarding the implementation status of certain recommendations made in the Coopers and Lybrand Report. Item identification follows that enumerated in the attachment to your December 13 letter.

Item No. 6 (C & L Report, pages v and 120). The recommendation for consolidation of the Central Office Printing Procurement Division and the Commercial Printing Specification Division has been studied further, and we see no benefit from consolidation. The specification writing function does not have to be a part of printing procurement any more than the Plant Planning operation in the main plant should be a part of the Production operation.

In fact, if we were to change the organizational alinement of the Commercial Printing Specification Division, we would probably consolidate it with the Planning Division in order to have all specification writing centralized in one division.

We will continue to evaluate the recommendation, but we see no benefit in adopting the suggestion at this time.

Item Nos. 8, 8A (C & L Report, pages v and 121). A system was instituted in June 1979 whereby the managers of the regional printing procurement offices and field printing offices located in the same city (including the Region 3 (1) Regional Printing Procurement Office and DSO) are required to coordinate the workload to assure that: (1) the field plants retain (or obtain from the regional printing procurement offices) sufficient work to provide for full utilization of on-board personnel during regular working hours, with no increase in personnel, and (2) all work in excess of that required to maintain this full utilization (and which is commercially procurable) is transferred to the regional printing procurement offices.

To date, this system appears to be achieving the desired result, but we will continue to monitor its effectiveness.

Item Nos. 12, 12A (C & L Report, pages viii and 123). We will maintain that the premise for the recommendation regarding craft versus non-craft managers is incorrect and that the statistics provided for this item in our May 31, 1979, response demonstrate that we do, in fact, actively recruit managers from outside the Government Printing Office.

Similarly, the recommendation regarding managerial training failed to take into account GPO's highly effective Supervisory Development and Executive Development Programs, both of which have been very successful in fulfilling the training needs of our managers.

Item No. 16 (C & L Report, pages x and 125). Our May 31, 1979, report for this item enumerated three data automation projects (the automation of the general ledger and two projects for the Superintendent of Documents) as clearly addressing the data base management concept. These

projects are currently under development; and, in fact, we expect completion of the general ledger automation by September 30, 1981.

The Automated Data Services Steering Committee held several meetings subsequent to the May report to the Joint Committee on Printing. These meetings resulted in the assignment of priorities for completion of ADP plans during the period Fiscal Year 1979 to Fiscal Year 1983, and the revision of GPO Instruction 705.4, "Implementation of Policies for Data Automation Plans". The revised procedure requires the Deputy Public Printer and Assistant Public Printers to rate, in priority sequence, all data automation projects recommended for implementation. These plans form the basis for a GPO-wide data automation plan and schedule for implementation.

The appointment of a Data Base Administrator, and the establishment of an Assistant Data Base Administrator position, has, and will continue to focus attention on the overall GPO data processing and management requirements.

In addition, data base management and systems integration has been stressed in internal training programs to heighten awareness and management interest at the operating levels of DSS-user contacts.

Item Nos. 17, 17A (C & L Report, page 126). A Data Base Administrator was appointed on May 7, 1979. Since that time, a survey and feasibility study of GPO's data base requirements has been completed, and a data base management system procurement recommendation developed. On December 27, 1979, an Assistant Data Base Administrator position was authorized.

Item No. 18 (C & L Report, pages x and 215, 216). As previously reported, very few portions of our cost accounting system remain to be automated-general ledger (estimated completion 9/30/81); hour cost books (estimated completion 9/30/82); rates computation (estimated completion 9/30/83). Automation of the hour cost books is dependent upon completion of the general ledger automation effort, which is currently in progress. However, automation of the rate computation operation, while dependent on completion of the hour cost book effort, can never be completely achieved since judgement must continually be exercised in the establishment of rates.

Item Nos. 26, 26A (C & L Report, pages xi and 218). As previously reported, the use of progress billing, including billing from work in process, has been used and will continue to be used when and where practical.

Control and other problems associated with merging the incremental billing systems with the existing billing system should be resolved and the merge accomplished early in Fiscal Year 1981, as indicated in our May response.

Item 27, (C & L Report, pages xi and 218). As outlined in our May response, the SIBAC system was developed by the Treasury Department and applies to all agencies whose disbursements are performed and/or controlled by the Treasury. When this system was implemented, the Defense organizations could not be billed under the system since their disbursing operations do not fall under the Treasury Department. While the Treasury Department has advised that SIBAC billings could be rendered to military agencies if they so desire, preliminary inquiries indicate that their voluntary acceptance is not very likely.

GPO's long-range plans still include extension within the next two to three years of the SIBAC system to billings and collection for publications sold and for reimbursable services.

Item 31 (C & L Report, pages xiii and 222). On April 1, 1979, the Government Printing Office began recording purchase discounts as a reduction in cost in accordance with Title 2 of the GAO Manual for Guidance to Federal Agencies. In addition, the discounts taken for the period October 1978 through March 1979 have been reclassified so that all the discounts taken during Fiscal Year 1979 have been recorded as a reduction in cost, and our financial statements for the year are consistent.

Memorandum records are maintained on discounts not taken.

Item No. 40 (C & L Report, pages xv and 286). There is no plan at this time to increase the Systems Analysis and Programing Division staff. We believe that the increased demands for applications development can be met by contracting for work through the General Services Administration and through internal productivity improvements. We will, however, continue to monitor our manpower and workload requirements and add additional staff if a continuing long-term need warrants.

Specific actions taken or underway include:

(1) Two major work statements have been sent to General Services Administration Region 4 (Huntsville, Alabama) for evaluation and estimates by commercial contractor. These two projects amount to about 11 man years.

(2) An improved and more reliable version of the program design and Systems Language 1 is scheduled for installation in January 1980. After training, we expect to increase its use and improve our productivity.

(3) A training request is being prepared to train 40 Computer Programers and 19 Computer Systems Analysts in structured methodologies. Once approved, an Invitation for Bid will be prepared and a vendor selected.

(4) Word processing equipment was installed in the Data Systems Service in June 1979. Ten employees have been trained in its use. This has simplified the preparation and revision of specifications, documentation, standards, and similar material and has enabled Data Systems Service to provide and distribute timely information.

(5) Data Systems Service has reviewed 3 on-line program development packages, and we plan to make additional reviews. If it is determined that an on-line programing development system is feasible, cost-effective, and practical, a procurement recommendation will be made.

(6) Two additional programer aids are being acquired to help improve productivity. One is an automatic test data generator that will remove the need for manual preparation of test data, and the other is a program evaluator that will insure that every instruction and condition in the program has been tested.

(7) The eventual installation of a Data Base Management System and a Data Dictionary will increase programer and analyst productivity

by reducing the time consumed in program development and data maintenance by standardizing the sizes and names of data elements.

Since April 1979, Systems Analysis and Programing Division personnel have attended 73 courses amounting to 6,472 hours. Training emphasis was in Customer Information Control System (CICS), Concepts of Virtual Storage Access Methods, Data Base concepts, and a basic training program for six newly appointed programer trainees. Extensive use has been made of our in-house audio-visual training program, which is economical and convenient.

Item No. 41 (C & L Report, pages xvi and 286). A revised GPO Instruction covering the "Implementation of Policies for Data Automation Plans" has been approved by the Automated Data Services Steering Committee. This instruction continues GPO's top management's attention on the need to further coordinate the integration of systems and data, and distributed processing. Unified plans and priorities at the area level are now required prior to submission to the Automated Data Services Steering Committee.

Item No. 42 (C & L Report, pages xvi and 287). A Data Base Administrator has been appointed; and, as part of his current assignment, he is working with the Systems Analysis and Programing Division in a two-step approach to the development of the planning and scheduling applications (Operations Management Information System). The Automated Data Services Steering Committee assigned an "A" (top) priority to this project, and receives quarterly status reports from the Data Systems Service.

Item No. 43 (C & L Report, pages xvii and 287). Recommended acquisitions of Electronic Photocomposition Division ADP hardware and software are reviewed by the Deputy Public Printer and referred to the Modernization Committee, headed by the Comptroller. The Director of Data Systems Service is a member of this committee and represents the interests of the Automated Data Services Steering Committee. Modernization Committee recommendations, in turn, require approval by the Public Printer.

Thank you for this opportunity to update our previous responses to the subject recommendations.

Sincerely,

JOHN J. BOYLE
Public Printer

COMMENTS ON H.R. 5424

Question: As you know there is a Bill pending concerning the reorganization of the Government Printing Office. What are your comments on H.R. 5424?

Answer: The provisions of H.R. 5424 for the reorganization of the Government Printing Office, if enacted, will make broad sweeping changes in the operations of GPO with additional emphasis on the responsibility for publishing documents and for the maintenance and stocking of libraries. The drafters of the bill either did not recognize or wanted to change GPO's primary roll as a printing plant and placed more emphasis on the publishing and distribution functions.

We realize that H.R. 5424 is currently being revised in committee and our comments are addressed to the bill as originally introduced. We have not seen the current proposal, however, with one exception, we do not believe that the principal provisions to which we object will be significantly changed. We would appreciate the opportunity to make specific comments on the specific provisions after the current proposal is reported out of committee.

The GPO has been, is now, and probably will continue to be a printing plant -- the largest in the country. The Superintendent of Documents operation is simply an arm of the GPO which breaks down the final printed product and distributes it, be it by selling it, mailing it free to constituents, or shipping it free to depository libraries. In a large printing operation, this function would be handled by the shipping department. However, we must point out that with the emphasis of H.R. 5424, the cost of the distribution program will increase over the present cost.

The bill also provides for GPO to establish and maintain a "Library of Last Resort" whereby a copy of every Government document would be on file to be available on demand to any requestor. This would be very expensive. In the same vein, provisions are included for a program to have facilities for making available microform copies of all Government documents. The definition of what is a "Government document" has been expanded to include not only printed matter, but machine - readable data files, audio or visual presentations and other similar matter. The cost for carrying this expansion of functions is the bulk of the Office of Management and Budget $5 billion annual price tag for this proposed legislation. It may be worth considering separating the Superintendent of Documents operation from the Government Printing Office, leaving the GPO where it is, and establishing Documents as a separate agency in the Executive branch with a Commission to determine policy for broader dissemination of Government information. The cataloging and indexing function of the Documents department, albeit very important, could be located anywhere in the Government without destroying its effectiveness.

We have major concerns with Section 310, Labor-Management Relations, which places all GPO employees under a wage, benefits and working conditions system totally different from any other in the government. Why should GPO employees be covered by different labor management and wage setting laws than Federal employees? Some people have construed these labor provisions as providing for a "union shop". While the labor provisions do not specifically provide for a "union shop", neither does the bill specifically preclude a "union shop" and, in fact, it even provides a method for the unions to negotiate such a provision. It could even allow for a situation whereby the GPO could be precluded from contracting with printing firms which do not pay union wages. This is a significant departure from previous Government policy. This is one of the numerous examples in the bill where ambiguous language and the omission of specific provisions is just as important as some of the specific provisions.

The bill provides for a seven member commission with high salary levels and staff support not to exceed 15 people. The staff support wages are not to exceed superlevel grade 16 and seven of these positions can be superlevel grade 18. This function is currently performed by three or four people at lower salary levels. We believe the establishment of a commission to determine policy of a printing plant is a mistake and a waste of money. A $600 million annual printing operation should be run by professionals in a hands on environment not by an amateur commission. The policy of a printing plant should be to serve its customers effectively, efficiently, and at the lowest possible cost. We do not think that the idea of establishing a seven member commission to replace the head of a very large printing company is a very practical or workable approach. The GPO should be run the same as any other large business with an operating officer that can make decisions on a day-to-day basis. Frequently, decisions have to be made quickly and there just is not enough time to wait for a seven member commission to muster four votes before making the final decision. We are also concerned that the commission will superimpose a large staff with very high grades and that these people will have little or nothing to do. The whole concept can only result in confusion, delay, and increased costs. Moreover, there would, of necessity, be a loss of control by the Congress over Congressional printing which would become the responsibility of a Presidentially appointed commission.

We believe that if the bill is enacted Congress will lose substantial control over the entire federal printing program including the GPO. The bill provides that a majority vote of the members of the Commission is required to make a regulation and then the regulation would have to be submitted to two committees of Congress for possible veto and a waiting period of 10 legislative days prior to becoming effective. This control over GPO and the agencies will be vested in a Presidentially appointed commission which would be empowered to promulgate regulations leaving Congress with no input but only a power of veto over regulations. Furthermore, this could impose severe restraints on the day-to-day operation of the GPO and cause delays in meeting Congressional printing and binding requirements by the GPO.

The Office of Management and Budget has solicited comments from agencies and reports that agencies believe that the bill would "curtail the ability of Congress and the President to oversee and influence the printing and distribution of Government information and probably result in significantly greater costs." The Office of Management and Budget also forwarded a letter to the chairman of the JCP on August 17, 1979, stating "It is estimated that compliance with the bill could run as high as $5 billion annually."

We do not see anything in the bill that would save one dollar in the printing program that could not be accomplished under the present Title 44. We believe that, if the bill is enacted, the cost of printing to the Congress and Executive agencies will be substantially increased. We believe that Title 44 can be revised in a manner which will not destroy the effectiveness of the present cost effective printing and distribution program of the GPO.

As you know GPO prides itself in being responsive to the needs of Congress within the time frames -- often overnight -- required so that there is no impairment to the legislative process. The abolishment of GPO and creation of a new agency under the control of a commission in what appears to be an agency which would be somewhat "independent" of the Legislative Branch will do nothing to enhance the service to Congress. In fact, we would expect just the opposite. With a lessening of Congressional control we cannot see any way that the proposed bill can avoid being detrimental to the service which we provide to the Congress. With the primary emphasis being placed on "publication" rather than "printing" the tail is wagging the dog and the printing and binding needs of the Congress will most certainly suffer.

The provision in H.R. 5424 requiring GPO to obtain an annual authorization for appropriation could delay GPO's appropriation request and therefore, effect our operations significantly. With this requirement, GPO would have to obtain the approval of its oversight committee before requesting appropriations. The timing of such requests and the actions of the committee in approving them would be critical to insure that necessary actions were completed and funds approved before the beginning of the fiscal year. Congress is often faced with many domestic and international matters that the oversight committee could consider of more importance than GPO's appropriation. If one of these situations occurred, a delay in the authorization and corresponding appropriation could result. Accordingly, both the Congress and GPO would be in need of some emergency type action to satisfy the printing and binding needs of Congress and to maintain the uninterrupted operation of the GPO. We do not believe that Congress intended itself or GPO to be subject to a possible crisis of this type and as a result we see no need for the annual authorization requirement. If the Congress feels that a periodic appropriation authorization requirement would be beneficial, perhaps one of a longer timeframe - each five or ten years would be more appropriate. This would still provide for a periodic review, but could be done at the convenience of the committee and remove the possibility of creating a crisis that would require an emergency solution.

As stated above, the intent of H.R. 5424 places additional emphasis on the publishing function. It appears to be an attempt to make GPO responsible for determining which publications should or should not be printed and that would represent an important expansion of GPO's mission. Currently, we question the need for certain publications but the final decision rests with the publishing agency. We are not sure that the Government Printing Office currently has the capability to determine the need for the thousands upon thousands of publications that are printed each year. The originating agency is in a position to know and determine what publications are necessary to fulfill their missions and should remain, the publisher.

Over the past couple of years we have documented numerous specific objections to numerous specific provisions in the proposed legislation and would be happy to make them available to your committee. For example, the provision which would allow Government publications to become the private copyrighted property of favored individuals or firms is a significant factor which has received very little attention. In fact, few people are aware that it exists. Whether this provision is or is not within the desires of Congress, we do not know. However, it is a significant change in law and should come under the scrutiny of the Congress. We would like to reemphasize two points. First, we do not believe the bill is necessary. We do not think that it contains anything worthwhile that cannot be covered through minor revisions to the current Title 44. Secondly, our comments have been addressed to H.R. 5424 as introduced, we have not seen the current proposal, however, we would appreciate the opportunity to see the bill when it is reported out, so that we could make specific comments on its provisions and we will be happy to supply additional specific comments at that time.

Question: If you had the responsibility for preparing the Bill to reorganize the Government Printing Office, what would you do differently from the current Bill?

Answer: The Government Printing Office was established 119 years ago to provide the printing for the Congress and the Executive agencies. The only justification for the Government to do its own printing is to provide a service which cannot be provided by the private sector within the required time frame because of the tremendous fluctuations in work caused by Congressional workload.

Title 44 has been a good law in its 84 years of existence. It has been changed, modified, and amended many times. Many constructive amendments have been made over the years by the Appropriation committees, and previous Public Printers have suggested changes which have been adopted by the Congress. Also, many of the currently obsolete provisions of the present law have already been overridden by the Joint Committee on Printing using its Section 103 authority to remedy waste and duplication. We do not see any logical reason to drastically revise a law which has worked well, nor do we see any logical reason or need to reorganize the Government Printing Office. These obsolete provisions need only be brought up to date. For example-----Sections 510, 511, 512, 514, 515, 516 and 517 which deal with the procurement of paper could be eliminated without adversely affecting GPO's operations.

As written, the bill would establish a "Commission" to determine policy of a printing plant. This action is not necessary and is simply a waste of money. The bill would also create a number of positions out of the competitive service and move many of our people from career competitive to a noncompetitive status. This could be construed as an attempt to politicize our organization, and would be resented by our employees who have been hired because of their qualifications and not because of their political affiliations.

There have been claims that the proposed bill would save large sums of money. Real savings can be effected by reducing the number of titles and copies printed, reducing the number of publications distributed free, or by increasing productivity in the printing process; not by changing the law to expand the definition of what is a Government document, the scope of distribution and the making available of Government documents in various types of format. There is nothing in this bill which will decrease the amount of printing nor increase productivity in the printing and distribution process. In fact, the amount of printing would increase to support the additional free distribution.

The Government Printing Office pay plan has operated successfully for 55 years. Although section 305 in the current Title 44 which provides the authority for setting wage rates has some flaws, nothing in this bill would improve the pay setting procedure. Specifically, why should GPO employees be treated any differently than the rest of the employees in the Federal Government? Why have a pay plan that is different from other white collar employees? Why should a printer in the GPO receive a different rate of wages than a printer in the Army or Commerce or Treasury? Why should GPO employees operate under a different labor management law than the rest of the Government? As long as the GPO is to remain a Government entity, GPO should to the greatest extent possible, follow the laws, rules, and procedures applicable to the great majority of Government employees.

We believe that Title 44 can be amended and brought up to date without completely changing the concept of government printing. If it is the desire of the Congress to abolish the Joint Committee on Printing, then why not consider transferring all of the present functions of the Joint Committee on Printing to the Government Printing Office, together with remedial powers necessary to promulgate and enforce the present regulations. This would provide a reasonable substitute of the legislative oversight authority exercised by the Joint Committee on Printing which is surely needed to keep down duplication and waste in the Federal Government.

LIBRARY OF CONGRESS

STATEMENT OF DR. DANIEL J. BOORSTIN, THE LIBRARIAN OF CONGRESS

ACCOMPANIED BY:

WILLIAM J. WELSH, THE DEPUTY LIBRARIAN OF CONGRESS
DONALD C. CURRAN, THE ASSOCIATE LIBRARIAN OF CONGRESS
MICHAEL R. PEW, ASSISTANT REGISTER OF COPYRIGHTS
GILBERT GUDE, DIRECTOR, CONGRESSIONAL RESEARCH SERVICE
JAMES R. TREW, DIRECTOR, LIBRARY ENVIRONMENT RESOURCES OFFICE
F. E. CROXTON, DIRECTOR, AUTOMATED SYSTEMS OFFICE
RICHARD H. AUSTIN, CHIEF, FINANCIAL MANAGEMENT OFFICE
JOHN O. HEMPERLEY, BUDGET OFFICER

1980 APPROPRIATIONS AND 1981 BUDGET REQUEST

Senator SASSER. The next witnesses are Dr. Daniel J. Boorstin, the Librarian of Congress, and our former colleague from the House, Hon. Gilbert Gude, Director of the Congressional Research Service.

The President's 1981 budget request for the Library of Congress, excluding CRS, is $164,937,000 and 4,327 positions, an increase of $8,563,000 and 146 positions over the 1980 level.

The President's 1981 budget request for the Congressional Research Service is $31,589,000 and 941 positions, an increase of $2,899,000 and 73 positions over the 1980 level.

If both of you gentlemen will please proceed to summarize your statements, I will then have some questions.

Dr. Boorstin, if you wish to proceed first.

Dr. BOORSTIN. On my left is William Welsh. On my right is Donald Curran. On my far left is Gilbert Gude.

Senator SASSER. Gentlemen, welcome.

PREPARED STATEMENT

Dr. BOORSTIN. Thank you, Mr. Chairman

I have a prepared statement, copies of which you have already received.

With your permission, I would like to summarize the statement very briefly and request the prepared statement be made a part of the record.

Senator SASSER. It will be made a part of the record.

[The statement follows:]

STATEMENT OF DR. DANIEL J. BOORSTIN

My colleagues and I are pleased to be here today to present to you our requests for funds for the Library of Congress for fiscal 1981.

As you know, this is a turning point in the history of the Library of Congress. After 20 years of planning and anticipation, the Library is moving into the James Madison Memorial Building. When this move is completed, the Library will--for the first time in many years--have proper physical facilities for its collections, its staff, and its services.

The budget we are now presenting to you aims at improved service to readers and at better protection and preservation of our collections, which are unequaled anywhere in the world.

The Madison Building will provide specially equipped reading rooms for special format material and will also house the Law Library collections. Our first priority is 62 new positions to serve the Congress and the hundreds of thousands of others who will use these reading rooms. Twenty-seven of the new positions are to provide public service in the Geography and Map; Manuscript; Motion Picture, Broadcasting and Recorded Sound; Music; and Prints and Photographs Divisions; eight positions are for the Law Library.

We are requesting an additional 27 positions to improve research and reader services for the general collections to be housed in the Thomas Jefferson and Library of Congress Buildings, and for our subject area divisions. Nine positions are to assist us in providing better service and collection support in the European, Asian, Hispanic, and African and Middle Eastern Divisions. The Library's collections of foreign language material--including the best Slavic collection outside the Soviet Union and a vast collection in the Arabic and Persian languages--are unique in this country. The increasing use of these collections reminds us of the importance of this material to our national security and to our understanding of these once-remote areas of the world which now concern us every day.

Seventeen positions are requested to meet a growing demand for better and quicker service of the general collections as well as reference service for our local history and genealogical materials and items on

microform. One position is requested to service the Lessing J. Rosenwald Rare Book Collection which was physically moved to the Library late in 1979.

These improved services, more necessary today than ever before, have finally been made possible with the additional space made available by the completion of the Madison Building. No complete inventory has been taken of the Library's general collections since the Library moved from the Capitol to the Library of Congress Building in 1897. We need to determine what has disappeared, what has been improperly shelved, what needs relabeling, and what preservation treatment is necessary. The move to the Madison Building provides an ideal opportunity to stop and take stock as collections are shifted. The results will immensely improve our service, help us weed out material that is surplus, and make it possible to provide a continuing control of these materials. Thirty-two positions for a three-year period are requested for this purpose. We are asking for an additional seven positions to provide special and temporary book stack assistance during peak times in reading room services.

Under furniture and furnishings, we are requesting $800,000 to purchase shelves and shelf hangers for the Thomas Jefferson Building. As staff is moved to the Madison Building, we will be able to use more of the Jefferson Building for book storage, for which it was originally designed. The shelving is needed now so that we can provide more economical and more efficient locations of the collections near subject reading rooms and allow space for growth.

In developing this budget, we have kept in mind the need to control growth in accordance with our mandates from this subcommittee. Our total request--$196,526,000--represents an increase of only 6.2 percent (5.5 percent for Title II of the bill which includes the Library proper) over the total amount anticipated for 1980. The increase includes $4,376,247 needed to maintain the current level of service and $7,085,753 for growing workload.

The 1981 budget also provides for increments of staff and equipment to complete occupancy of the Madison Building. The Library expects to sign a contract shortly with a commercial cleaning service for the Madison Building. We will provide you with changes in the justification to reflect the savings which appear possible.

We are requesting 26 police positions for the Madison Building, in addition to the 54 positions allowed in the 1980 budget. We have carefully reviewed our security needs to determine whether this requirement could be reduced. But we have concluded that this increment is essential for adequate protection of employees, the public, the collections, and the valuable equipment in the new building.

I am again requesting four positions to provide tour service in the Madison Building. The building, its exhibit halls, and specialized reading rooms, and services belong to the nation. The citizenry should have the opportunity to understand and enjoy their national library built by their taxes. These requested positions will help us provide--and encourage--visits by school and college groups, by the American public, and by international visitors. We have already received many inquiries from the national libraries who want to learn from this most up-to-date national library in the world. Last year more than 1,036,000 visited our Library. We must continue to organize regular tours so that visitors can understand our services, and can view the new building, without disrupting ongoing Library activities.

The furniture and furnishings budget originally requested an increase of $2,000,000 for furniture, furnishings, and equipment for the Madison Building. Because of delays in the move, we wish to withdraw the request of $1,200,000 for furniture. The remaining $800,000 requested for special furnishings and equipment represents price increases in our purchases of equipment that had been previously justified.

Our next priority is motion picture film preservation. The movies are the great democratic art, a monument of our civilization, which we must not allow to disintegrate. As you know, many movies of the early period are on nitrate cellulose film, which is unstable and highly flammable. This film deteriorates daily. We were dramatically reminded of the special risks when an irreplaceable collection of nitrate film held by the National Archives was destroyed by fire at Suitland, Maryland, in 1978. At that time, I directed that all nitrate film conversion in the Library of Congress Building be halted.

We have transferred this work to a location where it will not endanger our staff, our collections, or the public. For this purpose earlier this fiscal year we proposed, and the committee approved, a reprogramming of funds to establish a new film processing laboratory at Wright-Patterson Air Force Base, Ohio. When this facility is operating, we will resume film conversion. This budget requests $400,000 for 23 people, under six-year appointments, and $581,822 for supplies and equipment, so that the rate of processing can be accelerated, and the risks of deterioration reduced. At the proposed rate, our current inventory of nitrate film could be fully converted by the end of 1986. But if the rate of conversion is not accelerated, it may take twice that long, and meanwhile we would face increasing risk of loss of valuable film through deterioration or fire.

Finally, there are smaller growing workload increases throughout the budget which are generated by legal or regulatory requirements, health and safety needs, or increased workload or demand, which cannot be postponed. These include additional automation support staff for the Congressional Research Service, auditors and safety personnel, additional equal employment opportunity officers and counselors, exhibits preparation staff, copyright licensing staff, and folklife support staff. I will not discuss these individually here since you will be looking at each request in detail.

Mr. Gude will present the requests of the Congressional Research Service which appear in Title I of the Legislative Branch Appropriations bill.

In conclusion, I want to thank each of you for your continued support of the Library of Congress and its programs. The beautiful and functional Madison Building is a testimony to Congress' unfailing understanding of the vital role of our nation's Library--an unequalled resource of knowledge for the security and prosperity of our nation.

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JAMES MADISON MEMORIAL BUILDING OCCUPANCY

Dr. BOORSTIN. This is a historic time for the Library of Congress. As we take occupancy of the James Madison Memorial Building, for the first time in many years we will have proper physical facilities for our staff, our collections, and our services.

Mr. Chairman, as we have developed this budget, we have been mindful of the fiscal constraints under which you must operate. We have also been mindful of our task to serve the Congress, the world of scholarship, other libraries, and the Nation at large. We must maintain our services and our resources and expand them to master the increasing bulk of knowledge.

We have developed a budget for fiscal 1981 aimed at improved service to readers and better control, protection, and preservation of our collections.

REFERENCE SERVICE

We are requesting 62 positions to provide necessary reference service in the new reading rooms in the Madison Building and adequate service in the refurbished reading rooms in the Jefferson and Library of Congress Buildings.

This is our first priority.

INVENTORY OF COLLECTIONS

We are also requesting for a 3-year period positions that would allow us to inventory the book collections. The Madison move and the resulting shifts in the general collections give us an ideal opportunity to accomplish this necessary task in a most efficient and economical way.

SHELVING FOR THOMAS JEFFERSON BUILDING

A related request is for $800,000 to purchase shelves and shelf hangers for the Thomas Jefferson Building. These shelves would be located in areas where staff has been located and which now can be returned to book service space, for which they were originally planned.

The 1981 budget also provides for increments of staff and equipment to complete occupancy of the Madison Building.

NITRATE FILM CONVERSION

Finally, we are requesting additional funds to step up the conversion from nitrate film to safety film of the irreplaceable early motion picture collections of the Library. Those must be preserved now or they will be destroyed forever.

This increased emphasis on motion picture preservation is necessitated by the unstable and combustible character of nitrate film.

I want to thank you for your continued support of the Library of Congress and our programs. The history of the Library of Congress is a testimony to Congress; long-standing support of its library—an unequaled resource of knowledge for the security and prosperity of our Nation.

Thank you, Mr. Chairman, we will be glad to answer any questions.

STATEMENT OF GILBERT GUDE, DIRECTOR, CONGRESSIONAL RESEARCH SERVICE

Senator SASSER. I think we will go forward with Mr. Gude and then direct questions to both of you simultaneously.

Mr. Gude. Thank you, Mr. Chairman. We have submitted a full statement and I will summarize.

Senator SASSER. Your statement will be inserted in the record at this point.

[The statement follows:]

Statement of Gilbert Gude

It is a pleasure to be able to meet with you again at the beginning of my fourth year as Director of the Congressional Research Service. As we set out to prepare this statement, I was startled afresh to realize that in a three-year period we have responded to congressional queries on oversight, representational, and legislative activities nearly one million times! That's an awful lot of questions, especially when 130,000 required indepth analyses to answer.

Because we are part of the congressional family, that which affects the Congress affects us. FY 1979 was therefore not only a busy year for CRS, it was a year shaped by the constraints of a tight budget, an increase in oversight-related reference and analytical work, and renewed efforts to assure avoidance of duplication of activities of our sister agencies. In addition, we made some significant organizational changes in CRS, expanded our outreach programs, and improved our research products in a number of innovative ways, which enabled us to handle a 4 percent increase in analytical work.

These actions are in line with recommendations made by several congressional oversight studies of CRS. They are, as are all our efforts, designed to help us better serve the Congress as the only congressional support agency that provides the entire range of analysis and information to every element of the congressional community.

Last year I submitted a statement to the Appropriations Subcommittees which reflected our considered judgment that CRS should reach its peak, in terms of size, in three years. My request for FY 1981 is based on that judgment. Budgetary constraints for FY 1980 delayed progress in the restructuring of CRS envisioned by our oversight committees and the Legislative Reorganization Act of 1970. I hope that in FY 1981, available funds could be applied to program activities in an evenhanded manner, rather than selecting individual activities for increased funding.

I am requesting $31,589,000 for FY 1981. This includes an increase over the adjusted appropriations approved for FY 1980 of 4.5 percent to maintain current levels of services. An additional 5.6 percent is requested to address the concerns about CRS expressed by the various congressional studies, to continue programs for maximizing the effectiveness and productivity of the

present CRS professional staff, and for redressing structural imbalances in the Service.

Highlights of FY 1979

The House Committee on Appropriations, in its report on the Legislative Branch Appropriation Bill, 1980, expressed the Committee's continued concern about the possibility of duplication of effort among GAO, CRS, OTA, and CBO. The agencies were directed to reexamine coordinative mechanisms to determine needed adjustments.

The joint efforts of the agencies to respond to the Committee's directive are described in a letter to the Chairman of the House Appropriations Subcommittee signed by the heads of the four agencies, which I herewith submit for inclusion in the record of these hearings.

In addition to the joint actions outlined in the letter, I have strengthened the internal coordinative capacity of CRS by establishing a committee of senior specialists, chaired by the associate director for senior specialists. Individual members of this committee will serve as direct liaison with each of the three other agencies. The associate director will also serve as CRS representative at the monthly meetings of the interagency coordinating committee. This significant contribution of our senior staff demonstrates our commitment to this end.

Steps are also being taken to increase the effectiveness of the other important mechanism to avoid duplication of effort--the Research Notification System maintained by CRS. At the request of the Senate Committee on Rules we are in the process of adding consultant studies contracted by Senate committees to the RNS. Under the new procedures Senate Rules will approve a contract only after CRS has certified that a search of the RNS has been made and that no current or recent projects of the four support agencies appear to be similar in purpose to the proposed study. We are also testing the possibility of checking available data bases of executive branch studies.

Effective use of the services offered by CRS requires that Members, committees, their staffs, and congressional interns know what information and analytical capabilities are available and how to use these services. All elements of CRS were engaged continuously in activities designed to bring this information to the attention of users, through Legislative Institutes, Advanced

Institutes, intern training, topical and institutional seminars, increased activities in reference centers in congressional buildings, improved publications, and personal visits to congressional offices.

During FY 1979, 112 seminars, workshops, and institutes were conducted by CRS, an increase of 33 percent over last year. Moreover, the number of Members and staff who attended these programs increased 34 percent to about 5,400. As in the past, the topics of the seminars and programs spanned the entire spectrum of public issues before the Congress.

The Legislative Institutes, attended by nearly 700 staffers in FY 1979, are designed to provide information on how to use CRS and other congressional support agencies most effectively; these Institutes include workshop sessions on research techniques and the legislative, budget, and appropriations processes. Seventy-eight percent (422) of the offices of the House and Senate in the 96th Congress have sent one or more staffers to a Legislative Institute; we're working to increase that number to 539.

Almost 200 Member and committee staffers attended the Advanced Legislative Institutes, which offer a more intensive, indepth study of the same areas, along with an opportunity to explore a wider range of information sources and research techniques important to the professional legislative aide.

A shorter briefing and orientation program, primarily designed for new congressional staff and interns served just over 3,000 participants at nearly 300 sessions.

It's important to note that these Institutes serve not only to train staff in how to work effectively with CRS and its sister agencies; it increases their ability to conduct research in their own offices, thereby providing Members more direct and often quicker service. The benefits to be gained by having information sources closer to the individual user are obvious. This philosophy underlies our decision last year to place permanent team leaders in each of the CRS reference centers. This enabled staff of the centers in the Longworth, Rayburn, House Annex #2, and Russell office buildings to make regular visits to Member and committee offices in the buildings they serve, to make the centers' services in providing CRS analytical products and reference materials more effective. Open houses for new Members and their staffs were

held early in the new Congress, and open houses were held for congressional interns once a month throughout the summer.

The SCORPIO training and user assistance activity was tied more closely into the total outreach program. In addition to 200 training sessions held in the Library, the training staff began followup visits to congressional offices to reinforce training and to explain proper use of other CRS services.

A continuing and effective outreach mechanism is the CRS Review, a magazine-style monthly distributed to congressional offices. This excerpts and condenses new CRS studies on current major issues and includes original articles, all highlighting references to further reading and relevant GAO, CBO, and OTA publications. It lists new CRS reports and studies that have appeared as congressional publications, summarizes new issue briefs, and includes notices of upcoming seminars and workshops. A typed supplement to the Review, called Update, is published in mid-month.

As a result of a recent survey of interest, designed to improve service to Hill and district offices, the number of congressional clients served by the Review and Update has increased from 700 to over 2,000. When events are fast-breaking, as they were early in the Iran crisis, we produce a one-page bulletin edition of Update for distribution to Hill and district offices, and special poster boards, entitled FOCUS, for the reference centers and the congressional reading rooms, to alert the congressional community to the most timely CRS information on the subject in question.

The Oversight Congress

The bipartisan leadership of the House asked CRS to participate in the kickoff of "the oversight Congress" by helping to organize and conduct a three-day Workshop on Congressional Oversight and Investigations in December 1978. The workshop was well-attended and received by more than 400 Hill professionals. The House authorized the printing of the transcript of the Workshop as a House document.

The bipartisan leadership further requested that CRS oversee the development of a "how to" Congressional Manual on Oversight. At the direction of the Speaker, CRS distributed copies of the Workshop transcript and the Manual to each Member of the House and to the majority and minority committee and subcommittee staffs. At the request of the Senate bipartisan leadership, we made the same distribution to the Senate.

Another byproduct of the Workshop is a series of seven videotapes of portions of the proceedings, edited by CRS staff. At the request of the Speaker's office, the videotapes were shown on the House cable television system twice a day on seven days in December; they are being re-run in the period from February 25 to March 4, and will run several more times during this session.

As to other oversight activities, CRS has traditionally played a major role in assisting congressional committees in their policy reviews of Federal programs. The many techniques utilized by the Service that are applicable to the oversight process include information gathering, legislative histories, futures research, legal memoranda, surveys, the preparation of terminating programs and subject area lists for committees, as well as our considerable subject area competence in the broad range of Federal activities. Through its reports, compilations, and briefings, CRS can assist Congress in its review of congressional intent, agency implementation, and the need for statutory modifications.

Our Oversight Manual lists the legislative processes with oversight applications as those for the budget, authorization, appropriations, investigation, confirmation, and impeachment. Given the ongoing close support we are mandated to provide committees, and the pervasiveness of oversight throughout the legislative processes, it would be difficult to quantify the share of our resources devoted only to oversight. We can, however, provide some notable examples.

As a result of routine interagency coordination, a request from a member of a House Appropriations subcommittee to our Foreign Affairs and National Defense Division for a workshop on future roles and missions of the Marine Corps was broadened to cover a similar request to CBO by a member of a Senate subcommittee. The jointly sponsored workshop will result in a committee print issued by the House Committee on Appropriations, and an independent budget-oriented study by CBO.

The multidisciplinary capabilities of CRS were illustrated by background work for the House and Senate Appropriations Committees by our Science Policy Research Division on proposed appropriations for the National Institutes of Health; our considerable analytical work has become an integral part of the hearings, based on preparation of suggested questions for

discussion and other briefings. Similar analytical support is supplied in regard to the other, fiscally larger, programs of HEW by our Education and Public Welfare Division.

Our legislative process-oriented Government Division produced a comprehensive history and analysis of supplemental appropriations for the House Appropriations Committee, and an analysis of the rules and practices of the authorizations-appropriations process for the Senate Appropriations Committee. The Government Division also provided technical assistance regarding oversight of preparation for the 1980 census to various committees of both Houses.

Examples of substantive analyses for numerous other committees and subcommittees on the broad range of congressional oversight responsibilities by all of our subject divisions can be provided on request.

Overall CRS service to the appropriations committees and subcommittees, whose oversight responsibilities are widely recognized, can be quantified. For FY 1979 requests from the House Committee on Appropriations and its subcommittees were up 26% over the previous year, and the average request took longer to fulfill, indicating greater depth of analysis. On the Senate side the volume was up 13%.

Product Development

Much of our day-to-day management focus falls under the broad rubric of product development. Many of these improvement efforts are based on recommendations in various studies by our oversight committees, and I herewith submit a summary of our actions in that regard for inclusion in the record of these hearings. This summary was submitted to our oversight committees on January 16, 1980.

One area where improvement was suggested by the committees is that of multidisciplinary analysis. As a result we now have 12 permanent interdisciplinary teams and varying numbers of ad hoc teams as policy issues arise. The Iranian situation provides an excellent example of how the range of CRS resources can be brought to bear on an issue.

The American Embassy in Tehran was seized on November 4. A comprehensive issue brief, "Iran: Confrontation With the United States," was produced promptly by the Iran Task Force of the Foreign Affairs and National Defense

Division, and went on-line in the SCORPIO system; this issue brief has been updated daily to reflect the developing situation.

On November 12 the U.S. boycotted Iranian oil; on November 16 a CRS report, "Iranian Oil Cut-Off: Economic Effects," was produced by a senior specialist and analysts in the Economics Division.

On November 14 a CRS report, "Responsibility of Iran Under International Law for United States Diplomats and Citizens in Iran," was produced by a specialist in the American Law Division.

On November 14 the President froze Iranian assets; on November 15 a CRS report, "The Freeze on Iranian Assets in the U.S.: Economic Aspects Relating to Financial Assets," was produced by three analysts in the Economics Division.

On November 19 a CRS report, "Iranian Agriculture Dependence on U.S. and World Food Imports," was produced by an analyst in the Foreign Affairs and National Defense Division.

On November 27 a special edition of Update outlining all available materials on Iran was sent to Member and committee offices, and a FOCUS sheet listing 9 pertinent issue briefs and 8 related reports was posted in all reference centers.

On November 30 a fact sheet on Iranian Students in the United States was prepared by an analyst in the Education and Public Welfare Division.

On December 5 a CRS report, "Embargoing U.S. Agricultural Exports to Iran," was produced by an analyst in the Environment and Natural Resources Policy Division.

On December 13 a comprehensive CRS report, "An Economic Embargo of Iran," was produced by two analysts of the Economics Division.

The type of serendipity hoped for by the Congress when the Reorganization Act of 1970 tasked CRS to anticipate the needs of Members and committees was fulfilled by a CRS report dated September 11, almost two months before the crisis--the subject, "Islam in Iran: The Shi'ite Faith, It's History and Teaching," produced by an analyst in the Government Division. Similarly, an issue brief, "Iran in Crisis: The Fall of the Shah" had been on-line since September 15. These analytical products resulted, in part, from a Member dinner seminar and a staff seminar early in April.

The Foreign Affairs and National Defense Division is testing as a pilot project an Issue Alert system designed to assure that Members and staff

with priority concerns with specific aspects of foreign and defense policy can get prompt access to CRS information and analysis that is not likely to be available from other sources.

Similar chronologies of multidisciplinary response to major issues such as energy policy and the implications of Federal assistance to the Chrysler Corporation could be cited.

It has been a concern of mine since I became Director that the CRS Selective Dissemination of Information (SDI) system be made available to all Members. My own experience, as a Member, with SDI as a means of focusing my attention on the most important publications in my areas of interest led me to this concern. A contractor study of the entire SDI program resulted in near-term and long-term recommendations to upgrade processing to the end that all Members may be served. Initial streamlining of SDI coverage will allow steady widening of Member coverage throughout FY 1980.

We are currently evaluating a new CRS Information Distribution Center (IDC), within the Senate Reference Center. The IDC is stocked with multiple copies of informative materials concerning current topics of high interest. The proximity of the Center to offices allows Senators' staff to respond more quickly and efficiently to the needs of constituents; it also enables staffers to browse and select appropriate materials in-person for use by Members and themselves. Early results are encouraging. This system provides high quality service while reducing the workload of the CRS reference staff per unit of material delivered.

While not a product development as such, one of our major development efforts continues to be a computerized Inquiry Status and Information System (ISIS for the inevitable acronym). The inquiry status portion is intended to put all requests on-line, allowing rapid transmittal of requests to research and reference action divisions, update and correction, determination of status, and workload planning.

Management reports via ISIS will provide the statistical basis for analyzing the frequency and patterns of client requests to allow balancing of services and appropriate allocation of resources. A detailed description of the status of ISIS development is included in the summary of responses to oversight studies, which I have provided for the record.

Workload

During FY 1979 the office of every Senator and Member received analyses and reference services from CRS. We also served every full and joint committee of the House and Senate and 92 percent of all subcommittees.

The Service's already staggering volume of work increased to more than 313,000 inquiries answered in FY 1979. This increase of 2.2 percent on a large base is significant in itself. Of greater significance is the fact that output of indepth analyses increased about 4 percent. Since analytical efforts require an average of about 9 hours of direct research time, as compared to well under 1 hour for the average informational request, the impact on our research resources was once again severe. This impact was compounded by an increase of about 19 percent in the number of major research projects requiring input by more than one division.

It has become clear to me that the three keys to meeting this growing workload are anticipation, appropriate assignment, and outreach.

Anticipation is essential because the Service simply does not have the resources to tailor individual responses to over 300,000 requests each year. Moreover, it is not necessary to do so. A well designed issue brief or report that is prepared before a problem becomes a matter of widespread congressional concern can efficiently and immediately answer a broad range of potential inquiries. A thoughtfully assembled "kit" of materials can fulfill the same function. Indeed one out of every five requests is now handled through use of these prepared CRS materials. At the beginning of this session our second Public Issues Institute provided a successful method of briefing Member and committee staff on forthcoming issues and on available CRS materials. By these means our research divisions are able to break loose some of their analysts from the press of immediate requests so that they can develop anticipatory responses.

Appropriate assignment is essential if there is to be time for anticipation and proper attention to requested analyses. Our highly trained research analysts and specialists should focus their attention on substantive analytic questions rather than on routine informational requests. To assure that such requests are handled at the appropriate level, however, efficient mechanisms for referral and transfer of requests is necessary. I am pleased that, in the face of our increasing workload, research divisions handled 23

percent fewer purely informational requests this year than last. That means the pressures on the Congressional Reference and Library Services Divisions have been intense. It also helps to explain how we were able to increase the output of analytic products that anticipated congressional requests.

Outreach assures that CRS products get to our congressional clients as quickly and efficiently as possible. CRS Reference Centers--featuring a combination of prepared CRS materials, basic reference sources, and trained reference personnel located physically in several of the congressional office buildings--assure that an increasing number of requests can be dealt with almost immediately. The number of requests handled in these centers has increased by 15 percent in the past year.

In addition our Legislative Institutes have trained client staffs to perform quickly a range of reference chores which heretofore would have resulted in calls to CRS. This cost effective educational effort will continue. The efficacy of training afforded by the Institutes and by our SCORPIO training staff is illustrated by the first statistics from a new measurement by the Library of usage of terminals installed in Member and committee offices. A projection of such direct use by Hill staff indicates that at least 20 CRS staff years would be required to provide the same service to Hill staff.

Budget Highlights

CRS is requesting $31,589,000 for its fiscal 1981 budget. This includes $2,899,000 more than the adjusted appropriations for FY 1980.

A large portion ($1,283,000) of the estimated increase is to maintain the current level of services. This includes such items as ingrade salary increases and reallocations, annualization of FY 1979 pay raises, and reflects a reduction for one less day of salary cost in FY 1981. Also included are other increased costs of non-personal services due largely to inflation.

As previously indicated, during last year's hearings I submitted to the Chairmen of the House and Senate Appropriations Subcommittees a discussion of an optimum size for CRS.

It is apparent to me, based on three years of observation, there must be a critical mass of resources to perform given levels of research service. Beyond that point management of a complex research organization becomes

difficult, close professional rapport is weakened, and it is difficult to maintain a high quality of service.

CRS may be approaching that critical mass for currently mandated services; for that reason our internal budget sessions have addressed perceived needs to accomplish a balanced organization to meet current and projected demands for existing services. Certain of our divisions have about reached an appropriate size, according to current perceptions, while others will require significant additional staffing for balance. Resource planning is now based on reaching that balanced organization of 1,060 positions in three years, of which FY 1981 is now the first year.

In considering any further requests for increases, we were sensitive to the current posture of the Federal budget and to the need for establishing tight priorities in providing services required by our congressional clients. Offsetting these considerations are the following facts:

First, the House Committee on Rules, in its report on the Reorganization Act, expected that CRS would have to triple its staff by 1975 to fulfill its new responsibilities under the Act. That level of staffing has not yet been approached, though a number of needed new services have been added in the interim years.

Second, various congressional studies conducted in 1976 pointed out imbalances and inadequacies in CRS staffing. I am proud of the efforts we have made and results we have attained in addressing the recommendations of these studies. In spite of progress already made, fuller compliance with the recommendations of our oversight committees awaits staff augmentation.

Third, both the House and Senate Appropriations Subcommittees have quite properly been concerned about the Service's ability to absorb the indicated staff growth given the need for care in selection of competent personnel, and previous space constraints in Library buildings. Our current move into the Madison building allows more orderly attention to organization and staffing.

Maximizing Effectiveness of Existing Staff

Since our request for 73 new staff positions is presented in great detail in our justification of increases, I will only highlight our priorities at this point.

As I stated last year, our three-year budget planning gives special attention to productivity improvement by providing optimum support services to mid-level and senior researchers so that they may "work smarter", rather than multiplying more expensive research expertise. The most obvious example of this potential relates to the Service's senior specialists.

For forty years it has been acknowledged that Congress needs scholarly research and counsel as competent and expert as that available to the executive branch, other governmental segments and business. The concept was embodied in the Legislative Reorganization Act of 1946 which created senior specialist and specialist positions in the Legislative Reference Service (predecessor to CRS). The Act of 1970 defined the roles of CRS in more detail but the basic concepts of the senior specialist and specialist role remained: a pool of top level professional experts comparable with those in the executive branch, to assist the Congress as a nonpartisan, unbiased research capability upon which Members and committees could depend as a source independent of lobbyists and other special interest groups.

CRS currently has forty positions classified as senior specialists at the GS-17 and GS-18 level in consonance with the Act of 1970. In addition to individual service to Congress, senior specialists coordinate multidisciplinary research assignments, usually of the highest level of congressional committee work, having a direct bearing on pending legislation or public policy issues. They also play a role in counseling researchers at junior and middle professional levels.

The reports of both the Brooks and Hughes Commissions recommended that senior specialists, as the Service's most valuable and expensive assets, be more properly supported to maximize their effectiveness. I heartily concur and am requesting twenty GS-7 positions to fund a program to bring in the brightest graduates as research assistants to senior specialists for up to two post-graduate years. I envision this as the first increment in a plan which will, over three years, provide each senior specialist with a research assistant and a shared secretary. Only with reasonable support can our already significant investment in top level research realize a maximum payoff.

Similarly, we have determined that a minimum of nine additional secretarial and technical specialist positions at lower grades are currently required to free existing analysts from the lesser duties they now perform.

Due to space problems no appropriations for new research analyst positions were received in FY 1978 or FY 1979; six were granted for FY 1980. While a number of CRS initiatives have helped absorb increased workload, our internal planning sessions have identified a large number of subject areas in which the Service's analytical capacity requires bolstering. I am requesting seven positions to address the highest priority areas, deferring a number of other needs to later years.

Program activities related to documentation and status of legislation have received no incremental staffing since FY 1977. As a result of assuming a number of functions requested by the Congress, notably revised digests reflecting committee or floor actions, lack of timeliness of the Bill Digest has elicited some complaints. I request four positions to return the mandated Digest to full currency. An additional position is required to accommodate growth in congressional use of issue briefs.

Our efforts to minimize the non-analytical work of researchers, perform functions at the least expensive level in the organization, and make services as readily available to congressional clients as possible, have impacted most heavily on our Congressional Reference and Library Services Divisions. Twelve positions are requested to continue quality improvement, staff the new Congressional Reading Room in the Madison Building, and balance bibliographic services.

It is vital that the legislative service agencies familiarize congressional clients with the most effective ways to use their services and how, where possible, to perform certain basic research and reference operations more efficiently and economically in the Member and committee offices. The CRS outreach programs have borne excellent results and have even greater potential. To capitalize on this potential, we request seven additional positions to reduce backlogs in SCORPIO training and provide minimum necessary support to our highly successful seminar-workshop-institute program.

The final area requiring augmentation is administration, which impacts on all programs and which received close attention from the congressional study groups. For FY 1978 four positions were appropriated which have allowed us to make a successful beginning in providing necessary liaison to the operating divisions. Ten positions are requested to complete implementation of study

recommendations, and to allow full coverage in the substantive areas of recruitment, training, labor relations, and contract administration.

Providing the Tools

Systems analysts of CRS have made the Service a leader in the utilization of new technologies in the storage, retrieval, and transfer of public policy information. These analysts serve the Congress directly as consultants in word processing and micrographics on the Hillwide Policy Coordinating Group, are playing an increasing role in joint projects with GAO and, most germane to this testimony, have made most significant contributions to the internal operations of CRS. Applications of word processing technology through rented equipment have enabled CRS to cope with a workload whose growth has far exceeded growth in staff.

For example, to achieve the same production that one staff support member can achieve with a word processor, CRS would require 2.4 typists with typewriters. It would have required additional appropriations of more than two million dollars during the 1974-79 period to provide the same level of service, had we not made these productivity gains. Similarly, developments in micrographics are proving cost effective. In order to further capitalize on these aspects of "working smarter", on associated uses of photocopying equipment, and on additional access to modeling, informational, statistical, and bibliographic data bases, I request an increase of $233,000 for rental of equipment.

It has become increasingly apparent to me that one of the neglected areas in CRS has been staff development. As the Service has grown and stabilized more people choose to spend larger portions of their careers serving Congress. This increases the need for updating employees' basic skills, and broadening individuals' perceptions of and potential participation in related disciplines. It is also apparent that the Service must invest more time and, as necessary, training funds, in management training, to enhance supervisors' ability to lead and to cope with ever more complicated labor-management relations. We have made significant progress in bringing outside experts in to train groups of CRS employees, often the most cost-effective method. For all of these purposes I request a preliminary increase of $26,000.

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Mr. Chairman, this is a budget which reflects the minimal needs, as I see them, to build in an orderly fashion toward the type of organization envisioned by the Congress in the Legislative Reorganization Act of 1970 and the several studies which Congress has undertaken. We are endeavoring to give the most efficient, economical service possible without sacrificing the high quality service which CRS delivers to the Hill. I believe that, while we implement a certain increase of belt-tightening, we also must present the priority needs of a legislative support agency to its client, the Congress.

January 16, 1980

Honorable James R. Sasser
Chairman, Subcommittee on Legislative
Branch
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Jim:

For the last two years, in individual letters dated December 15, 1977, and December 8, 1978, I have summarized actions taken to address the recommendations of a number of congressional studies made during 1976 which related to the purpose, effectiveness, and future role of CRS. Copies of previous years' summaries are available upon request.

In view of results we have achieved, it is a pleasure to update my report on this subject.

We continue to devote considerable effort and energies to addressing the major concerns of those early studies and, I am pleased to note, have this past year made some very special efforts to support the current thrust of the Congress in two important areas. One, with the growing emphasis on oversight which characterized the 96th Congress, CRS has moved forcefully to provide guidance and direction both on general principles of oversight and on specifics relating to individual issues. Perhaps the most visible evidence of the increased level of CRS activity in oversight was the conduct of a four-day seminar on oversight, attended by over 400 staffers; the production of an oversight manual; and seven oversight training videotapes based on the seminar. These products have been widely distributed, as appropriate, and were well received. Second, there was a clear indication from our appropriate oversight committees and appropriation subcommittees that we redouble our efforts to avoid duplication of services with our sister congressional support agencies. To this end we have revamped the interorganizational mechanisms through which we deal with our counterparts in GAO, OTA, and CBO. By expanding the exchange of information between congressional support agencies, and increasing the frequency and nature of interagency coordination devices, I believe we have made genuine progress in reducing real and/or apparent overlap.

The Congress continues to support and stress its commitment to affirmative action programs, and this is an area where CRS's dedication has paid off in terms of recruitment. During the fiscal year, efforts continued to assure that qualified women and minority candidates were found and considered for every professional position. For the year, 44 percent of applicants for these positions were women, while 55 percent of the selections were women. Similarly, for professional positions, minorities, representing 12 percent of applicants, represented 17 percent of selections.

At fiscal yearend, a contract was signed between the Library and the Congressional Research Employees Association which will govern labor-management relations for CRS for 18 months.

The more than 300,000 individual responses that CRS made to congressional requests represent an increasing variety in the detail, scope, and format of the Service's products. Issues such as SALT II, energy legislation, and inflation were treated not as subjects to be covered by single reports and issue briefs of individual analysts, but as congressional issues requiring diverse, complex, and interrelated products. The availability of material on issues which are covered by several CRS products has been facilitated by special issues of Update and distribution of special order forms in the reference centers and the Congressional Reading Room.

We were appreciative of the fact that the appropriations committees provided some of the resources we requested in our FY 1980 budget justification to address congressional study recommendations. Although general budget constraints have forced us to adjust our plans concerning some recommendations, we remain very much committed to the effort.

Sincerely,

Gilbert Gude
Director

Highlights of CRS Management Initiatives as
Related to Congressional Oversight Studies of the Service

The following summary statements are grouped according to the five broad areas addressed by the various congressional studies.

1. Liaison with Congressional Clientele

- The Office of Member and Committee Relations has continued to make significant progress in liaison planning and implementation in the areas of day-to-day liaison, Member and staff seminars, institutes, workshops, briefings, and CRS publications.

- Regular prospectus meetings of top CRS management officials and every operating segment of CRS, initiated in 1977, have improved their focus on the currently perceived needs of Congress and required actions.

- CRS seminar and training programs showed a one-third increase in number and 43 percent more Members and Hill staff participated in FY 1979, a total of 5,400. In addition to the highly popular Legislative Institutes and Advanced Institutes, 17 Member seminars and three special institutes were held.

- Periodic written communication to Congress about all CRS printed material, seminars, institutes, and audiovisual material available has been consolidated into two monthly publications, the CRS Review, and the twice-written intermediate CRS Update, thus decreasing the number of different documents sent to Member and committee offices. As a result of a recent survey to improve service to district offices, the number of congressional subscribers increased from 700 to more than 2000.

- Audiovisual presentations about CRS and CRS automated services were shown to approximately 7,000 congressional staffers. CRS staff has continued to make significant contributions to the House/Senate/Library of Congress Coordinating Group task forces on LEGIS, audio and video technology, orientation and training, computer hardware and software, micrographics, and word processing. Reports in these areas have resulted in actions by congressional oversight and operational organizations.

- CRS has continued to work closely with appropriate committees of the House and Senate in developing television's potential for service to Congress, with due consideration to the qualifications imposed by the House Appropriations Committee in its report on the Legislative Branch Appropriation Bill, 1980. Progress has been made in videotaping CRS seminars and workshops for transmission on the planned Hill cable network

- The CRS Office of Automated Information Service (AIS) has expanded its SCORPIO and other training services to Member and committee offices as much as possible under current constraints on staff growth; staff enhancements are requested once again in the Service's FY 1981 budget justification. In the interim, emphasis has been on coordination with House and Senate automation counterparts to maximize effectiveness. In FY 1979, AIS began a limited outreach program of followup visits to Member offices to reinforce training already given, and to explain other CRS services.

- CRS has continued its program to take its services to the client by expansion of existing Congressional Reference Centers in House and Senate office buildings. These centers undertook active outreach efforts again in FY 1979 and responded to more than 70,000 requests, up eight percent from the previous year.

- Opening of a demonstration Information Self Service facility as an adjunct to the Senate Reference Center for a ninety-day test period has been planned and developed to coincide with the beginning of the second session of the 96th Congress. The establishment of the facility has as its goal making CRS research and reference material more quickly and readily available to congressional offices with a corresponding reduction in workload in Reference Centers, the Reference Division and the Research Divisions.

- CRS management has continued to work closely with the staff of the Joint Committee on the Library.

2. Administrative Procedures and Organizational Changes

- At the time of the congressional studies, a number of key management positions were not filled. Permanent appointments to all cited positions have been made, and mechanisms for filling supervisory and management vacancies as they occur receive special priority attention.

- Top management organizational changes described in previous letters addressed the issues of "span of control" raised in the congressional studies. Span of control at the division level has been addressed by increased first line supervisory positions. During FY 1979 the number of individuals in this category increased from 45 to 62; intensified supervisory training was instituted.

- The need to consolidate the administrative structure in consonance with the rapid growth in size and mission of CRS since the Legislative Reorganization Act of 1970 has been addressed in our FY 1979, 1980, and 1981 budget submissions to the Appropriations Committees.

- Pending affirmative FY 1981 appropriations action, the maximum practicable reallocation of resources among CRS activities has been effected for FY 1978, 1979, and 1980.

- For every line item possible, budgetary authority has been delegated to the division level in consonance with division chiefs' responsibilities as the principal operating officials. All chiefs have expressed satisfaction with the revised system. Further development of ISIS, the CRS management information system will add immeasurably to the ability of managers at all levels to exercise their increased responsibilities.

- A decentralization of some administrative support activities to the division level has been accomplished by functional assignment of a part-time administrative liaison officer to each division. While this program has already reaped many benefits, its full implementation will

await relief from current budgetary restrictions, which have stretched administrative staff dangerously thin.

- To address the comments of the congressional studies concerning the Service's personnel procedures, internal reporting relationships, staff needs, career ladders and promotion plans, CRS contracted a preliminary appraisal by an expert in Office of Personnel Management classification policies. The consultant continues to work with CRS staffers in developing and implementing programs for:

  --Reviewing all position descriptions and, where necessary, reclassifying positions (in collaboration with an ongoing position maintenance review by the Library classification office).

  --Establishing CRS "norms" for intradivisional supervisory structure which will assure that acceptable standards of individual performance are maintained. The vital professional flexibility of a research organization will be retained by allowing deviation from the "norm" upon appropriate rationalization of need by each division.

  --Re-examining criteria and opportunities for promotion to assure that overgrading is avoided, on the one hand, and that maximum potential for career development at all levels is offered, on the other.

In FY 1979, the consultant's proposed standards for research positions were accepted by OPM, in consonance with the Civil Service Reform Act of 1978, as a basis for seeking acceptance governmentwide.

- Planning for the new Madison Building quarters includes, inter alia, location of senior specialists in relation to divisions with whom they interact, and provision for offices for interdisciplinary task forces. In the interim, moves have been made, as current space allows, to relieve the most significant overcrowding in divisions, and to locate most of the Director's principal lieutenants in a contiguous area.

- Staff has been augmented to provide for effective implementation of CRS' labor relations program, including the conduct of collective bargaining negotiations as well as careful management assessment of the consideration which must be given to the labor relations implications of proposed reorganizations, relocations, and changes in personnel policies and practices. A contract with the Congressional Research Employees Association was signed in September 1979.

3. Improvement of Research Effectiveness and Capabilities

- In addition to appointment of an associate director for senior specialists in FY 1977, and planned location of each with related divisions, the selection procedures for senior specialists have been revised and improved: the deputy director and the associate director are included on all selection panels; and recruitment has been widened to provide access to superior candidates with appropriate attention to affirmative action recruiting at the highest levels. In addition to emphasis to all candidates of the necessity for integration of their activities with the Service's overall commitments to the Congress, increased attention is also given to the requirements of nonpartisanship and objectivity for effective congressional support. Research assistance and secretarial support for senior specialists have been augmented to the extent funding allows.

- In response to Hughes Commission recommendations, CRS has developed twelve permanent interdivisional teams to facilitate "interdisciplinary research that addresses policies as a whole." The associate director for interdisciplinary programs monitors and gives general direction to the teams. As appropriate to the needs of Congress and to give the team members additional exposure to interdisciplinary aspects of the several subject areas, seminars and workshops, often with outside experts, are a

principal activity. In addition, numerous ad hoc teams exist at any given time to address major current issues. Teams are headed by senior specialists, specialists, or senior analysts. Interdivisional teams spent 8,676 staff days on projects in FY 1979, an 86 percent increase. Division level review procedures continue to be strengthened by broadening first line supervision. A CRS Style Manual has been developed to help maintain uniform quality of CRS products.

- Maximum effectiveness of policy analysis staff requires that analysts be relieved to the greatest feasible degree of work of a reference nature, and that the best possible clerical support be afforded. An internal study resulted in production of more routine responses at the lowest appropriate level, and efforts continue to provide equipment and clerical support required to free analysts to analyze. The Service's FY 1981 budget justification again accents this concern.

- We concur with the Hughes Commission that CRS should "receive authorization to make a more substantial investment in the development of its research staff than it has in the past." While the appropriations committees granted modest relief for FY 1979, CRS and other legislative support agency travel funds were reduced for FY 1980. To enable our staff to stay on the cutting edge of current knowledge and policy development we are requesting increased funding for professional training for FY 1981.

- We have acted on the recommendation that CRS make greater use of contracting power to supplement CRS research capability. We sought and obtained an increase in contract funds for FY 1978 and FY 1979. Each year contract funds not required to answer specific client requests are allocated to development of improved CRS products.

- Internal communication to break down artificial "we vs. them" barriers (front office/divisions, research/reference, management/staff) continues to receive attention to generate a feeling of common purpose and to sharpen perception of the needs of our clients. Examples are the prospectus meetings which bring together senior specialists, division management, and first line supervisors with senior management officials and related support functions; a CRS internal newsletter which allows CRS management to address issues of concern to all employees; and periodic informal meetings between various elements of CRS staff and management to exchange ideas.

4. Service and Product Evaluation and Priorities

In addition to the congressional studies, the survey of CRS computerized services done by our Science Policy Research Division for the Senate Rules and Administration Committee, and a CRS-commissioned McKinsey and Company study evaluating the CRS legislative documentation system are addressed below.

- Periodic review of CRS services and products is now built into the prospectus meeting process, a strengthened budget preparation and review process, and the ongoing activities of the Office of Member and Committee Relations, and is supplemented by such inputs as the McKinsey study. As a result of these mechanisms major changes have been made in graphics procedures and policy, and in the flow of work between divisions.

- The frequency of publication of the printed Bill Digest was modified to reflect the development of computer access to the abstracts. A program to make the on-line file totally current to best complement the House Information System and the Senate LEGIS system has received maximum available resources. The FY 1980 and 1981 budget justifications have sought much-needed enhancement of staff. We are currently implementing a suggestion by Chairmen of the House Committee on Administration and the Senate Committee on Rules to assure that bills on which floor action is likely receive priority processing.

- The products of the Major Issues System have been upgraded beyond what was envisioned in any study. Printed and on-line issue briefs have multiplied and been supplemented by audio and video issue briefs. A minibrief modification to the system is making many more timely CRS

issues summaries instantly available to the Congress. The system responded to more than 27,000 requests in FY 1979, more than 25% higher than in FY 1977. The utility of Major Legislation of Congress has been significantly improved by a new photocomposition process and similar improvements to the issue brief system should be forthcoming.

- A number of recommendations for enhancing the utility of the SCORPIO system are being addressed in the wider context of the work of the House/Senate/CRS Policy Coordinating Group to avoid duplication and to maximize cost-effectiveness. Budgetary constraints on the Library's computer and software resources limit rapid improvement in CRS automated services, as will similar constraints on the size of the CRS training staff.

- The quality of response by the CRS inquiry recorders has been enhanced by development of a procedures manual for recorders, ongoing sharpening of definitions of division subject responsibilities, a slight increase in inquiry staff, closer supervision, and an upgrading of facilities for the unit. Several further improvements are being studied.

- The Selective Dissemination of Information (SDI) service is being provided to more Member offices. A contractor study of the entire SDI program resulted in near-term and long-term recommendations to upgrade processing to the end that all Members may be served. Initial streamlining of SDI coverage to essential citations will allow steady widening of Member coverage throughout FY 1980.

- The balance of services between those to Members and to committees is a primary concern of the Office of Member and Committee Relations, and is consistently addressed at prospectus meetings and various management councils.

The current development of a computerized Inquiry Status and Information System (ISIS) had its genesis in an investigation of CRS by staff of the House Committee on Appropriations in 1971, shortly after the Legislative Reorganization Act of 1970 became effective. Concerns expressed by committee staff led CRS to create a revised Management Data System (MDS). In 1976, staff of the Brooks Commission found MDS to be "...a very good work reporting system...," which should be "...extended to fill critical gaps in coverage."

- The Director appointed an ISIS project team in February 1977, to be headed by the new deputy director, who joined CRS in April 1977. Major coding changes were introduced in January 1978 and the inquiry status subsystem went on-line in April 1978. In consultation with the Library's Automated Systems Office (ASO), we determined that ASO did not then have sufficient project capability to allow ISIS development to proceed on an expeditious basis and that ad hoc contractor assistance was required.

- In September 1978 a contract for report formulation and functional specification for the full ISIS was granted to Informatics, Inc., one of five contractors who bid for the job. In January 1979 Informatics produced the first newly formatted reports (covering the last nine months of FY 1978). The contractor began systems analysis for functional specification in February 1979. ASO will assume full reporting responsibility in March 1980.

- The next steps in the inquiry status subsystem are direct transmission of requests from the Inquiry Section to a printer in each action division, and direct input by each division via its own terminal. These capacities will be exploited as divisions are moved to the Madison Building. The various subsystems of a full management information system which will be added incrementally include, inter alia, pending workload reporting, client utilization profiles and communication, personnel processing, and financial activities. Close ASO involvement in these phases will assure that other elements of the Library can "piggyback" by using appropriate elements of subsystems developed for ISIS.

FY 1981 budget justifications include requests for a permanent ISIS coordinator for CRS and dedicated systems development staff for ASO's CRS Applications Section.

5. Relationship with Other Support Agencies and the Intellectual Community

We continue to believe that the proper context for addressing this topic is contained in the Brooks Commission statement that "of the four congressional information agencies (CRS) is the only one that is comprehensive in coverage and is equipped to provide immediate response as well as to undertake special studies and research projects."

- The Research Notification System, maintained and distributed by CRS, continues to minimize inadvertent duplication of effort among agencies, and provide for useful interchange of subject information among agency staffs. In accordance with a recommendation, the more routine GAO audits were dropped from the system. At the request of the Senate Committee on Rules, we are in the process of adding Senate committee contracted studies to the RNS to eliminate another potential source of duplication.

- The monthly meetings of the interagency council have steadily become more productive, and have been of special value as the relatively new roles of CBO and OTA are examined and modified. To reinforce interagency cooperation and to further insure avoidance of overlap and duplication the Director has appointed a senior specialist liaison for each of the three agencies. A recent CRS-sponsored seminar on oversight attended by more than 400 committee staffers, included panels participated in by the four support agencies to explore better use of the agencies by Hill staff. The "how to" manual on oversight and the cable television presentations which evolved from this seminar further emphasize the agencies' disparate roles.

- A feature of the popular Legislative Institutes is a panel of the four legislative support agencies, explaining the disparate roles.

- CRS contracted for duplication of microfiche files of the GAO's unique legislative histories for inclusion in CRS's data bases in FY 1978.

- CRS has made its SCORPIO system available to GAO, CBO, and OTA and has advised GAO on how to design its data banks to be compatible with SCORPIO. Two GAO data bases have been put on-line in SCORPIO; the recurring reports file contains information on regular reports due to Congress from Federal agencies; the systems and sources file is an inventory of Federal sources and systems in the areas of fiscal, budgetary and program-related information.

- Each of the four agencies is preparing a description of its services and of the best way to use those services, to be included in a joint publication of the agencies to serve as a user guide to all congressional clients. Staff, the Hillwide newsletter, has featured such a users guide.

- The principal staff contacts with the intellectual community are at seminars and conferences. As previously stated, such contact has been sharply constrained by restrictions on travel funds. This limits the access of CRS staff to work in progress. It also restricts the role of CRS staff as a bridge for Congress with the professional community. FY 1979 apropriations actions provided some relief; further increased funding requested for FY 1980 was denied by the House Committee on Appropriations.

- Recruitment activities to fill senior specialist vacancies are being expanded to assure that the entire intellectual community is fully represented among candidates, especially women and minorities.

- A program has been established to bring in the brightest graduates as "research fellows" to assist senior specialists for up to two year post graduate years. In addition, outstanding graduate students are rotated through 90-day assignments involving lower level analysis in several

research divisions. A more comprehensive fellowship program has been designed by a consultant and will be implemented during FY 1980.

- A program has been planned to provide opportunities for senior experts from the intellectual community to join CRS for limited periods in a capacity similar to that of senior specialists. Implementation of the program must await a more favorable climate for appropriations for new programs.

- CRS continues to use contract funds to tap the best expertise in the country on a consulting basis. Contracting capacity has been especially useful in the planning and development of services to the Congress.

Studies of CRS Operations in Calendar 1976

The "Brooks Commission"-The House Commission on Information and Facilities

Organizational Effectiveness of the Congressional Research Service (House Document No. 95-15)-January 4, 1977

Addendum to above. Management Study of the Congressional Research Service

The "Hughes Commission"-The Commission on the Operation of the Senate

Toward A Modern Senate (Senate Document No. 94-278)-December 31, 1978

Congressional Support Agencies-Committee Print-1976

The Senate Committee on Rules and Administration, Subcommittee on Computer Services

Information Support for the U.S. Senate: A Survey of Computerized CRS Resources and Services-Committee Print-January 12, 1977

McKinsey and Company

Evaluating the Legislative Documentation System-Contracted Study for CRS-January 1977

January 24, 1980

The Honorable Adam Benjamin
Chairman, Subcommittee on
Legislative Branch Appropriations
House of Representatives

Dear Mr. Chairman:

The Subcommittee in House Report No. 96-245, expressed concern about the possibility of duplication of effort among the four legislative branch agencies. The report suggests that one agency should take the lead on any study or study area and coordinate that work with all of the other agencies in order to prevent duplication and to determine if, through suitable adjustments in study design or methodology, the inquiry can satisfy the needs of other cooperating agencies who may have similar requirements. The report also asks that we reexamine our coordinating mechanisms to determine what adjustments are needed to implement the Committee's guidance.

Since the issuance of the report the agencies have reexamined the methods and measures taken within each agency to assure that we are effectively eliminating unnecessary duplication of effort and that the work of one agency fully benefits from that of the others.

During this reexamination, we looked for significant instances of assignments that overlapped or duplicated those of another agency; reevaluated the processes by which we seek to avoid duplication and to promote cooperation; and considered ways in which those processes might be improved or new ones added, within the context of the roles and responsibilities that were legislatively assigned to each agency.

Based on our reexaminations, we have concluded that existing arrangements are practical, have avoided inadvertent duplication and unnecessary overlap, and have permitted legislative branch agencies to work together in a cooperative and constructive way.

Recognizing the importance of this issue we have again reemphasized throughout our organizations the continuing need to assure the efficient operation of existing coordination mechanisms, and have introduced a number of new measures designed to improve communication, maximize effectiveness of service to Congress, and avoid duplication. These include distribution of an oversight manual to all Members and committee staff and restructuring and enlarging the liaison group in the Congressional Research Service.

Avoiding Duplication and Overlap--The Results to Date

In reviewing our efforts over the last year we found that our collaboration has resulted in:

--cancellation of requested work in instances in which the requestor's need could be addressed by work being done in a sister agency, including, in some cases, modification of ongoing work to meet additional needs;

--rescoping of substantially different assignments in two or more agencies to eliminate minor areas of apparent duplication;

--redirecting work to the appropriate agency;

--dividing a request among the agencies, with agreement of the requesting congressional office;

--providing work similar to that undertaken by other support agencies for the same office, but only after determining that the requesting office was aware that it was seeking similar work and that inadvertent duplication was not occurring.

Our review further disclosed that titles suggesting duplication can be misleading and that analysis of the content of such reports does not substantiate concern over significant overlap or duplication. Underlying this finding is the important fact that there are relatively few jobs in which duplication would be a real possibility given the essentially different roles and responsibilities legislatively assigned to the agencies.

Perhaps more important than the avoidance of duplication, is the extensive amount of mutual assistance and information regularly exchanged among the legislative branch agencies which helps each to serve congress better.

The Adequacy of Processes by Which Cooperation and Coordination are Sought

The Research Notification System, referred to in the House Report, is a useful vehicle to avoid duplication and promote coordination, as are senior staff meetings. Equally important are agency efforts to communicate to staff the importance of coordination and cooperation. Assuring that staff at the working level are sensitive to these needs, to the fullest possible use of other agency work, and to avoidance of duplication will, we believe, best foster attainment of the objectives of the Subcommittee.

In addition, we are developing a single brochure which will concisely describe the roles and responsibilities of each agency. Its distribution to congressional staff and to our own staff should further aid in coordination and in the avoidance of duplication. It should also help instruct congressional staff about which agency to go to for particular kinds of assistance.

Are Different Arrangements Warranted?

We believe that existing coordination and cooperation arrangements and approaches are working well, and that the process modifications that we have made will help to further improve them.

Accordingly, we believe that the basic approach of our coordination efforts is consistent with the individual responsibilities of each agency, while effectively fulfilling the objectives which we seek in concert with the Subcommittee.

Comptroller General
of the United States

Director, Congressional
Budget Office

Director, Congressional
Research Service

Director, Office of
Technology Assessment

SERVICES PROVIDED BY CRS

Mr. GUDE. Because we are part of the congressional family, that which affects the Congress affects us in CRS. Fiscal year 1979 was, therefore, not only a busy year for CRS, it was a year shaped by the constraints of a tight budget, an increase in oversight-related reference and analytical work, and renewed efforts to assure avoidance of duplication of activities of our sister agencies.

During fiscal year 1979 the office of every Senator and Member received analyses and reference services from CRS. We also served every full and joint committee of the House and Senate and 92 percent of all subcommittees.

Incidentally, fiscal year 1979 requests from the Senate Committee on Appropriations and its subcommittees were up 13 percent over the previous year; on the House side, the volume was up 26 percent. Small wonder our workload hit an all-time high of 313,000 inquiries in fiscal year 1979. Of special significance, and one we are extremely pleased with, is the fact that output of in-depth analyses, which require an average of about 9 hours of direct research time as compared to well under 1 hour for the average query, increased by about 4 percent in fiscal year 1979.

This increased workload is one reason CRS is requesting $31,589,000 for its fiscal 1981 budget. This is $2,899,000 more than fiscal year 1980 appropriations. A good deal of this increase—$1,283,000, to be exact—is to maintain the current level of service, and also included are other increases of nonpersonal services due largely to inflation.

NEW POSITIONS REQUESTED

We are requesting 73 new positions. Most of these positions are to maximize the effectiveness of our current staff.

It is apparent to me, based on 3 years of observation, that there must be a critical mass of resources to perform given levels of research service. Beyond that point, management of a complex research organization becomes difficult, and it is difficult to maintain a high quality of service. CRS may be approaching that critical mass for currently mandated services, and our resource planning is now based on reaching a balanced organization of 1,060 positions, restructured along the lines envisioned by our oversight committees and the Legislative Reorganization Act of 1970.

Budgetary constraints in fiscal year 1980 delayed progress in this area, so our fiscal year 1981 budget submission represents a significant milestone if we are to address the recommendations of our oversight committees and continue to provide quality information services.

Much of our day-to-day management focus falls under the broad rubric of product development. Many of these improvement efforts are based on recommendations in various studies by our oversight committees, and I have submitted a summary of our actions for inclusion in the record.

REFERENCE CENTERS AND READING ROOM

Mr. Chairman, one program which we instituted this year, which has increased the circulation of our materials and also given congressional staff and Members the opportunity to focus on the issues of the day, has been our focused effort which we work through our reference centers and our congressional reading room.

PROGRESS IN PROGRAMS

I am pleased to note in this short statement that we have also made genuine progress in our outreach programs, management information systems, and coordinative efforts with GAO, CBO, and OTA.

BUDGET REQUEST

I am sensitive to the current posture of the Federal budget and to the need for establishing tight priorities in providing services required by the Congress.

The budget I have submitted was carefully drawn and it truly reflects the minimal needs, as I see them, to build in an orderly fashion toward the type of organization the Congress must have to do its work.

We are endeavoring to give the most efficient, economical service possible without sacrificing the quality services which CRS delivers to the Hill. I believe that while we must be realistic in our budgetary request, we must ask for what, in our best judgment, the Congress needs—not a penny more.

I hope that in fiscal 1981, such funds as are available could be applied to program activities in an even-handed manner, rather than selecting individual activities for increased funding.

Thank you, Mr. Chairman.

FISCAL CONSTRAINTS

Senator SASSER. Thank you, Mr. Gude.

Gentlemen, I want to thank both of you for your testimony and your splendid work over the past year. But I think we all know what kind of year we are facing. We in the Congress hear from our constituents that inflation is the biggest problem. Indeed, those voters who were polled coming out of the voting booths in New Hampshire day before yesterday almost universally stated inflation was the No. 1 problem in this country.

The polls indicate that our fellow citizens think the Congress should make every effort to cut back on nonessential Federal expenditures.

Now, I don't want to appear to be critical. I recognize both of you gentlemen have a responsibility to come before this subcommittee and ask for the resources to do the job that you think Congress wants accomplished. I understand that.

Dr. Boorstin, you are asking for 146 more positions than the current year, for a total of 4,327 positions. Mr. Gude, you are asking for 73 more positions than you have for the current year. That makes a total of 941 positions for CRS.

The Congressional Budget Office today, at 218 positions, and the General Accounting Office has 5,275 positions, they are not requesting any increase in staff.

Perhaps you gentlemen could put yourselves in my shoes, and those of my colleagues. How will I be able to justify increased staff for your organizations to my colleagues on the Appropriations Committee at a time when CBO and GAO, organizations which I believe help us save money, are holding the line? Do either one of you gentlemen care to comment on that statement, perhaps give us some ammunition for arguments?

REDUCTIONS IN LIBRARY'S BUDGET REQUEST

Dr. BOORSTIN. Mr. Chairman, we do share your concern. It is a common concern in preparing our budget. We have made an effort to request only those positions we consider to be essential. To put our request in perspective, it is necessary to realize that the building which we are now opening for the first time has been planned over a period of more than 20 years, and can only be effective, can only provide the pay-off to the taxpayer if it is manned in an adequate manner, and that is the essence of our request.

Twenty-two of the 146 positions do not require additional funding above the 1980 level. We request simply they be made permanent. In an effort to minimize our dollar request, further, we have looked carefully at the budget since it was prepared and we can effect the following savings: First, we are withdrawing $1.2 million of our $2 million request for furniture to complete outfitting the James Madison Building because of delays in our occupancy schedule. The balance of $800,000 we can reduce in overall appropriations by using funds appropriated in fiscal year 1979 which could be made available without an additional appropriation.

Second, we are prepared to reduce our appropriations for new positions in fiscal year 1981 by delaying the filling of those positions for a portion of the year and so reducing the budget by another several hundred thousand dollars.

Third, there are 111 new positions in our 1980 budget for cleaning the Madison Memorial Building which will not be filled because we are going to use contract cleaners. We estimate dollar savings to be $237,000 in the first year, $295,000 in the second year, and $347,000 in the third year, which comes to a total of $879,000.

Finally, Mr. Chairman, we are able to effect savings totaling $400,000 by producing a microfiche edition of the *Catalog of Copyright Entries* rather than a conventional book catalog at a saving of $200,000. This is a matter we have been exploring for some years, Mr. Chairman.

An additional $200,000 can be realized because we now estimate the receipts from copyright registrations will be $200,000 higher than our first estimate. We will continue to seek ways in continuing to make our services efficient, but at the same time, striving to keep the Library effective and responsive to the needs of Congress and the Nation.

Thank you, Mr. Chairman.

Senator SASSER. Thank you, sir.

Mr. Gude?

INCREASE IN PRODUCTIVITY

Mr. GUDE. Mr. Chairman, I appreciate your candor and I join with the Librarian in his concern. We have endeavored in every way possible to ask only for those resources which we felt necessary to give Congress the research and reference support which it needs.

Since I have been Director, I have worked continuously to institute measures to increase productivity, such as the new Information Distribution Center, which we recently established in the Senate Reference Center, and the increased number of subjects covered by our issue briefs.

At the same time, we have not been able to fulfill some congressional requests with the full measure of research and reference work which they deserve, such as in the case of analyses of domestic industries affected by changing world energy economics and reduction of tariff and nontariff barriers. Be assured, Mr. Chairman, we will be in touch with your subcommittee staff and at the same time we will be sharpening our pencils.

QUESTIONS SUBMITTED FOR RESPONSES

Senator SASSER. Gentlemen, I appreciate that very much.

I want to ask you both to go back and sharpen your pencils and see if these budgets can be cut back some. Keep in touch with the subcommittee staff and we will take another look at this after the House committee has acted.

Gentlemen, thank you for appearing here today. We have a number of questions which we will submit to you in writing for the record.

Mr. GUDE. Thank you, Mr. Chairman.

[The questions and responses follow:]

Submitted Questions

Salaries and Expenses, Library of Congress

Fiscal Year 1981 Budget Requests

Question: How many books were purchased by the Library in FY 1979 and planned for acquisition in FY 1980? How many will be added to the collection from other sources such as copyright?

Answer: In 1979, 733,797 pieces were purchased under the GENPAC appropriation and 65,988 under the Law appropriation. These included 140,510 books under GENPAC and 5,672 under Law. During FY 1980 it is anticipated that more than 140,000 books will be purchased by the Library from appropriated book funds. We will add to the collections from other sources, 30,000 volumes through the Cataloging-In-Publication program, 20,000 through gift and trust funds, 65,000 through copyright, 14,000 through the PL-480 program, and 51,000 through exchanges and gifts.

Question: How many libraries benefit from the NPAC program? Would you provide a list of those participants. Do the participants provide any services to the Library?

Answer: The NPAC and "Books-General" allotments are now combined, for the purchase of books; so an individual breakdown of "NPAC acquisitions" is not possible. The number of pieces acquired under the combined funds in 1979 totaled 733,797.

Question: 2 U.S.C. 150 states that the charge for cards and other publications should be a "price which will cover their cost and ten per centum added". Your total anticipated sales fall short of your budgeted salary and expenses for Fiscal Year 1981 by $7,656,490. Could you explain the reason for this loss in light of this statutory provision?

Answer: According to Title 2 U.S.C., Section 150, the Librarian is "authorized to furnish such institutions or individuals as may desire to buy them, such copies of the card indexes and other publications of the Library as may not be required for its ordinary transactions, and charge for the same a price which will cover their cost and ten per centum added..."

Thus, only a portion of the Cataloging Distribution Service budget covers sales requiring recovery of costs plus ten percent. The $7,656,490 supports the provision of service to the Library itself and, therefore, is not considered recoverable. The Cataloging Distribution Service budget covers preparation, production and distribution of a range of services to the Library, including millions of printed catalog cards for its many catalogs and hundreds of copies of the book form bibliographies and technical publications used in its daily reference and research work.

Title 2 U.S.C., Section 150 implies that the Library pays the cost of creating these services to meet its primary needs. Its distribution program recovers only the costs of distributing copies to other institutions or individuals for their own use.

Pricing of these copies is designed to recover only distribution costs plus ten percent of the sum of all sales to the nation's libraries, other institutions and individual citizens.

In FY 1979 earned receipts amounted to $6,668,904. Recoverable costs were $6,049,274. The return was 110% on recoverable costs. 1/

A provision of the FY 1978 Appropriations Law allows the Library to obligate up to $6,500,000 of the funds credited to the appropriation under Title 2 U.S.C., Section 150.

Question: The Cataloging Distribution Service produces revenue for the Library. How much revenue was produced in fiscal 1979?

Answer: The Cataloging Distribution Service, in addition to providing the Library of Congress with initial printing of bibliographic data/services, sells to the outside library community copies of the Library of Congress printed catalog cards, cataloging data in machine-readable form (MARC tapes), book catalogs and technical publications. It performs a national bibliographic service for which, in FY 1979, net sales amounted to $6,614,955.

Question: Tell us about the computers you have, and where are they located? What workload is being handled by each and to what extent they are being used?

Answer: The Library of Congress has two large and one medium-sized computer and seven minicomputers. Two large computers, an Amdahl 370 V/6 and an IBM 3033, are located in the central computing center (TJB) and are supported by communication processors. The medium-sized computer, an IBM 158, is located in the Cataloging Distribution Service at the Navy Yard. The seven Data General minicomputers are currently located in Crystal City, the Taylor Street Annex, the Thomas Jefferson Building, and James Madison Memorial Building; all will be centralized in the James Madison Memorial Building when that building is completed.

The two large central computers provide service to all Library activities, including online retrieval service to terminals located in offices of Members, Senators, Committees, and legislative agencies. The medium-sized computer is currently used only for the work of the Cataloging Distribution Service. The minicomputers support specific activities, including the Copyright In-Process Systems (COINS), the CRS Inquiry Service Information System (ISIS) and the program for the National Library Service for the Blind and Physically Handicapped.

1/ Earned receipts is an accounting distinction which describes remittances/payments that have been deposited and fully recognized as being earned for material sold and delivered; because of printing schedules and delays many serially published bibliographies cannot be completed and shipped in the year of their sale.

60-569 O—80——22

During the day, the major work load for the two large central processors and the minicomputers is online; however, some batch work is run in background on the large computers. The equipment is used in batch mode at night. The 158 is currently used only in batch mode.

Question: The staff has reviewed your General System Study, or as it is called, your start of the 5 year plan. In general, it appears to be very good and you are to be commended. It gives the Subcommittee confidence that the Library of Congress is planning to use their computing resources in a cost effective manner. Specifically, one particular item that was thoroughly looked at was the estimates for program conversion. The entire job of conversion appears very difficult and expensive. However, when you break it down into a dollar value per line of code to be converted, the cost appears to be in line with the private sector. Is that correct?

Answer: Yes, sir. The conversion costs estimated in the General System Study and Five Year Plan are on the basis of contracting with the private sector for converting our present code to that usable on some other manufacturer's equipment.

Question: In reading the report, we have come upon a few areas that require some further explanation. I recognize that the Library provides computing services 24 hours a day and the most important criteria you have in the selection of hardware is system availability. In your report you gave system availability a weighted value of 10 on a scale of one to ten. However, in the list of criteria for hardware selection, I do not see any specific mention of hardware support when rating a particular supplier. Hardware support, whenever it is required to keep the hardware operational 24 hours a day seems very important. Was this specific item left out by accident, left out by design or is it included in one of the listed criterion?

Answer: We consider that "hardware support" is included within "performance standards" under hardware evaluation. The evaluation in which the weighing of system availability is given 10 is the benefit side of the cost/benefit analysis for alternate methods by which the Library might meet its computer requirements as these grow--that is to say, whether augmentation of the current equipment, a facilities management contract, or a new procurement with either full or limited competition would be most advantageous. With the most advantageous method identified (a new procurement), then hardware proposals would be invited and their evaluation would be against the stated performance standards. The offerer would propose to meet or exceed the requirements by guarantees of intrinsic hardware performance, personnel support, design redundencies, and so forth to assure that service is always available. The contents of his offer and his claims would be technically evaluated against all the other offers.

Question: Also in reference to your list of criteria, it is noted that data security is given a value of 5 on the same weighted scale. I recognize that none of the data in the Library's files carry a Top Secret level of security and does not require strict, tight procedures for protection. However, there is concern about the entire security of the computing operation. These concerns range from the

ability of a disgruntled employee destroying your data files containing legislative information all the way up to a terrorist planting a bomb in your data center. Would you please outline what you are doing about security?

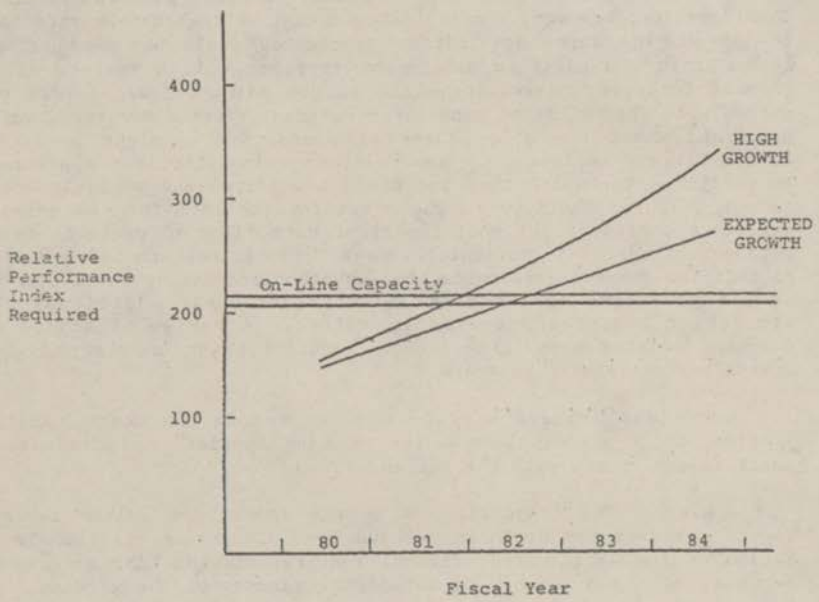
Answer: The evaluation of the importance of data security at the criteria weight of 5 reflects our concern for assuring that each of the alternative methods considers this factor. The results of its consideration, however, simply indicate that an in-house service based on any of the three acquisition approaches would be somewhat more secure than a facilities management approach. With respect to our broader interest in security while as you point out we are not concerned with what might be considered Defense oriented security, we are concerned about the other sorts of protection we might need. We screen Library employees to assure their suitability for appointment to positions for which they are being considered and we limit access to our computer facility to those needing to visit it. We maintain duplicate copies of the most important data files to protect against both intentional and accidental damage. Provisions are being made to protect the computing resource from unauthorized use by increasing the use of passwords and terminal identifications. Additional data protection measures are also in effect. A review of all of our computer related activities from a security point of view has been scheduled for later this year.

Question: Please explain for the record the chart entitled "Projection of Excess Demand for on-Line Support" and include the chart in the record with the explanation.

Answer: The projection of excess demand for online support, figure 2.1 from the document we have been discussing, is the distillation of the anticipated critical requirements for Library computer service. It is a summary of detailed estimates of the growing needs for computer service in the online mode calculated on an expected and a high growth basis. The parallel lines show the approximate performance range of the currently installed computer equipment and the curves, the growth in demand. The crossing of the lines shows that the requirement is expected to exceed the installed capacity during FY 1982. If the high growth scenario is accurate, demand will exceed capacity early in the year; and if the expected growth curve is more realistic, demand will exceed capacity toward the end of the year. The graph also shows a certain amount of excess capacity during the latter half of this year and possible during the first half of FY 1981. As the requirement approaches the capacity, however, users of the Library's online system will begin to see degradations of service when measured in terms of response time at the terminals during peak hours of use. A copy of the chart follows.

PROJECTION OF EXCESS DEMAND

FOR ON-LINE SUPPORT



Question: Please describe the travelling exhibit program. How many positions and other funds are budgeted for travelling exhibits? How does this compare with FY 1978 and 1980?

Answer: Essentially, the travelling exhibits program remains where it has been for the past few years, a program with approximately 3 continuing and 2 new exhibits. The 3 continuing exhibits are: "Women Look at Women" (photographs), The "34th White House News Photographers" (photographs), and the "25th National Exhibition of Prints" (prints). These exhibits travelled in California, Kansas, Minnesota, Mississippi, Missouri, North Carolina, Oklahoma, Pennsylvania, South Carolina, Texas, and Wisconsin during the past year. The new exhibits are: the "35th White House News Photographers" (photographs) and "They made them laugh and wince and worry and ..." (political cartoons). These exhibits are currently in the process of travelling to: Arizona, Connecticut, Florida, Indiana, Minnesota, Missouri, Ohio, Oklahoma, South Carolina, and Tennessee. A special exhibit on papermaking is currently in Puerto Rico.

As in the past three years (FY78, FY79, FY80), one position has been budgeted for a travelling exhibits coordinator. Largely in response to Congressional mandates the traveling exhibits program has maintained this level of activity over the past few years. Funds are budgeted for the non-personnel costs of travelling exhibits via a revolving fund. That fund (Travelling Exhibits Fund) continues to expend receipts from the exhibit rentals. Given the relative lack of expansion in this program, the receipts of the fund have gone into exhibit maintenance and promotion as opposed to new exhibit development.

Question: Please explain the reduction of your budget in the Office of the Librarian.

Answer: We are reducing our space rental budget by $2,200,000 because of the return of units to Capitol Hill in 1980 and 1981. In 1980 we had a non-recurring item of $750,000 in our budget for the cost associated with moving into the James Madison Building. Since it is not repeated in fiscal 1981, it is reflected as a minus in the budget. The total decrease of $2,950,000 is then netted against our requested increases to maintain the current level travel, communications, printing, and other services of $21,930, plus our request of $134,384 for six new positions, and $150,000 for contractual work needed to validate job requirements to insure that appointments are made free from all discrimination based on race, color, religion, sex, or national origin.

It is estimated that development of valid selection procedures for the job series of Librarian, Copyright Specialist, Social Science Analyst, and Attorney, would be undertaken in 1981. These are high priority positions where we know that women and/or minorities are not fully represented. We do not know whether our current job requirements are unfair to women and minorities by imposing job requirements which cannot be validated as needed for successful job performance. For example, do certain educational or experience requirements unfairly exclude these classes of job applicants from consideration for employment within the meaning of Section 717 of Title VII of the Civil Rights Act of 1964 as amended? We lack the in-house staff competence to undertake such studies.

Question: What is your justification for the 6 new positions at $134,384?

Answer: First, we are asking for two additional internal auditors to increase our professional staff from four to six. With these additional auditors we will undertake field audits of contracts to insure that our contractors are in full compliance with contract terms. Only limited field audits have been undertaken in the past. However, that limited amount of field auditing has resulted in very substantial savings to the Library. We also need to have greater in-depth audit capability in data processing areas, to examine the adequacy of audit trails, computer record security issues, the potential for file tampering, and other issues of audit concern.

Secondly, we are asking for four additional staff of our Equal Employment Compliance Office. These positions are urgently needed to resolve the increasing number of complaints before they become hearings or court cases. In 1978 there were 154 investigations of complaints and in 1979 there were 165. These positions replace the present part-time help of three Equal Opportunity Officers and eight Counselor-Investigators. The support of full-time personnel will provide maximum effectiveness in settling more complex matters through mediation and will help enable the Library to meet the six month statutory deadline of the EEO Act of 1972.

At the present time there are 91 cases pending, 69 at the formal stage, and 22 are informal.

We now miss the six month time limit by a wide margin. It often takes 18 to 24 months to finally decide a case. Our record in this regard is not unlike many other agencies in the federal government; however, we are determined to improve upon it, and bring it more in compliance with the intention of the law.

Question: Are the mandatory increases requested for American Folklife Center a duplication of the other Salaries and Expenses mandatories reflected elsewhere?

Answer: The American Folklife Center has separate legislation and authorizing processes from the other programs funded out of this appropriation. In order to group all the costs of the American Folklife Center together, we have shown the mandatory salary costs for Center personnel in this budget program rather than including it in the total Salaries and Expenses, Library of Congress, mandatories.

Question: What are the other non-personal increases of $133,315?

Answer: CURRENT LEVEL. $26,315 of the non-personal increases reflects inflationary increases in the cost of services, supplies, and materials at the current level.

GROWING WORKLOAD. The remainder of the requested increase ($107,000) is justified as follows:

(1) Long Distance Telephone ..... + $ 2,000

The Center has discovered that its field activities around the country require maintaining contact with fieldworkers and professional consultants to the Center after regular hours and on weekends, necessitating regular and extensive use of long distance telephone. In order for the Center to deal effectively with these increased field

activities, an increase of $2,000 is requested for this item. It is not anticipated that this allotment would increase substantially in the future.

(2) Printing, Publications ..... + $ 35,000

Since its inauguration, the Center has made publication and dissemination of information about American folk culture a major aspect of its program. In the next fiscal year, as products from several previous Center projects arrive at the point of publication, the Center projects more actvity in the category of printing and publications. The increase requested will cover costs of producing publications and educational materials for dissemination relating to several folklife projects, studies, and conferences sponsored by the Center in various parts of the country. In addition, at the urging of the Center's Board of Trustees, plans are underway to begin the publication of a folklife journal, which will require significant investment in planning and printing costs. This increase signals the maturation of the Center's publishing program, which in the future will be an indispensable part of its total effort to communicate to the public about America's folk cultural traditions.

(3) Professional and Consultant Services ... + $ 60,000

As in the past, the largest item in the Center's fiscal year 1981 budget for non-personal services is for professional and consultant services. The Center continues to use a plan of operation which calls for a small, versatile staff combined with consultant services on contract to provide the particular expertise required for carrying out diverse programs on diverse subjects. This plan of operation has proven effective for dealing flexibly with a broad mandate. The additional funds requested will enable the Center to respond to a considerable increase in the numbers of requests from the field for project and technical assistance, and it will permit the Center to engage in one additional research project of significant proportions.

(4) Equipment ..... + $ 10,000

An additional $10,000 is being requested for equipment and furnishings to accommodate the move of the Center to larger quarters in the Library of Congress Building during Fiscal 1981. This move will bring the Center and its affiliate Archive of Folk Song together in expanded quarters. It will require a significant investment in furniture and equipment for the Archive Reading Room and other public service areas, as well as for the office areas in the new quarters. This request will be a one-time requirement associated with the move.

Question: In the spring of 1979, the House Subcommittee on Legislative Branch Appropriations directed the Library to look into the possibility of contracting out the custodial work for the Madison Building in lieu of performing that task with additional Library employees. I have a letter from the Librarian of Congress which provides the results of that evaluation and the course of action taken by the Library. The letter report is entered into the record as follows:

March 4, 1980

Dear Senator Sasser:

Last year when we sought money and positions for fiscal years 1979 and 1980 for custodial work in the new Madison Building, the House directed that the Library investigate contract cleaning as an alternative to our proposal for additional Library employees to do that work. Our subsequent evaluation did indicate contract cleaning to be more economical and accordingly a contract has just been awarded to Macke Building Services, the lowest responsible bidder on the project. Macke is expected to start cleaning a part of the building as early as March 24, 1980.

The contract promises substantial savings to current appropriations over the three-year period for which it has been awarded. I am enclosing a copy of the auditor's report on this matter which includes the financial analysis of the alternatives which was done in accordance with OMB Circular A-76, "Policies for acquiring commercial or industrial products and services for Government use." It shows that there is a potential savings to the appropriations of more than $870,000 over a three-year period. The projections of cost were based on a 7 percent annual rate of inflation so that actual price increases over that level could offset the savings somewhat. The exact amounts which will be saved in fiscal years 1980 and 1981 are still being computed and will be provided as soon as we have scheduled full custodial services.

The decision to use contract services results from a process guided by OMB Circular A-76. A Madison Building cleaning task analysis group was convened on April 18, 1979, and included representatives from the buildings management, procurement, and financial management areas of the Library to study the alternative of cleaning the Madison Building by contract. In the subsequent months potential bidders were qualified, contract specifications were prepared, in-house cost estimates prepared, procurement advertised, proposals evaluated, and final prices solicited.

The advertisement for the contract specified that an in-house estimate was being prepared and that it would be evaluated along with contractor proposals. Proposals are for a contract of a three-year period, as suggested in Circular A-76, to achieve a fair basis for comparison and to avoid unrealistic first-year pricing. Eight potential contractors responded and were candidates for the contract award.

We will be monitoring performance under the contract closely and will report our experience next year. We will be pleased to answer any questions which you or your staff may have about the contract and how we have arrived at it.

Sincerely,

Daniel J. Boorstin
The Librarian of Congress

Salaries and Expenses, Copyright Office

Question: Provide us the number of applications you are now receiving on an annual basis and the volume over the past five years which spans the enactment of the Copyright Revision Act? How many applications require correspondence; what are your rejection and approval rates?

Answer: The following table shows the number of claims received in each of the past 5 years and their final disposition. Receipts were increasing at an annual rate of 5% until passage of the new law; the increased fees caused a drop in receipts in the fist year of the new law which is now increasing again. A no reply case is one on which we received no reply from the remitter following our correspondence concerning a problem with the case. The case is subsequently closed out. The difference between the total receipts and the sum total of registrations, rejections, and no replies is the number of claims in unfinished business status at the end of the year.

		Registered			
FY	Received	Without Corr.		After Corr.	Rejected and closed out No Replies
75	432,820	345,096	(401,274)	46,548	14,790
76	445,080	345,214	(410,969)	55,481	18,724
77	458,000	380,722	(452,702)	61,568	21,032
78	416,000	219,786	(365,700)	139,697	7,000
79	442,000	296,010	(429,000)	128,867	22,300

Question: Provide us with the status of the copyright registration backlogs. An additional $500,000 was provided in the 2nd supplemental 1978, to work off this backlog. Last year, you testified the backlog had been reduced from 110,000 to 79,000. You estimated it would be worked off by October. Has the backlog been substantially reduced?

Answer: In FY 1978 the Copyright Office requested authority to spend an additional $500,000 of the fees received to deal with the sudden, excessive workload at that time. This money was requested for overtime ($230,000), postage ($62,000), printing ($185,000) and temporary summer staff $23,000). Because the second supplemental appropriation bill was not approved until September, 1978, no temporary staff were hired and the entire amount of this non-recurring supplemental was applied to the first three categories.

When Ms. Ringer testified last year she stated that the workload on hand at that time was 79,000 claims. This figure comprized only those items then in the "examination" and "post examination" processes, which in February 1979 totaled 79,000 (see attached chart 1). Since then, the workload in the Office has been more precisely categorized and five major workload areas have been identi-

fied which are shown in the accompanying chart. It can be seen that the Office has made substantial progress in reducing the backlogs of work on hand. Processing of routine claims resulting in the issuance of a Copyright certificate (i.e. claims which are in order and require no further correspondence with the remitter) has been reduced from 6 weeks in February 1979 to the 3 to 4 week range in February 1980.

Backlogs have not only been reduced, but the bulge from the initial period of the new law has been moved farther along the production cycle. Many of these older claims are now either on hold awaiting a reply to our correspondence or awaiting closing action.

When current, the Office would have approximately 60,000 claims on hand in the first four registration categories as Mr. Pew testified, plus 25,000 claims in Cataloging. Thus the over all currency goal, including cataloging, is 85,000 claims in process. Subtracting 85,000 from the actual work now in process, as computed from our quarterly inventories, yields the backlog of work in process. As chart 1 indicates, this backlog has been systematically reduced to 44,700 at present. It is estimated that if there are no serious setbacks, the Office will achieve these currency goals in approximately one more year.

CLAIMS IN PROCESS

	Jan '79	May '79	Aug '79	Nov '79	Feb '80	Goal (normal workload on hand)
Initial Processing	26,000	17,000	9,000	9,000	9,000	9,000**
Examination	29,000*	37,000	26,900	24,850	31,850	18,000**
Post-examination Processing	50,000*	29,050	24,450	23,000	23,950	15,000**
On hold in Unfinished Bus. Corres. Filing/Awaiting Closing	27,000	46,950	43,750	40,250	36,350	18,000**
Cataloging	34,000	30,150	43,700	38,350	28,550	25,000
Total	166,000	160,150	147,800	135,450	129,700	85,000
minus Goal	- 85,000	- 85,000	- 85,000	- 85,000	- 85,000	
Backlog	81,000	75,150	62,800	50,450	44,700	

*The sum of these two categories comprises the 79,000 figure referred to in Ms. Ringer's testimony last year.

**The sum of these four categories comprises the goal of 60,000 in the registration process referred to in Mr. Pew's testimony.

Salaries and Expenses, Congressional Research Service

Congressional Research Service Assistance
Provided to the Congressional Budget Office,
the General Accounting Office and the
Office of Technology Assessment

Research and Information Requests: FY 1979

	FY 1978		FY 1979	
	Number Inquiries	Research Hours	Number Inquiries	Research Hours
CBO	2,205	1,745	3,148	2,014
GAO	849	573	860	1,931
OTA	1,315	2,764	1,089	1,106

Selective Dissemination of Information Service: Calendar Year 1979

	No Weekly SDI Profiles sent	No. Microfiche Provided	Cost of Microfiche*
CBO	10	19,400	$2,134
GAO	9	19,400	2,134
OTA	9	19,400	2,134

*borne by CRS

Question: Justify the 36 positions for policy analysis and research, $666,818.

Answer: It is the policy of the Service to provide optimum support services to mid-level and senior analysts so that they may "work smarter", rather than multiplying more expensive research expertise. Thus about 70% of this request is for less expensive junior analytical and secretarial service.

a. (+24) In our testimony for FY 1979 appropriations we mentioned that a program is being established to bring in the brightest graduates as "research fellows" to assist senior specialists for up to two post graduate years. We request twenty GS-7 positions to implement this program, which is in response to suggestions of the House Commission on Information and Facilities and the Commission on the Operation of the Senate that senior specialists be properly supported to maximize their effectiveness. An additional four GS-7/9 positions for support technicians in the Government, Foreign Affairs and National Defense, and American Law Divisions are requested to relieve policy analysts of lesser analytical duties.

b. (+7) Due to space problems no appropriations for new research analyst positions were received in fiscal 1977 or 1978. While a number of initiatives, described later, have helped absorb increased workload, it is vitally necessary to supplement the Service's analytical capacity in the following seven areas; industry economics, money and banking, foreign trade, energy, and regulatory economics (Economics Division); food and agriculture (Environment and Natural Resources Policy Division); and electronics (Science Policy Research Division).

c. (+5) To balance secretarial support to the policy analysis staff, GS-6 positions are requested by division as follows: Economics (two); Education and Public Welfare (two); and Science Policy Research (one).

Question: Justify the 5 positions for documentation and status of legislation, $76,587?

Answer: These major program activities are concerned with preparation and entry on-line of the Digest of Public General Bills and Resolutions; status information on major legislative issues; legislative history memoranda; regularized reporting on terminating programs; and a computerized file of briefing papers on some 375 major issues of congressional interest.

a. (+4) No positions have been added to the Bill Digest Section since fiscal 1977. In the interim the following workload has been added at specific congressional request: summarizing floor amendments acted upon, a high priority of both the House and Senate LEGIS Task Force; revised digests (as many as 5 or 6 per bill) reflecting committee or floor action; priorities on all bills reported out of committee or floor action; and daily indexing from the Congressional Record. Absorption of these duties without additional personnel has seriously eroded the timeliness of digest operations. Three positions are requested to keep the Digest up to date.

To reduce duplication, the Service, the House, and the Senate began exchanging title information in early 1978 and by fiscal 1980 will be passing large volumes of sponsor, committee, and action information. One additional position for a Quality Control Coordinator is required.

b. (+1) Workload for Issue Briefs has grown from 201 active issues in fiscal 1976 (400 updates a month) to 340 active issues in fiscal 1979 (680 updates) and is projected at 375 issues (750 updates) in fiscal 1980. The data input operation is still staffed at the fiscal 1976 workload level; one additional position is required for a working supervisor for training, work assignment, and balancing of priorities.

Question: How many employees are in the Bill Digest Section and what do they do? Is there a relationship or duplication between that Section and the Bill Status operation of the Clerk of the House?

Answer: There are 22 professional and 16 clerical employees in the Bill Digest Section of the American Law Division. This section is charged with the statutory responsibility of preparing digests of public general bills and resolutions, and lists of terminating programs.

All bills introduced in the House and the Senate are recorded in House and Senate computer systems and this information is transmitted on computer tape to the Library of Congress. The Bill Digest section receives this information and prepares abstracts of each bill plus a section-by-section analysis of each bill known as a digest. The Bill Digest Section also adds in-depth indexing information to each bill record. All information prepared by the Bill Digest section is sent back on computer tape each night to the House and the Senate, who use this information in their own computer systems. Senate and House information on bills is, together with the information generated by the Bill Digest section, similarly used in the Library's SCORPIO system. The purpose of these interactions is to avoid duplication.

Some floor action information provided by the House and the Senate is reformatted in the Bill Digest section so as to be suitable for publication in the printed Digest of Public General Bills and Resolutions, the publication of which is required by law.

Question: Justify the 20 positions for information and reference service, $346,925.

Answer: Most efficient and effective use of the Service's resources depends on

- Minimizing non-analytical work of researchers
- Performing functions at the least expensive possible level in the organization
- Making services as readily available to congressional clients as possible
- Familiarizing congressional clients with the most effective ways to use the Service.

All requested positions in this program activity address one or more of the above criteria.

a. (+9) In the past year, expansion of the technician staff of the "quick response" Congressional Reference Division has resulted in shifting of the more routine requests from subject teams to production teams--day and night--and to the House and Senate Reference Centers. These shifts have, in turn, enabled the Division to absorb increasing numbers of more difficult reference requests traditionally handled by the research divisions--particularly Foreign Affairs and National Defense, and Economics. Since subject teams have had more time to devote to more complex requests, client callbacks to check status have been reduced.

(1.) Four GS-6 Library Technician positions are requested to allow for a professional part-time evening staff and for continued transfer of requests from the subject teams to the Centers and Production Teams. This will free the time of professional staff to further improve turnaround time on requests, diminish client callbacks, devote more effort to improving quality of response, take on more reference work from subject divisions, and improve the outreach program in the centers.

(2.) Three librarian positions are needed to support services to be offered through the new Congressional Research Reading Room in the Madison Building. One GS-12 team leader and two GS-9 librarians are required; one librarian will be used to provide evening coverage.

(3.) Two GS-4 delivery clerk positions are needed. Because of the consistent and permanent need for CRS delivery services to Congress, we believe it is equitable to offer permanent status and benefits to these dedicated entry-level employees. The Appropriations Committees agreed and granted two positions to begin a phased conversion program in fiscal 1980. Two positions are requested to continue permanent conversions from their current temporary status.

b. (+3) The Library Services Division provides bibliographic and collections support to all other CRS divisions as well as direct support to Congress through distribution of CRS reports, committee prints, and the Selective Dissemination of Information (SDI) systems. Since 1971 the ratio of bibliographers to CRS analysts has deteriorated from 1 to 24 to 1 to 46, though bibliographic demand has increased. To begin to redress this imbalance one new bibliographer position and one bibliographic assistant position are requested. One position for a Collections Development Supervisor is needed in connection with increased Division responsibilities in this area.

c. (+1) Workload in language services, including accelerated service to analysts, has been increasing rapidly during the past few years with virtually no increase in staff; requests have increased from 1,096 in fiscal 1975 to 1,627 in fiscal 1979. One translator position is requested for the Language Services Section to accommodate heightened interests, especially in Chinese technical publications.

d. (+5) The Information Systems Section provides SCORPIO training to staff of Members, committees and CRS, coordinates CRS data base activities, and conducts reference searches. Three positions (one currently filled by a temporary employee) are requested to eliminate a training course backlog and extend training through Legislative Assistant Institute courses. Two editorial assistants are required to schedule classes and provide typing support.

Salaries and Expenses, Congressional Research Service

e. (+2) The Office of Member and Committee Relations, organized in fiscal 1977, coordinates seminar and other outreach activities by CRS divisions, and is responsible for CRS publications including the monthly CRS Review. While the Office has purposely been kept small, the significant acceptance of outreach activities requires the addition of one junior editor, and one junior seminar assistant.

Question: Justify the 12 positions for management and administration, $232,364.

Answer: a. (+2) The CRS Inquiry Status and Information System (ISIS) has substantially completed initial development and will require one permanent management information specialist to oversee its operation and application within CRS. One additional secretary is also required to support ISIS and provide needed service for the Office of the Director.

b. (+10) For fiscal 1978 four positions were approved for CRS to begin the augmentation of support services recommended by the House Commission on Information and Facilities in its 1976 study. A successful beginning has been made in providing partial administrative liaison with each division. Seven administrative officers are needed to provide a full-time liaison for each division to provide the entire range of support, and to allow full coverage in substantive areas of recruitment, training, and labor relations. Three clerical support positions are required as backup to the expanded administrative staff, especially in the areas of contracts, data entry, and personnel administration.

Books for the Blind and Physically Handicapped

Question: Under Books for the Blind and Physically Handicapped, justify current level increases:

a.	Travel -	+ $ 11,661
b.	Printing -	+ $342,739
c.	Other Services -	+ $267,927

Answer: Travel - + $11,661

The $11,661 requested for travel in FY 1981 will support the same level of travel as in FY 1980. This request is required because of several air fare increases established since FY 1979 and the addition of 69 new cities by GSA to its list of high-cost cities. Trips are combined and special economy air fares and train travel are utilized wherever possible to make the most effective use of available travel funds. Even with these and other economies, some increase is necessitated to maintain the current level. NLS is responsible under Public Law 89-522 for establishing conditions and regulations for the centralized production and national distribution of library materials and services for eligible blind and physically handicapped readers. To fulfill this national, coordinating function travel by NLS staff is required for the purposes of inspecting manufacturing sites; controlling quality of braille and talking book production; monitoring research and development projects; verifying conformance by machine-lending agencies with Federal requirements for inventory control;

providing practical demonstrations of machine repair techniques to volunteer equipment repair groups around the country; reviewing multistate center warehousing and service operations; evaluating regional and subregional network libraries ensuring timely, responsive service to all eligible patrons; coordinating public education activities; assisting volunteers who braille and record books; and interacting with professional and technical associations. All such visits serve to enhance the service and materials which benefit individual patrons directly.

Answer: Printing and Reproduction - + $342,739

The requested funds--which are necessary to provide current readers with large-print editions of two bimonthly magazines, various subject bibliographies, and catalogs which list books and magazines in recorded and braille formats--represent an actual increase in costs of 21% ($263,693). Of the requested monies, $61,046 is for the increased size of the major catalog of cassette titles, a consequence of the Library's ongoing effort to respond to reader needs for books in cassette format. Between FY 1977 and the end of FY 1979 labor and materials inherent in the offset reproduction process rose 33%, and the cost of paper continues to rise. The resultant impact on required funds amounts to an increase of $18,000.

Answer: Other Services - + $267,927

Multistate Centers - + $153,904

Four multistater centers (MSCs) serve as regional logistical support agencies under contract to NLS. They store and distribute books, magazines, publications, and equipment to cooperating libraries and agencies within their geographic areas. The four centers provide a centralized pooling of NLS-provided resources within each region, enabling NLS to shift and share library materials and equipment more efficiently, and to serve local demands for specialized services more quickly.

(1) Ten percent inflation for personnel and overhead--$44,000

The four multistate centers collectively provide a total of 16 FTE in staff for a total of $216,000 in salaries and beneifts; and a total of $224,000 in operating and overhead costs, including telephone, postage, shipping, utilities, and maintenance. The increase of $44,000 is requested to cover increases in actual costs for personnel and benefits, and operating overhead costs, especially utilities, heat and electricity, at an average estmated increase of $11,000 per MSC, or about 10%.

(2) Additional space--5,000 sq. ft. per MSC--$50,000

The four multistate centers now collectively provide 80,000 sq. ft. of storage (@ an average of $2.00 PSF = $160,000--considerably less expensive than the cost of equivalent storage space in the Washington metropolitan area). In lieu of space growth at NLS in Washington additional space is needed at the MSCs to house the growing NLS book, magazine, and publications collections. Annual book collec-

tion growth rate is estimated at 4,500 linear feet of shelving; additional floor space is needed to house these book materials, as well as back-up supplies of publications and catalogs and an adequate supply of playback equipment and accessories.

(3) Inspection and weeding program--$11,904

The MSCs need to establish a systematic inspection and weeding program of their entire collections to ensure that old, worn, and defective copies of discs, cassettes, and braille books are discarded and only the best copies of book materials are retained for interlibrary loan to patrons on request. This inspection program will also permit inspection of all book materials after each interlibrary loan use for condition and completeness before sending to the next patron.

(4) Review of locally produced materials--$48,000

Many cooperating network libraries already produce books and magazines at the local level to supplement materials provided by NLS. Currently, these libraries must bear all duplicating and loan costs to make their books and magazines available to others in the network, in other states. Addition of a quality assurance staff member at each MSC would enable these locally produced books to be reviewed, deposited, and serviced by the Centers, and would utimately make more high quality materials available to more readers throughout the United States.

Publication contracts - + $64,989

Funds of $314,875 are required for performing mailing list operations and maintenance for NLS publications and periodicals. The increase of $64,989 reflects a 10% inflation increase ($24,989) and $40,000 for a revised automated mailing list system created in FY 1979. This system replaces the fragmentation of seven separate mailing list operations and, when fully operational in FY 1981, will consolidate subscription records, eliminate duplication of subscription data, and provide NLS with centralized distribution of more than 80 periodicals and publications. This operation provides in excess of 200,000 additions, deletions, and other transactions per year and annually produces more than two million mailing labels. The implementation of this system also brings NLS into compliance with the Joint Committee on Printing Regulations' mandate to update and weed mailing lists on an annual basis.

Public Education - + $49,034

The requested funds reflect an inflationary increase of $3,084 (12%) for the ongoing exhibit program and an increase of $14,150 (15%) for the production of public education program materials; $30,800 will be used to replace twelve (12) exhibits which rotate among 160 network libraries across the country and which are also used at 30 national meetings annually. The twelve light-weight, low-maintenance units replace older, heavier models, which have required frequent and expensive maintenance and repair, as well as higher transportation and handling costs.

60-569 O—80——23

Question: Please justify the growing workload of $80,000 requested for research and development.

Answer: Access to and use of NLS materials are assumed to be easier for a large number of eligible readers if the desired information is in large print (14-point to 18-point or better). We refer here to NLS catalogs listing available books; to container labels identifying the title and author of books to the labels on disc giving similar author-title information.

It is generally accepted that 80% or more of legally blind persons have some useful vision; but eligible persons in the NLS program also include persons with a visual handicap who are not legally blind but still cannot read regular print (8 to 10-point) especially for reading books and magazines.

A review of the literature shows that no definite study has been made relating degrees of visual acuity to the various elements of printing. The first task of the proposed study is to define the problem, solicit proposals, evaluate proposals with the aid of experts in medicine and printing who work for other government agencies, and award a contract to the bidder with the best technical approach. This practice of seeking outside expertise to evaluate proposals has been followed previously in areas where NLS lacked the expertise on its staff.

The successful contractor will study the influence on legibility and usefulness of typeface, type size and style; spacing between letters, words and lines; the quality, color and size of paper; the color of ink and its contrast with the paper background, etc.

The contractor, working with NLS, determines the factors of printing that will produce the most effective formats for the largest number of visually handicapped persons eligible for the program. Practical factors must also be considered, e.g., the total available space on the disc or container for printing, the total number of pages and thickness of publications, and of course the cost for achieving the improvements.

Available estimates for such a technical study, considering one man-year effort plus clerical support plus normal overhead, is $70,000 to $100,000. NLS' request is for $80,000, a mid-range estimate for this effort.

Special Foreign Currency Program

Question: Explain the Special Foreign Currency Program and the statutory authority for it.

Answer: The program came into existence under Title I, Section 104 (n) of Public Law 83-480, as amended. Authority continues under the legislation and in the annual appropriations language which allows for "payments in any foreign currencies...excess to the normal requirements of the United States."

Question: How many books or other items are acquired for the Library by this program? What are your plans for FY 1980 and 1981?

Answer: See table shown.

	ACQUISITIONS		
	FY 1979	FY 1980 (Est)	FY 1981 (Est)
Burma	---	2,500	2,500
Egypt	20,000	10,350	---
India	34,500	35,000	35,000
Nepal*	1,263	1,300	---
Pakistan	13,599	13,600	13,600
	70,135	62,750	51,100

Plans for FY 1980:

The Library plans to operate in India, (covering Burma and Nepal*) and Pakistan at the same level as in FY 1979. Mid-year the Cairo Program will convert to the use of NPAC funding.

Plans for FY 1981:

The program in Egypt will have been fully phased out as a special foreign currency program and Nepal will be converted to a dollar-funded cooperative acquisition proram. The programs in India, (including Burma) and Pakistan will continue to be operated at the current level.

*Funded by India rupees(SFC).

Furniture and Furnishings

Question: For The Madison Building, you are requesting $2,229,000. Of the $3,000,000 appropriated for Madison furniture in FY 1979, $2,500,000 was withheld due to the 5% cut. Subsequently, the subcommittee allowed $1,700,000 of that to be reprogrammed. Why is $2,229,000 additional needed?

Answer: Of the $2,229,000 requested, $1,200,000 for office furniture was withdrawn as noted in the Librarian's opening statement, because of move delays. $229,000 is for salaries and benefits. Of the remaining $800,000 requested, $300,000 is for conventional bookshelves and $500,000 for special purpose furniture and equipment. The request is a result of price increases in our purchase of equipment that had been previously justified. The requirement for $800,000 held in reserve as part of the 1979 recision as required by Section 311 of PL 95-391.

Question: How much has been appropriated for Madison furniture and furnishings?

Answer: Funds appropriated fiscal years 1973 through 1980 total $24,248,000.

Administrative Provisions

Question: What is your justification to increase the authorization for expenses of attendance at meetings from $123,250 to $150,620?

Answer: As shown below:

LIBRARY OF CONGRESS
ADMINISTRATIVE PROVISIONS

Request to increase the authorization for expenses of attendance at meetings from $123,250 to $150,620, of which $55,660 is for the Congressional Research Service.

Increase by fund as follows:

	Current Level	Growing Workload	Total
Salaries and Expenses: Library of Congress	$ 9,315	$ 6,285	$15,600
Copyright Office	1,450	----	1,450
Books for the Blind and Physically Handicapped	600	----	600
Special Foreign Currency Program (U.S.$)	60	----	60
Subtotal	$11,425	$ 6,285	$17,710
Congressional Research Service	9,660	----	9,660
Total increases	$21,085	$ 6,285	$27,370

The Current Level increase of $11,425 is to provide for increases in air fare and per diem rates which amount to 15 percent.

The Current Level increase of $9,660 for the Congressional Research Service will provide for the 15 percent increase in air fares and per diem rates experienced in fiscal 1979 ($6,900) and for a 6 percent increase in air fares experienced in fiscal 1978 ($2,760).

The Growing Workload increase of $6,285 is requested to provide better reference and information services through contacts with other libraries, government units, and professional organizations by professional staff attendance at meetings of library information science and subject specialization organizations and to provide for 5 additional trips by staff composed of both librarians and computer specialists in network development.

Fiscal Year 1980 Supplemental Requests

Question: Please provide a pay cost table for the record.

Answer: The analysis of 1980 increased pay costs follows:

ANALYSIS OF 1980 INCREASED PAY COSTS

LIBRARY OF CONGRESS

Organizational unit and account title	Increase in direct pay and other related cost of this agency: Direct pay	Increase in direct pay and other related cost of this agency: Related cost	Amounts to be paid to other accounts that are not absorbed administratively	Net Absorption: Possible by administrative action	Net Absorption: Requiring Congressional action	Net Absorption: Total	Additional appropriation required
Salaries and Expenses, Library of congress	$4,174,000	$416,000	$ ----	$ ----	$ ----	$ ----	$4,979,000
Wage board	344,400	34,600	----	----	----	----	
Salaries and Expenses, Copyright Office	710,500	70,500	----	----	----	----	781,000
Salaries and Expenses, Congressional Research Service	1,457,400	142,600	----	----	----	----	1,600,000
Salaries and Expenses, Books for the Blind and Physically Handicapped	167,400	15,600	----	----	----	----	196,000
Wage board	11,800	1,200	----	----	----	----	
Collection and Distribution of Library Materials (Special Foreign Currency Program)	15,500	1,500	----	----	----	----	17,000
Furniture and Furnishings	13,600	1,400	----	15,000	----	15,000	----
Total:							
Civ. Stat. pay systems	$6,538,400	$647,600	----	$15,000	$ ----	$15,000	$7,181,000
Wage board	356,200	35,800	----	----	----	----	392,000
Total, all pay increases	$6,904,600	$683,400	----	$15,000	$ ----	$15,000	$7,573,000

U.S. SENATE

OFFICE OF SERGEANT AT ARMS

STATEMENT OF F. NORDY HOFFMANN, SERGEANT AT ARMS

ACCOMPANIED BY:
RONALD L. MARTINSON, ADMINISTRATIVE ASSISTANT TO THE SERGEANT AT ARMS
WILLIAM E. POULIN, DIRECTOR, COMPUTER CENTER
JAMES M. POWELL, CHIEF, U.S. CAPITOL POLICE

BUDGET REQUEST

Senator SASSER. Our next witness is the extraordinarily distinguished and able Senate Sergeant at Arms, Mr. Nordy Hoffmann.

Mr. HOFFMANN. Thank you, Mr. Chairman.

Senator SASSER. The 1981 President's budget request for the Senate Sergeant at Arms is 1,309 positions and $23,275,000.

You may proceed, Mr. Hoffmann.

Mr. HOFFMANN. Thank you, Mr. Chairman.

We appreciate the opportunity to appear before your committee today to present and discuss the budget request for the Office of the Sergeant at Arms.

Our statement will cover our anticipated supplemental needs for the current fiscal year as well as our request for fiscal year 1981.

SALARIES AND EXPENSES

Mr. Chairman, I wish to begin my testimony by submitting for the record a copy of the detailed statement of justification which was forwarded for inclusion in the President's budget.

This statement reviews in detail the specific salary and expenses requests contained in our budget and I believe that this information is self-explanatory. I intend to highlight the significant portions of our budget request in my testimony today, including identifying a few revisions which have been made necessary by developments which have taken place since our original request was submitted.

Mr. Chairman, since first appearing before your committee nearly 5 years ago, upon becoming elected Sergeant at Arms at the end of 1975, I believe we have made significant strides and progress in developing a comprehensive budget and accounting system for the Office of the Sergeant at Arms.

Today, we have the capability of measuring and better controlling the expenditures of our office, which are included in the overall housekeeping and administrative appropriation for the Senate.

RESUBMISSION OF 1980 SALARY REQUEST

In the area of salaries and statutory positions, I find that in testifying today we face a rather unique situation, not heretofore encountered. We are requesting not only resources for the coming fiscal year and certain adjustments in the form of supplemental items which we have found to be necessary during the current year, but also, we are in effect resubmitting with few changes our entire fiscal year 1980 salary request.

This situation has arisen because the Congress did not enact into law a regular Legislative Branch Appropriations Act for 1980, and we are operating on the basis of a continuing resolution. This has had the effect of extending for another year the positions in effect during fiscal year 1979.

Mr. Chairman, as a matter of record, most of the salary items contained in our supplemental request today have already been approved by this subcommittee, by the full Appropriations Committee, and by the Senate after a thorough review and discussion of the facts as originally presented last year.

What we have done is to operate with our past year's level of resources, with the net result that we have simply postponed or delayed certain activities which have been heretofore approved by the Senate. While we have not experienced any problem in the area of the expenses portion of our budget since the continuing resolution permits ongoing activities to be supported, the creation of new statutory positions or adjustments to existing positions are not authorized, and hence we are resubmitting these items for your consideration in the form of a supplemental budget request.

Mr. Chairman, I will not take the time of the committee to review each item contained in the salary portion of our detailed written supplemental request, but rather will limit my remarks to highlighting a few major items.

COMPUTER CENTER

I am submitting for the record a copy of our letter to you, Mr. Chairman, of June 13, 1979, giving the full details of our fiscal year 1980 request for the computer center, which became the basis for our original supplemental request submitted last fall to the President.

To update this document I am also submitting a copy of a memorandum dated February 20, 1980, from the director of the computer center to me which in effect restates our basic request and includes such refinements and revisions as have been determined necessary to make our request current.

To accommodate policy decisions of the Senate that have already been made during the past year, we are requestinq eight additional positions, which are explained in detail in the memorandum from Mr. Poulin.

My administrative staff and I have reviewed these additional positions which have been requested and are satisfied that they should be submitted for your consideration.

GAO SALARY REVIEW

Mr. Chairman, at the time of submitting their original fiscal year 1981 budget request this past fall, the computer center included a request for 57 position increases. Because I share the concern, Mr. Chairman, that you and members of this committee have expressed that we attempt to hold the line on expenditures wherever possible, I felt it would be helpful to request the assistance of the General Accounting Office in providing an independent review of these salary recommendations, particularly through the development of comparability data for the Senate computer center and other data processing centers of similar size in the metropolitan area.

Mr. Chairman, we have just received comparative salary tables prepared as a result of this review, and we believe they support these recommendations as being reasonable and justified. In fact, Mr. Chairman, even if the proposed increases are approved, a number of salary levels for the affected positions will still be at the low end of the scale in a comparison of the Senate computer center with the other data processing centers reviewed.

A copy of these salary comparison tables appears in the appendix of the prepared statement.

To simplify our computer center budget request, we have combined the 41 position changes contained in our fiscal year 1980 budget request and the 64 changes contained in our fiscal year 1981 budget request, including all increases, decreases, and title changes, and have consolidated these 105 changes and reduced the total number of changes to 85.

In summary, Mr. Chairman, practically all of these position increases or other changes have been either previously approved by your committee last year, or are supported by the salary comparability data of the GAO.

ESTABLISHING A PARKING DEPARTMENT

A second major area which I wish to briefly mention is our proposal to formally establish a new parking department within our office. As you know, Mr. Chairman, the Sergeant at Arms has traditionally been responsible for all outdoor street and lot parking within the Senate, a task which had been handled on a somewhat informal basis until recent years.

With the growth of Senate staff, plus a decrease in available street parking due to a neighborhood parking ban imposed by the District Government, we have implemented a new attendant parking program to increase the efficiency of utilization of Senate parking lots. These factors have caused the parking responsibilities of our office to increase significantly.

We have attempted to handle these on an ad hoc basis by detailing some of our personnel from our administrative office, and our Capitol Police, and by requesting a number of part-time parking attendant positions.

I wish to publicly commend our staff personnel who have worked on our parking operation because I believe they have done a commendable job in improving the utilization of Senate. parking facilities and streamlining the administrative procedures associated with this activity.

Consistent with our objective of budgeting for positions and resources for the purpose to which they are actually dedicated, we are proposing to establish a new parking department. This would involve the transfer of 22 part-time parking attendant positions from our administrative office to our parking department, at no increased cost, plus the creation of eight permanent full-time positions for the professional administrative staff.

Mr. Chairman, it should be pointed out that these eight positions have heretofore been borrowed from temporary vacancies and positions elsewhere in our office. Creation of the new parking positions will permit us to return the borrowed positions to their rightful place, and those positions will be used to offset increases in other departments that would have otherwise occurred.

NIGHT DIFFERENTIAL PAY

Another proposal included in our supplemental request which is actually a reapplication of a request approved by your committee last year is that of providing night differential pay for employees of our computer center, service department, and Capitol custodial services.

This proposal would authorize the Sergeant at Arms to pay night differential compensation to those employees whose regular shift of work falls between certain hours in the evening. The cost of this differential compensation would be paid from any available moneys within the appropriation under the heading "salaries, officers, and employees," and would require no additional appropriation of funds.

Mr. Chairman, with your permission, I wish to include in my statement a copy of the administrative language we are submitting for your consideration.

ESTABLISHING A DEPARTMENT OF SENATE PHOTOGRAPHERS

At the request of the joint leadership, we are preparing an administrative provision to transfer the Official Senate Photographers from the respective Democratic and Republican conferences to the Office of the Sergeant at Arms.

This step is being taken following considerable discussion between the leadership and the Members of the Senate, as it is their desire to centralize this activity in one office with the anticipation of improving the availability as well as the quality of this type of service.

Mr. Chairman, the details of this recommendation are being worked out at this time and we request your permission to submit the specific administrative language as soon as it is available.

STATE OFFICE LEASE

We are submitting for your consideration an administrative provision to be included in the supplemental appropriations bill which would correct a problem Senators have been experiencing recently regarding the lease of office space in their home states.

As you know, rentals that Senators are allowed to pay for office space are limited by rates established by the GSA. Although the common

experience of the present time is for rental rates to increase from year to year, occasionally and for circumstances which affect a local area and its economy, rental rate limits might actually decline.

This has the net effect of placing a Senator who negotiates a lease within the approved rate limit in the situation where during the year the Senate can no longer pay the entire rental because of a decrease in the rental rate limit by GSA following a periodic review.

The proposed administrative language would simply assure that the Senate could pay the rental rate which was in effect on the first day of the lease for the term of the lease.

This provision would involve no additional appropriation of funds, and in practicality will probably result in a net savings to the Senate, since Senators are now forced to either pay the difference out of their personal funds, or move their entire office to another location.

STATE OFFICE EQUIPMENT RESPONSIBILITY

In response to the request of Senators, we have as of this past October 1 assumed responsibility from the GSA for all office equipment in the State offices of Senators.

To clear the equipment purchased by GSA for State offices from their accounts, and in accordance with legislation which requires them to be reimbursed for their expenditures, we are proposing to pay GSA approximately $1.5 million from the purchased equipment allowance within our service department.

Because we have attained cost savings elsewhere within our overall expenses budget, unless you have any objection, we will make an internal reallocation of funds, and this will not require any additional appropriation.

Further, Mr. Chairman, it should be pointed out that we are not incurring any new expense for the Senate, as the equipment purchased by GSA for us would ultimately be paid for through a reimbursement schedule covering several years. We are simply proposing to accelerate this payment as a lump sum, and then to convert to total Senate control of all procurement, inventory, maintenance, and disposition of State office equipment.

U.S. CAPITOL POLICE

For fiscal year 1981, we are submitting only one major salary request in our budget and that is for the U.S. Capitol Police.

For the record, Mr. Chairman, I am inserting in my statement, with your permission, a letter from Chief James M. Powell, which explains in detail the request for 6 additional positions of sergeant, 9 additional positions of plainclothes officer, 22 new positions of private, and the abolishment of one position of lieutenant.

Briefly, Mr. Chairman, these positions are needed to reduce the use of overtime, to cover some 31 additional man years of full-time posts that have been assigned to the police in recent years for which resources have not previously been requested, and to cover attrition due to the retirement or transfer of numerous Metropolitan police officers detailed to the Capitol who were not subsequently replaced.

Mr. Chairman, this budget estimate represents a revision from the original request submitted to the President, and I wish to emphasize that it has undergone a considerable amount of review both by the police and within my office.

I have asked Chief Powell to be available to assist in discussing any of the details of this request.

COMPUTER CENTER

For fiscal year 1981, we are projecting no increase in the operating expenses for the computer center to support existing and ongoing services. In fact, Mr. Chairman, our staffing level would remain static, and our expenses portion of our budget is projected to actually decrease in excess of $1 million from the current 1980 levels.

We wish to emphasize that following the recent completion of the salary comparability data for the computer center we have submitted our revised supplemental request for the policy consideration of the Committee on Rules and Administration. They are currently reviewing this along with our previously submitted fiscal year 1981 request.

We have identified a number of policy areas, which, if approved by the Rules Committee, could have an impact on our personnel and/or expenses requirements for fiscal year 1981.

In deference. to Senator Pell, we are requesting the opportunity to submit further budget adjustments for the computer center that might be necessary and appropriate following completion of the Rules Committee's review of our budget.

EXPRESSIONS OF APPRECIATION

Mr. Chairman, in closing I must take a few moments to again thank you and the members of your committee for your continued excellent support and cooperation without which none of the progress we have been able to achieve could be possible.

In spite of what seems to be so much bad news these days, I really feel a deep sense of satisfaction at having the privilege of serving the Senate as Sergeant at Arms. I don't mind saying that our staff is dedicated—and I mean really dedicated to serving the Senate.

Many of our personnel work long hours, evenings, and weekends above the requirements of their jobs, because they strive to support the key objective of our office, and that is to give the best possible service to the U.S. Senate.

I also express gratitude to the staff of your subcommittee for their daily counsel and assistance in discharging the responsibilities and authority vested in us by your committee and the Senate, and also I acknowledge the assistance of the Rules Committee, the Office of the Legislative Counsel, the Legal Counsel, the Secretary of the Senate, and the Architect of the Capitol.

Mr. Chairman, we are available to provide any additional information you might request.

Thank you again.

Senator SASSER. Thank you, Mr. Sergeant at Arms.

You say in this day of bad news there is some good news, and some of the good news is, I understand, the fighting Irish lucked out last night——

Mr. HOFFMANN. It depends on which end of the table you are sitting on, sir.

POSITIONS

Senator SASSER. Mr. Hoffmann, the Office of the Sergeant at Arms operated with 1,240 positions for fiscal year 1979, the year that ended 5 months ago.

You are now asking for 1,292 positions for the current fiscal year, a net increase of 52 positions for fiscal year 1980.

Thirteen of these 52 positions were approved by the committee and authorized in the continuing resolution last October because we were of the opinion, and you indicated that they would save millions of dollars in postage costs by presorting the mail. So that was certainly an expense well worth the expenditure.

So today we are discussing the remainder of your request, which consists of 39 new positions as follows: 25 more positions for the Senate computer center for a total of 220 positions in the Senate computer center, 8 positions for the parking office, 1 position for the cabinet shop, 1 position for the janitorial service, 1 position for the Capitol Police, 3 positions for the service department.

You are asking that the 39 positions be included in the 1980 supplemental appropriations bill.

For 1981, you are asking for 1,326 positions, a net increase of 34 positions. This net increase of 34 positions includes the abolition of 2 positions and an increase of 36 additional Capitol Police positions for a total of 560 Capitol Police officers on the Senate side of the Capitol.

PAY INCREASES

In addition, you are seeking pay increases for almost 100 of your staff and night differential premium pay.

Now, frankly, Mr. Sergeant at Arms, this seems to be an awful big bite for one mouthful. I appreciate the fine work that you do, and the fine work that your organization does, and I am certainly not personally critical of you in any way, Mr. Hoffmann. I certainly recognize that this budget request represents your best estimate of the resources that you need to accomplish what you perceive the Senate wants you to do. And I also recognize the demands of the joint leadership, the Majority Leader and the Minority Leader of the U.S. Senate. But nevertheless, down where the rubber meets the road, the responsibility to manage this bill falls on your chairman here.

BUDGET REQUEST REDUCTIONS

Consider this, Mr. Hoffmann: Just yesterday, the Budget Committee, on which I serve, unfortunately, received testimony from 43 of our colleagues in the Senate demanding a $26 billion worth of cuts in the 1981 President's budget request.

Day before yesterday, the Governor of my State was in wringing his hands and said we couldn't possibly cut $225 million off the State share of revenue sharing, it would be disaster down in Tennessee. Yet our colleagues say we have to find a place to cut $26 billion somewhere.

So the mood of the Senate, as you are well aware, is to cut back.

If I were to take this bill to the floor of the Senate with the increases of your office and others have proposed, I think they are all worthwhile, there is no doubt about that, I frankly think our bill would be defeated.

So, Mr. Hoffmann, I would like for you and your qualified, industrious, resourceful staff to go back and sharpen your pencils and see if any of these requests can be moderated or delayed.

Give us some priorities.

REVIEW BY AUTHORIZING COMMITTEE

I understand that some part of this request was only recently put together and has not been fully reviewed by the authorizing committee, the Senate Committee on Rules and Administration, which is chaired by my distinguished and beloved colleague, Senator Pell, who really, I don't think, has had an opportunity to look at this in any great detail.

Let's get the authorizing committee to review the requested increases you are proposing for 1980 and 1981. In view of the climate here in the Senate, I would like the authorizing committee to completely review these increases and document in writing, for the record, its support or nonsupport of the increases you are proposing for 1980 and 1981.

Now, Mr. Swearingen, the able Senate Rules Committee staff man is here today.

Mr. Swearingen, can you work with Mr. Hoffmann to get these matters reviewed by your committee before markup?

Mr. SWEARINGEN. Senator, we will be very pleased to work with him. We have no difficulty in that. You say before the markup, is that a certain date?

Senator SASSER. I am advised the markup is a month or two down the pike.

Mr. SWEARINGEN. We will make that date, yes, sir.

Senator SASSER. Would you do this for the subcommittee, Mr. Hoffmann?

Mr. HOFFMANN. I am at your command, sir. Anything you want we will do.

Senator SASSER. Rather than issuing a direct order here, Mr. Hoffmann, we prefer to have your acquiescence.

Mr. HOFFMANN. You have it, sir, totally.

Senator SASSER. If you believe the joint leadership should be involved in the review, the subcommittee would be pleased to receive any documentation that you may wish to submit.

We have a number of questions for the record, which I will ask you to respond in writing for the record. But one here I do need to inquire about.

GALLERY ATTENDANT BEHAVIOR

I would like to call to your attention some complaints I have received from our colleagues here in the Senate regarding less than courteous behavior of some of the Senate gallery doorkeepers toward constituents. I know that these gallery doorkeepers are patronage employees and, frankly, they are assigned to you. You don't decide who they are going to be. But do you have any suggestions about how we can improve this situation?

Mr. HOFFMANN. Senator, we have had coming to me in my office, I would say, from the outside, in the last year, not more than five complaints. No. 1, in order to follow a complaint—we begin the year by saying, "You are doing an excellent job, and we want you to do better, be sure you are nice to everybody that comes in. We can't stand discourteous treatment."

We try to do that from time to time when we have a meeting with these people. We have a habit, because we don't want people to get in a rut, of rotating the doorkeepers from one door to another, which makes it a little better way to operate.

If a complainant, addresses and tells us which gallery door he or she entered, or tells us the name of the attendant since everybody has to wear a badge, we will take the necessary steps to reprimand the discourteous attendant. Certainly you know me well enough to know that the only "welcome" sign in the U.S. Senate in the Capitol happens to be on my door, and that is the attitude we take toward the public. This is a public building, and we think we are servants of the public and, therefore, we represent the U.S. Senate, and we ought to put our best foot forward.

I cannot tell you how I can strive to do better. I do not like complaints about the people that are working under my jurisdiction. I will take full responsibility. Whether they are patronage or not does not justify that sort of thing. I have found that whenever I have identified a problem employee and went to the Senator, the Senator was more than willing to sit down with this man and tell him he had to correct his ways. I have had no problem with that. It is not knowing where this occurs that makes it most difficult for us to follow up. But I assure you, I will take another stab at it and have another meeting and tell the attendants that the people are dissatisfied with incidents of discourteous treatment they are getting. I should mention that the attendants sometimes have a difficult job.

As you know, we have had several cases of people throwing things over the railing down onto the Senate floor. They have to be alert, and I suppose sometimes maybe somebody gets out of bed the wrong way and gets pretty grouchy when he comes in; that is the thing we have to correct. It is human frailty, I suppose, that happens to all of us, including me. I am sure I get short tempered at times.

Senator SASSER. I have never noticed that.

U.S. CAPITOL POLICE

Mr. Hoffmann, let me ask you about the request for 36 more police officers. I get complaints from some of my colleagues who say they think we have more police officers than we need here on Capitol Hill. I am just not persuaded that our security needs are such that we need more police officers on the Hill. We have 524 police officers on the Senate side of the Capitol alone. That is a full battalion.

The Chief of Police here has more men at his disposal and under his command than a lieutenant colonel commanding an infantry battalion up to strength. That is five officers for each United States Senator. How do you suggest that I respond to my colleagues when they tell me that we have got too many police officers around here?

REQUESTS FOR POLICE PERSONNEL

Mr. HOFFMANN. I think that probably you have to break the manpower statistics down into the various categories that are actually involved. For instance, in comparing man hours expended for duties of assignments in calendar years 1978 and 1979, we expended 7,255 man hours. In 1979, we expanded that to 13,277, which is an increase of 6,022 hours or an 83-percent increase in requests for additional officers for committee hearings. This is not a request we make, this is a request that is made of us. We have to try to give it.

Senate Members have requested additional security where there have been some threats of violence against them or their offices. In 1978, 1,040 hours were expended. This rose to 1,559 hours in 1979, or a 50-percent increase in Senators who have requested of us additional security for threats of violence.

Senate miscellaneous has reached an unbelievable level of 1,132 hours in 1978 to 3,506 hours in 1979, or an increase of 2,374 hours, or 210 percent. This is just miscellaneous requests. This is where the problem comes up involving overtime. I am just talking off the top of my head now, not reading from any script. But, for instance, in 1976, as I recall it, we received from Great Britain the gift of the Magna Carta. In receiving this valuable gift, it was understood that protection would be provided on a 24-hour basis, which requires 4.91 man-years of effort. Metal detectors in the Senate, gallery security, and 400 North Capitol Street are examples of additional new posts. We especially need security at 400 North Capitol Street because of the sensitivity of the computer center, which is located there. That alone required 9.98 man-years. The total of all these, upper Senate door, old Senate chamber, old Supreme Court, disbursing office, Office of Classified National Security, Magna Carta, and metal detectors comes to 31.42 man-years.

This is a growing concern; I don't have to tell you our security needs are much greater today than they were 5 years ago when I came here, I can assure you that. We have had more problems.

Last year we had an unbelievable episode with the friendly farmers and their tractors. We had to bring every detail out. This cost us a tremendous amount of money in overtime. Now, all these things that I have just read to you, have been going on since 1976 and we haven't

asked for any money. That has been my mistake. I should have come in every year and said, "Here is another function they have to perform." I want to cut back on the overtime because this is one of the things that bothers me more than anything else, and by doing that, we suddenly come up now and find out that all these posts are short. I have been requested to station police at certain places by U.S. Senators. I have to answer their requests, Senator. There is no way I can say to them, "I am sorry, you can't get security." I wouldn't do that because I don't think I would last very long, if I was doing that to anybody. I think the security is necessary to protect the Senator in whatever function he is performing within the Capitol buildings.

I think that is one of the things we have to supply.

THREATS OF VIOLENCE

Senator SASSER. You mean Senators are requesting individual police officers——

Mr. HOFFMANN. If there has been a threat, yes.

Senator SASSER. To stand outside their office?

Mr. HOFFMANN. Yes, if there has been a threat, and there has been.

I don't want to go into it in a hearing. I can give you the information. This is a pretty serious problem, and we have to have people here if that request has come in.

We have from time to time a tremendous amount of threats coming through the mail of violence against a Senator. We try to permit nobody to bring things into the buildings that aren't in some way screened. This takes man-hours. We are having problems today because we are changing some of the security provisions that we had. It is going to be a little bit tougher to get in and out of the Senate garages, very frankly, in a very few days, because we have had too loose a situation there. We have got to put the police officers in there to check the cars, to see that the cars have a proper sticker because people are coming in and out of those garages that have no business in there.

This is an ongoing thing. We have been working for the last 6 weeks on this problem and I want to tell you, Senator, it is one of the toughest things I have ever tried to tackle.

REPLACEMENT OF METROPOLITAN DETAILEES

I have to have manpower. This manpower deficit has accumulated from 1976 to now. We are replacing metropolitan people who have left. We are now going to replace them with personnel on the Capitol Police rolls.

We save money by going totally to the Capitol Police by eliminating the surcharge paid to the District Government. In the past we have paid an awful lot of money on that.

OVERTIME COSTS

Getting back to manpower, the American Agriculture Movement demonstration required last year, just to give you a rough idea, 17,905

officers, man-hours, 172,347. This is just one demonstration. It was a long one, it was a big one. Those are the kinds of things. I have got the whole thing broken down.

Senator SASSER. Have you got it broken down there how much it costs us in dollars and cents in additional time?

Mr. HOFFMANN. Overtime?

Senator SASSER. Yes.

Mr. HOFFMANN. We can get that for you, Senator.

Chief, you can get that for me?

Chief Powell. Yes, we can get that for you. I believe it runs about $1.2 million.

Senator SASSER. Are there any offsetting decreases or savings from the reduction of the D.C. Metropolitan Police detail stationed on Capitol Hill?

Mr. HOFFMANN. Sixty-one percent.

Senator SASSER. Surcharge?

Mr. HOFFMANN. Right.

We eliminate that. The overtime thing is a thing I want to get at because I have put out order after order to cut out the overtime. When you get something like this, you can't cut the overtime. There is no way you can protect people coming and going in and out of the building unless you do that.

Mr. MARTINSON. The salary of that rate is 1.5 of what it would normally be.

EMPLOYMENT TRENDS IN COMPUTER CENTER

Senator SASSER. Mr. Hoffmann, let me ask you about employment trends in the Senate computer center.

The growth there has been explosive from about 45 positions in 1974 to a request of 220 positions in 1980.

As you will recall, the subcommittee has insisted on the development of a 5-year plan before any requests for new positions are honored.

Where do you stand on this process and what are you projecting as the employment level for the next 5 years?

Mr. HOFFMANN. We are reaching a stabilization point as far as this is concerned. We are in the process of preparing and will be glad to share it with you, a 5-year plan which has been in operation—it is not in total operation yet, but it is being done. We plan to go back to the Rules Committee for their approval of what we have estimated, so they may give us an idea of what is the requirement of the Senate, to know how many people we are supposed to have, and what are we projecting to do down the road 5 years from now. This is one of the things I tackled and it is not the easiest thing I have done. But we are making an effort in this direction and I think a very sensible one.

We believe the Rules Committee are the people who make policy—we carry out what the Rules Committee gives us authority to do as an administrative function.

INSTALLATION OF COMPUTERS IN STATE OFFICES

One of the things that is going on right now is a tremendous explosion in growth in the State offices. We are putting in computers in all the State offices, every Senator's office.

Senator SASSER. What kind of computers are you putting in?

Mr. HOFFMANN. Terminals, I don't mean computers. This is in the process of being done now. This is going to be an explosive thing. I can give you the analysis of what we are doing. I can submit it for you. It is an unbelievable task, and we were told, I think, am I right, John Swearingen is here, that we would be putting in 20 additional State offices in the system this year. I think—if I am wrong, correct me—we already have 43.

Mr. POULIN. As for current State offices, we have 24 in full production and 6 being installed. They are growing; about three or four a month, they are coming on. We expect to have terminals installed in 59 State office sites by the end of fiscal year 1980.

Mr. HOFFMANN. It is an explosion. I think it is going to continue until everybody gets on it. When one Senator finds out there is something applicable that would be of help to him, he wants the same service as everybody else, and rightfully so. Therefore, we have to go back to the Rules and say, "What is the policy?" Once they give us a policy, we then have to come to you and say, "We need *x* number of people in order to carry out the policy that is given to us by the Rules Committee." We are trying to keep it within limits. There is nobody who works harder at this than we do.

I assure you my people are frugal, very frugal, including the computer center.

COMPUTER BASED INSTRUCTION

Senator SASSER. Mr. Hoffmann, what is IIS, and how much does it cost in manpower and materials, and so forth, since its inception?

Mr. POULIN. That is a computer-based instruction package called interactive instructional system that we are leasing from IBM whereby we can create training courses, training classes for Senate staff, as well as computer center staff, to learn some of the applications, such as Scorpio and CMS. It is a pilot test at the moment, and is not in full production.

Senator SASSER. Do you know how much it costs in manpower?

Mr. POULIN. We have three people fulltime and one person parttime developing the course material right now, and there is a $450 monthly lease charge to IBM. It runs about $75,000 at an annual rate at the level of staffing, but we do not anticipate 3½ people dedicated to this project permanently.

I can provide that for the record, certainly.

Senator SASSER. Identify yourself for the record.

Mr. POULIN. William Poulin.

COMPUTER CENTER BREAKDOWN

Senator SASSER. Mr. Hoffmann, would you supply for the record a list of every single application of the Senate computer center, who re-

quested each, and who received a product. Then I would like for you to break out the total budget of the computer center in terms of staff, computer time, and associate these resources with the applications.

Please do this for the most recent year for which you have the data.

It might not be a bad idea, once having costed out these applications, to approach each recipient and make them aware of the cost. I think it might result in some cancellations of some low-priority applications.

Mr. HOFFMANN. I will be happy to.

[The information appears in the appendix to the prepared statement.]

Senator SASSER. Mr. Hoffmann, that concludes our questions of you today.

We thank you for your continued, dedicated, devoted service to the Senate, and we look forward to chatting with you again after you have had an opportunity to go before the Rules Committee and discuss the matters with them and with Mr. Swearingen.

Mr. HOFFMANN. Thank you, again, Mr. Chairman. We appreciate doing business with you.

COMPUTER CENTER APPLICATIONS

I will be happy to have computer center staff work with staff of the Legislative Appropriations Subcommittee in researching and providing the information which you have requested.

[The information follows:]

In response to the request to supply a list of every single application of the Senate computer center, the request as originally stated would have produced a voluminous amount of information which would have been quite difficult for the computer center to provide as well as for the subcommittee staff to review and analyze. The Senate computer center operation quite closely accounts for the utilization of its various resources, but does not at this time actually cost out these resources for informational purposes or for actual billing to users. Thus, many policy questions concerning amortization of purchased equipment, allocation of administrative costs, et cetera, which must be answered to develop a true charge back system for resource utilization, have not been addressed. This is in accordance with current Senate policy that Senate computer services, as approved by the Committee on Rules and Administration, are budgeted for and provided by the Senate Sergeant at Arms.

In reviewing this request with staff of the Legislative Appropriations Subcommittee, it was determined that a very rough allocation of expenses and personnel would suffice in order to identify the key computer applications supported by the Senate computer center and the ballpark costs for supporting the applications during a fiscal year. The computer center staff collected actual computer resource utilization data and actual budget expense data for fiscal year 1979, and by applying a number of resource allocation assumptions, was able to produce a table identifying key computer center services and their estimated fiscal year 1979 cost. Our analysis of the computer center's resource utilization identified 15 different application and service areas running on our in-house computers, each with greater than 0.5 percent of the total Senate computer resources, and totaling 97.2 percent of all computer center resource utilization. Several dozen additional small applications were then lumped together to account for the remaining 2.8 percent of the computer center's resource utilization. Other expenditures for applications run outside the Senate using time sharing devices and which are paid by the Sergeant at Arms are included as part B of the table. We will include this table as figure 1. Due to the lack of policy determinations as to the algorithms necessary to make this a complete and accurate representation and allocation of costs, we are requesting that it be considered only as a general approximation of costs. The very rough nature of the estimates makes them inaccurate for any type of user feedback or information billing for the Senate.

Figure 1
Major Senate Computer Center Applications and Services
Fiscal Year 1979

Application/ Service Area	% of SCC Machine Resources (Footnote A)	Actual Expenses Allocation (Footnote B)	Actual Personnel Allocation (Footnote C)	Total Cost Allocation	Authorized Users Category (Footnote D)
A. Applications Run On Internal Senate Computers					
Senate Newsletter Mailing System	24.7%	705,102	759,689	1,464,791	A
Legislative Information System (Legis)	21.0%	599,479	645,890	1,245,369	A
Text Process/Automated Publication Support	8.0%	228,373	246,053	474,426	C, E (Officers)
Disbursing System Support (Payroll, Voucher System, Office Expense Accounting	6.8%	194,117	209,145	403,262	E (Financial Clerk)
Senate Abstract Index System (AIS)	6.2%	176,989	190,691	367,680	A
On-Line System Test & Development	6.2%	176,989	190,691	367,680	F
System Backup/Restore Operations	5.6%	159,861	172,237	332,098	F
System Monitoring & Management	5.0%	142,733	153,783	296,516	F
Equipment Inventory	3.0%	85,639	92,270	177,909	E (Sergeant at Arms)
Parking System	3.0%	85,639	92,270	177,909	E (Sergeant at Arms)
STAIRS	2.3%	65,657	70,740	136,397	E (Senate Library)
Survey	2.0%	57,093	61,513	118,606	B, C
Telephone Directory	1.5%	42,819	46,135	88,954	E (Sergeant at Arms)
Program Review System	1.3%	37,110	39,983	77,093	D (Labor/Human Resource Finance,Vet'ns,Rules)
Member & Committee Support	.6%	17,127	18,454	35,581	B, C
All Other	2.8%	79,938	86,124	166,062	Varied
Sub Total		$2,854,665	$3,075,668	$5,930,333	
B. Applications Run on External Time Sharing Computer Systems					
Correspondence Management System	0%	$3,002,099	$378,890	$3,380,989	A
GRAND TOTALS		$5,856,764	$3,454,558	$9,311,322	

FOOTNOTES

A. We have used system statistics for all FY79 for the Central Processing Units as representative of the percentage each application uses of all of our resources. This percentage for each application is used in computing the expense and personnel allocations, excluding CMS. In FY79, we had a separate budget category for CMS expenditures and tracked these resources separately.

B. The figures used here do not include any amortization of the several million dollars worth of equipment purchased by the Computer Center and the Architect in previous years, space allocation for the Dirksen building or utilities required to support any of the facilities. The percentages that were identified in Footnote A were applied to our actual FY79 expenditures, as maintained in our internal budget accounting system, not the appropriated funds for FY79. CMS expenses were tracked directly and are reported here based on the same budget accounting capability.

C. Personnel allocations for non-CMS activities were based on taking our authorizd staffing levels at their Not to Exceed rate, adjusted to reduce the average 12 vacancies that occur in a staff this size, and then adjusted again to reflect the average 88% of NTE that an earlier study showed was appropriate. This figure which was in excess of $3,075,000, was apportioned to the applications using the percentages derived from Central Processing Unit utilization. The CMS personnel costs were derived in the same manner of reducing the FY79 appropriated staff level by 2 average vacancies and the 88% of Not to Exceed rates.

D. The identification of the authorized users is provided in terms of categories. In cases where it is a system supporting a Senate-wide service, but the user is one office, that one office is identified as the user. For example, the Equipment Inventory system supports the Sergeant at Arms Senate-wide equipment management responsibilities, but is identified as his system. The same is true for the systems supporting the Financial Clerk of the Senate.

Categories of authorized users are as follows:

A. All Members, Committees and Officers of the Senate.

B. All Members of the Senate.

C. All Committees.

D. Selected Committees (provide list)

E. Specific users -identify

F. Senate Computer Center - For Systems Support

QUESTIONS AND RESPONSES

Mr. SASSER. Mr. Hoffmann, we will have other questions relating to the Senate computer center and the Capitol Police force which we will submit to you for the record and ask you to respond in writing in your usual prompt fashion. At the conclusion of the questions and answers, the appendix to your statement will be printed in the record.

[The questions, responses, and appendix follow:]

Submitted Questions

ANTICIPATED FUTURE GROWTH

Question. Mr. Hoffmann, what are your projections for anticipated additional resources for the Computer Center in the future?

Answer. Mr. Chairman, beginning with the FY82 budget, we anticipate only a nominal increase of 1 or 2 persons per year to support ongoing services. Our FY81 request includes no additional persons for ongoing services. Additional requests will be tied directly to policy issues of completely new or substantially expanded services to be provided. Even here, the maximum anticipated growth is only 10-15 persons per year for these new services, assuming that all potential new services identified in our long range planning document were to receive full policy approval from the Committee on Rules and Administration.

Question. In the past, you have pointed to a Project Management System as the appropriate vehicle for enhancing your operations, particularly in usage forecasting and change control. This project management system was not operational last year. What progress can you report to us at this hearing?

Answer. Mr. Chairman, we have recently installed a second project management system in the Computer Center. The first one which we tested for six months did not meet our needs. This latest product, however, has been introduced to several of our development sections and appears to be a very effective planning tool. All the tasks of our sections will be monitored and reported upon via this mechanism by this summer.

Question. Mr. Hoffmann, what additional services have been provided to the Senate in the past several years?

Answer. Mr. Chairman, since I was elected as Sergeant at Arms four years ago, the systems authorized for use by the Senate personnel have expanded tremendously. A legislative information system (LEGIS) has been offered to all Senators, both in their Capitol Hill offices and in their state offices. A Correspondence Management System (CMS) has been authorized for help in responding to constituents and has been installed in over 75% of the Member offices. We have expanded our services for Members and Committees both in ongoing services and special studies. These include the Budget Analysis System, Program Review System, Statistical Survey Analyses, and special Ad Hoc Reports on Interlocking Directorates and the Trucking Industry. This includes on-line services at computer terminals and overnight turnaround of computer printouts. We have responded to legislated and mandated changes to Senate operations, these include the ability to accommodate employees paid by multiple offices and to support new, more comprehensive equipment responsibilities. We have provided these services by our Network, Operations, and our Systems Programming staffs with our availability of the facilities in excess of 99%. Furthermore, we have initiated a user liaison and staff training facility to ensure that the needs of the users of the Computer Center are responded to. Finally, in terms of major services, we have worked to satisfy the needs of the user in their text, correspondence, and publications processing requirements, including incorporating their needs at the beginning of the analysis of the service. Finally, we have provided improved administration of Senate operations including the handling and accountability for all Senate owned equipment, as well as facilitating the parking needs of the Senate. Other housekeeping activities for the Capitol Police are in the planning stage.

SALARY REQUESTS

Question. You indicate in your testimony that GAO reviewed your salary requests. What are the results of that?

Answer. Mr. Chairman, we have been briefed by GAO on their findings and given a series of tables with salary comparability data. These tables have been submitted for inclusion as part of the record. They suggested that we need long term dedicated assistance in the

personnel administration of a professional staff of this size. For this reason, we have resubmitted, in our FY80 Supplemental request, the need for a personnel specialist position. In general, the GAO study supported Computer Center Management's recommendations for revisions to the Not To Exceed rates.

Question. In your request for changes to the Not To Exceed rates of your personnel, are there previous FY80 requests which are also being modified further in the supplemental?

Answer. Yes, there are. Our FY80 request was based on our perceived needs at that time. The original FY81 request reflected the requirements as identified last fall. This included additional adjustments to the FY80 requests which were never appropriated. Other changes reflect an additional year of providing a service, particularly in the printing of high quality documents on the Xerox 9700, where our initial projection of the magnitude of the job was low. Some of these combinations are what enabled us to reduce 105 requests to 85.

STATE OFFICES

Question. Have you made any projections with regard to the impact of the Rules Committee decision in late FY79 to make state office communications a production facility?

Answer. Mr. Chairman, the expansion of facilities for state office data communications is having its greatest impact on our network staff. For lack of sufficient personnel, we find we must send our Senior Communications Specialists instead of Network Technicians to make site surveys and to install terminal and transmission equipment. This has impacted the ability to perform in-depth network analysis and terminal planning. The accelerated rate of state office installation has led us to resubmit our earlier request for two additional persons for our network section.

FACILITIES

Question. Mr. Hoffmann, what computer facilities do you currently have in the Dirksen Building and are there any plans for expansion?

Answer. Mr. Chairman, we have been assigned space in G116 and G120 for our production control and terminal management operations. This space is not sufficient and we have been authorized to move into a new area currently under construction. We have been informed by the Architect that we should be able to move our production control and terminal support from G116 and G120 into these new facilities in the Dirksen building in May of this year.

Question. Mr. Hoffmann, do you have any working relationships with the other Capitol Hill computer centers, particularly with regard to providing backup service?

Answer. Mr. Chairman, the Policy Coordination Group, with representatives from all Capitol Hill entities, has identified backup for computer services as a major responsibility. To this end, we have identified the payroll system as a critical backup requirement and have established agreements with the Library of Congress to support this. We have tested this backup facility with each new release of software and each change of hardware undertaken by the Library and/or by the Senate Computer Center. In addition, the production on our Xerox 9700 is backed up by the House of Representatives. Finally, backup support for data transfer is provided for the Congressional Budget Office.

PROCUREMENTS

Question. What procedures are used by your office in the procurement of goods and services, repairs, and improvements? Further, what is the magnitude of your contracting operations. That is to say, how many competitive contracts are signed each year and how does the process work?

Answer. We follow the procurement guidelines issued by the Rules Committee for the Senate. All of our purchase orders are tracked

against our authorized spending levels as approved by the Committee on Appropriations. The Computer Center issues hundreds of purchase orders. Those that are for goods or services in support of ongoing operations, and which are for less than $10,000, are routinely processed in our offices. Requests in support of new services or which exceed $10,000 are forwarded to the Rules Committee for approval as required in the procurement regulations. We maintain catalogs and price lists from vendors who provide us goods and services so that we can execute the most cost effective procurement. In FY79, we issued 536 purchase orders for the Computer Center in excess of $5.8 million.

Question. Under what conditions are contracts negotiated and who approves negotiated contracts?

Answer. We do not negotiate contracts as defined by the procurement regulations.

Question. Finally, where do you advertise for competitive bids?

Answer. Our advertising, when necessary, is performed in the Commerce Business Daily, a standard and centralized publication for government acquisitions.

DUPLICATION AND OVERLAP

Question. Mr. Hoffmann, I have been insisting that the staff go through the various budgets under the jurisdiction of this subcommittee and weed out any apparent instances of duplication and overlap. As a result, I have come across something called the "Budget Analysis System".

This "system" consists of thousands of pages of computer printouts produced by the Senate Computer Center.

On the surface, it appears to be a classic instance of duplication and make-work.

Mr. Hoffmann, is there someone here today who can assure me that this information is not available from any other source?

How much has this system cost in terms of personnel, computer service, and materials since its inception? Who wants this product? Are they aware of the cost? Are there plans to make them aware of the cost?

I plan to give a copy of this material to the Congressional Budget Office and ask Alice Rivlin if anyone in her shop or elsewhere produces comparable data. Perhaps this is an area where we can cut back.

Answer. Mr. Chairman, I appreciate the opportunity to clear up several misconceptions about the Senate's Budget Analysis System. This system has been developed over a period of several years in response to specific requests from Committees, and as authorized by the Rules Committee. It was not developed as a system in the classical sense, but evolved as new requirements occurred. Much of the effort occurred in the mid 70's shortly after enactment of the Congressional Budget Act. The Budget and Appropriations Committees did not have the computer support which they currently have and, thus, many of the reports were developed in response to requests from these two Committees. During this period, we were coordinating our efforts very closely with both the Budget Committee and CBO to ensure that there were not any duplicative efforts. In fact, we still coordinate our efforts on a frequent basis with the staff of these organizations and others, including sending information copies of reports.

During the past couple of years, we have spent very little new effort on this system. The principal activities have been to make minor adjustments to the programs to reflect changes in the data submitted by the OMB, and to produce and distribute, three times yearly, the reports which are still required by the users. The system runs every time there is a Presidential Budget Submittal, which occurs 3-4 times per year. Operating costs, which exclude development since this is a production system, are less than $2,000 annually for the

total system. I wish to point out here that we do not mass distribute reports to everybody. We produce only those reports which are still required and distribute only to the offices which have made a specific request to us. This has been our policy all along. In fact, we have removed many of the original reports from the inventory because they were no longer required.

This past January, we made a general announcement to Senators regarding the availability of these reports. Almost immediately, we received requests for specific reports from over twenty-five Member offices, including several members who sit on the Budget and Appropriations Committees. The reason for this outstanding response is that these reports do provide information which is not readily available from other sources. As an example, one of the reports highlights the changes which occur between two Presidential Budget submissions in terms of amount of change and percent of change in budget authority and outlays. Also in April and July, OMB does not produce a Budget Appendix. We produce an account report which substitutes for the Appendix for those offices which find this of use.

In view of the continual requests for these reports, I feel that we are justified in continuing to provide this service. The Budget project has sustained a staffing level of only three computer specialists over the years, and in light of the fact that they are working on two other major budget projects, including the recently announced Geographic Reporting System, it certainly is a minimal effort with respect to the results which we have achieved.

Mr. Chairman, at the request of a member of your subcommittee staff, the Computer Center recently produced a copy of all nineteen Budget Analysis System reports -- a stack of paper approximately one foot high. Only two recipients, the CBO and the Senate Budget Committee, are on regular distribution for the full set of reports, which is consistent with our ongoing efforts to coordinate activities with these two organizations. All other Committees and Member offices on distribution receive reports selected by them as the most useful and valuable to them in performing their respective duties -- an average of three reports per requesting office.

Submitted Questions

36 ADDITIONAL POLICE OFFICERS

Mr. Hoffmann, let me ask you about the request for 36 more police officers. I get complaints from my colleagues who say that they think we have more police officers than we need here on Capitol Hill. I am just not persuaded that our security needs are such that we need more police officers on Capitol Hill. We have 524 officers on the Senate side of the Capitol alone -- a full battalion. That is 5 officers for each Senator.

Question: How do you suggest that I respond to my colleagues on this matter?

Answer: Mr. Chairman, on the surface 523 police officers would appear to be more than adequate to provide for the security needs of the Senators, however, the Capitol Police are confronted with responsibilities that go far beyond the direct protection of the individual members of the Senate, including the exclusive obligation to secure the United States Capitol from defacement and to protect the public property therein.

The Capitol and its attendant structures are the people's buildings, and allow virtually unlimited access to any citizen or visitor. Security and accessibility are essentially opposing concepts, and the greater accomodation of one must be at the expense of the other. If we are going to allow freedom of access to the Capitol, our challenge of providing adequate security is measurably increased and made more difficult.

To our knowledge, no other national government permits unescorted access to their legislative body. In England, persons seeking access to the halls of Parliament are met upon entering by a special escort who remains in attendance at all times while in the building. The Irish Parliament permits each member to receive no more than two visitors at any time and requires such member to personally greet visitors at the building entrances and remain in their company until such time as they exit.

Similar circumstances exist within the Executive and Judicial Branches of our own government, where a large majority of buildings either limit or restrict access in some manner. Executive Departments and Agencies frequently limit access to authorized personnel only, or at the very least restrict admittance to those areas housing ranking officers of the organization. Even more stringent procedures are in effect within the Judiciary. Elaborate security systems based upon the concept of limited access are routinely provided for judges appointed to the Federal bench.

As the Congress has grown, so have the demands placed upon the Capitol Police. The force presently provides coverage of the Capitol Buildings and Grounds on a twenty-four hour, seven days per week basis. Of the 523 members of the force on the Senate roll, 90 are assigned to duties between the hours of 11:00 p.m. and 7:00 a.m., 220 between the hours of 7:00 a.m. and 3:00 p.m., and 147 between the hours of 3:00 p.m. and 11:00 p.m. The remaining 66 officers are assigned to various administrative, investigative and technical roles in support of Senate security.

Aside from their more obvious duties, members of the Capitol Police perform a number of less will known, but equally important functions. Personnel of the force continuously monitor an intricate system of alarms and detection devices which terminate at various locations throughout the Capitol Complex, including the office of each member of the Senate. A unit of the force has been trained and equipped to detect and render safe all types of explosive devices. The same unit has been cross-trained in the detection of electronic surveillance devices and is frequently called upon to assist in insuring the integrity of Senate proceedings. A Special Weapons and Tactics unit has been developed to respond to the scene of hostage and barricade situations, where they will be deployed to work in conjunction with personnel of the force specially selected and trained in hostage negotiation techniques.

WORKLOAD INCREASES

Question: Are there any obvious workload increases?

Answer: Since the last authorization for uniformed personnel on the Senate roll of the Capitol Police, an additional manpower requirement of approximately 31 manyears has been assigned by the Senate in the form of new posts. The posts in question and their individual manpower requirements are:

Upper Senate Door	1.17 manyears
Old Senate Chamber	1.63 manyears
Old Supreme Court Chamber	1.63 manyears
Disbursing Office	1.17 manyears
Office of Classified National Security Inf.	4.91 manyears
Magna Carta	4.91 manyears
Gallery Security (Metal Detectors)	6.02 manyears
400 N. Capitol Street	9.98 manyears
TOTAL	31.42 manyears

Aside from these permanent assignments, the Capitol Police expended approximately 5.3 manyears in Calendar Year 1978 for the purpose of providing required security on demand to the various committees and members of the Senate. During Calendar Year 1979, approximately 10.3 manyears were expended for this required additional security, an increase of 95% over the previous year.

Manhours expended for other activities, such as demonstrations, visits by by foreign heads of state and other dignitaries, etc., increased approximately 130% in 1979, as compared to the previous year.

Due to the expanding sensitivity of matters being considered by the Senate and the general political climate of the United States and the World as a whole, I cannot foresee any likely decrease in these type of requirements.

METROPOLITAN POLICE DETAIL

Question: Are there any offsetting decreases or savings from the reduction of the D. C. Metropolitan Police detail stationed on Capitol Hill?

Answer: During Fiscal Years 1980 and 1981, the Metropolitan Police Detail will be further reduced by a total of 13 positions, effecting a cost reduction of approximately $612,394. This figure includes the salary expenses of the 13 detailed officers plus the 61.4% District of Columbia surcharge.

OVERTIME

Question: What about overtime?

Answer: During the last five calendar years overtime expenses for Capitol Police personnel on the Senate roll have shown an average increase of approximately 12%. The actual expenditure for overtime during Fiscal Year 1979 was $1,197,251.76.

Although a major portion of this overtime is worked due to unscheduled demands, such as demonstrations, visits by heads of state, dignitaries, etc., a certain amount can be directly attributed to covering permanent assignments with personnel working their respective days off at overtime rates.

Had the additional personnel being requested been available during the last fiscal year, a cost reduction of approximately $250,000. would have been realized by the Senate.

Mr. Chairman, in compliance with the budget and accounting procedures which have been established by your Committee, we are submitting our budget recommendations for fiscal year 1981 which we are requesting to be included in the President's budget.

Our budget proposals are summarized in the series of charts included in this statement which have been prepared for each department under our jurisdiction. The charts show the allocation of our resources by department and function, and we propose to discuss our recommendations in the order in which they appear in the charts. For the purpose of reference, specific recommendations discussed in our statement can be identified from the charts by locating the corresponding number in parentheses appearing in the right hand column of the charts.

This year we are making a slight departure from our regular procedures in that we find it necessary to include in our budget extensive supplemental appropriations requests for those items currently needed in fiscal year 1980 which were approved by your Committee this past year but which were not enacted into law because the Congress did not approve a Legislative Branch Appropriations Act.

ADMINISTRATIVE OFFICE

Salaries:

(1) We are making a supplemental appropriations request of 23 position transfers including 2 positions of Parking Attendant Supervisor at NTE $12,120 and 20 positions of Parking Attendant at NTE $5,050 to a new Parking Department which we are proposing to establish and which is addressed in greater detail later on in our statement.

We are requesting the transfer and retitling of 1 position from the Computer Center to our Administrative Office at no change in salary. Specifically, we request one position of Special Assistant to the Sergeant at Arms at NTE $38,784 in lieu of 1 position of Manager, User Training and Liaison. The incumbent employee has served a dual role of establishing and coordinating

a number of user and educational support services for the Office of the Sergeant at Arms and in recent years has become increasingly more involved in seminars and educational services covering a broader range of Senate activities and interest, as opposed to educational services related primarily to data processing programs provided by our Computer Center.

These position transfers require no additional appropriations.

(2) For fiscal year 1981 we are requesting one position of Clerk at NTE $22,220 to be transferred to the Telecommunications Department and retitled as Telecommunications Assistant at no change in salary. This position was administratively transferred from our Administrative Office to our Telecommunications Department during the past year to assist in handling the increasing amount of business activity of the Telecommunications Department.

Expenses:

(3) We are requesting a small increase of $5,000 in the State Office GSA Alterations allowance to cover the cost of setting up the increasing number of state offices being opened by Senators to which they are entitled according to state office allowance formulas.

(4) We recommend a decrease of $8,000 in the allowance for Committee and Official Telegrams, Telegraphic Services, as we find that the use of this allowance is less frequent and therefore we feel that this reduction is prudent and justified.

BARBER SHOPS

For the Barber Shops we anticipate no operational changes in fiscal year 1981 and recommend that the funding level remain as currently approved.

CABINET SHOP

Salaries:

(5) We are resubmitting as a supplemental appropriation item our request of last year to establish one new position of Cabinet Shop Attendant at NTE $13,332, and to increase one position of Cabinetmaker from NTE $19,190 to NTE $20,806, and to upgrade one position of Assistant Cabinetmaker at NTE $17,574 to Cabinetmaker

at NTE $20,806. The details related to these positions may be found in our statement submitted to your Committee last year which appears in the Legislative Branch Appropriations Senate Hearings, Part 1, and also our subsequent remarks to your Committee.

CAPITOL CUSTODIAL SERVICES

Salaries:

(6) We are making a supplemental appropriations request for 2 new positions of Laborer at NTE $6,060 and to abolish 1 position of Laborer at NTE $11,716. This is a restatement of our request submitted to your Committee this past year and is intended to give our Capitol Custodial Service staff greater flexibility in hiring in essence 2 half-time employees to be available during peak periods of the day when the need for their services is the greatest.

Expenses:

(7) For fiscal year 1981 we are requesting an increase of $8,000 in our allowance for Housekeeping Supplies and Service. All of this increase is necessary to keep up with the rising cost of housekeeping supplies including tissue paper, soap, etc., which are used in the Senate Wing of the Capitol.

CAPITOL POLICE

Salaries:

(8) We are resubmitting as a supplemental appropriation item our request for 1 position of Inspector at NTE $33,734. The justification for this position was given in a letter from Chief James M. Powell of the Capitol Police which we included in our statement submitted to your Committee last year and which we are resubmitting at this time.

LETTER FROM JAMES M. POWELL, CHIEF OF POLICE

August 11, 1978

Honorable F. Nordy Hoffmann
Sergeant at Arms
United States Senate
Washington, D.C. 20510

Dear Mr. Hoffmann:

As you are aware Inspector Eugene Brannon, Metropolitan Police Department assigned to the U.S. Capitol Police, commanding the Investigations Division and three other members of the Metropolitan Police Department, likewise assigned to the Investigations Division, have submitted their respective requests for optional retirement from the Metropolitan Police Department effective October 1, 1978.

I have submitted for the consideration of the Capitol Police Board recommendations involving certain changes in police positions on the House Rolls.

Included in these recommendations is a proposal for the approval of one position of inspector. During the past several years the Investigations Division has been under the command of a Metropolitan Police inspector detailed to the U.S. Capitol Police. In accordance with the present policy of the Capitol Police Board I have recommended that those vacancies created by the retirement of Metropolitan Police officers be filled by qualified members of the U.S. Capitol Police.

At the present time there are two members of the U.S. Capitol Police force with the rank of inspector on each of the two respective rolls. The respective assignments of these inspectors are; as commanding officers of the Senate, House and Capitol Details and Planning, Inspections and Training Division.

During recent years the Patrol Detail, which is presently under the command of a captain, has of necessity been expanded in an effort to cope with the many problems regarding security on the Capitol Grounds. As you are well aware this unit handles most of the various massive demonstrations and assemblages on the Capitol Grounds as well as having the responsibility for special escorts, etc. for the various Heads of State visiting any of the Capitol Buildings and many other similar duties.

Due to the tremendous responsibility which has been thrust upon this unit I sincerely recommend the approval of one additional position of the rank of inspector at a salary identical to the other such positions now on the rolls.

It should be pointed out that with the retirement of those four members of the Metropolitan Police Department the total number of the Metropolitan Police officers remaining assigned to the U.S. Capitol Police will be reduced to thirty. This is a reduction of twenty from the original fifty previously allocated.

I respectfully request your consideration and approval of this recommendation.

Sincerely,

James M. Powell
Chief of Police

(9) For fiscal year 1981 Chief Powell has requested 6 new statutory positions of Sergeant at NTE $18,988, 22 new statutory positions of Private at NTE $15,352, and the abolishment of 1 statutory position of Lieutenant at NTE $23,028. The net increase in salary cost to the Senate requested by the Capitol Police for fiscal year 1981 is $428,644. The justification for these additional Capitol Police positions is contained in a detailed letter submitted to me by Chief Powell which is included in our statement at this point.

November 15, 1979

Honorable F. Nordy Hoffmann
Sergeant at Arms
United States Senate
Washington, D. C. 20510

Dear Mr. Hoffmann:

As I am sure you are aware, the first and foremost concern of the Capitol Police is to maintain the level of security required by the Legislative Branch.

In recent years, the force has been assigned an additional manpower requirement by the Senate of approximately 31 manyears in the form of new posts. We have attempted to absorb these requirements without requesting additional personnel, however, it has become apparent that we are not able to do this without expending substantial amounts for overtime. The posts in question and their individual manpower requirements are as follows:

Upper Senate Door	1.17
Old Senate Chamber	1.63
Old Supreme Court Chamber	1.63
Disbursing Office	1.17
Office of Classified National Security Information	4.91
Magna Carta	4.91
Metal Detectors (Gallery Security)	6.02
400 N. Capitol Street	9.98
TOTAL	31.42

It would appear that the options available are (1) to request additional new positions to offset this manpower deficit, (2) continue to provide personnel for this coverage by drawing upon members of the force on their respective days off at a rate of pay 1 1/2 times the regular rate, or (3) discontinue all or portions of this coverage.

Aside from these additional assignments, which presently exceed available manpower, the force expended approximately 5.3 manyears in Calendar Year 1978 for the purpose of providing required security on demand to various committees and members of the Senate. During

the first two quarters of Calendar Year 1979 approximately 8.3 manyears have been expended for this required additional security and it is anticipated that the total amount for the year will be in excess of 12.5 manyears.

Should the Senate deem it appropriate to continue coverage and additional personnel are authorized, I would request that six of these positions be for the rank of Sergeant. Presently we have officers assigned to the Communications Branch who are designated as Acting Sergeants. These particular individuals were placed in these positions due to the requirement for supervisory personnel in the Closed Circuit Television and Intrusion Detection Systems. A similar situation exists in our Training Division, where officers, assigned to supervise canine training, firearms training and certain segments of the academic training, are serving as Acting Sergeants. These officers were assigned to the Training Division due to their particular abilities in the areas being instructed and were subsequently elevated to the rank of Acting Sergeant in order to provide the authority level necessary in carrying out their responsibilities.

Each of these individuals has been performing the duties of a Sergeant for a minimum period of three years, without appropriate compensation.

It is my understanding that a Senate Parking Department is to be formally established and that the 3 positions temporarily loaned to assist in parking operations will be returned for regular police duty. This would reduce the need for additional personnel accordingly. Also, a vacancy in the rank of Captain, resulting from the establishment of this department, will be assumed by the Lieutenant presently assigned as Assistant Commanding Officer of our Training Division. It is recommended, therefore, that the Lieutenant position vacated be abolished at that time.

The NTE salary rates for the new positions are as follows:

6	Sergeants	@ $18,988.00	$113,928.00
22	Privates	@ 15,352.00	337,744.00
			451,672.00
Less 1	Lieutenant	@ 23,028.00	23,028.00
			$428,644.00

Should the new positions be authorized, a net cost savings would be realized by the Senate.

We earnestly request your consideration of this matter, and will most willingly provide any further information you should so desire.

Sincerely,

James M. Powell

James M. Powell
Chief of Police

Mr. Chairman, without discussing the merit of the specific request of the Capitol Police, we wish to point out that the number of positions requested is actually 4 less than it otherwise would have been since through the formal proposal to establish a Parking Department which is contained elsewhere in our statement. We have included the return to the U. S. Capitol Police of 4 positions, including 2 positions of Private, 1 position of Sergeant, and 1 position of Captain which have been on loan to assist with the setting up and operation of our Senate parking program.

Mr. Chairman, the Capitol Police have very clearly stated the reasons why the additional personnel requested are needed, and this is primarily to cover the growing number of posts and assignments which have arisen as a result of actions taken by the United States Congress. As everyone knows, Mr. Chairman, with the Bicentennial celebration came the restoration of several historic rooms and points of interest in the Capitol and these have required the stationing of Police personnel to assure that these facilities which are open to the public are properly used and protected.

Also, as the Senate has continued to occupy additional buildings and facilities, it has been necessary for the Police to extend security coverage to these areas, and this too has caused the Police to spread their resources even more thinly. We do not presume to decide for the Senate what level of security is to be provided. We do, however, emphatically emphasize that there is a direct relationship between security and related police services and the personnel on hand to provide these services. We will of course be guided by the Senate in its policy judgement concerning this matter, and we are available to provide whatever additional information that may be requested so that your Committee and the Senate as a whole are able to render a satisfactory judgement.

COMPUTER CENTER

Salaries:

(10) We are resubmitting as a supplemental appropriation item our salary recommendations for fiscal year 1980 which were determined appropriate by the Committee on Rules and Administration to support data processing services it has authorized for the Senate. These salary recommendations were also approved by your Committee, but failed to become effective because the Legislative Appropriations Act in which they were included was not enacted. These positions are specifically identified on a list which we are including at this point in our statement.

SENATE COMPUTER CENTER

Additional Personnel Requirements - Connected with FY1981 Policy Items

Listed by Position Title

1	Senior Computer Specialist	36,360	36,360
1	Special Projects Officer	36,360	36,360
1	Network Equipment Coordinator	15,958	15,958
1	Network Technician	21,614	21,614
1	Quality Control Specialist	15,352	15,352
3	Camera Operator	14,544	43,632
1	Text Processing Specialist	21,816	21,816
1	Text Processing Specialist	19,796	19,796
1	Senior Applications Analyst	35,148	35,148
1	Senior Applications Analyst	36,360	36,360
2	Secretary	15,958	31,916
1	Reports Analyst	17,776	17,776
1	Network Special Projects Supervisor	36,360	36,360
1	Communciations Software Specialist	33,330	33,330
17		Total	401,778

SENATE COMPUTER CENTER

Title and Salary Changes - Fiscal Year 1988 - Supplemental

Detail Listing Within Functional Area

Area 3 Administrative Applications Development

PN	FROM		TO		CHANGE IN NTE
#18346	Senior Applications Analyst	36,360	Manager, Member and Committee	38,784	+ 2,424
#18214	Office Systems Specialist	16,960	Applications Analyst	32,522	+15,554
					+17,978

Area 4 Text Processing Applications Development

PN	FROM		TO		CHANGE IN NTE
#18235	Senior Applications Analyst	36,360	Manager, Text Processing Applications Development	38,784	+ 2,424

Area 6 Systems Programming

PN	FROM		TO		CHANGE IN NTE
#18364	Junior Systems Programmer	26,260	Systems Programmer	29,896	+ 3,636

Area 7 Computer Operations

PN	FROM		TO		CHANGE IN NTE
018382	Assistant Operations Manager	29,896	Assistant Operations Manager	32,522	+ 2,626
018389	Production Manager	28,288	Production Manager	29,896	+ 1,616
018252	Computer Resource and Performance Analyst	25,856	Data Resource Analyst	23,432	- 2,424
018254	Computer Shift Supervisor	20,402	Computer Shift Supervisor	22,826	+ 2,424
018255	Computer Shift Supervisor	20,402	Computer Shift Supervisor	22,826	+ 2,424
018256	Computer Shift Supervisor	20,402	Computer Shift Supervisor	22,826	+ 2,424
018251	Operations Scheduler	25,856	Operations Scheduler	23,432	- 2,424
018258	Tape Librarian	16,564	Data Resource Analyst	18,180	+ 1,616
018285	Assistant Tape Librarian	14,948	Tape Librarian	15,756	+ 808
			Subtotal		+ 9,898
	CMS PRINTING*				
018319	Junior Operator	16,564	Senior Quality Controller	20,402	+ 3,838
018328	Junior Operator	16,564	Quality Controller	18,180	+ 1,616
018284	Assistant Tape Librarian	14,948	Printing Operator	15,756	+ 808
018377	Messenger	11,716	Printing Operator	15,756	+ 4,040
			CMS Subtotals		+10,302
			Operations Total Changes		+19,392

* These four jobs were previously declared surplus by the Operations Manager and are being converted here to provide the positions necessary for CMS printing.

Area 8 Network

PN	FROM		TO		CHANGE IN NTE
818352	Network Equipment Supervisor	29,896	Network Equipment Supervisor	33,330	+ 3,434

Area 9 Planning, Budget and Administration

PN	FROM		TO		CHANGE IN NTE
818386	Standards Specialist	32,522	Senior Applications Analyst	35,148	+ 2,626
818331	Technical Training Specialist	29,896	Training and Career Development Coordinator	32,522	+ 2,626
			Subtotal		+ 5,252

Area 10 Educational Services

PN	FROM		TO		CHANGE IN NTE
818397	Office Systems Supervisor	29,896	Assistant Manager, Administrative Support	32,522	+ 2,626
818382	Office Systems Specialist	16,968	Office Systems Specialist	18,786	+ 1,818
818227	Training Specialist	20,604	Senior Training Specialist	25,856	+ 5,252
816234	Office Systems Training Supervisor	29,896	Assistant Manager, Educational Development	32,522	+ 2,626
					+12,322

Area 11 Secretarial/Administrative Support

PN	FROM		TO		CHANGE IN NTE
818279	Receptionist	13,736	Secretary	15,756	+ 2,020
818277	Office Systems Specialist	20,604	Secretary	16,160	- 4,444
					- 2,424

Area 12 Managers

PN	FROM		TO		CHANGE IN NTE
818323	Assistant Director Computer Center	40,804	Deputy Director, Computer Center	40,804	0
818213	Office Manager	22,624	Manager, Office Administration	26,058	+ 3,434
818233	Office Systems Supervisor	32,522	Manager, Training and Support Services	38,784	+ 6,262
					+ 9,696

Area 13 Micrographics Services

PN	FROM		TO		CHANGE IN NTE
820XXX	Micrographics Supervisor	27,270	Manager, Micrographics Services	32,522	+ 5,252
820XXX	Assistant Micrographics Supervisor	21,000	Supervisor, Micrographics Operations	24,846	+ 3,838
820XXX	Film Processor	15,756	Assistant Supervisor Micrographics Operations	18,786	+ 3,030
820XXX	Assistant Film Processor	14,940	Darkroom Technician	16,968	+ 2,028
820XXX	Cameraman	14,544	Senior Quality Control Specialist	16,362	+ 1,818
820XXX	Cameraman	14,544	Senior COM Operator	16,362	+ 1,818
820xxx	Cameraman	14,544	Senior Camera Operator	15,554	+ 1,010
820xxx	Cameraman	14,544	Senior Camera Operator	15,554	+ 1,010
820XXX	Cameraman	14,544	Duplication Technician	14,940	+ 404
820XXX	Cameraman	14,544	Camera Operator	14,544	0
820XXX	Secretary/Receptionist	13,736	Secretary/Receptionist	14,746	+ 1,010
			Subtotal		+21,210
	TOTAL CHANGE IN NTE				+92,920

The detailed justification for these positions may be found in our statement which appears in Part 1 of the Legislative Branch Appropriations Senate Hearings, in our oral testimony before your Committee given on February 22, 1979, and in our letter to you of June 13, 1979, a copy of which is enclosed at this point in our statement.

June 13, 1979

The Honorable Jim Sasser
Chairman
Subcommittee on Legislative Appropriations
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Enclosed for the formal consideration of the Subcommittee on Legislative Appropriations is the Senate Computer Center's finalized fiscal 1980 budget request. All items in the Computer Center's budget request have been resolved to the mutual satisfaction of Senate Computer Center Management, the Committee on Rules and Administration, and myself. A letter of concurrence on the Senate Computer Center's budget from the Committee on Rules and Administration is also attached.

During my testimony on May 1, 1979, at the Special Oversight Hearing on Computing Services in the Legislative Branch, I was happy to report that the great majority of the open items in the Computer Center's FY1980 budget had been resolved through numerous informal discussions between the Rules Committee's Technical Services Staff and the staff of the Senate Computer Center, and through recent formal decisions of the Committee on Rules and Administration. These joint efforts enabled us to cut the Senate Computer Center's fiscal 1980 budget request by 7.8 million dollars below the original Presidential Budget request, reducing the fiscal 1980 budget request below the fiscal 1979 appropriated budget by nearly 1 million dollars. I also reported at that time that the few remaining decisions requiring resolution, prior to formal submittal of the budget to the Subcommittee on Legislative Appropriations, involved personnel allocation and policy issues, with a potential impact on the total budget request of no more than $200,000. These final items have now been resolved and the total impact on the budget was $52,500, significantly less than the $200,000 level previously estimated.

The specific items on which concurrence was reached with the Committee on Rules and Administration subsequent to May 1, 1979, concerned 1) personnel levels for the different sections within the Computer Center, 2) review of the career ladder structure implemented for the Senate Computer Center in FY 1979, 3) the projected consolidation of the User Training and Liaison and CMS Support Sections into a common Educational Services Section, and 4) the establishment of shift differential pay for non-day shift personnel. With respect to these items, final resolution resulted in the following:

1. Addition of three (3) new positions; one position for the Member and Committee Support Section, one

position for the Applications Audit Program within Planning, Budget, and Administration, and one position for the increased workload in Micrographics.

2. Several revisions in position titles and NTE rates, following eight months experience with the career ladder structure implemented for the Computer Center in FY 1979. Changes were made based on inability to fill positions, difficulty in defining differences of responsibility between multiple levels orginally defined for one position title, and increased responsibilities in several areas due to Computer Center growth and policy decisions concerning the expansion of services to state offices.

3. Initial title and NTE revisions were made in support of the consolidation of the User Training and Liaison and CMS Support Sections into a common Educational Services Section. It is quite likely that additional modifications will be required in this area in fiscal 1981 following experience with the consolidated group.

4. The implementation method for establishment of shift differential for non-day shift personnel was changed from incorporation of the shift differential and "evening" designation within the actual statutory position, to establishment of the shift differential capability through an administrative provision in the appropriation bill.

On this final item, I wish to elaborate on the need for the shift differential and to seek your full support for implementation of this policy. Shift differential has long been both an industry and government standard. We have performed a survey of the other computing facilities on Capitol Hill and found that all have provisions for and grant shift differential for their non-day shift personnel. It is extremely important that we be able to attract and maintain competent and reliable personnel for our second and third shift operations - shifts on which a majority of our bulk processing is performed. I am fully supportive of bringing the Senate policy in line with industry and government standards and with the policies implemented by other groups within the Legislative Branch. I have reviewed this policy issue in substantial detail with members of the Committee on Rules and Administration and have received their concurrence on the merit and proposed approach for implementing a shift differential capability within the Senate. In addition, I have consulted with members of your Subcommittee staff as to how such a policy could best be implemented and controlled.

My staff and I are available to review the final budget proposal with your Subcommittee and to provide any additional information you may request.

Thank you for your consideration.

With warm regards,

Sincerely,

F. Nordy Hoffmann
Sergeant at Arms

June 12, 1979

Honorable F. Nordy Hoffmann
Sergeant at Arms
U.S. Capitol
Washington, D.C. 20510

Dear Mr. Hoffmann:

In your letter of May 16 you reported that the final items of the FY 1980 Computer Center Budget have been resolved. I note that these items originally estimated to aggregate $200,000 will total only $110,000. It is this fine dedication to cost control that permitted an overall reduction of approximately $1,000,000 in costs for 1980, yet will permit expansion of services to committees and to state offices of Senators participating in the CMS pilot test. A night shift differential pay will also be established as an administrative function. You and your staff are to be commended for reducing costs without impacting the quality of service.

I approve the budget dated May 16, as submitted. I look forward to the same high degree of cooperation in formulating next year's budget and I urge you to maintain the same vigorous control of costs and quality of services in the coming year.

Warm regards.

Ever sincerely,

Claiborne Pell
Chairman

For fiscal year 1981 the Computer Center management has submitted to me a request for several new positions, the need for which is dependent upon receipt of policy guidance from the Committee on Rules and Administration. The Committee on Rules and Administration is currently reviewing our long range projections as well as our detailed personnel estimate for fiscal year 1981, and we plan to submit a budget amendment for these additional personnel as may be required when we appear before your Committee to discuss our budget request.

We also wish to advise your Committee that a detailed review of Computer Center current staff and salary levels is being performed at our request by the General Accounting Office with the intent of assuring that we are in line with other data processing centers of similar size in the metropolitan area. The results of this study will be the basis for salary adjustments and/or position title changes which we may also include as a budget amendment for consideration by your Committee this coming spring. Although our Computer Center management requested a

number of salary and position title changes to be included in our budget submission to the President, we felt that it would be more appropriate to give very careful consideration to these requests prior to submitting them to your Committee. We have discussed this approach at some length with staffs of both the Committee on Rules and Administration and Appropriations, and we have received the concurrence that this would be an appropriate and acceptable course of action.

Expenses:

(11) For fiscal year 1981 we are including in our budget to be submitted to the President only those funds which we anticipate will be needed to support currently approved and ongoing operations and services. The Committee on Rules and Administration is currently reviewing a number of policy issues which will have an impact on the expenses portion of our budget depending on what additional or expanded services they determine will be required by the Senate during fiscal year 1981. To support existing operations, our Computer Center expenses are expected to actually decrease by approximately $1,000,000 in comparison with fiscal year 1980. I am including at this point in our statement a memorandum from the Director of the Computer Center which discusses the projected changes for ongoing operations which are included in the expenses portion of our Computer Center budger request. We again emphasize that we expect to request a budget amendment at the time of our testimony before your Committee this spring for both salary and expenses following the conclusion of the reviews and analyses which are currently under way.

November 20, 1979

M E M O R A N D U M

To: Honorable F. Nordy Hoffmann
Sergeant at Arms

From: William E. Poulin, Director
Senate Computer Center

Subject: Comparison of Revised FY81 Computer Center Budget Submittal to FY80 Funding Levels

The revised FY81 Computer Center budget submittal which was submitted to you on November 19, 1979, requests funding for FY81 ongoing operations at a level which is $1 million less than our entire FY80 budget for ongoing operations. This accomplishment is due in large part to:

- Previous actions taken in purchasing equipment with relatively short payout periods.
- Policy guidance received during the past month from the Technical Services staff of the Rules Committee, resulting from their review of our October 10, 1979 budget package.
- Further evaluation of actual expenditures during FY79.

A detailed analysis of the changes from our FY80 funding level to our FY81 request is included here for your review:

Budget Category	Changes
Computers, Controllers, Peripherals	Attached Processors - There have been recent price decreases by IBM on the purchase of these items. As a result, we are projecting that this will lead to reduced lease rates for these particular devices in FY81, and thus believe it is appropriate to adjust our budget request in this item.
	Maintenance - after one year's experience of maintenance on our purchased mainframe and peripheral computing equipment, we have discovered that we can contract for the minimum monthly service from IBM and maintain a small blanket pool of funds for off-hour service. This is due both to improved management of requests for maintenance services, as well as the reduced number of calls required during the off hours.
	Disk Upgrades - expansion for on-line storage is not projected to be as great as originally identified and any additional capabilities added in FY80 should be sufficient in FY81 with the same level of funding.
	Computing Capacity - this entire category was moved to a policy issue as it is considered a contingency

	should new requirements force us to acquire additional computing hardware.
Remote Printing and Processing	This entire account has been absorbed into the Computers, Controllers, and Peripherals account with the installation of new equipment.
Terminals	The projected total population of terminals has been reduced to reflect recent analyses of actual requirements for terminals in Capitol Hill offices. The number of terminals per State office site has been set by the Rules Committee at two per site rather than the five per site which had been projected and approved in previous budget documents. New terminals will be acquired via lease funds in FY81 rather than purchase funds. A purchase contingency will be carried as a separate policy item should it be economically advantageous to purchase terminals rather than lease them.
Network	State office expansion expenditures are moved from policy to ongoing operations as a result of the Rules Committee change of the State network service from a pilot to a production operation. Actual costs to the Senate for communication lines, modems, and multiplexers for State office communications have been included. We have a year's experience with these facilities and no longer need to use broad estimates, thus affecting our budget request in this area. Expenditures associated with the acquisition of additional mainframe computing capacity, a third Comten, and message switching facilities have been taken out of ongoing operations and moved to policy as they are contingent upon the actual need to install.
Micrographic Services	The need for support processing equipment in the Microfilm Center has been reduced due to purchases in previous years.
Software	Software for the third CPU, if installed, has been moved to policy as was the potential acquisition of the mainframe processor itself.
Supplies	The anticipated Computer Center supplies budget reduction is based on full use of COM and the 9700, which should provide a dramatic improvement in operations.

Travel	All increased expenditures for travel reflect the change in status of State office expansion from pilot to production with an increased number of state office visits being projected.
Training	An increase for training is recommended to support the increasing need to provide external training for our technical staff.
Computer Time Sharing	The contract with On-Line Systems provides for reduced billing in FY81. If there is a change to the manner in which correspondence systems are supported, it could still be accommodated within the level of funding requested.
Professional Services	The increase is based on an anticipated need to utilize outside contractors to help prepare training programs for presentation to Senate staff by our Educational Services personnel.

As indicated in my November 19, 1979 budget transmittal, the budget review with Rules Committee staff have been limited to the expense item categories, and have not addressed redistribution and reallocation of staffing levels within the Computer Center to provide the services necessary in support of the needs of the Senate. In addition, the Rules Committee staff has not yet addressed the policy issues associated with the proposed 16 new positions, nor the specific items comprising the $3.2 million of Policy/Purchase expenses.

We believe this revised budget request will provide the funds necessary to provide currently authorized computer services, and provides clear identification of outstanding policy items which will hopefully be resolved prior to Legislative Appropriation Hearings. We are available to discuss this with you at your convenience.

PARKING DEPARTMENT

In keeping with our policy of dentifying the actual use of resources provided to us and in response to a practical need within the Senate, we are requesting as a supplemental appropriation item funds with which to establish a Senate Parking Department.

During the past three years we have attempted to deal administratively with the ever more complex needs and issues related to surface parking in the Senate by the informal creation of a Senate Parking Office which has been staffed by positions and personnel temporarily borrowed from other departments within the Office of the Sergeant at Arms. During this time a great many innovations and improvements in parking services have been implemented, and

today we are parking more cars and making better use of available space and facilities than ever before.

At this time we believe that the important role of our parking services operation should be specifically identified and approved in our budget process, and accordingly we are requesting the establishment of statutory positions to be assigned to a Senate Parking Department which is under the jurisdiction of the Office of the Sergeant at Arms.

We include in our statement at this point a more detailed commentary prepared at my request by our Parking staff which summarizes the activities and goals of our Senate Parking Department.

OFFICE OF THE SERGEANT AT ARMS

Senate Parking Department

The establishment of a Senate Parking Department under the Sergeant at Arms can now be recommended after three years of experimentation with a mixed authority and structure of personnel from many different Departments of the Sergeant at Arms and the United States Capitol Police. The Senate side parked approximately 2,500 vehicles per day in 1976, prior to the inception of the mixed authority, and under it parks approximately 3,500 now. Through the successful use of parking attendants and better space utilization, effectively 1,000 new reserved and unreserved parking spaces have been created to assist the 6,000 staffers who have been granted Senate parking privileges. Using full-time college students as part-time attendants, a great cost saving has been achieved over using full-time employees whose pay and benefits would correspondingly increase as they worked normal hours. The above-average academic standards and tactful approach required of these student employees results in few problems with staff members or their vehicles. The attendants' responsible driving record has yielded an accident ratio that is gratifyingly low.

Uniform, fair and equal allocation of reserved parking spaces has been instituted, with space distributed on a state population size basis, so that minority members are now assured as much space as their majority counterparts. An increase from 4 to 10 in the minimum number of reserved spaces allocated to each Senator, with committees' spaces in reserved areas being granted roughly proportionate to their size, has resulted from the recent centralization of the management of parking facilities.

Refined and improved administrative procedures have assisted the efficient performance of parking administration, including streamlined and standardized request procedures for 24-hour turn-around time in processing requests, and an on-line computer system providing a thorough and detailed variety of up-to-date reports, some on as little as an hours' notice. Reports by tag number, name, permit number, and office of employment have greatly improved management information, as well as giving statistics as to parking area

and office allocation utilization. Office records, allocation and issuance are all now computer maintained resulting in efficient and equitable space usage as well as accurate records that are also available to individual staffs. Staff members' waiting time for having permits affixed has likewise been considerably reduced.

Carpool space has been allocated and its use is encouraged by making the space more convenient than most; handicapped areas have also been established. Attendants assist staff members with any mechanical problems they may have with their vehicles, and are also available to assist the handicapped when requested. Mass transit information and carpool matching information for an area-wide system are also provided. In addition, a pilot security project using computer-assisted gates on lot 18 has been instituted providing regulated and recorded access and egress to the lot as a prototype for a general security system for any area on Capitol Hill.

Separating the parking function from the United States Capitol Police and placing it solely under the administration of the Sergeant at Arms will help the ongoing effort to professionalize the police force by removing a non-police function and continue the reducing staff parking complaints, a task which was once called a "near miracle" by Chief Powell. The end of mixed authority will lead to clearer lines of responsibility under the Sergeant at Arms with no diminution in the efficiency of the procedures outlined.

Salaries:

(12) After many months of careful review of our personnel requirements, we are requesting the establishment of eight new statutory positions for the Senate Parking Department. These new positions are as follows:

Positions Title:	N.T.E. Salary:
Director	$34,744
Special Projects Assistant	$17,776
Supervisor, Administrative Operations Section	$24,240
Office Manager	$17,776
Receptionist-Secretary	$14,544
Permits Clerk	$17,776
Enforcement Liaison Clerk	$17,~~708~~ 978
Supervisor, Field Operations Section	$22,220

The duties of the Director include exercising responsibility for the overall operation of the department, including making recommendations to the Sergeant at Arms on policy and personnel matters, and overseeing the planning, administration, and enforcement of parking regulations. The position of Director is currently held

by a Captain of the U.S. Capitol Police who has done an outstanding job in organizing the parking office. The Captain position will be returned to the U. S. Capitol Police for reassignment as needed.

The Special Projects Assistant works directly under the auspices of the Director and is assigned responsibility in the areas of computer liaison, parking surveys, research compilation and analysis, preparation of reports, and working on such planning activities or projects as may be assigned by the Sergeant at Arms. The duties of Special Projects Assistant are presently being handled by a position on temporary loan from the Telecommunications Department which will be returned as soon as possible.

The position of Supervisor of the Administrative Operations Section is assigned responsibility for the management and operation of the administrative aspects of the Department including scheduling of administrative employee work hours, overshight of office management, coordinating liaison with the U.S. Capitol Police, and handling other business matters of the Department. The position is currently held by a Sergeant of the U.S. Capitol Police. The Sergeant position will be returned to the U.S. Capitol Police for reassignment as needed.

The position of Office Manager is assigned responsibility for the upkeep and maintenance of all office files and for ordering supplies and equipment needed by the parking attendants and other staff. This position is currently held by a private on loan from the U.S. Capitol Police. We will return the private position to the U.S. Capitol Police for reassignment.

A position of Receptionist-Secretary is requested to fill the need for assistance in the office in the areas of answering the phone, working with and greeting visitors to the office, and performing typing and related secretarial duties. This will be a new position.

We are requesting a position of Permits Clerk which will be responsible for parking permit allocation to Senate offices, and the issuance of permits as authorized by the Sergeant at Arms. This position is presently being filled administratively through the loan of a position of private from the U.S. Capitol Police.

We will return the private position for reassignment to regular police duties.

We request a position of Enforcement Liaison Clerk whose chief responsibility is the day to day coordination of enforcement of parking regulations and the processing of violations, accidents and incidents with the U.S. Capitol Police. This position is currently being filled through the loan of a position of Technician from the U.S. Capitol Police. The position will be returned for reassignment.

Finally, we are requesting a position of Supervisor of the Field Operations Section. This employee is responsible for handling the overall operations of the Senate parking lots including coordinating the activities of the parking lot attendants. This position has been loaned from available vacancies elsewhere within the Office of the Sergeant at Arms and needs to be established and identified as an official position within our Parking Department.

(13) We are requesting the transfer of twenty-two positions previously created to initiate attendant parking and assigned to our Administrative Office to the new Parking Department. Specifically, we recommend the transfer of two positions of Parking Attendant Supervisor at NTE $12,120 and twenty positions of Parking Attendant at NTE $5,050 to the new Parking Department. This transfer will require no additional appropriation of funds.

In summary, we have attempted to respond to a very definite need for improved parking management within the Senate over the past three plus years and have utilized our existing resources for this purpose to the best of our capability. We believe that the time is now appropriate to clearly identify this function as a separate entity and to dedicate the resources specifically used in support of parking management to a new Parking Department. Those resources which we have begged and borrowed to establish and initiate a parking program can be returned to the appropriate department from which they were taken, so that they can be used to fill other needs within the Senate.

POST OFFICE

Salaries:

(14) We are resubmitting as a supplemental appropriations item our request to establish 1 position of Shift Supervisor at NTE $14,140 in lieu of 1 position of Mail Carrier at NTE $10,302, and 2 positions of Shift Supervisor at NTE $12,928 in lieu of 2 positions of Mail Carrier at NTE $10,302. These positions are needed to provide better line supervision of the employees working within the mail sorting operation. The total budgetary increase which would be effected by these position changes amounts to $9,090. To offset this recommendation, we propose to completely abolish the position of Mail Supervisor at NTE $14,756.

(15) As a consequence of the change enacted into law effective October 1, 1976, the mail carrier positions have been converting to a lower salary maximum as the positions have been relinquished by employees hired before October 1, 1976, to persons appointed subsequently. We had included in our original budget request for FY 1980 a conversion of 13 Mail Carrier positions from the old to the new lower NTE rates. Since the Legislative Appropriations bill was not enacted, we are resubmitting that recommendation as a supplemental item, the net result of which will be to decrease our fiscal year 1980 Post Office salary requests by $42,622.

(16) For fiscal year 1981 we are proposing the reduction of 5 additional Mail Carrier positions to the new lower NTE salary rates, which will amount to a total reduction in our fiscal year 1981 salary budget request of $17,978.

NEWS GALLERIES

For the Daily, Periodical, Photographers' and Radio Television Galleries, we are recommending no change in the operations or funding levels in the forthcoming fiscal year.

SENATE RECORDING STUDIO

Salaries:

(17) We are resubmitting as a supplemental appropriations item our recommendation to abolish 1 position of Audio Engineer

at NTE $16,968 which we have determined to be no longer needed for the operation of the Recording Studio.

SERVICE DEPARTMENT

Salaries:

(18) We are including as a supplemental appropriation request a number of salary recommendations for the Serice Department.

We are requesting the establishment of 3 new positions including that of Power Cutter Operator at NTE $13,534 which was originally submitted in our fiscal year 1980 appropriation request and which is still needed and is again requested. This position is needed to handle the cutting and processing of the large volume of letters being produced on continuous letterhead paper through the correspondence management system.

We are requesting 1 new position of Receiving Clerk at NTE $12,928. This position is needed to handle the basic duties previously assigned to the Supervisor of Supplies which we are proposing to abolish.

Finally, we are requesting 1 new position of Deputy Director of the Service Department at NTE $38,784. We have found in recent years that the Service Department has been gradually evolving from a production and machine services shop to a department which handles increasingly complex and sophisticated services to the Senate offices. Today the Service Department has an operating budget in excess of $7,000,000, and is required to administer a variety of programs, services, and regulations which have created a need for more sophisticated management, budgeting, and personnel administration.

While the incumbent Director of the Service Department, who was promoted to his position this past year, has done a commendable job, it is apparent that the myriad tasks and responsibilities attendant to administration of this department indicate that additional management resources are required. The position of Deputy Director will fill that need.

We are resubmitting as a supplemental appropriation item 2

position increases which were requested and justified in our fiscal year 1980 budget statement. These position increases we are requesting are 1 position of Senior Folding Machine Operator at NTE $15,554 in lieu of 1 position of Laborer at NTE $11,716. We are also requesting 1 position of Automatic Typewriter Repairman at NTE $19,796 in lieu of 1 Automatic Typewriter Repairman at NTE $18,584.

In addition to the above we are requesting 1 position increase for the Supervisor of the Typewriter Repair Section from NTE $24,038 to NTE $26,260 for an increase of $2,222. We believe this increase is fully justified first to bring this position in line with the Supervisor of the Equipment Section which is a position of similar rank and responsibility. Further, the Committee on Rules and Administration this past year has authorized new generation stand alone word processing equipment for use in Senate offices, and this has resulted in increasing responsibility for this position which the incumbent employee discharges with great competence.

As referred to earlier, with the imminent retirement of the incumbent employee, we are recommending the abolishment of the position of Supervisor of the Supply Section at NTE $18,382. It is our belief that the basic clerical duties of this position can be performed by an employee at a lower salary, and it is our long range objective to transfer some of the previous duties of this position to the Senate Stationery Room, if our discussions with the other administrative offices within the Senate lead to a policy decision to that effect.

We are resubmitting our request of last year for 1 position title change at no change in salary in the form of a Printing Press Operator at NTE $15,756 in lieu of a Photostat Operator at NTE $15,756.

Finally, we are again including our recommendation to transfer 11 Micrographics positions heretofore assigned to the Service Department to the Senate Computer Center. This tranfer is a result of an extensive review by our office and is made with the concurrence and recommendation of the Directors of the Service Department and the Computer Center respectively.

Expenses:

(19) We are requesting an increase of $128,000 in our Parts Repairs and Maintenance allowance to cover the anticipated cost of maintaining the equipment currently in our inventory, and also to provide for expanded responsibility in maintaining equipment in the state offices of Senators.

(20) We are requesting an increase of ~~$274,~~000 in our Purchased Equipment allowance. Most of the increase will be necessary to cover the cost of some major pieces of Service Department production equipment which is reaching the end of its reasonable life expectancy and which needs to be upgraded or replaced by newer, more efficient equipment.

(21) We are requesting a slight increase of $72,000 in our Leased Equipment budget allowance to cover the anticipated increase in rental costs for the large inventory of copiers and other equipmentleased by the Senate. Likewise, this increase is necessary for us to support the additional equipment we will be leasing for use in the state offices of Senators.

(22) We are requesting an increase of $27,000 in our Purchased Supplies allowance which is necessary to cover the increasing cost of materials used within the Serivce Department and furnished to Senate offices.

(23) To provide for the training of Service Department personnel who will be responsible for maintaining the recently authorized independent word processing equipment used in the Senate, we are requesting an increase of $12,000 in our Training budget. This expenditure will obviously be more than offset by the ability of the Service Department to maintain this equipment which otherwise would be maintained through maintenance agreements with the vendors.

TELECOMMUNICATIONS

Salaries:

(24) For fiscal year 1981 we are recommending the transfer of 1 position from our Administrative Office as referred to earlier in our statement. This transfer shall require no additional

funding but shall more correctly identify the duties performed by the incumbent employee.

(25) Following our experience of one year with the pilot telecommunications for the deaf, we have concluded that we will be able to totally absorb the telecommunications for the deaf operations within the front office area of our Service Department, and hence we are porposing to abolish 2 positions of Teletype Operator at NTE $14,140.

(26) We are requesting that our budget allowance for WATS service be reduced in fiscal year 1981 by $495,000. This reduction is possible because of a reconfiguration of our WATS pool we have been able to achieve which will result in a savings of $75,000, and also because the previously requested rate increase for WATS service porposed by the telephone company has been denied by the Federal Communications Commission. That anticipated rate increase was estimated to be $410,000.

(27) We are requesting an increase of $6,000 in the allowance for Officials' Long Distance which will cover the increased use of this service by Senate officials.

NIGHT DIFFERENTIAL

As a separate but related request, we are resubmitting for consideration as a supplemental item an administrative provision which will authorize the Sergeant at Arms to pay night differential compensation to certain employees whose regular shift of work falls between certain hours in the evening. Specifically, we are requesting authority for the Sergeant at Arms to pay a night differential in compensation to not more than 30 employees in the Senate Computer Center, not more than 50 employees in the Senate Service Department, and not more than 20 other employees under the jurisdiction of the Sergeant at Arms.

The cost of this differential compensation would be paid from any available moneys within the appropriation under the heading "Salaries, Officers and Employees," and would require no additional appropriation of funds.

A copy of this administrative language is submitted at this point.

ADMINISTRATIVE PROVISION

Sec. . (a) The appropriations under the heading ''Salaries, Officers and Employees'' in any Act making appropriations for the Senate shall be available for the payment of additional annual compensation (hereinafter referred to as ''night differential compensation''), as authorized by the Sergeant at Arms and Doorkeeper of the Senate pursuant to this section, to not more than 30 employees in the Senate Computer Center, not more than 50 employees in the Senate Service Department, and not more than 20 other employees under the jurisdiction of the Sergeant at Arms and Doorkeeper.

(b) An employee shall be eligible to receive night differential compensation only if 75 percent or more of his regularly scheduled hours of work is between 6 p.m. and 6 a.m.

(c) (1) The amount of night differential compensation which may be paid to an employee (as authorized by the Sergeant at Arms and Doorkeeper) shall not exceed an amount equal to ten percent of the regular annual rate of compensation of such employee (excluding longevity compensation and merit compensation, if any) rounded to the next highest multiple contained in section 1 (a) of the applicable Order of the President pro tempore of the Senate issued under authority of section 4 of the Federal Pay Comparability Act of 1970.

(2) The amount of night differential compensation which may be paid to an employee, when added to his regular annual compensation and his longevity compensation and merit compensation, if any, shall not exceed the maximum annual compensation which may be paid to Senate employees generally as prescribed by law or Orders of the President pro tempore issued under authority of section 4 of the Federal Pay Comparability Act of 1970.

(d) This section shall take effect on the first day of the first month which begins after the date of the enactment of this Act.

SEPARATE APPROPRIATIONS ITEMS

Although not included within the Sergeant at Arms' allocation of the Senate contingent fund known as "Miscellaneous Items," we are responsible for the oversight of additional resources which are included in different appropriations and for which we wish to make specific recommendations at this time.

(1) With the guidance of the Senate Disbursing Office and Committee on Rules and Administration, we are now charging to our Stationery Allowance a variety of routine supplies which were previously charged to our supply accounts of the Service Department and Computer Center. Because of this change in procedure, we find it necessary to request an increase of $5,000 in our Stationery Allowance to cover these additional supplies purchased through it.

(2) We are requesting that the Postage Allowance of the Sergeant at Arms be increased from $300 to $350 to cover recent postal rate increases.

(3) For the appropriation Automobiles and Maintenance we are recommending an increase of $5,000 to cover the anticipated cost of procurement, operation, and maintenance of the Senate vehicles which are under our jurisdiction.

CAPITOL GUIDE SERVICE

Mr. Chairman, although the salaries and expenses of the United States Capitol Guide Service are not included in our regular appropriations for the Office of the Sergeant at Arms, nevertheless the salaries and expenses of the guides are paid by the Senate as a separate appropriation, and therefore we are submitting our recommendation for the Guide Service for fiscal year 1981.

The Capitol Guide Service budget for fiscal year 1981 contains a recommendation for selected compensation increases in the total

amount of $5,454.00. An analysis of certain positions including how we utilize some of our personnel has shown the need for increases to compensate these individuals commensurate with their increased duties.

The responsibilities of the Chief Guide have grown significantly in recent years and I am therefore recommending an increase of $2,222.00 for this position. These additional responsibilities include supervising an increased number of personnel while overseeing the establishment of new programs designed to permit the Capitol Guide Service to better serve the Congress and the public. The expanded scope of the Chief Guides duties include coordinating with other departments the handling of an evergrowing number of special or unusual circumstances as well as testifying on proposed legislation.

I am also recommending that four (4) Guides be elevated to what we consider the advanced category with a corresponding increase of $808.00 each. These are personnel who are extremely knowledgeable and have demonstrated an exceptional ability to handle situations of an unusual or delicate nature. They can be utilized without hesitation in situations requiring special consideration.

Mr. Chairman, in submitting this budget recommendation for the Capitol Guide Service I wish to emphasize that the preliminary estimate contained here has been submitted to each member of the Capitol Guide Board for review. We will discuss these projections in further detail prior to appearing before your Committee this coming spring.

October 1, 1979

Honorable F. Nordy Hoffmann
Sergeant at Arms
United States Senate
Washington, D. C. 20510

Dear Mr. Hoffmann:

Enclosed is the estimated budget of the Capitol Guide Service for Fiscal Year 1981, in the amount of $661,000.00. This budget is based on current NTE rates with selected compensation increases and includes the annual pay comparability increase effective October 1, 1979.

The other increase is that mandated by longevity compensation and associated agency contributions in the amount of $7,637.00 and this is partially offset by a reduction in expenses. The net result is an increase of only $6,000.00 over the Fiscal Year 1980 budget.

Should you have any questions concerning this budget, please don't hesitate to contact me.

Sincerely,

Thomas L. Nottingham
Chief Guide

CAPITOL GUIDE SERVICE

APPROPRIATION ESTIMATE FISCAL YEAR 1981

Position	No.	1980 Total NTE	No.	1981 Total NTE	Change
Chief Guide	1	$26,664	1	$28,886	+$ 2,222
Deputy Chief Guide	1	24,644	1	24,644	-0-
Assistant Chief Guide	1	24,644	1	24,644	-0-
Guide (Training Instructor)	1	21,614	1	21,614	-0-
Guide Supervisor	1	16,160	1	16,160	-0-
Guide (Senior)	3	63,024	3	63,024	-0-
Guide (Supervisor-Relief)	1	15,554	1	15,554	-0-
Guide (Advanced)	2	29,896	6	89,688	+ 59,792
Guide	17	240,380	13	183,820	- 56,560
	28	$462,580*	28	$468,034	+$ 5,454
Guide (Temp. - 6 mos.)	10	64,640	10	64,640	-0-
Guide (Temp. - 4 mos.)	2	8,620	2	8,620	-0-
	40	$535,840	40	$541,294	+$ 5,454
Longevity Compensation		44,895		51,613	+ 6,718
		$580,735		$592,907	+$12,172
Agency Contribution		60,081		61,000	+ 919
		$640,816		$653,907	+$13,091
Expenses-Uniforms, etc.		14,184		7,093	- 7,091
		$655,000*		$661,000	+$ 6,000

* Includes cost of living increase effective October 1, 1979

CAPITOL GUIDE SERVICE

	NTE Rate Fiscal Year 1981		Total Fiscal Year 1981
Chief Guide	$28,886		$28,886
Assistant Chief Guide	24,644		24,644
Deputy Chief Guide	24,644		24,644
Guide (Training Instructor)	21,614		21,614
Guide (Guide Supervisor)	16,160		16,160
Guide - 3 (Senior)	21,008		63,024
Guide - 1 (Supervisor-Relief)	15,554		15,554
Guide - 6 (Advanced)	14,948		89,688
Guide - 13	14,140		183,820
			$468,034
Guide (Temporary - for not more than 6 months) - 10 positions	12,928		64,640
Guide (Temporary - for not more than 120 days) - 2 positions	12,928		8,620
			$541,294
Longevity Compensation - 28 positions			51,613
			$592,907
Agency Contributions:			
Retirement - 7.5% x $519,647		38,973.53	
Life Insurance 600 x $3.324 per year		1,994.40	
Health Insurance - 28 x $715.44 per year		20,032.32	61,000.25
Compensation and Agency Contributions			$653,907.25
Expenses			7,092.75
			$661,000.00

CAPITOL GUIDE SERVICE

APPROPRIATION FOR FISCAL YEAR 1981

FISCAL 1981 ESTIMATE: $661,000.00

Compensation	$580,735.00*	$592,907.00	+$12,172.00
Agency Contributions	60,080.70	61,000.25	+ 919.55
Expenses-Uniforms, etc.	14,184.30	7,092.75	- 7,091.55
	$655,000.00*	$661.000.00	+$ 6,000.00

* Includes cost of living increase effective October 1, 1979.

Mr. Chairman, we appreciate the opportunity to submit our budget recommendations for consideraton and inclusion in the President's budget.

We welcome the opportunity to provide any additional information you may request concerning any or all of these items.

	FISCAL YEAR 1980	FISCAL YEAR 1981	INCREASE/DECREASE
SALARIES, OFFICE OF SERGEANT AT ARMS & DOORKEEPER:			
FY 1980 Authorized positions	$20,700,593.		
Add: October 1 cost of living pay increase	1,422,044.		
Add: Anticipated supplemental:			
66 new positions	1,037,270.		
43 position increases	123,422.		
16 position decreases	- 51,914.		
38 positions to be abolished	- 406,828.		
Total FY 1980 obligations	$22,824,587.	$22,824,587	
Requested position changes:			
29 new positions		473,892.	$+ 473,892.
5 position decreases		- 17,978	- 17,978.
4 positions to be abolished		- 73,528.	- 73,528.
Total FY 1980 requested		$23,206,973.	$ 382,386.
EXPENSES, OFFICE OF SERGEANT AT ARMS & DOORKEEPER:			
Administrative Office	$ 6,100,000.	$ 6,097,000.	$- 3,000.
Cabinet Shop	32,000.	32,000.	-0-
Computer Center	8,873,000.	7,822,000.	-1,051,000.
Custodial Services	72,000.	80,000.	+ 8,000.
Service Department	4,447,000.	4,960,000.	+ 513,000.
Telecommunications	4,699,000.	4,210,000.	- 489,000.
Total Obligations-Expenses (Miscellaneous Items)	$24,223,000.	$23,201,000.	$-1,022,000.
SUMMARY:			
Salaries	$22,824,587.	$23,206,973.	$+ 382,386.
Expenses (Miscellaneous Items)	24,223,000.	23,201,000.	-1,022,000.
Automobiles and Maintenance	65,000.	70,000.	+ 5,000.
Folding Docs 109,000.			
Add: Cost of living increase 8,000.	117,000.	117,000.	-0-
Postage	300.	350.	+ 50.
Stationery	7,500.	12,500.	+ 5,000.
Seminar Allowance	2,000.	2,000.	-0-
Total	$47,239,387.	$46,609,823.	$- 629,564.

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ADMINISTRATIVE OFFICE

	FISCAL YEAR 1980	FISCAL YEAR 1981	INCREASE/DECREASE	
SALARIES, ADMINISTRATIVE OFFICE:				
FY 1980 Authorized Positions	$2,035,521.			
Add: October 1 cost of living pay increase	140,257.			
Add: Anticipated supplemental:				(1)
22 position transfers to Parking Department	- 125,240.			(1)
1 position transfer from Computer Center	38,784.			
Total FY 1980 obligations	$2,089,322	$2,089,322.		
Requested position changes:				
1 position to be transferred to Telecommunications Department		- 22,220.	$- 22,220.	(2)
Total Fiscal Year 1981 requested		$2,067,102.	$- 22,220.	
EXPENSES, ADMINISTRATIVE OFFICE:				
State Offices:			-0-	
GSA Office Rental	$3,200,000.	$3,200,000.	$+ 5,000.	(3)
GSA Alterations	50,000.	55,000.	-0-	
GSA Furniture, Furnishings, & Equipment	850,000.	850,000.	-0-	
Commercial Offices	1,800,000.	1,800,000.		
Telegraph Services			- 8,000.	(4)
Committee & Official Telegrams	23,000.	15,000.	-0-	
SAA Travel Authority (PL 94-303)	13,000.	13,000.	-0-	
Furniture	125,000.	125,000.	-0-	
Contingencies	39,000.	39,000.	$- 3,000.	
Total	$6,100,000.	$6,097,000.		
SUMMARY:				
Salaries	$2,089,322.	$2,067,102.	$- 22,220.	
Expenses	6,100,000.	6,097,000.	- 3,000.	
Total	$8,189,322.	$8,164,102.	$- 25,220.	

SENATE BARBER SHOPS

	Fiscal Year 1980	Fiscal Year 1981	Increase/Decrease
SALARIES, SENATE BARBER SHOPS			
FY 1980 Authorized positions	$ 145,530.		
Add: October 1 cost of living pay increase	10,010.		
Total FY 80 Obligations	$ 155,540.	$ 155,540.	
Requested position changes:			
None		-0-	-0-
Total Fiscal Year 1981 requested		$ 155,540.	-0-
EXPENSES, SENATE BARBER SHOPS			
Equipment	-0-	-0-	-0-
SUMMARY			
Salaries	$ 155,540.	$ 155,540.	-0-
Expenses	-0-	-0-	-0-
Total	$ 155,540.	$ 155,540.	-0-

CABINET SHOP

	FISCAL YEAR 1980	FISCAL YEAR 1981	INCREASE/DECREASE	
SALARIES, CABINET SHOP:				
FY 1980 Authorized Positions	$182,952.			
Add: October 1 cost of living pay increase	12,584.			
Add: Anticipated supplemental:				
1 new position	13,332.			(5)
2 position increases	4,848.			(5)
Total FY 1980 obligations	$213,716.	$213,716.		
Requested position changes:				
None		-0-	-0-	
Total Fiscal Year 1981 requested		$213,716.	-0-	
EXPENSES, CABINET SHOP:				
Equipment and supplies	$ 32,000.	$ 32,000.	-0-	
SUMMARY:				
Salaries	$213,716.	$213,716.	-0-	
Expenses	32,000.	32,000.	-0-	
Total	$245,716.	$245,716.	-0-	

CAPITOL CUSTODIAL SERVICES
(Janitors & Maids Department)

	FISCAL YEAR 1980	FISCAL YEAR 1981	INCREASE/DECREASE	
SALARIES, CUSTODIAL SERVICES:				
FY 1980 Authorized Positions	$ 766,773.			
Add: October 1 cost of living pay increase	52,741.			
Add: Anticipated supplemental:				
2 new positions	12,120.			(6)
1 position to be abolished	- 11,716.			(6)
Total FY 1980 obligations	$ 819,918.	$ 819,918.		
Requested position changes:				
None		-0-	-0-	
Total Fiscal Year 1981 requested		$ 819,918.	-0-	
EXPENSES, CUSTODIAL SERVICES:				
Housekeeping supplies and service	$ 62,000.	$ 70,000.	$+ 8,000.	(7)
Maintenance equipment	10,000.	10,000.	-0-	
Total	$ 72,000.	$ 80,000	$+ 8,000.	
SUMMARY:				
Salaries	$ 819,918.	$ 819,918.	-0-	
Expenses	72,000.	80,000.	$+ 8,000.	
Total	$ 891,918.	$ 899,918.	$+ 8,000	

U. S. CAPITOL POLICE

	FISCAL YEAR 1980	FISCAL YEAR 1981	INCREASE/DECREASE	
SALARIES, U. S. CAPITOL POLICE:				
FY 1980 Authorized Positions	$8,565,291.			
Add: October 1 cost of living pay increase	589,147.			
Add: Anticipated supplemental:				
1 new statutory position of Inspector	33,734.			(8)
Total FY 1980 obligations	$9,188,172.	$9,188,172.		
Requested position changes:				
6 new statutory positions of Sergeant		113,928.	$+ 113,928.	(9)
22 new statutory positions of Private		337,744.	+ 337,744.	(9)
1 abolishment of statutory position of Lieutenant		- 23,028.	- 23,028.	(9)
Total Fiscal Year 1981 requested		$9,616,816.	$+ 428,644.	

EXPENSES, U. S. CAPITOL POLICE:

Capitol Police General Expenses and Capitol Police Board Items are "JOINT ITEMS" and paid through the Committee on House Administration. They are not charged to the Senate Sergeant at Arms.

SUMMARY:

Salaries	$9,188,172.	$9,616,816.	$+ 428,644.
Expenses	-0-	-0-	-0-
Total	$9,188,172.	$9,616,816.	$+ 428,644.

COMPUTER CENTER

SALARIES, COMPUTER CENTER:	FISCAL YEAR 1980	FISCAL YEAR 1981	INCREASE/DECREASE	
FY 1980 Authorized Positions	$ 4,247,019.			
Add: October 1 cost of living pay increase	292,123.			
Add: Anticipated supplemental:				
1 position to be transferred to Administrative Office	- 38,784.			(10)
17 new positions	401,778.			(10)
3 position decreases	- 9,292.			(10)
35 position increases*	102,212.			(10)
2 title changes at no change in salary	-0-			
11 Micrographics positions transferred from Service Department	179,982.			(10)
Total FY 1980 obligations	$ 5,175,038.	$ 5,175,038.		
Requested position changes:				
None		-0-	-0-	
Total Fiscal Year 1981 requested		$ 5,175,038.**	-0-	

EXPENSES, COMPUTER CENTER:				
Computers, controllers, & peripherals	$ 1,362,000.	$ 942,000.	$- 420,000.	
Remote printing & processing	120,000.	-0-	- 120,000.	
Terminals	1,425,000.	896,000.	- 529,000.	
Network	886,000.	1,808,000.	+ 922,000.	
Software	293,000.	252,000.	- 41,000.	
Supplies	568,000.	522,000.	- 46,000.	
Travel	77,000.	170,000.	+ 93,000.	
Training	20,000.	25,000.	+ 5,000.	
Computer Center lease & alterations	266,000.	266,000.	-0-	
Professional services	50,000.	66,000.	+ 16,000.	
Micrographics services	481,000.	450,000.	- 31,000.	
Computer time sharing	3,325,000.	2,425,000.	- 900,000.	
CMS In-house transition	-0-	-0-	-0-	
Total	$ 8,873,000.	$ 7,822,000 **	$-1,051,000.	(11)

SUMMARY:			
Salaries	$ 5,175,038.	$ 5,175,038.	$ -0-
Expenses	8,873,000.	7,822,000.	-1,051,000.
Total	$14,048,038.	$12,997,038.	$-1,051,000.

* Includes increases for certain Micrographics positions which are simultaneously being transferred to the Computer Center from the Service Department.

** Represents funding for ongoing programs only.

PARKING DEPARTMENT

	FISCAL YEAR 1980	FISCAL YEAR 1981	INCREASE/DECREASE	
SALARIES, PARKING DEPARTMENT:				
FY 1980 Authorized Positions	-0-			
Add: October 1 cost of living pay increase	-0-			
Add: Anticipated supplemental:				
8 new statutory positions	$ 167,054.			(12)
22 positions transferred from Administrative Office	125,240.			(13)
Total FY 1980 obligations	$ 292,294.	$ 292,294.		
Requested position changes:				
None		-0-	-0-	
Total Fiscal Year 1981 requested		$ 292,294.	-0-	
EXPENSES, PARKING DEPARTMENT:				
Regular expenses included in Sergeant at Arms' budget	-0-	-0-	-0-	
SUMMARY:				
Salaries	$ 292,294.	$ 292,294.	-0-	
Expenses	-0-	-0-	-0-	
Total	$ 292,294.	$ 292,294.	-0-	

SENATE POST OFFICE

	FISCAL YEAR 1980	FISCAL YEAR 1981	INCREASE/DECREASE	
SALARIES, SENATE POST OFFICE:				
FY 1980 Authorized Positions	$1,014,741.			
Add: October 1 cost of living pay increase	+ 69,797.			
Add: Anticipated supplemental:				
3 position increases	+ 9,090.			(14)
1 position to be abolished	- 15,756.			(14)
(Effective October 1, 1976, the maximum salary rate for NEW mail carrier positions was decreased pursuant to the 1977 Legislative Appropriations Act. Of the 70 mail carrier positions, approximately two-thirds are assigned to the two day-shift operations, and one-third to the early shift operation. In FY 1980 seven positions which should have been changed in FY 80 based on previous conversions will be changed from the old NTE rate of $14,140 to the new lower rate of $10,302 for a total reduction of $26,866 and six positions will be changed to the new rate (early shift) of $11,514 for a total reduction of $15,756. The total NTE salary reduction for the thirteen positions at the lower rate is $42,622)	- 42,622.			(15)
Total FY 1980 obligations	$1,035,250.	$1,035,250.		
Requested position changes:				
(Effective October 1, 1976, the maximum salary rate for NEW mail carrier positions was decreased pursuant to the 1977 Legislative Appropriations Act. Of the 70 mail carrier positions, approximately two-thirds are assigned to the two day-shift operations, and one-third to the early shift operation. During FY 1980 four positions will be changed from the old NTE rate of $14,140 to the new lower rate of $10,302 for a total reduction of $15,352 and one position will be changed to the new rate (early shift) of $11,514 for a total reduction of $2,626. The total NTE salary reduction for the five positions at the lower rate is $17,978)		- 17,978.	$- 17,978.	(16)
Total Fiscal Year 1981 requested		$1,017,272.	$- 17,978.	
EXPENSES, SENATE POST OFFICE:				
Regular expenses included in Sergeant at Arms' budget	-0-	-0-	-0-	
SUMMARY:				
Salaries	$1,035,250.	$1,017,272.	$- 17,978.	
Expenses	-0-	-0-	-0-	
Total	$1,035,250.	$1,017,272.	$- 17,978.	

DAILY PRESS GALLERY

	Fiscal Year 1980	Fiscal Year 1981	Increase/Decrease
SALARIES, DAILY PRESS GALLERY			
FY 1980 Authorized positions	$ 162,918.		
Add: October 1 cost of living pay increase	11,206.		
Total FY 80 Obligations	$ 174,124.	$ 174,124.	
Requested position changes:			
None		-0-	-0-
Total Fiscal Year 1981 requested		$ 174,124.	-0-
EXPENSES, DAILY PRESS GALLERY			
Regular expenses included in Sergeant at Arms' budget	-0-	-0-	-0-
SUMMARY			
Salaries	$ 174,124.	$ 174,124.	-0-
Expenses	-0-	-0-	-0-
Total	$ 174,124.	$ 174,124.	-0-

PERIODICAL PRESS GALLERY

	Fiscal Year 1980	Fiscal Year 1981	Increase/Decrease
SALARIES, PERIODICAL PRESS GALLERY			
FY 1980 Authorized positions	$ 59,535.		
Add: October 1 cost of living pay increase	4,095.		
Total FY 80 Obligations	$ 63,630.	$ 63,630.	
Requested position changes:			
None		-0-	-0-
Total Fiscal Year 1981 requested		$ 63,630.	-0-
EXPENSES, PERIODICAL PRESS GALLERY			
Regular expenses included in Sergeant at Arms' budget	-0-	-0-	-0-
SUMMARY			
Salaries	$ 63,630.	$ 63,630.	-0-
Expenses	-0-	-0-	-0-
Total	$ 63,630.	$ 63,630.	-0-

PRESS PHOTOGRAPHERS' GALLERY

	Fiscal Year 1980	Fiscal Year 1981	Increase/Decrease
SALARIES, PRESS PHOTOGRAPHERS' GALLERY			
FY 1980 Authorized positions	$ 59,535.		
Add: October 1 cost of living pay increase	4,095.		
Total FY 80 Obligations	$ 63,630.	$ 63,630.	
Requested position changes:			
None		-0-	-0-
Total Fiscal Year 1981 requested		$ 63,630.	-0-
EXPENSES, PRESS PHOTOGRAPHERS' GALLERY			
Regular expenses included in Sergeant at Arms' budget	-0-	-0-	-0-
SUMMARY			
Salaries	$ 63,630.	$ 63,630.	-0-
Expenses	-0-	-0-	-0-
Total	$ 63,630.	$ 63,630.	-0-

RADIO-TELEVISION GALLERY

	Fiscal Year 1980	Fiscal Year 1981	Increase/Decrease
SALARIES, RADIO-TELEVISION GALLERY			
FY 1980 Authorized positions	$ 142,317.		
Add: October 1 cost of living pay increase	9,789.		
Total FY 80 Obligations	$ 152,106.	$ 152,106.	
Requested position changes:			
None		-0-	-0-
Total Fiscal Year 1981 requested		$ 152,106.	-0-
EXPENSES, RADIO-TELEVISION GALLERY			
Regular expenses included in Sergeant at Arms' budget	-0-	-0-	-0-
SUMMARY			
Salaries	$ 152,106.	$ 152,106.	-0-
Expenses	-0-	-0-	-0-
Total	$ 152,106.	$ 152,106.	-0-

SENATE RECORDING STUDIO

	FISCAL YEAR 1980	FISCAL YEAR 1981	INCREASE/DECREASE
SALARIES, SENATE RECORDING STUDIO:			
FY 1980 Authorized Positions	$ 463,994.		
Add: October 1 cost of living pay increase	29,861.		
Add: Anticipated supplemental: 1 position to be abolished	- 16,968.		(17)
Total FY 1980 obligations	$ 476,887.	$ 476,887.	
Requested position changes:			
None		-0-	-0-
Total Fiscal Year 1981 requested		$ 476,887.	-0-

EXPENSES, SENATE RECORDING STUDIO:

Expenses budgeted separately and paid from the Senate Recording Studio revolving fund pursuant to Public Law 624 (1957).

SUMMARY:

Salaries	$ 476,887.	$ 476,887.	-0-
Expenses	-0-	-0-	-0-
Total	$ 476,887.	$ 476,887.	-0-

SERVICE DEPARTMENT

	FISCAL YEAR 1980	FISCAL YEAR 1981	INCREASE/DECREASE	
SALARIES, SERVICE DEPARTMENT:				
FY 1980 Authorized Positions	$2,490,075.			
Add: October 1 cost of living pay increase	171,275.			
Add: Anticipated supplemental:				
3 new positions	65,246.			(18)
3 position salary increases	7,272.			(18)
1 position to be abolished	- 18,382.			(18)
1 position title change only	-0-			(18)
11 Micrographics positions to be transferred to Computer Center	- 179,982.			(18)
Total FY 1980 obligations	$2,535,504	$2,535,504		
Requested position changes:				
None		-0-	-0-	
Total Fiscal Year 1981 requested		$2,535,504	-0-	
EXPENSES, SERVICE DEPARTMENT:				
Parts, repairs, and maintenance	$ 790,000.	$ 918,000.	$+ 128,000.	(19)
Purchased equipment	2,058,000.	2,332,000.	+ 274,000.	(20)
Leased equipment	1,181,000.	1,253,000.	+ 72,000.	(21)
Purchased supplies	414,000.	441,000	+ 27,000.	(22)
Training	2,000.	14,000.	+ 12,000.	(23)
Travel	2,000.	2,000.	-0-	
Total	$4,447,000.	$4,960,000.	$+ 513,000.	
SUMMARY:				
Salaries	$2,535,504.	$2,535,504.	$ -0-	
Expenses	4,447,000.	4,960,000.	+ 513,000.	
Total	$6,982,504.	$7,495,504.	$+ 513,000.	

TELECOMMUNICATIONS DEPARTMENT

	FISCAL YEAR 1980	FISCAL YEAR 1981	INCREASE/DECREASE	
SALARIES, TELECOMMUNICATIONS DEPARTMENT:				
FY 1980 Authorized Positions	$ 364,392.			
Add: October 1 cost of living increase	25,064.			
Total FY 1980 obligations	$ 389,456.	$ 389,456.		
Requested position changes:				
1 position transferred from Administrative Office		22,220.	$+ 22,220.	(24)
2 positions to be abolished		- 28,280.	- 28,280.	(25)
Total Fiscal Year 1981 requested		$ 383,396.	$- 6,060.	
EXPENSES, TELECOMMUNICATIONS DEPARTMENT:				
Local Telephone Service	$2,245,000.	$2,245,000.	-0-	
WATS Service	2,425,000.	1,930,000.	$- 495,000.	(26)
Mobile Phones	21,000.	21,000.	-0-	
Officials' Long Distance	8,000.	14,000.	+ 6,000.	(27)
Total	$4,699,000.	$4,210,000.	$- 489,000.	
SUMMARY:				
Salaries	$ 389,456.	$ 383,396.	$- 6,060.	
Expenses	4,699,000.	4,210,000.	- 489,000.	
Total	$5,088,456.	$4,593,396.	$- 495,060.	

DEPT.	1980 AUTHORIZED POSITIONS	OCT 1 INCREASE	ANTICIPATED SUPPLEMENTAL NEW POSITIONS	ANTICIPATED SUPPLEMENTAL POSITION INCREASES	ANTICIPATED SUPPLEMENTAL POSITION DECREASES	ANTICIPATED SUPPLEMENTAL POSITIONS ABOLISHED	ANTICIPATED 1980 OBLIGATION	FISCAL 1981 NEW POSITIONS	FISCAL 1981 POSITION INCREASE	FISCAL 1981 POSITION DECREASE	FISCAL 1981 POSITIONS ABOLISHED	FISCAL 1981
Admin. Off.	2,035,521	140,257	(1) 38,784			(22) - 125,240	2,089,322				(1) - 22,220	2,067,102
Barber Sh.	145,530	10,010					155,540					155,540
Cab. Sh.	182,952	12,584	(1) 13,332	(2) 4,848			213,716					213,716
Cust. Svc.	766,773	52,741	(2) 12,120			(1) - 11,716	819,918					819,918
Cap. Pol.	8,565,291	589,147	(1) 33,734				9,188,172	(28) 451,672			(1) - 23,028	9,616,816
Comp.Ctr.	4,247,019	292,123	(28) 581,760	(35) 102,212	(3) - 9,292	(1) - 38,784	5,175,038					5,175,038
Park.			(30) 292,294				292,294					292,294
Post Off.	1,014,741	69,797		(3) 9,090	(13) - 42,622	(1) - 15,756	1,035,250			(5) - 17,978		1,017,272
Daily Press Gallery	162,918	11,206					174,124					174,124
Per. Press Gallery	59,535	4,095					63,630					63,630
Pr. Photo. Gallery	59,535	4,095					63,630					63,630
Rad-TV Gallery	142,317	9,789					152,106					152,106
Record. Studio	463,994	29,861				(1) - 16,968	476,887					476,887
Serv.Dept.	2,490,075	171,275	(3) 65,246.	(3) 7,272		(12) - 198,364	2,535,504					2,535,504
Tele.Dept.	364,392	25,064					389,456	(1) 22,220			- 28,280	383,396
Totals	20,700,593	1,422,044	1,037,270	123,422	- 51,914	- 406,828	22,824,587	473,892		- 17,978	(2) - 73,528	23,206,973

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SEPARATE APPROPRIATION ITEMS

		FISCAL YEAR 1980	FISCAL YEAR 1981	INCREASE/DECREASE	
Folding Docs	$109,000.				
Add: Anticipated Supplemental cost of living pay increase	8,000.				
	$117,000.	$117,000.	$117,000.	-0-	
SAA Stationery Allowance		7,500.	12,500.	$+ 5,000.	(1)
SAA Postage		300.	350.	+ 50.	(2)
Automobiles and Maintenance		65,000.	70,000.	+ 5,000.	(3)
+ Special fund for seminars-for new Senators, etc. Joint allowance with Secretary of the Senate		$ 2,000.	$ 2,000.	-0-	

NEW STATUTORY POSITIONS

Dept. to which Position is Assigned	No. of Positions	Title	Proposed NTE Salary Rate	Total Salary for Position	Position to be Abolished if job transfer
Admin. Office	1	Special Assistant to the Sergeant at Arms	$ 38,784	$ 38,784	(Mgr., User Training & Liaison, @$38,784 from Comp. Ctr.)
Cabinet Shop	1	Shop Attendant	13,332	13,332	
Custodial Serv.	2	Laborer	6,060	12,120	
Capitol Police	1	Inspector	33,734	33,734	
" "	6	Sergeant	18,988	113,928	
" "	22	Private	15,352	337,744	
Computer Ctr.	1	Sr. Comp. Specialist	36,360	36,360	
" "	1	Spec. Projects Officer	36,360	36,360	
" "	1	Network Equip. Coordinator	15,958	15,958	
" "	1	Network Technician	21,614	21,614	
" "	1	Quality Control Specialist	15,352	15,352	
" "	3	Camera Operator	14,544	43,632	
" "	1	Text Processing Specialist	21,816	21,816	
" "	1	Text Processing Specialist	19,796	19,796	
" "	1	Sr. Applications Analyst	35,148	35,148	
" "	1	Sr. Applications Analyst	36,360	36,360	
" "	2	Secretary	15,958	31,916	
" "	1	Reports Analyst	17,776	17,776	
" "	1	Network Spec. Proj. Super.	36,360	36,360	
" "	1	Commun. Software Specialist	33,330	33,330	
" "	1	Micrographics Supervisor	27,270	27,270	(Micro. Super. @$27,270 from Service Dept.)
" "	1	Asst. Micro. Supervisor	21,008	21,008	(Asst. Micro. Super. @$21,008 from Service Dept.)
" "	1	Film Processor	15,756	15,756	(Film Processor @$15,756 from Service Dept.)
" "	1	Asst. Film Processor	14,948	14,948	(Asst. Film Process. @$14,948 from Service Dept.)
" "	6	Cameraman	14,544	87,264	(Cameraman @$14,544 from Service Dept., 6 positions)
" "	1	Secretary/Receptionist	13,736	13,736	(Sec/Recp. @$13,736 from Service Dept.)

Dept. to which Position is Assigned	No. of Positions	Title	Proposed NTE Salary Rate	Total Salary for Position	Position to be Abolished if job transfer
Parking Dept.	1	Director	$ 34,744	$ 34,744	
" "	1	Spec. Projects Assistant	17,776	17,776	
" "	1	Supervisor, Admin. Operations Section	24,240	24,240	
" "	1	Office Manager	17,776	17,776	
" "	1	Receptionist-Secretary	14,544	14,544	
" "	1	Permits Clerk	17,776	17,776	
" "	1	Enforcement Liaison Clerk	17,978	17,978	
" "	1	Supervisor, Field Operations Section	22,220	22,220	
" "	2	Parking Attend. Supervisor	12,120	24,240	(Park. Attend. Super. @$12,120 from Admin. Office)
" "	20	Parking Attendant	5,050	101,000	(Park. Attend. @$5,050 from Admin. Office)
Service Dept.	1	Power Cutter Operator	13,534	13,534	
" "	1	Deputy Director	38,784	38,784	
" "	1	Receiving Clerk	12,928	12,928	
Telecommunications Dept.	1	Telecommunications Assistant	22,220	22,220	(Clerk @$22,220 from Admin. Office)
	95	TOTALS		~~$1,511,162~~	

POSITION SALARY INCREASES (WITH OR WITHOUT TITLE CHANGE)

No. of Positions	Dept. to which Position is Assigned	Present Title	Proposed Title	Present NTE	Proposed NTE	Total Increase
1	Cabinet Shop	Assistant Cabinetmaker	Cabinetmaker	$17,574	$20,806	$ 3,232
1	" "	Cabinetmaker	(no change)	19,190	20,806	1,616
1	Computer Center	Sr. Applications Analyst	Manager, Member & Comm.	36,360	38,784	2,424
1	" "	Off. Syst. Specialist	Applications Analyst	16,968	32,522	15,554
1	" "	Sr. Applications Analyst	Manager, Text Processing Applications Develop.	36,360	38,784	2,424
1	" "	Jr. Systems Programmer	Systems Programmer	26,260	29,896	3,636
1	" "	Asst. Operations Mgr.	(no change)	29,896	32,522	2,626
1	" "	Production Manager	(no change)	28,280	29,896	1,616
3	" "	Comp. Shift Supervisor	(no change)	20,402	22,826	7,272
1	" "	Tape Librarian	Data Resource Analyst	16,564	18,180	1,616
1	" "	Asst. Tape Librarian	Tape Librarian	14,948	15,756	808
1	" "	Junior Operator	Senior Quality Controller	16,564	20,402	3,838
1	" "	Junior Operator	Quality Congroller	16,564	18,180	1,616
1	" "	Asst. Tape Librarian	Printing Operator	14,948	15,756	808
1	" "	Messenger	Printing Operator	11,716	15,756	4,040
1	" "	Network Equip. Super.	(no change)	29,896	33,330	3,434
1	" "	Standards Specialist	Sr. Applications Analyst	32,522	35,148	2,626
1	" "	Technical Train. Spec.	Train. & Career Develop. Coordinator	29,896	32,522	2,626
1	" "	Office Systems Super.	Asst. Mgr., Admin. Support	29,896	32,522	2,626
1	" "	Office Systems Spec.	(no change)	16,968	18,786	1,818
1	" "	Training Specialist	Sr. Training Specialist	20,604	25,856	5,252
1	" "	Off. Sys. Train. Super.	Asst.Mgr., Educational Development	29,896	32.522	2,626
1	" "	Receptionist	Secretary	13,736	15,756	2,020
1	" "	Office Manager	Manager, Off. Admin.	22,624	26,058	3,434
1	" "	Office Systems Super.	Mgr., Train. & Support Services	32,522	38,784	6,262
1	" "	Micrographics Super.	Mgr., Micro. Services	27,270	32,522	5,252
1	" "	Asst. Micro. Super.	Super., Micro. Operations	21,008	24,846	3,838
1	" "	Film Processor	Asst. Super. Micro. Oper.	15,756	18,786	3,030
1	" "	Asst. Film Processor	Darkroom Technician	14,948	16,968	2,020

No. of Positions	Dept. to which Position is Assigned	Present Title	Proposed Title	Present NTE	Proposed NTE	Total Increase
1	Computer Center	Cameraman	Sr. Quality Control Specialist	$14,544	$16,362	$ 1,818
1	" "	Cameraman	Senior COM Operator	14,544	16,362	1,818
2	" "	Cameraman	Senior Camera Operator	14,544	15,554	2,020
1	" "	Cameraman	Duplication Technician	14,544	14,948	404
1	" "	Secretary/Receptionist	(no change)	13,736	14,746	1,010
1	Post Office	Mail Carrier	Shift Supervisor	10,302	14,140	3,838
2	" "	Mail Carrier	Shift Supervisor	10,302	12,928	5,252
1	Service Dept.	Laborer	Sr. Folding Mach. Oper.	11,716	15,554	3,838
1	" "	Repairman	Auto. Typewriter Repairman	18,584	19,796	1,212
1	" "	Supervisor, Typewriter Repair Section	(no change)	24,038	26,260	2,222
43		TOTALS				$123,422

STATUTORY POSITION SALARY DECREASES

No. of Positions	Department	Old Position Title	New Position Title	Old NTE	New NTE	Total Decrease
1	Computer Center	Computer Resourse and Performance Analyst	Data Resource Analyst	$25,856	$23,432	$ 2,424
1	" "	Operations Scheduler	(no change)	25,856	23,432	2,424
1	" "	Office Systems Specialist	Secretary	20,604	16,160	4,444
11	Post Office	Mail Carrier	(no change)	14,140	10,302	42,218
7	" "	Mail Carrier	(no change)	14,140	11,514	18,382
21		TOTALS				$69,892

POSITION TITLE CHANGES AT NO CHANGE IN SALARY

No. of Positions	Present Title	Recommended Title	NTE Salary Rate (no change)
1	Assistant Director, Computer Center	Deputy Director, Computer Center	$40,804
1	Cameraman (Computer Center)	Camera Operator (Computer Center)	14,544
1	Photostat Operator (Service Dept.)	Printing Press Operator (Service Dept.)	15,756

STATUTORY POSITION TO BE ABOLISHED

No. of Positions	Dept. from which Position is being Abolished	Position Title	NTE Salary Rate	Total Decrease	Position being Transferred to:
2	Admin. Office	Parking Attendnat Supervisor	$ 12,120	$ 24,240	Parking Dept.@$12,120
20	" "	Parking Attendant	5,050	101,000	Parking Dept.@$5,050
1	" "	Clerk	22,220	22,220	Telecomm. @$22,220
1	Custodial Serv.	Laborer	11,716	11,716	
1	Capitol Police	Lieutenant	23,028	23,028	
1	Computer Center	Manager, User Training & Liaison	38,784	38,784	Admin. Off.@$38,784
1	Post Office	Mail Supervisor	15,756	15,756	
1	Record. Studio	Audio Engineer	16,968	16,968	
1	Service Dept.	Supervisor, Supply Section	18,382	18,382	
1	" "	Micrographics Supervisor	27,270	27,270	Comp. Ctr.@$27,270
1	" "	Assistant Micrographics Supervisor	21,008	21,008	Comp. Ctr.@$21,008
1	" "	Film Processor	15,756	15,756	Comp. Ctr.@$15,756
1	" "	Assistant Film Processor	14,948	14,948	Comp. Ctr.@$14,948
6	" "	Cameraman	14,544	87,264	Comp. Ctr.@$14,544
1	" "	Secretary/Receptionist	13,736	13,736	Comp. Ctr.@$13,736
2	Telecommunications	Teletype Operator	14,140	28,280	
42		TOTAL		$480,356	

May 16, 1979

The Honorable Claiborne Pell
Chairman
Committee on Rules and Administration
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Thank you for your letter of April 30, 1979, transmitting the Committee's analysis and response to the great majority of the open items surrounding the FY 1980 Senate Computer Center Budget. This timely receipt of the Committee's decisions and guidance permitted Computer Center Management to incorporate this guidance and reconstitute the Computer Center's FY 1980 Budget for presentation at the May 1, 1979 hearing by the Subcommittee on Legislative Appropriations.

As you noted in your April 30, 1979 letter, open items with a potential impact on the budget of less than $200,000 remained outstanding pending further review. These open items pertained to personnel levels for the different sections within the Computer Center, the establishment of night differential for non-day shift Operations personnel, review of the career ladder structure implemented for the Senate Computer Center in FY 1979, and the projected consolidation of the User Training and Liaison and CMS Support Sections into a common Educational Services Section. All of the above items have been reviewed through a series of meetings between Senate Computer Center management and members of the Committee's Technical Services Staff, with regular progress reports being provided to me for my personal review. These items have now been resolved to the mutual satisfaction of all participating groups and the total impact on the budget is $110,000, significantly less than the $200,000 level previously estimated. I wish to commend the Committee's Technical Services Staff for their prompt and thorough attention in this undertaking.

Enclosed for the formal review and concurrence by the Committee on Rules and Administration is the final FY 1980 Senate Computer Center budget request. Upon receipt of the Committee's concurrence, I will submit the final budget document to the Appropriations Committee.

Looking ahead to FY 1981, I have directed Senate Computer Center Management to accelerate their budget cycle in order that the many planning assumptions, policy issues, and potential new services requiring Rules Committee review and authorization can be included in the Presidential Budget. I believe that the comprehensive budget procedure adopted by the Senate Computer Center this fiscal year will be of significant benefit in providing input and direction to development of a long range computer services plan. The acceleration of this process for the FY 1981 budget cycle will help the Computer Center meet its target date of January 1980 for creating a long range computer services plan.

With warm regards,

Sincerely,

F. Nordy Hoffmann
Sergeant at Arms

SENATE COMPUTER CENTER
Fiscal Year 1980 Budget Request

	FY79	FY80	CHANGE FROM 79-80 BUDGET	FOOTNOTES
SALARIES				
FY 1979 Authorized Positions (185)	$ 4,247,819.	$ 4,247,819.		
Transfer Micrographics Section (11)	168,399.	168,399.		
Requested Position Changes:				
17 New Statutory Positions	0	375,921.	375,921.	
3 Position Decreases	0	-8,694.	-8,694.	
35 Position Increases	0	+ 95,634.	+ 95,634.	
3 Title Change w/o NTE Increase	0	0	0	
Total FY 1979 Requested	$ 4,415,418.	$ 4,878,279.	+462,861.	
EXPENSES				
*** Computers, Controls and Peripherals	$ 2,844,388.	$ 1,362,888.	-$1,482,388.	(A)
Remote Printing & Processing	111,888.	120,888.	9,888.	(B)
Terminals	1,810,888.	1,424,488.	-385,520.	(C)
Network	350,888.	885,442.	+535,442.	(D)
Micrographic Services	719,522.4	488,825.	-230,697.	(E)
Software (OP Systems, etc)	210,888.	292,985.	+82,985.	(F)
Supplies	622,691.4	567,888.	-54,811.	(G)
**** Travel and Conference (PL94-383)	10,888.	76,550	+66,550	(H)
**** Training	25,888.	20,888.	- 5,888.	(I)
Computer Center Lease and Alterations	266,888.	266,888.	**	
*****Computer Time Sharing	3,388,888.	3,325,888.	25,888.	(J)
CMS Inhouse Transition	0.	0.	0.	(K)
Professional Services	0.	50,888.	50,888.	(L)
Total Expenses				
SUMMARY				
Salaries	$ 4,415,418.	$ 4,878,279.	+ 462,861.	
Expenses	$10,268,513.	$ 8,871,082.	-1,397,431.	
TOTAL	$14,683,931.	$13,749,361.	- 934,570.	

4 Micrographic Services ($719,522) and Supplies ($34,691) were not reported in the FY79 Computer Center Budget, but are provided here for functional comparison purposes.

** There is expected change based upon contractual obligations for rent escalation due to property taxes and maintenance services. These figures have to be computed by the Building Management personnel who are unable at this time to provide us with any type of estimate.

*** There is an additional administrative request to carryover FY1979 funds of $967,888 for capital expenditures not made in FY1979 but which provide a base of hardware anticipated in the FY1980 funding levels.

**** Accounting for travel expenses associated with training is being transferred and payments are disbursed against PL94-383 funds.

*****Introduction of CMS Printing at the Senate Computer Center may result in reduced actual billing from On-Line Systems per the contractual agreement.

Senate Computer Center -- Personnel Requirements - Fiscal 1980

	Section Input			Joint SCC Admin/ Sgt. at Arms		Rules Committee	
	Total FY79 Staff	FY80 Reqd Adds	Total FY80 Staff	FY80 Add Reqs	Total FY80 Staff	FY80 Add Reqs	Total FY80 Staff
1. Legislative Applications Development	10	2	12	1	11	1	11
2. Member and Committee							
a. Member & Committee Services	8	12	20	2	10	0	8
b. Fiscal and Statistical	8	10	18	3	11	+3	11
3. Administrative Applications Development							
a. Disbursing Office Application	6	3	9	2	8	+2	8
b. Administrative Database	7	1	8	1	8	0	7
4. Text Processing Application Developm't	8	3	11	3	11	+3	11
5. Generalized Applications Support Software	3	-3	0	-3	0	-3	0
6. Systems Programming	9	1	10	1	10	0	9
7. Computer Operations	45	8	53	8	53	0	45
8. Network	16	12	28	7	23	+4	20
9. Planning, Budget and Administration	5	4	9	3	8	+2	7
10. Educational Services[4]	36	3	39	0	36	-2	34
11. Secretarial/Administrative	12+(1)	4	16+(1)	3	15+(1)	+2	14+(1)
12. Managers	12+(1)		12+(1)	0	12+(1)	+1	13+(1)
13. Micrographics	(9)	(7)	(16)	(7)	(16)	(+4)	(13)
Computer Center Total	185	68	245	31	216	13	198
Micrographics Transfers	(11)	(7)	(18)	(7)	(18)	(4)	(15)
GRAND TOTAL	196	67	263	38	234	17	213

4 Educational Services represents the former Areas 10 (User Training and Liaison) and 14 (CMS Support) in their consolidated area.

SENATE COMPUTER CENTER

Title and Salary Changes - Fiscal Year 1988
Detail Listing Within Functional Area

Area 3 Administrative Applications Development

PN	From		To		Change in NTE
010346	Senior Applications Analyst	34,020	Manager, Member and Committee	36,288	+2,268
010214	Office Systems Specialist	15,876	Applications Analyst	30,429	+14,553
					16,821

Area 4 Text Processing Applications Development

PN	From		To		Change in NTE
010235	Senior Applications Analyst	34,020	Manager, Text Processing Applications Development	36,288	+2,268

Area 6 Systems Programming

PN	From		To		Change in NTE
010364	Junior Systems Programmer	24,570	Systems Programmer	27,972	+3,402

Area 7 Computer Operations

PN	From		To		Change in NTE
	Organizational Restructuring				
010302	Assistant Operations Manager	27,972	Assistant Operations Manager	30,429	+2,457
010309	Production Manager	26,460	Production Manager	27,972	+1,512
010252	Computer Resource and Performance Analyst	24,192	Data Resource Analyst	21,924	-2,268
010254	Computer Shift Supervisor	19,089	Computer Shift Supervisor	21,357	+2,268
010255	Computer Shift Supervisor	19,089	Computer Shift Supervisor	21,357	+2,268
010256	Computer Shift Supervisor	19,089	Computer Shift Supervisor	21,357	+2,268
010251	Operations Scheduler	24,192	Operations Scheduler	21,924	-2,268
010250	Tape Librarian	15,498	Data Resource Analyst	17,010	+1,512
010205	Assistant Tape Librarian	13,986	Tape Librarian	14,742	+ 756
			Subtotal		48,585
	CMS Printing 6				
010319	Junior Operator	15,498	Senior Quality Controller	19,089	+3,591
010320	Junior Operator	15,498	Quality Controller	17,010	+1,512
010324	Assistant Tape Librarian	13,986	Printing Operator	14,742	+ 756
010377	Messenger	10,962	Printing Operator	14,742	+3,780
			CMS Subtotals		+9,639
			Operations Total Changes		21,168

6 These four jobs were previously declared surplus by the Operations Manager and are being converted here to provide the positions necessary for CMS printing.

Area 8 Network

PD	From		To		Change in WTE
010352	Network Equipment Supervisor	27,972	Network Equipment Supervisor	31,185	+3,213

Area 9 Planning, Budget & Administration

PD	From		To		Change in WTE
010306	Standards Specialist	30,429	Senior Applications Analyst	32,886	+2,457
010331	Technical Training Specialist	27,972	Training and Career Development Coordinator	30,429	+2,457
					+4,914

Area 10 Educational Services

PD	From		To		Change in WTE
010397	Office Systems Supervisor	27,972	Assistant Manager, Administrative Support	30,429	+2,457
010302	Office Systems Specialist	15,876	Office Systems Specialist	17,577	+1,701
010227	Training Specialist	19,278	Senior Training Specialist	24,192	+4,914
010234	Office Systems Training Supervisor	27,972	Assistant Manager, Educational Development	30,429	+2,457
					+11,529

Area 11 Secretarial/Administrative Support

PD	From		To		Change in WTE
010279	Receptionist	12,852	Secretary	14,742	+1,890
010277	Office Systems Specialist	19,278	Secretary	15,120	-4,158
					-2,268

Area 12 Managers

PD	From		To		Change in WTE
010323	Assistant Director Computer Center	30,178	Deputy Director Computer Center	30,178	0
010313	Office Manager	21,168	Manager, Office Administration	24,381	+3,213
010326	Manager, User Training and Liaison	36,288	Special Consultant to the Sergeant at Arms for Educational Services	36,288	0
010355	Office Systems Supervisor	30,429	Manager, Training and and Support Services	36,288	+5,859
					+9,072

Area 13 Micrographics Services

PN	From		To		Change in NTE
	Micrographics Supervisor	25,515	Manager, Micrographics Services	30,429	+4,914
	Assistant Micrographics Supervisor	19,656	Supervisor, Micrographics Operations	23,247	+3,591
	Film Processor	14,742	Assistant Supervisor, Micrographics Operations	17,577	+2,835
	Assistant Film Processor	13,986	Darkroom Technician	15,876	+1,890
	Cameraman	13,688	Senior Quality Control Specialist	15,389	+1,701
	Cameraman	13,688	Senior COM Operator	15,389	+1,701
	Cameraman	13,688	Senior Camera Operator	14,553	+ 945
	Cameraman	13,688	Senior Camera Operator	14,553	+ 945
	Cameraman	13,688	Duplication Technician	13,986	+ 378
	Cameraman	13,688	Camera Operator	13,688	0
	Secretary/Receptionist	12,852	Secretary/Receptionist	13,797	+ 945
					19,845

TOTAL CHANGE IN NTE +86,948

SENATE COMPUTER CENTER

Additional Personnel Requirements - Fiscal Year 1980
Listed by Position Titles

No.	Position	NTE	Total Salary For Positions
1	Senior Computer Specialist	34,020	34,020
1	Special Projects Officer	34,020	34,020
1	Network Equipment Coordinator	14,931	14,931
1	Network Technician	20,223	20,223
1	Quality Control Specialist	14,364	14,364
3	Camera Operator	13,608	40,824
1	Text Processing Specialist	20,412	20,412
1	Text Processing Specialist	18,522	18,522
1	Senior Applications Analyst	32,886	32,886
1	Senior Applications Analyst	34,020	34,020
2	Secretary	14,931	29,862
1	Reports Analyst	16,632	16,632
1	Network Special Projects Supervisor	34,020	34,020
1	Communications Software Specialist	31,185	31,185
17	Total		$375,921

EXPLANATION OF CHANGES

Area 3 and 4:

Change (2) Senior Applications Analysts to Manager level positions consistent with new duties and responsibilities reflected in Computer Center reorganization. An additional Applications Analyst, made necessary by the increased workload and high concentration of effort for Shared Employees, is available due to the ability to consolidate the User Training and Liaison and CMS groups and release an Office Systems Specialist. The Applications Analyst maintains consistency within our career ladder structure.

Area 6:

Change a Junior Systems Programmer to a Systems Programmer to reflect the availability of new hires in the job market. We have been unable to fill the position with a qualified candidate at a Junior level so must search for a person with more experience.

Area 7:

Tne extensive changes in the Operations Section are a result of several significant occurrences in this area. There have been organizational changes and shifting job responsibilities resulting in changed duties and the declaration of 4 positions (approximately 1/11th) as surplus or unnecessary. In conjunction with this, there have been new requirements placed on the staff, and a new operating system supporting the computer. These changes are reflected in a series of job upgrades and downgrades. The four surplus positions are being changed to provide slots for the responsibility for printing CMS letters at the Computer Center.

Although there were extensive changes made in FY1979 to provide a consistent and logical career development ladder for the Computer Center, it was not possible to review every position. As a result, there are changes recommended for FY1980 which will continue this process of revision and adjustment for comparability.

The Assistant Operations Manager was not reviewed for comparability in either FY1978 or FY1979. In comparing to the number two person in other sections, there is a great disparity in NTE rates. Furthermore, the increased growth and expanded services in Operations requires increased responsibility for the Assistant Manager, particularly in problem resolution.

The Production Manager has assumed full responsibilities for activities at the Dirksen site as part of reorganization. These increased responsibilities are reflected in the recommended change in NTE. The Data Resource Group has recently been restructured. Some high level responsibilities were transferred to the Systems Programming Section for performance management. On the other hand increased responsibilities under our resource control packages (Tape Management and Disk Management) have revised the activities of this group. As a result, the following changes are being recommended:the Computer Resource and Performance Analyst has been revised downward to a Data Resource Analyst at a senior level; there has been the creation of a Data Resource Analyst at a junior level and the elimination of the Assistant Tape Librarian;and, finally, there has been a restructuring of the Tape Librarian duties.

There is a recommendation to reclassify the Computer Shift Supervisors upward. This is consistent with increased responsibilities, particularly in the operation and production control of LEGIS, Payroll, and system backups. These changed duties place more emphasis on this position in the structure of the Operations section.

Area 8:

The requested change in the NTE rate for the Senate Data Network Equipment Supervisor will bring this function more in line with the increasing responsibilities of that position. These duties have increased in the past year and will continue to increase as more Senate State Offices have terminals installed. The installation of

terminal facilities in offices remote from Capitol Hill necessitates the development and management of a nationwide service function.

Area 9:

The duties and responsibilities of the Standards Specialist have been expanded to require the qualifications of a Senior Applications Analyst. The tasks include extensive work with senior project personnel and management in developing and monitoring standards. In addition, certain administrative systems are developed as a part of the Standards function to enhance the overall control of the organization.

In conjunction with the recommendation of the Rules Committee that a staff of professional personnel the size of the Computer Center should provide professional career development and counseling, we have combined this responsibility with our highly successful in-house training program. To staff this requires the services of a high level Training and Career Development Coordinator.

Area 10:

The consolidation of the CMS support group and the User Training and Liaison has established a revised organizational structure for Educational Services. The changes in former Areas 10 and 14 are combined into Area 10 to reflect the changed responsibilities brought about by this reorganization. The consolidation allowed the elimination of one position which is reclassified in Area 3. Secretarial support is reported in the Secretarial area.

Area 11:

The duties and functions of the receptionist have been completely revised. There is no longer a receptionist stationed in the elevator lobby at 400 North Capitol. This position has been revised to that of secretarial support and increased responsibilities have been added. This change reflects the new duties of the job. The CMS consolidation allowed the reclassification of an Office Systems Specialist to a Secretarial position.

Area 12:

In order to reflect more accurately the duties in the Office of the Director, the position of Assistant Director is being changed to Deputy Director. In conjunction with the consolidation of CMS and User Training and Liaison, the Manager, User Training will assume new duties as a Special Educational consultant to the Sergeant at Arms, and the leader of the CMS group, previously detailed to the Rules Committee, is elevated to the position of Manager, Training and Support Services. Finally, the Office Manager has been given significantly more responsibility of coordination and control of purchase requisitions, personnel processing, and all administrative services and procedures.

Area 13:

The entire micrographics organization had not been analyzed in several years. These changes in title and NTE were done by comparing with a national survey of comparable job duties and pay structures. It was then a matter of bringing this highly efficient group of personnel in line with the national averages for the responsibilities demanded by the job.

60-569 O—80——29

February 20, 1980

M E M O R A N D U M

To: Honorable F. Nordy Hoffmann
Sergeant at Arms

From: William E. Poulin, Director
Senate Computer Center

Subject: Senate Computer Center FY80 Supplemental Appropriation Request

Senate Computer Center operations have been significantly impacted over the past several months due to the passage of a restricted Continuing Budget Resolution for FY80 in lieu of the formal FY80 Appropriation measure, and by the continuing authorization of additional and expanded information services to Senate offices without supporting resources. The failure to have appropriated the 17 new FY80 Computer Center positions which were reviewed and approved last year by you and both the Committee on Rules and Administration and the Committee on Appropriations, has already begun to show its impact on the ability of the Computer Center to: 1) implement approved services in requesting offices; 2) maintain superior quality control of its products; and 3) maintain the level of responsiveness in user liaison and operational systems support that our diverse user community has come to expect from the Sergeant at Arms and the Computer Center. The Computer Center staff is, quite frankly, experiencing an extremely difficult time in its current attempts to maintain approved service levels and to implement the several newly approved services for which adequate support resources were not made available.

Several specific items need to be addressed at the earliest possible date in a FY80 supplemental appropriation for the Senate Computer Center. These items are presented below, and are supported with appropriate worksheets to facilitate their review and approval.

1. Inclusion of the 17 new FY80 Computer Center positions which had originally been submitted to, reviewed, and approved by both the Committee on Rules and Administration and by the Committee on Appropriations.

   Attachment I recaps the previously submitted list of additional personnel requirements for FY80, modified to reflect FY80 salary levels and one position category upgrade ($1,818) which has subsequently been requested.

2. Incorporation of all position increases, decreases, and title changes submitted in the May 16, 1979 FY80 budget request (41 changes) and in the November 19, 1979 FY81 budget request (64 changes).

   By consolidating both sets of changes into a single request, we have reduced the total number of changes from 105 down to 85. This reduction in the number of changes required is attributable to two factors. First, several positions had modifications in both the FY80 and FY81 budgets; these changes have now been consolidated into single budget entries. Second, an analysis of the position changes indicated areas in which the desired staff structure could be achieved with fewer legislative changes through internal position transfers following enactment of the Appropriations legislation.

The position changes originally requested in the FY80 budget have previously been reviewed and approved by your office, the Committee on Rules and Administration, and the Committee on Appropriations. The changes requested in the FY81 Computer Center budget submittal were marked as a policy item for further review and consideration. Since submittal in November 1979, the position changes requested in the Computer Center's FY81 budget have been subjected to a detailed review by the General Accounting Office. The GAO analysis has confirmed that in an overwhelming number of the positions studied, Senate Computer Center compensation levels are not up to par with comparable positions at the Library of Congress Computer Center and House Information Systems, with Office of Personnel Management classifications, and with other government and private industry computing organizations. We applaud the GAO statistics for the substantial support they have provided for Computer Center management recommendations on personnel changes, Computer Center management attempts to develop and implement a more comprehensive and professional career development program for its employees, and for the necessity of dedicating a full-time personnel specialist to the area of personnel administration in order to support the management improvement goals set forth in the Sergeant at Arms' Management Information and Program Control Plan of July, 1978.

Attachment 2 presents the consolidated list of position changes.

3. Inclusion of one additional Secretarial position to support the Computer Center's Text Processing Applications Development Section.

The recently appointed Manager of this important Computer Center section is placing a much needed greater emphasis on full and proper documentation of this section's plans and programs, and Computer Center management has been unable to allocate sufficient resources to satisfy this need.

4. Inclusion of a Personnel Specialist position for the Computer Center's Planning, Budget, and Administration staff.

In the Computer Center's original FY80 budget submittal dated September 25, 1978, an additional position was requested to increase the resources allocated to professional training and career development for Computer Center employees. Among the specific duties to be assigned to this new position were implementation and monitoring of a professional career development program and support of personnel administration of the Computer Center. This request, while fully supported by the Sergeant at Arms as necessary to insure full implementation of his management improvement program for the Senate Computer Center, did not win approval by the Committee on Rules and Administration in its initial review. However, the GAO in their recent review of salary comparability data for the Computer Center, reaffirmed the validity of this request to require additional expertise in the area of personnel administration.

5. Inclusion of two additional Data Network personnel in support of the expanded scope and growth in state office data communication sites.

In the Computer Center's original FY80 budget submittal of September 25, 1978, the number of state office data communication sites was projected to grow from 20 to 60, with three (3) new data network personnel being required to directly support state office terminal and communications installation and service. In the Rules Committee's April 30, 1979 response to our budget request, the expansion rate for new state office data communication sites during FY80 was reduced by 2/3 to a revised level of 12 to 16 new state offices; accordingly, only 1 of the 3 additional personnel required to directly support terminal and communications installation and service was authorized.

On September 26, 1979, the Rules Committee met and authorized state office data communications service to be placed on a production basis, thereby restoring the state office growth rate to that which we projected in our original FY80 budget submittal. This expanded state office growth has been given a high priority and the Computer Center is straining to meet the demands of this new program. While the state office implementations are progressing on a reasonable schedule, progress in other network project areas is being hampered or stalled due to this heavy state office focus. Accordingly, we are requesting the 2 additional data network personnel needed to support the state office growth rate as originally projected in our FY80 budget.

6. Two additional applications development personnel are being requested for the Member and Committee Support Section in support of the recently authorized detail design and development of an improved Senate Indexing facility.

In the Rules Committee staffing plan analysis of the Computer Center's FY80 budget request, the Office Services Area (which has responsibility for the indexing project) was directed to be reduced from a staffing level of 6 to 4 positions following completion of the requirements document for the improved index system. The Rules Committee document further indicated that "whether an increase in office services is required will be considered at the time of the review of the requirements documents". The Computer Center completed its Requirements Analysis Study of Senate-wide computer assisted records management needs in late November 1979, and submitted the study to the Committee on Rules and Administration for its formal review.

On February 7, 1980, the Chairman of the Rules Committee authorized the Sergeant at Arms to conduct the next phase of this important Senate-wide project, i.e., the detail design of a new records management and indexing system. Present Computer Center staffing levels and project assignments dictate an approximate six month delay before resources can be made available to begin this detailed system design. Based upon additional project suggestions contained in the Rules Committee letter of authorization, the detail design phase of the new records management and indexing system is estimated to require approximately 3 man years of effort. Without the supplemental resources requested above, the time period required to complete this detailed design phase will stretch through FY81 and delay actual development and implementation of the new system into FY82 and FY83, respectively.

7. Inclusion of 1 additional applications development position in the Computer Center's Administrative

Applications Development Section to support expanded information system requirements of the Capitol Police.

Original Computer Center work plan projections for FY80 indicated that development and implementation of the Capitol Police Time and Attendance System would take place during this fiscal year. However, due to the FY80 Continuing Budget Resolution, the Computer Center has only been able to expend minimal resources to monitor the efforts of House Information Systems in their preparation of an environmental study of Capitol Police operations and a requirements analysis document for Capitol Police information system needs. The next step in meeting the needs of the Capitol Police is a detailed design phase, followed by actual system development and implementation.

It appears that the Senate Computer Center will be called upon to bring this project to conclusion and to implement the Capitol Police systems on its central computers. The Senate Computer Center resources originally budgeted in FY80 to support the Capitol Police systems were focused on development of a Police Time and Attendance System; however, the more extensive documentation of Capitol Police information system support needs has identified seven different areas in which system support is desired. While the different functions can be implemented sequentially, the resource level available from the Senate Computer Center would extend this process beyond reasonable limits. An additional applications development position is requested in order that the priority needs of the Capitol Police can be met in a reasonable time frame.

8. Inclusion of an additional position in the Micrographics Systems Section for a Computer Output Microfilm (COM) operator.

Senate office use of computer output microfilm has expanded beyond all initial projections; this service is currently in an extended pilot test and is projected to be announced Senate-wide as a production service in March-April 1980. During the COM pilot test, which is concluding this month, selected users have been brought on to the system and the volume of output has increased to the point where COM coverage has been expanded into a partial second shift. This expanded COM coverage has resulted in a corresponding reduction of resources in the critically backlogged area of source document filming (camera operations), and relief is badly needed in the Micrographics Section in order that the backlog may be brought under control and that new Senate offices desiring micrographics services can be brought on to this active and important program.

A policy issue concerning expansion of micrographics services support to state offices was recently submitted to the Rules Committee for review. If this new state program is approved, the personnel resources necessary to support the new activity are one (1) new Duplication Technician and one (1) new COM operator. The COM operator being requested in the FY80 Supplemental Appropriation due to the heavy use of this new service on Capitol Hill will, if approved, substitute for the new COM operator required for the state office support.

Attachment 3 lists the specific additional positions being requested in the FY80 Supplemental Appropriation to support the above policy and operational changes.

Attachment 4 recaps the overall FY80 Computer Center budget and shows the impact of the requested modifications.

We look forward to reviewing these requirements with you at your earliest convenience.

Attachment 1

SENATE COMPUTER CENTER
FY80 Supplemental Appropriation Request
Additional Personnel Requirements - Approved in Initial FY80 Budget
Listed by Position Title

1	Senior Computer Specialist	36,360	36,360
1	Special Projects Officer	36,360	36,360
1	Network Equipment Coordinator	15,958	15,958
1	Network Technician	21,614	21,614
1	Quality Control Specialist	15,352	15,352
3	Camera Operator	14,544	43,632
1	Text Processing Specialist	21,816	21,816
1	Text Processing Specialist	19,796	19,796
1	Senior Applications Analyst	35,148	35,148
1	Senior Applications Analyst	36,360	36,360
2	Secretary	15,958	31,916
1	Reports Analyst	17,776	17,776
1	Network Special Projects Supervisor	36,360	36,360
1	Communciations Software Specialist	35,148	35,148
17		Total	403,596

Attachment 2

SENATE COMPUTER CENTER

Fiscal Year 1988 Supplemental Appropriation Request
Combined FY88 and FY81 Requested Title and Salary Changes
Detail Listing Within Functional Area

Area 3 Administrative Applications Development

PN	FROM		TO		CHANGE IN NTE
018388	Computer Specialist	32,522	Manager, Member and Committee Support	42,218	+ 9,696
018214	Office Systems Specialist	16,968	Applications Analyst	32,522	+15,554
				Subtotal	+25,250

Area 4 Text Processing Applications Development

PN	FROM		TO		CHANGE IN NTE
018235	Senior Applications Analyst	36,368	Manager, Text Processing Applications Development	42,218	+ 5,850
018500	Text Processing Specialist	16,564	Text Processing Specialist	19,796	+ 3,232
				Subtotal	+ 9,098

Area 6 Systems Programming

PN	FROM		TO		CHANGE IN NTE
018364	Junior Systems Programmer	26,268	Systems Programmer	29,896	+ 3,636
C18259	Senior Systems Programmer	32,522	Senior Systems Programmer	36,360	+ 3,838
018501	Senior Systems Programmer	35,148	Senior Systems Programmer	36,360	+ 1,212
018502	Senior Systems Programmer	35,148	Senior Systems Programmer	36,360	+ 1,212
				Subtotal	+ 9,898

Area 7 Computer Operations

PN	FROM		TO		CHANGE IN NTE
018302	Assistant Operations Manager	29,896	Assistant Operations Manager	32,522	+ 2,626
018309	Production Manager	28,280	Production Manager	29,896	+ 1,616
018252	Computer Resource and Performance Analyst	25,856	Data Resource Analyst	23,432	- 2,424
018254	Computer Shift Supervisor	20,402	Computer Shift Supervisor	22,826	+ 2,424
018255	Computer Shift Supervisor	20,402	Computer Shift Supervisor	22,826	+ 2,424
018256	Computer Shift Supervisor	20,402	Computer Shift Supervisor	22,826	+ 2,424
018251	Operations Scheduler	25,856	Operations Scheduler	23,432	- 2,424
018258	Tape Librarian	16,564	Data Resource Analyst	18,988	+ 2,424
018285	Assistant Tape Librarian	14,948	Tape Librarian	15,756	+ 808
018319	Junior Operator	16,564	Senior Job Controller	25,856	+ 9,292
018320	Junior Operator	16,564	Job Controller	18,988	+ 2,424
018284	Assistant Tape Librarian	14,948	Operations Clerk	15,756	+ 808
018377	Messenger	11,716	Operations Clerk	15,756	+ 4,040
018265	Hardware Manager	28,280	Hardware Manager	29,896	+ 1,616
018266	Lead Operator	18,180	Lead Operator	18,988	+ 808
018337	Lead Operator	18,180	Lead Operator	18,988	+ 808
018317	Lead Operator	18,180	Lead Operator	18,988	+ 808
018339	Lead Operator	18,180	Lead Operator	18,988	+ 808
018315	Lead Operator	18,180	Lead Operator	18,988	+ 808
018338	Lead Operator	18,180	Lead Operator	18,988	+ 808
018367	Junior Operator	16,564	Junior Operator	15,756	- 808
018318	Junior Operator	16,564	Junior Operator	15,756	- 808
018341	Operations Clerk	14,948	Operations Clerk	15,756	+ 808
018248	Operations Clerk	14,948	Operations Clerk	15,756	+ 808
018249	Operations Clerk	14,948	Operations Clerk	15,756	+ 808
018247	Operations Clerk	14,948	Operations Clerk	15,756	+ 808
018278	Operations Clerk	14,948	Operations Clerk	15,756	+ 808
018246	Operations Clerk	14,948	Operations Clerk	15,756	+ 808
018509	Receptionist	14,948	Technical User Liaison	15,756	+ 808
018290	Data Conversion Operator	12,726	Junior Operations Clerk	13,332	+ 606
018268	Data Conversion Operator	12,726	Junior Operations Clerk	13,332	+ 606
				Subtotal	+38,178

Area 8 Network

PN	FROM		TO		CHANGE IN NTE
818352	Network Equipment Supervisor	29,896	Network Equipment Supervisor	33,330	+ 3,434
818347	Communications Software Specialist	36,360	Assistant Manager, Data Network	36,360	+ 0
818242	Communications Software Programmer Analyst	29,896	Communications Software Specialist	32,522	+ 2,626
818262	Network Technician	26,260	Communications Systems Specialist	33,330	+ 7,070
818288	Junior Network Technician	17,170	Computer Terminal Technician	18,988	+ 1,818
818289	Junior Network Technician	17,170	Computer Terminal Technician	18,988	+ 1,818
818322	Computer Terminal Installer	14,544	Computer Terminal Technician	16,160	+ 1,616
818257	Computer Terminal Installer	14,544	Computer Terminal Technician	16,160	+ 1,616
818287	Computer Terminal Installer	14,544	Computer Terminal Technician	16,160	+ 1,616
				Subtotal	+21,614

Area 9 Planning, Budget and Administration

PN	FROM		TO		CHANGE IN NTE
818306	Standards Specialist	32,522	Senior Applications Analyst	35,148	+ 2,626
818331	Technical Training Specialist	29,896	Training and Career Development Coordinator	32,522	+ 2,626
				Subtotal	+ 5,252

Area 10 Educational Services

PN	FROM		TO		CHANGE IN NTE
818397	Office Systems Supervisor	29,896	Assistant Manager, Administrative Support	32,522	+ 2,626
818382	Office Systems Specialist	16,968	Secretary	17,170	+ 202
818227	Training Specialist	20,684	Senior Training Specialist	25,856	+ 5,252
818234	Office Systems Training Supervisor	29,896	Assistant Manager, Educational Development	32,522	+ 2,626
				Subtotal	+18,706

Area 11 Secretarial/Administrative Support

PN	FROM		TO		CHANGE IN NTE
818279	Receptionist	13,736	Secretary	17,170	+ 3,434
818504	Secretary	16,168	Assistant Office Manager	22,818	+ 5,858
818336	Secretary	23,836	Secretary	22,220	- 1,616
818373	Secretary	16,766	Secretary	17,170	+ 404
818321	Secretary	15,958	Secretary	17,170	+ 1,212
818368	Secretary	15,756	Secretary	17,170	+ 1,414
818372	Secretary	15,756	Secretary	15,958	+ 202
818369	Secretary	15,756	Secretary	15,958	+ 202
818275	Secretary/Typist	14,746	Secretary	15,958	+ 1,212
818276	Secretary/Receptionist	15,352	Secretary	15,150	- 202
				Subtotal	+12,128

Area 12 Managers

PN	FROM		TO		CHANGE IN NTE
#18323	Assistant Director Computer Center	40,804	Deputy Director, Computer Center	45,652	+ 4,848
#18213	Office Manager	22,624	Manager, Office Administration	31,512	+ 8,888
#18233	Office Systems Supervisor	32,522	Manager, Training and Support Services	42,218	+ 9,696
#18263	Manager, Legislative Applications Development	38,784	Manager, Legislative Applications Development	42,218	+ 3,434
#18324	Manager, Administrative Applications Development	38,784	Manager, Administrative Applications Development	42,218	+ 3,434
#18244	Manager, Data Network	38,784	Manager, Data Network	42,218	+ 3,434
#18303	Manager, Computer Operations	38,784	Manager, Computer Operations	42,218	+ 3,434
#18264	Manager, Planning, Budget and Administration	38,784	Manager, Planning, Budget and Administration	42,218	+ 3,434
#18325	Manager, Systems Programming	38,784	Manager, Systems Programming	42,218	+ 3,434
				Subtotal	+44,836

Area 13 Micrographics Services

PN	FROM		TO		CHANGE IN NTE
#20128	Micrographics Supervisor	27,278	Manager, Micrographics Systems	36,360	+ 9,090
#20130	Assistant Micrographics Supervisor	21,008	Supervisor, Micrographics Operations	24,846	+ 3,838
#20127	Film Processor	15,756	Assistant Supervisor Micrographics Operations	18,786	+ 3,030
#20128	Assistant Film Processor	14,948	Darkroom Technician	16,968	+ 2,020
#20126	Cameraman	14,544	Senior Quality Control Specialist	16,362	+ 1,818
#20122	Cameraman	14,544	Senior COM Operator	16,362	+ 1,818
#20125	Cameraman	14,544	Senior Camera Operator	15,554	+ 1,010
#20121	Cameraman	14,544	Senior Camera Operator	15,554	+ 1,010
#20123	Cameraman	14,544	Duplication Technician	14,948	+ 404
#20124	Cameraman	14,544	Camera Operator	14,544	0
#20131	Secretary/Receptionist	13,736	Secretary/Receptionist	15,150	+ 1,414
				Subtotal	+25,452

TOTAL CHANGE IN NTE $ 281,596

Explanation of Changes

Area 3: Administrative Applications Development

The request to change a Computer Specialist to Manager, Member and Committee Support represents a combination of the reorganization request in FY80 to reclassify a Senior Applications Analyst as a manager and the need to have a senior group leader in that section, particularly with the anticipated rewrite of the payroll system.

Area 4: Text Processing Applications Development

The first request for a Senior Applications Analyst to be reclassified as a manager is a repeat of the FY80 recommended change due to the Computer Center reoranization. With respect to the other change, there currently are three levels of Text Processing Specialist in this area with only one position at the $16,564 NTE. We are recommending the elimination of this level in order to improve the ability to administer these positions. The change is consistent with the original FY1980 change when we consolidated Office Systems Specialists in the Educational Services Group to provide a more manageable number of positions for administrative purposes. The purpose of this change is for the same reason; i.e., provide a more manageable number of career ladder positions in the Text Processing area.

Area 6: Systems Programming

The change requested for a Junior Systems Programmer to a Systems Programmer in the FY80 budget represented the inability to fill a system programming position at the lower level. The charter given to the Systems Programming staff to develop and implement a performance management program has resulted in a structuring of the systems programming staff into three basic areas, each with a group leader. The requested changes in area 6 reflect this structuring and elevates the positions of 3 Senior Systems Programmer to the comparable level for the other group leader positions throughout the Computer Center within our career ladder structure.

Area 7: Computer Operations

There are numerous changes in the area of Computer Operations. Some of the changes listed were in the FY80 budget request, including the Assistant Operations Manager, the Production Manager, the Computer Resource and Performance Analyst, the Shift Supervisor, the Operations Scheduler, the Tape Librarian and Assistant Tape Librarian. Other changes were also requested in the FY80 budget including the reclassification of four obsolete positions to the four required for printing CMS letters. Most of the other changes reflect a recognition that there is a great deal of comparability between positions of Lead Operator and Job Controller as well as between Junior Operator and Operations Clerk. The Lead Operators are being recategorized with the not-to-exceed rate the same as that of the Job Controller which recognizes the comparability between job functions. This provides flexibility for movement of personnel from one group to another without a potential loss of salary. The Junior Operators are being reclassified downward and the Operations Clerks are being reclassified upward to reflect the comparability of these positions and to reflect their position within the career ladder structure of the Operations staff. The Senior Quality Controller and the Printing Operators are likewise being reclassified to Senior Job Controller and Operations Clerks for the purpose of comparability within the staff. These are positions, along with Quality Controller (which is being reclassifed as a Job Controller), which will support the operations of the Xerox 9700 facilities. These last four represent a two-stage change including the FY80 request.

The increase for the Hardware Manager reflects the comparability between the person responsible for operations at the 400 North Capitol site and the person responsible for operations at the Dirksen site, the Production Manager, who has a not-to-exceed rate of $29,896. Finally, to reflect the change in responsibilities of the Data Conversion Operators and to reflect the limited additional tasks which they perform as Operations Clerks, we are reclassifying these positions and providing a consistent position within the Operations career ladder structure.

Area 8: Data Network

An organization the size of the Data Network requires the functional position of an Assistant Manager. It is recommended that the position currently used for the Communications Software Specialist be reclassifed and retitled without a change in the not-to-exceed rate. The Communications Software personnel within the Network Group, require a high level of skill and extract a high salary in the job market. For these reasons, it is necessary to reclassify the positions and make them comparable both with the market conditions prevailing for this type of person, and to make them consistent with structures within the Systems Programming staff, a group with which there is a certain degree of comparability in terms of the requirements for maintaining the operating system software of the Communications Processor.

In order to respond to the increasing demands and the new complexities associated with the Private Wire Cable System, as well as the installation of State Office Data Communication facilities, a reorganization of the Network Group has been accomplished. The appropriate salary and title changes are being recommended to reflect the changed positions and changed job requirements necessitated by the expanded scope of operations and responsibility of this group. In particular the Junior Network Technicians and the Computer Terminal Installers are being reclassified as Computer Terminal Technicians, with two levels of not-to-exceed rates. It has been found that in order to attract personnel who have both the technical qualifications to perform the work, and the personality and ability to work in a sensitive area such as a user office environment, we must increase the rates to fill the jobs with the most competent personnel available. These changes reflect the requirements of these particular positions.

Finally, the recommended increase for the Network Equipment Supervisor repeats the FY80 recommendation making this position comparable to the other group leader positions in the Network Section.

Area 9: Planning, Budget and Administration

The two changes requested were originally in the FY80 budget request. They reflect the level and type of responsibilities given these two senior level positions.

Area 10: Educational Services

These requests, originally included in the FY80 budget, are related to the merging of the Correspondence Management System support staff and the User Training and Liaison personnel into the Educational Services staff. In addition, the request in FY80 to upgrade a Training Specialist to a Senior Training Specialist due to a previous error in classification is repeated in this supplemental request.

Area 11: Secretarial/Administrative Support

In recognition of the increasing number of administrative and office support responsibilities demanded from a person who is functionally serving as Assistant Office Manager, and who serves as the Office Manager in the absence of the Manager of Office Administration, a salary increase and retitling is being requested for a secretary to a position of Assistant Office Manager, consistent with the duties currently being performed.

The series of changes of Secretary represent an attempt to provide a structure of three levels within the career path for secretarial personnel and the elimination of the Receptionist which is no longer appropriate due to changed duties. The change from six salary levels for secretaries to a more manageable and consistent level of three categories within the career structure for secretarial personnel is requested. There is also a recognition that one secretarial position can be reduced to try and bring it more in line with a realistic salary for secretarial personnel.

Area 12: Managers

The position of Deputy Director of the Computer Center, and all of the Section Managers are performing the work of civil service rated positions of GS-16 and GS-15 respectively. The change in the NTE rates for this entire group of positions, on an aggregate basis, reflects an attempt to make these positions comparable to positions both in private industry and in other segments of the Executive branch of the government. It is a reflection of the functions and duties performed and represents the level of responsibility assigned to these functional positions.

Area 13: Micrographics Systems

All of the recommendations are those originally approved for the FY88 budget but denied with the passage of the continuing resolution. The recommendations are based upon an analysis of representative salaries from trade publications. The increase and title change for the Manager of Micrographics Systems emphasizes the user liaison performed by this position as well as the role played in the management of the Computer Center.

Attachment 3

SENATE COMPUTER CENTER
FY88 Supplemental Appropriation Request
Additional Personnel Requirements
to Support Policy and Organizational Changes

For: Text Processing Section organizational change		
1	Secretary	NTE 15,958
For: Planning, Budget and Administration Section in support of GAO recommendation		
1	Personnel Management Analyst	NTE 32,522
For: Data Network Section in support of expanded rate of state office implementation		
1	Senior Network Technician	NTE 29,896
1	Network Technician	NTE 26,268
For: Member and Committee Support Section for design/development of new Senate Indexing System		
1	Senior Applications Analyst	NTE 36,368
1	Senior Programmer Analyst	NTE 29,896
For: Administrative Applications Development Section for support of Capitol Police information system development efforts		
1	Applications Analyst	NTE 32,522
For: Micrographics Systems Section in support of the new computer output microfilm (COM) program		
1	COM operator	NTE 14,948
Total 8		218,362

Attachment 4

SENATE COMPUTER CENTER
FY80 Supplemental Appropriation Request
Expense Dollars in Thousands

	FY80 Continuing Budget Resolution	FY80 Supplemental Appropriation Request
SALARIES		
FY79 Authorized Positions (185)	$ 4,539,142.	4,539,142.
Add: 11 Transfer Micrographics Sect'n	179,982.	179,982.
Add: Anticipated Supplemental		
1 Transfer to Admin. Office		-38,784.
25 New Statutory Positions		621,958.
6 Position Decreases		-8,282.
76 Position Increases		209,878.
2 Title Changes w/o NTE Change		0.
Total	$ 4,719,124.	5,503,894.
EXPENSES		
Computers, Controls & Peripherals	$ 1,482,000.	1,482,000.
Publication Processors	0.	0.
Terminals	1,425,000.	1,425,000.
Network	886,000.	886,000.
Micrographic Services	481,000.	481,000.
Software (OP Systems, etc.)	293,000.	293,000.
Supplies	568,000.	568,000.
Travel and Conference (PL94-303)	77,000.	77,000.
Training	20,000.	20,000.
Computer Center Lease and Alter'ns	266,000.	266,000.
Computer Time Sharing	3,325,000.	3,325,000.
CMS Inhouse Transition	0.	0.
Professional Services	50,000.	50,000.
SUMMARY - Total Expenses		
Salaries	$ 4,719,124.	5,503,894.
Expenses	$ 8,873,000.	8,873,000.
	$13,592,124.	14,376,894.

GAO SALARY SURVEY

CURRENT AND PROPOSED NTE LEVELS FOR SENATE COMPUTER CENTER POSITIONS COMPARED WITH SIMILAR POSITIONS IN OTHER AGENCIES AND INDUSTRY (note a)

DEPUTY DIRECTOR

PAYROLL NUMBER 018323

CURRENT NTE LEVEL	b/	$ 40804
PROPOSED INCREASE		4848
PROPOSED NTE LEVEL		$ 45652

	LOW		HIGH
OFFICE OF PERSONNEL MANAGEMENT	$40832	d/	$53081
HOUSE INFORMATION SYSTEM	47889	d/	63579
LIBRARY OF CONGRESS	47889	d/	63579
DEPARTMENT OF THE INTERIOR	40832	d/	60657
DEPARTMENT OF THE NAVY	40832	d/	53081
HANSEN'S WEBER SALARY SURVEY (note c)	N/A		74900

MANAGER, TRAINING AND SUPPORT SERVICES

PAYROLL NUMBER 018233

CURRENT NTE LEVEL	$ 38784
PROPOSED INCREASE	3434
PROPOSED NTE LEVEL	$ 42218

	LOW		HIGH
OFFICE OF PERSONNEL MANAGEMENT	$34713	d/	$53081
HOUSE INFORMATION SYSTEM	34713	d/	53081
LIBRARY OF CONGRESS	34713	d/	53081
DEPARTMENT OF THE INTERIOR	34713		45126
DEPARTMENT OF THE NAVY	34713		45126
HANSEN'S WEBER SALARY SURVEY (note c)	N/A		-

ENCLOSURE I

MANAGER, TEXT PROCESSING APPLICATIONS DEVELOPMENT

PAYROLL NUMBER	018235
CURRENT NTE LEVEL	$ 38784
PROPOSED INCREASE	3434
PROPOSED NTE LEVEL	$ 42218

	LOW		HIGH
OFFICE OF PERSONNEL MANAGEMENT	$34713	d/	$53081
HOUSE INFORMATION SYSTEM	34713	d/	53081
LIBRARY OF CONGRESS	34713	d/	53081
DEPARTMENT OF THE INTERIOR	34713		45126
DEPARTMENT OF THE NAVY	34713		45126
HANSEN'S WEBER SALARY SURVEY (note c)	N/A		45300

MANAGER, DATA NETWORK

PAYROLL NUMBER	018244
CURRENT NTE LEVEL	$ 38784
PROPOSED INCREASE	3434
PROPOSED NTE LEVEL	$ 42218

	LOW		HIGH
OFFICE OF PERSONNEL MANAGEMENT	$34713	d/	$53081
HOUSE INFORMATION SYSTEM	34713	d/	53081
LIBRARY OF CONGRESS	40832	d/	53081
DEPARTMENT OF THE INTERIOR	34713		45126
DEPARTMENT OF THE NAVY	34713		45126
HANSEN'S WEBER SALARY SURVEY (note c)	N/A		40400

MANAGER, SYSTEMS PROGRAMMING

PAYROLL NUMBER	018325
CURRENT NTE LEVEL	$ 38784
PROPOSED INCREASE	3434
PROPOSED NTE LEVEL	$ 42218

	LOW		HIGH
OFFICE OF PERSONNEL MANAGEMENT	$34713	d/	$53081
HOUSE INFORMATION SYSTEM	34713		45126
LIBRARY OF CONGRESS	34713	d/	53081
DEPARTMENT OF THE INTERIOR	34713		45126
DEPARTMENT OF THE NAVY	34713		45126
HANSEN's WEBER SALARY SURVEY (note c)	N/A		43100

MANAGER, MEMBER AND COMMITTEE SUPPORT

PAYROLL NUMBER	018346
CURRENT NTE LEVEL	$ 38784
PROPOSED INCREASE	3434
PROPOSED NTE LEVEL	$ 42218

	LOW		HIGH
OFFICE OF PERSONNEL MANAGEMENT	$34713	d/	$53081
HOUSE INFORMATION SYSTEM	34713	d/	53081
LIBRARY OF CONGRESS	34713	d/	53081
DEPARTMENT OF THE INTERIOR	34713		45126
DEPARTMENT OF THE NAVY	34713		45126
HANSEN'S WEBER SALARY SURVEY (note c)	N/A		45300

MANAGER, COMPUTER OPERATIONS

PAYROLL NUMBER	018303
CURRENT NTE LEVEL	$ 38784
PROPOSED INCREASE	3434
PROPOSED NTE LEVEL	$ 42218

	LOW		HIGH
OFFICE OF PERSONNEL MANAGEMENT	$34713	d/	$53081
HOUSE INFORMATION SYSTEM	34713	d/	53081
LIBRARY OF CONGRESS	40832	d/	53081
DEPARTMENT OF THE INTERIOR	34713		45126
DEPARTMENT OF THE NAVY	29375		38186
HANSEN'S WEBER SALARY SURVEY (note c)	N/A		46500

MANAGER, ADMINISTRATIVE APPLICATIONS DEVELOPMENT

PAYROLL NUMBER	018324
CURRENT NTE LEVEL	$ 38784
PROPOSED INCREASE	3434
PROPOSED NTE LEVEL	$ 42218

	LOW		HIGH
OFFICE OF PERSONNEL MANAGEMENT	$34713	d/	$53081
HOUSE INFORMATION SYSTEM	34713	d/	53081
LIBRARY OF CONGRESS	34713	d/	53081
DEPARTMENT OF THE INTERIOR	34713		45126
DEPARTMENT OF THE NAVY	34713		45126
HANSEN'S WEBER SALARY SURVEY (note c)	N/A		45300

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MANAGER, LEGISLATIVE APPLICATION DEVELOPMENT

PAYROLL NUMBER	018263
CURRENT NTE LEVEL	$ 38784
PROPOSED INCREASE	3434
PROPOSED NTE LEVEL	$ 42218

	LOW		HIGH
OFFICE OF PERSONNEL MANAGEMENT	$34713	d/	$53081
HOUSE INFORMATION SYSTEM	34713	d/	53081
LIBRARY OF CONGRESS	34713	d/	53081
DEPARTMENT OF THE INTERIOR	34713		45126
DEPARTMENT OF THE NAVY	34713		45126
HANSEN'S WEBER SALARY SURVEY (note c)	N/A		45300

MANAGER, PLANNING, BUDGET, AND ADMINISTRATION

PAYROLL NUMBER	018264
CURRENT NTE LEVEL	$ 38784
PROPOSED INCREASE	3434
PROPOSED NTE LEVEL	$ 42218

	LOW		HIGH
OFFICE OF PERSONNEL MANAGEMENT	$34713	d/	$53081
HOUSE INFORMATION SYSTEM	34713	d/	53081
LIBRARY OF CONGRESS	34713	d/	53081
DEPARTMENT OF THE INTERIOR	34713		45126
DEPARTMENT OF THE NAVY	34713		45126
HANSEN'S WEBER SALARY SURVEY (note c)	N/A		61700

MANAGER, OFFICE ADMINISTRATION

PAYROLL NUMBER	018213
CURRENT NTE LEVEL	$ 26058
PROPOSED INCREASE	5454
PROPOSED NTE LEVEL	$ 31512

	LOW	HIGH
OFFICE OF PERSONNEL MANAGEMENT	-	-
HOUSE INFORMATION SYSTEM	$10000	$28000
LIBRARY OF CONGRESS	24703	32110
DEPARTMENT OF THE INTERIOR	24703	32110
DEPARTMENT OF THE NAVY	24703	32110
HANSEN's WEBER SALARY SURVEY (note c)	N/A	-

ASSISTANT OFFICE MANAGER

PAYROLL NUMBER	018504
CURRENT NTE LEVEL	$ 16160
PROPOSED INCREASE	5858
PROPOSED NTE LEVEL	$ 22018

	LOW	HIGH
OFFICE OF PERSONNEL MANAGEMENT	-	-
HOUSE INFORMATION SYSTEM	$10000	$28000
LIBRARY OF CONGRESS	24703	32110
DEPARTMENT OF THE INTERIOR	17035	22147
DEPARTMENT OF THE NAVY	20611	26794
HANSEN'S WEBER SALARY SURVEY (note c)	N/A	-

SENIOR SYSTEM PROGRAMMER (2 positions)

PAYROLL NUMBERS	018501, 018502
CURRENT NTE LEVEL	$ 35148
PROPOSED INCREASE	1212
PROPOSED NTE LEVEL	$ 36360

	LOW	HIGH
OFFICE OF PERSONNEL MANAGEMENT	$20611	$38186
HOUSE INFORMATION SYSTEM	14000	38000
LIBRARY OF CONGRESS	34713	45126
DEPARTMENT OF THE INTERIOR	29375	38186
DEPARTMENT OF THE NAVY	29275	38186
HANSEN'S WEBER SALARY SURVEY (note c)	N/A	37500

SENIOR SYSTEM PROGRAMMER

PAYROLL NUMBER	018259
CURRENT NTE LEVEL	$ 32522
PROPOSED INCREASE	3838
PROPOSED NTE LEVEL	$ 36360

	LOW	HIGH
OFFICE OF PERSONNEL MANAGEMENT	$20611	$38186
HOUSE INFORMATION SYSTEM	14000	38000
LIBRARY OF CONGRESS	34713	45126
DEPARTMENT OF THE INTERIOR	29375	38186
DEPARTMENT OF THE NAVY	29375	38186
HANSEN'S WEBER SALARY SURVEY (note c)	N/A	37500

HARDWARE MANAGER

PAYROLL NUMBER	018265
CURRENT NTE LEVEL	$ 28280
PROPOSED INCREASE	1616
PROPOSED NTE LEVEL	$ 29896

	LOW		HIGH
OFFICE OF PERSONNEL MANAGEMENT	-		-
HOUSE INFORMATION SYSTEM	$24000	e/	$40000
LIBRARY OF CONGRESS	29375	e/	38186
DEPARTMENT OF THE INTERIOR	24703		32110
DEPARTMENT OF THE NAVY	24703		32110
HANSEN'S WEBER SALARY SURVEY (note c)	N/A	e/	39800

SENIOR JOB CONTROLLER

PAYROLL NUMBER	018319
CURRENT NTE LEVEL	$ 20402
PROPOSED INCREASE	5454
PROPOSED NTE LEVEL	$ 25856

	LOW	HIGH
OFFICE OF PERSONNEL MANAGEMENT	$15423	$24385
HOUSE INFORMATION SYSTEM	15000	24000
LIBRARY OF CONGRESS	17035	22147
DEPARTMENT OF INTERIOR	20611	26794
DEPARTMENT OF THE NAVY	20611	26794
HANSEN'S WEBER SALARY SURVEY (note c)	N/A	25200

MANAGER, MICROGRAPHIC SERVICES

PAYROLL NUMBER	020120
CURRENT NTE LEVEL	$ 32522
PROPOSED INCREASE	3838
PROPOSED NTE LEVEL	$ 36360

	LOW	HIGH
OFFICE OF PERSONNEL MANAGEMENT	-	-
HOUSE INFORMATION SYSTEM	-	-
LIBRARY OF CONGRESS	$20611	$26794
DEPARTMENT OF THE INTERIOR	-	-
DEPARTMENT OF THE NAVY	-	-
INFOSYSTEMS ANNUAL REPORT (note g)	N/A	32500

LEAD OPERATOR (6 positions)

PAYROLL NUMBERS	018266, 018315, 018317, 018337, 018338, 018339
CURRENT NTE LEVEL	$ 18180
PROPOSED INCREASE	808
PROPOSED NTE LEVEL	$ 18988

	LOW	HIGH
OFFICE OF PERSONNEL MANAGEMENT	$13925	$22147
HOUSE INFORMATION SYSTEM	8000	20000
LIBRARY OF CONGRESS	13925	18101
DEPARTMENT OF THE INTERIOR	17035	22147
DEPARTMENT OF THE NAVY	15423	20049
HANSEN'S WEBER SALARY SURVEY (note c)	N/A	22200

JOB CONTROLLER

PAYROLL NUMBER	018320
CURRENT NTE LEVEL	$ 18180
PROPOSED INCREASE	808
PROPOSED NTE LEVEL	$ 18988

	LOW	HIGH
OFFICE OF PERSONNEL MANAGEMENT	$11243	$18101
HOUSE INFORMATION SYSTEM	8000	20000
LIBRARY OF CONGRESS	15423	20049
DEPARTMENT OF THE INTERIOR	18760	24385
DEPARTMENT OF THE NAVY	17035	22147
HANSEN'S WEBER SALARY SURVEY (note c)	N/A	20800

DATA RESOURCE ANALYST

PAYROLL NUMBER	018258
CURRENT NTE LEVEL	$ 18180
PROPOSED INCREASE	808
PROPOSED NTE LEVEL	$ 18988

	LOW	HIGH
OFFICE OF PERSONNEL MANAGEMENT	$11243	$20049
HOUSE INFORMATION SYSTEM	8000	20000
LIBRARY OF CONGRESS	13925	18101
DEPARTMENT OF THE INTERIOR	11243	22147
DEPARTMENT OF THE NAVY	12531	f/ 16293
HANSEN'S WEBER SALARY SURVEY (note c)	N/A	-

OPERATION CLERK (6 positions)

PAYROLL NUMBERS	018246, 018247, 018248, 018249, 018278, 018341
CURRENT NTE LEVEL	$ 14948
PROPOSED INCREASE	808
PROPOSED NTE LEVEL	$ 15756

	LOW	HIGH
OFFICE OF PERSONNEL MANAGEMENT	$10049	$16293
HOUSE INFORMATION SYSTEM	8000	20000
LIBRARY OF CONGRESS	12531	16293
DEPARTMENT OF INTERIOR	12531	16293
DEPARTMENT OF THE NAVY	12531	16293
HANSEN'S WEBER SALARY SURVEY (note c)	N/A	17500

JUNIOR OPERATION CLERK (2 positions)

PAYROLL NUMBERS	018268 - 018290
CURRENT NTE LEVEL	$ 12726
PROPOSED INCREASE	606
PROPOSED NTE LEVEL	$ 13332

	LOW	HIGH
OFFICE OF PERSONNEL MANAGEMENT	$10049	$16293
HOUSE INFORMATION SYSTEM	8000	20000
LIBRARY OF CONGRESS	11243	14618
DEPARTMENT OF THE INTERIOR	11243	14618
DEPARTMENT OF THE NAVY	11243	14618
HANSEN'S WEBER SALARY SURVEY (note c)	N/A	15700

COMMUNICATION SOFTWARE SPECIALIST

PAYROLL NUMBER	018242
CURRENT NTE LEVEL	$ 29896
PROPOSED INCREASE	2626
PROPOSED NTE LEVEL	$ 32522

	LOW	HIGH
OFFICE OF PERSONNEL MANAGEMENT	$20611	$32110
HOUSE INFORMATION SYSTEM	23000	38000
LIBRARY OF CONGRESS	29375	38186
DEPARTMENT OF THE INTERIOR	29375	38186
DEPARTMENT OF THE NAVY	29375	38186
HANSEN'S WEBER SALARY SURVEY (note c)	N/A	29000

COMMUNICATION SYSTEM SPECIALIST

PAYROLL NUMBER	018506
CURRENT NTE LEVEL	$ 29896
PROPOSED INCREASE	3434
PROPOSED NTE LEVEL	$ 33330

	LOW	HIGH
OFFICE OF PERSONNEL MANAGEMENT	$20611	$32110
HOUSE INFORMATION SYSTEM	23000	38000
LIBRARY OF CONGRESS	20611	38186
DEPARTMENT OF THE INTERIOR	29375	38186
DEPARTMENT OF THE NAVY	29375	38186
HANSEN'S WEBER SALARY SURVEY (note c)	N/A	-

COMPUTER TERMINAL TECHNICIAN (2 positions)

PAYROLL NUMBERS	018288, 018289
CURRENT NTE LEVEL	$ 17170
PROPOSED INCREASE	1818
PROPOSED NTE LEVEL	$ 18988

	LOW	HIGH
OFFICE OF PERSONNEL MANAGEMENT	$16723	$19480
HOUSE INFORMATION SYSTEM	-	-
LIBRARY OF CONGRESS	13925	18101
DEPARTMENT OF THE INTERIOR	-	-
DEPARTMENT OF THE NAVY	13925	24385
HANSEN'S WEBER SALARY SURVEY (note c)	N/A	24200

COMPUTER TERMINAL TECHNICIAN (3 positions)

PAYROLL NUMBERS	018257, 018287, 018322
CURRENT NTE LEVEL	$ 14544
PROPOSED INCREASE	1616
PROPOSED NTE LEVEL	$ 16160

	LOW	HIGH
OFFICE OF PERSONNEL MANAGEMENT	$16723	$19480
HOUSE INFORMATION SYSTEM	-	-
LIBRARY OF CONGRESS	13925	18101
DEPARTMENT OF INTERIOR	-	-
DEPARTMENT OF THE NAVY	13925	24385
HANSEN'S WEBER SALARY SURVEY (note c)	N/A	-

OFFICE SYSTEM SPECIALIST

PAYROLL NUMBER	018277
CURRENT NTE LEVEL	$ 18786
PROPOSED INCREASE	1818
PROPOSED NTE LEVEL	$ 20604

	LOW	HIGH
OFFICE OF PERSONNEL MANAGEMENT	$17035	$26794
HOUSE INFORMATION SYSTEM	9000	18000
LIBRARY OF CONGRESS	13925	22147
DEPARTMENT OF THE INTERIOR	17035	32110
DEPARTMENT OF THE NAVY	17035	22147
HANSEN'S WEBER SALARY SURVEY (note c)	N/A	-

SENIOR NETWORK TECHNICIAN

PAYROLL NUMBER	018262
CURRENT NTE LEVEL	$ 26260
PROPOSED INCREASE	3636
PROPOSED NTE LEVEL	$ 29896

	LOW	HIGH
OFFICE OF PERSONNEL MANAGEMENT	$18366	$21424
HOUSE INFORMATION SYSTEM	-	-
LIBRARY OF CONGRESS	20611	26794
DEPARTMENT OF THE INTERIOR	-	-
DEPARTMENT OF THE NAVY	20611	26794
HANSEN'S WEBER SALARY SURVEY (note c)	N/A	-

SENIOR APPLICATION ANALYST

PAYROLL NUMBER	018308
CURRENT NTE LEVEL	$ 32522
PROPOSED INCREASE	3838
PROPOSED NTE LEVEL	$ 36360

	LOW	HIGH
OFFICE OF PERSONNEL MANAGEMENT	$20611	$38186
HOUSE INFORMATION SYSTEM	23000	38000
LIBRARY OF CONGRESS	34713	45126
DEPARTMENT OF THE INTERIOR	29375	38186
DEPARTMENT OF THE NAVY	24703	38186
HANSEN'S WEBER SALARY SURVEY (note c)	N/A	39000

COMMUNICATION SOFTWARE SPECIALIST

PAYROLL NUMBER	018437
CURRENT NTE LEVEL	$ 33330
PROPOSED INCREASE	1818
PROPOSED NTE LEVEL	$ 35148

	LOW	HIGH
OFFICE OF PERSONNEL MANGEMENT	$20611	$32110
HOUSE INFORMATION SYSTEM	23000	38000
LIBRARY OF CONGRESS	34713	45126
DEPARTMENT OF THE INTERIOR	29375	38186
DEPARTMENT OF THE NAVY	29375	38186
HANSEN'S WEBER SALARY SURVEY (note c)	N/A	34700

TEXT PROCESSING SPECIALIST

PAYROLL NUMBER	018500
CURRENT NTE LEVEL	$ 16564
PROPOSED INCREASE	3232
PROPOSED NTE LEVEL	$ 19796

	LOW		HIGH
OFFICE OF PERSONNEL MANAGEMENT	$11243		$22147
HOUSE INFORMATION SYSTEM	9000	f/	18000
LIBRARY OF CONGRESS	13925		22147
DEPARTMENT OF THE INTERIOR	20611	e/	26794
DEPARTMENT OF THE NAVY	13925	f/	18101
HANSEN'S WEBER SALARY SURVEY (note c)	N/A		-

NETWORK TECHNICIAN

PAYROLL NUMBER	018286
CURRENT NTE LEVEL	$ 21614
PROPOSED INCREASE	4646
PROPOSED NTE LEVEL	$ 26260

	LOW		HIGH
OFFICE OF PERSONNEL MANAGEMENT	$17555		$20467
HOUSE INFORMATION SYSTEM	-		-
LIBRARY OF CONGRESS	17035		22147
DEPARTMENT OF THE INTERIOR	-		-
DEPARTMENT OF THE NAVY	20611	e/	26794
HANSEN'S WEBER SALARY SURVEY (note c)	N/A		-

TECHNICIAL USER LIAISON

PAYROLL NUMBER	018509
CURRENT NTE LEVEL	$ 14948
PROPOSED INCREASE	808
PROPOSED NTE LEVEL	$ 15756

	LOW		HIGH
OFFICE OF PERSONNEL MANAGEMENT	$ 8952		$14618
HOUSE OF INFORMATION SYSTEM	8000		12000
LIBRARY OF CONGRESS	11243		14618
DEPARTMENT OF THE INTERIOR	11243		14618
DEPARTMENT OF THE NAVY	10049		13064
HANSEN'S WEBER SALARY SURVEY (note c)	N/A		-

SECRETARY

PAYROLL NUMBER	018321
CURRENT NTE LEVEL	$ 15958
PROPOSED INCREASE	1212
PROPOSED NTE LEVEL	$ 17170

	LOW		HIGH
OFFICE OF PERSONNEL MANAGEMENT	$11243		$14618
HOUSE INFORMATION SYSTEM	8000	e/	18000
LIBRARY OF CONGRESS	13925	e/	18101
DEPARTMENT OF THE INTERIOR	12531		16293
DEPARTMENT OF THE NAVY	12531		16293
HANSEN'S WEBER SALARY SURVEY (note c)	N/A		-

SECRETARY

PAYROLL NUMBER	018373
CURRENT NTE LEVEL	$ 16766
PROPOSED INCREASE	404
PROPOSED NTE LEVEL	$ 17170

	LOW		HIGH
OFFICE OF PERSONNEL MANAGEMENT	$11243		$14618
HOUSE OF INFORMATION SYSTEM	8000	e/	18000
LIBRARY OF CONGRESS	13925	e/	18101
DEPARTMENT OF THE INTERIOR	12531		16293
DEPARTMENT OF THE NAVY	12531		16293
HANSEN'S WEBER SALARY SURVEY (note c)	N/A		-

SECRETARY

PAYROLL NUMBER	018379
CURRENT NTE LEVEL	$ 16160
PROPOSED INCREASE	1010
PROPOSED NTE LEVEL	$ 17170

	LOW		HIGH
OFFICE OF PERSONNEL MANAGEMENT	$11243		$14618
HOUSE INFORMATION SYSTEM	8000	e/	18000
LIBRARY OF CONGRESS	13925	e/	18101
DEPARTMENT OF THE INTERIOR	12531		16293
DEPARTMENT OF THE NAVY	12531		16293
HANSEN'S WEBER SALARY SURVEY (note c)	N/A		-

SECRETARY (2 positions)

PAYROLL NUMBERS	018369, 018372
CURRENT NTE LEVEL	$ 15756
PROPOSED INCREASE	202
PROPOSED NTE LEVEL	$ 15958

	LOW		HIGH
OFFICE OF PERSONNEL MANAGEMENT	$11243		$14618
HOUSE INFORMATION SYSTEM	8000	e/	18000
LIBRARY OF CONGRESS	13925	e/	18101
DEPARTMENT OF THE INTERIOR	12531		16293
DEPARTMENT OF THE NAVY	12531		16293
HANSEN'S WEBER SALARY SURVEY (note c)	N/A		-

SECRETARY (3 positions)

PAYROLL NUMBERS	018275, 018368, 018279
CURRENT NTE LEVEL	$ 15756
PROPOSED INCREASE	1414
PROPOSED NTE LEVEL	$ 17170

	LOW		HIGH
OFFICE OF PERSONNEL MANAGEMENT	$11243		$14618
HOUSE INFORMATION SYSTEM	8000	e/	18000
LIBRARY OF CONGRESS	13925	e/	18101
DEPARTMENT OF THE INTERIOR	12531		16293
DEPARTMENT OF THE NAVY	12531		16293
HANSEN'S WEBER SALARY SURVEY (note c)	N/A		-

SECRETARY

PAYROLL NUMBER	020131
CURRENT NTE LEVEL	$ 14746
PROPOSED INCREASE	404
PROPOSED NTE LEVEL	$ 15150

	LOW		HIGH
OFFICE OF PERSONNEL MANAGEMENT	$11243		$14618
HOUSE INFORMATION SYSTEM	8000	e/	18000
DEPARTMENT OF THE INTERIOR	12531	e/	16293
DEPARTMENT OF THE NAVY	12531		16293
HANSEN'S WEBER SALARY SURVEY (note c)	N/A		-

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a/Salary scales presented are for analogous positions in other agencies. Some variance in duties and responsibilities was encountered in comparing position descriptions. We have footnoted those cases where the difference in duties and responsibilities should be considered in evaluating proposed NTE level increases.

b/All figures are in fiscal 1980 dollars.

c/This survey is based on salaries as of June 1979.

d/The Federal pay ceiling is $50,112.50.

e/This position generally performed higher level duties than the Center position.

f/This position generally performed lower level duties than the Center position

g/This survey is based on salaries as of March 1, 1979.

ADMINISTRATIVE PROVISION

Sec. . (a) The appropriation for ''Office of Sergeant at Arms and Doorkeeper'' under the heading ''Salaries, Officers and Employees'' shall be available for the payment of additional annual compensation (hereinafter referred to as ''night differential compensation''), as authorized by the Sergeant at Arms and Doorkeeper pursuant to this section, to not more than 30 employees in the Senate Computer Center and not more than 50 employees in the Senate Service Department.

(b) An employee shall be eligible to receive night differential compensation only if 75 percent or more of his regularly scheduled hours of work is between 6 p.m. and 6 a.m.

(c) (1) The amount of night differential compensation which may be paid to an employee (as authorized by the Sergeant at Arms and Doorkeeper) shall not exceed an amount equal to ten percent of the regular annual rate of compensation of such employee rounded to the next highest multiple contained in section 1 (a) of the applicable Order of the President pro tempore of the Senate issued under authority of section 4 of the Federal Pay Comparability Act of 1970.

(2) The amount of night differential compensation which may be paid to an employee, when added to his regular annual compensation and his longevity compensation and merit compensation, if any, shall not exceed the maximum annual compensation which may be paid to Senate employees generally as prescribed by law or Orders of the President pro tempore issued under authority of section 4 of the Federal Pay Comparability Act of 1970.

(d) This section shall take effect on the first day of the first month which begins after the date of the enactment of this Act.

ADMINISTRATIVE PROVISION

Sec. . Effective January 1, 1980, section 3 under the heading ''Administrative Provisions'' in the appropriation for the Senate in the Legislative Branch Appropriation Act, 1975 (2 U.S.C. 59), is amended--

(1) by striking out ''not in excess of one year.'' in subsection (a) (2) and inserting in lieu thereof ''not extending beyond the term of office which he is serving on the first day of such lease, except that, in the case of a Senator whose term of office is expiring and who has been elected for another term, such lease may extend until the end of the term for which he has been so elected. Each such lease shall contain a provision permitting its cancellation upon 60 days written notice by the Sergeant at Arms of the Senate, in the event of the death or resignation of the Senator.''; and

(2) by striking out ''shall not at any time exceed the applicable rate per square foot charged Federal agencies'' in subsection (c) (1) and inserting in lieu thereof ''shall not exceed the highest rate per square foot charged Federal agencies on the first day of the lease of such office''.

February 7, 1980

Honorable F. Nordy Hoffmann
Sergeant at Arms
United States Senate
Washington, D. C. 20510

Dear Mr. Hoffmann:

As I am sure you are aware, the first and foremost concern of the Capitol Police is to maintain the level of security required by the Legislative Branch.

In the early part of 1977, a survey was conducted of the Senate Gallery and Chamber which led to the establishment of a minimum level of security for those areas. Since that time, attrition in the Metropolitan Police Detail and additional security demands by the Senate in connection with visiting heads of state, various dignitaries, etc., have reduced the manpower available to meet the established minimum. We would request that nine new positions of plainclothes officers be authorized to restore security to the directed level.

In recent years, the force has been assigned an additional manpower requirement by the Senate of approximately 31 manyears in the form of new posts. We have attempted to absorb these requirements without requesting additional personnel, however, it has become apparent that we are not able to do this without expending substantial amounts for overtime. The posts in question and their individual manpower requirements are as follows:

Upper Senate Door	1.17
Old Senate Chamber	1.63
Old Supreme Court Chamber	1.63
Disbursing Office	1.17
Office of Classified National Security Information	4.91
Magna Carta	4.91
Metal Detectors (Gallery Security)	6.02
400 N. Capitol Street	9.98
TOTAL	31.42

It would appear that the options available are (1) to request additional new positions to offset this manpower deficit, (2) continue to provide personnel for this coverage by drawing upon members of the force on their respective days off at a rate of pay 1½ times the regular rate, or (3) discontinue all or portions of this coverage.

Aside from these additional assignments, which presently exceed available manpower, the force expended approximately 5.3 manyears in Calendar Year 1978 for the purpose of providing required security on demands to various committee and members of the Senate. During the Calendar Year 1979 approximately 10.3 manyears were expended for this required additional security.

Should the Senate deem it appropriate to continue coverage and additional personnel are authorized, I would request that six of these positions be for the rank of Sergeant. Presently we have officers assigned to the Communications Branch who are designated as Acting Sergeants. These particular individuals were placed in these positions due to the requirement for supervisory personnel in the Closed Circuit Television and Intrusion

Detection Systems. A similar situation exists in our Training Division, where officers, assigned to supervise canine training, firearms training, and certain segments of the academic training, are serving as Acting Sergeants. These officers were assigned to the Training Division due to their particular abilities in the areas being instructed and were subsequently elevated to the rank of Acting Sergeant in order to provide the authority level necessary in carrying out their responsibilities.

Each of these individuals has been performing the duties of a Sergeant for a minimum period of three years, without appropriate compensation.

It is my understanding that a Senate Parking Department is to be formally established and that the 3 positions temporarily loaned to assist in parking operations will be returned for regular police duty. This would reduce the need for additional personnel accordingly. Also, a vacancy in the rank of Captain, resulting from the establishment of this department, will be assumed by the Lieutenant presently assigned as Assistant Commanding Officer of our Training Division. It is recommended, therefore, that the Lieutenant position vacated be abolished at that time.

The NTE salary rates for the new positions are as follows:

6	Sergeants	$ 20,200.00	$ 121,200.00
9	Plainclothes Officers	17,766.00	159,894.00
22	Privates	15,352.00	337,744.00
			618,838.00
	Less 1 Lieutenant	23,028.00	23,028.00
			$ 595,810.00

We earnestly request your consideration of this matter, and will most willingly provide any further information you should so desire.

Sincerely,

James M. Powell
Chief of Police

60-569 O—80——31

U. S. CAPITOL POLICE

	FISCAL YEAR 1980	FISCAL YEAR 1981	INCREASE/DECREASE
SALARIES, U. S. CAPITOL POLICE:			
FY 1980 Authorized Positions	$8,565,291.		
Add: October 1 cost of living pay increase	589,147.		
Add: Anticipated supplemental:			
1 new statutory position of Inspector	33,734.		
TOTAL FY 1980 OBLIGATIONS	$9,188,172.	$9,188,172.	
Requested position changes:			
6 new statutory positions of Sergeant		121,200.	$+121,200.
9 new statutory positions of Plainclothes officer		159,894.	+159,894.
22 new statutory positions of Private		337,744.	+337,744.
1 abolishment of statutory position of Lieutenant		- 23,028.	- 23,028.
TOTAL FISCAL YEAR 1981 REQUESTED		$9,783,982.	$ 595,810.

EXPENSES, U. S. CAPITOL POLICE:

Capitol Police General Expenses and Capitol Police Board Items are "JOINT ITEMS" and paid through the Committee on House Administration. They are not charged to the Senate Sergeant at Arms.

SUMMARY:

Salaries	$9,188,172.	$9,783,982.	$+595,810.
Expenses	-0-	-0-	-0-
Total	$9,188,172.	$9,783,982.	$+595,810.

NONDEPARTMENTAL WITNESSES

LIBRARY OF CONGRESS

ETHNIC EMPLOYEES OF THE LIBRARY OF CONGRESS

STATEMENT OF GEORGE E. PERRY, PRESIDENT

UNFAIR EMPLOYMENT PRACTICES AT THE LIBRARY

Senator SASSER. The first nongovernmental witness is Mr. George E. Perry, representing the organization entitled "Ethnic Employees of the Library of Congress."

Mr. Perry, welcome.

We remember you from last year.

Mr. PERRY. Thank you, Mr. Chairman.

We have been advocating a responsible and controlled budget for some years now, as the record would indicate, before Proposition 13 became popular.

I have a one-page summary, Mr. Chairman. We agree that this is a historic period for the Library, but we believe that it is an historic period of crisis in the sense that unfair personnel practices at the Library have become a major issue.

We have, according to the Library's own statements this budget year, 319 investigations in the Library of Congress in the EEO Office in just the last 2 years. Each investigation normally involves two or three employees, maybe four or five or more. Therefore, we are talking about over a thousand Library employees involved in investigations that number many man-hours being wasted in fighting each other instead of serving the Nation and the Congress.

No. 2, Mr. Chairman, as a result of the court actions that Mr. Cook and I are involved in, we were successful in getting Judge Gasch to order the Library to disclose information on formal complaints. We have estimated that from 1972 to 1979, there have been 800 formal discrimination complaints in a small agency as the Library is, having approximately 4,000 to 5,500 employees.

Again, according to the Library's own statements, Dr. Boorstin's statement that are recorded in the hearings in your subcommittee, sir, in fiscal year 1979, they said that one formal discrimination complaint, the processing of it, involves 40 days, each one.

Third, I have with me, Mr. Chairman, a status report of the Commission on Security and Cooperation of Europe that has to do with U.S. compliance with the Helsinki accords. The Commission is chaired by Congressman Fascell and co-chaired by Senator Pell, who is also the chairman of the Joint Committee on the Library.

On page 3 of this report, there is a statement that says, "Statements submitted by private organizations and individuals about alleged human rights violations in the United States, have been another source for our efforts to monitor the final act. These cover a broad spectrum of complaints ranging from charges of unfair personnel practices at the State Department and the Library of Congress, to accusations concerning political and economic persecution and police harassment. The Commission detailed many of these in the report while other charges were reviewed directly with the parties involved."

In the case of the Library of Congress, I have voluminous documentation on this matter, and I call to your attention the fact that the Helsinki Commission of the Congress of the United States considered these charges important enough to include them in the overall introduction of their status report entitled Fulfilling Our Promises: The United States and the Helsinki Final Act, and dated November 1979.

Fourth, there is a situation, Mr. Chairman, that is illustrated by our case, but also by other cases at the Library, the latest one of them being a black employee that is handicapped, the Lewis case, who is tomorrow being separated, where we have punishment of whistle-blowers, instead of disciplining management officials that are involved in prohibited personnel actions. In that case, the man complained basically about favoritism in promotions, filed a discrimination complaint, and as a result of that, for the last 2 years, he has been constantly harassed to the point where now they are just pushing him out effective tomorrow. If the Library of Congress were to be covered by the Office of the Special Counsel in a situation such as that, the Special Counsel would order the Library of Congress to investigate.

I am appealing to the committees to intervene with the Library to order a stay of the Lewis case tomorrow because we do not have a special counsel. If we had one, we would be appealing to him. And if you feel that it cannot be done, then, again, I am saying please consider the coverage of the Library of Congress by the Special Counsel so that we won't have cases such as the Lewis case ever

As our overall solutions to the problems I mentioned to you, we advocate specific remedies. I am suggesting, Mr. Chairman, the establishment of an independent ombudsman.

I have mentioned this last year and the prior year. It is an institution that was established by a Parliament, the Swedish Parliament in 1809. It was called, or he was called an agent who represented justice, basically to take care of abuses of Government officials and this institution has worked both in Europe and now in this country. It is adopted by many States. Hawaii, that I know of, has an ombudsman.

Second, we advocate the establishment of a legal defense fund for Library employees and we are not asking for any huge sums of money. The Library has suggested that they increase the EE0 0ffice personnel. We don't believe that that would be a wise decision because they already have too much personnel in there. The question is not one of personnel, it is a question of not having people that are—not having the support, rather, of management.

Therefore, the EEO personnel are caving in under the pressures of

management. And we suggest instead that money be used for the legal defense fund.

We are talking about $100,000. So if that $100,000 be used for the legal defense fund and for one position of an independent ombudsman, I think this would be a significant move toward the amelioration of this crisis that I believe we have that involves, I would say, easily in the last few years at least half of the Library staff.

Third, Mr. Chairman, I would favor the expansion of the jurisdiction of the special counsel through amending the Civil Service Reform Act of 1978, to improve protection of the employees of the Library of Congress.

We testified, both Mr. Cook and I, in favor of the Civil Service Reform Act protections for whistle blowers, and we also suggested at that time that the special counsel be given sufficient funds from the very beginning, and I also told Congresswoman Schroeder, who asked me about what we favored, of course, including the Library of Congress under the protection of the special counsel, and her response was, "I have no problem with that."

In fact, after that testimony, we were not included under the protection of the Civil Service Reform Act for purposes that I am itemizing. I have communicated with the Acting Special Counsel, Ms. Eastwood, and I am making, with your kind permission, Mr. Chairman, her letter part of my testimony, Ms. Mary Eastwood, a very dedicated person that is supporting our proposal in principle.

The fifth item, Mr. Chairman, that we would like to advocate is that the term of the Librarian be limited by Congress to a fixed term, preferably no longer than a Senator's term, 6 years, because, as I mentioned yesterday, we feel the Library is the servant of Congress and we feel that if his term is longer than those of the people that he serves, he really becomes a master instead of a servant.

There is room for abuse, in other words, in the lifetime or indefinite appointment that we have in that position. This is not the FBI. Even for the FBI that was changed.

Mr. Chairman, also I call your attention to the fact that the Library of Congress budget has tripled in the last 10 years. It was $62 million in 1970 and it is now $200 million, over three times, and that the Library of Congress staff has increased from about 3,800 staff people in 1970 to 5,700 staff people in 1980.

There is no end to it, and there is no optimum size of staff. They cannot tell us why, really, or what is the best number of employees, this management that has been involved in that institution for years. When they were asked the other day by Chairman Benjamin how do you determine how many programers are needed and what are the standards, they said there weren't any; they don't know.

They have 100 programers there, analysts. How to cut on that staff? I will give one suggestion, for what it is worth. No full-scale inventory of the Library's collecting has taken place in 40 years.

Now that is an amazing and unbelievable statement. No wonder the collections are in such disarray. First of all, taking inventory is really a normal part or should be a normal part of a Librarian's work. And I am talking about a full-scale inventory.

It is good training for a Librarian to go inside the building instead of outside traveling, get acquainted with those collections, read them. It will benefit the institution and the employees. So they don't need additional employees to do this.

The present employees can go into the stacks, each one in his own area, reading the collections. How can they do that if they have other work? We are talking about all these computers that have come out now. A lot of that computer work has relieved a lot of the previous work that Librarians used to do.

It is a lot easier now for bibliographers, for example, because those bibliographies are now prepared by computers. All they do is punch a button and out comes a list of bibliographical items. Yet we have a sizable number of bibliographers.

I suggest that all those positions be reviewed and if they are out of work, or if life is too easy for them, they be assigned to other tasks like what we are talking about or be in charge of the inventory because the inventory has to have also supervisory personnel to be effective and usually that would involve people who know what they are doing.

We have in the Library a continuous, uncontrolled, and abnormal growth which needs to be curbed. We participated, Mr. Chairman, in the decentralization study last year, that is Mr. Cook and I, that was part of the Civil Service Reform Act, section 901.

That study was suggested by a Member of Congress. It was stated as an overall conclusion in that decentralization study as regards the executive branch that 88 percent of the Government is already decentralized and, therefore, they don't really see any particular need for it at this time, but in the case of the Library of Congress, I call your attention to the fact it is 100 percent centralized and we advocate at least giving some serious thought to the idea of bringing the National Library to the whole continent of the United States because the United States is a continent and not many of these people in that continent can afford to come over here.

That situation primarily affects, you know, the rank and file of the American people, the minorities, the poor, the handicapped. We now have ways where the Library of Congress can have reegional or State offices, where our Library can have smaller libraries all over the country that are the National Library, one in the western part of the United States, a National Library in the northeastern part of the country, or in your State, sir, or in the South, and you can have the congressional part of the Library right here, in Washington of course.

There are other ways that this can be handled than having these massive buildings that may become white elephants before they are even started, full of problems already. We heard the other day of problems of lighting, about the problem of lack of windows; and the resulting loss of manpower hours.

There are going to be 4,000 people in that building, the new one, and yet the collections are going to be in the other two buildings, most of them. Now, do you know what that means in terms of the actual Librarian working with collections where he is in one building and has to go to the other two?

That means he has to take half an hour to reach the book collections. Whereas, if he were in the same building with the books, that cuts down considerably in the hours lost. That is, of course, inevitable when you have three buildings instead of the normal one. This is going to become more and more serious every day.

Thank you, Mr. Chairman.

Senator SASSER. Thank you, Mr. Perry, for your testimony. I am going to ask the Library of Congress to look into these issues that you have raised and comment for the record.

Mr. PERRY. Mr. Chairman, I want to commend your excellent staff. It reflects on you, too. It is important. We have had excellent relations with your staff and may we continue, please, during this year to be in contact in the interest of providing some possible suggestions about what I was talking to you about today, with your kind permission.

PREPARED STATEMENT

Senator SASSER. Thank you, Mr. PERRY. Your statement will be inserted in the record at this point.

[CLERK'S NOTE.—Additional material relating to Ethnic Employees of the Library of Congress and the litigation, *Cook and Perry* v. *Boorstin*, appear on pp. 861, 869, and 872.]

[The statement follows:]

STATEMENT OF GEORGE E. PERRY

I come before you with experience as a Library of Congress management official for over a decade from July 1964 to September 1974 and as a leader of two Library of Congress minority employee organizations, the Ethnic Employees of the Library of Congress and the Black Employees of the Library of Congress, from 1973 to the present.

In 1978 and 1979 I testified before ten Congressional Committees and Subcommittees on the Library of Congress but also on national issues and problems relating to minorities and majorities - being a voice of common sense, moderation and favoring the middle ground or the Golden Mean.

I thank you for providing me with the opportunity to appear today before your Subcommittee for the third consecutive year. I ask that you refer also to my previous statements before this Subcommittee, namely, my three 1978 statements published in Legislative Branch Appropriations for Fiscal Year 1979-Part 2 (GPO, 1978), pages 530-534, 534-538, 548-549 and related materials, pages 529-551, and my statement before you of Feb. 21, 1979 published in Legislative Branch Appropriations for Fiscal Year 1980-Part 2 (GPO, 1979), pages 223-232 and related materials submitted by me, see pages 141-307. Those statements are directly related to my testimony today.

Part I: The Problem - Unfair Personnel Practices at the Library

As a result of the Perry and Cook and other recent court actions against the Library of Congress administration - the Library administration has had to disclose the true dimensions of the problem and indirectly to admit that there is a problem.

A. The Library of Congress administration admits for the first time, on page 100 of The Library of Congress Justification of Estimates for the Fiscal Year Ending September 30, 1981, that in 1978 there were 154 investigations of complaints in the Library's Equal Employment Opportunity and Compliance Office and that in 1979 there were 165 investigations of complaints in that Office - making a total of 319 investigations of complaints in just two years.

I call the attention of the Subcommittee to the fact that each discrimination complaint involves on the average about four or five Library employees - it can involve two or three or it can involve six, eight or more Library employees. Each discrimination complaint may be the result of mismanagement, waste or corruption. These 319 Library investigations of discrimination complaints in 1978 and 1979 can involve conservatively speaking over 1,000 Library employees. Indirectly almost the entire staff of the Library is affected by this situation.

Please also consider that many employees that are victims of discrimination at the Library of Congress do not submit discrimination complaints because they are afraid of retaliation for doing so, and they do not have confidence in the Library's EEO Office and in the Library administration to give them a fair chance.

B. As a result of documentation that the Library of Congress was ordered by the Federal Court to supply to our attorneys I have ascertained recently that there have been about 800 (eight hundred) formal discrimination complaints in the Library's Equal Employment Opportunity Office from 1972 to 1979 - that is in a comparatively brief period and in an agency with a total of four to five and a half thousand employees during the period when these formal complaints were filed.

Again we must have in mind that each discrimination complaint may be the result of mismanagement, waste and corruption and that each complaint involves four to five employees on the average. Thus, the 800 complaints directly involve perhaps half of the Library of Congress staff and indirectly almost the entire Library of Congress staff.

C. I also wish to call to the attention of the Legislative Appropriations Subcommittee that the Commission on Security and Cooperation in Europe, Congress of the United States, also known as the "Helsinki Commission", in its recently (November 1979) released Report entitled: Fulfilling Our Promises: The United States and the Helsinki Final Act, on U.S. implementation of the Helsinki Accords of 1975, (CSCE Final Act), considers possible human rights violations at the Library of Congress and charges of unfair personnel

practices at the Library of Congress important enough and serious enough to cite them in the Overall Introduction of the Report and specifically on page 3 where under the heading Preparation of this Report the following second paragraph appears:

"Statements submitted by private organizations and individuals about alleged human rights violations in the U.S. have been another source for our efforts to monitor the Final Act. These cover a broad spectrum of complaints ranging from charges of unfair personnel practices at the State Department and the Library of Congress to accusations concerning political and economic persecution and police harassment. The Commission detailed many of these in the report while other charges were reviewed directly with the parties involved."

And on page 4 of the Report:

"our /the Commission's/ general policy was to take most criticisms seriously and to respond to them in the same vein."

D. Another recent example of unfair personnel practices at the Library and resulting waste of government funds by the Library administration in pursuing matters that can be resolved for an endless period of time - is the recent ignoring by the acting librarian of the recommendations of two library reply officers and an apparently impartial hearing examiner in the Perry and Cook case - see attached Cook and Perry v. Boorstin Motion for Summary Judgment of Jan. 9, 1980, pages 8 and 9,etc.

Part II: The Solution - What we need is an Ombudsman, a legal defense fund for Library of Congress employees, and the extension of the jurisdiction of the Special Counsel to include protection of Library of Congress employees

It is obvious that the Library's problems are not being adequately addressed by the people hired by the Library to deal with these problems.

The Library finally recognizes that there is a problem by asking for four full-time employes (one GS-13 and 3 GS-11's) and an appropriation of about $100,000.00 (including the personnel benefits) for these four new positions for the Equal Opportunity Office. But adding more people to the Equal Opportunity Office will not solve the problem particularly since the Equal Opportunity Office of the Library has refused to conduct hearings and to process many discrimination complaints as required by law. If you look at page xv of the current (October 1979) Library of Congress Directory where the staff of the Equal Opportunity Office are listed one finds that the EO Office already has five full-time employees (the Coordinator, two Investigators, the Administrative Secretary and the Assistant Secretary) and seventeen part-time employees (the Legal Consultant, four EO Officers, and twelve counselors). We do not need a bigger EO bureaucracy with the Library not really interested in resolving these astronomically high complaints, investigations etc.

We propose a sensible alternative: USE THE $100,000 appropriation instead to establish:

A. An Ombudsman for the Library of Congress to combat fraud, waste and mismanagement; the Ombudsman should be independent and separate from the Librarian and should be made responsible to the Congress.

and B. A Legal Defense Fund to help employees with discrimination complaints facing the many attorneys of the Library of Congress and of the Justice Department in a completely unequal and unfair situation overwhelmingly stacked in favor of the bureaucracy and thus leading to the present abuses.

C. The third remedy(which does not involve appropriations) would be to amend the Civil Service Reform Act of 1978 to include specifically the Library of Congress under the jurisdiction and protection of the Special Counsel - thus protecting Library whistle-blowers from reprisals and punishing Library staff engaged in prohibited personnel practices. GPO does have this protection.

The EELC and BELC leadership met with the present Acting Special Counsel Ms. Mary Eastwood on January 10, 1980 to discuss with her our proposal that the Civil Service Reform Act of 1978 be amended to include protection for employees of the Library of Congress and also wrote to her on that subject on January 12, 1980.
On Feb. 12,1980 Ms. Mary Eastwood, Acting Special Counsel, sent the following letter of support to the EELC which we call to the attention of Congress:

"This is with reference to your January 12, 1980 letter concerning your proposal that the Civil Service Reform Act of 1978 be amended to include protection for employees of the Library of Congress. Although the Office of the Special Counsel does not plan to actively press for expansion of our jurisdiction this year, we support your proposal in principle."
(I ask that Ms. Eastwood's letter become part of the hearing record)

The Library of Congress deals with a basic national resource: Information. Those that expose abuses in such an agency dealing with a basic national resource must receive the protection of the Office of the Special Counsel.

D. The EELC favors amending the law to include Library of Congress employees specifically under the protection of the Equal Employment Opportunity Commission - the EEOC is responsible for all compliance and enforcement activities relating to equal employment opportunity among Federal employees. Yet Library of Congress employees that are Federal employees are not at present under the protection of the EEOC. We believe that Library of Congress employees must have the same protections that other Federal employees enjoy. We are discussing the concerns of the Black employees of the Library of Congress and of the Ethnic employees of the Library of Congress with EEOC officials.

E. We ask that the term of the Librarian be limited by Congress to a fixed term of six or eight or ten years rather than life-time or indefinite appointment to allow fresh, new ideas and leadership in the Administration and to curb dangerous concentration of power in one man for a life-time. The terms of Members of Congress, that the Librarian serves, are fixed and not life-time terms.
The EELC-BELC also favor the decentralization of the authority of the Librarian rather than the present trend towards increased centralization of authority.

F. The BELC-EELC are concerned that the Library of Congress is suffering from the disease of GIGANTISM - continuous, uncontrolled and abnormal growth of the Library budget, staff and buildings.
The Library of Congress is 180 years old. Yet in the last decade alone the Library of Congress staff increased by 50% while the Library of Congress budget tripled.
Specifically, while in Fiscal 1970 (as we entered the 1970's) the Library of Congress staff numbered 3,848 employees in Fiscal 1980 (as we entered the 1980's) the Library of Congress staff had swollen to a total of 5,790 employees and while in Fiscal 1970 the Library of Congress budget was about $62 million (obligated) the Fiscal 1980 Library of Congress budget had skyrocketed to $200 million.
What other Library in America or in the world approximates even half of the size of the Library of Congress budget? Such abnormal growth contributed to the problems now admitted by LC management and outlined at the beginning of my testimony-hundreds of investigations, hundreds of complaints - involving several more hundreds of Library employees.
It is the easy way out for any management to ask for more employees and more money every year. It is the challenge of creative management to operate and produce within one's means and to take care humanely of its present employees and to accomplish its mission with concern for saving the hard-earned tax dollars of the American people.

To counter the disease of Gigantism the BELC-EELC favor DECENTRALIZATION of the Library of Congress. While the Federal Government as a whole is currently highly decentralized geographically with about 88% of Federal employees located

outside the National Capital Region and about 12% in the Washington DC and Vicinity area (See Study of Decentralization of Federal Governmental Functions - submitted by the Director of the Office of Management and Budget to the President and Congress on Jan. 8, 1980 - pages xi, 7) - the Library of Congress is highly or rather completely centralized geographically with no LC employees located in the United States outside the National Capital Region and with 100% of LC employees (in US) located in the National Capital Region (See attached table supplied to me by the Office of Management and Budget, Executive Office of the President). The EELC-BELC leadership participated in the OPM Decentralization Study (cited above) and favored further decentralization of Federal Governmental Functions as well as decentralization of the Library of Congress which at present cannot be reached by the vast majority of the people of the American continent - the poor, the minorities, the handicapped - isolated as it is in its gilded, resplendent, three-building cocoon.

Outline of EELC-BELC Testimony Before the U.S. House and Senate Legislative Appropriations Subcommittees, February 27 and 28, 1980

I. The Problem - Unfair Personnel Practices at the Library

A. 319 investigations in LC's EEO Office in just 1978 and 1979 - involving over 1,000 Library employees approximately

B. 800 formal discrimination complaints from 1972 to 1979 in an agency with approximately 4,000 to 5,500 employees at the time

C. Helsinki Commission citing of charges of unfair personnel practices and possible human rights violations in the Library of Congress

D. Punishment of whistleblowers - testifying before Congress - instead of disciplining those engaged in prohibited personnel actions. Disregard by Top LC Management of Hearing Officers' and Hearing Examiner's Recommendations - Decisions.

II. The Solution

A. Establishment of an Independent Ombudsman for LC

B. Establishment of a Legal Defense Fund for LC employees

C. Expansion of the jurisdiction of the Special Counsel, through amendment of the Civil Service Reform Act of 1978, to include protection for employees of the Library of Congress

D. Amend law to include Library of Congress employees under the protection of the Equal Employment Opportunity Commission

E. The term of the Librarian be limited by Congress to a fixed term rather than lifetime or indefinite appointment

F. LC budget tripled and LC staff increased by 50% in the last decade alone. Curb this GIGANTISM of LC - continuous, uncontrolled and abnormal growth - and bring the National Library to the People through Decentralization of the Library - which at present is 100% centralized while the Federal Government as a whole is geographically 88% decentralized.

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

HOWARD R. L. COOK
and
GEORGE E. PERRY,
Plaintiffs
v.
DANIEL J. BOORSTIN, et al.,
Defendants.

Civil Action No. 78-2312

MOTION FOR SUMMARY JUDGMENT

Plaintiffs move this Court for summary judgment pursuant to Rule 56 of the Federal Rules of Civil Procedure. Based on an application of relevant law to the undisputed facts of this case plaintiffs are entitled to a judgment in their favor as a matter of law.

Plaintiffs, therefore, are entitled to an expungement of their tainted employment records regarding their suspension and or termination by the Library of Congress, and are entitled to back pay and reinstatement at a position that they would have had except for the adverse actions.

Respectfully submitted,

Joel D. Joseph

JOEL D. JOSEPH
JEFFREY HILLER
1712 Eye Street, N.W.
Suite 1010
Washington, D.C. 20006
338-5560

Attorneys for Plaintiffs

CERTIFICATE OF SERVICE

I certify that I have hand mailed a copy of this motion for summary judgment, a statement of points and authorities in support, a statement of material and a copy of all exhibits issued as to which there is no genuine dispute and a proposed order to Robert Werdig, U.S. Courthouse, Washington, D.C., 20001 this 8th day of January, 1980.

Joel D. Joseph

JOEL D. JOSEPH

I. FACTUAL BACKGROUND

Plaintiff Cook is the Executive Director of the Black Employees of the Library of Congress (BELC) and has held that position since August 1970. BELC has more than 400 members . Plaintiff Perry is President of the Ethnic Employees of the Library of Congress (EELC) and has held that position since November 1973. EELC has more than 200 members .

Both plaintiffs were invited to testify before the Metropolitan Area Congressional Caucus, and did testify, July 1, 1976. The controversy at issue is focused on the testimony given by plaintiffs at those proceedings.

After and because of the testimony given by plaintiffs Cook and Perry, the Library of Congress (the Library) served plaintiffs with notices of proposed adverse actions in August and September of 1976. Exhibits 1 and 2.

The notices charged that plaintiffs made and distributed statements concerning Paul Horecky, Chief of the Library's Slavic and Central European Division. It is of paramount importance to note that plaintiffs Cook and Perry were charged with making and distributing First-Amendment protected statements, and nothing more. Plaintiffs have always contended that the statements that they made are true; but the truth or falsity of the statements are not relevant to this motion. The statements made by Messrs. Cook and Perry concerned the qualifications and credentials of Mr. Horecky. If Mr. Horecky felt that he had been defamed then he, not the Library, should have sued for civil damages.[1]

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1. Mr. Horecky failed to file a civil claim against plaintiffs. Since the statute of limitations for libel and slander in the District of Columbia is one year, 12 D.C. Code Section 301 (4), Mr. Horecky could no longer pursue his claim.

The charges against plaintiffs Cook and Perry were investigated by reply officers Marlene C. McGuirl and by Johnny H. Killian of the Library of Congress. Marlene McGuirl found the Library's charges to be substantially without merit concerning 6 out of 7 charges; for the one charge that she found had merit she recommended a suspension of 90 days rather than termination.

Mr. Killian recommended that Mr. Cook be disciplined without specifying the extent fo the discipline.

The allegations against plaintiffs Cook and Perry were virtually identical. The charges were:

(1) That Cook and Perry made false and malicious statements against Mr. Horecky when giving statements to the Metropolitan Area Congressional Caucus;

(2) That the statements were made with intent to injure the reputation of Mr. Horecky;

(3) That copies of these statements were distributed to employees of the Library;

(4) That the distribution of copies was made with intent to injure;

(5) That Cook and Perry gained access to confidential documents concerning Mr. Horecky; and

(6) That Cook and Perry failed to get the Library's permission before distributing the statements described above.

The recommendations of Ms. McGuirl and Mr. Killian were submitted to Glen Zimmerman, the Director of Personnel of the Library of Congress. Mr. Zimmerman disagreed with the recommendation that Mr. Perry be suspended for 90 days, and concluded that he should be terminated and that Mr. Cook should be suspended for 90 days. Exhibit 6.

The Library then submitted the matter to a hearing examiner for a recommended decision. On July 27, 1979, examiner Gamser recommended that both Mr. Cook and Mr. Perry be given 90 day suspensions.

The acting librarian decided on August 20, 1979 that he did not agree with the examiner's recommendations and affirmed the termination of Mr. Perry's employment with the Library, and upheld Mr. Cook's suspension.

Mr. Perry was terminated from the Library on July 15, 1977 and has been unable to secure employment since that date. Mr. Cook has remained in grade GS-9 since 1971.

II. ARGUMENT

A. FEDERAL EMPLOYEES HAVE A STATUTORY RIGHT TO PETITION CONGRESS AND AN ADVERSE ACTION CANNOT BE INITIATED BECAUSE OF SUCH PROTECTED ACTIVITY.

In addition to the protections of the First Amendment Congress has enacted legislation to protect the right of government employees:

> The right of employees, individually or collectively, to petition Congress or a Member of Congress, or to furnish information to either House of Congress, or to a committee or Member thereof, may not be interfered with or denied.
>
> 5 U.S.C. Section 7211 (1979 Ed.)
> (formerly U.S.C. Section 7102)
> (emphasis added).

Mr. Cook and Mr. Perry presented information to the Metropolitan Area Congressional Caucus, composed of members of Congress from nearby Maryland, Virginia and the District of Columbia. The Library brought adverse actions against Cook and Perry for "furnishing information" to members of Congress. The adverse actions undeniably interfere with the rights of plaintiffs and others to present information to Congress; citation of testimony before Members of Congress in an adverse action proceeding is a per se violation of 5 U.S.C. Section 7211 and cannot be tolerated by this Court.

B. THE FIRST AMENDMENT PROHIBITS THE LIBRARY OF CONGRESS FROM TAKING ADVERSE ACTION AGAINST AN EMPLOYEE FOR THAT EMPLOYEE'S STATEMENTS.

(1) THE FREEDOM OF SPEECH CLAUSE.

The First Amendment provides in part that:

> Congress shall make no law . . . abridging freedom of Speech . . .

The Library of Congress is an arm of Congress and is therefore subject to the restriction of the Constitution of the United States. Therefore no regulation of the Library can stand if it abridges the freedom of speech.

And the application of Library regulations in a retailiatory manner for the exercise of free speech cannot be tolerated.

The Supreme Court has indicated that statements made by public employees on matters of public concern must be accorded First Amendment protection despite the fact that the statements are directed at their superiors. Garrison v. Louisiana, 379 U.S. 64 (1964). The Supreme Court in Garrison relied on its earlier holding in Barr v. Matteo, 360 U.S. 564 (1959) which held that federal officials were immune from a suit for libel and slander if the defamatory publication is made within the scope of official duty.

In the instant case plaintiffs were testifying about the competence of their superior. That superior had an absolute privilege for defamatory publication under Barr v. Matteo, supra, and therefore had the wherewithall to defend himself. As critics of their superior public servant, Messrs. Cook and Perry have the "fair equivalent" of the immunity granted to their superior. The Supreme Court stated the same proposition more eloquently:

> It would give public servants an unjustified preference over the public they serve, if critics of official conduct did not have a fair equivalent of the immunity granted to the officials themselves.
>
> New York Times v. Sullivan, 376 U.S. 282-283, (1964) Quoted in Garrison v. Louisiana, 379 U.S. at 74.

The Court in New York Times v. Sullivan recognized that unencumbered free speech could cause erroneous statements and unpleasant attacks on the government, but that unfettered speech must be protected. The First Amendment embodies our:

> profound national commitment to the principle that debate on public issues should be uninhibited, robust, and wide-open, and that it may well include vehement, caustic, and sometimes unpleasantly sharp attacks on government and public officials.
>
> * * *
>
> erroneous statement is inevitable in free debate, and . . . it must be protected if the freedoms of expression are to have the 'breathing space' that they 'need ... to survive' . . .
>
> 376 U.S. at 270-272.

The statements made and distributed by plaintiffs are protected free speech and the adverse actions taken against them must be reversed.

(2) THE PETITION CLAUSE.

The First Amendment provided that "Congress shall make no law . . . abridging . . . the right of the people . . . to petition their government for redress of grievances." Plaintiffs Cook and Perry petitioned their government by presenting statements to the Members of Congress in the Metropolitan Area Congressional Caucus.

As previously mentioned, Congress has enacted legislation which defines these rights for government employees. 5 U.S.C. Section 7211. Any action taken by the Library, an arm of Congress, restricting the rights of individuals to petition the Congress would run afoul of the petition clause of the First Amendment.

The Supreme Court has held that a public employee cannot be terminated because of his testimony before legislative Committees. Perry v. Sindermann, 408 U.S. 593, 598 (1972). The Court in Perry stated:

> The respondent has alleged that his nonretention was based on his testimony before legislative committees and his other public statements critical of the Regents' policies. And he has alleged that his public criticism was within the First and Fourteenth Amendments' protection of freedom of speech. Plainly, these allegations present a bona fide constiutional claim. For this Court has held that a teacher's public criticism of his superiors on matters of public concern may be constitutionally protected and may, therefore, be an impermissible basis for termination of his employment. Pickering v. Board of Education, supra.
>
> For this reason we hold that the grant of summary judgment against the respondent, without full exploration of this issue, was improper.

408 U.S. at 598.

In the instant case the Library has stated in its notices of proposed adverse action that the basis for the charges was solely the statements and testimony made by plaintiffs. For this reason no factual issues need be resolved, the Library having admitted the improper nature of its proceedings: summary judgment for plaintiffs is therefore appropriate.

(3) PRIOR RESTRAINT.

The Library's charge and regulations that allegedly require employees to get prior permission from the Library before distributing written information is a prior restraint on free speech which comes to this court with a heavy burden against its constitutionality. Near v. Minnesota, 283 U.S. 697 (1931). Plaintiffs challenge the defendants to meet this burden in their opposition; plaintiffs will reply to defendants' opposition on this subject.

C. THE DECISION OF THE ACTING LIBRARIAN OF CONGRESS TO DISREGARD AN IMPARTIAL HEARING EXAMINER'S RECOMMENDATION IS ARBITRARY AND CAPRICIOUS AS A MATTER OF LAW.

The acting librarian ignored recommendations of two library reply officers and an apparently impartial hearing examiner that Mr. Perry not be terminated. Mr. Welsh's decision is so obviously based on personal bias and on information not in the record that it must be reversed. He states:

> Mr. Perry's conduct . . . is continuing in nature . . .
> See Exhibit 9 at 9.

Mr. Perry was charged with specific offenses, which referred to specific instances of defamation. How then, can the violations be continuing?

Mr. Perry has continued to testify before Congressional Committees.[2] His testimony has been critical of the policies and management of the Library. The acting librarian has obviously considered matters outside of the charges and outside of the official record.

In a remarkably similar case against the Librarian of Congress, Kozak v. United States, 458 F. 2d 39 (1972), the Court of Claims held that the Librarian's refusal to reinstate an employee contrary to the recommendation of an ad hoc Library board, was arbitrary and capricious. See also Ringer v. Mumford, 355 F. Supp. 749 (D.D.C. 1973). The Court in Kozak reasoned:

> Plaintiff claims that the Librarian's reversal of the Board recommendation was arbitrary and capricious because it relied upon unofficial records that were not in evidence before the Board. We find this argument to be meritorious and reason enough to render (summary) judgment for plaintiff.
>
> * * *
>
> And, in addition, testimony before the Board brought out that the (critical) memorandum was written after plaintiff had been separated.
>
> * * *
>
> In view of these matters, plus the fact that there were no comments adverse to plaintiff in any of the performance ratings, we believe that the Librarian's decision was arbitrary. Plaintiff is entitled to back pay . . .

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2. See Joint Committee on the Library, Jan. 26, 1978. Published in Leg. Br. Appro. for FY 79, Leuste Hearing 534-538.

House Committee on Appropriations-Subcommittee on Leg. Br. Appro., March 6, 1978. Leg. Branch Appro. for FY 79, 1309-1316.

Senate Committee on Appropriations-Subcommittee of Leg. Br. Appro., March 26, 1978. Leg. Branch Appro. for FY 79, 529-551.

House Committee on Post Office and Civil Service, Apr. 6, 1978. 264-276, 1015.

Senate Committee on Governmental Affairs, May 5, 1978. Civil Service Reform Act of 1978 Hearings, 1289-1304.

Senate Committee on Appropriations, Subcommittee on Leg. Br. Appro., Feb 22, 1979. Leg. Br. Appro. FY 80, Pt. 2, 141-307.

House Committee on Appropriations, Subcommittee on Leg. Br. Appro., March 1, 1979. Leg. Br. Appro. FY 80, Pt., 2, 2207-2230.

Written Testimony before the Commission on Security and Cooperation in Europe, Congress of the United States, April 15, 1979. (See FRR No. 9)

458 F.2d at 40, 41.

The acting Librarian's decision must be viewed in light of the federal statute which makes it illegal for any person to influence or intimidate a witness before a Congressional Committee.[3] 18 U.S.C. Sections 1504, 1505. One must never lose sight of the fact that this proceeding and the adverse actions were precipitated by the testimony before a Congressional Caucus, Further, plaintiffs continue to testify before Congress concerning the operations of the Library. Judge Gesell found that a civil damage action against federal officials could be based upon violations of 18 U.S.C. Section 1505, Fitzgerald v. Butterfield, (D.D.C., Civil Action No. 74-178. April 27, 1979).

The Librarian and other officials of the Library seem to have been conducting a personal vendetta against the plaintiffs because of the statements made by plaintiffs. In De Luca v. Sullivan, 450 F. Supp. 736 (D. Mass. 1977) stated:

> In 1969, when plaintiff Hussey and former Chief of Police Pisani were both patrolmen on the police force, Hussey made an extremely ill-considered remark to the man who later became his superior. This remark seems to be the source of the alleged "personal animus" which Chief Pisani had for plaintiff Hussey. While it may be perfectly ligitimate for a private superior not to promote an employee who he personally dislikes, a government employer may not stand in the way of the developing career of a subordinate for personal reasons not related to job function. Bruns v. Pomerleau, 319 F. Supp. 58 (D. Md. 1970).
>
> 450 F. Supp. at 740.
> (emphasis added)

No allegations have been made that plaintiffs have failed to properly perform their job functions at the Library of Congress. Certainly nothing in the notice of proposed adverse action gave any indication that job functions were not being properly performed. For these reasons the acting librarian's decision to terminate plaintiff Perry must be

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3. In a related case, Perry v. Mumford, D.D.C. Civil Action 74-1449, District Judge Bryant found that the Library had improperly intimidated witnesses concerning an administrative proceeding. Memorandum and order dated November 7, 1974.

reversed, since he could have had no proper reason for invalidating the recommendations of the hearing examiner.

CONCLUSION

The Library of Congress is truly the National Library of the United States. Free and unfettered distribution of information is its chief function. The Library, above all else, should not be engaged in the censorship of ideas. But that is exactly what the Library is engaged in in this matter. The Library is taking adverse action against two employees because of testimony that they gave before a Congressional Caucus. Rather than setting an example of tolerance of free speech, the Library has been wielding the censors' sword, swinging it wildly, with no regard for the consequences of its actions. The consequences have destroyed the careers of two well-intentioned government employees who sought, and are seeking, to improve operations at the Library. This Court must take the censors' sword from the Library and stand firmly in favor of the First Amendment's cherished right of free speech.

Respectfully submitted,

JOEL D. JOSEPH
JEFFREY HILLER
JOSEPH AND HILLER
1712 Eye Street, N.W., Suite 1010
Washington, D.C. 20006
338-5560

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

HOWARD R. L. COOK	)	
and	)	
GEORGE E. PERRY,	)	
Plaintiffs	)	
v.	)	Civil Action No. 78-2312
DANIEL J. BOORSTIN, et al.,	)	
Defendants.	)	

STATEMENT OF MATERIAL FACTS AS TO WHICH THERE IS NO GENUINE ISSUE

1. George E. Perry began his employment at the Library of Congress in 1963 as a Slavic Librarian. In 1964 he was named Curator of the Slavic Room, Slavic and Central European Division and Recommending Officer for the Library's Greek Collections. He was promoted to Head, Slavic Room, and Greek Area Specialist in 1971. George E. Perry has been the President of the Ethnic Employees of the Library of Congress since 1973.

2. Howard Cook has been employed by the Library of Congress since October 1960. He has been executive director of the Black Employees of the Library of Congress since.1970.

3. Howard Cook and George E. Perry investigated the background of Paul Horecky, Chief of the Slavic and European Division because they had serious doubts concerning Mr. Horecky's claimed qualifications for the position. They consulted biographical directories to determine what educational and employment background was claimed by Horecky, and they consulted University Catalogues, dictionaries and encyclopedias to verify the accuracy of published information. In June or July of 1973 Perry asked the Director of the Reference Department, Horecky's immediate supervisor, to investigate alleged misrepresentations and discrepancies in Horecky's educational background and in Horecky's participation in the publication of two volumes on the Nuremburg Trials. The Director refused, stating that Horecky's background was not relevant to his career at the Library.

4. In February or March 1975 Cook received anonymously five or six documents of personnel actions concerning Horecky. Among the documents were two Standard Form 57's dated 1950 and 1951, two Personnel Action Recommendations (1951) and a Standard Form 86 (1958). Cook went over the forms with Perry and they found different information on the forms which they viewed as discrepancies in the description of Horecky's background.

5. Perry and Cook continued to pursue the matter of alleged misrepresentations of Horecky. They wrote dozens of letters and presented voluminous documentation to both officials of the Library and members of the Joint Committee on the Library of Congress. The Director of Personnel met with them in early 1976 and apparently caused a security investigation of Horecky to be made. Security officer Stringer presented a memorandum which contained conflicts with other material concerning Horecky's background. The Director of Personnel found that the inconsistencies in Horecky's background had no bearing on the personnel actions taken during his career.

6. Perry and Cook were not satisfied with the response of the Director. They authored a report some time prior to July 1, 1976 on the discrepancies in Horecky's background.

7. On June 4, 1976 Cook was invited to appear at ad hoc hearings of the Metropolitan Area Congressional Caucus on the issue of fitness for duty examinations in the federal government. Perry received a similar invitation on June 16, 1976.

8. Both Perry and Cook attended the hearings and each presented prepared statements. Later the same day, July 1, 1976, these statements were distributed to the Librarian and Department Directors. Copies of the statements are attached to Exhibits 1 and 2, Exhibit 8.

9. In August and September of 1976 Cook and Perry were served with notices of proposed adverse action, copies of which are Exhibits 1 and 2.

10. The recommendations of reply officer Marlene McGuirl to whom the

proposed adverse action of George E. Perry was submitted is attached as Exhibit 3.

11. The recommendations of Johnny Killian to whom the proposed adverse action of Howard Cook was submitted is attached as Exhibit 4.

12. Because of the defenses raised by plaintiffs Cook and Perry both adverse actions were submitted to Howard Gamser for recommendations. His recommendations are attached as Exhibit 5.

13. The Decisions of the Director of Personnel are attached as Exhibits 6 and 7.

14. The Decision of the Acting Librarian of Congress is attached as Exhibit 9.

15. The actual statement made by George E. Perry before the Metropolitan Area Congressional Caucus on July 1, 1976 is attached as Exhibit 8.

16. George E. Perry was terminated as of July 15, 1977 and has been unemployed since that date. He was a GS-13; and had had that status since 1971.

17. Mr. Cook was suspended for a 90 day period starting July 15, 1977. He has been a GS-9 since 1971.

18. The competence of plaintiffs Cook and Perry was never questioned by the Library of Congress. Evaluations of their work have always been more than satisfactory.

JOEL D. JOSEPH
JEFFREY HILLER
JOSEPH AND HILLER
1712 Eye Street, N.W., Suite 1010
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338-5560

UNITED STATES DISTRICT COURT
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HOWARD R. L. COOK	)	
and	)	
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Plaintiffs	)	
v.	)	Civil Action No. 78-2312
DANIEL J. BOORSTIN, et al.,	)	
Defendants.	)	

ORDER

Upon consideration of plaintiffs' motion for summary judgment and defendants' opposition thereto, it is ordered that the motion is granted, that plaintiff Perry is ordered to be reinstated at a GS-15 position, that plaintiffs are awarded back pay, and attorneys' fees. Defendants are ordered to promote Howard Cook to a GS-12 position. Both promotions are subject to continuing review by this Court and this Court retains jurisdiction to ensure that the Library of Congress fully complies.

UNITED STATES DISTRICT JUDGE

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

HOWARD R. L. COOK	)	
and	)	
GEORGE E. PERRY,	)	
Plaintiffs	)	
v.	)	Civil Action No. 78-2312
DANIEL J. BOORSTIN, et al.,	)	
Defendants.	)	

INDEX TO EXHIBITS

EXHIBIT DESCRIPTION

1. Notice of Proposed Adverse Action re Howard R.L. Cook, dated 8-30-76..
2. Notice of Proposed Adverse Action re George E. Perry, dated 9-14-76.
3. Recommendation of Marlene McGuirl dated April 18, 1977.
4. Recommendation of Johnny Killian dated August 30, 1976.
5. Recommendation of Hearing Examiner Gamser dated July 27, 1979.
6. Decision of Director of Personel Zimmerman re George E. Perry, dated June 15, 1977.
7. Decision of Director of Personel Zimmerman re Howard R. L. Cook, dated June 15, 1977.
8. Statement of George E. Perry before Metropolitan area Congressional Caucus, dated July 1, 1976.
9. Decision of the acting Librarian William Welsh, dated August 20, 1979.

FEB 12 1980

Mr. George E. Perry
President
Ethnic Employees of the Library
of Congress
Library of Congress
Washington, D.C. 20540

Dear Mr. Perry:

This is with reference to your January 12, 1980 letter concerning your proposal that the Civil Service Reform Act of 1978 be amended to include protection for employees of the Library of Congress. Although the Office of the Special Counsel does not plan to actively press for expansion of our jurisdiction this year, we support your proposal in principle.

Sincerely,

Mary Eastwood

Mary Eastwood
Acting Special Counsel

February 14, 1980

Mr. George E. Perry
President, Ethnic Employees
of the Library of Congress
6100 East View
Kenwood Park
Washington, D. C. 20034

Dear Mr. Perry:

Thank you for your recent letter regarding the concerns of the Black employees of the Library of Congress.

Because of extremely heavy pressing commitments, I have asked Mr. Al Mathew, Director of EEOC's Office of Government Employment, to arrange a meeting with you to thoroughly review all your concerns. In addition, one of my special assistants will be present to keep me fully informed of all pertinent issues on this matter.

Sincerely,

Eleanor H Norton

Eleanor Holmes Norton
Chair

TABLE 6 -- FEDERAL CIVILIAN EMPLOYMENT AND COMPENSATION (IN THOUSANDS) BY BRANCH, AGENCY, MARCH 1973

AGENCY	TOTAL, ALL AREAS		UNITED STATES		WASHINGTON, D.C. SMSA	
	EMPLOYMENT	COMPENSATION	EMPLOYMENT	COMPENSATION	EMPLOYMENT	COMPENSATION
TOTAL, ALL AGENCIES	2,869,202	4,432,386	2,740,432	4,317,535	358,628	641,841
LEGISLATIVE BRANCH	(39,059)	(70,752)	(38,981)	(70,562)	(36,503)	(65,780)
CONGRESS	(18,229)	(30,099)	(18,229)	(30,099)	(18,229)	(30,099)
UNITED STATES SENATE	6,682	11,035	6,682	11,035	6,682	11,035
U.S. HOUSE OF REPRESENTATIVES	11,534	19,046	11,534	19,046	11,534	19,046
COMMISSION ON SECURITY AND COOPERATION IN EUROPE	13	18	13	18	13	18
ARCHITECT OF THE CAPITOL	2,253	3,315	2,253	3,315	2,253	3,315
BOTANIC GARDEN	57	89	57	89	57	89
COST ACCOUNTING STANDARDS BOARD	31	79	31	79	31	79
GENERAL ACCOUNTING OFFICE	5,354	10,331	5,286	10,171	3,316	6,324
GOVERNMENT PRINTING OFFICE	7,298	17,867	7,298	17,867	6,790	16,932
LIBRARY OF CONGRESS	5,246	7,706	5,236	7,676	5,236	7,676
CONGRESSIONAL BUDGET OFFICE	207	491	207	491	207	491
OFFICE OF TECHNOLOGY ASSESSMENT	172	352	172	352	172	352
COPYRIGHT ROYALTY TRIBUNAL	10	26	10	26	10	26
UNITED STATES TAX COURT	202	397	202	397	202	397
JUDICIAL BRANCH	(13,294)	(21,426)	(13,123)	(21,127)	(1,657)	(2,746)
SUPREME COURT	304	517	304	517	304	517
UNITED STATES COURTS	12,990	20,909	12,819	20,610	1,353	2,229
EXECUTIVE BRANCH	(2,816,849)	(4,340,208)	(2,688,328)	(4,225,846)	(320,468)	(573,315)
EXECUTIVE OFFICE OF THE PRESIDENT						
WHITE HOUSE OFFICE	382	778	382	778	382	778
OFFICE OF THE VICE PRESIDENT	26	62	26	62	26	62
OFFICE OF MANAGEMENT AND BUDGET	608	1,449	608	1,449	608	1,449
COUNCIL OF ECONOMIC ADVISERS	35	71	35	71	35	71
COUNCIL ON ENVIRONMENTAL QUALITY	64	120	64	120	64	120
COUNCIL ON WAGE AND PRICE STABILITY	43	90	43	90	43	90
DOMESTIC POLICY STAFF	58	141	58	141	58	141
EXECUTIVE MANSION AND GROUNDS	86	148	86	148	86	148
NATIONAL SECURITY COUNCIL	75	157	75	157	75	157
OFFICE OF ADMINISTRATION	206	279	206	279	206	279
OFFICE OF SCIENCE AND TECHNOLOGY POLICY	40	65	40	65	40	65
OFFICE OF SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS	55	127	55	127	55	127
STATE (INCLUDES AID)	30,030	45,273	10,459	21,203	9,266	18,893

BLACK EMPLOYEES OF THE LIBRARY OF CONGRESS

STATEMENT OF HOWARD R. L. COOK, EXECUTIVE DIRECTOR

UNFAIR EMPLOYMENT PRACTICES AT THE LIBRARY

Senator SASSER. Our next witness is Mr. Howard Cook, representing the organization entitled "Black Employees of the Library of Congress."

Mr. Cook, I will ask you to expedite your statement just as much as you can today. We are running out of time.

Mr. COOK. Mr. Chairman, it is going to be so brief you won't even recognize it.

First of all, I wish to say that I appreciate the opportunity of appearing before you and I wish to express my appreciation and gratitude for the competence and the courtesy and the helpfulness of your staff gentleman, Mr. Sauvain, and as Mr. Perry said, your staff is a reflection of yourself and I am, therefore, complimenting you.

Senator SASSER. Thank you.

Mr. COOK. I will not bother to read my statement, but some other matters have taken place since the statement was prepared and I simply want to mention two of them and give you copies of the items that I want to draw to your attention.

I did want to say, however, I have included as part of my statement the motion for summary judgment in the Cook and Perry case. I have refrained from talking about the Cook and Perry case before, but the Cook and Perry case, it simplifies a serious problem at the Library of Congress because it points out very important violations of very important principles of freedom of speech and freedom of association embodied in the first and fifth amendments to the U.S. Constitution.

A word on Mr. Lewis, the minority employee that is being separated tomorrow, and he is a double minority because he is handicapped and because he is a minority member, and we have unions in the Library, several of them, with exclusive recognition.

They are paraded over here and elsewhere year after year pretending to represent and defend employees. Mr. Lewis has not been able to obtain such representation, and I simply would like to give to you for your review two letters: one from Mr. Lewis and one from the union rejecting his request for representation.

Then, finally, on the two minority organizations in the Library of Congress, yesterday after I had completed my testimony before Congressman Benjamin, when I returned from work, I was hand delivered a letter from the Associate Librarian after receiving a telephone call rejecting one of the important complaints filed by the Ethnic Employees of the Library of Congress organization because the organization has had its organizational rights violated.

What is important about this letter is that we were first told that the complaint was going to be rejected for one reason and that wouldn't stick, so the Associate Librarian found another reason to reject the complaint.

All of this is important because all of this represents a waste of money and I concur with you and I agree with you that it is time to cut out the exorbitant spending and the thrust of my prepared testimony mentions the fact that we are interested in a reduction of wasteful spending in the Library of Congress and elsewhere.

Thank you, Mr. Chairman.

Senator SASSER. Thank you very much, Mr. Cook, for your testimony. We will ask the Library of Congress to look into this matter and to comment for the record.

Mr. COOK. Thank you, sir.

PREPARED STATEMENT

Senator SASSER. Thank you, sir. Your prepared statement will be inserted in the record at this point.

[The statement follows:]

STATEMENT OF HOWARD R. L. COOK

I am here today on behalf of one of the most outstanding employee organizations in the Federal Government, the Black Employees of the Library of Congress. The record of achievement of this organization is not surpassed by any other organization of Federal employees. All of its work has been on behalf of minority employees but not exclusive of any group of employees. The single aim of the organization is greater integrity in management with a focus toward equal employment opportunity for all employees. For this reason I appear here today to seek a reduction in the appropriations for the upcoming Fiscal Year for the Library of Congress. This reduction is necessary for reasons which I will discuss as this testimony goes forward.

First, the Librarian of Congress has not improved the Library of Congress since becoming its Chief Administrator in terms of equal employment opportunity. What has happened is nothing more than outside image making which has no meaning as far as affording each employee equal employment opportunity. The exhibits, carpet, outside yard decorations, and parties while costing large sums of money, do nothing in terms of his first responsibility of assuring equal employment opportunity under law.

Corruption is a major problem in the Library of Congress. It can be seen in the fact that the best prepared people are not given the opportunity to advance. It can be seen in the fact that most of the employee problems which have been talked about for the past decade or longer have not been solved. It can be seen in the fact that money is not wisely spent in an effort to get the best quality and value for it. It can be seen in the fact that the administrators of the Library of Congress care nothing about the truth; but, rather keep busy in efforts to cover up. It can be seen in the fact that programs designed to benefit employees are deliberately prevented from benefiting employees by the Library of Congress Administration.

There should be a more careful review and oversight of the operations of the Library of Congress. This is especially true

when we know that the Library year after year makes request for larger and larger sums of tax payers' money. There is no real oversight by the Joint Committee on the Library of Congress. The fact is that there is an attitude by the Committee of simply do what you want. I base this belief on my personal experience. Real oversight is needed. The reason it is needed is because we are talking about an annual budget of $200,000,000 (two hundred million dollars) and an employee staff of 5,790.

The management of the Library of Congress appears to be admitting that discrimination is a problem. This is apparent because the Library is requesting additional funds and personnel for the Equal Employment Opportunity Program in the Library. I am not too sure that this request will solve the problem. I believe that what is needed just as much as additional funds and personnel is a change at the top to a person or group of persons who are willing to carry out the law in this area. The Equal Employment Opportunity Program in the Library of Congress is and has been a disgrace. The fact is that complaints are deliberately not processed. This is true not because of anything that you might hear from the administration, but, rather because the administration is the problem. The fact is that 800 (eight hundred) or more formal discrimination complaints have been filed in the Library of Congress since 1972. Discrimination is a fault of management because the administration permits it to go on. Eight hundered complaints in the time period mentioned are far too many when considering the size of the Library staff.

The Labor Management Program in the Library of Congress is equally disgraceful. This program also spends a lot of money. This money is spent in saleries and related activity. What appears to be the problem in the Labor Management area is that Labor and Management seem to have agreed that employees will not be the focus of the program. The unions do not supply proper or meaningful representation to employees. The program as I see it has been corrupted. A prime example of the union's failure is the Thomas Lewis case. Mr. Lewis is a handicapped employee. It took Mr. Lewis one year to get one of his grievances accepted by the Labor Manage-

ment Relations Office. The reason for this is that Mr. Lewis had no real help from the union during all of this time. Library Management was at the same time moving against Mr. Lewis. Mr. Lewis will be terminated from employment at the Library of Congress on February 29, 1980.

The Cook and Perry case which has been going on since 1976 is a classical example of the unwise use of tax payers' funds at the Library of Congress. It is also a prime example of corruption among other things. I am attaching a Motion for Summary Judgement in this case because it details some of the important principles involved in this case.

LIBRARY OF CONGRESS RESPONSE TO TESTIMONY OF MESSRS. COOK AND PERRY

The Library of Congress has reviewed the testimony of Messrs. Cook and Perry.

The Black Employees of the Library of Congress (BELC) is not a recognized organization. In 1975, BELC filed a petition to represent groups of employees as an exclusive bargaining representative. A secret ballot election among competing labor organizations, including BELC, was held in the spring of 1975. BELC lost. Local 2477 of the American Federation State, County and Municipal Employees, AFL-CIO, won in a run-off election, receiving a majority of the valid votes cast and was, therefore, certified as the exclusive bargaining representative of the employees in the bargaining unit.

The Ethnic Employees of the Library of Congress (EELC) is a recognized cultural organization under Library of Congress regulations and cannot represent employees in grievance matters that are the purview of the recognized exclusive bargaining units.

Messrs. Cook and Perry provided copies for the Committee and for the record of their legal briefs in their case before the United States District Court for the District of Columbia but failed to provide Judge Gasch's decision in the case, a copy of which is attached.

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

HOWARD R. L. COOK, ET AL.,	)	
	)	
Plaintiffs,	)	
	)	Civil Action
v.	)	
	)	No. 78-2312
DANIEL J. BOORSTIN, ET AL.,	)	
	)	
Defendants.	)	

MEMORANDUM-ORDER

This case came on for trial before the Court on February 11, 1980. In their Amended Complaint, plaintiffs--one present and one former employee of the Library of Congress--allege that defendant, the Librarian of Congress, has discriminated against them in their employment on the basis of their race and national origin. Their Amended Complaint asserts claims under 42 U.S.C. § 2000e-16, various other federal statutes, the Congressional Code of Ethics, Library of Congress Regulations, and the Constitution.

In Brown v. GSA, 425 U.S. 820 (1976), the Supreme Court addressed the question whether § 717 of the Civil Rights Act of 1964, 42 U.S.C. § 2000e-16, provides an exclusive, preemptive judicial remedy for the redress of claims of discrimination in federal employment. After a detailed examination of the legislative history and the structure of this provision, the Supreme Court answered the question in the affirmative, holding that 42 U.S.C. § 2000e-16 "provides the exclusive judicial remedy for claims of discrimination in federal employment." Id. at 835. 1/

1/ See also, e.g., Davis v. Califano, No. 78-1398, slip op. at 2 n.1 (D.C. Cir. Nov. 8, 1979); Scott v. Perry, 569 F.2d 1064, 1065 (9th Cir. 1978) (per curiam); Eastland v. TVA, 553 F.2d 364, 371 (5th Cir. 1977).

When this case came on for trial, the Court, in accordance with the Supreme Court's holding in Brown, ruled that plaintiffs, both of whom were asserting claims of discrimination in federal employment, would be limited to a presentation of evidence and testimony relating to their claim under 42 U.S.C. § 2000e-16. Subsequent to this ruling, plaintiffs' counsel informed the Court of plaintiffs' unwillingness to go forward on their § 2000e-16 claim. Noting this unwillingness and the absence of any evidence or testimony on this claim, the Court dismissed plaintiffs' § 2000e-16 claim.

Accordingly, it is by the Court this 11th day of February, 1980,

ORDERED that judgment be, and hereby is, entered for defendant; and it is further

ORDERED that this action be, and hereby is, dismissed.

Judge

Mr. PERRY. Mr. Chairman, may I just mention, I forgot before that we have with us a representative of the Government accountability project, Lyn Entzeroth, who supports our efforts in what we were talking about today.

It is a public interest organization for Government accountability and protection of whistle blowers.

Thank you.

COUNCIL 26/AFSCME

STATEMENT OF DONALD PANZERA, PRESIDENT, LOCAL 2910

BUDGET REQUEST

Senator SASSER. The next nongovernmental witness is Mr. Donald Panzera, president, local 2910, council 26, American Federation of State, County, and Municipal Employees.

He is accompanied by Mr. Michael Peterson.

Mr. PANZERA. I am sorry, Mr. Peterson has taken ill and has been sent home.

Senator SASSER. Who have you got with you today?

Mr. PANZERA. With me today is Mr. Pedro Alvarez, member at large of local 2477, vice president of council 26 of AFSCME, as well as Mr. Stan Gordon, executive director, council 26.

Senator SASSER. Welcome. Let me give you the same admonition we have given the others. I urge as much brevity as possible and still get your point across.

Mr. PANZERA. We have been here a while this afternoon, too, Mr. Chairman, and we appreciate your request.

Senator SASSER. The chairman has miles to go after we get through here, Mr. Panzera, and that is my problem.

Mr. PANZERA. I understand.

On behalf of AFSCME locals 2477 and 2910, we would like to thank you, Mr. Chairman, for this opportunity to testify before your committee today. Locals 2477 and 2910 were certified as exclusive bargaining agents for the Library of Congress employees following elections that were held in 1976.

Our prepared statement has been submitted to the committee. What I would like to read is a summary of that statement.

AFSCME requested this opportunity in order to bring to your attention our concern that the Library's budget proposal seriously neglects long standing needs of the Library staff, needs which we emphasize, the Library recognizes in principle but has yet to act upon effectively in practice.

The need for affirmative action to overcome the effects of past discrimination at the Library is as great today as it was in 1972, when the Equal Employment Opportunity Act included the Library in its coverage. Seventy-four percent of the blacks and 53 percent of the women employed at the Library are in jobs at the GS–8 level and below; at the other end of the spectrum, 84 percent of the policymaking positions at the GS–16 level and above are still held by white males.

There has been unmarkably little change. in these figures in the past 6 years. The Library's affirmative. action program has had only minimal impact on this pattern of under representation.

In fiscal year 1979, the Library committed only 14 positions to the training, appraisal, and promotion program. This is a shockingly low figure at an agency of approximately 4,700 employees.

AFSCME asks the committee to mandate that the number of TAP positions be tripled, to restore the TAP program to its 1975 level.

The Library has admitted its continuing inability to validate employment selection procedures. The Library's request for $150,000 for this purpose is inadequate. AFSCME requests that at least $300,000 be appropriated for validation studies and completion of an LC qualifications handbook.

Further delay in completion of this task is inexcusable and would leave the Library open to more discrimination charges in the future.

As we testified before this committee a year ago, the Equal Opportunity Compliance Office has long been understaffed and poorly managed. A new coordinator, Mr. Alfred McEwen, was appointed in December 1979. Despite signs that progress is finally being made, a backlog of 65 formal cases still await disposition.

The Library has proposed adding 4 full-time positions to the EOCO to replace 14 part-time counselors. Though this would be an improvement, we do not feel it would be adequate to deal with the heavy caseload. AFSCME therefore proposes adding 6 full-time professional positions to that office.

The Library has recognized the need for a career development program but has yet to act upon it. The LC Staff Training Office staff is inadequate to develop such a program. AFSCME therefore proposes adding 3 full-time professional positions to the training office to implement a career development program that will enable the Library to optimize utilization of its present staff.

Despite a consultant's study that uncovered major fire safety problems in the Library of Congress Building and the Thomas Jefferson Building, the Library and the Architect of the Capitol have been extremely slow to take corrective action. Fire alarms that have failed to operate properly in every fire drill in the past 3 years still have not, to our knowledge, been corrected.

Fire drills that were scheduled for October 1979, had to be canceled because construction activity obstructed both entrances to the TJB. Fire exits still have not been built in the shared cataloging and manuscripts divisions. Fire alert teams still have not been organized.

AFSCME proposes adding three full-time professional positions to the safety officer. The safety officer is presently unable to cope with the myriad problems in the LCB and TJB; completion of Madison will more than double the occupied space for which the safety office is responsible. The Library's proposal to add only one additional position is inadequate.

Included in the employees we represent are the Library of Congress special police. In their budget requests last year, the Library asked for funds to employ 26 officers more than were approved.

With the James Madison Memorial Building about to be occupied, we are genuinely concerned about the health, safety and security of those employees, and the ability to provide those services with the current special police complement.

We believe that the staffing requests submitted last year were necessary, and wholeheartedly support their being fulfilled at this time, in order not to denigrate these protections that the employees are entitled to.

Mr. Chairman, AFSCME believes that the proposals we have presented today would provide the minimum staffing levels required by the Library of Congress to accomplish goals that LC has long recognized.

On behalf of the 3,300 employees represented by AFSCME at the Library, we again thank you for allowing us to present our views here today and we look forward to continue cooperation with you in the future.

That concludes our statement, and we will be glad to answer any questions you may have.

Senator SASSER. Mr. Panzera, the subcommittee thanks you and your colleagues for your testimony here today. As with the testimony of the other witnesses, we will ask the Director of the Library of Congress to look into the concerns which you have expressed, and to give us comments and answers for the record.

The subcommittee will take this whole matter under advisement.

Mr. PANZERA. Thank you, Mr. Chairman.

Senator SASSER. Your communications and responses by the Library of Congress will be inserted in the record at this point.

[The communications follow:]

MEMORANDUM FROM MICHAEL C. PETERSON, PRESIDENT,
LOCAL 2477, AFSCME

FEBRUARY 21, 1980.

To: Mr. Thomas A. Lewis, central services division.
Re Request for invocation of arbitration for grievances.

Per your request, I have presented your grievance before the executive board of this local for consideration. With respect to the facts of your case, it was determined that the merits of your case were not strong enough for this organization to invoke arbitration proceedings.

JANUARY 9, 1980.

To: Mr. Martin F. O'Donoghue, labor relations.
From: Mr. Thomas A. Lewis, pressman (copy center-operator).
Subject: Grievance.

I have selected to serve as my own representative in the grievance contained on form 13/209 (June 1978), since I have been unsuccessful in obtaining Union representation from local 2477 for the past year of 1979. I have also selected as my advisor Mr. Howard R. L. Cook because of the dilatory tactics of both local 2477 AFSCME, and the personnel and labor relations office.

LETTER FROM DONALD C. CURRAN, ASSOCIATE LIBRARIAN OF CONGRESS

FEBRUARY 27, 1980.

Mr. HOWARD R. L. COOK,
Education and Public Welfare Division,
Congressional Research Service,
Library of Congress

DEAR MR. COOK: On January 8, 1980, the coordinator, Equal Employment Opportunity Compliance Office, notified you that your discrimination complaint of April 14, 1978 (filed informally on May 20, 1977) had not been accepted for processing due to lack of specificity. Under the provisions of LCR 2010-3.1, section 6, you were informed of your right to appeal this decision to my office instead of to the Director, Equal Employment Opportunity and Special Programs Office, this latter position being vacant at the time. On January 17, 1980, I received your appeal from the coordinator's decision.

While it would appear that your appeal was late, I have accepted your statement that you did not receive the coordinator's letter until the dates indicated. Having accepted your appeal, I made a thorough review of the documentation you referenced therein.

On May 20, 1977, you filed an informal, precomplaint matter with the Equal Opportunity Office alleging discrimination on the basis of race, color, ethnic and national origin, and religion. In that informal complaint you identified the personnel action having a discriminatory effect on your organization, the Ethnic Employees of the Library of Congress (EELC), as the "misrepresentation" that appeared in Umpire Frederick Reel's decision of April 29, 1977. That decision had to do with an unfair labor practice complaint filed by AFSCME locals 2477 and 2910. Specifically, you took issue with certain statements of fact made by Mr. Reel regarding rights given your organization under LCR 2022-2. You further reference therein similar statements in the brief filed with Mr. Reel by the Library in that action and supported in part by the affidavit of the then employee relations officer, as well as statements in the brief filed on behalf of AFSCME. All these statements make basically the same reference to rights under LCR 2022-2, and it must be assumed that the umpire used them as the basis of his own finding of fact on this point. Your complaint, however, is that in fact EELC did not receive those rights and you identify Mr. Reel's representation otherwise as the act of discrimination.

I cannot agree. The mere recitation of what, in fact, are rights under the cited regulation is not a personnel action of such discriminatory nature as to come within the purview of LCR 2010-3.1.

Accordingly, I concur with the decision of the coordinator not to accept your complaint; however, I do so not for the reason of lack of specificity as stated by the coordinator. I believe that there is sufficient documentation provided by you and Mr. George Perry in the file to clearly evidence that the matter of which you complained does not come within the purview of the regulation.

Please be advised that under the provisions of section 6, LCR 2010-3.1, this is a final agency decision. If you remain dissatisfied with this decision, you have the right to file a civil action in the appropriate U.S. District Court no later than 30 days following your receipt of this decision.

Sincerely yours,

DONALD C. CURRAN,
The Associate Librarian of Congress.

On February 27, 1980, an identical letter was sent to Mr. George E. Perry, 6100 East View, Kenwood Park, Washington, D.C.

LIBRARY OF CONGRESS RESPONSE TO THE AMERICAN FEDERATION STATE, COUNTY, AND MUNICIPAL EMPLOYEES' STATEMENT

The Library's budget requests reflect the concerns of locals 2477 and 2910 of the American Federation State, County, and Municipal Employees. Full-time equal opportunity staff are being requested to replace present part-time help in order to provide maximum effectiveness in settling more complex matters and to speed up the process.

We are requesting $150,000 to validate our selection procedures for the job series of librarian, copyright specialist, social science analyst, and attorney. We believe we can make considerable progress with these high priority positions in 1981. This would strengthen our affirmative action program.

The Library is requesting a GS-11 fire protection specialist/engineer to provide staff assistance to the safety officer. The budget of the Architect of the Capitol contains a request for funds to begin work toward implementing the recommendations contained in the Firepro study.

SUBCOMMITTEE RECESS

Senator SASSER. The subcommittee will stand in recess until 10 a.m., Tuesday, March 4, 1980.

[Whereupon, at 4:45 p.m., Thursday, February 28, the subcommittee was recessed, to reconvene at 10 a.m., Tuesday, March 4.]

LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1981

TUESDAY, MARCH 4, 1980

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

The subcommittee met at 10:10 a.m., in room S-146, the Capitol, Hon. Jim Sasser (chairman) presiding.

Present: Senator Sasser.

OFFICE OF TECHNOLOGY ASSESSMENT

STATEMENT OF HON. MORRIS K. UDALL, U.S. REPRESENTATIVE FROM ARIZONA, CHAIRMAN, TECHNOLOGY ASSESSMENT BOARD

ACCOMPANIED BY:

DR. JOHN H. GIBBONS, DIRECTOR
DANIEL V. DeSIMONE, DEPUTY DIRECTOR
LIONEL S. JOHNS, ASSISTANT DIRECTOR, ENERGY, MATERIALS AND INTERNATIONAL SECURITY DIVISION
JOYCE C. LASHOF, ASSISTANT DIRECTOR, HEALTH AND LIFE SCIENCES DIVISION
ERIC H. WILLIS, ASSISTANT DIRECTOR, SCIENCE, INFORMATION AND TRANSPORTATION DIVISION
THOMAS P. McGURN, ADMINISTRATIVE OFFICER

1980 APPROPRIATIONS AND 1981 BUDGET REQUEST

Senator SASSER. The subcommittee will come to order.

This morning we are pleased to have with us our very distinguished colleague from the House of Representatives, Congressman Morris Udall, who is chairman of the Technology Assessment Board.

Congressman Udall is accompanied by Dr. John H. Gibbons, the Director of the Office of Technology Assessment, who will also make a presentation.

The fiscal year 1981 President's budget request for the Office of Technology Assessment is $14,200,000 and 160 positions, an increase of $2,916,000 and 30 positions over the comparable 1980 appropriation.

Please, Congressman Udall, proceed in any way that you see fit and then we will hear from Mr. Gibbons.

PREPARED STATEMENT

Mr. UDALL. Thank you very much for letting us be with you today. I would like to ask that my full statement, which is somewhat longer than the shorter one, be placed in the record.

Senator SASSER. Without objection, the full statement will appear in the record.

[The statement follows:]

STATEMENT OF MORRIS K. UDALL

1979 was a year of transition and great accomplishment at OTA, and I am very proud to have served as Chairman of the Technology Assessment Board during that period. It was an extraordinarily productive year, in large part due to the outstanding leadership furnished by OTA's new Director, Dr. John H. Gibbons.

Since his swearing in last June, Dr. Gibbons has made a healthy difference at OTA. He has succeeded in mobilizing OTA's talented and energetic staff and channelling its efforts in more productive directions. As a result, the past year has produced a record of solid accomplishment. Dr. Gibbons has earned the confidence of the OTA staff, the Technology Assessment Advisory Council and the Technology Assessment Board. And, Mr. Chairman, when I speak of my high confidence in Dr. Gibbons, I know I am speaking for all of my colleagues on OTA's Board.

As OTA's record over the past year demonstrates, it is an effective and important support agency of the Congress. The issues OTA works on are among the most critical and controversial before the Congress. In assessing those issues, OTA not only does some of the best work in town, but does it in ways and forms uniquely suited to Congressional needs and schedules. During the six years of its existence, OTA has developed a wealth of expertise and information on many of the major and enduring concerns of the Congress. As a result of OTA's record of, and growing reputation for, excellent and useful work, the committees of Congress are increasingly turning to OTA for a wide range of services.

In short, OTA is doing first-rate work that the Congress needs and, increasingly, wants.

Last year, OTA delivered 17 assessments and other full reports to committees of the Congress and--in addition to appropriations and oversight hearings--testified 29 times before 8 Senate and 9 House committees and subcommittees. In addition, the Agency provided innumerable briefings and other special responses to committee needs. Indeed, the pace of testimony and similar activities increased dramatically in the last several months of 1979. A few months ago, I wrote to a number of chairmen of committees and subcommittees which had used OTA services last year and requested their

views on the quality and usefulness of those services. I am attaching copies of their responses at the end of my prepared statement. All of their responses were favorable--most were emphathically so. To cite a few brief excerpts:

- "of immeasurable assistance to the committee in exploring the complex issues associated with health care policy" (Senator Harrison A. Williams, Jr., Chairman, Senate Committee on Labor and Human Resources)
- "Other Members of the subcommittee personally expressed to me their appreciation for OTA's thorough and objective analysis" (Congressman Toby Moffett, Chairman, Environment, Energy and Natural Resources Subcommittee, House Committee on Government Operations)
- "I have found the reports to be concise yet comprehensive and supply me with sufficient materials to make important policy decisions" (Senator Howard Metzenbaum, Subcommittee on Health and Scientific Research, Senate Committee on Labor and Human Resources)
- "a true technical assessment that provides highly credible information which is unavailable elsewhere" (Congressman Tom Harkin, Chairman, Subcommittee on Transportation, Aviation, and Communications, House Committee on Science and Technology)
- "I commend the Office for the great work it has done in ... assessing energy policy" (Senator John A. Durkin, Chairman, Subcommittee on Energy Conservation and Supply, Senate Committee on Energy and Natural Resources)

These excerpts underscore OTA's increasing role in the committee and subcommittee process; they have increasingly come to recognize and rely upon the information OTA provides.

The OTA Board and management have taken a number of steps over recent months that strengthen OTA's ability to respond to more immediate Congressional needs, that improve the internal management of the agency, and that ensure a more effective working relationship between the Board and the management. In no small part, these steps were taken in response to the many constructive suggestions made by the oversight committee and by this subcommittee. These steps include:

- New budget procedures and new forms of OTA work--such as the "Technical Memoranda" which deal with specific subjects covered in larger assess-

ments--that enable the agency to respond more effectively to specific and near-term needs of committees.

- Stricter and more effective financial and management controls.
- New procedures which require that the Board be immediately informed of any significant change in the cost, timing or nature in any OTA project.
- Monthly meetings of the OTA Board and management when Congress is in session which ensure both closer working relationships between the two and more effective oversight by the Board.
- Detailed quarterly reports to the Board by the OTA Director--in addition to the reports made at the monthly meetings--on the status of all projects and on the activities of the agency.

These changes enable the Board to do a much better job of staying in touch and on top of OTA's work, the OTA management to make much more effective use of its human and financial resources and the Agency to respond more effectively to current and particular committee needs.

The longstanding backlog of old projects--some that had languished as long as three years--was virtually eliminated over the past year. OTA now has only two assessments underway that began before 1978. One--on Oil Shale--will be completed in a month or so. The other is a mandated assessment on Coal Leasing in Federal Lands which will be completed in January of next year. Of the assessments started in 1978, all but one will be completed by the end of this year--most of them by mid-year.

I might emphasize, Mr. Chairman, that OTA is the only Congressional support agency governed by a Congressional Board. Alone among support agencies, OTA is thus subject to a constant and bi-partisan Congressional oversight. The OTA Board reviews and approves every project before it can be undertaken. It reviews and approves every major expenditure, every major change in the timing or nature of a project. As a result of the changes I have described, the Board is now able to carry out its oversight role much more effectively than it has in the past.

The OTA Board and management have continued to emphasize the careful coordination of OTA's efforts and activities with those of the other legislative agencies. The Board does not approve of any proposed project until it has been demonstrated, to the Board's satisfaction, that the project cannot be better

or more appropriately done by one of the other Congressional agencies. The OTA Board and management also review every OTA project to make certain it takes full advantage of relevant information, published or unpublished, from other Federal agencies or the private sector. These rigorous reviews by OTA Board and management ensure that every new project is something that OTA is uniquely suited, under its Congressional charter, to undertake.

I might add that OTA was originally conceived and created by Congress to function as a relatively small organization--small, at least, in comparison to GAO and CRS with their large in-house staffs--that would reach out and draw on the best available expertise that the country had to offer. OTA does, in fact, function that way. Its interactions with executive agencies, industry, academia, non-profit and public interest groups are far greater than those of other Congressional agencies, and they help keep OTA extremely well informed not only about the "literature" but also about who is working on what anywhere in the country.

Mr. Chairman, the Board has approved, and strongly supports, OTA's request for increases in both budget and personnel for FY 1981. We ask for a modest increase in personnel--from 130 to 160--because we believe that OTA is currently understaffed and that such understaffing hurts and hinders the agency's efforts to perform independent and objective analysis and efficiently meet the changing needs of committees. We ask for an increase in budget from $11 million to $14.2 million to offset the impact of inflation on our level of effort and to enable OTA to respond to the growing demand for its services. Inflation takes an especially heavy toll at OTA because a substantial portion of its funds are spent through contracts and for travel for advisory panels.

The Board believes that OTA needs the modest increase in personnel requested so that it can respond to changing Congressional concerns and schedules without unduly delaying and disrupting current work.

The Board's request for increased funding reflects both the realities of inflation and the increasing Congressional demands upon OTA's resources. Even without inflation, the growing complexity of the issues facing Congress--especially in those policy areas in which science and technology are important elements--inevitably means that any adequate assessment of these issues will cost more.

A good example of how increased complexity can mean increased cost is the study OTA now has underway on the disposal of nuclear waste. The study originated in 1978 in the form of a request from the House Merchant Marine and Fisheries Committee for a study on the disposal of nuclear wastes in the oceans. OTA undertook the study, estimating (in 1978) that it would take about a year and $387,000 to complete. However, as OTA learned of the interest of other committees in other aspects of the subject, the study was broadened to include all potential kinds of disposal: terrestrial, oceans and other less likely sites. They asked OTA to look at the regulations and institutions involved as well as the technologies, and at the interrelationships among all three. OTA asked its advisory panel on the project to help determine what the realistic boundaries, timetable and budget might be for a comprehensive study. The result was that the original completion date was extended by nine months and the original budget more than doubled to $970,000.

Is the project worth the cost? Assuming that the project is good and useful, is the Congress getting its money's worth? The issue is clearly one of the most vital energy--and environmental and safety--issues before the Congress, for the whole future of the nuclear industry hinges on how and whether this issue is resolved. Within the past month, the President has, at long last, submitted to the Congress a proposed plan for the storage of nuclear wastes. Four different executive agencies--DoE, EPA, NRC and DoT--have major efforts underway on different aspects of this problem. Each of these agencies alone is spending far more than OTA is on this question. DoE alone is spending more than one million dollars every two days--more than OTA is spending in a year and a half on its study--on R&D for various options and technologies for the management of commercial nuclear wastes. Moreover, all the money and all the effort that the executive agencies are devoting to this issue are producing an enormous mass of fragmented, complex, often highly technical and sometimes conflicting information that, even under the best of circumstances, is extremely difficult to sort out. The OTA study is designed to give the Congress an objective, independent appraisal of that vast mass of information. If the OTA study turns out to be as clear and comprehensive as OTA studies usually are, if it does help the committees and members of Congress (and also, I might add, concerned citizens) better understand and deal with the

issue of nuclear waste disposal, then it will, in my judgment, be a great bargain.

The incremental funds that the Board requests for FY 1981 are, in the judgment of the Board, required to give OTA the budgetary flexibility that--together with the flexibility the Agency would gain from the personnel increase--will enable OTA to satisfy the mounting committee needs and demands both for comprehensive assessments and for special responses that draw on the knowledge developed through the larger assessments.

Mr. Chairman, in response to my inquiry concerning the usefulness of OTA's work, one subcommittee Chairman, Congressman James M. Hanley, wrote: "You may be very proud of the Office of Technology Assessment."

I am very proud of the Office of Technology Assessment and I have the greatest confidence in Director Gibbons and the new sense of purpose he has brought to OTA. It is working on some of the most important issues that Congress must wrestle with and resolve. It is doing excellent work for the committees and subcommittees, and increasingly they are asking OTA to do more and more. I believe that the budget requests I make today as Chairman of the OTA Board are reasonable, realistic, and required if OTA is to do a decent job of meeting the demands for its services.

Mr. Chairman, I submit for your information a copy of OTA's 1979 annual report. I thank you for your attention and for this opportunity to present the Board's budget request.

ATTACHMENTS

January 28, 1980

The Honorable Morris K. Udall
Chairman
Technology Assessment Board
Congress of the United States
Washington, D.C. 20510

Dear Mr. Chairman:

On October 17, 1979, Dr. Lionel Johns of the Office of Technology Assessment testified on global energy forecasting as a member of a panel of experts before the Subcommittee on Oversight of the House Permanent Select Committee on Intelligence. The Subcommittee's interest in this subject was occasioned by publication of an energy forecast by the Central Intelligence Agency; Dr. Johns and the other members of the panel were asked to review the CIA forecast and give an expert

opinion. The availability of experts such as Dr. Johns to review intelligence analyses for this Subcommittee is critical to its ability to perform the task of oversight. Dr. Johns' testimony, well informed and to the point of the hearings, contributed greatly to the Subcommittee's hearings on energy forecasts.

In addition, members of the Subcommittee's staff have found the Office of Technology Assessment a valuable organization for periodic, informal consultations on intelligence questions in which our staff does not have expertise.

Sincerely,

LES ASPIN
Chairman, Subcommittee
on Oversight

January 31, 1980

Honorable Morris K. Udall
Chairman, Technology Assessment Board
U.S. Congress
Office of Technology Assessment
600 Pennsylvania Avenue, S.E.
Washington, DC 20003

Dear Mr. Chairman:

In response to your inquiry, I want you to know that the Office of Technology Assessment has been a great aid to my Subcommittee. I commend the Office for the great work it has done in formulating and assessing energy policy.

This year, OTA has been particularly responsive to the needs of Congress, playing an exemplary role in assisting Congress and providing important insights into the possible solutions to our energy problem. As you know, this was a very important year for conservation and solar energy legislation. OTA played a major part in shaping the Solar Bank and Taxable-Grants bills. I look forward to OTA's continued work in these and other areas.

In the future, I will be conducting oversight hearings on the Administration's solar and conservation programs, and I will, of course, look to OTA for assistance.

Thank you for asking for my comments.

Sincerely,

John A. Gurkin

January 10, 1980

Morris K. Udall, Chairman
Office of Technology Assessment
Washington, D.C. 20510

Dear Congressman Udall: Mo

I want to thank you for contacting my office with reference to your preparation for the FY 1981 appropriation request for the Office of Technology Assessment.

As you know, one of the OTA Reports, entitled " A Review of Selected Federal Vaccine and Immunization Policies(September 1979)" was distributed to the members of the House Appropriations Subcommittee on Labor, Health, Education, and Welfare. I have found this publication to be most informative in its evaluation of Federal policies and regulations on the development of vaccines in this country. These programs are supported through the subcommittee on which I serve, and it is most vital that they be objectively evaluated for cost-effectiveness and efficacy. The Director of the Division of Venereal and Communicable Diseases for the Massachusetts Department of Public Health, Dr. Nicholas Fiumara, has likewise found this Report to be extremely comprehensive and responsible in its findings.

Other summaries of OTA Reports have also been very informative for staff preparation of briefs in the health field.

Thank you again for contacting me.

With best regards, I am

Sincerely,

Joe

JOSEPH D. EARLY
Member of Congress

January 21, 1980

Dear Mr. Chairman:

Thank you for your letter of December 31, 1979, requesting my opinions on the performance of the Office of Technology Assessment in testimony before the Subcommittee on Energy Resources and Materials Production and in preparation of a technical memorandum.

Audrey Buyrn's testimony on the Federal Oil and Gas Leasing Act of 1979, S. 1637, on October 12, 1979, was very valuable to the Subcommittee's consideration of that legislation. Her presentation was succinct, factual and to the point. She was ably assisted by Professor Richard Wright, formerly of the OTA staff.

The technical amendment on gasohol was not used by this office, nor by the staff of my subcommittee, although

OTA's log does show it having been ordered in my name. I am actively interested in gasohol and have asked for a copy.

I hope that this information is helpful.

Sincerely,

Wendell H. Ford

The Honorable Morris K. Udall
Chairman
Technology Assessment Board
United States House of Representatives
235 Cannon House Office Bldg.
Washington, D.C. 20515

January 14, 1980

Hon. Morris K. Udall, Chairman
Technology Assessment Board
Office of Technology Assessment
Washington, D. C. 20510

Dear [illegible]hairman:

This is in response to your request of December 31, 1979 for comment on the utility of several assessments which OTA undertook on our behalf. I am quoting below from comments received from the two subcommittees most involved with those reports.

From the Subcommittee on Energy Development and Applications, the following:

> We are happy to comment on the interactions we have had with the Office of Technology Assessment during 1979. Mr. Udall noted in his letter the two reports on coal and municipal wastes. As you may know, the report, "The Direct Use of Coal", was originally requested by the Science and Technology Committee and, concurrent with its release by OTA, the Subcommittee on Energy Development and Applications, chaired by Mr. Ottinger, held hearings on May 3, 1979. At that time the details of OTA's efforts were outlined. The background work on environmental and health effects of increased use of coal provided by OTA's contractors seems to have become a significant addition to the literature.
>
> The efforts in the report, "Materials and Energy from Municipal Wastes", were also timely, since the Subcommittee on Energy Development and Applications held hearings during July and September on energy from waste. This report was a helpful document in providing a general introduction into the technology and issues surrounding the utilization of waste for energy production. The hearings more directly addressed the current DOE and EPA programs, since we are anxious to see the utilization of waste for energy accelerated.
>
> A report which was not mentioned in Mr. Udall's letter is OTA's recent effort on residential conservation. The Committee is responsible for the research and development programs in residential conservation and we expect to undertake a serious oversight effort in this area during 1980. We are sure that this document will provide an important starting point for the Committee. We have also requested and received the assistance of OTA in a review of DOE's fiscal year 1981 conservation budget and programs. We are looking

forward to working with OTA and know the assistance in identifying programmatic issues in the conservation programs will be as useful as the general assessments provided in the residential conservation report.

From the Subcommittee on Natural Resources and Environment, the following:

First, the coal report. As you know, most of the things one has to worry about in direct use of coal are environmental impacts. So the report has been useful in our oversight of DOE's environmental programs and EPA's research programs. It contains a great deal of useful information.

The resource recovery report. We actually worked with Chris Hill as he was working on this project. The Brown subcommittee put out a committee print, "The Status of Resource Recovery", based on a series of site visits. Chris accompanied us on several of the visits and was a great help. His knowledge enabled him to ask some questions that did not occur to us, and we compared notes after the visits. So we benefited from this OTA effort even before it came out. Based on a rather cursory review of the final version, the report seems to be quite good: the findings are reasonable and there is a good deal of information.

I should also like to mention that I have requested, on behalf of the Full Committee, an assessment from OTA involving identification and effects of inflationary factors as they pertain to Federally supported research and development. While this assessment has not yet been received, we are anxiously looking forward to it as a critical input to our legislative efforts involving multi-year authorization for research. I should also mention that OTA has agreed to assist us in preparing an important "futures research" study which is now required by House Rules with regard to the planning of future Committee operations.

I hope that this information will be useful to you in your survey.

Sincerely,

DON FUQUA
Chairman

January 11, 1980

Hon. Morris K. Udall, Chairman
Technology Assessment Board
Office of Technology Assessment
Washington, D. C. 20510

Dear Mr. Chairman:

This will acknowledge your letter of December 31, 1979 requesting the reactions of this Committee to several OTA studies which were done on our behalf, or at least partially for this Committee's purposes.

I am asking the subcommittees most involved with the subject matter of those assessments to provide me with their evaluations. I will endeavor to comply with your request on or before the January 25, 1980 date which you have specified.

Sincerely,

DON FUQUA
Chairman

January 30, 1980

The Honorable Morris K. Udall
Chairman
Office of Technology Assessment
600 Pennsylvania Avenue, S.E.
Washington, D.C. 20003

Dear Mr. Chairman:

On April 4, 1979, Dr. Joyce C. Lashoff and Dr. Michael Gough of the Office of Technology Assessment, testified before my Subcommittee on the nature of scientific studies which could be used to answer questions as to the impact of chemical solvents on the health of Federal employees.

Their testimony was responsible in large measure for the success of the hearings and their assistance prior to the hearings was very helpful to my staff.

You may be very proud of the Office of Technology Assessment. I look forward to working with your organization in the future.

With every best wish, I am

Sincerely,

JAMES M. HANLEY
Chairman

January 11, 1980

Honorable Morris K. Udall
Chairman
Office of Technology Assessment
Washington, D. C. 20510

Dear Mr. Chairman:

I appreciate the opportunity to comment on the work that OTA has done for the Subcommittee on Transportation, Aviation, and Communications over the past year. As you know, the Subcommittee is responsible for authorizing the NASA Aeronautics Program each year. As such, we are faced with making decisions on research and development that will affect the shape of aviation in the next decade and beyond.

One such R&D decision, namely whether to increase funding for an advanced supersonic transport, will be a difficult one. It will be difficult, not only because of the cost implication, but because of the emotionalism surrounding the subject. Yet we must try to look at it objectively and decide what is best for our country. For this reason, former Chairman Teague requested an assessment of the impact of the introduction of large numbers of AST's.

Although the final product is not yet available, the preliminary draft is excellent. To my mind, this project represents the ideal functioning of OTA. It is a true technical assessment that provides highly credible information which is unavailable elsewhere. I'm sure it will assist Congress in making a legislative decision that will have immense future implication.

In another area, the Subcommittee undertook a comprehensive look at the need for an expanded federal role in automobile R&D. The OTA study on "Changes in the Future Use and Characteristics of the Automobile" provided valuable background for both hearings and legislative drafting sessions.

The workshop on Automobile R&D will also be important. I expect to use the results as a roadmap for monitoring the direction and achievements of the new federal automotive R&D program that is envisioned in our pending bill.

Sincerely,

TOM HARKIN, Chairman
Subcommittee on Transportation,
Aviation, and Communications

January 14, 1980

The Honorable Morris K. Udall
Chairman
Congress of the United States
Office of Technology Assessment
Washington, DC 20510

Dear Congressman Udall:

Thank you for your letter of December 31 requesting comments on the services the Office of Technology Assessment provided me last year.

As you noted, my direct work with OTA in 1979 concerned steel issues exclusively, and I have been most impressed by the quality and timeliness of the product. I consider Joel Hirschhorn a thoughtful and exceptionally well-informed analyst of the steel industry and future trends in that sector. Both his testimony at the November 19 hearing and his written work have been of considerable help to me and to other Senators interested in the problems of the steel industry. I am anxious to see his final study and hope that after it appears OTA will continue to devote a portion of its resources to steel issues.

Sincerely,

John Heinz
United States Senate

January 8, 1980

The Honorable Morris K. Udall
Chairman, Technology Assessment Board
Congress of the United States
Office of Technology Assessment
Washington, D.C. 20510

Dear Congressman Udall:

I am pleased to say that I have found both the reports produced by the Office of Technology Assessment and the staff itself to be most helpful in my work as a member of the Subcommittee on Health and Scientific Research. In particular, the health report on "A Review of Selected Federal Vaccine and Immunization Policies" published in September, 1979, served as the impetus for my introducing legislation that would allow Medicare to reimburse for influenza and pneumococcal pneumonia immunizations. The wealth of information in that report

has convinced many of my colleagues as well that this new policy should be adopted. We are looking forward to speedy passage of the bill.

I have found the reports to be concise yet comprehensive and supply me with sufficient materials to make important policy decisions. I hope that OTA can continue to produce these valuable materials that have become an important resource in my office.

Sincerely,

Howard

Howard M. Metzenbaum
United States Senator

January 18, 1980

Honorable Morris K. Udall
Chairman
Technology Assessment Board
Office of Technology Assessment
Washington, D. C. 20510

Dear Mr. Chairman:

I am pleased to respond to your December 31, 1979 request for a report on the services provided to the Subcommittee on Environment, Energy, and Natural Resources by the Office of Technology Assessment during the past year.

OTA provided invaluable assistance to the Subcommittee in connection with its September 1979 oversight hearings concerning the Clean Air Act and Increased Coal Use. OTA's excellent and comprehensive study entitled "The Direct Use of Coal" and the concise and informative testimony of Mr. Alan T. Crane and Mr. Steven Plotkin proved to be particularly helpful in the preparation for and execution of the Subcommittee's hearings.

Other Members of the Subcommittee personally expressed to me their appreciation for OTA's thorough and objective analysis of the environmental and public health effects of increased coal use. I look forward to having OTA's expertise at the Subcommittee's disposal in the future.

Sincerely,

Toby Moffett
Chairman

January 28, 1980

Honorable Morris K. Udall
Chairman
Technology Assessment Board
Office of Technology Assessment
U.S. Congress
Washington, D.C. 20510

Dear Mr. Chairman:

Please forgive the delay in our answering your letter regarding our comments on a report done by the Office of Technology Assessment for the Senate Small Business Committee.

Unfortunately, we did not receive a copy of the report entitled, "Energy Conservation Potential in Small Business" until Friday, January 25, and consequently did not have an opportunity to review the material in time to meet your January 25 deadline.

My staff has now reviewed the report and found it to be very helpful. The thoroughness of the material will be useful in our continuing efforts to help the small business community.

Again, we are sorry that we could not respond to you earlier. Your interest is appreciated.

Sincerely

Gaylord Nelson

GAYLORD NELSON
Chairman

January 11, 1980

The Honorable Morris K. Udall, Chairman
Technology Assessment Board
Congress of the United States
Office of Technology Assessment
Washington, D. C. 20515

Dear Mo:

Thank you for your letter of December 31, 1979, asking for my views on service rendered by the Office of Technology Assessment to the Banking Committee. The Subcommittee on International Finance, chaired by Senator Stevenson, has received testimony from OTA on two occasions in recent months: November 19 on trade and technology in the steel industry and November 28 on East-West trade and technology transfers. Studies by OTA were the focus of both oversight hearings. I understand that the OTA staff have been most helpful to the Subcommittee staff during preparation of these hearings and on other occasions.

You may wish to contact Senator Stevenson, and the Ranking Minority Member of the Subcommittee, Senator Heinz, directly for their views. My impression is

that OTA has rendered valuable technical assistance to this Committee during the past six months.

All best wishes,

Sincerely,

Bill

William Proxmire, Chairman
Committee on Banking, Housing
and Urban Affairs

January 28, 1980

The Honorable Morris K. Udall
Chairman
Technology Assessment Board
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I am pleased to respond to your December 13 request for comments on the work of the Office of Technology Assessment.

On October 16 and 17, 1979, the Subcommittee on the City and the Subcommittee on Oversight and Investigations of the House Interstate and Foreign Commerce Committee held joint hearings on "Renewable Energy and the City." These hearings were called to explore the implications of a transition to renewable energy sources for urban and residential development patterns and to determine which solar technologies are best suited to urban settings and how their development and exploitation might be ensured.

The Director of OTA, Mr. John Gibbons, was a witness at the October 16 hearing. I and my colleagues found his testimony objective, informative and responsive to the concerns of our Subcommittees. Without reservation, I can say that he made a valuable contribution to the hearing.

On an informal basis, OTA's staff has also greatly assisted this Committee by providing technical advice and information in preparation both for the above hearings and for committee consideration of new measures to promote residential and commercial energy conservation.

The growing volume of energy legislation before the Committee has greatly increased our need for such assistance. The Office of Technology Assessment has capably responded to that need.

Sincerely,

Henry

Henry S. Reuss
Chairman

January 16, 1980

Honorable Morris K. Udall
Chairman
Office Technology Assessment
600 Pennsylvania Avenue SE
Washington, D. C. 20510

Dear Mr. Chairman:

Thank you very much for your recent letter concerning the services provided to the Subcommittee on Trade by the Office of Technology Assessment.

The two reports which OTA supplied us in 1979 were very timely, of good quality, and highly useful to the Subcommittee. We are looking forward to the final report on the steel technology situation and the Trade Subcommittee will probably hold hearings which will discuss the final report.

The steel technology issue is likely to become a more important issue in the months ahead, and I believe that the funds spent on this project are important.

Trade Subcommittee Chairman Vanik, whose Subcommittee has been working on the steel issue, agrees with my assessment of this important work.

Sincerely yours,

Al Ullman
Chairman

January 11, 1980

The Honorable Morris K. Udall
Chairman
Office of Technology Assessment
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

Thank you for your letter requesting my comments, as Chairman of the Senate Committee on Labor and Human Resources, concerning the value and importance of the work prepared by the Office of Technology Assessment (OTA).

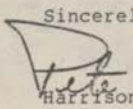
Let me assure you that the two reports you have asked me to comment on have been of immeasurable assistance to the Committee in exploring the complex issues associated with health care policy.

In addition, when the Committee was looking into the saccharin issue in 1977, OTA released their report titled "Cancer Testing Technology and Saccharin". This report assisted the Committee in developing a legislative response through Public Law 95-203, the Saccharin Study and Labeling Act.

Be assured that I have always appreciated the technical insight which OTA has provided.

With best wishes,

Sincerely,



Harrison A. Williams, Jr.
Chairman

INTRODUCTION OF DIRECTOR GIBBONS

Mr. UDALL. Mr. Chairman, 1979 was a year of transition and I believe great accomplishment at OTA, and I am very proud to have served as chairman during that period. It was an extraordinarily productive year, in large part due to the outstanding leadership of our new Director, Dr. John Gibbons.

Since his swearing in last June, Dr. Gibbons has made a healthy difference at OTA. He has succeeded in mobilizing OTA's talented and energetic staff and channeling its efforts in a more productive direction. As a result, the past year produced a record of solid accomplishments. I think he has earned the confidence of the OTA staff, the Council and the Technology Assessment Board.

The entire Board is pleased with the way OTA is moving and it is working regularly and actively with Dr. Gibbons to maintain forward momentum.

I started a bank years ago out in Arizona. We went through three Presidents in the first 18 months in kind of a shakedown where we were trying to find outselves and get the right kind of leadership.

I think OTA had a little longer period of assessment and learning to live together than my bank had, but I think we are now on a solid footing and will begin to fulfill the bright promise of OTA.

Senator SASSER. Mr. Chairman, with these high interest rates, your bank ought to be doing pretty well.

Mr. UDALL. I started a bank in order to have a locally owned bank and not be dominated by Phoenix and San Francisco. The bank I started is now owned by a bank in Bern, Switzerland. I hope I will have better luck with OTA.

EFFECTIVENESS OF OTA

As OTA's record over the past year demonstrates, it is an effective and important support agency of the Congress. The issues OTA works on are among the most critical and controversial before us. In assessing those issues, OTA not only does some of the best work in town, I believe, but does it in ways and forms uniquely suited to congressional needs and schedules.

Last year, OTA delivered 17 assessments and other full reports to committees of the Congress and, in addition to appropriations and oversight hearings, testified 29 times before 8 Senate and 9 House committees and subcommittees.

During the year OTA introduced additional mechanisms of providing

timely and useful information drawn from previous and ongoing analyses. In addition, the Agency provided dozens of briefings and other special responses to committee needs. Indeed, the pace of testimony and similar activities increased dramatically in the last several months of 1979.

A few months ago, I wrote to a number of chairmen of committees and subcommittees which had used OTA services last year and requested their views on the quality and usefulness of the services. I am attaching copies of their responses at the end of my prepared statement.

All the responses were favorable and most emphatically so.

DEMANDS ON OTA RESOURCES

The Board's request for increased funding reflects both the realities of inflation and the increasing Congressional demands upon OTA's resources. Even without inflation, the growing complexity of the issues facing Congress—especially in those policy areas in which science and technology are important elements—inevitably means that any adequate assessment of these issues will cost more.

A good example of how increased complexity can mean increased cost is the study OTA now has underway on the management and disposal of nuclear wastes. OTA undertook the study for the House Committee on Merchant Marine and Fisheries, estimating in 1978 that it would take about 1 year and $387,000 to complete a study of ocean disposal. However, as OTA learned of the interest of other committees in other aspects of the subject, the study was broadened to include all potential kinds of disposal: terrestrial, oceans and other less likely sites.

They asked OTA to look at the regulations and institutions involved as well as the technologies, and the interrelationships among all three.

Is that project worth the cost? The Department of Energy alone is spending more than $1 million every 2 days—more than OTA is spending in 1½ years on its study, just on R. & D. for various options and technologies for the management of commercial nuclear wastes.

Moreover, all the money and all the effort that the executive agencies are devoting to this issue are producing an enormous mass of fragmented, complex, often highly technical and sometimes conflicting information that, even under the best of circumstances, is extremely difficult to sort out.

The OTA study is designed to give the Congress an objective, comprehensive independent appraisal of that vast mass of information. If the OTA study turns out to be as good as OTA studies usually are, if it does help the committees and Members of Congress and concerned citizens better understand and deal with the issue of nuclear waste disposal, then it will, in my judgment, be a great bargain.

I believe that the budget request I make today as chairman of the OTA Board is reasonable, realistic, and required if OTA is to do a decent job of meeting the demands for its services. OTA is an uncommon resource for the Congress, especially in view of the rising importance and complexity of technology in current legislative issues.

Mr. Chairman, I thank you for the opportunity to present our budget request, and I would like to ask that Dr. Gibbons be heard next and tell you, in some more detail, about our problems and opportunities.

TESTIMONIALS

Senator SASSER. I might say these testimonials are very impressive. Take the testimonial from the distinguished Senator from Wisconsin, Senator Proxmire.

Mr. UDALL. We were afraid we would get some kind of Fleece Award.

Senator SASSER. Dr. Gibbons.

Mr. UDALL. Could you excuse me at this juncture——

Senator SASSER. Yes, indeed.

Mr. UDALL [continuing].—In order that I might try to do something else for the country this morning.

Senator SASSER. We are pleased to have had you here this morning, Mr. Chairman. Your testimony has been a real contribution to us.

Mr. UDALL. Thank you.

PREPARED STATEMENT

Dr. GIBBONS. Mr. Chairman, it is a pleasure to be here this morning. Like Mr. Udall, I ask permission to submit in its entirety the lengthy formal statement I have prepared for you and to restrict my presentation this morning to a few remarks.

Senator SASSER. Without objection, the full statement will appear in the record.

[The statement follows:]

STATEMENT OF JOHN H. GIBBONS

I am pleased to have the opportunity to appear before your subcommittee to present OTA's Fiscal Year 1981 request for appropriations.

OTA ACTIVITIES

Following my work in a National Laboratory, service in the Executive branch, participation in National Academy of Sciences and other semi-academic studies, and time at a University, which included working with state and local government, I chose to devote time, beginning in 1975, with offices of the Congress, (OTA and GAO) because of my conviction that the information developed there has a much greater chance for impact, per dollar spent. Consequently, I was particularly pleased to be appointed Director of OTA, and would like to share with you some of my observations and experiences since taking this job last June.

- OTA addresses an extraordinarily broad range of subjects, nearly all of which are highly controversial -- as they should be if OTA is asked to be involved. In its service to the Congress OTA: (1) carries out major, formal studies at the request of the Congress; (2) keeps its eye on trends and developments in science and technology, and tries to anticipate what will be important to the Congress in the months and years ahead; and (3) interacts with the Congress frequently and in a variety of ways: counsel, testimony, technical memoranda, summaries of ongoing studies, and the mining of completed studies to meet new needs.

- OTA has a highly capable and versatile staff, including a substantial number of persons from professions other than science and engineering -- a definite advantage given the complexity of the assignments and the multidisciplinary approach we must take in analyzing them.

- There is an absolutely vital but usually underappreciated strength of OTA, namely, its practice of tapping the wisdom of individuals outside of government in a variety of ways.

- Finally, through both observation and direct experience, I can attest to the frequency and variety of interactions occurring with the Congress and the committee structures that complement OTA's formal

assessment work. These interactions, I believe, are essential, and at minimum result in better communication and more responsive work products going back to the Congress. If the formal assessments are the bricks and mortar that OTA brings to Congress, the other services are the framing and roof.

As you know, Mr. Chairman, the Board sets OTA's priorities and approves or disapproves each request for an assessment. Requests can be made to the Board only from a committee chairman, (acting for himself, the ranking minority member, or a majority of the committee) from OTA's director, or from a Board member. The overwhelming majority of requests considered by the Board come from committees. Although we receive requests on occasion without having prior conversations with Members or Committee staffs, this is not the usual method by which requests reach OTA. In the majority of cases we are contacted informally by a committee and considerable discussion is held with Committee staffs or Members concerning the request. During these discussions it often happens that the request is modified extensively and sometimes answered without the necessity of a formal study. The decision on whether to undertake work requires time varying from a few days to several months, depending on the nature and the evolution of the issue and the breadth and intensity of Congressional interest. It is during this communication process that OTA indicates that it is prepared to undertake the work, that certain requests are not appropriate to its mission, that it would probably be more appropriately undertaken by another agency, or that we do not have the necessary resources to commit in time to satisfy the request. We have prepared a brief booklet entitled OTA: What It Is, What It Does, How It Works, to assist members and staff in understanding our capabilities and conditions under which we can take our work. I have attached a copy to my testimony.

If it is determined that there seems to be a match between a Committee's interest and OTA's capabilities, a detailed discussion takes place in order to further develop the requirements of the Committee. It is usually only after this kind of interaction that OTA receives a letter of request and a formal proposal is prepared for the Board.

This kind of development work consumes approximately twenty percent of OTA's operational resources. The preparation of a proposal may take from three

weeks to several months and cost a few thousand dollars or as much as twenty thousand dollars for more complex issues. During the development of a proposal and after the Board has approved a project, the staff when appropriate, contacts other committees of the Congress which have jurisdiction and may have an interest. After proposals have been approved OTA publishes a brief summary of the project, names the requestors, the anticipated date of completion, and circulates this information to all committees. This information is contained in a booklet entitled Current Assessment Activities, a copy of which is attached to my statement for your information.

OTA PANELS

One of the basic tools of OTA's project operation is the establishment and interaction with panels of informed persons -- from universities, business, labor and others in the private sector, representing views that add useful dimensions to the particular issues being addressed. These panels typically are composed of from ten to fifteen persons and meet from three to six times during the course of an assessment. The costs to support the working panels consist of compensation (where requested) and reimbursement for travel and expenses. Approximately two-thirds of OTA's travel costs are for this purpose.

INCREASED COSTS

In this regard, OTA has been significantly affected by the escalation of airline fares and subsistence costs, though maximum use is made of the telephone and other telecommunication techniques. Since the panels are so broadly representative of diverse points of view, and are addressing such complex and controversial issues, their ability to provide some measure of consensus absolutely requires "eyeball to eyeball" meetings. Airline fares alone between FY 1979 and FY 1981 conservatively will account for thirty percent in increased travel costs. With staff travel kept to the bare minimum required to manage our projects, the availability of funding for OTA's project advisory panels is being affected in a major way by rising costs. It should be noted that in FY 1979 approximately sixty percent of our panelists provided their time pro bono, and therefore the investment in travel has a high return to OTA and the Congress. In other words, when OTA only has to pay for travel, we are getting a tremendous bargain.

PERSONNEL

In addition to the consultants, OTA complements its in-house staff with contractors, Intergovernmental Personnel Act (IPA) detailees, OTA fellows and others through cooperative agreements with governmental and non-governmental organizations. Assistance is also obtained from our sister legislative agencies, the National Science Foundation and other Federal, state and local governmental agencies.

However, the key to OTA's operation is the recruiting and employment of a highly qualified core staff, who orchestrate the work of the panels, manage contracts, prepare independent analyses, and also write the final reports and present testimony, briefings, and other information to the Congress. The variety of talents which we must have is broad. For example, seventeen percent of OTA's staff are in the life and natural sciences, fourteen percent in the physical sciences, sixteen percent in engineering, twenty-four percent in social sciences and the law, and twenty-nine percent represent the humanities, writing and other disciplines. This diversified staff provides the essential framework for interactions and communications with the Congress and the society at large.

Experience has shown that OTA is unable to contract for a report which will meet our standards for quality, lack of bias, and character of presentation most useful to Congress. As a consequence, OTA contracts for background studies; then its staff performs analyses, synthesizes this work, and then prepares the final product. This assures OTA's control of the quality of its products.

Mr. Chairman, I believe our present ratio of program budget to staff is too thin. A staff level of 140 personnel (contrasted to 130 presently authorized) would be more appropriate for our current budget levels and 160 for our requested level.

The value of OTA's ability to respond to special requests which tap both previous and current work has become an important and growing part of OTA's operations. Sufficient core staff expertise is essential to be able to handle requests of this nature. The payback to Congress becomes even more significant with each assessment produced and the resulting enhancement of staff expertise.

In the last quarter of calendar year 1979, in addition to releasing three

full assessments, OTA was called upon to testify fifteen times before Congressional committees and subcommittees, held eleven major briefings, conducted a major three-day workshop of international experts on auto technology, delivered two "technical memoranda" and provided other special responses to committee needs. This growing volume of Congressional inquiries and requests, both formal and informal has put a severe strain upon OTA's small staff. It has become increasingly difficult for OTA to respond to Congressional requests without continually shifting people and schedules around in ways that disrupt and delay ongoing projects.

Let me cite one recent example of the constraints that the current staff ceiling places upon OTA. Late last year, the House Science and Technology Committee asked OTA to evaluate DOE's Solar and Conservation plans and programs and the degree to which the Department's goals coincide with those set by Congress. DOE had not, in the committee's view, provided the information it needed to fulfill its oversight role. To undertake that study, OTA had to divert five professionals from ongoing studies and delay the completion of those studies by several months. The delay of those other studies inevitably will increase their total costs and will inescapably erode their value, simply because of the time delays.

When we shift staff from on-going projects to handle special responses as well as to perform our necessary planning activities, we are forced to adjust our work schedules. Therefore, we have a dilemma. Do we not address important follow-up issues after a report is delivered? Do we not complete our planning in sufficient time to perform a new assessment within the Congressional time frame? Do we delay a report at the expense of not having information to the Congress when it is needed? Do we become more dependent on contractors to provide synthesis and policy analysis for Congress? It is my judgment that only additional staff capability will provide the flexibility to satisfactorily serve our clients in the Congress. I want to remind the Committee that it is OTA's policy that a significant percentage of its employees could be classified as "temporary" (two years, or less) and are associated with a specific project that has a specific completion date. At least one third of the thirty additional positions requested will be in this "temporary" category.

PAST YEAR'S ACCOMPLISHMENTS

Examples of the reports and services provided Congress over the past twelve months are included in our Justification of Estimates, submitted to the Committee in December, and excerpts from my quarterly report to OTA's Board, which I have attached to my statement. In addition, I would like to briefly highlight a few of the many noteworthy accomplishments of the past year.

We have been and are continuing to work off our past commitments and will complete most of these during FY 1980, but in the process will be able to undertake only a very limited number of new starts until near the end of the fiscal year. This severely constrains our ability to address many of the current concerns of Congress, such as mental health, genetics, rehabilitation technologies, agricultural marketing and processing technologies, nuclear standardization technology, synthetic fuels development, technology transfer, and space goals and technology.

This situation was in part due to budgetary and management problems of long standing which I encountered when I arrived in June of last year. I am pleased to report to you that these problems have been largely resolved as a result of extensive actions undertaken since last year. Throughout that time the Board and OTA staff have worked closely together and our mutual efforts have paid off. A new management information and reporting system (MIS) is being initiated. This system will provide program managers with accurate data that are critical to track and manage resources invested in OTA's work and to receive early signals of deviations from approved plans. Included are formal procedures for project management accountability, and for resource allocations reflecting priorities and strategies decided by OTA's Board. Better management control and efficiency are early anticipated benefits from the MIS, which I hope will be fully operational by my first anniversary at OTA. In addition, I have established a system of quarterly reporting and other detailed procedures for effective internal communication, as well as for interaction with the Board.

I have restructured OTA's advisory panels to reduce the number of general panels and increase the effectiveness of the others to better meet our priorities. Also, I am working closely with OTA's Advisory Council to develop a more productive working role for them.

Chairman Udall and I both believe that the steps we have taken have also

gone a long way to respond to the valuable suggestions your Committee made a year ago. These changes also reflect the observations and suggestions made by our oversight committee in 1978 and 1979, as well as by Members of our Board.

OVERVIEW OF PRESENT ACTIVITIES

OTA is currently performing thirty-one formal assessment projects for the Congress. Present formal assessment projects include:

- o Solar Power Satellite Systems - Analyzes of the key technical and social issues which could affect the possible future development of solar power satellites as a potential long term energy option.
- o Decentralized Electric Energy Systems - Studies the economic and technical effects of decentralized electric energy systems on the operation of electric utilities.
- o Analysis of DOE's Conservation and Solar Programs - Reviews these programs and their success or failure in meeting Congressional goals.
- o Synfuels for Transportation - Explains in detail the technology issues controlling future composition of, and market for, synthetic and conventional fuels for transportation.
- o Energy from Biological Processes - Examines the major biomass fuel cycles in terms of their potential contribution, their costs and environmental benefits and problems.
- o Energy and the Cities - Analyzes the problems and opportunities facing the cities in a period of rising energy costs and changing energy resources.
- o Alternative Energy Futures - Describes and compares different energy futures and their effects on major issues cutting across society.
- o Oil Shale Technology - Examines the technological potential for developing oil shale resources in the Western U.S.; the economic, environmental and other implications of such development; and the major policy options before the Congress.
- o Impact of Technology on the Competitiveness of the U.S. Steel Industry - Compares the relative success of the U.S. and its major competitors

in developing and using new steelmaking techniques, examines the incentives and barriers to the introduction of new technologies in the U.S. steel industry, and assesses the range of policy options before the Congress.

- Federal Coal Development Rights - As mandated by the Federal Coal Leasing Amendments Act (Public Law 94-377), analyses all outstanding Federal coal development rights, which include 533 developed and undeveloped leases and 172 preference-right lease applications.

- Global Energy Trends - Analyses the prospects for world petroleum supplies and, starting with the Soviet Union, examines region by region the implications of those prospects for U.S. policy.

- Taggants in Explosives - Appraises the Administration's proposal, opposed by the explosives industry, to add to explosives during manufacture tiny particles (taggants) that can help in tracing explosives used in criminal bombings and in detecting explosives in suitcases, packages and other containers.

- Impact of Technology on the Competitiveness of the U.S. Electronics Industry - Explores the factors that determine the competitiveness of the U.S. electronics industry vis-a-vis Japanese and Western European firms, including among the factors the effects of Federal policies.

- Technology for Local Development - Examines several prototype technologies that stress self-help and the use of renewable resources in community and regional development.

- The Impact of Inflation on the Federal R&D Investment - Studies the effects of inflation on the Federal R&D budget process and on the performers of federally funded R&D.

- Technological Innovation and Health, Safety and Environmental Regulation - Weighs whether Federal regulatory policies encourage or discourage private innovation in the achievement of health, safety, environmental and economic goals.

- Societal Impact of National Information Systems (NIS) - Explores the societal implications of three national information systems: (1) the

National Crime Information Center (NCIC) of the FBI; (2) future electronic message systems; and (3) electronic funds transfer.

- Telecommunication Policy - Reviews the entire technology base and structure of the telecommunications industry and sketches a range of future policy options and their likely implications.

- Disposal of Nuclear Waste - Looks at the technologies for the safe disposal of commercial, high-level radioactive waste and evaluates a range of disposal strategies.

- Freshwater Resource Management, Planning and Policy: An Assessment of Models and Predictive Methods - Evaluates the wide range of computer models and predictive methods used to predict the work of water resource projects and regulations.

- Ocean Research Technology - Identifies the most effective technologies and management systems in researching important ocean-related phenomena.

- The Impact of Advanced Air Transport Technology - Explores the impacts of introducing or not introducing second-generation SSTs into our commercial fleet (including financing and management alternatives) and the likely futures of low density (commuter) air service and air cargo operations.

- Automotive Fuel Efficiency and Alternative Energy Sources - Considers and compares the relative costs and time needed to cut the consumption of petroleum in transportation by increasing automotive fuel economy and by substituting non-petroleum fuels.

- Applications of Technology in Space - Examines alternative future national space policies and the important emerging space technology applications for the balance of this century.

- Technologies for Determining Cancer Risks from the Environment - Examines the various estimates of cancer caused by the environment, the methods of identifying chemical carcinogens and to project human risk, and the elements involved in deciding that a carcinogen poses an unreasonable risk to human health.

- o Technology for Forcasting Physician Supply and Requirements - Evaluates the assumptions behind the two current forecasting models and the relative reliability of their forecasts.

- o Implications of Cost-Effectiveness Analysis for Evaluating Medical Technologies - Weighs the technical feasibility and usefulness as well as the social implications of applying cost-effectiveness analysis to medical technologies.

- o Impact of Technology on the Productivity of the Land - Explores the impacts of current and emerging technologies on the sustainability of croplands and rangelands as productive resources.

- o U.S. Food and Agricultural Research - Evaluates the U.S. agricultural research efforts and public policy options for making the most of our research potential.

- o Impacts of Applied Genetics - Studies the benefits, costs, and environmental, legal and ethical issues that arise from the introduction of non-human applicatons of genetic technologies in agriculture and industry.

- o Technology and World Population - Looks at the birth planning technologies and the factors affecting their use primarily in the Third World.

In January we published and distributed to Committee Chairmen, Members and senior staff a brief summary entitled Current Assessment Activities. I have attached a copy to my testimony for inclusion in the record if the Chairman so desires. We intend to update this summary twice each year in order to keep members and staff currently appraised of our activities. Members of Congress have told me that this document provides them with a much needed quick review of OTA's activities, thus allowing them to more fully utilize those areas in which they have an interest.

OTA PUBLICATIONS

The results of OTA's assessment projects are now being presented in three forms to accommodate the level of interest of the reader:

- o A concise one page summary ("Publication Brief") for Members of Congress and staffs;

- o A comprehensive summary of a full study, typically about twelve to fifteen pages, of the findings given to the requesting Committees, other interested Committees, Members, staffs and the general public;

- o The full report and any working documents supporting the summary for the requesting committees and the interested professional communities. Copies are generally not given but are sold through the GPO and NTIS. On an increasing number of occasions the reports are also printed by commercial publishers.

In all three levels of publication care is taken to focus upon the relevant policy issues that can be of use to the Congress in performing its legislative and oversight functions.

CONGRESSIONAL SUPPORT

Although OTA's formal reports represent the centerpiece of our work, other activities such as staff briefings, providing testimony, joint workshops and day-to-day interactions with the committees make a major contribution to the activities and needs of the Congress.

Beginning in December 1979, I began meeting with Committee Chairmen and their designated staff to explain how OTA operates, to provide an update of current activities and receive their comments concerning OTA's services in their areas of jurisdiction. Visits to date have been most productive and I plan to meet the remaining Chairmen and leaders of both Houses in the next several months. I am confident that these dialogues will enable me to ensure that OTA's products are better targeted to serve and anticipate Congressional needs. The visits are meant to complement and not substitute for OTA's extensive day-to-day contacts between its professionals and congressional staff.

Our Congressional Board sets OTA's priorities and provides broad direction for allocating our limited resources. In addition, the Board and the Director carefully screen each proposal to determine if work has been or is presently being performed by any agency of the government, and if it exists, to what degree this work can be used to satisfy the Congressional requests. Only those projects which fit OTA's legislative mandate and available resources are

approved and then only a portion of these can be undertaken due to limitations of staff and finances.

In the past six months we have taken further steps to improve the coordination and cooperation with the Congressional Research Service, the General Accounting Office, and the Congressional Budget Office. I have found that the differentiated roles of the four Congressional support agencies are clear and that through careful staff interactions, actively guided by senior management, inadvertent duplication of effort are being avoided.

The roles of the four support agencies, as I see them, are as follows:

CBO - to provide the Congress with budget-related information and with analyses of fiscal, budgetary, and alternative program policies; also, it makes cost estimates for committees of their legislative proposals;

CRS - works as a research and reference arm for Members, committees, and their staffs, including analysis, appraisal and evolution of legislative proposals;

GAO - oversees the manner in which Executive Branch agencies conduct programs enacted by the Congress. Its core responsibility, therefore, is oversight, whether a review is self-generated or through a Member's request;

OTA - working directly with and for Congressional committees, and through its Board, OTA performs analyses which are nonpartisan and objective, and which focus on complex issues involving science and technology. Also, it involves professional and technical resources from outside the agency and makes a sustained effort to include the public in its work to reflect the views of affected and interested citizens.

AGENCY COORDINATION

To further improve coordination and cooperation among the legislative support agencies we have instituted a continuing series of half-day interagency briefings on subject areas such as health, energy, and national security. One result of these meetings has been a decision to more actively plan, share, and coordinate the various data bases and models used in our work, as well as

provide for more sharing of research techniques and useful draft materials during the study development phases of our collective operations.

Three brief examples of cooperative efforts are:

- OTA provided CRS with substantial information for a study on "Satellite Communications: Technological System and Services for Developing Countries" in response to a request of the Chairman of the Subcommittee on Science, Research and Technology of the House Committee on Science and Technology;

- All four agencies prepared a brief analysis of the proposed synfuels legislation last July for the Subcommittee on Synfuels, Senate Budget Committee. Informal coordination occurred at a meeting held by Subcommittee staff prior to preparing the analyses. We all agreed to develop those portions of the analyses which matched our particular expertise and approach to analysis. While writing the report we discussed the material we were covering with GAO staff;

- The CBO has agreed to finish a stand-alone chapter addressing the funding and economic issues involved in radioactive waste management for OTA's assessment of the Disposal of Radioactive Waste. The issues presented will be helpful in developing criteria for the evaluation of strategies to deal with radioactive waste management.

On occasion Congressional committees find it desirable that more than one agency address a problem. A recent example was a request to OTA and CBO from the Chairman of the Senate Committee on Banking, Housing and Urban Affairs to analyze the President's proposed synthetic fuels proposal. Each agency approached the problem from its own perspective. Basically, OTA used engineering and structural analysis, while CBO employed microeconomic and macroeconomic methods. When testimony was given, the major conclusions from the different analyses were the same. Since they were reached from two completely different directions, they tended to strengthen each other. Thus, this complementary approach helped provide a solid basis for decisions by the Committee. Although the two analyses were not inexpensive their combined cost was less than one-thousandth of one percent of the funds under consideration.

And, of course, OTA's extensive and continuing interactions with Federal

agencies, private industry and universities help assure that we take full advantage of the work and expertise of others outside of the Federal establishment.

A VIEW OF FISCAL YEAR 1981

I would like to briefly address some of the subject areas contained in OTA's response to a request from the Chairman of the House Committee on Science and Technology, regarding emerging issues that Congress may need to contend with over the next several sessions. The committee request did not include energy and military issues, which I have added. All of the issues which we have identified have strong technological elements, which we believe will merit, if not require, Congressional attention during the 1980's. Our list partially covers the issues developed over a year ago for the OTA priorities effort, simply because the problems identified at that time have not gone away. It is not intended to be all-inclusive, but rather it illustrates the kind of subjects we believe that OTA will be asked to undertake in FY 1981:

- Rising resource costs and scarcities, including not only fossil energy but water, land and minerals. Our adjustments to these rising costs will include efforts to protect, preserve and wisely use our natural resources as well as the development and use of new and more efficient technologies, industrial processes and patterns of land use and physical growth. As a result of the need for greater efficiencies in the use of resources of all kinds, we will experience an inevitable increase in the degree of interaction and interdependence within and among all sectors of our economy — agricultural and industrial, public and private.

- Rapid and major advances in the sciences associated with solid state electronics (especially semiconductors) and biology (especially at the molecular level), resulting in extraordinary developments in new technology. Gene splicing will have far-reaching impacts upon agriculture, chemical production (including pharmaceuticals) and other areas of activity. Advances in microcomputers and telecommunications will have similarly strong impacts upon a broad range of activities, including education, information processing, defense, energy and labor productivity, and industrial production.

- Major demographic changes with sharp contrasts between a maturing

population with a limited growth of new workers in the industrial nations and the explosive growth of jobseekers in the "developing world," especially our southern neighbors. In this country, the growing proportion of elderly in our population will require major shifts of emphasis in social and health services and technologies.

- Increased problems associated with large scale technologies — including the diseconomies of scale such technologies may entail. The diseconomies include rising resource and capital costs and the vulnerability of complex and centralized systems to breakdowns of various kinds. These trends, plus changing social priorities may turn our attention toward the development and use of smaller scale technologies that are capable of decentralized application. Along with the growth of such technologies may come a renewed emphasis upon local self-reliance.

- Recognition that we may be within a generation of the limit of the earth's capacity to supply human needs and absorb our wastes will bring us face-to-face with some exceedingly painful choices. The industrialized world will have to re-evaluate its aspirations toward enjoying both the environmental quality and the material wealth it may desire. That re-evaluation will be made more urgent and more difficult by the increasingly impatient drive of the less developed nations toward a greater share of the world's wealth and by the worldwide realization that some groups of people have little hope of catching up without significant decreases in population.

ISSUES FOR THE NEXT DECADE

As we developed this list for issues of the 1980's, we became convinced that the nation's chance for success in resolving these issues will depend, in large part, on how well we take into account two strategies, posed here as criteria for choice:

- To what extent (how much and how soon) can our technically advanced society sucessfully replace resource consumption with technological sophistication and social (including institutional) innovation as ways of meeting people's needs and providing their amenities?

- To what extent will the actions we undertake lead our nation toward a long-term sustainable economic system and environment?

We also divided our list of issues into three general groupings of issues:

1. those concerning resources and actions that are required to meet basic human needs and to ensure human survival,

2. those related closely to political and economic stability, which is essential to life and growth in a civilized society,

3. those concerned with the quality of life, which is also fundamental to human aspirations.

These groupings roughly reflect the three basic levels of societal concern. They are not mutually exclusive and do, in fact, overlap. Some issues included in one group could easily have been included in another. The groupings are meant to serve simply as a way of organizing our list of issues. As a part of its continung internal studies of emerging issues OTA has prepared a one page summary for each of the issues listed below, according to the general priorities our society might reasonably place upon them.

I. Basic Resource Issues

- The use of Renewable Resources to Meet Material Needs
- Non-Nuclear Hazardous Waste Disposal
- Conservation Opportunities at Prices Corresponding to $25 to $50 Per Barrel of Oil Saved.
- Material Productivity and National Needs
- Industrial Energy Conservation
- Acceleration of Synthetic Fuels Development
- Refinery Capabilities in View of Changes in Product Demand and Feedstock
- Conversion of Large Fuel Burning Facilities from Oil and Natural Gas to Coal
- The Future of Nuclear Energy, Including Controlled Fusion
- The Impact of Fossil Fuel and other Emmissions on the Global Environment
- Ocean Resources -- Mining, Fisheries and Offshore Oil
- Technology for Sustaining Forest Resources
- Use and Regulation of Space

- o Substitution of Biological for Chemical Production of Energy and Material Resources
- o Population and the Global Future
- o Impact of Technology on the Structure of the Food and Agriculture System
- o Agricultural Water Use
- o Technology and Wetlands
- o Global Species Preservation of Flora and Fauna

II. Political/Economic Stability Issues

- o U.S. Inclusion in an International Division of Labor
- o U.S. Technology and its Role with Other Countries in the Hemisphere
- o Obsolescence of Current Strategic Weapons Concepts
- o Implications of Laser and Other Directed Energy Weapons
- o Proliferation of Modern Weapons Technologies
- o Economic Concentration and Decentralization
- o Microprocessors and Society
- o Terrorism and Society
- o Technological Obsolescence and Capital Write-Offs
- o The Impact of Technology on Goods Movement by Rail, Water and Highway

III. Quality of Life Issues

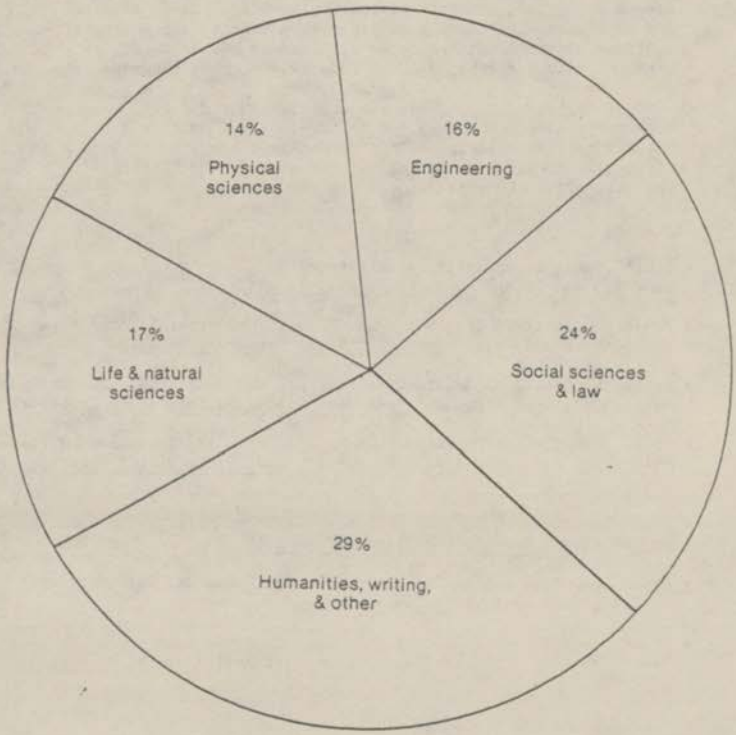
- o Future of the Cities
- o Productivity in the Service Sector
- o Emerging Biological Technologies and Human Reproduction
- o Health and Safety Implications of Processed Foods
- o Impacts of Increased Longevity
- o Technology and Mental Health
- o Disease Prevention
- o Innovation and Productivity

The issue areas we offer are meant to illustrate the areas of work we would expect to be undertaking in FY 1981 and the years ahead. Clearly, we have the resources to take on only a fraction of the varying and complex issues that we will be requested to address. In this time of swiftly changing global impacts on technological issues, it is especially timely for the Congress to be able to take full advantage of OTA's resources and experience. This will mean more resources allocated to special responses to mine our knowledge base, more

resources for screening and planning and the ability to take on more assessments to complement and supplement our past work.

Thank you. I will be pleased to answer questions you may have.

Diversity of OTA Staff By Major Disciplines



Exerpts From Director's Quarterly Report to the Technology Assessment Board October 1-December 31, 1979

Report to Congress

a. Technical Memoranda

- Benefits of Increased Use of Continuous Casting by the U.S. Steel Industry to requestors, Senator John Heinz; Representative Joseph M. Gaydos, Chairman of the Congressional Steel Caucus, and Representative Charles A. Vanik, Chairman of the Subcommittee on Trade of the Committee on Ways and Means. This report is an interim product of the OTA U.S. Industrial Competitiveness project.

- Gasohol to requestors, Senators Wendell Ford and Frank Church, both members of committees and chairmen of subcommittees with gasohol responsibilities. This report is an interim product of the OTA Energy from Biological Processes report scheduled for delivery to Congress in January 1980.

b. Testimony

- House Committee on Science and Technology, Subcommittee on Science, Research and Technology: OTA Oversight Hearings

- House Committee on Interstate and Foreign Commerce, Subcommittee on Energy and Power: Dingell/Ottinger Conservation Bill

- Senate Committee on Banking, Housing and Urban Affairs, Subcommittee on International Finance: East-West Trade and Technology Transfer

- House Committee on Banking, Finance and Urban Affairs, Subcommittee on Housing and Community Development: Leadership Bill for Residential Energy Conservation

- House Committee on Banking, Finance and Urban Affairs, Subcommittee on the City: Renewable Energy and the City

- House Committee on Interstate and Foreign Commerce, Subcommittee on Energy and Power: Synfuels

- House Committee on Science and Technology, Subcommittee on Transportation, Aviation, and Communications: Advanced High Speed Aircraft

- Senate Committee on Energy and Natural Resources, Subcommittee on Energy Resources and Materials Production: Oil and Gas Leasing

- House Committee on Interstate and Foreign Commerce, Subcommittee on Energy and Power: Residential Energy Conservation

- House Select Committee on Intelligence, Subcommittee on Oversight: Global Energy Forecasts

- House Committee on Interstate and Foreign Commerce, Subcommittee on Energy and Power: Synfuels and Energy Conservation

- Senate Committee on Banking, Housing and Urban Affairs, Subcommittee on International Finance: Trade and Technology in the Steel Industry

- Senate Committee on Government Affairs: Energy Conservation and Building Efficiency Standards

- Senate Committee on Banking, Housing and Urban Affairs, Subcommittee on International Finance: U.S. Trade and Technology Transfer with China and Russia

- Senate Judiciary Committee: FBI Charter

c. Briefings, Presentations, Workshops for Congress and Staff

- Senate and House Committees/staffs: Recombinant DNA
- Senate Committee/staff: Land Productivity Assessment
- House Committee/staff: Environmental Contaminants Report
- Senate and House Committees/staff: OTA's Population report
- House Committee/staff: Vaccines (payment under Medicare)
- House Committee/staff: Genetic research and applications
- Senate Committee/staff: Environmental Contaminants in Food
- House Committee/staff: Amending Social Security Act (vaccines/Medicare)
- House Committee/staff: OTA Telecommunications study
- Senate Committee/Staff, White House staff: Energy R&D Priorities--Decentralized Electricity and Cogeneration Options
- House Committee/staff: Briefing on Energy Development and Application

d. Other Activities

- o Prepared a brief summary of issues on synthetic fuels for the Senate Budget Committee which was subsequently requested by other Congressional committees and members
- o Began work on a brief paper on oil shale for use during the current Congressional deliberations on synthetic fuels
- o Convened a task force of specialists in and outside of OTA to review and comment on specific problems highlighted by the Senate Judiciary Committee in connection with FBI's procurement of a front-end processor for the computerized files of the National Crime Information Center (NCIC). Results of the task force evaluation were sent by letter to the Chairman, Senate Judiciary Committee
- o Conducted a three-day workshop on the needs and opportunities in R&D regarding automotive fuel efficiency. Jointly sponsored with Senate Commerce and House Science and Technology Committees
- o Cooperated with CRS to furnish House Committee on Science and Technology, Subcommittee on Science, Research and Technology a paper on Satellite Communications: Technological Systems and Services for Developing Countries.

OTA REVIEW

Dr. GIBBONS. I decided to come to work here at OTA because of my conviction that was gained over a variety of past experiences that the information developed at OTA has a much greater impact per dollar spent than any other agency of the Government.

Since assuming this job some 8 months ago, it has become even more clear to me than before that OTA works only on the tough and controversial problems involving technologies that are of direct interest to the Congress.

Our job is to approach these issues in a comprehensive way with an eye on both the direct and the indirect effects as well as future implications of technology. Such a responsibility requires an interdisciplinary and also a very versatile professional staff.

An extraordinarily diverse range of subjects is being analyzed at OTA. We are dealing with subjects that are directly associated with many billions of dollars in public funds. The work encompasses such broad areas as energy, food and renewable resources, transportation, health and environment, and international security, to name a few.

PROCEDURES

In carrying out critical analyses and synthesis of information for the Congress, OTA makes a unique and extensive use of the special expertise that is found all over this Nation in universities, in industry, and elsewhere in the private sector, as well as the resources of various governmental agencies, both State and Federal.

We do this by means of advisory panels on each project, by means of the Technology Assessment Advisory Council, as well as mechanisms of consultants and contractors.

Our choice of work, as you know, Mr. Chairman, is largely governed by requests received from congressional committees. However, all formal assessments undertaken by OTA are either reviewed and approved or disapproved in advance by OTA's Congressional Board.

This further assures the relevance of the work to the interests of the Congress.

Our analysis includes both the good and the bad of various technologies. As a consequence, some observers have labeled OTA as a group of technology optimists. On the other hand, some other people have criticized OTA by calling it the "Office of Technology Harassment."

That is because we sometimes cannot go along with the claims of some people for new technologies especially where Federal funding is being sought. OTA believes there are many cases where public investments in technology has public benefits associated with it that far outweigh the public costs.

WORKLOAD

It also believes that there are other situations where that situation is simply not true. Our job is to try to help Congress sort out the most cost effective policy options. In the past 8 months, we have completed

work and testified on a great variety of topics which are covered in some detail in my written testimony.

INTERAGENCY COOPERATION

Currently, some 31 formal assessments are in process. Requests from the Congress for work at OTA considerably outstrip our resources. We work closely with the Congressional Budget Office, Congressional Research Service, and the General Accounting Office to maximize the value of our collective and complementary capabilities.

The four offices generally use distinctly different approaches and tools of analysis. I summarize some of those joint efforts in my written testimony but would like to point out that in some instances, and especially on the most complex and expensive issues, we separately attack the same specific issue, and for good reason. A recent example was a request both to the OTA and to CBO from the chairman of the Senate Committee on Banking, Housing, and Urban Affairs.

The request had to do with an analysis of the President's proposed synthetic fuels program. Each agency, that is, OTA and CBO, approached the problem from its own particular perspective. Basically, OTA used engineering and structural analysis while the Congressional Budget Office people employed economic analysis techniques, both macro and microeconomic.

When testimony was given before the committee, the major conclusions from the two different analyses were the same. Since they were reached from two completely different points of view, however, they tended to reinforce or strengthen each other.

Thus, this complementary approach helped to provide a more solid basis for the decisions and recommendations made by the committee. Although the two analyses were not inexpensive, their combined cost was less than one-thousandth of 1 percent of the funds actually under consideration.

As time goes by, Mr. Chairman, technology becomes increasingly our Nation's main source of opportunity as well as a source of considerable tribulation. The role of Congress in making decisions about technology is certainly pervasive and that is why I believe OTA is such an important part of that institution known as the Congress.

Thank you, Mr. Chairman, for the opportunity to provide these remarks this morning. I will be pleased to answer any questions you might have.

Senator SASSER. Thank you, Dr. Gibbons.

BIOGRAPHY OF DIRECTOR GIBBONS

For the purpose of the record, I might say Dr. John Gibbons, the Director of the Office of Technology Assessment, was appointed by the Technology Assessment Board on June 1, 1979. Formerly, he was director of the Energy, Environment, and Resources Center of the University of Tennessee.

Without objection, a biographical sketch will be printed in the record at this point.

[The biography follows:]

BIOGRAPHY OF DR. JOHN H. (JACK) GIBBONS

Dr. John H. Gibbons became Director of the U.S. Congress' Office of Technology Assessment on June 1, 1979.

Dr. Gibbons has achieved an international reputation for his work on energy and environmental matters.

From 1973 until he was appointed Director of OTA, he served as director of the Environment Center at the University of Tennessee.

In 1973–74, he worked in Washington as Director of energy conservation programs for the Federal Energy Administration, receiving its Distinguished Service Award.

Before that, Dr. Gibbons worked 19 years with the Oak Ridge National Laboratory, beginning as a research physicist and rising to direct its program of studies on environmental quality.

During this time, he was called upon to lead or contribute to several national studies of energy and environmental issues, including those of the National Academy of Sciences, the Department of Energy, the Aspen Institute, and the National Science Foundation, as well as OTA.

Dr. Gibbons has published extensively in scientific journals in the areas of energy, the environment, technology policy, resource managment, nuclear physics, and origins of solar system elements.

In recognition of his scientific contributions, he has been elected a fellow of both the American Association for the Advancement of Science (AAAS) and the American Physical Society.

Dr. Gibbons has also been elected to memberships in several honorary organizations, including Phi Beta Kappa, Sigma Xi (the research honorary society), and the Cosmos Club of Washington.

Jack Gibbons earned a B.S. in mathematics and chemistry from Randolph-Macon College and a Ph. D. in physics from Duke University.

FINANCIAL ENVIRONMENT

Senator SASSER. Dr. Gibbons, let me say at the outset the obvious, that we have a very tough budget year before us, as I am sure you know. As I am sure Chairman Udall is well aware, we in Congress hear from our constituents that inflation is the biggest problem.

All of the national polls indicate that people are lamenting that inflation is the No. 1 problem in this country. These same polls also indicate that the voters, the taxpayers, think the Congress should make every effort to cut back on nonessential Federal expenditures.

Now, I am not being critical of you, Dr. Gibbons, or OTA, and I recognize that you have a responsibility to come before this subcommittee and ask for the resources to do the job that you think Congress wants you to accomplish.

BUDGET SUMMARY

When we strip it down, you are asking for 30 more positions for a total of 160 positions. The Congressional Budget Office., which employs 218 people, and the General Accounting Office, which employs 5,275 persons did not request any increase in staff when they came before the subcommittee this year.

If you will just put yourself in my shoes for a moment, how am I able to justify increased staff for the Office of Technology Assessment at a time when the Congressional Budget Office and the General Accounting Office, the organizations which I believe help us save money, at least the General Accounting Office, are holding the line?

Would you care to comment on that statement, Dr. Gibbons, and give us your views on that?

BUDGET REQUEST JUSTIFICATION

Dr. GIBBONS. Mr. Chairman, I would first like to say I am in strong sympathy with the concerns, not only as a taxpayer but as a father with all three children in college. Second, it is my conviction that OTA is presently and has for about the last year been understaffed in terms of the number of its employees for the range and for the number and diversity of projects that it has undertaken. So I do not think it is so much a new situation but is one that at least has been with us for some time.

The third point is, as Mr. Udall mentioned awhile ago, the congressional policy issues that involve technology are very rapidly escalating. There is a corresponding increase of demand on OTA since OTA, as Mr. Udall has described it, is the technology arm for the Congress and it is those two reasons that I have made that request for the increase in staff.

BUDGET REVIEW

Senator SASSER. Dr. Gibbons, I would like to ask you to do the same thing that I have asked others appearing before this committee, including the Sergeant at Arms of the Senate, and that is to go back and sharpen your pencil and see if your budget can be cut back some and stay in touch with the subcommittee staff and we will take another look at this budget after the House has acted on it.

We will have a number of budget questions that we will ask you to respond to for the record. Now I would like to get into something interesting and that is some of OTA's recent reports and studies.

ENERGY CONSERVATION

You have done a study on energy conservation, if I am not mistaken. I am seriously concerned about the extent of waste and error in Federal Government programs, as well as fraud and abuse.

Rising energy costs make it more imporant than ever that ways be found to eliminate the waste of energy in Federal buildings. Home owners and business people are feeling the pressure of rising energy costs. They look to the Federal Government to set an example of energy conservation in Federal buildings, by showing how to use conservation technology to address the problem of energy conservation.

How is the Federal Government doing in the field of energy conservation.

Dr. GIBBONS. In terms of its own operations, I think not very well.

Senator SASSER. I see here in the Capitol, for example, they have half the lights turned off in a chandelier, but when you walk into a room, it is so hot and stuffy that you can hardly survive in there over a short period of time.

I am advised that the General Services Administration alone manages over 95,000 Federal buildings containing 700 million square feet.

The Department of Defense operates 395,000 buildings with a total of 2.4 billion square feet. This is a total of 490,000 buildings and 3.1 billion square feet that must be heated, cooled, and lighted. Is that approximately correct?

ENERGY USE

What are the energy costs associated with this 3.1 billion square feet. Do you have those figures?

Dr. GIBBONS. In rough numbers, present total energy costs to operate those buildings, to heat, cool, and light them would be, I believe, about $5 billion a year. It is now cost-effective to make the changes in management and investments of capital to reduce these energy requirements by a third.

Senator SASSER. Let me just give you an example of how one large corporation responded to rising energy prices.

Back in 1973, before the oil embargo, IBM had initiated a formal energy conservation program. As a result, IBM has been able to reduce its energy use per square foot by approximately 45 percent from preconservation levels at its major U.S. facilities.

In this 6-year period, it is calculated that IBM has saved 3.6 billion kilowatt hours of electricity. That is enough electricity to supply 380,000 homes for a year.

IBM has saved enough oil to serve 160,000 homes in the colder climates of the United States. The question comes, well, how did IBM do that? They tell us in the early years, about two-thirds of the savings came from such simple things as turning off lights and machines when they were not needed, reducing lighting levels, adjusting thermostats up in the summer and down in the winter. So far they have been able to save $160 million. The potential for the Federal Government should run into the hundreds of millions of dollars.

Dr. Gibbons, despite all the ballyhoo about energy savings in the Federal Government, I do not think the Federal Government has effectively taken even most elementary steps.

ENERGY SAVINGS IMPROVEMENTS

It appears, as you have indicated, that the Federal establishment is lagging far behind the private sector in energy conservation. What can you suggest to eliminate the unnecessary waste of energy in Federal buildings?

Dr. GIBBONS. First of all, I think we can take some good lessons from those in the private sector that have been very concerned about energy for more than a decade. Like industry, the direct involvement and commitment of top management of Federal agencies in setting goals and in reviewing progress is an absolutely essential ingredient.

Second, the acquisition of good data, so-called energy audits, is an essential feature that industry early on used. They found out that in most instances it took a lot of measurements to actually find out where and how energy was being used.

Once these facts were determined they had a basis on which to establish goals and measure progress. All of these can be done by the Federal Government.

I believe that in addition, however, from the point of view of the Congress, one should consider the possibility of establishing or requesting line item indications of funds to be expended both in the retrofit of existing operations as well as in the expenditure of new capital funds for buildings and for other Federal operations. In doing so, Congress can formalize the process of energy management as an institutionalized activity in Federal operations.

There is some experience, for example, in your home state at the Oak Ridge National Laboratory. One older office building was retrofitted with careful attention to monitoring the results, the costs, and the improved performance that was achieved. This was documented and published. It is an excellent lesson for others to follow because it was very well quantified and measured.

So I believe this sort of measuring and then the transfer of that information, not only within that agency but among agencies, is a very important possibility.

Cogeneration of electricity and heat is an energy saving opportunity that has been constrained for a variety of mostly institutional reasons in our Nation. I believe that there are a number of opportunities in Federal agency operations that could, in fact, help accelerate the Nation's move toward greater cogeneration.

Finally, Mr. Chairman, there are major opportunities for upgrading the specifications for new buildings to be built for Federal operations and even in the leasing of space. Prior to 1973 the energy budget for new buildings was 140,000 Btu's per square foot per year. Typical, recent new buildings come in around 120,000 Btu's. It is easy and very cost-effective to cut this number below 100,000 Btu's. Using today's technology 50,000 Btu's is within range, although not a lot of actual experience has been available to date. I believe a number of requirements could be put in place, largely administratively established that could provide for a rapid improvement of Federal operations to be as efficient as some of our industries.

Senator SASSER. For example, IBM has experienced success with a system that automatically shuts off office lights at a preset time. For example, at 7 p.m., all office lights are automatically shut off. Hall lights are left on. If a worker is still in his office, he merely overrides the preset system by flipping the light switch in his office. The lights in the other offices stay off.

It has been my experience getting out into the areas of around the country any of the field offices of bureaucracy, you could turn off the lights at 5:30 p.m. and wouldn't run the risk of catching anybody there.

In another example, IBM shut down the air conditioning system for 2 out of 24 hours with no adverse effects and considerable energy savings.

FEDERAL HOUSING PROGRAMS

Dr. GIBBONS. I will be happy to provide our response to those, Mr. Chairman.

Senator SASSER. In a report issued last year, OTA described Federal housing programs and the absence of efforts and initiatives in that area. I think we will ask you that for the record also.

QUESTIONS SUBMITTED FOR RESPONSES

We have got some more questions for the record about energy costs, Dr. Gibbons.

[The questions and responses follow:]

Submitted Questions

POTENTIAL FEDERAL GOVERNMENT ACTIONS

Question: Do these energy saving ideas have application in the Federal Buildings?

Answer: Very much so. Some of this is happening right now in the commercial building where OTA is located. For example the building is equipped with solar assisted heat pumps and water heating. Further we recently removed approximately 50% of the lamps in our part of the building.

Question: What could the Congress do to encourage this and how much could be saved by mandating such energy saving ideas?

Answer: Let me suggest two things that the Congress could do. The National Energy Conservation Policy Act (NECPA), Section 549, required line item budgeting of conservation investments beginning in FY 1980. Until now, it has been possible to save energy by simply turning down thermostats. But in the future it will require investment, in both retrofits and new buildings. Agencies are now preparing their FY 1982 budget requests and line item reporting of conservation investments are still not available. The Appropriations Committee could ask OMB to collect this information from each agency in a standard format, and submit it to the Congress each year in the form of a "Special Analysis" attached to the budget. This could provide the basis for congressional monitoring and evaluation of conservation investments and could ultimately increase the demonstration value of the federal actions as successful projects are spotlighted.

The second suggestion is that you encourage federal agencies to emphasize cogeneration in the Federal Energy Management Program (FEMP) program. Recent changes in federal law (Public Utility Regulatory Policy Act, Section 210) that became effective last month create an opportunity for anyone--including federal agencies--to produce electricity and sell it to utilities, while using the so-called waste heat to operate building space conditioning systems. Electricity can be generated more efficiently in this manner than by utilities, and cogeneration could represent a significant source of income for the federal government. There is currently no concerted effort by the FEMP program to capitalize on this opportunity; cogeneration is literally buried in a long list of suggested conservation technologies for agencies to consider. TVA is a notable exception in this rule, as they utilize their unique position as a utility company to set innovative buyback rates that encourage cogeneration investments in the private sector. DOE, however, is behaving as if the technology didn't exist.

As for the potential savings, we estimate that energy savings of up to 30% in existing buildings and up to 50% in new buildings, from a level of 120,000 to 140,000 BTU per square feet per year, can be achieved by an additional investment of about $1 per square foot. Therefore, if the entire 3.1 billion square feet were retrofit, at a cost of 3 billion dollars, a 30% reduction in energy use, over 20 years, would save the equivalent of 1.2 billion barrels of oil.

FEDERAL HOUSING

Question: In a report issued last year, OTA described Federal housing programs and the absence of efforts and incentives in energy conservation. How many housing units are there in the country?

Answer: There are approximately 78 million housing units in the country of which about 53 million are single family homes.

Question: How many of these are affected by Federal programs?

Answer: Federal programs directly assist about 2.3 million units while Federal mortgage insurance programs affect another 12.2 million.

Question: What are the current Federal policies that encourage residential energy conservation in these homes?

Answer: Most of the direct assistance programs originating from the Department of Housing and Urban Development have recently been directed to include energy conservation in their program plans. In addition, the National Energy Conservation Policy Act of 1978 and the Housing and Community Development Amendments of 1978 specifically directed many of the rental assistance and rehabilitation programs to include conservation in their actions. The mortgage insurance programs include conservation directly only by use of the HUD minimum property standards for newly constructed homes, and the revised FmHA construction standards. Recently revised underwriting guidelines issued by the Federal Home Loan Mortgage Corporation, however, will increase awareness of energy characteristics by lenders. Other programs in HUD, the VA and the FmHA do not have specific energy conservation directives, or regard conservation as a low priority item. One of their major concerns is to emphasize keeping construction costs down, rather than reducing fuel costs. Consequently, programs tend to do less conservation than could be done, even though the life cycle cost would be lower if initial investments were larger.

Question: How do the Federal housing officials view their role vis-a-vis energy conservation?

Answer: In addition to the concern to keep first costs down even at the risk of higher fuel bills, we have observed that most of the officials in these programs regard their program as dealing with housing only, and not energy. Therefore, they are not as aware of energy conservation opportunities as they could be. For example, the public housing programs involve some conservation activities, but few authorities have sufficient funds earmarked for conservation. New regualtions to expand conservation have been proposed but it is not clear how far this will go.

COMMUNITY GRANTS

Question: Do the community development bloc grants require energy conservation components?

Answer: No. As of now they allow the use of grants for conservation improvements but they are not required nor are they

specifically promoted by HUD. New draft regulations appear to give more weight to conservation proposals but do not indicate that any measures will be required.

Question: What about FHA, VA, FmHA assisted construction?

Answer: These programs include conservation only through the use of the minimum property standards (MPS) for new construction. They do not specify any conservation measures to be taken for resale homes whose mortgages they insure. Further, these programs do not seem to give a very high priority to conservation beyond application of the MPS.

POTENTIAL CONGRESSIONAL ACTIONS

Question: What can the Congress do to improve this situation?

Answer: Through its appropriation, authorization and oversight responsibilities, the Congress can do much to make conservation a bigger part of these programs. First, it can request that a much greater awareness of the potential and benefits of energy conservation take place on the part of the HUD program managers. One of the critical problems they are all faced with is rising fuel costs of federally assisted homes which, in some cases, can cause default or much higher federal payments. For example, in 1978, public housing authorities paid $400 million for utilities. In 1979 this figure is probably 50 to 60 percent higher and could double in 1980. A conservation program which cut heating and cooling requirements by 30 percent would cost about $600 million, but would save that much in less than three years. Financing these improvements should be a relatively modest problem and the operating subsidies could be reoriented for greater conservation consideration.

A second point concerns coordination between federal conservation programs authorized by the Congress and the various federal housing programs. The Congress can direct the relevant agencies to cooperate to the fullest extent. Our analysis shows that those conservation activities of the federal housing assistance which are underway have no current plans to use the expertise that the Residential Conservation Service (RCS) program of the Department of Energy will develop. By relying on RCS, the federal assistance program would not have to set up an independent audit staff and would have the use of a group whose principal mission is energy conservation. Greater coordination with the weatherization program is also important, particularly for the rehabilitation and community development bloc grant programs. For example, rehabilitation undertaken with community development bloc grant funds should require audits which follow the RCS procedures. Related to this, a great deal is being learned about how energy productivity in buildings can be improved, much of it through research financed by DOE. This information should be used and disseminated by HUD. For example, the new Building Energy Performance Standards (BEPS), to be issued by DOE this year, will presumably improve the energy quality of new construction directly financed by HUD.

The third point is the need to fully exploit the authority given by the National Energy Conservation Policy Act which directed certain federal assistance programs to expand conservation efforts.

Funds were authorized by the Act for some of the rental assistance programs to finance conservation improvements. It would be useful for the Congress to urge rapid development of this since it can serve as a benchmark for other conservation efforts with federal assistance programs. A fourth point concerns the legislation now passed by the Senate and now in conference. This bill offers a loan program for lower income homeowners and allows utilities to finance energy conservation packages. If this becomes law, the Congress may wish to consider directing the federal assistance programs to make use of these features to provide financing for fully cost effective energy conservation. This would relieve the housing program from having to find the financing themselves and would result in substantial cost savings in the form of lower rental assistance and less loan defaults as conservation moderates fuel price increases.

COSTS AND BENEFITS

Question: If the Federal Government made a concerted effort in this area, what would be the costs and what would be the benefits?

Answer: We cannot calculate precisely the economic benefits of an expanded conservation effort in federally assisted housing, but we can offer some estimates which show how attractive this can be. We cited the case of public housing authorities where the initial investment was paid back in less than three years with the remaining savings continuing to help the financial burdens of the authority. Over a 20 year life of the conservation investments, assuming no increases in fuel prices, as much as 4.5 billion dollars in fuel costs could be saved by these authorities for the initial 600 million dollar investment. If all of the houses receiving direct federal assistance were retrofit up to the level we previously stated was possible, the total investment would be 1.1 billion dollars, and the savings over 20 years would be equivalent to 230 million barrels at an average cost of about $4.50 per barrel. Considering that current fuel costs for these homes are equivalent to anywhere from $20 to $40 per barrel, this represents quite a bargain. The net fuel savings for these units over 20 years would be at least 8 billion dollars. Much of this savings would accrue to the federal government in the form of more slowly increasing housing assistance. If one considers those homes covered by mortgage insurance the possible energy savings are even greater. Here the principal economic benefit to the government would be a lower default rate. Thus far, defaults due to rising costs have been small, but unless considerable conservation effort is made, it could rise considerably in the future as fuel prices continue to increase.

In sum we feel that energy conservation is a strong economic plus and for federally assisted housing many of these benefits can come directly to the federal government. Awareness is increasing, but continued urging by the Congress can help accelerate the efforts.

GASOHOL

Senator SASSER. A subject that is of interest to me and of interest to a lot of my constituents is the subject of gasohol. OTA has recently published a report on gasohol. The report seemed to favor large-scale methods of production. Why are large-scale methods of production favored?

Dr. GIBBONS. This report, an OTA "Technical Memorandum" on gasohol, is part of a larger report that will be released in a matter of a couple of months on "Energy from Biological Processes."

We are looking across the board at all types of sources. And in the case of production of alcohol for gasohol, we find that large-scale operations can, first of all, be more energy efficient in the distillation, the heat exchange processes that go on.

Therefore, they can produce alcohol at not only a lower energy cost but also more economically in terms of dollar cost and with considerably improved safety and automation. There are other attractive features that come with larger scale, especially in producing this 200-proof alcohol which you need for gasohol production.

Senator SASSER. When you say 200-proof alcohol, that is really 100 percent alcohol?

Dr. GIBBONS. That is correct.

Senator SASSER. Excuse me, I didn't mean to interrupt you.

Dr. GIBBONS. I was going to say, by no means should it be interpreted that OTA doesn't also favor small-scale production. It is just there are some economies or efficiencies of scale for larger unit sizes.

Senator SASSER. What about on farm production? I am inclined to think that many farmers would like to produce alcohol for mixing to power their farm equipment and trucks.

Dr. GIBBONS. Yes, sir; that is true.

Senator SASSER. With some modification, they can burn a mixture of half and half of that stuff, can't they?

Dr. GIBBONS. They can mix farm produced alcohol of the 190-proof variety right in with diesel fuel and with gasoline on the farm. So it is very useful on the farm operation and you can get away there with the 190-proof rather than the 200-proof alcohol.

If you want to sell from the farm into the national gasohol system, then you need to upgrade the alcohol from 190 to 200 proof.

OBSTACLES

Senator SASSER. What kind of obstacles do you see in the on farm fuel production and how can these obstacles be overcome?

Dr. GIBBONS. The principal obstacle, I believe, is to lower the cost penalty of a smaller operation—try to get to better economy at smaller scales so we can do more things on the farm. This means spending some money to develop lower cost, more reliable, more energy efficient, more automatic stills that can operate in the size range that is attractive for the smaller farmer.

Second, it seems to me it would be important to try to improve chemical and physical methods for upgrading the 190- to 200-proof alcohol so that that farm product could be upgraded and sold into the gasohol system.

Third, there are some problems of the so-called stillage which you can use for silage for farm animals, but the stillage needs to be dried or you can get into trouble of spoilage.

So there is that part of the system for which I think there is a great legitimacy for Federal assistance in working out that technology on the farm.

I also believe, especially in the early years, that some assistance in the financing of the capital investment for purchasing and installing these systems on farms could be very helpful.

Finally, while we have focused rather sharply on alcohol as obtained from grains in this past year, it seems to me we have a very important long-term job to do, to develop the techniques by which we can take advantage of wood wastes, grasses, other nonfood production on the farm which, in turn, can also be converted into alcohol but by different processes.

In all these cases, the focus should be on trying to develop units that are reliable and efficient and can operate economically at smaller scale.

EAST-WEST TRADE

Senator SASSER. In the field of trade, the Office of Technology Assessment recently completed a study on Technology and East-West Trade. What, according to OTA's study, will be the likely impact on the economy of the Soviet Union of President Carter's recent embargo on sales of high American technology?

Dr. GIBBONS. The data in our report leads us to believe that the short run impact will not be great. One reason is that the other Western industrial nations, particularly West Germany, Japan, and France, do not appear to be willing to join in the embargo. These nations supply the Soviet Union with more technology than does the United States.

This foreign availability limits the effectiveness of unilateral action. If there were a collective action by the Western nations, then the effect would be considerably magnified.

Senator SASSER. You mean collective action between ourselves and Western European allies?

Dr. GIBBONS. Yes, the so called CoCom group, a coordinating committee of major allies formed to harmonize the export of strategic materials to Eastern bloc countries.

U.S. TECHNOLOGY BENEFITS TO SOVIETS

Senator SASSER. There have been allegations that American technology has contributed to the military capabilities of the Soviet Union, as you well know.

I have an excerpt here from the Congressional Record of February 13, which alleges "The military trucks and transport aircrafts that disgorged the Red Army troops and supplies in Afghanistan during Christmas week were built with the indispensable technological know-how provided by profit-hungry U.S. firms and approved by high-level U.S. officials."

As you can see, there is some of Jack Anderson in that. There is some element of truth in that. Without objection, this excerpt will be reproduced in the record at this point.

[Excerpts from the Congressional Record and the Washington Post follow:]

[From the Congressional Record, Wednesday, Feb. 13, 1980]

TRANSFER OF U.S. TECHNOLOGY BENEFITS SOVIETS

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 13, 1980

• Mr. PAUL. Mr. Speaker, on February 8 the Wall Street Journal carried an excellent editorial on the transfer of technology to the Soviets and other Communists. I urge that each Member study the editorial and rethink our whole policy of subsidizing the transfer of technology. I have introduced a bill, H.R. 3408, that would eliminate all the subsidies such as those made by the Export-Import Bank for the construction of the Kama River truck plant. No action has yet been taken on my bill; instead this House has voted to make Red China eligible for Exim loans and guarantees. Will we ever learn? The articles follow:

[From the Wall Street Journal, Feb. 8, 1980]

TRANSFER OF TECHNOLOGY

When Soviet invasion forces rolled into Afghanistan in trucks built at the big new Kama river plant with the aid of U.S. technology and financing they raised dust in Washington as well as on the road to Kabul.

Everyone has always assumed it to be U.S. policy not to sell the Russians things that might help militarily. Quite obviously, that policy has some serious holes in it. Some are even bigger than the one that allowed sophisticated U.S. equipment to go into the production of diesel engines at Kama River and allotted $153,950,000 in Export-Import Bank financing to enable the Russians to buy all that high-priced hardware. Answers are needed and no one is rushing forward to supply them. Quite the contrary, the Commerce Department, which is in charge of licensing such exports, seems to be intent on keeping the process surrounded by secrecy.

U.S. licensing practices came under fire months before the latest Soviet aggression emphasized the importance of the issue. In May of 1979, Lawrence J. Brady, acting director of the Commerce Department's Office of Export Administration, testified before a House Armed Services subcommittee that the department was not enforcing its own regulations which prohibit the military diversion of U.S. licensed technology. The Kama River plant was cited.

As it happens, the morning of the day Mr. Brady testified, the subcommittee had received CIA confirmation that U.S. technology was being diverted to military use at the Kama River plant. It also received word that the Department of Defense was pressing the Commerce Department to apply the required sanctions.

Mr. Brady's testimony hardly made him a hero with his superiors. In addition to preparing briefs in their own defense—which had the interesting by-product of also defending the Soviets—they set about to destroy his credibility and demote him, or so a later investigation indicates. That investigation, conducted by the Office of Special Counsel, held that the pressures applied to Mr. Brady violated his rights as a civil servant. The Secretary of Commerce was instructed to "restore to Mr. Brady his full duties and responsibilities" and ordered to see to it that "no reassignment, transfer or detail of Mr. Brady be effected without consultation with and concurrence of Mr. Brady and this office."

Mr. Brady enjoyed further vindication when President Carter responded to the Afghanistan invasion by ordering an embargo on further transfers of U.S. technology to the Soviet Union. Nevertheless, he resigned last month, charging that Commerce officials were "trying to find loopholes in the . . . embargo . . . the President has ordered." He said he could not continue to serve officials "who would knowingly improve the military strength of an enemy of this country and would make every attempt possible to cover up these actions."

These are harsh words, quite likely too harsh with fellow bureaucrats given the twists and turns American Presidents have taken on this issue and the attempts they have made to use technology transfer and trade for political leverage with the Russians. No less a tactician than Henry Kissinger played a direct role in granting the Kama River licenses.

But it clearly is time to re-examine this issue and a good way to start would be to cut away the secrecy that has surrounded technology transfer. Commerce has been doing just the opposite by fighting off Freedom of Information suits and other efforts by journalists to find out what companies sold what items to the Russians.

It is most likely the files would show even more serious lapses than the one involving Kama River. Intelligence sources believe that the Soviets could not have installed multiple warheads on their intercontinental missiles as quickly as they have if a U.S. firm had not been permitted to sell them a unique machine that produces high quality miniature ball bearings. Congressional sources, backed by independent intelligence estimates, claim that U.S. technology helped the Russians develop guidance systems and gyroscopes for ICBMs and anti-submarine devices that make U.S. Trident submarines more vulnerable.

This all requires more explanation. It suggests that a new debate is needed on the old question of "linkage," or giving the Russians certain favors in return for concessions elsewhere. It is a matter far too serious to be surrounded by secrecy and cover-ups. While Mr. Carter is trying to decide where we go from here on technology transfer, it is only fair for the Congress and the public to know where we've been.

[From the Washington Post, Feb. 6, 1980]

TECHNOLOGY OF U.S. BENEFITS SOVIETS

(By Jack Anderson)

Any suggestion that American officials

and businessmen helped the Soviet Union invade Afghanistan would raise cries of outrage from the White House and Wall Street alike.

Unfortunately, it happens to be true.

Both the military trucks and the transport jets that disgorged Red Army troops and supplies in Afghanistan during Christmas week were built with the indispensable technological know-how provided by profit-hungry U.S. firms and approved by high-level U.S. officials.

In an incredible replay of pre-Pearl Harbor days, when American businessmen sold the Japanese war machine scrap metal that later rained down on U.S. and allied troops in the Pacific, we have been selling the technically backward Russians U.S. computers and other sophisticated equipment that have enabled the Kremlin to threaten our economic lifeline in the Middle East.

For years, I have warned against the openhanded giveaway of American technology—the one field in which the United States was clearly miles ahead of the Soviet Union. There was one momentary success: A May 24, 1977, column stopped the shipment to Russia of a Control Data computer, which was more than a decade ahead of the Soviets' own technology.

I also published warnings against the sale of other sophisticated equipment to the Russians, including IBM computers. But the warnings were drowned out by eager corporate salesmen and an administration eager to believe the Russians. The CIA has now learned that the IBM computers were used to build military trucks, which hauled Soviet troops into Afghanistan.

Over the objections of Sen. Henry M. Jackson (D-Wash.) and members of the National Security Council, President Carter personally approved the sale of $144 million worth of sophisticated equipment, ostensibly to be used by the Soviets for deep-well oil drilling. Experts cautioned that the American machinery could easily be converted to the manufacture of antitank ammunition.

To quiet critics of the deal, Carter appointed a special task force of technological experts, headed by Fred Bucy, chairman of Texas Instruments, to study the sale. But it went through anyway.

According to Dr. Miles Costick of the Institute on Strategic Trade, the Russians also acquired their know-how to build wide-bodied jet transports from American firms. The Soviets' technique was simple: "They kept after the three U.S. aircraft firms bidding on a contract to submit more and more detailed information—until the Russians had enough data to build their own planes."

Costick also said the Soviets went so far as to send their technologists to U.S. plants wearing special shoes that picked up traces of the special alloy metals used in construction of American products.

Armored cars and amphibious vehicles produced at the Gorki automobile plant were built with technical assistance from the Ford Motor Co. Truck chassis used for antiaircraft and antitank guns were made at a factory outfitted by U.S. firms.

Submarine detection devices that make our Trident submarine vulnerable were developed with the help of equipment the Russians bought from Geospace Corp. and Litton Industries.

President Carter personally approved the sale of a Sperry Rand Univac 1100/10C computer the Kremlin had been thirsting after for two years. According to intelligence sources who talked to my reporters Vicki Warren and Mark Zusman, the computer is being used to upgrade the Soviets' Backfire bomber.

The Russians originally wanted a super-Univac, supposedly to help Tass in its coverage of the Olympic Games. Administration advisers warned against the sale. After initially vetoing the Soviets' purchase, Carter okayed the sale of a scaled-down version of the computer.

So to give U.S. businessmen a few lucrative contracts, and to promote the now-shredded hope of detente, the United States has given the communists the one thing they lacked in their arsenal of aggression—American know-how.

Scuttlebucks—The White House is mulling over a proposal by Rep. John Murphy (D-N.Y.) to close all U.S. ports to Soviet merchant ships—an economic sanction that would hit the Russians hard in the pocketbook. A CIA analysis estimates that in 1977 the Soviet merchant fleet earned nearly $1 billion in hard currency for the Kremlin—second only to the income from oil, gold and timber sales.●

EFFECTS OF TRADE WITH EASTERN BLOC NATIONS

Senator SASSER. What does the OTA report say about this, Dr. Gibbons, about our technology being used for military purposes by the Soviet Union?

Dr. GIBBONS. Mr. Chairman, the CoCom countries have no argument among themselves about items of direct military significance. All agree that trade in these items with the Eastern bloc should be constrained.

At the same time, there is a large gray area, composed of so-called dual-use technologies. Computers or the Karma River factory are good examples of dual use. There are very few technologies which could be transferred that don't have some significance in terms of military capabilities and national security.

It is this broad gray area which gives rise to considerable disagreement within CoCom, which is a non-treaty group, in terms of which technologies should be withheld.

It is a vexing matter; it is a matter of trade off between political and economic gains versus military risk. Different CoCom nations calculate these trade offs differently.

WESTERN TECHNOLOGY

Senator SASSER. Just how important is, not just our technology, but Western technology to the Soviet Union?

Dr. GIBBONS. I think very important. The Soviets have not been inclined to become dependent on Western technology in their strictly military sectors. I think they have been concerned that if they were, they would lose out in terms of being able to depend on that as a supply.

But in their civilian sector, Western technology has been very important, especially in the area of chemicals, automobiles and gas and oil exploration and development equipment.

SOVIET GAS AND OIL

Senator SASSER. Now that brings up another question. We are in the process of cutting off technology to the Soviet Union, but don't we have a real vested interest in helping the Soviet Union discover more gas and oil? They are dependent on Western technology to do so.

I am told their oil production has peaked this year and will be going down from this year on out. Would it be to our best interest to try to help them find as much oil and gas as possible so their appetites wouldn't be directed into the area of the Persian Gulf or not?

Dr. GIBBONS. That is an excellent question. I think it points out the complexity of the issues that are having to be addressed.

The Soviets have, as I understand it, already purchased most of the capital equipment they are going to need over the next several years in their gas and oil development work. So the impact of a cutoff of Western technology now would have minimal short-term effect. It could have a very major longer term effect, however, which might be felt by the end of this decade.

The CIA's analysis of world petroleum and OTA's own further

comparison of that analysis with the Energy Information Administration does sustain the notion that the Soviet bloc may well be going into the world market as a net importer—no longer a supplier—of oil within this decade.

The rate at which that movement will be made could depend in no small measure on this trade of technology from the West.

U.S. EXPORTS TO SOVIET UNION

Senator SASSER. Describe the mechanism by which the U.S. Government decides whether to approve an export license for the sale of high technology items, such as computers, to the Soviet Union. At what level of Government is the actual decision made?

Dr. GIBBONS. There is a lead agency, the Department of Commerce, but the Export Administration Act also requires the participation or collaboration of the Departments of Defense, Energy, and the Department of State.

Decisions are often made unilaterally by the Department of Commerce, but controversial cases enter a complex system of multi-agency review in which applications come before successively higher level committees. If agreement cannot be reached at the Cabinet Secretary level, a case may be referred to the President.

Sometimes, often in the case of computers, a condition for granting the license is that restrictions be placed on the intended end-use of the item. There are mechansims for tracking that end-use to insure, as best we can, that the item is not being diverted. These mechansims cannot be infallible, especially with the sophistication of modern computers.

Senator SASSER. Apart from denying export licenses in the first place, what procedures or mechanisms does the United States employ to minimize the risk that U.S. technology will be used by the Soviets for military purposes? In particular, how does this apply to computers?

And then also, we get into the problem of sending technicians to the Soviet Union. How do we monitor what they do or say once they are there? What sort of expertise do they pass on to the Soviet Union? How well are they able to police the uses made of the computers we sell the Soviets?

Dr. GIBBONS. As you recognize, technology is undoubtedly transferred through personal contacts which are extremely intractable to Government control. This is one reason why Government action can never wholly eliminate the risks inherent in any transfer of technology. There are numerous ways of attempting to minimize that risk, however. Monitoring arrangements are one way. Or, as I mentioned before, license approvals can stipulate end-use restrictions for the technology. Part of the controversy surrounding the Karma River plant concern the nature of the restrictions, if any, that actually applied to the use of the trucks for military purposes.

Senator SASSER. Those were the same trucks which drove into Afghanistan.

Dr. GIBBONS. It is by no means a perfect system. It's worth noting, though, that we have long realized that the Soviets will mobilize civilian

trucks if they need them for military purposes. They did this in Czechoslavakia in 1968. When the Karma River licenses were approved in 1971, this risk must have been calculated. At that time, it obviously seemed that the political and economic advantages of the sale would outweigh the military risk. We might come to a different conclusion today.

COMPUTER EXPORTS

In the case of computers, printouts are periodically made available to the Department of Commerce by the users. There is a massive amount of material and I am honestly not sure how effective that kind of feedback is, especially as I mentioned with the high versatility of software for the modern computer systems.

So we really have the dilemma of trying to build substantive economic links with these countries and at the same time trying to keep the game honest in the so-called dual-use technologies. I am not sure we are doing very well with that.

TRADE IN STRATEGIC METALS

Senator SASSER. To what extent, Dr. Gibbons, does the United States depend on outside sources for aluminum, manganese, chromium, titanium, strategic metals?

Dr. GIBBONS. Almost completely for those kinds of metals.

Senator SASSER. What are the sources of those metals?

Dr. GIBBONS. They vary. In the case of aluminum, most of the source of most of our aluminum is in the Caribbean and South America, although we do have considerable resources in the United States that are of lower grade and more costly to use.

In manganese, South America and Africa are our principal sources; in chromium, the Soviet Union and Rhodesia.

In the case of titanium, India and Australia, I believe, are the principal sources. In all these cases, net imports minus our exports are almost 100 percent. That is our dependence is almost total.

Senator SASSER. How about titanium from the Soviet Union?

Dr. GIBBONS. There is, I believe, some titanium from the Soviet Union. As I recall, Australia and India are the more important producers of titanium for us. We also have low-grade titanium resources here in the United States. But again, we should be perhaps thinking about providing mechanisms for using more domestic resources.

Senator SASSER. Let me ask you this question. Is the Soviet Union independent as far as reliance on other countries for these metals?

Dr. GIBBONS. I believe they have some of the dependence we do on international trade. One of the advantages, perhaps, of dependence on metals, say, compared to oil, is that there are some ways of substituting for that commodity in case it dries up in the world market.

I remember a comment made by an earlier Secretary of State that there is a rational degree of interdependence that is appropriate for the world. So I would not want to give the impression I think we ought to be totally independent of all the rest of the world for our resources, but 100 percent is certainly a cause for a good deal of concern.

Senator SASSER. Do you see the possibility of OPEC type cartels forming around these metals with limited geographic availability?

Dr. GIBBONS. Certainly the possibility exists, Mr. Chairman. I think it is probably not as likely as the case of international oil, but the possibility does exist.

METAL SUBSTITUTIONS AND RECYCLE

Senator SASSER. What options are open to the United States to reduce its reliance on imports of these strategically important materials?

Dr. GIBBONS. We have some capabilities for establishing strategic reserves, such as we are attempting to do now in oil, and we did do in the post-World War II era. However, there are two main strategies that I think provide some important options for consideration.

One is the notion of substitution. First of all, in many instances we could substitute lower grade U.S. sources for the higher grade foreign sources of some of these heavy metals.

Second, you can actually substitute one material for another in most applications. We have now seen major substitution, for example, of advanced plastics and composite materials for metals in much of our manufacturing. So substitutability is a very important doctrine.

The second doctrine is that of recycle; recycle in the broad sense of remanufacturing, receiving the material after use and making new widgets with it—reuse of materials as well as repair of products.

So these two doctrines of recycle and substitution are very important ones for us in the longer term.

Senator SASSER. We are making beer cans out of aluminum, you see where it comes from and you realize how much energy it takes to produce it.

Dr. GIBBONS. Each beer can is worth about half a can of gasoline in terms of the imbedded energy invested in that aluminum can.

EFFECTS OF NUCLEAR WAR

Senator SASSER. Reports in the media indicate that there are those who speculate that if the Soviets were to invade the Persian Gulf area, the United States' only effective military response would have to be with nuclear weapons.

OTA has recently completed a study of the effect of nuclear war, including so-called limited nuclear war, if there is such a thing. Would you care to comment on your study, Dr. Gibbons?

Dr. GIBBONS. Mr. Chairman, we have not specifically studied the issue of conventional war and the adequacy of our conventional forces or the rate at which they increased with respect to thwarting a Soviet move in the Persian Gulf.

However, we did complete work on the effects of nuclear war last year. That study calls into question whether a nuclear response to conflict in the Mideast would make any sense. In our study of a hypothesized U.S.-U.S.S.R. nuclear exchange of several types of several magnitudes, we found that absolutely enormous damage could be inflicted on either country with no more than 10 missiles apiece. Of course, we each have a couple thousand missiles at least.

In the case of the Persian Gulf, if a nuclear strike were made against Soviet military forces, and if the Soviets responded to that strike with a limited attack on the United States, there would be massive but also highly uncertain casualties in the United States.

In that situation, both nations could get involved in a situation of unprecedented but also very unpredictable destruction. It is that unpredictability that may be as important in our considerations as anything else.

On the basis of high unpredictability of casualties and damage and the consequently high unpredictability of response to such an attack, the notion of a truly limited nuclear war I think is very problematic.

Senator SASSER. Would you send me a copy of that report?

Dr. GIBBONS. I will be happy to.

[The report follows:]

The Effects of Nuclear War

The effects of a nuclear war that can be anticipated but cannot be calculated are at least as important as those that analysts attempt to quantify. Moreover, there are very large uncertainties regarding the effects that are calculated. Nuclear weapons are usually described by the damage they can inflict even in the most unfavorable circumstances. In fact, the casualties and economic destruction caused by a nuclear attack would probably be far greater than most prior estimates have indicated.

In the period following a nuclear attack, conditions could get worse before they started to get better. The Nation would be far weaker—economically, socially, and politically—than a calculation of its assets would seem to indicate. People could live off prewar supplies and habits for awhile, but patterns of behavior would be changed by worsening shortages and the enormous psychological shock a nuclear war would produce. A failure to achieve economic viability (production equaling consumption) before stocks ran out would cause many additional deaths, and further economic, social, and political deterioration.

A large-scale nuclear exchange between the United States and the Soviet Union could kill more than 250 million people in those two countries alone. The numbers killed in the first few days would depend on the exact number of nuclear weapons used and places of detonation, the time of year, extent of warning, and the weather. U.S. deaths would probably range between 70 million and 160 million, while Soviet deaths would be between 50 million and 100 million. Many "survivors" would die later from starvation, exposure, or disease, particularly in areas where the immediate deaths were relatively low.

A "limited" nuclear exchange would have enormous impact as well, even if there were no escalation. An exchange limited to 10 MIRVed missiles aimed at oil refineries, for example, could kill 5 million Americans and destroy 64 percent of the U.S. refining capacity and 73 percent of the Soviet capacity. An attack directed solely at missile silos could kill as many as 20 million Americans. Despite the deaths and destruction of such attacks, their consequences might be endurable and economic recovery possible since they would be on a scale with previous wars and epidemics.

Major differences between the United States and the Soviet Union affect their relative vulnerability to nuclear attacks. People in the United States are more exposed than those in the Soviet Union because the latter are more dispersed geographically, and because U.S. weapons are generally smaller than their Soviet counterparts. Further, the Soviet political system is better able to maintain tight control in emergencies. However, the U.S. economy appears to be less vulnerable than that of the Soviet Union, both because it is bigger and better to begin with, and because Americans are more accustomed to decentralization.

Nuclear war is deterred by the certainty of its enormous effects, and by the uncertainty about just what those effects would be. Even a limited nuclear war could be expected to kill millions of people and inflict damage on a scale unprecedented in U.S. history, while a large-scale nuclear exchange would be a calamity unknown to human history. Because the economic, social, and political effects are literally incalculable, no government could predict with confidence what the consequences of even a limited nuclear attack would be.

QUESTIONS SUBMITTED FOR RESPONSES

Senator SASSER. Dr. Gibbons, we have a number of questions on U.S. self-sufficiency, transfer of computers, and other advanced technology to the Soviet Union for the record. If you would provide answers for these questions for the record, we would be grateful.

If necessary, acquire the assistance of the General Accounting Office for questions that perhaps are more suited to their capabilities.

Dr. GIBBONS. We will be happy to do so, Mr. Chairman.

Senator SASSER. Dr. Gibbons, thank you very much for appearing and testifying before us. It is always a pleasure to see you.

Dr. GIBBONS. Thank you, sir.

[The questions and responses follow:]

Submitted Questions

MATERIALS DEPENDENCY

Question: It appears that the United States is dependent on other nations for a number of critical materials and minerals. What is the Executive Department's policy on stockpiling to reduce this dependency?

Answer: Authority to stockpile strategic materials was established by the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98) as amended. The lead agency responsible for implementation of the Act is the General Services Administration (GSA). Within GSA, the Federal Preparedness Agency (FPA) is responsible for policy and planning, and the Federal Property Resources Service (FPRS) is in charge of materials procurement, maintenance, management of storage sites, and sale of excess materials. An Interagency Annual Materials Plan Steering Committee, chaired by the FPA, is responsible for preparing an Annual Materials Plan that gives first priority to the acquisition of stockpile materials to develop a readiness posture in case of national emergency. Materials proposed for acquisition and disposal become known after Congress has passed the authorization or appropriations for purchase, or has passed disposal legislation.

Within the Department of Commerce, stockpile responsibilities are assigned to the Office of Industrial Mobilization, under the Bureau of Trade Regulation in the Industry and Trade Administration. The Office of Industrial Mobilization plays several key roles on the Annual Materials Plan Steering Committee, and chairs the Interagency Committee for Stockpile Purchase Specifications and Special Instructions. This Committee gathers data to determine the apportionment to stockpile goals of various individual materials.

The responsibilities within the Department of State are given to the Office of International Commodities under the Industrial and Strategic Materials Division. The State Department shares responsibility for the development of acquisition and disposal plans and evaluates the likely effects on foreign relations of these plans. From Department evaluations, the FPA estimates the reliability of foreign sources for strategic materials. The Department also assesses the stockpile policies and activities of foreign governments.

The Department of Defense works closely with the FPA in the planning and acquisition of materials. Among other responsibilities, DOD chairs the Interagency Materials Availability Steering Committee. This group deals with national security requirements, materials research and development, production base materials and energy shortages, manufacturing productivity, and import dependence. The Department also works with the Interagency Committee for Purchase Specifications and Special instruction to be sure the national stockpile of materials meshes with military requirements.

Within the Department of the Interior, both the Geological Survey and the Bureau of Mines share stockpile responsibilities. Most important is the continuous gathering of data on the mineral resources of foreign nations, on the U.S. supply and demand requirements, and on the availability of critical materials domestically. For example, the Bureau of Mines publishes the

"Mineral Commodity Profiles" that deal with current changes in the supply and demand of strategic materials and that provide long-range forecasts for specific critical materials.

CHROME TRANSACTIONS

Question: It is understood that during the embargo by the United States on Rhodesian chrome that we bought chrome from the Soviet Union at higher prices than we could have bought Rhodesian chrome while at the same time the Soviet Union was obtaining Rhodesian chrome. There has been a suggestion that the Soviets were simply transshipping us the Rhodesian chrome and making money. Is this true?

Answer: OTA has not been able to obtain a definitive answer to this question. Inquiries to several Executive Branch agencies have not revealed the existence of any positive evidence, confirming or contradicting.

MINERAL IMPORTS

Question: The United States was greatly dependent on foreign supplies of uranium during the early years of the atomic energy program, but by establishing incentives for locating uranium ore deposits discovered that the United States had ample uranium reserves.

Is the United States really deficient in mineral resources or is it that other factors have inhibited the development of U.S. resources?

What effect has the National Environmental Policy Act had on mineral self sufficiency? Please elaborate.

Please indicate the pros and cons of providing incentives for discovering U.S. deposits of strategic minerals.

Please indicate the pros and cons of placing a heavy import duty on imported minerals.

Answer: These are four related questions on the very complex subject of U.S. mineral self sufficiency and vulnerability to imported minerals. OTA has not performed a comprehensive assessment on this subject, but has investigated an important aspect of the question in a report published in April 1979, Management of Fuel and Non-Fuel Minerals in Federal Land. Our answer to the four questions you ask will draw heavily from this report, supplemented with material drawn from GAO, the National Academy of Sciences and the general literature.

An adequate, reliable supply of minerals is essential to the economy and security of the United States. Mineral materials are the foundation of industrial society. They provide the physical basis for almost all activities of U.S. citizens. Domestic (United States) consumption of newly mined minerals in 1976 was almost 40,000 pounds, or 20 tons, per person. An important source of U.S. mineral supply is production from domestic mineral deposits. The demand for newly mined minerals can be reduced, but not eliminated, by conservation, recycling, reuse, and substitution of minerals and mineral products and by changes in consumer buying habits. Although imports can

satisfy an important part of the demand, they may make the United States vulnerable to economic and political decisions or events in the foreign producing countries.

Onshore land either presently owned by the Federal Government or obtained from the Federal Government by private parties under the Federal mineral laws is one of the more important sources of domestic mineral resources. The Federal Government owns about 30 percent of the onshore land in the United States. Moreover, the Federal land is concentrated in the areas considered to be most favorable for the occurrence of economic mineralization. Most domestic nonfuel mineral production has come from Federal land areas, which contain the bulk of the known domestic resources of a majority of the metallic minerals. They also contain major resources of coal, oil shale, geothermal steam, and uranium, in addition to proportionally smaller, but nevertheless significant, resources of oil and gas.

Increasingly large amounts of the Federal land are being withdrawn from availabiltiy for mineral activity, or otherwise highly restricted, to protect both mineral and nonmineral resource uses and activities that Congress or the Executive Branch believes are inadequately protected under the existing Federal mineral disposal laws. These laws, enacted in piecemeal fashion over more than a century, contain significant gaps in coverage, result in unnecessary expenses for mineral explorers and miners and needless damage to nonmineral resources, do not assure secure tenure or diligent mineral activity, and do not provide incentives or other mechanisms for balancing of mineral and nonmineral resource values at each stage of mineral activity. Changes in the laws to resolve some of these problems may lead to more efficient mineral activity on nonwithdrawn land and to a halt in or even reversal of the present trend of increasingly large withdrawals. This trend has made it more and more difficult to explore for and develop minerals on Federal land. It may have serious adverse consequences on the domestic mineral industry and, after a deceptive lag of 10 to 20 years (during which time currently known and available mineral deposits are brought into production, but few new deposits are discovered and developed for eventual production), on the U.S. mineral posture in an increasingly tight international minerals environment.

The GAO, in a recent report, The U.S. Mining and Mineral-Processing Industry: An Analysis of Trends and Implications (October 31, 1979; ID-80-04), summarized the policies that have caused a shift of mining and processing abroad as follows:

"The U.S. Government:

-- Limits the use of Federal lands for mineral exploration; some countries are actively encouraging and sponsoring exploration.

-- Imposes strict environmental requirements which add significant costs to the development of domestic mineral projects; some countries are either more lenient in their enforcement or provide assistance to defray costs.

-- Restricts the use of joint ventures to pool resources and share risks; some countries not only encourage joint ventures but often participate in the financing of projects through direct grants, loans, and loan guarantees.

-- Adds to the cost of labor by imposing worker health and safety requirements; some countries are more lenient in their enforcement, use different techniques to protect workers, or provide assistance to defray costs.

In addition, the absence of a clear U.S. Government energy policy and the restrictions which delay or halt construction of power-generating facilities have created much uncertainty as to the future price and availabiltiy of energy supplies needed for the mineral industry."

In its report, GAO discussed the costs imposed by environmental regulations on several mineral processing industries, particularly copper, lead, and zinc. For example, domestic copper producers spent an estimated $695 million from 1974 to 1978 for SO_2 emission controls and future costs have been estimated at nearly one billion dollars through 1987 (1974 dollars). EPA, as of January 1979, believed that the anticipated future expenditures for SO_2 control may prove to be beyond the means of a large portion of the copper smelting industry.

The situation has been summarized as follows in a recent book published by Resources for the Future, The World Copper Industry by Raymond Mikesell:

"Some students of the U.S copper industry are fearful that a rise in both operating and capital costs associated with meeting pollution abatement standards will reduce the competitiveness of the U.S. copper industry and, hence, reduce investment and output at all stages from mining through refining. An increase in costs ranging from 5 to as high as 15 cents per pound for pollution abatement has been estimated, although there are fuel and other economies associated with the new techniques. An important deterrent to new investment is the uncertainties regarding future U.S. government standards, both for existing and for new smelters."

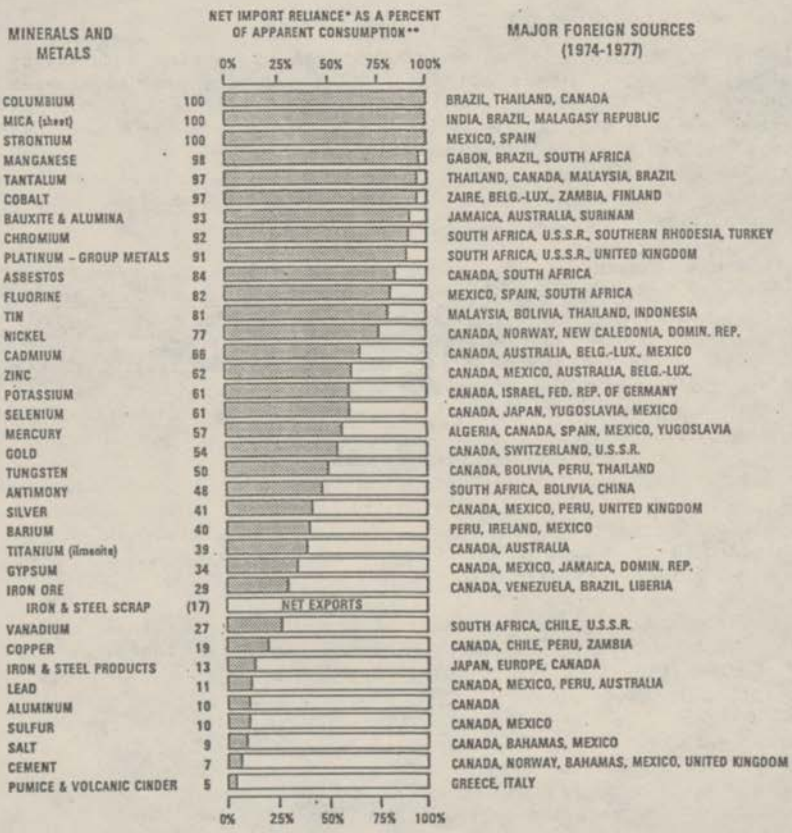
In addition, while the costs of producing copper domestically rise, some countries apparently have sold copper for less than the cost of production in order to obtain foreign exchange and to provide jobs for their people. In 1978 the International Trade Commission found that the domestic copper industry was being harmed by excessive imports and recommended relief measures. The domestic copper industry fears that unless relief measures are taken when such "dumping" occurs, copper import dependency will increase and higher prices and a less secure supply will result.

The U.S. is almost totally dependent on foreign supply for a number of critical materials (Attachment A). In many cases, this is because U.S. deposits of these minerals are scarce or of low quality. As the National Research Council pointed out in its 1978 report on Technological Innovation and Forces for Change in the Mineral Industry:

"...No industrialized country has been so endowed by Nature as to be totally self-sufficient in meeting its mineral resource needs, and the United States is no exception. It is therefore imperative that we continue to develop international policies in mineral affairs that are mutually favorable to the countries concerned."

Attachment A

U.S. NET IMPORT RELIANCE OF SELECTED MINERALS AND METALS AS A PERCENT OF CONSUMPTION IN 1978



*NET IMPORT RELIANCE = IMPORTS-EXPORTS + ADJUSTMENTS FOR GOV'T AND INDUSTRY STOCK CHANGES

**APPARENT CONSUMPTION = U.S. PRIMARY + SECONDARY PRODUCTION + NET IMPORT RELIANCE

BUREAU OF MINES, U.S. DEPARTMENT OF THE INTERIOR
(import-export data from Bureau of the Census)

For this reason, and because of the very long times required to go from exploration to production, import duties are not likely to elicit much new domestic production of scarce minerals.

Exploring for and developing minerals is a lengthy, technically sophisticated, expensive, and risky business. In the U.S., most of the metallic ore bodies that are exposed or directly indicated through visual inspection of the surface have already been identified in more than 100 years of fairly intensive surface exploration. The remaining deposits are hidden beneath the surface with no direct visual clues as to their existence, and they can be discovered only through careful geologic analysis aided in varying degrees by geophysical and geochemical techniques. This is less true in the remoter regions of Canada and Alaska than in the lower 48 States, but the trend is unmistakable in all three regions. Mineral exploration today, therefore, relies primarily on geologic inference based on substantial geologic knowledge and creativity. Geophysical and geochemical surveys are included in most exploration projects, and they are the principal method used to locate target areas in a large number of successful Canadian exploration projects and a smaller (because of differences in geology) but still significant number of U.S. exploration projects. The targets in almost all cases must be explored by drilling to determine the actual existence and location of the hypothetical mineral deposit. For every successful project resulting in the discovery of an economic mineral deposit, there are many unsuccessful projects. Therefore, the few successes must be profitable to cover the many failures.

The National Research Council report quoted above went on to say:

"...it is...important that we intensify our domestic effort to alleviate mineral shortages and the threat of shortages. However, new or improved technology will be required, and the means to implement new technology in a timely manner must be established if significant improvement in our domestic minerals position is to be achieved. Indeed, because of inflation, taxation, government regulations, and delays caused by adherence to regulations, it would almost appear that mineral reserves are being reconverted to uneconomic resources faster than new reserves are being created by new exploration finds or by improvements in extraction technology.

...there has been repeated reference to the need for the United States to develop its technology as an aid in the discovery, extraction, and utilization of our nation's mineral resources with minimum environmental disturbance.

While we in the United States are proficient in technological innovation it appears that these proficiencies have not been adequately brought to bear on our domestic mineral supply problems. Clearly, advanced technology is a major vehicle for improving our domestic mineral position, but the rate of technology development and utilization must be increased if this is to happen. Unfortunately, at present we seem to be ill prepared to muster our manpower, knowledge, and skills to this end."

The reasons for this lack are complex and controversial and have been claimed to range from lack of government support of basic research in the universities to "super-cautious, no-risk management." The development of policies to provide incentives for exploration, development, and production of strategic materials should take

account of the interaction of basic research policy, capital formation policies, land management policies and many others. Some pros and cons to consider include:

Pros:

-- From a technical viewpoint there is a prima facia case to be made that such deposits for some strategic materials could be discovered;

-- History has provided ample evidence that for the U.S. to be dependent for strategic materials on foreign sources involves risks to our economic wellbeing and international security;

-- Because of a stagnant and inflationary economy and great uncertainty about future economic conditions the private sector may not take the risks without government incentives for such discoveries;

-- Politically, such discoveries would remove a constraint on our relations with some foreign governments.

Cons:

-- By providing such incentives the government would be creating a disincentive for the development of material and functional substitutes for strategic materials;

-- Considering the risks and uncertainties with regard to successful discoveries and subsequent commercial utilization and exploitation of them, there may be better uses of capital and government assistance;

-- Invariably, the discovery and use of such materials will necessitate large amounts of energy to mine, process and refine;

-- If the risks and ultimate rewards were acceptable, the private sector would be doing the work without government incentives.

EXPORT LICENSES

Question: Describe the mechanism by which the United States Government decides whether to approve an export license for the sale of high technology items (such as computers) to the Soviet Union. At what bureaucratic level is the actual decision made?

Answer: Most items of high technology destined for export to the Soviet Union appear on a list of controlled commodities which require a so-called validated license (Attachment B). The Commerce Department administers the process by which such validated licenses are granted or denied, and the Departments of State, Defense, and Energy also participate. The Export Administration Act requires that all applications for validated licenses be subjected to a formal interagency review process; in practice, the Commerce Department often takes unilateral licensing decisions with the consent of the other agencies involved. This is a practical necessity, given the volume of applications. The legal requirement for multiagency consideration is met in one of three ways, each involving more active and formal interagency consultation: The Department of Commerce's Office of Export Administration may make a unilateral decision based on prior delegations of authority from the other agencies; informal,

Attachment B

[From Aviation Week and Space Technology, Dec. 10, 1979]

Export Office Compiling Foreign Availability List

By Katherine Johnsen

Washington—Commerce Dept.'s Office of Export Administration is struggling with the new assignment of compiling an up-to-date library on the availability from other industrialized nations of items that are controlled for export from the U. S. to the Soviet bloc and other adversary nations.

The 1979 Export Administration Act directs the Commerce Dept. to develop and maintain capability to assess the foreign availability of items on its commodity-control list. Once the foreign availability of an item is ascertained, U. S. national security controls over its export are dropped. If the President determines that despite foreign availability, U. S. controls should be maintained for national security reasons, the Commerce Dept. is ordered to "publish that determination together with a concise statement of its basis, and the estimated economic impact of the decision."

The Commerce Dept.'s commodity-control list of civil items with the potential for military application includes computers, semiconductors, sophisticated electronics and communications equipment, and equipment for their manufacture. These are items that the Defense Dept. views as critical to its advanced military systems. The list also includes civil aircraft and engines.

For several years, foreign availability has been a factor in the granting of an export license. But it has been applied in an ad hoc manner, frequently on a case-by-case basis, and the burden of proof has rested substantially with industry.

The 1979 act not only places responsibility with the Commerce Dept., but also specifies that $1.25 million of the department's $8 million in funding for the activities of the export office, for each of the fiscal years 1980 and 1981, can be used only for foreign availability assessments.

"The 1979 act shifts the burden from industry to the Executive Branch," Robert L. Mullen, director, international programs, Singer Co., and a former chairman of Aerospace Industries Assn.'s export control task force, said.

The commodity-control list, which consists of 60 pages of technical descriptions and parameters of equipment, is the foundation from which the Office of Export Control is proceeding. With instructions and explanations, the list document is about 3 in. thick.

"We must establish a library-type resource of foreign availability of every item on the list and then keep it up to date," Robin B. Schwartzman, acting director of the Commerce Dept.'s Bureau of Trade Regulation, said.

The Office of Export Administration is one of the activities within this bureau. Saul Padwo, director of the computer division of the export office, is supervising the foreign-availability project directly.

"What we are doing now is surveying what is already available within the government on foreign availability and considering how best to organize the overall program," Schwartzman said. "It is likely we will have to contract out some of the work.

"One possibility is that before beginning to establish a system governing the entire commodity-control list, we will take one area and do a pilot foreign-availability program for that area. That would give us the opportunity to get the bugs out and perfect the system before applying it across-the-board."

Defense Dept. Effort

Meanwhile, the Defense Dept. is launching its own effort to improve foreign-availability assessment, a requisite to the development of a list of militarily critical goods and technologies. If items of comparable quality, and in comparable quantity, are available to the USSR or other adversary nations from other Western industrialized nations, they lose the critical status.

"We have been organizing the support of the intelligence community, industry and the Dept. of Commerce to place special emphasis on foreign availability, as specified in the [1979 Export Administra-

tion] Act," William J. Perry, under secretary of Defense for research and engineering, told the House Foreign Affairs subcommittee on international economic policy.

"We do not wish, as proscribed by the act, to permit the flow of technology on the basis of assertions by prospective exporters," Perry said. "Neither do we, however, wish to constrain trade unnecessarily without full evaluation of foreign availability information. We look forward to intense dialogue with our colleagues at the Dept. of Commerce, who have been charged with the responsibility of maintaining foreign availability and accessibility assessments of dual use technology." The 1979 act sets a deadline of Oct. 1, 1980, for the completion and publication of the initial version of the Defense Dept.'s critical goods and technologies list. The department has been working on the list for more than three years (AW&ST Mar. 19, p. 27).

usually bilateral, consultation between agencies may take place through telephone conversations or the exchange of memoranda; or a full-scale, formal interagency review may take place. The latter occurs most often in the cases of controversial dual-use technologies such as large computers.

The formal interagency review process involves an application's moving through a series of progressively higher level committees, composed, successively, of Senior Staff, Assistant Secretaries, and Secretaries from each participating Department. If no decision can be reached at the Cabinet Secretary level, or if the proposed sale has sensitive international ramifications, the application is referred to the President. The National Security Council may also become involved once an application has entered the multiagency process. Applications may be denied or reinstated at this level for reasons of foreign policy (Attachments C, D, E). The Sperry Univac computer sold to TASS is an example of a license which was denied by the President and then reinstated on grounds of foreign policy (Attachments F, G).

A detailed description of this complex process may be found in Chapter VII of OTA's report on Technology and East-West Trade.

Attachment C

[From the Washington Star, June 15, 1977]

CARTER TO BAR COMPUTER SALE TO RUSSIA

By Fred Barnes
Washington Star Staff Writer

President Carter is set to block the sale of a sophisticated computer system to the Soviet Union.

In fact, the White House is so eager to halt the deal that Zbigniew Brzezinski, the President's national security adviser, prematurely sent the Commerce Department notification of Carter's decision.

Because the department's procedure for examining the proposed sale of the Cyber 76 computer by Control Data Corp. to the Soviets was not finished, the White House was forced to withdraw the letter shortly after it was sent last week, according to an administration official.

BUT WHEN THE department completes its action on the case in a few weeks and submits the matter to the White House, Carter is fully expected to nullify the sale, the official said.

The filing of the Brzezinski letter — it told Commerce Secretary Juanita Kreps that the President was against the sale and desired to have the export license for the computer denied — put the White House in the position of being vulnerable to the charge that it had prejudged the case.

By pulling the letter back, the White House hoped to avert that accusation, though there is no intention of changing the position as expressed in the letter.

The objection to the sale of the computer, which is more sophisticated than Soviet computers, was that it could be converted to military uses. Control Data contended that it could prevent any military use by the Soviets.

What damage, if any, the blocking of the sale will do to U.S. relations with the Soviet Union is unclear. However, it is certain that the action won't improve the already frayed condition of U.S.-Soviet affairs.

ON ANOTHER matter involving the Soviets, presidential Press Secretary Jody Powell said that Carter is "concerned" about the Russians' treatment of Robert Toth, the Moscow correspondent for the Los Angeles Times.

Soviet authorities have accused Toth of receiving state secrets, and they have refused to allow him to leave the Soviet Union while he is under investigation.

Powell said no immediate action would be taken in retaliation against Russian reporters here. "We certainly do not intend to violate people's rights to legitimately pursue the news just because that practice may take place in other countries," he said.

However, he said the United States reserves the right to take whatever steps it feels are necessitated by events.

At the regular White House briefing yesterday, Powell read a portion of the letter of protest which the U.S. government sent to the Soviets in the Toth case.

BUT WHEN HE agreed to consider whether to release the whole letter, Jerald Schecter, an official of the National Security Council, intervened and advised him not to.

And when Powell was asked to read the portion of the letter again, Schecter, a former Time magazine correspondent in Moscow, told Powell to make sure that he didn't read any more than that.

Later, the press secretary explained that "it is not customary to release diplomatic communications of that natu He added that there are occasions v it is appropriate to release portion play up the significance of the pr and fill in the press.

This was one of the those occasions, he said. "That's what I did. We will not release the full text."

Here is the portion of the letter of protest read by Powell:

"This act introduces a new and even more disturbing element into what seems to be a persistent effort by Soviet authorities to harass and intimidate American correspondents in the exercise of their profession.

"Such actions cannot be cosidered in the best interests of normal U.S.-USSR relations. Their impact on public opinion in the United States will clearly not be favorable to the Soviet Union.

"The embassy considers the action to be inconsistent with commitments taken by the Soviet Union by their signature" on the Helsinki agreement in 1975.

Attachment D

[From the Washington Post, Oct. 5, 1978]

VANCE TRIP TO E. EUROPE IS ONE OF STEPS WORRISOME TO RUSSIA

By Don Oberdorfer.
Washington Post Staff Writer

In one of a series of U.S. moves of concern to the Soviet Union, Secretary of State Cyrus R. Vance has begun planning a trip later this year to Yugoslavia and Romania, two sensitive and independent-minded nations on Russia's periphery.

Administration officials took pains yesterday to say that the trip, planned as an extension of Vance's mid-December journey to the North Atlantic Treaty Organization ministerial meeting in Brussels, is unconnected with Washington's continuing displeasure over the presence of a Soviet "combat brigade" in Cuba.

The Russians, however, are known to be apprehensive that this and several other newly revealed steps are part of a "tit-for-tat" drive to make them uncomfortable in their own sphere of influence.

Such a drive was hinted at by President Carter and national security affairs adviser Zbigniew Brzezinski in public statements while the troops-in-Cuba issue was under negotiation with the Soviets.

On Sept. 7, Carter declared that "we do have the right to insist that the Soviet Union respect our interests and our concerns if the Soviet Union expects us to respect their sensibilities and their concerns." Brzezinski on several occasions referred to a "principle of reciprocity" as a factor in U.S. action toward the Russians if the troops issue could not be settled through diplomatic means.

In the wake of Carter's report to the nation Monday night, several American officials denied that unannounced anti-Soviet countermeasures had been adopted by the president in retaliation for Moscow's refusal to cooperate on the troops issue. Some officials suggested that a number of such measures had been considered but rejected in high policy councils.

Since the beginning of this week, however, several steps have come to light by design or coincidence that are worrisome to the Russians:

• News of Defense Secretary Harold Brown's forthcoming trip to the people's Republic of China, the arch-enemy of the Soviet Union, was leaked to Newsweek and The Wall Street Journal. This first-ever visit by a Pentagon chief to communist China fuels speculation about future U.S.-China military cooperation.

• A copy of a Pentagon contingency study, "Consolidated Guidance No. 8: Asia During a Worldwide Conventional War," was leaked to The New York Times. The study suggested building up China's military potential through such things as arms sales and intelligence exchanges in order to weaken the Soviet Union in case of war.

• The proposed upgrading of an American computer in use outside Moscow will be vetoed on the advice of the Pentagon, reporters were told. Officials said that before the troops-in-Cuba issue, a task force including the Defense Department had gone along with shipment of additional equipment to Russia to upgrade the Cyber 73-1 computer.

Offsetting such news, and welcome to the Russians, was the announcement Wednesday by the Department of Agriculture that in the coming year the United States will sell up to 25 million metric tons of wheat and corn to the Soviet Union, the largest grain purchase in history. Some administration officials in the foreign policy field were very unhappy with the grain announcement, the timing of which apparently was dictated by a prearranged set of negotiations with the Soviets and by the beginning of a new U.S. crop year last Monday.

State Department spokesman Hodding Carter defended the grain sale yesterday, saying it will be "mutually beneficial" to the United States and the Soviet Union.

Those who criticize such a deal because of the troops issue reminded Carter of some who might suggest amputating an arm "just to get rid of a wart on a finger" or cutting off an ear to get rid of a bug.

Officials who maintain that no pattern of "get-tough" actions toward the

Russians has been adopted are ready with explanations for all the new items that are worrisome to Moscow.

Vance's foray into Eastern Europe has been under discussion and consideration for months, officials said, although near-final decisions have been taken only in the past several days. While denying that the journey is a signal to the Soviets regarding U.S. ire about Cuba, the sources said it is a signal of U.S. support for the independence of Romania and Yugoslavia. Vance has not been to either nation previously as secretary of state.

The Brown trip to Peking, according to administration officials, was discussed within the White House in April, recommended to the president in July and approved before. Vice President Mondale tried it out on the Chinese in his August trip to Peking. All this was before the emergence of the Cuba troops issue.

Some sources said—and others denied—that announcement of Brown's China trip was considered and rejected as an anti-Soviet option in the decision making that led up to Carter's address Monday.

Any presidential decision on this point was made moot by the well-timed news leak, whether authorized or unauthorized.

As for "Consolidated Guidance No. 8," Vance went out of his way yesterday to state "flatly and categorically" that the United States has no intention of changing its policy against arms sales to China. Pentagon spokesman Thomas Ross called the 1978 study "primarily a think piece" that does not represent U.S. policy.

Vance also denied that the computer decision was related to the Soviet troops issue. An advocate of parallel U.S. relations with the rival giants of world communism, Vance said items of potential military value are usually withheld from Moscow and Peking alike.

Staff writer George C. Wilson contributed to this article.

Attachment E

[From the New York Times, Oct. 5, 1979]

VANCE AFFAIRS BAN ON ARMS FOR CHINA

He Rebuts Pentagon Staff Study—Control Data Assails Blocking of Soviet Computer Deal

By BERNARD GWERTZMAN
Special to The New York Times

WASHINGTON, Oct. 4 — Secretary of State Cyrus R. Vance said emphatically today that the United States would not alter its policy of refusing to sell military equipment to China.

His comment, in a televised interview, followed a report in The New York Times today of a secret Pentagon study that recommended bolstering China's military potential so it could assist the West in a war with the Soviet Union.

Mr. Vance affirmed the no-sale policy in an effort to assure the Soviet Union that the United States was not planning to shift from a policy of even-handedness between Moscow and Peking out of anger over the issue of Soviet troops in Cuba.

"Let me state flatly and categorically that it's nothing more than a story," Mr. Vance said of the account in The Times. "We have no intention of changing our policy. We are not going to sell arms to the Chinese."

Tone of Articles Causing Concern

State Department officials expressed concern about a number of articles in recent days that, by design or coincidence, left the impression that the United States was seeking to retaliate against Moscow by favoring Peking. The officials said President Carter had been offered the option of "playing the China card" in his report to the nation on Monday, but he turned down that approach.

Formally, the President's policy is being adhered to, but as one official said, "some people are trying to make an end run around the policy."

Some officials have gone so far as to charge that Zbigniew Brzezinski, the national security adviser, and Defense Secretary Harold Brown are trying to foster an impression that the United States is retaliating on the Soviet troop issue by strengthening its ties with China despite the President's decision not to do so.

Earlier this summer, for example, before the issue of Soviet troops in Cuba came up, the Administration decided in principle that Mr. Brown should go to Peking. In August, Vice President Mondale discussed the matter in China, but nothing was said publicly. Last weekend, White House officials let it be known that Mr. Brown was indeed going. The timing suggested a linkage to the troop issue.

Computer Issue Controversial

A second and potentially more controversial issue involves the sale of a computer by Control Data Corporation to the Soviet Union.

Mr. Carter, in his speech about the Soviet troop issue, said nothing about canceling trade deals with the Russians. But industry sources said the National Security Council staff, which is headed by Mr. Brzezinski, was looking for ways to hurt the Soviet Union and had urged the Defense Department to reconsider its previous approval of the Control Data Computer, known as Cyber 73.

According to Commerce Department officials, Mr. Brown sent a letter to Commerce Secretary Juanita M. Kreps last week asserting that the Pentagon was withdrawing its previous approval.

Today, William C. Norris, Control Data chairman, said: "This is clearly a political decision and American jobs are the only victims." He said the Cyber 73 computer, part of a $2 million transaction, used technology that is more than 10 years old and "its export for use in routine oil exploration processing was approved by the Defense Department in April."

Similar Computer Sold in 1976

The company sold and installed a similar computer three years ago and this is "an add-on," he said. The earlier machine has been monitored by an American to make sure it was not misused.

White House officials declined to comment specifically on Mr. Norris's charge. One Administration official said Mr. Brzezinski had asked for a review of the computer sale last month. It was understood that some officials believed the Control Data computer had an antisubmarine warfare potential.

A State Department official said there was no doubt in his mind that the decision by Mr. Brown to block the sale was given a push by the troop issue.

The Defense Department refused to comment on the issue, saying that the matter was "still pending." But a Commerce Department official said that, as a result of Mr. Brown's action, the deal was dead for the moment.

Mr. Vance, in his interview on NBC-TV's "Today" show, sought to avoid linking the computer issue to the troops question. He said sales of advanced technology were routinely "denied to the Soviet Union and to the Chinese."

Vance Initiated the Rebuttal

Then he said, referring to the Pentagon study, "I'd like to take the occasion to comment on another story that appeared this morning which indicated that there was a study in the Defense Department which recommended the selling of arms to the Chinese."

He then stressed that there was no change in the policy of not selling arms to either the Soviet Union or China.

The study was a staff paper transmitted to Mr. Brown by Assistant Secretary David E. McGiffert in May. Pentagon officials, embarrassed by the revelation, sought to limit its importance. One of them, speaking for Mr. Brown, said, "The study is purely a think piece."

"We have other think pieces that express an opposite point of view," he said. "Just as we maintain contingency plans for even the most unlikely military possibilities, so, too, must we engage in intellectual exercises about even the most unlikely international possibilities. We would be remiss in our responsibility to the national defense not to do so."

Attachment F

[From the Wall Street Journal, Mar. 28, 1979]

Tass Signs Contract With a French Firm For Computer System

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CII-Honeywell Bull Will Sell System Like One Carter Forbade U.S. Firm to Ship

A WALL STREET JOURNAL *News Roundup*

Tass, the Soviet news agency, announced in Moscow that it ordered a French-made computer system comparable to the one that President Carter forbade a U.S. company to ship to Tass last July, the Associated Press reported.

Tass said it would get an Iris 80 system from CII-Honeywell Bull, a French company that is 47%-owned by Honeywell Inc. of Minneapolis. According to the AP, the Russians signed a contract for the system yesterday and expect to receive parts of it later this year. The Russians said the computer is needed to help handle news coverage of the 1980 Olympics in Moscow.

Last July, reacting to Soviet trials of dissidents and the arrests of two American correspondents, the U.S. government blocked Sperry Rand Corp.'s sale of a $6.8 million Sperry Univac system to Tass. A spokesman for President Carter said the Sperry Univac computer was too powerful for the purpose Tass proposed. But Sperry said the system fell at the low end of its brand line and was comparable to computers the government allows to be sold to the Russians for other uses.

In New York yesterday, a Sperry spokesman said: "We have a valid contract (for a Tass computer) with the Soviets."

Honeywell referred questions about the Tass announcement to Honeywell's French affiliate.

Attachment G

[From the New York Times, Apr. 6, 1979]

U.S. TO LET SOVIET BUY COMPUTER

WASHINGTON, April 5 (AP) — The Carter Administration has quietly approved the sale of an American computer system to the Soviet Union, reversing a decision made by the President last July.

Ernest A. Lotito, a spokesman for the Commerce Department, confirmed today that the department had approved an export license for the computer last week. He gave no explanation of why the action was not announced.

Last summer, Mr. Carter had ordered that the license be withheld for national security reasons and to express United States displeasure with the trials of Soviet dissidents and American journalists.

An Administration official said that the President's approval of a revised application for the computer sale was requested by Secretary of Commerce Juanita M. Kreps.

"The computer system covered by the current application is a modified version of the one requested in the initial application," the White House spokesman said. "Mrs. Kreps sought the President's concurrence and he agreed."

The export license, granted by the Commerce Department's Export Control Administration, clears the way for the sale of the $6.8 million computer system manufactured by the Sperry Univac division of the Sperry Rand Corporation. It is being purchased by Tass, the official Soviet press agency.

Senators Denounce Decision

In Congress, Senator Henry M. Jackson, Democrat of Washington, and Senator Daniel Patrick Moynihan, Democrat of New York, denounced the decision as "an inexplicable act of weakness and retreat."

They contended that Tass had "close ties" with the K.G.B., the Soviet Government's intelligence and internal security agency. They said the original decision not to export the computer was a fitting gesture of protest to the jailing of Anatoly Shcharansky, a Soviet computer expert, on what they said were "trumped-up charges."

"The computer licensed to Tass exceeds the United States Government's own national security guidelines because the core memory and peripheral memory are way beyond the level of so-

phistication that is consistent with our national security," the Senators said.

"To facilitate the purchase of sophisticated American technology by a K.G.B.-affiliated organization and to reverse the action taken in support of Shcharansky and his colleagues mocks the Administration's policy of promoting human rights," they said.

However, the sale may not be completed because recent published reports indicate that Tass had made arrangements to buy a computer system from a French concern, CIT-Honeywell Bull, to help in its handling of the 1980 Olympics. Honeywell Inc., a United States concern, owns a 47 percent interest in the French company.

"We just don't know what the license approval means," said Robert T. Souers, a spokesman for Sperry Rand in New York. "The Soviets had announced last week that they had bought another system. We have the license. We don't know if we have the sale."

Neither Commerce Department, White House nor Sperry Rand officials would say how the new export application differed from the old one.

COMPUTER EXPORTS

Question: The U.S. reputedly has a lead over the Soviet Union in the use and development of computers for military applications. Is the need to maintain this lead taken into account in decisions on whether to grant licenses for the export of sophisticated U.S. computers to the USSR.?

Answer: The Department of Defense (DOD) has the responsibiltiy of evaluating proposed exports in terms of their military applications. Thus, the potential contribution of a computer to Soviet military programs is factored into DOD's analyses. Obviously such evaluations must draw on sensitive intelligence sources. The data on which they are based and DOD's conclusions on the relative development of American and Soviet computer capabilities are therefore unavailable except on a highly classified, need-to-know basis.

Question: Can U.S policymakers obtain adequate information to accurately assess the volume and impact of past technology transfers -- especially of computers -- to the USSR.?

Answer: Probably not. One problem lies in the way license data is kept in the Department of Commerce. Details of transactions are often unavailable -- even within the Executive Branch -- because they are protected as proprietary information. Moreover, technology is notoriously difficult to define and measure, and no uniform system of evaluation or record-keeping exists among the agencies involved in the export licensing process.

Uncertainties also exist from the point of view of the end-user. Experts disagree, for instance, on the abilities of the Soviets to efficiently absorb and diffuse imported technologies.

MILITARY TECHNOLOGY

Question: Apart from denying export licenses in the first place, what procedures or mechanisms does the United States employ to minimize the risk that U.S. technology will be used by the Soviets for military purposes? In particular, how does this apply to computers? How well does it work?

Answer: The two primary means of maintaining scrutiny over American technologies once they have been exported to the Communist world are end-use guarantees and monitoring arrangements. The former are stipulated in the license approval and require as part of the contractual arrangements that the buyer (or end-user) promises to restrict use of the technology to certain stated activities. Sanctions which may be taken against a violator of end-use guarantees include cessation of supply of spare parts, maintenance, or training, and disqualification from future purchases of American technology. Oversight of end-use guarantees is carried out in U.S. overseas posts, and relies heavily on the intelligence community.

U.S. computers are monitored through requirements that print-out be periodically sent to the Department of Commerce, where experts may check it against approved end-use. One difficulty with this program is that the enormous volume of the material received precludes more than spot-checks. The United States also participates in the Safeguard Program. This program was instituted in 1976 and

applies to all licenses granted under a CoCom stipulation that Western representatives of the supplier should have reasonable access to computer facilities and equipment, and should be furnished information demonstrating the continued authorized application of the equipment. It is, obviously, extremely difficult to enforce guarantees against Eastern Bloc nations which habitually restrict the mobility of and information available to foreign observers. Periodically, allegations of diversion appear in the press (Attachment H), but the nature of the reports upon which determinations of diversion must be made virtually preclude assessment of their accuracy outside the small community of those with high-level intelligence clearances. Furthermore, it must be pointed out that the major impact of any monitoring program lies in whatever deterrent it provides. No end-use or monitoring arrangements can prevent diversion by determined end-users. The calculation of security risks in the granting of export licenses can and does proceed on the assumption that such oversight cannot wholly eliminate such risks.

CoCOM EXPORTS

Question: Do America's allies abide by CoCom rulings restricting the sales of Western technology to the USSR?

Answer: CoCom's effectiveness depends upon the voluntary cooperation of sovereign states. Given its informal nature and the fact that there are no sanctions CoCom can apply against those who violate its rulings, the organization works surprisingly well. It is particularly effective in preventing the transfer of directly military technologies to the USSR.

America's CoCom allies, however, do not generally share U.S. views on the necessity of withholding a number of "dual-use" technologies from the USSR. This is due in part to the fact that trade with the Eastern Bloc has always been economically more important to Western Europe and Japan than it has for the United States. In addition, these nations tend to eschew the use of export controls for foreign policy purposes. The difficulty that the U.S. is experiencing in obtaining allied support for its technology embargo of the Soviet Union is a manifestation of these differences (Attachments I, J, K).

There are frequent charges, both in the business community and Government circles, that firms in other CoCom nations have evaded or ignored CoCom restrictions. There is anecdotal evidence to support such charges, but the extent of foreign government connivance is open to question. Investigation of such allegations is hampered by the fact that CoCom proceedings are kept confidential, and data on CoCom cases is virtually impossible to obtain, even within the Executive Branch.

OTHER TECHNOLOGIES

Question: Aside from computers, which American technologies have contributed to the military capabilities of the Soviet Union?

Answer: Western, including American, technology has undoubtedly contributed to Soviet military capabilities (Attachments L, M, N). The sale of most nominally civilian high technology always conveys some risk of contribution to the military capability of the

recipient. In other words, nearly every high technology has potential "dual-use" (Attachments O, P). The variety of such technologies is reflected on the U.S. Commodity Control List. In the U.S., the export licensing procedure is predicated on the assumption that the degree of national security risk entailed in a sale can be realistically calculated and weighed against its economic and political benefits. A conclusive or noncontroversial determination of the military risk of selling dual-use technologies is impossible, however. This is because the questions involved are not usually entirely -- or even predominately -- technical ones. For instance, our perceptions of the motives and intentions of potential end-users are important elements in military risk assessment. If the political atmosphere changes substantially, so may policymakers' basic assumptions regarding these intentions and their consequences. A good example of this is the current controversy over the granting of U.S. export licenses for technology destined for the Kama River trucks factory (Attachments Q, R, S).

CRITICAL TECHNOLOGY APPROACH

Quesiton: The Critical Technology Approach to export control is viewed in some quarters as a solution to the problem of military risk assessment. Is this a realistic prospect?

Answer: The Critical Technology exercise has been underway in the Department of Defense for over three years and has yet to produce practical results. There is no indication that, even under a reorganized DOD effort, any product is imminent. In addition, we are skeptical of the overall utility of this exercise. It is certainly unwise to regard it as a panacea to the difficult problems inherent in administering export controls.

Attachment H

[From Newsweek]

MISUSED BRAIN?

A year ago, the U.S. Commerce Department approved the sale of a Sperry Rand Univac 1100/10C computer to the Soviet Union. Two months later, COCOM, the Western Alliance committee that reviews exports of sensitive technology to Communist nations, added its OK. The $3.1 million computer was delivered last September to the State Institute for Design and Research in Synthetic Rubbers outside Moscow. But the institute turns out to be close to a Tupolev facility for the manufacture of both military and civilian aircraft, including the controversial Backfire bomber. And a source in Moscow has now suggested that the Univac is being warmed up for use in aircraft design.

Has Sperry's computer been diverted to military work at Tupolev? If so, it could conceivably help to upgrade the Backfire to the status of an intercontinental bomber—which would violate an agreement reached between the U.S. and the Soviets as part of the SALT II process. President Carter's national-security adviser, Zbigniew Brzezinski, has ordered an investigation, and any suspicions aroused by the inquiry may be a further blow to SALT's uphill battle for ratification. They also may tend to underscore recent criticism of the whole system of security for advanced technology that is sold to the Soviet Union and other Communist nations. An in-house Sperry memo candidly described the controls as "too dispersed to be effective."

SUSPICIONS: The seeds of the investigation were planted on the Moscow cocktail circuit where the original source was heard voicing his suspicions about the kind of test the computer was undergoing before it went "on line." According to one Washington official, a Western diplomat passed this information on to the U.S. Embassy, which relayed it. It is unclear what the intelligence community has been able to turn up as confirmation, but the subsequent circulation of at least one CIA report referring to the alleged diversion suggests that it is considered more than gossip.

The U.S. Embassy cable, dated Nov. 20, warned: "Source indicates computer now undergoing start-up tests, but that output is cross sections of aircraft." The cable went on to say that the computer "was approved for use in chemical plant but has been installed in facility near chemical plant but also near Tupolev aircraft plant." And it added the source's claim that "some officials of Sperry know of but wink at this diversion."

On the basis of the locations involved, the Univac may have been made available to Tupolev's Special Design Bureau. But Sperry officials said they could find no evidence that the computer had been diverted to any improper military use. "We are distressed by the unconfirmed allegation . . . and will cooperate fully with any investigation conducted by the U.S. Government," said company chairman J. Paul Lyet, who also heads a White House panel that is examining the use of export controls to restrict the transfer of sensitive technology to the Soviet bloc. "Anyone who would wink at something like that should be subject to immediate dismissal."

'LOBOTOMIZED': The Univac 1100/10C is a modest computer. The "10C" is a company code denoting a version of limited capability intended for sale to Soviet bloc nations; Lyet calls it a "lobotomized" computer. Originally, the Soviets wanted to buy a more advanced Univac 1106, but Washington insisted on the less potent model.

By some accounts, the Soviets were really less interested in the Univac than in "software" called ASKA, a program designed for use with the Univac. H. Glen Haney, Univac's vice president for worldwide marketing, said the ASKA program can be used for "any kind of stress analysis"—from chemical plants to bridges to airplanes. ASKA is marketed by a Swedish firm; and Sweden does not belong to COCOM. Thus the Swedes are under no obligation to help prevent the flow of sensitive technology to the U.S.S.R.

FAY WILLEY with DAVID C. MARTIN in Washington and WILLIAM E. SCHMIDT in Moscow

Attachment I

Europe: The Embargo is Failing

BY ARNAUD DE BORCHGRAVE

Soon after the invasion of Afghanistan, a Belgian industrialist asked his country's Foreign Minister, Henri Simonet, whether his firm should slow down its construction of a huge chemical complex in the Soviet Union. Replied Simonet: "No, keep going." In Paris two weeks ago, Dzhermen Gvishiani, a top Soviet trade negotiator and the son-in-law of Prime Minister Aleksei Kosygin, held three days of talks with French economic officials. Their decision: full speed ahead toward the goal of trebling Franco-Soviet trade by 1985.

The U.S. continues to hope that Western Europe will follow its lead in imposing economic sanctions on the Soviet Union as punishment for the invasion of Afghanistan. But the embargo on high-technology trade isn't holding. Recently, Lawrence Brady, a former U.S. Commerce Department export official, warned a Senate subcommittee that Western trade with the Soviet bloc would be back to normal within months. He is rapidly being proven right. Apart from a few token gestures—such as a modest increase in the interest rate on Soviet loans—the allies have done little to hurt their commercial ties to Moscow. For France, among others, this business-as-usual approach is paying off handsomely. French companies are suddenly getting the Kremlin's nod on projects worth hundreds of millions of dollars. They may even land a $500 million deal for an aluminum smelter in Siberia that Alcoa froze because of Afghanistan.

To maintain the commercial connection with Western Europe, Soviet diplomats are courting politicians, labor leaders and journalists. Their message is that "a minor police action in Afghanistan must not be allowed to interfere with regional détente in Europe." The Soviets constantly play down the significance of Afghanistan, hinting that their occupation forces may withdraw if the country can be protected from "outside interference." That message was played again last week when Soviet President Leonid Brezhnev met with Armand Hammer, chairman of Occidental Petroleum, a U.S. company that stands to lose from a cut in East-West trade.

Proselytizing: With the exception of Britain's Margaret Thatcher, West European leaders are reluctant to do anything that would offend the men in the Kremlin. The Soviets are constantly proselytizing about the growing relevance of Soviet military power to Europe's future—and, by implication, about the growing irrelevance of American power. And trade with the Soviet bloc—a two-way flow that amounted to nearly $80 billion last year—is much more important to the economies of Western Europe than it is to U.S. business.

Soviet exports to West Germany, Russia's biggest Western trade partner, soared to $4.5 billion in 1979, up 28 per cent. West Germany gets 17 per cent of its natural gas from the U.S.S.R., along with 38 per cent of its enriched uranium for nuclear power. Negotiations are under way between the Russians and a German consortium for a $12 billion natural-gas pipeline deal.

In addition to their economic stake in good relations with Moscow, West German leaders know that the Soviets might respond to an embargo by subjecting West Berlin to another squeeze play. "Berlin," said a high-ranking Common Market official, "is tailor-made for financial and trade blackmail." As a result, there are continuing talks on accords to improve West Berlin's physical links with West Germany—a package that will bring East Germany hundreds of millions of additional Deutsche marks. Plans call for widening and dredging East German canals leading into West Berlin to accommodate bigger barges, building an autobahn to connect Eisenach in the East with Bad Hersfeld in the West and improving rail service.

Since 1967, Western countries and Japan have signed about 2,500 industrial agreements with Soviet-bloc countries, including hundreds of "turnkey" plants. In the last seven years alone, the U.S.S.R. has bought $18 billion in capital goods—mostly for its chemical, power and automotive industries, which depend heavily on high technology. Western equipment is now producing 80 per cent of the Soviet Union's polyethylene, 75 per cent of its chemical fertilizer and 40 per cent of its cement.

Trucks and Engines: The Fiat-built plant at Togliatti turns out about half of Russia's automobile production. At the Kama River truck plant—erected with 130 U.S. licenses—the Soviets manufacture 150,000 trucks a year and 100,000 spare engines. Trucks and engines built in that factory are being used in Afghanistan.

All the policy planners and experts I talked to in recent weeks in European capitals concede that the West has contributed directly or indirectly to Russia's huge

military buildup over the last ten to fifteen years. "There is no way the Soviet Union could continue to spend from 13 to 15 per cent of its GNP on the military without Western assistance," one Common Market high commissioner said privately. Where Western technology does not make a direct contribution to Soviet defense, Western trade and credits (now nearing $70 billion for all Eastern countries) have eased the burden on Russia's civilian sector and allowed Soviet leaders the latitude to allocate even larger resources to the military. To a man, Europe's intelligence directors have reported this to their political superiors. So why isn't anyone listening? Replies the Common Market high commissioner: "It is such an explosive subject that it has almost become taboo to talk about it."

Samuel Pisar, a prominent consultant on and advocate of East-West trade, concedes that Western technology is routinely examined by special KGB analytical groups to determine potential military usage. Pisar's disclaimer: "I simply don't believe that the Soviet military gets that much out of it." Other experts take a grimmer view. Yves Laulan, NATO's former director for economic affairs and an expert on East-West trade, argues that Western countries now are funding two defense budgets—their own and the Kremlin's.

Attachment J

A Split in the Atlantic Alliance?

By Felix Kessler

"But verbal condemnation is not enough. The Soviet Union must pay a concrete price for aggression. While the invasion continues, we and other countries cannot continue business as usual with the Soviet Union."—President Carter's State of the Union Message.

PARIS—For the Soviet Union, the invasion of Afghanistan is providing an early political bonus: the chance to create a sharp split between the U.S. and its European allies. And, though unimaginable a few years ago, today's economic and political realities enhance the possibility of the Russians pulling off this added coup.

Aside from Britain, America's major European partners—France and West Germany—so far haven't responded with much beyond the "verbal condemnation" that President Carter says isn't enough to deter the Russians from further aggression, in the Mideast or elsewhere.

Both governments have promised not to substitute their goods for those embargoed by the U.S. but neither President Valery Giscard d'Estaing nor Chancellor Helmut Schmidt has shown much enthusiasm for backing President Carter's proposed Olympic boycott or embargoing their own high technology sales. France and Germany are wary of jeopardizing the present delicate state of detente with the Soviet Union. And, on economic grounds, both countries would very much prefer to "continue business as usual with the Soviet Union," despite President Carter's admonition.

Additional Political Advantage

If the Soviet Union can exploit these differences, the Russians will gain the additional political advantage of a weakened, bickering Western alliance seemingly intent on proving the old Communist adage that capitalists will compete even to sell the rope to hang themselves.

Aware of the grave dangers in disunity, the U.S. and Europe have been quick to declare—at least publicly—their mutual satisfaction with the Allied confrontation of the Soviet Union. American officials profess themselves well pleased with Europe's mostly verbal support. The West German government's spokesman says that it's "mere wishful thinking by highly sophisticated people" to talk of a wedge being driven between the U.S. and its allies.

Yet these public professions of satisfaction mask "the tremendous potential for embitterment and misunderstandings," as one American business consultant puts it, that are inherent in President Carter's strategy of punishing the Russians by reducing the amount of business the West conducts with the Soviet Union.

For the embargo to have its desired effect, the U.S. must enlist the full support of Japan, France, Germany and other key West European trading partners of the Soviet Union. Many of these countries are far more dependent upon foreign trade—and, in particular, Soviet and East European trade—than is the U.S. (both France and West Germany, for instance, ship a larger proportion of their exports to the Eastern bloc than does the U.S.).

"Unfortunately for the U.S. policy, there wasn't enough (U.S.-Soviet) trade for the embargo to really have an impact," says Samuel Pisar, an international lawyer and expert on East-West trade. Though Mr. Pisar believes it imperative that the European allies now unite in their response to the Soviet Union, the history of East-West trade makes it "unlikely that solidarity will be achieved," he bleakly concludes.

In times of rising unemployment, such as the present, European nations have traditionally felt they couldn't afford the economic sacrifice required in reducing East-bloc trade for political reasons, says Mr. Pisar.

There's little doubt that the Soviet Union could find eager suppliers of the high-technology banned under American sanctions. While sales to Communist nations of such "strategic" equipment are reviewed by COCOM, an informal coordinating committee of 14 Western nations and Japan, the Paris-based organization hasn't in the past proved to be particularly effective in regulating such trade, with particular emphasis on its technological sales.

The U.S. has traditionally been far more restrictive in what it will sell to the Soviet-bloc nations than have its Western allies. Mr. Pisar recalls "constant disagreements" over strategic sales during the past three decades. Moreover, the promise by America's allies not to substitute their goods for sales prohibited by the U.S. contains abundant seeds for future disputes.

Suppose, for instance, the Soviet Union now awards a computer contract to a French concern, CII-Honeywell Bull; no one could know whether the same project might previously have gone to IBM. "If discussions had been held with the French before the ban, who can say that they are now filling a gap?" says a source familiar with COCOM's procedures. "It's a very delicate, murky subject."

Trade is just one of the more obvious areas of possible conflict between the U.S. and its partners. On political grounds, both France and West Germany have already drawn distinctions between their perception of the current crisis and that of the U.S.

France, for its part, has made clear to

its own people and to the Soviets that it is pursuing the "independent" course that's been a basic part of French foreign policy since de Gaulle took France out of NATO. "And by independence," notes a Western diplomat, "they mean independence from the U.S."

Germany and France differ with the U.S. in that "we are much more inclined to think that a response in terms of simply East-West relations would be counter-productive," says the French Foreign Ministry official. Instead, Germany and France are trying to "mobilize Third World countries – Algeria, Egypt and other nonaligned nations – into viewing the Afghanistan invasion as a threat to them," he says.

Many Americans might view this as an effort by the French and Germans to distance themselves from a U.S.-Soviet confrontation – a move that might seem shortsighted or a matter of wishful thinking. After all, the threat that a Soviet takeover in Afghanistan poses to Mideast oil – on which Europe is more dependent than the U.S. – affects their future security more directly than that of the U.S.

These European attitudes, however, should be viewed against a background of years of waning confidence in the U.S. – and particularly these past three years in Mr. Carter and an administration that has repeatedly zig-zagged in its policies toward the Soviet Union, Africa and the Middle East.

"Part of the European reticence to endorse the U.S. is that they must be convinced these policies will stick and not be subject to the same inconsistencies of American policy as in the past," says Martin Hillenbrand, a former U.S. Ambassador to West Germany and currently director of the Paris-based Atlantic Institute for International Affairs.

Mr. Carter's confession of shock over the Soviet invasion had a "ring of naivete" to many Europeans, says Mr. Hillenbrand. The President's characterization of the situation as the biggest crisis since World War II typified the "lack of institutional and historical background" that has marked the present administration, he says, adding: "Europeans aren't impressed by those kinds of sweeping judgments."

For West Germany, the failure to lend whole-hearted support to America's policy marks a turning point in its post-war relations. Though a government spokesman emphasizes that Foreign Minister Hans-Dietrich Genscher was consulted at length before the U.S. moves were announced by President Carter, the Germans today are hardly as ready as the U.S. to sacrifice the benefits of detente for a precarious cold war.

West Germany's Benefits

West Germany's benefits include the continued reuniting of families separated into East and West German states; the defusing of Berlin as a flashpoint; and the greater all-around security felt by a nation whose long eastern frontiers border East Germany and Czechoslovakia. And, with one-quarter of its substantial foreign trade conducted with Eastern Europe, Germany feels itself especially vulnerable when sanctions become a major element of foreign policy.

Not only do the Germans have much to lose in a trade cut-off, but Chancellor Schmidt has long expressed deep reservations over Mr. Carter's leadership. German doubts over the U.S. commitment to defend Europe have also been heard increasingly in recent years. Given this background, Germany isn't likely to initiate policies that will jeopardize its balance-of-payments surplus before being convinced that this is the only available course.

To some observers, however, public attitudes in Europe are more in tune with President Carter's recent moves than are their governments'. A poll last week, for instance, found that 66% of the French public strongly disapproved of the Soviet invasion. Moreover, 43% favored installation of U.S. nuclear weapons in West Germany, France's traditional foe, while only 30% opposed such missiles.

"In general, the posture of the French and German governments will have to come closer to that of the U.S.," says Pierre Hassner, a French political scientist, "and will have to accept that something fundamental has changed in regard to detente."

Mr. Kessler is a member of the Journal's European news bureau in London.

Attachment K

France Deeply Split Over Soviet Actions

By Ronald Koven
Washington Post Foreign Service

PARIS, Feb. 22 — The Soviet invasion of Afghanistan and the wavering policies of the French government toward it have stirred deep historical memories of how the French nation divided before, during and after World War II over whether to collaborate with Nazi Germany or to resist it.

"The new split in French society between the partisans of firmness and those of detente at any price could eclipse the traditional divisions between the right and the left"—just as in the 1930s and 1940s, one of the leading confidential newsletters in Paris wrote.

Many analysts wonder whether President Valery Giscard d'Estaing is trying to go even beyond a policy of appeasement to take the leadership of the nonaligned movement, while somehow managing to stay inside the Atlantic Alliance.

With Yugoslav President Tito dying and the other major leaders of the nonaligned movement long dead Giscard's friends see a role waiting to be filled.

As former interior minister Michel Poniatowski, once and perhaps still Giscard's closest adviser, recently put it: "If there is really a risk of nuclear war between the superpowers, should our first preoccupation not be to escape it and not to take part in the super suicide of the super great powers? That means we must have a strictly European nuclear dissuasion force . . . The victors will be the survivors."

This was followed up by the joint Franco-West German declaration recalling both countries' membership in the Atlantic Alliance but also making a deep bow toward the "authentically nonaligned" nations—an obvious attempt to stress that the claim of countries such as Cuba to nonaligned leadership does not go undisputed.

Such signals are not lost on governists or the appeasers. In the 1961 Berlin Wall crisis and in the 1962 Cuban missiles crisis he urged the United States to stand up to the Soviet.

The Gaullist faithful tend to see Giscard as the leader of those who in the past favored appeasement and collaboration. A poll published by the magazine Nouvelles Litteraires indicated that 53 percent of Giscardist voters in 1974 hold a positive view of de Gaulle's arch rival, Marshal Petain, the leader of the collaborationist Vichy puppet state in World War II.

This goes far to explain why the Giscardist-Gaullist political alliance so often seems to be on the vrege of breakup.

Using Gaullist rhetoric, Giscard's defenders argue that it is thanks to France's refusal to line up automatically behind the United States that countries such as India have urged Soviet withdrawl from Afghanistan and that countries such as Poland and East Germany have been willing to throw out hints that they do not go along wholeheartedly.

French officials say it behooves the West to do nothing that will polarize the Third World into two hostile camps—forcing radical, and oil-producing, states such as Iraq and Algeria irretrievably into the arms of the Soviets while creating on the other side latter-day equivalents of the ineffective alliance systems that disappeared with the dissolution of CENTO and SEATO.

The French officials say their own 15-year experience in detente dialogue with the Soviets gives them a special understandings that Washington should consider.

Giscard reportedly has said he recognizes that French policy is too complicated ever to be really understood by American public opinion. "To the average American, it undoubtedly looks contradictory to say we are your allies and we have our own independ-

ident Nicolai Ceaucescu cabled Giscard yesterday that he would like "to work together to end the current aggravation of the international situation."

Referring to the legacy of Giscard's predecessor, Charles De Gaulle, who led France out of NATO but kept it inside the Atlantic Alliance, a West German observer remarked, "Gaullist thinking is not limited to the Gaullist Party. It is now part of the national heritage."

Not everyone sees it so clearly, however, and the struggle for De Gaulle's mantle is a continuing feature of French politics.

Asked what De Gaulle would have done in the current crisis, Maurice Couve de Murville, his foreign minister of many years, said he did not know, but: "A country that is a member of an alliance cannot say that it is nonaligned. It is a contradiction in terms. France should follow its own policy. It should not offer its good offices between the great powers. That is both derisory and disagreeable."

Yet, a few days later, Gaullist Party leader Jacques Chirac was making it clear that he has chosen not to dissent from Giscard's approach.

Giscard is no Gaullist. He came to power with the image of a friend of the United States rather than Gaullist-style adversary. But those who reflect his private thinking now use traditional Gaullist vocbulary to question the reliability of the United States generally and President Carter in particular.

De Gaulle was constantly shifting his weight from one side to the other in the international power equation. Yet, as the leader of the wartime resistance forces no one ever expected to find him on the side of the neutralcard's staff said.

Despite all the French stress on the Third World, French officials show that they understand where real power lies. That is why Giscard has gone to such pains to keep in step with West Germany.

Keeping Paris and Bonn together in the crisis was a major accomplishment, said an official with access to Giscard's thinking. "Together, they are the world's third power—economically, militarily, politically and psychologically."

If only because Giscard does not want to get too far away from West German Chancellor Helmut Schmidt, France can be counted on not to kick over the alliance traces altogether. At most, France will continue to be the Romania of the West.

Romania's insistence on independent policy judgments clearly has made the Soviets uneasy, however, over whether the Romanians can be counted on.

"Why die for Danzig?" was the question raised in the French press by oppoents of standing up to the Nazi takeover of Poland's outlet to the sea. That question was a bitterly ironic sound in French ears today, and the opponents of Giscard's temporizing are now taunting him with the question, "why die for Kabul"

In 1939, France took six agonizing extra hours to declare war on Germany after Britain had done so. The six hours came to symbolize a difference in approach that led to the French surrender and the creation of Vichy.

Now, it has taken France six weeks to get together with Germany on a strong-sounding condemnation of the Soviets in Kabul. Even so, it was not without ambiguities and reservations.

Attachment L

[From the Washington Star, Dec. 10, 1979]

Western Technology and the Communist Cause

Are the Western nations digging their own graves by transferring to the Soviet Union and other communist countries our advanced technologies?

The Office of Technology Assessment of the U.S. Congress says that Western technology obtained through civilian trade definitely has contributed to Soviet military strength. This report also offers evidence that Western technology has contributed to Soviet economic strength, enabling Russia to buy even more technology — and perhaps to finance foreign and other military ventures for which hard currencies are needed.

Investigators for OTA assume that Western contributions to Soviet military strength have been small, but admit that they really do not know.

"In the case of U.S. trade with the Soviet Union, it can be argued that any accretion in Soviet military capacity weighs against the United States in an overall worldwide balance of power," the report says. "Whether the political or economic benefits of trade with the USSR offset the military costs is a matter of judgment."

Here are some examples of actual or probable Soviet usages of Western technology:

Precision-grinding machines sold to the Soviet Union in 1972 allegedly made it possible for Russia to produce the ball bearings needed for the guidance system in the Soviets' multiple independently targetable reentry (MIRV) missiles.

Large computers sold to the Soviet airline Aeroflot can be diverted directly to military functions; they may be used to train military personnel, and they may have been used in "reverse engineering" that enables the Soviets to close the gap between their computer technology and that enjoyed by U.S. firms like IBM.

"Direct diversion after modification occurred when the equipment of the Kama River truck plant was altered to produce military vehicles," the report says — vehicles which, today, may be hauling Cuban troops around Africa.

The Office of Technology Assessment points out that even when the West provides turnkey plants for the production of fertilizer, this not only contributes greatly to Soviet agricultural productivity, but it makes it possible for Russia to export food and earn the currencies needed to buy up more Western technology — and, I might add, to finance the high level of industrial espionage the Soviets are undertaking in the West.

OTA reports that the Soviet industries that have been most dependent on Western technology and production capacity have been chemicals, machine tools and motor vehicles — with computers not far behind.

"The question of technology transfer has become vital in the Soviet oil and gas equipment industry," the report says.

There is bitter irony here. While the Russians are suspected of fanning anti-U.S. feeling in Iran, Libya and other nations whose oil is vital to the economic and military security of the West, the Soviets are seeking sophisticated seismic oil prospecting and drilling equipment from the West.

Russia now is the world's leading producer of oil and one of the largest suppliers of natural gas — but could run into a serious energy crisis in the 1980s without Western drill bits, wellhead equipment and other technology.

Should we provide high technology to the Soviet Union when it has become obvious that friendly trade policies have not moderated aggressive Soviet policies in Africa, the Caribbean, the Far East?

Some say that to halt our modest trade with communist countries (4.1 percent of U.S. world trade in 1978) would mean a return to the worst aspects of the Cold War. The OTA report says that the United States alone cannot halt the transfer of technology to the communist bloc because for economic and other reasons, Japan, West Germany, France and Great Britain want to continue the sale of technology.

OTA points out that the U.S. leads in a number of technologies "of critical military significance" and thus may have "a special responsibility to ensure their safekeeping."

But the Western alliance may be in such disarray that the U.S. is helpless to halt what some see as the peaceful handing over of economic and military superiority to our enemies.

Attachment M

[From the Chicago Tribune, Feb. 21, 1980]

RUSS USE ALL MEANS TO CLOSE TECH GAP: PENTAGON

WASHINGTON [UPI]—The Pentagon said Wednesday the Soviet Union is at least five years behind the United States in electronics technology, but has bought or "clandestinely" obtained western secrets in its drive for military supremacy.

Defense Undersecretary William Perry said the Soviets outspent the U.S. by $70 billion during the 1970s to close the high technology gap in such areas as computers, micro-electronics, weapons materials, and jet engines.

"In fields which are of crucial importance to our military capability . . . we are more than five years ahead of the Soviets," Perry testified before a Senate subcommittee on governmental affairs.

HOWEVER, THE SOVIETS "have doubled their R-and-D [Research-and-Development] spending in defense technology this decade and they have made major efforts to obtain Western technology—buying it when possible and attempting to acquire it clandestinely when not," he told the committee.

The committee is looking into how to tighten the rein on the flow of defense technology to the Russians—and Chairman Henry Jackson [D., Wash.] had blunt words to say on the subject.

Jackson accused the Soviets of "stealing" U.S. and Western high technology when they had to.

PERRY REAFFIRMED President Carter's decision to sharply restrict all transfers of high technology to the Soviet Union in response to their invasion of Afghanistan on Dec. 27.

Perry made clear the U.S. needs—and expects—the support of its industrialized allies in Western Europe and Japan.

"It is not possible for the United States alone to restrict effectively the flow of advanced technology such as computers and micro-electronics to the Soviet Union," he said.

JACKSON CHARGED THAT because of U.S. and Western laxity, the Soviets have easily obtained technology often useful to the Russian military.

"The evidence has accumulated in recent months that our export control systems are a shambles," Jackson said in opening hearings by his Senate permanent investigations subcommittee on technology transfer to the Soviet bloc.

"THE UNITED STATES and its allies have been selling the 'rope' to the Soviet bloc," said Jackson, alluding to former Soviet Premier Vladimir Lenin's prediction that the capitalist world will supply the rope the Communists will use to hang capitalism.

"What we haven't sold, we have given away in educational, governmental, and commercial technical exchange programs. What we haven't sold or given away, they have stolen."

Attachment N

[From U.S. News and World Report, Mar. 17, 1980]

RUSSIA'S SECRET WEAPON: U.S. TECHNOLOGY

If they can't buy it, they steal it. One way or another, the Soviets are managing to obtain the American know-how and advanced equipment needed by their backward economy—and their military forces.

The Russians are using American technology to build up their war machine—and the U.S. can't seem to find an effective way to stop it.

For years this country has tried to bar sales to Communist nations of American products that could be turned to military use. President Carter recently added a temporary embargo on sales of any kind of high-technology equipment, regardless of its intended purpose.

But now it is becoming evident that such controls are not doing the job. The Soviets are continuing to obtain Western technology and know-how, not only for their technically backward industries but for their armies, as well.

Many militarily useful products slip through the export-licensing system—bought by Russia ostensibly for civilian use, then diverted to military ends.

That is only part of the problem. The Soviets are buying from other Western nations—including America's allies—much of the technology that they can no longer buy from the United States. What's more, they are stealing much of the American technology that they cannot buy.

This was brought out in a recent hearing by the Senate's Permanent Subcommittee on Investigations. Senator Henry M. Jackson (D-Wash.) cited a prediction made years ago by the Bolshevik leader, Nikolai Lenin, that sales-minded Western capitalists would "supply the rope" that Communism could use to hang the capitalist system.

That, said Jackson, is what is happening: "The United States and its allies have been selling the rope to the Soviet bloc. What we haven't sold or given away, they have stolen."

The record is full of examples supporting that charge. American companies sold more than 1.5 billion dollars' worth of equipment and information for the Soviets to build an immense truck factory on the Kama River. The trucks were supposed to be used in the civilian economy. When Russia invaded Afghanistan, however, its Army used trucks made in the Kama plant.

Russia's Zil truck complex, also built with the aid of American exports, is producing not only military trucks but missile launchers as well.

Two years ago, the Soviets bought navigation and electronic orientation devices from a U.S. firm, Litton Indus-

tries. The technology that came with that equipment is now being used to help Russian planes and ships track American submarines.

American and Japanese electronics, purchased purportedly for use in civilian air-navigation systems, have been converted to use in computers for missile guidance, filling an important gap in Soviet technology.

The famous Gorky auto works, reportedly run with U.S. computers and Japanese business machines, makes not only civilian cars and trucks but also amphibious assault vehicles and military trucks.

Precision ball bearings bought from Bryant Grinder Corporation of Vermont are said by Pentagon experts to have aided Russia in developing its MIRV missile.

Free for the asking. Sometimes Moscow doesn't even have to pay for technology.

The Soviets apparently learned how to make wide-bodied jet airplanes without buying a single plane. They created a bidding war among three American firms. In their eagerness to win a lucrative contract, the companies handed over more and more details of their construction techniques. When the Soviets had all the information they needed, they called off the contract negotiations. Such planes are now on the proscribed list—but too late.

Russia played a similar game with West Germany to steal technology for making diesel locomotives. Saying they were eager to buy such locomotives, the Soviets sent experts to West Germany, ostensibly to learn how to service diesel engines. But they learned so much that they were able to go home and build their own locomotives.

Now, spurred by the Soviet invasion of Afghanistan, the Carter administration is engaged in an intensive search for ways to plug such leaks. Export-licensing procedures are to be tightened. Meanwhile, shipments under licenses already issued have been frozen and action on pending applications for licenses has been suspended.

But, American officials say, the U.S. by itself cannot effectively restrict the flow of technology to the Soviets. "We will need the support of our allies, and we expect their support," Defense Under Secretary William Perry told the Senate investigators.

Most allies have promised cooperation in curbing militarily useful exports to Russia. Yet, there have been numerous leaks of Western technology to Russia through companies of allied nations. Sometimes those sales by allies have been made at the expense of American firms that had been denied export licenses for sales of similar products.

In 1978, Carter vetoed the sale of a 7-million-dollar Univac computer to the Soviet news agency, Tass. Last March the administration reversed itself and granted a new license to the American firm, Sperry Rand, which makes the computer. But by then the Soviets had bought an 18-million-dollar computer from a French company.

Another American firm, Cyril Bath Company, won a con-

tract to sell the Soviets metal-forming presses. But its application for an export license was turned down because the presses conceivably could be used to make airplane wings. Three years later the company won a reversal of the export ban, arguing that the same presses were available from France. But by then the Soviets already had purchased the French presses.

Impact questioned. Many American experts question whether even effective bans on U.S. sales would have much immediate impact on the Soviet economy because so many other countries are able to supply substitutes for U.S. wares.

For example: Russia needs oil-drilling equipment. But, says Daniel Wallace, an international assistant vice president of Armco International, Inc.: "Almost all the oil-field equipment the Soviets get from the U.S. is available from the Japanese, French, Germans or British or Rumanians."

American attempts to curb sales to Russia have created an international black market in technology that the Soviets exploit. Products sold to a non-Communist country are often re-exported to Russia or one of its satellites.

Exchange programs initiated during the years of American-Soviet détente have been turned into a one-way street for transmitting technological information and skills to Russia, with the U.S. learning virtually nothing in exchange.

Senator Jackson cited the case of a Russian exchange student who came to the U.S. to study the chemistry of fuel-air explosives. "In contrast," the senator said, "American students go to the Soviet Union to study literature, history and economics."

Jackson also cited the "so-called businessmen" who come to the U.S. from Communist countries by the thousands. "Their usual style," Jackson related, "is to demand technologically detailed proposals of the U.S. firms with which they want to do business. Our companies are badgered into complying with the Soviets in the hope of exclusive, big sales. Typically, after getting the basic plans and technical information, the Soviet-bloc representatives agree only to a relatively small sale."

The Apollo-Soyuz space linkup in 1975 is mentioned by American officials as a good example of the inequality of technical exchanges between the Soviets and the United States. Many officials believe the Russians' main interest in that celebrated space rendezvous was to steal whatever they could in space know-how, particularly anything with possible military applications.

"The Russians' approach to space is like using a blunt instrument for brain surgery," said one American with the National Aeronautics and Space Administration (NASA). "There wasn't a single thing we could learn from them."

Why is the Soviet Union so backward in technology?

An answer given by European experts is this: The people in the Soviet Union are as gifted in mathematics, research and development as those in Western countries. But Soviet leaders have never tried to mobilize their nation's techno-

logical capacity. To do so would require reform of the centrally controlled economic system—and the Soviet leaders fear that more-liberal economic policies would weaken the Communist Party's political control. It seemed to them easier and safer to buy Western technology and put off reform. This also enabled the Soviets to concentrate on military rather than industrial technology.

Policy's cost. The Soviets are now paying the price for that policy. The technological gap between East and West has widened, and Communist countries are increasingly dependent on massive technological aid from the West to modernize their industry.

In recent years, roughly half of all Western exports to the Communist area were technologically advanced products, and another 20 percent were capital-intensive products. Sales of Western machinery and equipment to the Communist bloc have risen tenfold since 1965 and now exceed 10 billion dollars annually, with well over half of those shipments going to the Soviet Union.

According to the Commerce Department, what the Soviets want most to buy from the United States are chemicals, computers, semiconductors, business machines, automotive parts and manufacturing equipment, ball bearings and oil-drilling equipment.

From West Germany, the Soviets seek cameras and other optical equipment, timing devices, diesel locomotives and heavy construction equipment.

The Soviets look to Japan for steel-manufacturing machinery, oil-drilling equipment, timing devices, computers, automatic manufacturing controls, television and other electronic equipment, semiconductors and microconductors.

In formulating a new strategy to keep Russia from getting American technology, the Carter administration is beset by two conflicting arguments.

American manufacturers say that government curbs hurt them in competition with exporters abroad. They point to this nation's 34-billion-dollar trade deficit, which makes exports a high national priority. The Commerce Department estimates that 112 million dollars of sales to the Soviet bloc were lost because of export-license denials in 1979. American firms want the export-control procedures to be simplified and the rules clarified to make foreign sales easier.

On the other side, the Defense Department contends that national security must be given higher priority than business sales—and that the technology-starved Soviet bloc cannot be trusted to use American technology for civilian purposes only.

The problem is how to protect U.S. business without supplying the rope for Communism to hang capitalism. □

Attachment O

[From the Philadelphia Inquirer, Nov. 9, 1979]

DID U.S. AID SOVIETS ON MISSILE?

By Terence Hunt
Associated Press

WASHINGTON — The Soviet Union has used equipment and technology from the United States to make significant improvements in military equipment, a Pentagon official told senators yesterday.

The official said there is a "reasonable presumption" that precision machines from the United States that are used to grind miniature ball bearings were used to develop the guidance system of the SS-18 missile, the largest nuclear weapon in the Soviet arsenal. Beginning in 1973, the United States sold 164 of the sophisticated machines to the Soviet Union.

Jack Vorona, a specialist in science and technology for the Pentagon's Defense Intelligence Agency, cited the grinding machines as an example of Western equipment being used to make "a distinct contribution to the Soviet military procurement effort."

He testified before the Senate Armed Services Committee's subcommittee on general procurement, which is investigating developments in Soviet weaponry.

In addition, Vorona said, the Soviet Union benefits more than the United States from exchanges of students and technology.

The average Soviet student who comes to the United States, Vorona said, is about 35 and has the equivalent of an American Ph.D. Vorona said U.S. students who travel to the Soviet Union study social sciences, such as language, history and art, whereas the Soviet students who come to the United States "study the hard sciences and engineering."

"This has been detrimental to the United States?" said Sen. Harry Byrd (Ind., Va.), subcommittee chairman.

"I think it has been," Vorona replied.

He added that the Soviets "are seeking Western technology and equipment by any and all means."

Vorona said that in some cases U.S. sales are approved over the objection of the Defense Department and that in other cases "some things have happened quite covertly."

He testified that "an entire series of Soviet computers is based on IBM 360 and 370 computers that were illegally diverted into the Soviet Union in 1971 and 1972."

Attachment P

[From the Washington Post, Nov. 9, 1979]

SOVIET MISUSE OF U.S. MACHINERY SEEN

By Walter Pincus
Washington Post Staff Writer

A government intelligence expert said yesterday that it was "a reasonable assumption" that the Soviet Union used sophisticated machinery purchased from the United States six years ago to develop the new, accurate guidance system in its SS18, the world's largest and most destructive intercontinental ballistic missile.

Dr. Jack Vorona, assistant vice director for scientific and technical intelligence of the Defense Intelligence Agency, also told a Senate Armed Services subcommittee that:

• At least some of the trucks produced by a Soviet plant built with U.S. technology are being used by the military and the plant's excess engines may be destined for other military vehicles.

• Illegally diverted IBM 360 and 370 computers may have been the cornerstone for a computer system that directs Warsaw Pact air defense.

• A student exchange program permitted the Soviets to send one young engineer to the United States to study "fuel-air explosives"—a particularly large-blast weapon system. The man, Vorona testified, is now involved in the Soviet fuel-air explosive program.

Vorona's testimony may signal a

new attempt to curtail commercial sales sharply and limit academic exchanges with the Soviets by government officials who believe the United States should take a harder line with Moscow.

Sen. Harry F. Byrd Jr. (Ind.-Va.), who chaired the hearing, asked Vorona, "Would it be accurate to say American knowhow is being used to develop the Soviet war machine?"

"Yes sir, very accurate," the witness replied.

That view, however, is not held throughout the government, as battles within various administrations over the past 20 years have shown. By law, the Commerce Department must license sales of certain goods to the Soviet Union in a process that has been the focus of continuing controversy.

In 1973 and 1974, for example, the Pentagon opposed, but Commerce and the White House finally approved, the sale of 164 precision miniature ball bearing grinding machines.

Those machines, Vorona said yesterday, "are making a distinctive contribution to the Soviet military effort and could very well be producing the precision miniature ball bearings used in current and follow-on high quality" guidance systems aboard Soviet ballistic missiles.

Vorona touched another matter of controversy involving Soviet trade by calling attention to "an Austrian firm" which is the world's leading producer of equipment used to make high-quality artillery tubes.

The Soviets, he said, have purchased "probably hundreds of millions of dollars worth" of this company's machinery, and now "have the greatest gun-barrel manufacturing capability in the world."

One of Vorona's charges—that the Soviet-U.S. student exchange program "has been detrimental to the U.S."—was challenged in part yesterday by an official involved in the program who asked to remain anonymous.

Vorona said some Soviet students, by previous training the equals of U.S. PhDs, have involved themselves in projects in "hard sciences," such as advanced electronics and computer technology.

Conversely, Vorona said, American students going to the Soviet Union tend to concentrate on "language, history, social sciences."

Vorona said he doubtes the Soviets would permit exchange students to do work in higher mathematics, laser technology and other advanced fields with potential military applications.

However, an official of the National Academy of Sciences told The Washington Post that the Soviets have granted study visas to "an unusually high number of [U.S.] mathematicians."

Attachment Q

[From the New York Times, Jan. 4, 1980]

SOVIET IS USING TRUCKS U.S. TECHNOLOGY BUILT IN AFGHAN OPERATIONS

By CLYDE H. FARNSWORTH
Special to The New York Times

WASHINGTON, Jan. 3 — Trucks produced at the huge plant on the Kama River in central Russia that was built largely with American technology have been identified with Soviet military forces in Afghanistan, according to a confidential Commerce Department memorandum.

The document, dated Dec. 31 and signed by Homer E. Moyer Jr., a legal officer who on that day was the Acting Secretary, adds another element to a heated controversy in the Administration over policy on controls on the export of goods and technology to the Soviet Union.

The agreement under which the United States provided assistance to the project contained no restriction on the use of the vehicles. According to the Russians the plant produces only heavy tractor-trailer rigs, but there have been reports that smaller trucks with possible military applications are built there.

The memo, which went to a Cabinet-level interagency panel, the Export Administration Review Board, says the information was obtained by the Central Intelligence Agency. Those receiving copies were the Secretaries of State, Defense and the Treasury and the head of the National Security Council.

Two Licenses at Issue

The immediate issue before the review board is whether to revoke two licenses for computer spare parts for the truck plant, which is on a tributary of the Volga 550 miles east of Moscow. What is the world's largest heavy-duty automotive works rose with Western European and American technology and equipment during the mid-1970's, a period of détente.

Attachment R

[From the Washington Post]

CARTER SCORED ON EXPORTS OF TECHNOLOGY TO SOVIETS

By Helen Dewar
Washington Post Staff Writer

The Carter administration was denounced in a Senate subcommittee yesterday for waiting until the Soviet Union invaded Afghanistan before cracking down on high-technology exports that the Russians have diverted to military use.

Sens. Henry M. Jackson (D-Wash.) Sam Nunn (D-Ga.) and William S. Cohen (R-Maine) also questioned whether the administration is cracking down enough now, even though a high Pentagon official said it has learned from what he called "the errors" of the past.

Jackson said he was skeptical of "born-again hawks" and "retroactive righteousness," and Nunn sarcastically suggested that the administration sees nothing wrong with helping the Soviets build military equipment "as long as it's just sitting there pointing at us . . . It's all right until they invade with it."

Two focal points of the 4½-hour hearing by the Senate Governmental Affairs investigations subcommittee were the Soviets' Kama River truck factory and the Zil factory and laboratory, both of which have been licensed to import U.S. computers and other sophisticated equipment.

The Pentagon says Kama trucks turned up in Afghanistan, and Zil reportedly is producing missile launchers.

The United States had at least "fragmentary" indications in 1977 that Kama was producing trucks for the Soviet army, but lacked conclusive evidence until late 1979, according to William J. Perry, undersecretary of defense for research and engineering.

After the Soviets moved Kama trucks into Afghanistan, two Kama export licenses were revoked as part of a U.S. crackdown on high-technology exports to the Soviet Union pending a general Carter administration review of export licensing policies.

Subcommittee members wanted to know why it took three years to stop

shipments to Kama and why Zil's licenses weren't revoked after the Afghanistan invasion. Panel members did not appear satisfied with the answers from the Commerce Department, which regulates trade with communist countries.

Homer Moyer, the department's general counsel, said use of Kama trucks for military purposes did not technically violate a 1971 license granted, he noted, by the Nixon administration. When shipments were stopped, it was done on national security grounds, he added. Moyer said the difference between the Kama and Zil cases was that Kama equipment was actually involved in the invasion.

At this point, Jackson accused the department of presenting a "miserable case" backed up by "fallacious reasoning." Cohen objected that Zil was more objectionable than Kama. Nunn chimed in, saying, "That's a sad state of affairs. It means this country cannot be awakened short of Soviet intervention . . ., at least not this administration."

No one present attempted to defend the wisdom of earlier policies, and Jackson as well as administration officials took pains to note that the policies went back at least three administrations.

"I think we made some errors in judgment," said Perry, although he said the Pentagon did not agree with those in the administration who thought it was "worth taking the risks" to promote detente by selling technology to the Soviets. "Different responses are appropriate" now, Moyer said.

Attachment S

[From the Congressional Record, Feb. 20, 1980]

THE TRANSFER OF ADVANCED TECHNOLOGY TO THE SOVIET UNION

● Mr. STONE. Mr. President, I submit for the RECORD two articles concerning the transfer of advanced technology to the Soviet Union. It disturbs me that such a portion of Soviet military capability is based on technology given them by the United States. It also disturbs me that once a decision has been made by the administration to stop this transfer of technology that we find it so difficult to do so. It appears that our colleague, Senator HARRY F. BYRD, JR. is on the right track.

The article follows:

[From the Wall Street Journal, Feb. 8, 1980]

THE KAMA RIVER SOURCE

(By Craig Roberts)

When Soviet invasion forces rolled into Afghanistan in trucks built at the big new Kama River plant with the aid of U.S. technology and financing, they raised dust in Washington as well as on the road to Kabul.

Everyone has always assumed it to be U.S. policy not to sell the Russians things that might help them militarily. Quite obviously, that policy has some serious holes in it. Some are even bigger than the one that allowed sophisticated U.S. equipment to go into the production of diesel engines at Kama River and allotted $153,950,000 in Export-Import Bank financing to enable the Russians to buy all that high-priced hardware. Answers are needed and no one is rushing forward to supply them. Quite the contrary, the Commerce Department, which is in charge of licensing such exports, seems to be intent on keeping the process surrounded by secrecy.

U.S. licensing practices came under fire months before the latest Soviet aggression emphasized the importance of the issue. In May of 1979, Lawrence J. Brady, acting director of the Commerce Department's Office of Export Administration, testified before a House Armed Services subcommittee that the department was not enforcing its own regulations which prohibit the military diversion of U.S. licensed technology. The Kama River plant was cited.

As it happens, the morning of the day Mr. Brady testified, the subcommittee had received CIA confirmation that U.S. technology was being diverted to military use at the Kama River plant. It also received word that the Department of Defense was pressing the Commerce Department to apply the required sanctions.

Mr. Brady's testimony hardly made him a hero with his superiors. In addition to preparing briefs in their own defense—which had the interesting by-product of also defending the Soviets—they set about to destroy his credibility and demote him, or so a later investigation indicates. That investigation, conducted by the Office of Special Counsel, held that the pressures applied to Mr. Brady violated his rights as a civil servant. The Secretary of Commerce was instructed to "restore to Mr. Brady his full duties and responsibilities" and ordered to see to it that "no reassignment, transfer or detail of Mr. Brady be effected without consultation with and concurrence of Mr. Brady and this office."

Mr. Brady enjoyed further vindication when President Carter responded to the Afghanistan invasion by ordering an embargo on further transfers of U.S. technology to the Soviet Union. Nevertheless, he resigned

last month, charging that Commerce officials were "trying to find loopholes in the . . . embargo . . . the President has ordered." He said he could not continue to serve officials "who would knowingly improve the military strength of an enemy of this country and would make every attempt possible to cover up these actions."

harsh with fellow bureaucrats given the twists and turns American Presidents have taken on this issue and the attempts they have made to use technology transfer and trade for political leverage with the Russians. No less a tactician than Henry Kissinger played a direct role in granting the Kama River licenses.

But it clearly is time to re-examine this issue and a good way to start would be to cut away the secrecy that has surrounded technology transfer. Commerce has been doing just the opposite by fighting off Freedom of Information suits and other efforts by journalists to find out what companies sold what items to the Russians.

It is most likely the files would show even more serious lapses than the one involving Kama River. Intelligence sources believe that the Soviets could not have installed multiple warheads on their intercontinental missiles as quickly as they have if a U.S. firm had not been permitted to sell them a unique machine that produces high quality miniature ball bearings. Congressional sources, backed by independent intelligence estimates, claim that U.S. technology helped the Russians develop guidance systems and gyroscopes for ICBMs and antisubmarine devices that make U.S. Trident submarines more vulnerable.

This all requires more explanation. It suggests that a new debate is needed on the old question of "linkage," or giving the Russians certain favors in return for concessions elsewhere. It is a matter far too serious to be surrounded by secrecy and cover-ups. While Mr. Carter is trying to decide where we go from here on technology transfer, it is only fair for the Congress and the public to know where we've been.

[From the Richmond Times Dispatch, Feb. 11, 1980]

BUSINESS AS USUAL

(By Joe Duggan)

When the Red army rumbled into Afghanistan at Christmastime and poised itself to take easy advantage of political chaos in Iran as a potential means of gaining control of the Persian Gulf region's oil, President Carter wanted the American people to believe that he was taking adequate countermeasures. The newly alerted commander-in-chief called for increased military spending (but not for the resurrection of such torpedoed systems as the B-1 bomber and the neutron bomb), for resumption of draft registration, and for trade sanctions—an embargo on grain sales and restrictions on technological transfers to the Soviet Union.

Withholding advanced technology probably is the strongest penalty the United States could exact against the Soviets as well as the measure most helpful to our own defensive interests. There is little disputing that the Soviet army would not have become "the most powerful land army in the world," as the U.S. Defense Intelligency Agency recently described it, if the American government had not allowed certain U.S. firms to export precision instruments, highly sophisticated electronic gear and the like to the Soviet Union.

Sadly and alarmingly, evidence came to light this week showing that for several years high administration officials have employed bureaucratic obstacles and deliberate coverups to render ineffective the government's intended restrictions on export of strategically sensitive products. Even after President Carter's well-publicized order to restrict the export of crucial technology to the Soviet Union, an intra-bureaucratic campaign to continue the exports is taking place, while the president's own determination to curtail technology transfers is anything but evident.

Testimony by strategic exports and comments by senators at a recent session of Sen. Harry F. Byrd Jr.'s subcommittee on military procurement revealed the following:

Dozens of licenses for export of sensitive instruments to communist countries have been granted in recent years over the opposition of officials in the responsible agency, Administration, through the intervention of higher-ups, including former Secretary of State Henry Kissinger and leading officials in the Carter administration's Commerce Department. (Lawrence Brady, the government "whistleblower" who in several appearances before congressional panels has revealed these and other contraventions of American national security interests, recently was forced from his Commerce Department post in a shameful bureaucratic intrigue that will be the topic of future discussion here.)

Because of a ridiculous twist to the "proprietary confidentiality" provision of existing American export law, the Commerce Department will not allow U.S. intelligence services access to files regarding strategic trade to the communist bloc, not even to files concerning documented illegal diversions of strategic equipment from civilian to military purposes. Lt. Col. James Dearlove of the Defense Intelligence Agency told Senator Byrd's subcommittee that his agency never has asked the Commerce Department to provide information on the Soviets' military use of American technology "because I knew the answer would be 'No.'" One result of this absurd policy is that American intelligence agencies even now are seeking to determine by expensive satellite surveillance what already is known to certain officials of the Commerce Department in Washington.

Although White House congressional liaison Frank Moore pledged last month the administration would "severely restrict trade with Russia, including "general commerce," the Commerce Department has approved the sale of an entire assembly to the notorious Kama River truck plant where military vehicles employed in the Afghan invasion were manufactured with American expertise and capital.

President Carter apparently has abandoned commitment to effective strategic export restrictions. At the subcommittee hearing Sen. Strom Thurmond and Senator Byrd stated categorically that they had been assured by

President Carter last month in a private meeting at the White House that the administration would halt technology sales to the Soviet satellite countries as well as to Russia. White House spokesman Rex Granum later replied that Mr. Carter made no such promise. In addition to implying that Senators Thurmond and Byrd are liars, Mr. Granum has suggested that the White House has chosen to close its eyes to the reality of Eastern Europe, its total de facto control by the Kremlin.

Despite the "get tough" rhetoric of Jimmy Carter since the Afghan invasion, it is clear that, to an alarming extent, his administration is carrying on business as usual with the Soviet Union. Congress can and should act to correct existing contraventions of our national interest in international trade policy. Toward this end, Senator Byrd's office has been speaking of new legislation to make certain that U.S. intelligence agencies are informed of all strategic trade. But if the scandal of sending the Soviets sophisticated devices they intend to use to strangle us is to be ended, Jimmy Carter will have to be born yet again—with the will to protect our national security without vacillation.●

Question: The General Accounting Office claims to save $20 for every dollar invested. Is there any way that OTA can make a similar comparison or can point to any policy or legislative action that has occurred as a result of OTA's studies?

Answer: OTA's principal role for the Congress is to be its technology arm. In that capacity it serves to advise the Congress about the nature of emerging technologies and their impacts on society through public policy. OTA plays the role of providing "early warning" for anticipation of the future impacts of current decisions and related developments of technology. Therefore OTA's role is not simply to point out where money can be saved. In fact, this does happen in a number of instances and for that reason OTA has sometimes been labeled the "Office of Technology Harassment" because it has pointed out areas where significant dollars can be profitably saved by not committing Federal funds. On the other hand, OTA has frequently brought to Congress' attention instances where increased public investment can be profitably made, especially when compared with alternative uses of the resources.

Despite the fact that it is very difficult to trace the extent to which a given piece of information has affected the savings of Federal expenditures or decisions with respect to Federal legislation, we offer below several examples to illustrate some of OTA's activities:

1) Energy Demand and Conservation. Long before most other people began to stress this energy option, the Office of Technology Assessment developed a hard base of data to prove the compelling economic arguments for conservation. This process began in 1974; it resulted in a critique to the ERDA Plan and Program which was later used as the basis for directing the creation of an Assistant Secretary for Conservation. It also resulted in a major increase of funding for conservation research and activities in the ERDA.

In a similar vein, OTA's written material and numerous oral testimonies have aided materially in the remarkable decrease of energy demand growth in the Federal agencies (actually a two percent overall decrease over the past five years) with the attendant savings of many billions of dollars and a decrease in the amount of oil that otherwise would have been imported.

2) Synthetic Fuels. OTA has participated in the study of the rationale for, or involvement in, the development of a production capability for synthetic fuels -- an activity that could consume as much as $80 billion over the next ten years. Our analysis and testimony contributed materially to the congressional decision to take a more measured pace by building a few different kinds of full-scale plants and obtain better cost data before making a commitment to major production facilities. If OTA's contribution to these deliberations made only one-tenth of one percent difference in the efficiency by which the public funds are used, the entire OTA operation could be discounted for more than five years.

In addition, OTA recently testified before a Senate Subcommittee concerning the Federal role in providing relief for local impacts of energy development discussing the many existing Federal programs as well as the opportunities for other levels of government to take a lead in ameliorating the problems. It is entirely possible that the Federal government could be relieved of

costs amounting to hundreds of millions of dollars over the next decade.

3) Advanced Air Transportation. In its study of advanced air transport and the rationale for Federal support to develop improved technologies for rapid air transport, OTA pointed out that for a number of reasons it is not appropriate to accelerate Federal expenditures in this area (as had been proposed by the Administration). Subsequently, "savings" of Federal R&D monies could amount to more than $50 million per year.

4) Medical Technology. The report on Assessing Safety and Efficacy of Medical Technologies points out that many technologies are widely used despite lack of evidence of efficacy. Improved assessment of efficacy prior to widespread use would lead to reduced health care costs.

The following is a selected list of OTA studies and how they have been used by the Congress.

Study: Management of Fuel and Nonfuel Minerals in Federal Lands

Congressional Use: Senate Committee on Energy and Natural Resources - Testimony; Senate Committee on Energy and Natural Resources - Testimony on Federal Oil and Gas Leasing Act of 1979, S.1637; Senate Committee on Government Affairs - Testimony.

Study: The Direct Use of Coal

Congressional Use: Senate Energy Committee - Used report in viewing the effect of coal regulations on small business; Committee on Science and Technology, Subcommittee on Energy Development and Applications - Testimony; Committee on Science and Technology, Subcommittee on Natural Resources and Environment - Oversight of DOE environmental programs and EPA research programs; Committee on Government Operations, Subcommittee on Environment, Energy and Natural Resources - Subcommittee hearings.

Study: The Effects of Nuclear War

Congressional Use: Senate Foreign Relations Committee - Background for deliberations on the SALT II treaty.

Study: Changes in the Future Use and Characteristics of the Automobile Transportation System

Congressional Use: Senate Commerce Committee - Testimony, hearings on DOE and DOT programs or legislative actions; House Appropriations Committee - Hearings on the NHTSA FY 1981 budget request; House Ways and Means Committee - Upcoming hearings; Committee on Science and Technology, Subcommittee on Transporation, Aviation and Communications - Hearings and legislative drafting.

Study: Technology and East-West Trade

Congressional Use: House Committee on Foreign Affairs, Subcommittee on International Economic Policy and Trade - Mark-up of the 1979 Export Administration Act and oversight of the Act; Senate

Committee on Banking, Housing and Urban Affairs, Subcommittee on International Finance - Testimony (twice).

Study: Environmental Contaminants in Food

Congressional Use: House Interstate and Foreign Commerce Committee - Hearings on PCBs held by Subcommittee on Oversight and Investigations.

In addition, examples of technical memoranda and responses to special requests are as follows: Materials and Energy from Municipal Waste, OTA to testify in March, 1980 before Subcommittee on Energy Development and Applications (HS&T) on HR.6638, the Municipal Waste-to-Energy Act of 1980; Gasohol, to Senators Ford and Church, chairmen of subcommittees with gasohol responsibilities; Benefits of Increased Use of Continuous Casting by the U.S. Steel Industry, to Congressional Steel Caucus and the Subcommittee on Trade of the Committee on Ways and Means; Residential Energy Conservation, testified before House Subcommittees on Energy and Power and Housing and Community Development; Synfuels, testified before Subcommittee on Energy and Power; Advanced High Speed Aircraft, House Committee on Science and Technology; Global Energy Forecasts, House Select Committee on Intelligence; Trade and Technology in the Steel Industry, Senate Committee on Banking, Housing and Urban Affairs; U.S. Trade and Technology Transfer with China and Russia, Senate Committee on Banking, Housing and Urban Affairs. Other subjects covered are services provided to the House and/or Senate including: Recombinant DNA, Land Productivity, Population, Vaccines and Medicare Payments, Genetic Research and Applications, Telecommunications, Energy R&D Priorities, Energy Development and Applications, Oil Shale, Automotive Fuel Efficiency R&D, Satellite Communication, Efficacy and Safety of Medical Technologies, the latter, a study, resulted in legislation establishing the National Center for Health Care Technology; Policy Implications of the Computed Tomography (CT) Scanner.

CONTRACTING EXPENDITURES

Question: What is the magnitude of your contracting operations, in terms of number of contracts, dollars expended, average contract amount?

Answer: In FY 1979, OTA wrote 430 contracts, totalling $4,306,000, with the average contract amount being $10,000. In FY 1980, it is estimated that $4,600,000 contracts will be signed, with the average contract amount being $9,000.

Question: How many, in terms of numbers of contracts and dollars expended, are formally advertised?

Answer: OTA does not formally advertise most of its contracts (OTA's Act specifically exempts the Office from this requirement). This is due to both the small size of most OTA contracts and the type of analytical work being procured. As pointed out above, the average OTA contract is only $10,000, an amount below the amount at which formal advertising is required in executive agencies.

OTA does, however, award many of its contracts through the competitive negotiation process. The chief vehicle for contractor

selection in such cases is the Request for Proposal (RFP). In cases involving major procurements, the RFP is often advertised in the Commerce Business Daily; copies of the RFP are also sent by OTA to prospective offerors. In cases involving small procurements, or when only a few persons or organizations appear to be qualified, an informal request for proposal will be prepared and sent to selected parties.

Question: How many are competitive negotiations?

Answer: In FY 1979, 21 out of 430 (4.9 percent) contracts were let through competitive negotiation; these involved the larger OTA contracts. The 21 "competed" negotiated contracts accounted for $671,808 of the total $4,306,000 (15.6 percent) spent on contracts by OTA.

Question: How many are noncompetitive negotiations?

Answer: OTA writes the majority of its contracts on a noncompetitive negotiated basis (sole source contracts). In FY 1979, 409 of the total 430 contracts (95.1 percent) were sole source; $3,634,192 of the total $4,306,000 (84.4 percent) spent on contracts were for sole source contracts.

There are various procedural safeguards built into OTA contracting procedures, to ensure that a contractor is chosen on the basis of unique qualifications. Contract requests, prepared by OTA Program Managers, must include the justification for contractor selection. All contract requests are reviewed and approved by the appropriate Assistant Director and by the Administrative Officer. The Administrative Office screens all contract requests to ensure that the contractor selection justification is sufficient. As was noted previously, larger negotiated procurements ($20,000 to $30,000) are normally required to be competed; if a bidder for a larger contract is chosen on a sole source basis, the selection justification will be carefully examined to determine why the contract could not be competed.

COPYRIGHT ROYALTY TRIBUNAL

STATEMENT OF MARY LOU BURG, CHAIRMAN

ACCOMPANIED BY FRANCES GARCIA, COMMISSIONER

BUDGET REQUEST

Senator SASSER. Our next witness is Mary Lou Burg, Chairman of the Copyright Royalty Tribunal.

Good morning. Good morning, Ms. Garcia.

The 1981 President's budget request for the Copyright Royalty Tribunal is $490,000 and 10 positions, which represents no increase in funds or positions over the amount expected to be available in the current fiscal year.

I want to commend you, Madam Chairman, for no increases in funding and no increases in positions.

Ms. BURG. Thank you.

Senator SASSER. You may proceed.

CABLE TELEVISION ROYALTY DISTRIBUTION

Ms. BURG. Mr. Chairman, during the past year, the tribunal conducted hearings and issued rulings relating to cable television and jukebox royalty distribution. With respect to cable television distribution for calendar year 1978 the Tribunal, after protracted efforts to enter a voluntary agreement failed, declared on September 12, 1979, that a controversy among the parties existed.

Since that time, a variety of procedural steps have been taken and an ongoing schedule of hearings and meetings have occurred and will occur to fulfill the statutory requirement that we issue a decision within 1 year.

The tribunal will institute proceedings for 1979 cable royalties in July of this year, as the statute directs. So, in effect, there will be two cable distribution proceedings overlapping each other. While one will be completed this fall the other will continue into and possibly through virtually all of fiscal 1981. In addition, we must initiate new distribution proceedings for 1979 jukebox royalties.

RATE REVIEW HEARINGS

Furthermore, this year the tribunal is in the process of conducting three major proceedings. The basic schedule of royalty rates for cable television, phonorecords, and jukeboxes which were established in the 1976 statute must by law be reviewed and, if appropriate, revised. The initial phases of two of these proceedings have commenced.

In our 1980 budget, we requested and were subsequently denied the funding to hire outside specialists to assist us in these rate review proceedings. As a result, we must base our decisions on economic, engineering and other studies designed, programed, and executed by the parties themselves.

This means we have absolutely no flexibility in interpreting their representations. Lacking specialized temporary assistance, the burden of determining the validity of their assumptions and the accuracy of their baseline data is on five people with no specific expert background in these areas.

For example, in the rate review proceeding for phonorecords we continue to believe familiarity and knowledge of the economics of industry production, marketing, advertising, talent, search, and development would be incontestably helpful.

To illustrate the complexity of this proceeding alone the tribunal's counterpart in Australia held 51 days of hearings when they undertook their first phonorecord rate review.

STUDY OF SYNDICATED PROGRAMING

The Federal Communications Commission currently is conducting a proceeding to determine if its cable television rules governing the importation of distant broadcast signals and exclusivity production for syndicated programing should be modified.

It is generally anticipated that the FCC later this year will act on these matters which will trigger an additional tribunal cable royalty proceeding, in which it will be necessary to develop a cable royalty schedule suitable to the new national communications policy.

The major responsibility of the tribunal is concisely stated in H.R. 94–1476, which requires us to consider "the economic impact that such adjustment may have on copyright owners and users, including broadcast stations, and the effect of such additional distant signal equivalents, if any, on local broadcasters' ability to serve the public."

The scope and complexity of this proceeding was actively explored last session by subcommittees of both the House Judiciary and Commerce Committees. In addition, it was suggested during those hearings that the tribunal should study the development of satellite linked "superstations" to advise the Congress if the basic cable structure of the Copyright Act requires amendment.

This cable royalty adjustment proceeding during fiscal year 1981 will be even more complicated than the royalty proceedings taking place in this calendar year. It will be necessary for the tribunal to assemble and examine in considerable detail data relating to the economics and programing activities of the cable, broadcasting, and program production industries.

FUNDING FOR PROFESSIONAL EXPERTS

Therefore, Mr. Chairman, I most urgently request the subcommittee to approve the request in this budget of $25,000 for outside professional experts and the related request of adequate funding to conduct what is certain to be a period of protracted hearings.

Obviously, if the need for these funds does not materialize the money will not be spent. The record shows that in our brief history the tribunal has substantially underspent its appropriated budgets. For example, in 1979, the tribunal underspent by 36.6 percent after the reserve feature and by 40 percent before the reserve was applied.

Thank you, Mr. Chairman.

Senator SASSER. Thank you, Ms. BURG.

The Chairman of the Copyright Royalty Tribunal rotates annually. Ms. Burg has assumed the chairmanship as of December 1, 1979.

BIOGRAPHIES

Without objection, the biographies of Ms. Burg and Ms. Garcia will be inserted in the record at this point.

[The biographies follow:]

BIOGRAPHY OF MARY LOU BURG

Mary Lou Burg, Commissioner, Copyright Royalty Tribunal, University of Wisconsin, B.S., 1952; general manager and sales manager, radio station WYLO, Wisconsin, 1967–70; sales representative, WYLO, Wisconsin, 1964–67. Director of Continuity and Public Service, WEMP, Wisconsin, 1958–64; sales and program promotion writer, WXIX–TV, Wisconsin, 1955–57; served as vice chairman and deputy chairman, Democratic National Committee, 1970–77.

BIOGRAPHY OF FRANCES GARCIA

Frances Garcia, a native Texan, graduated from Midwestern University in Wichita Falls, Tex. with a B.B.A. degree in accounting. Upon graduation, she joined the international accounting firm, Arthur Andersen & Co., where she became an audit manager in the Dallas/Fort Worth office and later assisted in opening the firm's new Austin, Tex. office as audit and office manager.

In addition to her job responsibilities, Frances has been active in professional activities and civic organizations, such as past president of the Dallas Chapter of the American Society of Women Accountants; board of trustees of the Dallas Mexican Chamber of Commerce Local Business Development Organization; and board of trustees of the Austin Minority Economic Development Corporation, the United Way of Austin and the Southwest Texas Public Broadcasting Council (KRLN–TV).

Frances was nominated as one of the five Commissioners on the Copyright Royalty Tribunal by President Jimmy Carter and is the chairperson of the Tribunal's Budget Committee.

TRIBUNAL HEARINGS

Senator SASSER. Madam Chairman, what hearings were held last calendar year and how many days did these hearings take?

Ms. BURG. Last calendar year was primarily a year of distribution proceedings. We had few hearings, per se, in those related matters. Actually, I think the days of hearings were three; two in terms of cable royalty fees, and one in terms of the jukebox.

INDUSTRY EDUCATIONAL TOURS

Senator SASSER. Last year the Copyright Royalty Tribunal held some out-of-town hearings or meetings, including one in Nashville, Tenn., which I had some contact with and which was received very, very favorably in that area.

Where were the other out-of-town meetings held last year?

Ms. BURG. As such, there were no out-of-town meetings. What we did do, including Nashville, was take two or three orientation trips to various constituencies or jurisdictions that we have.

We went to North Carolina to visit several jukebox independent operations, and another trip was to New York City to visit the Upper Manhattan Cable Television operation.

Senator SASSER. Do you think these meetings were worth-while and valuable and, if so, in what way?

Ms. BURG. They were very valuable to us; with the possible exception of the Chairman, we have had no background in any one of these related fields.

I come close to it because I had a broadcasting background and that has been immensely helpful in terms of the cable television proceedings and to some degree, obviously, public television and radio as well. But none of us really were very knowledgeable about the record industry, and the jukebox industry, as such.

We went on these field trips, if you will, thinking at one time we ought to familiarize ourselves firsthand with the kind of operations that they have and see if we could get a grasp or a sense of what demands were made on their particular operations.

I neglected to mention we took one additional day trip out to Winchester, Va., to visit the Capitol Record Production Center. That, in addition to the others, was very helpful to us: (*a*) We met the people; (*b*) we did a walkthrough in virtually all instances of the operation, from rooftops in New York to see how the wires for cable TV were strung, and as you know, in Nashville, to the various publishing houses, so forth.

Senator SASSER. Do you plan to hold any more out of town——

Ms. BURG. We have nothing scheduled in that regard for the rest of this year. Given our schedule, we really don't have the time.

Senator SASSER. If they were valuable to you last year, why aren't you doing them this year?

Ms. BURG. We have three rate review proceedings facing us, and two distribution proceedings. I think it is a question of time as much as anything else, sir.

MEETINGS OUTSIDE WASHINGTON AREA

Senator SASSER. Ms. Burg, these out-of-town meetings, or out-of-town, I won't call them excursions, but out-of-town trips seem to have great advantages, I think.

It seems to me such meetings attract many of the people who are affected by the tribunal's rulings, people who may be part-time performers or artists, and who are unable to bear the financial burden of traveling to Washington to make their views known to the tribunal.

I think the fact that the tribunal is willing to come out and meet the performers and artists where they live or perform helps dispel the notion that this is one more remote Federal regulatory agency which operates out of Washington and is responsive primarily to that segment of the industry that can afford to travel to Washington or hire high-priced Washington lawyers to represent their interests before the tribunal.

I think it is, if nothing else, good public relations for this tribunal, not only for the tribunal but for the Federal Government, for it to try to bring itself, on occasion, before the people that it regulates.

There is a lot of positive feeling and feedback to your trip to Nashville. I thought it was helpful not just to the tribunal but really helpful to the whole Federal Establishment.

What do you say about these observations?

Ms. BURG. As I stated earlier, I think all those trips were, without exception, very helpful to the various Commissioners. Trips this year have to be balanced against the number of hearing days that we have scheduled for three rate proceedings, and the fact that in addition to that we have an ongoing distribution proceeding and have to initiate a new one.

In addition to that, our travel budget simply would not allow extensive travel. We have never had a large travel budget. We don't now and in fiscal 1981 we have an even smaller amount.

PLANNED HEARINGS

Senator SASSER. How many hearings are you planning for this year?

Ms. BURG. Sir, as of now, we have scheduled for the mechanical rate proceeding alone, and it is a guesstimate, we have scheduled as of now 22 days. That is based on a benchmark of, as I said in my prepared statement, 51 days in Australia our counterpart in Great Britain, as I recall, had something like 29 or 30 days.

So we simply don't know. We have scheduled 22 days with an open-end on the other side of it just in case more days are necessary.

In terms of the cable proceeding, we have scheduled, I believe it is 10 days and, again, we are not sure because there is no precedent for this. I suppose it could be less, but 10 days seem a rather reasonable schedule. It certainly could be more.

In terms of jukebox, that might well be the one proceeding of the shortest duration. We have scheduled something like 5 days with the provision we could continue additional days for that one also.

QUESTIONS SUBMITTED FOR RESPONSES

Senator SASSER. We have additional questions for the record, Madam Chairman, which we will submit to you and ask for a prompt response.

Ms. BURG. Thank you.

[The questions and responses follow:]

Submitted Questions

Question: What is a rate review hearing?

Answer: The schedule of royalty rates for cable television, phonorecords and jukeboxes, which were established in the 1976 statute must, by law, be reviewed periodically and, if appropriate, revised. Revision, if necessary, can be an increase or a decrease in the rate. The Tribunal can also determine to maintain the royalty rates at their present schedule, if warranted.

Question: What is a distribution hearing?

Answer: Cable television operators and jukebox operators must, in accordance with the compulsory license, pay a fixed fee in each calendar year, to the Copyright Office. The Office invests the money pending distribution. If there are not disputes, the Tribunal can allocate the royalty fees to the copyright owners as designated by a voluntary agreement. If there is a controversy, the Tribunal must adjudicate it in a full scale distribution proceeding. The Tribunal then will devise the formula as to how much a copyright holder will receive.

Question: How do they differ?

Answer: In one instance, the Tribunal has the authority to set or revise royalty rates upon the submission of evidence and testimony (rate review hearing) and, in the other, the Tribunal merely distributes the royalties generated by a rate schedule mandated by the Congress (distribution hearing).

Question: How many of your findings have been published in the Federal Register?

Answer: All of them. This is mandated by the statute.

Question: How long after a hearing does it take to have a finding published?

Answer: It varies. One finding was published the next day. Others have taken from a few days to two weeks. It depends on the nature of the proceeding and the complexities involved in arriving at a final determination.

Question: Give a detailed listing of your trips and travel expenses in fiscal year 1979, 1980 to date, projected expenses for the remainder of 1980 and all trips and travel expenses planned for fiscal 1981.

DETAIL LISTING OF TRAVEL FOR FISCAL YEAR 1979

DATE	DESCRIPTION	AMOUNT
October 1978	Houston, Texas - 25th Anniversary of Texas Association of Broadcasters, Commissioner Garcia was a participant.	$ 494

DATE	DESCRIPTION	AMOUNT
November 1978	New York, New York - 16th Annual Jean Geiringer Memorial Lecture sponsored by the Copyright Society of the U.S.A. and New York University. Commissioner Burg was invited to attend.	97
January 1979	New York, New York - Practicing Law Institute. Commissioner Brennan was a participant.	118
January 1979	Miami, Florida - Fieldstrom Seminar. Commissioner Brennan was a participant.	349
February 1979	San Antonio, Texas - Texas Association of Cable Television. Commissioner Garcia was invited to attend.	342
February 1979	New York, New York - CBS and performing rights tour (Capitol Recording, ASCAP and SESAC). Educational tour of facilities by Commissioners in preparation for the rate proceedings to be scheduled before the Tribunal.	1,020
March 1979	New York, New York - Commissioner Brennan lectured to the New York Law School.	120
March 1979	Dallas, Texas - National Association of Broadcasters Meeting. Commissioner Garcia was a participant.	335
April 1979	Newark, New Jersey - New Jersey Patent Law Association Jefferson Medal Award presented to Register of Copyrights-Barbara Ringer. Commissioner Garcia represented the Tribunal.	106
May 1979	Las Vegas, Nevada - National Cable Television Association Annual Meeting. Commissioner Burg was a participant.	546
May 1979	New York, New York - Annual meeting of the Copyright Society of U.S.A. Commissioner Brennan was a participant.	246
June 1979	Los Angeles, California - Public Broadcasting Systems Annual Meeting. Commissioner James was invited to attend.	719
June 1979	Nashville, Tennessee - The Tribunal was invited by the Performing Rights Societies, under the auspices of Senator Sasser, to visit areas where music is largely concentrated in order to become familiar with the music industry in preparation for the hearings before the Tribunal.	1,455

DATE	DESCRIPTION	AMOUNT
September 1979	Austin, Texas - Texas Association of Broadcasters Annual Meeting. Commissioner Garcia was a participant. (Trip charged to 1979; should have been 1980).	505
September 1979	New York, New York - Educational tour of cable television and music publishers (Teleprompter and NMPA) by commissioners in preparation for the rate proceedings to be scheduled before the Tribunal.	1,244
September 1979	Charlotte, North Carolina - Educational tour of jukebox operations by Commissioners in preparation for the rate proceedings scheduled before the Tribunal.	673
	TOTAL	$ 8,369

TRAVEL EXPENSES FOR FISCAL 1980

DATE	DESCRIPTION	AMOUNT
October 1979	Austin, Texas - Texas Association of Broadcasters, Commissioner Garcia was a participant.	$ 545
October 1979	New York, New York - Columbia Law School, Commissioner Brennan was a lecturer.	150
November 1979	New York, New York - Copyright Society of the U.S.A. Commissioner Brennan was a participant.	130
Total Expenses through January 31, 1980		$ 825
March 1980	Austin, Texas - University of Texas, Commissioner Garcia will lecture.	$ 450
March 1980	Columbus, Ohio - Ohio Cable Television Association and Ohio Association of Broadcasters, Commissioner James has been invited to attend.	325
March 1980	Kansas City, Missouri - National Public Radio. One commissioner will represent the Tribunal	650
April 1980	New York, New York - Copyright Society, Commissioner Brennan will lecture.	150

DATE		DESCRIPTION	AMOUNT
April	1980	Las Vegas, Nevada - National Association of Broadcasters, Commissioner Burg is a participant.	$ 775
May	1980	Dallas, Texas - Association of Cable Television, Commissioner Garcia is a participant.	500
June	1980	Montauk, Long Island, New York - Copyright Society Annual Meeting, Commissioner Brennan is a participant.	200
June	1980	San Antonio, Texas - American Women in Radio and Television. One Commissioner will represent the Tribunal	575
		Total	$ 3,625

PROJECTED TRAVEL FOR FISCAL YEAR 1981

DATE		DESCRIPTION	AMOUNT
April	1981	Las Vegas, Nevada - National Association of Broadcasters	$ 800
May	1981	Los Angeles, California - Association of Cable Television	850
May	1981	Phoneix, Arizona - National Public Radio	775
June	1981	Daton, Ohio - Public Broadcasting Service	350
August	1981	New Orleans, Louisiana - American Bar Association	550
October	1981	Dallas, Texas - Texas Association of Broadcasters	550
October	1981	New York, New York - Copyright Society	400
		Total	$ 4,275
		Other	$ 725
		Total Requested	$ 5,000

Queston: Do you still need the $19,000 you are requesting for the fiscal year 1980 pay raise supplemental?

Answer: Yes we do. The Tribunal's cost of living raises total $21,936. The Tribunal can absorb $2,936. Therefore, we are requesting $19,000.

Question: What is your space rental cost? How much does this work out per person per month in the Tribunal?

Answer: The rental space cost is $23,600 per year. It averages to $196.66 per person per month.

Senator Sasser. Thank you for appearing this morning.

SUBCOMMITTEE RECESS

Senator SASSER. Thank you for appearing this morning.

The subcommittee will stand in recess until 2 p.m., March 25, 1980.

[Whereupon, at 11:20 a.m., Tuesday, March 4, the subcommittee recessed, to reconvene at 2 p.m., Tuesday, March 25.]

LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1981

TUESDAY, MARCH 25, 1980

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

The subcommittee met at 2:15 p.m., in room S–146, the Capitol, Hon. Jim Sasser (chairman) presiding.

COST ACCOUNTING STANDARDS BOARD

STATEMENT OF ELMER B. STAATS, COMPTROLLER GENERAL OF THE UNITED STATES

ACCOMPANIED BY:
NELSON H. SHAPIRO, EXECUTIVE SECRETARY
NOAH MINKIN, GENERAL COUNSEL

1980 APPROPRIATION AND 1981 BUDGET REQUEST

Senator SASSER. The subcommittee will come to order. The first witness this afternoon is Mr. Elmer Staats, the Comptroller General of the United States. Welcome, General. Mr. Staats is accompanied by Mr. Nelson H. Shapiro, the newly-appointed Executive Secretary of the Cost Accounting Standards Board. Is Mr. Shapiro here? Yes. Without objection, Mr. Shapiro's résumé will be printed in the record at the conclusion of my remarks.

The 1981 President's budget includes $961,000 and 20 positions for the Cost Accounting Standards Board, a decrease, I am delighted to say, of $339,000 and eight positions below the 1980 level.

I want to commend you, Mr. Shapiro and the General. I think that is fine to decrease the budget and cut personnel. I want to say welcome to you, General Staats and say that we are pressed for time today.

PREPARED STATEMENT

Without objection, your prepared statement will appear in the record.

[The statement follows:]

STATEMENT OF ELMER B. STAATS

I am appearing before you today in my capacity as Chairman of the Cost Accounting Standards Board to discuss the budget estimates for Board operations during Fiscal Year 1981.

Our budget estimate for Fiscal Year 1981 is $961,000. This amount is $339,000 less than was appropriated for Fiscal Year 1980. Before describing the details of our budget estimate, I would like first to review briefly for you the Board's activities to date.

SUMMARY OF MAJOR PROMULGATIONS

The Board has promulgated seventeen Cost Accounting Standards, three ~~two~~ interpretations of Standards, and implementing regulations. All of these promulgations are required to be included in major negotiated defense contracts. The major promulgations of the Board are listed in Appendix A to this statement.

The Board also has designed a Disclosure Statement which is used to inform the Government of contractor's cost accounting practices. These Disclosure Statements facilitate the negotiation, audit, and settlement of contracts by requiring major defense contractors to describe cost accounting practices they will follow for negotiated defense contracts. The disclosure requirement applies to each contractor who receives in any one year negotiated defense prime and subcontract awards in excess of $10 million. As of September 30, 1979 the Board has 1667 Disclosure Statements from 288 companies.

STANDARDS DEVELOPMENT AND IMPLEMENTATION

The task of issuing sound, fair Cost Accounting Standards is exceedingly complex. To assist the Board in achieving its objectives, the Board seeks the cooperation of all those who have an interest in its work and frequently consults with representatives of all groups, including Government agencies, professional and industry associations, the academic community, and representatives of individual companies. There are more than 1,400 organizations and individuals to whom Board proposals are regularly mailed during the course of the Board's research.

These organizations and individuals generally have provided constructive comments on Board materials.

Recognizing that training on Board regulations and Standards could materially assist both industry and Government, the Board has actively participated in training programs of the Government and professional accounting and legal associations. In addition, Board Members and staff speak to interested groups and participate in panels, conferences, and the like which are sponsored by accounting or legal professional associations or by industry associations so that interested parties can obtain information about the Board and its Standards and regulations. The Board pays all travel and living expenses in accordance with the standardized travel regulations whenever Board and staff members attend out-of-town business meetings.

The Board has also worked cooperatively with Federal agencies in the development of regulations and implementing Cost Accounting Standards and pertinent Board rules and regulations. Reports received by the Board have indicated a number of improvements in contract negotiation and administration because of Board promulgations.

CONTRACT COST REDUCTIONS

We have been advised by the Department of Defense that through December 1978 there was a non-recurring net decrease in contract cost of approximately $230,000,000. In addition they estimated annual recurring cost reductions of $130,000,000. These are the most recent figures available from the Department of Defense. The estimates were identified with CASB rules and regulations even though some items may have been questioned under ASPR and other requirements in the absence of CAS.

We believe that there may be additional contract cost reductions which cannot be quantified. For example, lower contract prices may have resulted from better cost visibility and reliability due to Standards. This is attributable not only to the fact that negotiations with an individual contractor can be carried out on a more informed basis but to the fact that the use of common cost allocation

standards by contractors makes it possible to compare the cost proposals of competing contractors more precisely. The need to continue and enhance the Government's capacities in these respects is particularly important in view of the consistent pattern of cost overruns which we have been experiencing and the substantial increase in defense contracting which the President's budget projects.

FUTURE ACTIVITIES

The Board has spent a significant amount of its time reviewing its activities and considering how it can best fulfill its future responsibilities. As a consequence of the review that we have made, we have recognized clearly that the nature of the Board's responsibilities is changing. In recognition of this fact we are restructuring the organization. By the beginning of Fiscal Year 1981, the process will be complete. The Board will then be in a position to accomplish its task with a significantly reduced budget. Moreover should Public Law 91-379 be amended to merge the CASB into the General Accounting Office, as I recommended in a hearing held in November of 1979 before the Senate Banking Committee, the new structure will be completely compatible. It will also be adaptable to being merged into any other existing agency.

With substantial completion of the major task assigned to it by Public Law 91-379, the major functions which will continue under the law include the need to assure that defense contractors and Government agencies are implementing promulgated Cost Accounting Standards in the manner intended by the Board. Additionally, there is the need to review the Cost Accounting Standards to simplify them whenever practical and still achieve the purposes of the law.

The Board's decision to reorient its efforts in this manner is totally consistent with the views of the Deputy Under Secretary of Defense, Dale Church who, by memorandum to Board Member Wacker, recommended a general review of Standards, rules and regulations. In some instances he indicated that further action by the CASB may be effective in reducing contract disputes. In other instances

he suggested that revisions might serve to simplify the implementation of Standards and Board rules and regulations.

IMPORTANCE OF COST ACCOUNTING STANDARDS TO THE ACQUISITION PROCESS

Since we last appeared before the Appropriations Committee, the future of the CASB has been the subject of hearings held by the Senate Committee on Banking, Housing and Urban Affairs. At those hearings there was testimony by various witnesses on the value of Standards. The testimony served to reaffirm views expressed on several occassions before the Congress during the past five years. In 1975, similar evaluations were expressed by witnesses appearing before the Subcommittee on General Oversight and Renegotiation of the House Banking Committee. There was a widespread opinion among those testifying in favor of termination of the Renegotiation Board that the renegotiation process could be dispensed with because safeguards such as the Cost Accounting Standards were being developed. This view was reiterated in 1978 in the Senate Committee Report (No. 95-717) on the Renegotiation Abeyance Act of 1978. The report noted "Since the original enactment of renegotiation, Government contracting and procurement procedures have been significantly improved both by regulation and legislation. These improvements, coupled with a vastly improved Government audit capacity, the imposition of cost accounting standards, and the Truth-in-Negotiation Act, do much to create a contracting process with fair and equitable prices and practically preclude the possibility of contractors earning excessive profits."

All of the foregoing emphasize the general recognition of a need for definite groundrules to be used in the negotiation of Government contract costs. Only by having such rules at the time of contracting can both parties negotiate on the basis of the knowledge needed to assure fair and equitable pricing. The basis for obtaining such knowledge has been established in a very large measure by cost accounting standards and the existence of that basis appears to be an important reason for the Congress concluding that renegotiation could be dispensed with safely.

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Whether the Senate Committee's interest, or the interest of others in the House or Senate will lead to any revision in the law under which the CASB operates we do not know at this time.

CONCLUSIONS

From its inception, the CASB has focused primarily on research in the field of cost accounting and contract cost allocation practices and on development of a coherent set of standards for cost accounting that would bring uniformity and consistency to the cost accounting practices used for Government contracts. We now have seventeen standards that deal with many cost accounting areas. Appendix B to this statement lists several projects in process which may result in additional Standards. Most of these projects are likely to be completed during the current fiscal year.

Public Law 91-379 provides explicitly that Standards and other issuances of the CASB, when promulgated, "shall have the full force and effect of law." Consequently, in the absence of new legislation the Standards already promulgated by the Board and included in Government contracts would continue to be applicable even if the Board were to be denied sufficient funds to assure sound administration. As an extreme example, were the Congress to fail to appropriate any funds for the Board, the Standards would continue to be operative, but there would be no agency with authority to act to modify, amend or authoritatively interpret them. Such a condition would be extremely harmful to the Government as well as to contractors. The world of cost accounting is not static. Circumstances change. Special contract situations may require special treatment. It is imperative that there be an agency to act to adjust Standards or to make needed exceptions.

Whenever problems are found the Board will act as appropriate to overcome them. This action is likely to involve development of clarifying interpretations, corrective amendments or new Standards as necessary. Also, when appropriate we expect to be working with

individual contractors and their contracting agencies to determine the proper means of implementing Board requirements in the context of the facts and circumstances affecting that contractor. Under the proposed redirection the Board will be fully capable of identifying and responding to these needs with a significantly reduced staff. Personnel reductions have occurred or will occur by the end of the current Fiscal Year. Additional personnel is not being recruited to fill these positions. This reflects our decision to reduce the estimate of the number of permanent positions from 28, which was estimated for Fiscal Year 1980 to 20 for Fiscal Year 1981.

Turning now to our request for appropriations, our budget estimate of $961,000 for Fiscal Year 1981 will be allocated as follows:

$757,000 for salaries and related benefits of the members of the Board, permanent professional staff, and supportive clerical staff. This estimate covers the salary costs for 20 permanent positions for Fiscal Year 1981, a reduction of 8 positions from the number estimated for Fiscal Year 1980. The 20 positions include three Board members outside the Government, 12 professional and 5 clerical employees. At the present time we have 25 full-time staff positions filled.

$46,000 for travel of Board members and staff, which is $17,000 less than the amount projected for Fiscal Year 1980. This travel estimate reflects the need to do field work to assure that Standards are operating properly and the continuing need for research and development of possible Cost Accounting Standards or amendments to existing Standards. We must travel to obtain on-site information at contractors' offices and plants regarding cost accounting practices if we are to assure that Standards fulfill their objectives.

$68,000 for contractual services, computer services and reimbursement to other Government agencies for administrative and personnel

services; which is the same as the amount projected for these services in Fiscal Year 1980.

$90,000 for costs of space and services furnished by GSA, communications, utilities, printing and reproduction, supplies, materials, and equipment, which is a $13,000 decrease in the amount projected for Fiscal Year 1980.

This statement summarizes the Board's activities and our budget estimate for Fiscal Year 1981. I will be glad to answer any questions.

APPENDIX A

MAJOR RULES, REGULATIONS AND COST ACCOUNTING STANDARDS
PROMULGATED BY THE COST ACCOUNTING STANDARDS BOARD
AS OF DECEMBER 31, 1979

	DESCRIPTION	EFFECTIVE DATE
1.	Contract Coverage	July 1, 1972
2.	Minimum amount for covered contracts increased from $100,000 to $500,000	January 1, 1975
3.	Criteria for Materiality	October 4, 1977
4.	Exemption of Small Business and Modified Coverage for Certain Classes of Business Units	March 10, 1978
5.	Definition of "Cost Accounting Practice" and "Change in a Cost Accounting Practice"	March 10, 1978
6.	Exemption for Educational Institutions	August 1, 1978
7.	Exemption for Foreign Governments and Contractors	November 3, 1978
8.	Disclosure Statement	July 1, 1972
9.	Disclosure Statement - Lowering floor for filing to new awards of $10 million	April 1, 1974
10.	Standard 401 - Consistency in Estimating, Accumulating and Reporting Costs	July 1, 1972
11.	Interpretation No. 1 to Standard 401	July 1, 1972
12.	Standard 402 - Consistency in Allocating Costs Incurred for the Same Purpose	July 1, 1972
13.	Interpretation No. 1 to Standard 402	July 1, 1972
14.	Standard 403 - Allocation of Home Office Expenses to Segments	July 1, 1973
15.	Standard 404 - Capitalization of Tangible Assets	July 1, 1973

	DESCRIPTION	EFFECTIVE DATE
16.	Standard 405 - Accounting for Unallowable Costs	April 1, 1974
17.	Standard 406 - Cost Accounting Period	July 1, 1974
18.	Standard 407 - Use of Standard Costs for Direct Material and Direct Labor	October 1, 1974
19.	Standard 408 - Accounting for Costs of Compensated Personal Absence	July 1, 1975
20.	Standard 409 - Depreciation of Tangible Capital Assets	July 1, 1975
21.	Standard 410 - Allocation of Business Unit General and Administrative Expenses to Final Cost Objectives	October 1, 1976
22.	Standard 411 - Accounting for Acquisition Costs of Material	January 1, 1976
23.	Standard 412 - Composition and Measurement of Pension Cost	January 1, 1976
24.	Standard 413 - Adjustment and Allocation of Pension Cost	March 10, 1978
25.	Standard 414 - Cost of Money as an Element of the Cost of Facilities Capital	October 1, 1976
26.	Standard 415 - Accounting for the Costs of Deferred Compensation	July 10, 1977
27.	Standard 416 - Accounting for Insurance Costs	July 10, 1979
28.	Standard 420 - Accounting for Independent Research and Development and Bid and Proposal Costs	March 15, 1980

APPENDIX B

PROJECTS IN PROCESS

A number of research projects, several of which may result in Cost Accounting Standards, are in various stages of completion. They are described below.

Allocation of Indirect Costs

One of the Board's major projects has been the continui- to develop a series of Cost Accounting Standards related t

tion of indirect costs. In March 1978 the Board had published a proposed series of five such Standards. Many interested parties submitted comments and suggestions. In 1979 the Board concluded that the issues being dealt with could be covered in three, rather than five, Standards. The proposals were revised and the three new proposed Standards were published in July 1979 in the FEDERAL REGISTER with a request for comments by interested parties. The three proposed Standards are Cost Accounting Standard (CAS) 417, Distinguishing Between Direct and Indirect Costs; CAS 418, Allocation of Indirect Cost Pools; and CAS 419, Allocation of Overhead Costs of Productive Functions and Activities. Comments are being analyzed with a view towards promulgation before the end of this Fiscal Year.

Cost of Money as an Element of the Cost of Assets Under Construction

The project examines the merits of extending the cost of money concept enunciated in Cost Accounting Standard 414 to assets under construction. A similar project dealing with capitalization of interest has resulted in the Financial Accounting Standards Board issuing Statement No. 34 on this subject. The Cost Accounting Standards Board has published a proposed Standard dealing with this subject.

Capitalization Criterion

Cost Accounting Standard 404, issued in 1973, requires that a contractor have a written capitalization policy. The policy must provide for capitalization of assets which cost over $500. Prices generally have gone up since 1973 and the Board believes the Standard should be revised to allow a higher cost criterion. On the basis of a survey of current capitalization practices of business units which are not subject to Cost Accounting Standard 404, the Board has recently published for comment a proposed amendment raising the capital asset cost criterion to $1000.

Gains from Disposition of Capitalized Assets

This project is to examine the need for amendment to Cost Accounting Standard 409, "Depreciation of Tangible Capital Assets," regarding the treatment of gains from disposition of fixed assets. Cost Accounting Standard 409 limits Government sharing in gains to the amount of depreciation previously charged. The Board established the limitation because it recognized that gains in excess of depreciation taken resulted from asset value changes and not errors in depreciation estimates.

Cost Accounting Standard 414, "Cost of Money as an Element of the Cost of Facilities Capital," was established to reimburse contractors for the "real" cost of carrying assets as well as an amount for expected changes in the purchasing power of amounts invested in assets. Since the promulgation of Cost Accounting Standard 414, the Board is reevaluating the appropriateness of the limitation as to recognition of gains from the disposition of fixed assets.

Selling and Marketing Costs

Selling and marketing costs are a significant element of the cost of a contractor's operations. They have been the source of many controversies and disputes as to the definition of the costs and how such costs are allocated among Government and commercial contracts.

Product Development Costs

In the research performed on Standard 420 dealing with IR&D and B&P costs, the accounting treatment for product development costs surfaced as a potential problem. Most commentators said that the cost of product development should be considered as a separate cost to be accounted for under criteria different from those governing IR&D. A Standard on this subject could set forth criteria for the accounting composition of product development costs and could specify criteria to be used in allocating these costs to covered contracts in future periods.

Joint Product Costs

There is no single cost accounting method of allocating costs to different products that are produced by the same process, commonly called joint products. An example of the problem is how to allocate the cost of a barrel of crude oil to the various products of a refinery. The Department of Defense (DOD) is a major customer for joint products such as petroleum. DOD attempts to purchase petroleum products on a competitive basis but, in times of shortages, suppliers may not offer sufficient quantities to meet DOD needs. If there are no competitive quotations or suitable market prices, contracts for fuel supplies must be negotiated on the basis of cost and pricing data. In these circumstances it may become necessary to base contract prices on costs. In the absence of a Standard on allocation of joint product costs, it would be difficult if not impossible to reach agreement on joint product costs allocable to a particular contract. Comments on issues are now being reviewed and evaluated.

Standards in Operation

The Board has established a continuing project to review the effects of Standards which have been promulgated. We have met with representatives of both Government and contractors to explore their experiences under Standards. These reviews should disclose any troublesome areas which may warrant study to determine if the Standards can be improved. This may result in amendments, interpretations, new projects or other actions which will further hone the Cost Accounting Standards, Disclosure Statement and their related rules and regulations.

Modification of Contract Regulations

In June 1979 the Board proposed a comprehensive revision to the regulations which have been published in Parts 331, 332 and 351 of the Board's regulations. The revision was designed to increase clarity, to remove obsolete material, and to achieve greater consistency of language. It also dealt with a number of suggestions affecting the treatment of increased costs paid by the Government, especially

with regard to firm-fixed-price contracts. In response to comments to the June proposal the Board has made substantial revisions and republished the sections for further comment.

Biography of Nelson H. Shapiro

Comptroller General Elmer B. Staats has appointed Nelson H. Shapiro Executive Secretary of the Cost Accounting Standards Board. Mr. Shapiro succeeds Arthur Schoenhaut, who will retire February 29.

The Cost Accounting Standards Board is responsible for promulgating Cost Accounting Standards for negotiated defense contracts. The Comptroller General serves as Chairman. Other members of the Board are Herman W. Bevis, formerly Senior Partner of Price, Waterhouse and Company and currently a consultant to the New York Stock Exchange; Gordon Shillinglaw, Professor of Accounting, Graduate School of Business, Columbia University; Fred P. Wacker, Assistant Secretary of Defense (Comptroller); and John M. Walker, Senior Vice President and Corporate Treasurer, Texas Instruments, Inc.

Mr. Shapiro has been with the Board since 1971, serving as a Project Director since 1977. Mr. Shapiro came to the Board from the public accounting firm of Peat, Marwick, Mitchell & Co. He also spent seven years with audit agencies of the Federal Government, including the Army Audit Agency, Defense Contract Audit Agency, and Health, Education and Welfare Audit Agency and was Treasurer and Controller of the General Automatic Products Corporation in Baltimore, Maryland.

Mr. Shapiro is a past president of the Montgomery-Prince Georges Chapter of the Association of Government Accountants and has received Chapter awards for Distinguished Leadership and Achievement of the Year. He also is a member of the American Institute of Certified Public Accountants and the Maryland Association of Certified Public Accountants. Mr. Shapiro is a graduate of the University of Baltimore.

EFFECT OF NONFUNDING OF THE BOARD

Senator SASSER. I would like to turn, if I could, now, to a couple of questions dealing with the Cost Accounting Standards Board. In this era of budget cutting and watching the Federal dollars very closely, the first question is obvious. What, if any, adverse effect would we feel if the Cost Accounting Standards Board were not funded in 1981?

Mr. STAATS. Mr. Chairman, one of the provisions in the statute which created the Board provided, that standards promulgated by our Board must lie before Congress 60 days. Absent any action by the Congress, these standards become law and have the full effect of any statute.

There has to be a body to deal with a number of matters which relate to standards that have been issued, such as: matters of interpretations, waivers on individual contracts which are recommended from time to time by the Government agencies, amendments to the standards that have been issued; there is also a requirement that the Board provide for current disclosure statements of the contractors if they do as much as $10 million a year of business with the Government.

A number of times contractors and agencies come to the Board or staff asking factual-type questions. All of these things require that there be a continuing body to deal with them. As I point out in my statement, the Board will have substantially completed the work on the basic standards by the beginning of the next fiscal year, October 1, but we must continue to have some agency in being to monitor these standards and deal with particular problems as they arise from either the contractors or the contracting agencies.

We do not believe that the amount of money that we are talking about here is very substantial in relationship to the amount of procurement which is involved. As you may know, the proportion of our procurement, which is not competitive, has increased substantially in recent years.

The total procurement now is running about $45 billion, of which 74 percent is noncompetitive. Of that 74 percent, about two-thirds is sole source, where there is only one contractor that is negotiated with.

PURPOSE OF STANDARDS

If you didn't have standards, you would be in serious trouble, as I see it, in being able to analyze a contractor's costs when you are negotiating a contract.

There is a question about how he allocates his costs between his commercial business and his Government business. There is a question how he allocates that cost between one contract and another contract. There is a question of consistency; how he allocates those costs over the period of the contract itself, but most important of all, it is necessary to have a disclosure of these costs when the Government on one side of the table, and the contractor on the other side of the table, are negotiating the price of these contracts.

Now, there are two statutes which are essential, as we see it, to adequate cost disclosure. One is the Truth-in-Negotiation Act, which was passed in 1962, and the other is Cost Accounting Standards Act. The

Truth-in-Negotiation Act says that a contractor must certify his known costs that he will incur during the next contract.

The Cost Accounting Standards provide a consistent and uniform way to allocate those costs of his Government work. I think it would be a very serious matter if the Board were not funded. It would present all kinds of problems to the contractors and to the Government, if you had the statute standards and disclosure statement requirements on the books with no one to administer them.

Senator SASSER. With the abolition of the Cost Accounting Standards Board, as I take it, you probably have opportunities for fraud, abuse, waste, and error on the part of the contractors.

Mr. STAATS. Certainly waste, error, and abuse. I don't know if you could put fraud in that category, but I think certainly the other adjectives would apply.

Senator SASSER. Well, we will have additional questions on the Cost Accounting Standards Board, General, to put into the record.

Mr. STAATS. If I might, Mr. Chairman, there were a number of matters that came up in connection with the hearings with the Senate Committee on Banking and Urban Affairs. With your permission, it might be useful to include some material relevant to that in the record.

Senator SASSER. We will insert that in the record after the question and answer. We will move on then, gentlemen. Thank you for coming today.

[The question, answer, and other material follow:]

PROTECTION OF GOVERNMENT INTERESTS

Question. How are the Cost Accounting Standards protecting the Government's interest?

Answer. There is no question that Cost Accounting Standards provides the opportunity for significant protection of the Government's interest.

In the 1970 Feasibility Study which concluded that Cost Accounting Standards should be developed and led to the creation of the Cost Accounting Standards Board, GAO found that contractors were using a number of different cost accounting practices to record similar transactions in the estimating, accumulating, and reporting of cost of defense contracts. For the most part, the various practices were not precluded by the existing cost accounting regulations. The Federal procuring agencies indicated to us that there have been a number of improvements in contract negotiations and administration because of Cost Accounting Standards. For example, the Director of the Defense Contract Audit Agency recently stated: "A significant accomplishment of CAS has been the limiting of accounting alternatives in contract costing. This enables the Government, in comparable circumstances, to compare cost data more meaningfully. As allocation techniques are made more objective and alternative procedures are limited by use of specific criteria, contract costing becomes more comparable and consistent. Standards promulgated to date have largely achieved this."

To undo what has been accomplished would result in a loss of the advantages that have been achieved from standards. Most notably the increased uniformity and consistency which has been realized in accounting for contract cost is likely to be rapidly eroded. It is therefore very likely that this would produce the results you suggest.

Statement of Elmer B. Staats Before the Committee on Banking, Housing, and Urban Affairs

I am appearing here today in the dual capacity of Chairman of the Cost Accounting Standards Board and Comptroller General of the United States in support of legislation to transfer the functions, standards, personnel, and records of the Cost Accounting Standards Board to the General Accounting Office, effective October 1, 1980.

The House Appropriations Committee in its report on the Legislative Branch Appropriations Bill, 1980, included the following recommendation with respect to the continuance of the Board as a separate agency:

"The Committee believes that the Board has contributed substantially to the development of consistency and uniformity in cost accounting and that its useful life should only be prolonged sufficiently to complete the indirect cost standards. Work on these standards commenced in early 1977 and the Committee anticipates that these will be promulgated by the end of FY 1980.

"The authorizing committees are urged to review the activity of the Board with the objective of placing continuing activity with an appropriate agency involving much less cost to the federal government." The Committee reduced the appropriation request from $1,800,000 to $1,300,000, and that is the amount agreed upon between the House and the Senate in the continuing resolution under which the legislative branch is funded currently.

The Cost Accounting Standards Board was created by Public Law 91-379 and began its work in 1971. The statute mandates that the Board "promulgate cost-accounting standards designed to achieve uniformity and consistency in the cost-accounting principles followed by defense contractors and subcontractors under Federal contracts." These standards are required to be used by all relevant Federal agencies and by defense contractors and subcontractors in estimating, accumulating, and reporting costs in connection with pricing, administration and settlement of all negotiated prime contract and subcontract national defense procurements in excess of $100,000, other than contracts or

subcontracts where the price is negotiated on the basis of established catalog or market prices sold in substantial quantities to the general public, and those set by law or regulation.

The statute also requires that defense contractors and subcontractors disclose in writing their cost-accounting practices and to follow consistently these practices in pricing contract proposals and in accumulating and reporting contract performance cost data.

This statute followed a report from the Comptroller General requested by the Congress, in which the Comptroller General was asked to recommend both as to the feasibility and desirability of the development of standards applicable to negotiated defense contracts. The report was submitted to the Congress on January 19, 1970 and Congress enacted Public Law 91-379, August 15, 1970.

In furtherance of its responsibilities the Board has promulgated seventeen comprehensive cost accounting standards dealing with specific cost accounting subjects. A list of these Standards is attached. (Appendix A) The Board has also promulgated two detailed Disclosure Statements, one for contractors generally and another tailored to the unique accounting of colleges and universities. A total of almost 1800 Disclosure Statements has been filed. Rules and regulations implementing both the Standards and disclosure requirements have also been promulgated.

In addition to the seventeen Standards already issued three more have been proposed for promulgation by the Board. These deal with indirect cost allocation. When public comments on these proposals have been received and evaluated, the Board will make whatever adjustments are needed to bring the proposals to the point where they can be promulgated as operating Standards. This is expected to be accomplished before the proposed transfer to the General Accounting Office occurs.

These three Standards will bring the total number of Standards dealing with specific accounting topics to twenty. This score of Standards will cover the accounting for the bulk of costs which are allocated to Government contracts. The remaining costs involve various accounting issues. Among them are the following which are currently under study.

1. Cost of Money as an Element of the Cost of Assets Under Construction
2. Capitalization Criterion
3. Gains from Disposition of Capitalized Assets
4. Selling and Marketing Costs
5. Product Development Costs
6. Joint Product Costs

A brief summary of each of these issues is appended to this Statement. (Appendix 8)

Looking back over the life of the Cost Accounting Standards Board, it is apparent that it has contributed significantly to the development of accounting standards essential to the efficient, effective administration of Government contracts. When the Board began its work, the field of contract cost accounting was characterized by highly variable practices. Not only did various contractors have radically different practices, individual contractors applied different practices to different contracts. Efforts to determine costs uniformly and consistently on individual government contracts and proposals were frequently frustrated. The Standards promulgated by the Board have provided a sound basis for overcoming these problems. By narrowing the cost accounting options which are available and by providing for disclosure of cost accounting practices, the Board has provided a mechanism by which both the Government and its contractors can enter into contracts and have some sense of certainty as to how various costs will be treated during the life of a contract.

I have been especially pleased to have had the assistance of able Board members who have worked diligently and cooperatively in carrying out the Board's statutory mandate. The Board has also had a very capable staff headed by an executive secretary with long experience in the field of governmental accounting and auditing. However, I believe that the principal ingredient in the Board's success has been its ability to operate with great independence and because it could make its judgments on proper allocation and accounting techniques on purely objective grounds. Decisions

could be made before the fact -- in advance of either the Government or the contractor having a vested interest because of the impact of the Standard on any particular procurement. It is particularly vital to retain this capacity now that the safeguards of the Renegotiation Board no longer exist. While that Board was operating the Government had the assurance that any contracts made under the pressure of urgent procurement requirements would be reviewed to eliminate excessive profits. As noted by a number of witnesses testifying in 1975 on the Renegotiation Board during hearings before the Subcommittee on General Oversight and Renegotiation of this Committee, the development of Cost Accounting Standards tended to make this after-the-fact protection unnecessary. Now that such protection does not exist, the need for objective before-the-fact decisions of the type that can be made by the Cost Accounting Standards Board is even greater than it has been.

In the future the Board will issue new Standards as needed and assure that the Standards, Disclosure Statement and implementing regulations developed by the Board are interpreted correctly and operate effectively to fulfill the objectives set forth in Public Law 91-379. Basically this means that organization will:

(1) Examine into whether contracting agencies and contractors continue to use the material developed by the Cost Accounting Standards Board to produce optimum benefits to both. This will necessitate observation of the activities of the agencies and contractors as they apply Standards. The Board has already established a program to review the way in which existing Standards are being applied. (Additional information on this program is contained in Appendix B.)

(2) Monitor new Disclosure Statements as well as revisions needed to update Statements already on file and revise and clarify Disclosure requirements as needed.

(3) Amend, interpret and administer Cost Accounting Standards as needed to keep the Standards properly operating in the dynamic words of procurement and accounting. At the present time, the Board's staff

is reviewing several Standards to determine whether current circumstances warrant their revision. New situations and requirements are bound to test various provisions of the Board's promulgations. An organization which is independent of the day-to-day procurement pressures will be best able to meet these tests.

(4) Continuously evaluate the operation and impact of promulgated standards, keeping in mind the statutory mandate that the Board "take into account the probable costs of implementation compared to the probable benefits." Simplification and reduction of administrative costs of standards implementation should also be an important objective.

The proposal to integrate the Cost Accounting Standards Board with the General Accounting Office will assure the type of independence that I believe is essential to the continued effectiveness of Standards. Placing the Cost Accounting Standards Board responsibilities in an executive branch agency raises a serious question as to whether such an agency could be sufficiently independent. By contrast the General Accounting Office is by law independent and has the benefit of having viewed the procurement process from that vantage point. Its historical independent role with respect to the procurement functions seems ideally suited to enabling it to assume the future responsibilities for cost accounting standards matters.

Perhaps of equal significance is the fact that the future responsibilities concerning cost accounting standards are very similar to other responsibilities that the Comptroller General has had since enactment of the Accounting and Auditing Act of 1950. Under that Act the Comptroller General was directed to prescribe the principles, standards and related requirements for accounting to be observed by each executive agency. In fulfilling these responsibilities for over a quarter of a century, the Comptroller General has developed a broad base of experience in developing accounting principles. The expertise developed in this area will be of great value in carrying on the work of the Cost Accounting Standards Board. Because of the substantial advances made by both the Board and the Comptroller

General in establishing principles and Standards, they will complement each other very well.

The Comptroller General also is required to approve executive agencies' accounting systems under the Law. This activity requires the review and approval of practices in the Government agencies which calls for a relatively direct involvement in the agencies' accounting systems. This type of involvement would not occur with respect to contractors' accounting systems under the proposed legislation. Contractor's accounting systems would not be subject to approval by the Comptroller General. Reviews would be made only to determine the manner in which Standards are interpreted and applied by both the Government and the contractors. Whenever a review indicated that a particular Standard was not achieving the objectives intended to be realized when it was promulgated, the Comptroller General would be responsible for acting to correct the situation.

The similarities between the ongoing responsibilities of the General Accounting Office and those that will have to be fulfilled in the future administration of Cost Accounting Standards also mean that by assigning the Cost Accounting Standards function to the Comptroller General, each activity will have an opportunity to make significant contributions to the success of the other. The General Accounting Office is involved generally in reviewing the ways in which Federal agencies and Federal contractors comply with Government laws and regulations. Review of the use of Cost Accounting Standards would be a natural addition to this function. The Cost Accounting Standards Board for its part has a comprehensive background of accounting experience and knowledge upon which its cost accounting standards have been built. This experience and knowledge would be of significant value in the General Accounting Office's work with agency accounting systems and in working with the Congress on various matters involving accounting and audit issues.

The Board has made substantial efforts to keep its staff small in number. In recognition of its small staff and budget, the Board has avoided establishing a complex of administrative offices. Instead it has been lodged in the General Accounting Office building and

has used various resources of the General Accounting Office, on a reimburseable basis, including use of the General Accounting Office's personnel and travel services and other support services. For most purposes the Cost Accounting Standards Board has adopted operating rules and regulations similar to those of the General Accounting Office. As a consequence of this mode of operation, the transfer of the Cost Accounting Standards Board to the General Accounting Office as proposed could be accomplished at virtually no cost and without materially disrupting the activities of either organization. This means that the transfer of the Cost Accounting Standards Board to the General Accounting Office would be both efficient and economical.

When the proposals which ultimately led to Public Law 91-379 were being considered in 1969 and 1970, one proposal was that the Comptroller General be assigned the responsibility for the promulgation of Standards. At that time I recommended that the responsibility be assigned to an independent Board. I noted that if such a Board were established, the General Accounting Office would exercise a legislative oversight function and would give the Board whatever assistance it could from a technical point of view. In addition I observed that it would be the job of the General Accounting Office to see that the will of Congress is carried out.

The recommendation at that time for a separate Board constituted a recognition of the unique, highly specialized work that would be required to bring cost accounting standards into being. Ordinarily such a task will be more effectively accomplished when the energy of the organization is sharply focused on a single objective without the distraction of other responsibilities. The success of the Cost Accounting Standards Board in producing comprehensive standards, in establishing disclosure requirements and in developing implementing regulations is attributable largely to the fact that it has worked in this kind of environment. The needs now have shifted so that the oversight functions necessary to assure that the will of Congress continues to be fulfilled are as important as the need to continue the development, interpretation and revision of Standards

and Disclosure Requirements. Because of this shift, I believe it is now appropriate to transfer the functions and responsibilities of the Cost Accounting Standards Board to the General Accounting Office.

APPENDIX A

CAS 401 - Consistency in Estimating, Accumulating and Reporting Costs

CAS 402 - Consistency in Allocating Costs Incurred for the Same Purpose

CAS 403 - Allocation of Home Office Expenses to Segments

CAS 404 - Capitalization of Tangible Assets

CAS 405 - Accounting for Unallowable Costs

CAS 406 - Cost Accounting Period

CAS 407 - Use of Standard Costs for Direct Material and Direct Labor

CAS 408 - Accounting for Costs of Compensated Personal Absence

CAS 409 - Depreciation of Tangible Capital Assets

CAS 410 - Allocation of Business Unit General and Administrative Expenses to Final Cost Objectives

CAS 411 - Accounting for Acquisition Costs of Material

CAS 412 - Composition and Measurement of Pension Cost

CAS 413 - Adjustment and Allocation of Pension Cost

CAS 414 - Cost of Money as an Element of the Cost of Facilities Capital

CAS 415 - Accounting for the Cost of Deferred Compensation

CAS 416 - Accounting for Insurance Costs

CAS 420 - Accounting for Independent Research and Development Costs and Bid and Proposal Costs

APPENDIX B
WORK IN PROCESS

1. Cost of Money as an Element of the Cost of Assets Under Construction

The project examines the merits of extending the cost of money concept enunciated in CAS 414 to assets under construction. A similar project dealing with capitalization of interest is currently on the agenda of the Financial Accounting Standards Board. In order to avoid duplication of effort and to maximize consistency with FASB Statements, the Cost

Accounting Standards Board deferred its work on this project until the Financial Accounting Standards Board had developed its subject more fully. An FASB Statement is now anticipated before the end of 1979 and the project has been resumed by the Cost Accounting Standards Board.

2. Capitalization Criterion

Cost Accounting Standard 404, issued in 1973, requires that a contractor have a written capitalization policy which includes a capital asset cost criterion which may not exceed $500. Prices generally have gone up since 1973, and it is possible that the Standard should be revised to allow a higher cost criterion. Many contractors will adopt the highest value allowed in order to charge acquisition costs currently rather than to show investments and depreciation costs. In 1978 the Board approved a study to consider a change in the criterion.

3. Gains from Disposition of Capitalized Assets

This project is to examine the need for amendment to Cost Accounting Standard 409, "Depreciation of Tangible Capital Assets," regarding the treatment of gains from disposition of fixed assets. CAS 409 limits Government sharing in gains to the amount of depreciation previously charged. The Board established the limitation because it recognized that gains in excess of depreciation taken resulted from asset value changes and not errors in depreciation estimates.

Cost Accounting Standard 414, "Cost of Money as an Element of the Cost of Facilities Capital," was established to reimburse contractors for the "real" cost of carrying assets as well as an amount for expected changes in the purchasing power of amounts invested in assets. Since the promulgation of CAS 414, the Board is reevaluating the appropriateness of the limitation as to recognition of gains from the disposition of fixed assets.

4. Selling and Marketing Costs

Selling and marketing costs are a significant element of the cost of a contractor's operations. They have been the source of many

controversies and disputes as to the definition of the costs and how such costs are allocated among Government and commercial contracts.

5. Product Development Costs

In the research performed on the Standard 420 dealing with IR&D and B&P costs product development costs continually surfaced as a significant accounting problem. Most commentators said that it should be considered as a separate cost to be accounted for under criteria different from those governing IR&D. Because these costs have been the subject of much controversy in connection with the Government's participation in contractors' technical programs it appears that guidance is needed for allocation of these to U.S. Government contracts. A Standard on this subject would set forth criteria for the accounting composition of product development costs and would specify criteria to be used in allocating these costs to covered contracts in future periods.

6. Joint Product Costs

There is no single cost accounting method of allocating costs to different products that are produced by the same process, commonly called joint products. An example of the problem is how to allocate the cost of a barrel of crude oil to the various products of a refinery. The Department of Defense is a major customer for joint products such as petroleum. DOD attempts to purchase petroleum products on a competitive basis but, in times of shortages, suppliers may not offer sufficient quantities to meet DOD needs. If there are no competitive quotations or suitable market prices, contracts for fuel supplies must be negotiated on the basis of cost and pricing data. In these circumstances it may become necessary to base contract prices on costs. In the absence of a Standard on allocation of joint product costs, it would be difficult, if not impossible to reach agreement on joint product costs allowable to a particular contract.

7. Standards in Operation

The Board has also established a continuing project to review the effects of Standards which have been promulgated. We have met with representatives of both Government and contractors to explore their experiences under Standards. These reviews should disclose any troublesome areas which may warrant study to determine if the Standards can be improved. This may result in amendments, interpretations, new projects or other actions which will further hone the Cost Accounting Standards, Disclosure Statement and their related rules and regulations.

One thing that the review has focused attention on is the use of subjective tests in various Standards. These tests arise out of terms such as "consistent," "same purpose," "like circumstances," "minimize, to the extent practical" and "properly allocable." Successful use of such criteria, of course, depends upon reasonable decisions achieved through the process of negotiation between the contracting parties. Nonetheless it is possible that as the review process goes on we may find that additional action by the Board may facilitate resolution of questions in these areas. In other cases the review suggests that additional action by the Board may be warranted primarily to clarify the way in which a Standard is intended to operate.

LETTER FROM ELMER B. STAATS

DEC 10 1979

The Honorable Jake Garn
United States Senate
Washington, D. C. 20510

Dear Senator Garn:

Attached are responses to the questions which you sent to me with your letter of November 20, 1979. Answers to both your questions and questions of Senator Morgan are enclosed for inclusion in the record of hearings before the Senate Committee on Banking, Housing and Urban Affairs which were held on November 2, 1979. I am sending a copy of the answers directly to Senator Morgan.

If you have any further questions or desire any additional information we will be pleased to provide it.

Sincerely,

Elmer B. Staats

Chairman

QUESTIONS SUBMITTED BY SENATOR GARN

Q. 1. During the hearings to establish the CAS Board, you strongly recommended that the Board should not be placed within the GAO. Specifically, you reasoned:

> "We never want to get ourselves in a position where our independence is compromised by virtue of our having participated to an undue extent in the administrative decision or in the operations which are essentially the function of the executive branch. We being an agent of Congress believe our function can best be discharged by analyzing and assessing how well the executive branch has done its work and formulating suggestions and ways in which we think they can be improved either by administrative action or by legislative action."

a. Why have you changed your mind with respect to retaining the functions within the GAO?

A. When I appeared before the Committee on November 2 I said:

> "Up to 1970, I had roughly 12 years remaining in my term as Comptroller General. I had recommended that the legislation be passed. There was serious consideration given to placing the function in the Comptroller General

at that time. I did not want to be in a position of asking for something additional by way of authority and power for the Comptroller General.

"I would like to hasten to say that if I had known then what I now know with respect to the difficulties and pressures which are involved in developing these standards, I would never have made that recommendation. So I was wrong and I freely admit it.

"I think that without the independence which you have to have to do this -- and I think my friends in the private sector, in the Financial Accounting Standards Board, would support me on this -- without independence, you cannot do this job. I do not believe that an Executive Branch agency would have the independence to do that."

When the major work of developing most cost accounting standards has been completed, the primary function for the Cost Accounting Standards Board or its successor will be to analyze and assess how the executive branch is implementing Standards and to formulate ways to improve that effort. I thus believe that the future CASB responsibilities are compatible with the functions and responsibilities of GAO.

Q. 1. b. Abolishing the Board and melding its functions in to the GAO removes the CAS Board's visibility, and removes its independence from the GAO. The potential for conflict between the GAO auditing and review duties, and the CAS rule-making duties, may be even greater. How would these conflicts, best described in your above statement, be resolved if the proposed merger was accomplished?

A. There is no reason why the transfer of the CASB into the GAO should reduce the CASB's visibility. Both the Board and the GAO have recognized the need to keep the public informed about the work of each. That need would continue to be recognized. Moreover amounts appropriated for the CAS function could be readily identified in the Budget. As to possible conflicts between the GAO audit and review duties and CAS rule-making duties, I see none. It should be noted that the Congress apparently saw none when they lodged audit and review as well as rule-making authorities in the CASB under Public Law 91-379. The Board incidentally has exercised its audit and review authority sparingly because it

found it generally to be more practical to utilize the services of GAO or the contracting agency both of whom had equivalent authority under the Act. Moreover the consolidation of authority in this fashion occurs frequently and is exemplified by such regulations as the Defense Acquisition Regulation which is issued by the Department of Defense for use by the Defense Department elements which are scrutinized by the Defense Department.

Q. 2. Assuming your proposal was implemented and future CAS Board responsibilities were carried out through GAO:

a. Would the Comptroller General hold the same responsibilities and authorities presently held by the Board? If they are not the same, how would they be limited, expanded, or how would they differ?

A. The responsibilities and authorities vested in the GAO should be essentially the same as those currently vested in the Board. However, in operation the functions of the CASB, wherever located, would emphasize maintenance and review types of activities more and development of new standards less.

Q. 2. b. How many staff people would be required to carry out the CAS Board functions within the GAO? How many staff people are presently required?

A. The CASB's current staff consists of 26 full time employees of which 17 make up the professional staff. For FY 1981, it is anticipated that the professional staff will be reduced to 12 with corresponding reductions in the administrative staff. If the Board's functions were transferred to the GAO, the staff dealing with CAS matters full time would probably be reduced further.

Q. 3. The CAS Board must consider the cost impact of the standards it proposes and balance this against the benefits derived. In his testimony before the Committee, Mr. Mulligan stated

that "there are definite tangible costs associated with (the standards). Yet, to my knowledge, the Board has not set forth anything except intangible, unquantified benefits of those standards."

Would you provide us with an example of the cost and benefit analysis undertaken by the CAS Board with respect to these standards, and specify what considerations are relevant to the benefit analysis?

A. As we noted during the November 2 hearings we have been unable to devise a precise way in which we could quantify the costs and benefits of proposed Standards. As an example of the efforts we have made to find a way to quantify etc. I am submitting for the record a copy of the report of the panel of experts referred to in my November 2 testimony. (Exhibit A)

We have, at times, received some contractor estimates of costs of implementation. Upon examination we have found that these estimates generally could not be supported. We also asked the Department of Defense to provide information on the cost impact of Standards. We have been advised by the Department of Defense that through December 1978, there was a nonrecurring net decrease in contract cost of approximately $230 million. In addition they estimated annually recurring cost reductions of $130 million. These estimates were identified with CASB rules and regulations even though some items may have been questioned under ASPR and other requirements in the absence of CAS. We believe that there may have been additional contract cost reductions which cannot be quantified. For example lower contract prices may have resulted from better cost visibility and reliability due to Standards.

Q. 4. I understand that the CAS Board is not presently subject to the Sunshine Act and that you continue to hold closed

meetings. Will this practice continue under your proposed reorganization?

A. A primary problem in opening our meetings to the public has been the amount of privileged and confidential information which the Board considered in its deliberations and the necessity of protecting such information. We have been able to hold public meetings when considering final promulgations because at that stage commercially private information is rarely considered or discussed. In addition we meet with representatives of contractors, contractor's associations, procurement agencies and the FASB as frequently as necessary to assure a full and complete exchange of views. This practice is likely to continue but can certainly be revised if circumstances warrant a change.

QUESTIONS SUBMITTED BY SENATOR MORGAN

Q. 1. You originally testified at hearings on S.3302, which became Public Law 91-379, that:

> "We question whether the GAO should become deeply involved in the administration of negotiating contracts. Responsibility for the administration of contracts, including promulgation, interpreting, and administering cost accounting standards seems basically an Executive Branch function."

Why have you changed your position on this question?

A. As I said in response to Senator Garn in my testimony on November 2, 1979, had I known then what I know now with respect to the difficulties and pressures which are involved in developing these standards, I would not have advocated placing the ultimate responsibility for the development of Standards in the Executive Branch.

Q. 2. In view that it has taken 8 years, not 3 to 5 years, to issue the current cost accounting standards, at a cost of about $600,000 each, do you believe that the Government will save

$2,000,000,000 a year on defense contracts? If so, what is your support?

Q. 3. How are cost-benefit studies made? (Provide the studies for the record.)

A. As I have already indicated no one has been able to quantify the benefits with any degree of precision. However the Department of Defense has made some estimates of the savings that may be attributed to Cost Accounting Standards. For details on these estimates as well as the way in which cost-benefit studies are made, please see the answer to Senator Garn's third question.

Q. 4. If GAO had the function of promulgating and revising Standards, would that conflict with its review and audit functions?

A. For the reasons set forth in my response to the second part of Senator Garn's first question, I do not believe there is any such conflict.

Q. 5. Why should GAO have cost accounting standard rule-making functions, when there are many executive agencies that have rule-making functions? (In other words, what is so different about cost accounting standards?)

A. Cost Accounting Standards can only be developed by an organization which has a staff that is thoroughly familiar with accounting concepts, theories and practices as well as with the workings of the Government contracting process and Government contractors. Although there are many executive agencies which have rule-making responsibilities in various areas, none has the full gamut of skills needed for the development of Cost Accounting Standards that is present on the current Board and that can be supplemented by the extensive skills available in the GAO.

In addition as I noted in my November 2 testimony there is a vital need to assure that cost accounting standards are lodged in an agency of the Government which is not susceptible to pressures from either the acquisition agencies or the Government contractors.

Q. 6. Wouldn't there be a paternalistic factor since the Comptroller General has been, and would be, Chairman?

A. I believe that the Comptroller General will be as conscientious about Cost Accounting Standards if responsibility for them is lodged in the GAO as the present Comptroller General has been in carrying out his responsibilities when functioning as the Chairman of the Cost Accounting Standards Board. Whether the responsibility of the Comptroller General exists within GAO or ex officio in a separate organization like the Board, should not affect the way in which he fulfills his statutory duties. However the CASB is organized for the future, certainly will not affect my own role significantly since my term as Comptroller General will expire in March 1981.

Q. 7. Wouldn't the adversary relationship considered to exist between the GAO and Government agencies and industry hamper the effectiveness of performing this function?

A. The GAO has a general oversight responsibility with respect to Government agencies and Government contractors. In my view that does not create an adversary relationship with the parties. Consequently the GAO could undoubtedly carry out the necessary activities to assure that the continuing functions of the Cost Accounting Standards Board are fulfilled efficiently and effectively.

Q. 8. You have indicated that CAS Board functions should be in GAO because new situations and requirements will test various Board rules. You suggest that an organization which is independent of day-to-day procurement pressures will be best able to meet those tests. Isn't it true that there is

danger in putting this authority in an agency remote from contracting realities and the impact of the standards?

A. The GAO while not itself a procurement agency is not remote from the contracting realities. As a consequence of its contract audit and review responsibilities, it is intimately familiar with all aspects of contracting from initiation to termination. By not being a procurement agency, however, it does not have the kind of stake in the impact of Standards that such agencies have. It can make independent judgments and decisions with the skill and objectivity that can only be provided by one who is knowledgeable but has no personal vested interest in the results of those judgments and decisions.

Q. 9. Is it not true that OFPP would meet both these criteria--independent of day-to-day pressures yet not remote from the contracting realities and the impact of the standards?

A. There are a number of objections to lodging the CAS functions in OFPP. As I indicated when I appeared before the Committee on November 2, OMB has no expertise in this area. Moreover, OFPP is remote from the day-to-day contracting realities to which you refer and is not charged with duties that involve comprehensive day-to-day dealing with actual contractor-contracting agency problems.

Q. 10. Since OFPP is responsible for developing all other procurement regulations and monitoring them, isn't it reasonable to put the residual responsibilities for CAS in OFPP?

A. Because of OFPP's lack of expertise in cost accounting matters, cost accounting standards would have a very low priority if this function were transferred there. Additionally, without the expertise, that office would be unable to make the necessary reviews to assure that Standards are operating correctly or to take the necessary corrective action when Standards did not achieve the objectives that the Congress has stated in Public Law 91-379.

EXHIBIT A

REPORT TO THE COST ACCOUNTING STANDARDS BOARD BY A SPECIAL GROUP OF CONSULTANTS TO CONSIDER ISSUES RELATING TO COMPARING COSTS WITH BENEFITS, NOVEMBER 13, 1978

MEMORANDUM FOR THE CHAIRMAN, COST ACCOUNTING STANDARDS BOARD

You have appointed us as a special consultant group and have asked us to consider the feasibility of comparing the probable costs of implementation with the probable benefits of Cost Accounting Standards. You are interested in our advice with respect to the techniques by which the Board should assess the probable benefits and the probable costs, in deciding whether to promulgate a proposed Cost Accounting Standard.

Our conclusion is that no objective cost benefit calculation in aggregate quantitative terms is possible for CASB Standards as a whole or for any of them individually. Reasonable people, with some experience in such matters, acting responsibly in a spirit of compromise, using such reliable information as can be gathered together, will make a "calculation," as they must if anything is to be done. But the calculation will be in ordinal rather than cardinal terms; it will be rough, rather than precise; it will always be subject to revision, rather than fixed in stone. The situation is not different from that concerning the merits of many other laws, rules, regulations, and administrative decisions. Nor is our conclusion different from the conclusion reached by those concerned with the cost-benefit problem confronting the Paperwork Commission, for example.

The reasons are clear: The costs and benefits that result from the promulgation of a Standard are indirect, as well as direct; they follow with a lag, which may be distributed over some time, as well as immediately; they depend on the circumstances holding--and other actions taken--at the time the Standard was determined, and also on later developments. In the present state of knowledge--or any foreseeable future state--therefore, it would be futile to try to trace and determine the respective magnitudes of all of the costs and benefits. Further, in order to sum up the costs and the benefits, and compare the totals, a dollar value must be placed on each of them, including the rate of discount necessary to combine costs and benefits spread over time. People will differ on these. For these reasons, the merits of any Standard, or of the Standards as a whole, can be decided finally only by judgments that are largely subjective. They cannot be decided by scientific test.

Our conclusion as to the inability to develop any one comprehensive measure in cost-benefit terms should not be viewed as critical of efforts to quantify specific aspects. The attachment to this report provides an example of an effort to deal with the objective measurement of two aspects of the expected benefits of Standards. But this example illustrates some of the problems as well as the possibilities of efforts at objective quantification.

Possible Courses of Action

Although an objective measurement of a cost-benefit ratio in aggregate quantitative terms is impossible, it is nevertheless true that it would be advantageous if the same benefits can be attained at lower costs, or if additional benefits can be attained at the same cost.

As a possible basis for suggesting such improvements, we reviewed material furnished us, particularly that relating to the Evaluation

Conferences of 1975 and 1977, plus a report on the Cost Impact of Cost Accounting Standards prepared by the Logistics Management Institute in November 1977, numerous letters and publications of the Aerospace Industries Association of America, Inc., the Comptroller General's feasibility study and a summary of the legislative history of PL 91-379. In addition, we reviewed comments received in connection with the development of Standard No. 409. We found the evidence in this material inadequate. Although this material contains criticisms of several existing Standards, it does not provide us with an adequate basis for judging the merits of these criticisms or for suggesting changes, if any, that are warranted in the Standards or the process by which they were reached.

We sense a desire by the Board to be able to take some specific affirmative action designed to provide improved assurance that the Board's actions are consistent with the legislative requirements to consider likely costs and likely benefits. We therefore propose, for the Board's consideration, two alternative courses of action. Either is likely to lead to specific suggestions that would improve the cost-benefit relationship. The two alternatives both rely more heavily on evidence derived from experience with the Board's past actions than on purely theoretical considerations. Either alternative can be expected to result in some suggested changes in promulgated materials and also in some changes in the process by which the Board develops materials for promulgation.

We believe that the Board is particularly interested in the evaluation of this process. We have considered a series of questions about the adequacy of the present process to assure that probable costs of implementation and probable benefits are adequately considered. We believe that comments on the Board's practice in this regard can be much more effectively made after the acquisition of more information in accordance with either of our proposed courses of action. Descriptions of these two alternatives follow.

Option 1

The first option proceeds on the basis that a large amount of valuable information already exists in the proceedings of the Evaluation Conferences; in communications from contractors and their associations and from DCAA and other governmental agencies; and from other information in the files of the CASB. This information, it is recognized, needs to be supplemented by the interrogation of some of those who have written of their experiences. At least as important, it should be supplemented by field visits to contractors and Government agencies for firsthand observation. (It is important that the visits and interrogations be conducted by other than CASB personnel in order both to keep the flow of information as objective and practical and to give that appearance to those concerned with CASB affairs. The fact that they would be informal is intended to add to the freedom of discussion.)

The information thus collected should serve to identify the nature and extent of any major problems. This, in turn, can be used to establish the effectiveness of the pre-promulgation process: Were the difficulties identified? Was their magnitude appropriately established? Were alternatives considered? Was the diversity of contractors appreciated? Were the administrative efforts properly anticipated? Were the problems accepted to gain desirable results? etc. Out of such a review should come an identification of defects, if any, in the present process or its application and recommendations for improvement in the process for considering future Standards or revising those currently in existence.

The information collected should also form the basis for comments about present Standards and regulations and problems associated with

their administration. The nature of the more important problems would be described and their apparent importance indicated. Areas in which staff and Board studies would be useful would be noted and, to the extent the panel's knowledge permitted, promising alternative solutions would be listed so that they can be considered. The end result should be a very valuable agenda for the CASB.

Option 2

The second option would concentrate on the issued Standards and regulations and undertake a review of them in the light of a set of criteria to be specified in advance. Suggestions as to process would be a by-product. This approach would involve a formal publication of the criteria proposed and a call for comments and suggestions on them. Once the evaluation criteria are agreed upon, there would be a presentation by interested parties, in a process that involved a formal record, allowed for "cross examination," and included examination of the views of the CASB staff as well as those of critics. This evaluation process would be expected to result in recommendations as to the process by which the Board develops Standards, as well as recommendations on the substance of existing Standards. Specifically, the Board would announce that some time in the near future (preferably, shortly after the issuance of the Standards on direct and indirect costs) it plans to undertake a review of all the Standards and other requirements published to date (or of those published more than "X" months ago); that in this review, the Standards would be tested against certain criteria specified in advance; and that any interested party would be given the opportunity to demonstrate (in accordance with instructions also to be specified in advance) why a Standard does not seem to meet these criteria, and recommend changes in it. The arguments, evidence, and recommendations would be presented at public hearings. These hearings would be organized so that all material relating to a given topic would be presented together. The CASB staff would have an opportunity to question those appearing at these hearings. The review process might be conducted more expeditiously and with more credibility if an examiner from one of the regulatory agencies, or some comparably qualified outside party, were asked to conduct them.

Based on the material developed at these hearings, a panel (not necessarily this one) would make recommendations, if appropriate, to the Board for changes in Standards and in the process by which Standards are developed.

Need for a Budget and Time-Table

To follow up either (or both) of the two options, the Board may want to consider the role of this particular group of consultants, of its own staff, and of other consultants or supplemental staff. Financial and timing estimates would have to be developed by the Board before proceeding with either of the alternatives.

We have enjoyed our opportunity to consider the very real problems the Board faces. We will be glad to discuss ways in which we may be of further service to you.

Robert N. Anthony
Solomon Fabricant
Lacy Glenn Thomas
Arthur B. Toan, Jr.

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ATTACHMENT

Measurement of Probable Benefits

This note provides an introduction to certain inherent difficulties in measuring social benefits of Cost Accounting Standards. The discussion will focus on two principal alleged benefits of these Standards: (a) fewer contractual controversies associated with matters of cost, and more generally, (b) greater productivity for industry and governmental resources used in contract negotiation, administration, settlement, and audit. Quantifiable aspects of each benefit are considered below.

Reduction of Controversy

Most of the disagreements stemming from the defense contracting process are not formally recorded, and thus there is no general index of the extent to which these controversies have increased or decreased due to Cost Accounting Standards. For one important class of disputes however--appeals to the Armed Services Board of Contract Appeals (ASBCA)--both the fact and the nature of disagreement are catalogued. These appeals represent cases of extreme divergence in views between contractors and defense agents, and constitute only a small fraction of total controversy. Nonetheless, these cases are significiant in and of themselves, so reduction in their frequency would indeed be an achievement for the CASB. More importantly, so long as the trend in controversies which lead to appeal follows the trend of total controversies, the ASBCA figures could be suggestive of general benefits from Cost Accounting Standards.

Table One is a summary, prepared by the ASBCA, of the nature of appeals in the years 1973-1977. It should be recognized that these numbers were compiled for internal purposes of the ASBCA, and include only those types of data which can be conveniently collected and which are immediately relevant to ASBCA planning. Consequently, the ASBCA figures do not cover all appeals filed. A first limitation is that many appeals are settled before formal hearings begin, and these cases are not included in ASBCA statistics. A second problem is that multi-issue disputes are often catalogued under only the major issue. These limitations should make suspect any small changes in the measured trend of appeals. Fortunately, as can be seen in Table One, the shift in the frequency of appeals related to cost issues has been quite pronounced, and should be valid despite the above data problems.

The documented reduction in appeals would at first appear to support the notion that the CASB has had a substantial and desirable impact on (at least one type of) contracting controversy. This first appearance however is not well supported by further examination. A basic problem is the fact that the number of appeals in the early 1970s was artificially high due to the mid-1960s creation of DCAA. The onset of DCAA activities understandably generated a brief flurry of disputes, though once interactions between DCAA and contractors became more routine, the number of these disputes tapered off. Due to the structure of the appeals mechanism, there is a lag of several years between the first moment of dispute and the filing of an appeal with the ASBCA. The data in Table One thus exaggerate (possibly sharply) any beneficial effect of Cost Accounting Standards, since the number of appeals related to costs would have fallen even ff the CASB had never been created.

The implications of the above arguments are clear. First, whatever data exist for examination of the benefits from Cost Accounting Standards have been collected for other purposes, and will be of at least somewhat limited usefulness for evaluation of these Standards. Secondly, it is not enough to have a simple trend of numbers which may represent the effects of Cost Accounting Standards. The defense contracting system is not static, and many influences other than cost accounting will be

responsible for the trend as observed. Somehow, analysis must separate out these other effects in order to isolate the influence of CASB efforts. In the case at hand, the fact that two Government agencies with expectedly large impact on contracting controversy were empowered so nearly together in time makes analysis of the effects of each most difficult. In a sense, for the CASB there is no "before" trend with which to compare the "after" trend. This problem would obviously exist even if better and more detailed data could be collected.

Productivity of Contracting Agents

To some extent, data are also available as regards CASB impact on contract negotiation, administration, settlement, and audit, at least for Defense agencies. For a fixed volume of contracts, the Standards should expectedly lead to reduction in staff resources needed to execute contractual functions. For example, Table Two presents the trend of DCAA staff-years necessary for examination of price proposals and for examination of incurred costs in each fiscal year. There is a clear downward trend in resources expended for DCAA examinations, but then the real dollar volumes of audit work (proposals and incurred costs) have declined as well. In light of these simultaneous movements, the relevant variables for analysis of CAS impact must be the "productivity" of DCAA efforts, or the ratio of real dollar volume examined to staff-years expended, as in the first two columns of Table Three. Similar productivity measures are compiled by many Defense agencies other than DCAA for purposes of planning and management. Unfortunately, as in the case of ASBCA statistics, these numbers are collected in whatever fashion is convenient for internal needs and are thus not always detailed enough or broadly based enough for evaluation of Cost Accounting Standards. In particular, the data in Tables Two and Three are limited by the fact that fixed-price contracts are not counted in the dollar volume of costs incurred, although they are audited. Further, the treatment of subcontracts is not uniform throughout the data due to differing problems with exemptions.

As before though, the real obstacle for quantification of CASB impact is not so much the limitations of available data, as the absence of any reasonable procedure to separate out extraneous effects. If these additional, non-CAS effects can be quantified, then the technique of regression analysis can be used to isolate the magnitude and direction of CASB influence on Defense contracting productivity. For example, it might be expected that productivity in examination of price proposals increases as a given dollar volume is concentrated in fewer and fewer individual proposals. In other words, DCAA productivity in examination of price proposals should expectedly be positively related to the average dollar size of these proposals. Figures for both productivity and average size are given in Table Three, and visual inspection suggests that these two variables are indeed directly related. With these variables, along with figures for the cumulative number of Cost Accounting Standards in effect for one year or more (also listed in Table Three), regression analysis can be performed to separate out the distinctive effects of contract composition and Cost Accounting Standards on DCAA productivity. Table Four provides an estimation of one of the possible relationships between productivity, average contract size, and cumulative Cost Accounting Standards. The specification used gives an excellent fit (as do all similar specifications), and enables quite accurate prediction of DCAA productivity, as can be seen in Table Five. (It should be added, however, that the excellence of the fit tends to be overstated because of the "spurious correlation" resulting from inclusion, of the dollar value of the price proposals reviewed, on both sides of the equation in Table Four.)

It is important at this point to be clear about just what the numbers in Tables Four and Five do and do not imply. On the one hand, these two data collections clearly illustrate that DCAA productivity, even after

correction for inflation, has significantly increased in recent years. This improvement is all the more impressive in light of the fact that it occurs despite low average contract sizes. On the other hand, it is not correct to conclude that Cost Accounting Standards are the sole or even predominant cause of this productivity increase. The problem is that significant factors other than CAS affect DCAA productivity, and these factors have not been included in the specification. More specifically, internal efforts by DCAA, including training programs, adoption of computerized audit techniques, and so forth, quite probably account for a great portion of the recorded productivity increase. Regrettably, no reasonable quantification of these internal efforts is feasible, so extension of the regression analysis to incorporate these factors is not possible. Further, in the case of incurred costs, even quantification of aspects of contract composition does not appear possible.

Summary

This attachment, using two specific examples, has attempted to indicate general difficulties which any effort at quantification of CASB benefits must face. In both cases, documentable trends suggest that Cost Accounting Standards could have had significant desirable influences on Defense contracting. Also in both cases though, unquantifiable factors which themselves affect Defense contracting prevent explicit isolation of the unique contribution by the CASB to these documented trends. There is little reason to regard these difficulties as anything other than pervasive.

TABLE ONE

NUMBER OF APPEALS

	FY 1973	FY 1974	FY 1975	FY 1976	FY 1977
Principal Contract Clause(s) involved in Dispute:					
Changes	296	302	315	271	275
Default	241	255	353	306	301
Inspection	20	33	13	15	23
Excess Costs	-	60	.66	25	25
Cost Principles	-	85	101	35	18
Cost & Pricing Data	-	59	13	14	14
Termination for Convenience	-	33	27	32	31
C.F.P.	-	24	23	23	19
Liquidated Damages	-	27	21	12	20
Actual Damages (Gov't claim)	-	17	20	-	7
Warranty	-	20	18	22	18
Payments	-	40	69	44	48
Disputes (Juris.)	-	36	57	60	88
Labor	-	12	18	21	2
Requirements	-	9	22	25	2
Suspension of Work	-	9	14	15	16
Insurance	-	5	13	9	1
All Disputes	-	9	29	21	29
Shipment	-	2	1	-	1
Delivery	-	4	2	1	2
Property Disposal	-	1	17	15	3
Differing Site Conditions	-	13	30	26	25
1st Article	-	5	12	6	5
Incentive	-	6	5	3	-
Taxes	-	10	16	10	2
Discounts	-	3	20	15	1
Specifications	-	29	25	27	44
Price Escalation	-	2	2	2	13
Award Fee	-	2	-	-	5
Freight Charges	-	2	-	-	1
Utility Rates	-	1	5	3	-
Interest	-	1	-	-	-
Miller Act	-	1	4	2	-
Storage	-	1	2	2	1
General Average	-	1	-	-	-
Other	247	0	32	38	126
Total	804	1119	1385	1100	1166

Source: ASBCA data; terms are defined in the source.

TABLE TWO

DCAA EFFORT AND VALUES EXAMINED

FISCAL YEAR	DCAA WORK YEARS		REAL DOLLAR VALUE (BILLIONS) EXAMINED	
	PRICE PROPOSALS	INCURRED COSTS	PROPOSALS	INCURRED COSTS
1967	1128	1522	65.6	28.1
1968	1175	1506	60.9	28.9
1969	1168	1419	72.0	30.4
1970	1068	1424	91.4	27.2
1971	1017	1377	48.0	23.9
1972	1041	1299	50.8	21.9
1973	984	1218	50.3	19.9
1974	1010	1266	46.8	18.7
1975	1096	1244	57.3	19.4
1976	1058	1228	50.7	19.2
1977	1062	1099	68.3	18.9

Source: Defense Contract Audit Agency Data and Consumer Price Index (1972 base).

TABLE THREE

"PRODUCTIVITY" OF DCAA AUDIT EFFORT

FISCAL YEAR	MILLIONS OF REAL DOLLARS EXAMINED PER STAFF YEAR OF EFFORT		AVERAGE REAL DOLLAR SIZE (IN MILLIONS)	NUMBER OF COST ACCOUNTING STANDARDS IN EFFECT
	PRICE PROPOSAL	INCURRED COST	PRICE PROPOSALS	
1967	58.1	18.5	3.02	0
1968	51.8	19.2	2.82	0
1969	61.6	21.5	3.29	0
1970	85.5	19.1	4.47	0
1971	47.2	17.3	2.48	0
1972	46.8	16.9	2.42	0
1973	51.1	16.4	2.50	2
1974	46.3	14.8	2.41	4
1975	52.3	15.6	2.49	7
1976	47.9	15.6	2.21	9
1977	64.3	17.2	2.75	13

TABLE FOUR

ESTIMATING EQUATION:*

Prod = -.565 + 19.24(Ave) + .80(Cas)

[-.183] [18.99] [5.67]

Numbers in brackets are T-Statistics

Prod = Millions of real dollars of price proposals reviewed per staff-year of effort

Ave = Average size (real dollars), in millions, of price proposals reviewed

Cas = Number of Cost Accounting Standards in effect

*Some standard statistical tests associated with this equation are:

R^2 (8 degrees of freedom) = 0.98

F Statistic (2, 8 D.F.) = 181.1

Durbin-Watson Statistic = 1.73

TABLE FIVE

COMPARISON OF ACTUAL AND PREDICTED PRODUCTIVITY

MILLIONS OF REAL DOLLARS EXAMINED PER STAFF-YEAR OF EFFORT--PRICE PROPOSALS

FISCAL YEAR	ACTUAL	PREDICTED*
1967	58.1	57.5
1968	51.8	53.7
1969	61.6	62.7
1970	85.5	85.4
1971	47.2	47.1
1972	48.8	45.9
1973	51.1	49.2
1974	46.3	48.9
1975	52.3	53.0
1976	47.9	49.1
1977	64.3	62.6

*Computed from first equation in Table Four.

REVIEW OF STANDARDS IN OPERATION

Background

In 1978 the Board initiated a project referred to as Standards in Operation. After Standards are issued by the Board, the responsibility for their application and use rests primarily with the contracting parties. The contracting agencies have established techniques for disseminating the Standards as well as implementing instructions to the contracting community. Contractors have undertaken various actions to adjust their cost accounting practices to the provisions of cost accounting standards.

The review is intended to disclose whether the various actions taken to implement Standards are resulting in their being applied as the Board intends them to be. Where they are not being applied as intended, the review process is undertaking to determine the cause and to devise appropriate remedies.

Initial Review Process

Staff members of the CASB meet with both contractors and Government personnel to explore in detail their experiences with Standards. Standards and related regulations are reviewed to determine what if any simplification or clarification is necessary and appropriate. Problem areas involving a particular contractor are explored with both parties to the contract. Problems which are not attributable to the unique circumstance of a particular contractor or contract are identified for further review. The review involves further examination with acquisition agencies and contractors to determine the magnitude of the problem.

Remedies

(1) Problems which are unique to individual contractors or contracting parties are discussed by the staff with both parties to assure that there is a common understanding of the Standard. Generally, once this is accomplished, the parties are able to apply the Standard to their particular fact situation. Instances will arise, however where the parties disagree as to the facts themselves. Where this occurs the staff members, if asked, will attempt to provide "good offices" to help the parties. Resolution of factual issues however are really not a part of the Standards in Operation activity. Such issues are to be resolved under the ordinary contract disputes procedure.

(2) If the problem is attributable to lack of clarity in the Standard, the Board will act to develop appropriate interpretations of the Standards to aid the parties in understanding what is required. Because the Board's attention has been focused primarily on the development of the basic Standards, it has issued only three such interpretations to date. It is likely that in the future, there will be significantly more activity in this area. This should result in the Standards working more smoothly and should help to reduce both formal and informal disputes between the contracting parties.

(3) When it appears that an area needing coverage was not encompassed by the appropriate Standard or that the coverage provided

is not functioning properly, it may be necessary to amend the Standard. In these cases the Board will prepare a formal proposal to revise the Standard and publish it for comment, evaluate the responses and take whatever final action is appropriate.

(4) There is also a possibility that the review process will indicate a need to deal with an area not previously covered. In these instances a new Standard may be needed.

Implementing Regulations

As part of the review, the operation of the Board's implementing regulations is also examined. The entire administrative process is subject to review including contract coverage, measurement of increased costs, calculation of amounts to be recovered because of increased costs paid by the United States to the contractor and other contract actions. At the present time the Board is considering making substantial revisions in these areas in an effort to achieve the simplest and most efficient means of applying Standards.

Level of Effort

The review of Standards in Operation activity in total involves commitment of a substantial part of the Board's funds to the project. It is anticipated that a significant amount of the Board's staff will be involved in the program. The review process alone generally involves the use of a number of two man fact-finding teams that meet with the contracting parties. Any follow-up work which is needed such as the amendment, clarification or interpretation of a Standard will require additional staff participation. In the aggregate the review activity including the activity on projects that are initiated as a result of reviews is likely to become a dominant part of the Board's overall activity.

Overall Goals

The primary goals of this review process are:

(1) to keep standards up-to-date with changing acquisition and accounting requirements,

(2) to clarify and simplify both the standards and the administrative requirements to the maximum degree practical, and

(3) to continue to assure that the objectives of consistency and uniformity spelled out in Public Law 91-379 are realized while at the same time reducing to a minimum the obligations imposed on both the acquisition agencies and the contractors.

COST ACCOUNTING STANDARDS IN NONCOMPETITIVE CONTRACT PRICING

Formal advertising and negotiation are the basic methods by which the Government procures supplies and services. The law provides that pruchases by Government agencies be made by formal advertising whenever feasible.

Under formal advertising, contractors are invited to submit firm bid prices for specified supplies or services, and a contract is awarded to the lowest responsible bidder. Thus, the market place determines the reasonableness of the prices the Government pays. However, the Armed Services Procurement Act provides 17 exceptions to the use of formal advertising, which permit contracting officers to negotiate contracts.

Use of Competitive Negotiation

When a procurement cannot be awarded by formal advertising, agencies are expected to make maximum use of competition in negotiating contracts. Contractors are given requests for proposals which state the Government's requirements and criteria for evaluating offers. After interested firms are allowed sufficient time to prepare and submit offers, negotiations with those in the competitive range follow. Contracts may be awarded to lowest evaluated offerors without any discussion or negotiation. The firm with the most advantageous offer to the Government, price and other factors considered, is awarded the contact. In these instances, competition assists in obtaining reasonable prices for the Government.

Significance of Noncompetitive Negotiated Contracts

If a procurement office determines that competition is not feasible, contracts may be noncompetitively negotiated. These contracts amounted to about $45 billion in fiscal year 1979 broken down as follows:

	In Billions
One Source	$28.31
Follow-on after design competition	9.54
Follow-on after price competition	1.32
Technical and design competition but no price competition	5.73
Total	$44.90

Benefits of Cost Accounting Standards

Each cost accounting standard is designed to achieve an increased uniformity in accounting practices among Government contractors and consistency in accounting treatment of costs by individual Government contractors. In the absence of an appropriate market place to establish fair and reasonable contract prices, it is essential for cost allocations to be made on a uniform and consistent basis for use in evaluating proposed contract prices. In dealing

with the many billions of dollars involved in these awards, cost accounting standards provide a good set of rules to help obtain reasonably priced contracts.

Most of the standards are concerned with achieving uniformity of accounting practices. In essence, the standards serve to reduce the cost accounting practice alternative available to contractors. When standards permit alternative practices, the standards include specific criteria for selecting preferable accounting practices.

Increased uniformity is achieved through standards such as number 409 dealing with depreciation of tangible capital assets. The standard provides criteria and guidance for assigning costs of tangible capital assets to cost accounting periods, and for allocating such costs to cost objectives. The result is to provide a systematic and rational flow of these costs to cost objectives over the service lives of the assets. This serves to better assure that the cost of depreciation is properly allocated to Government contracts.

An example relating to consistency is Cost Accounting Standard 401 which requires contractors to be consistent in estimating, accumulating and reporting costs. Consistency is very important in evaluating contractors' proposals for reasonableness. Contractors generally base their current cost estimates on some similar or identical work in the recent past. Consistency enables Government personnel to rely on the previous cost history to assist them in determining the acceptability of current contractors' proposals. Without this consistency, there could be considerable confusion as well as distortion of the costs of the work to be contracted for. In addition, consistency in accumulating or recording contract costs enables Government personnel to better review and track each contractor's record of performance to compare it with prior estimates.

As another example, let us look at the benefits of Cost Accounting Standard 402, which requires contractors to allocate each type of cost incurred for the same purpose consistently on only one basis to any contract or other cost objective. This standard is sometimes known as the "double counting" standard in that it prohibits contractors from double counting certain costs by charging or allocating certain items on both a direct and indirect basis. The result of double counting, when done in the past, was that the Government paid more than it should have for products and services.

Summary

A prime objective in negotiating noncompetitive contracts is to attain reasonable and equitable prices that approximate those that would have been obtained under competitive conditions. A good set of rules is important in accomplishing this objective. We believe that cost accounting standards provide the appropriate means to do this. We should not have to pay too much; nor should we pay too little. The standards provide the means for contractors to appropriately allocate costs to assure that they are paid reasonable and equitable amounts for their products and services. This is especially important when we consider the large amount of noncompetitive contracts that are being awarded each year and the fact that defense procurement is expecting to increase substantially in the near future.

Letter From Elmer B. Staats

November 21, 1979

The Honorable Fred P. Wacker
Assistant Secretary (Comptroller)
Department of Defense
The Pentagon
Washington, D.C. 20301

Dear Fred:

At the next meeting of the Cost Accounting Standards Board, I would like to discuss followup actions to our Evaluation Conference and to the hearings before the Senate Banking, Housing and Urban Affairs Committee with respect to possible changes in the basic legislation which established the Board.

In particular, I would like to request that you consult with Dale Church and others in the Department of Defense to ascertain their priorities with respect to issued Standards which should be given high priority by the Board in its program to review Standards in operation. I am impressed--as I testified and as I stated before the Evaluation Conference--with the need for us to reassess Standards which are believed by the industry to be in need of modification. Specifically, we should always be aware of the need for scrutinizing these Standards so that we will achieve their basic objectives with a minimum of paperwork and cost on the part of industry and the Government.

As you know, it is my view that work on the basic Standards will be substantially completed by the end of the current fiscal year and it is important, therefore, that the Board turn its attention to simplification, wherever practicable, of existing Standards. Over all, I believe that the Board has done a good job in attempting to measure the relative costs and benefits of the Standards which have been issued. How ever well this job has been done, there still remains a question of whether or not it is possible, in the light of experience, to improve their application.

As you know, our Board will be meeting again on Monday, December 17. I would appreciate it, therefore, if we could have the benefit of your advice sufficiently in advance of that time so that we can provide copies to members of the Board and be prepared to have a useful discussion and, hopefully, be able to give our staff guidance as to work priorities.

Sincerely,

(Signed) Elmer

Elmer B. Staats

LETTER FROM FRED P. WACKER, COMPTROLLER, ASSISTANT SECRETARY OF DEFENSE

December 5, 1979

Honorable Elmer B. Staats
Comptroller General
of the United States
Washington, D.C. 20548

Dear Elmer:

In response to the request contained in your letter of November 21, 1979, I have obtained the attached comments from Dale Church. I had requested that he provide me with his initial impressions on an accelerated basis so that they would be available to the Board prior to the December 17 meeting. If he has any additional comments or suggestions, I will forward them separately or bring them to the Board meeting with me.

Sincerely,

Fred

Fred P. Wacker

MEMORANDUM FROM DALE W. CHURCH, DEPUTY UNDER SECRETARY, OFFICE OF THE UNDER SECRETARY OF DEFENSE

3 DEC 1979

MEMORANDUM FOR MR. WACKER

SUBJECT: Reassessment of Standards

We are very pleased to see that Mr. Staats is emphasizing the need to reassess the Standards. We agree with his view that work on the basic Standards will be complete by the end of the current fiscal year and, therefore, the Board should turn its attention to simplification of existing Standards.

In our opinion, the first efforts of the Board should be directed to the following areas:

a. Review of Standards 403, Allocation of Home Office Expense to Segments, and 410, Allocation of Business Unit General and Administrative Expenses to Final Cost Objectives. Our attempts to implement these Standards have resulted in an inordinate number of disputes.

b. A general review of each Standard to determine whether the provisions of the Standards require, in comparison to commercial practices, complex accounting practices which exceed the apparent benefits to the Government.

c. A review of the contract clause and the other rules and regulations to see if they can be simplified or eliminated. For instance, with the work on the basic Standards complete, will it still be neces-

sary for contractors to submit Disclosure Statements and changes thereto to the CAS Board.

DALE W. CHURCH
Deputy Under Secretary
(Acquisition Policy)

LETTER FROM FREDERICK NEUMAN, DIRECTOR, DEFENSE CONTRACT AUDIT AGENCY

13 FEB 1980

The Honorable William Proxmire
United States Senate
Committee on Banking, Housing, and
Urban Affairs
Washington, DC 20510

Dear Senator Proxmire:

Your letter of 25 January 1980 requests my comments on the historic and prospective benefits and costs of Cost Accounting Standards (CAS). I appreciate the opportunity to express my views on this subject. Responses to your 15 specific questions are enclosed.

Measuring costs and benefits purely attributable to CAS has been the subject of numerous studies by Government and industry groups. Invariably the results are either that a meaningful measure cannot be made or estimates are produced which are not subject to verification and, consequently, are questioned by those with opposing views. DCAA has also participated in trying to at least measure the impact of CAS on contract costs. The results of this attempt are reported in response to your first question. However, even this measure must be qualified because we are unable to clearly distinguish cost impact attributable to CAS from cost allocations which would have occurred in the absence of CAS.

Another vital consideration is whether improved cost accounting for Government contracts is resulting from CAS. I believe it is. However, here is where the need for continuing the CAS Board is the greatest. Cost Accounting Standards cannot be expected to provide for all circumstances that may be encountered in the future. The Board should be permitted to review its existing standards and modify them for improvement when necessary and, as appropriate, promulgate new standards where significant areas of cost accounting are found lacking in uniformity and consistency.

Perhaps the best way to evaluate CAS is to assess whether it is accomplishing the objectives of Public Law 91-379--increased uniformity and consistency in accounting for Government contracts. CAS certainly is accomplishing those objectives.

If I can be of further assistance in your consideration of the CAS Board's operations, please contact me.

Sincerely,

Frederick Neuman
Director

1. Please describe in detail your estimates of cost savings resulting from the issuance of Cost Accounting Standards, including, if possible, an estimate of which individual standards may be responsible for these savings, how much of the savings might have been attained even without Standards, and a description of the types and amounts of savings to which you refer.

As reported to the CAS Board in response to its 29 November 1979 request, our latest estimate of cost impact (net of increases and decreases) attributable to cost accounting standards from April 1977 through December 1978 reflects nonrecurring savings of $109 million and annual savings of $24 million. Statistical data for this report was neither regularly maintained nor readily available and had to be accumulated to respond to the CAS Board request. When cost accumulations were not available and/or actions were not resolved, judgmental estimates based on the field auditor's knowledge of the circumstances and events expected to occur were applied. The amounts estimated are identified with specific CASB rules, regulations, and standards; however, some items would also have been questionable under DAR and other contractual requirements. Therefore, we cannot say these results are primarily the result of CAS.

No amounts are included for CAS 414 or the CAS 410 transition method. DoD has concluded that its revised profit policy provides sufficient reductions to offset increased costs resulting from CAS 414. (See question 12.) Also, controls were established to prevent any overpayment as a result of overallocations under the CAS 410 transition method.

There probably are additional contract cost reductions which cannot be quantified, as for example, lower contract prices resulting from better cost visibility to the Government due to the existence of standards. With these qualifications in mind the estimate of cost savings by standard as furnished to the CAS Board is presented as follows:

COST IMPACT OF COST ACCOUNTING STANDARDS
APRIL 1977 - 31 DECEMBER 1978
AGENCY SUMMARIZATION ($000 omitted)

CAS Element	Contract Cost Impact: Report Category #1 Lump Sum	Report Category #1 Annual	Report Category #2 Lump Sum	Report Category #2 Annual	Report Category #4 Lump Sum	Report Category #4 Annual	Grand Total Lump Sum	Grand Total Annual
Disclosure Statement & CAS 401 - Consistency	$ 39,836	$ 1,789	$ 15,765	$ 1,114	$ 1,476	$ -	$ 57,077	$ 2,903
CAS 402	8,111	805	8,659	630	-	-	16,770	1,435
403	781	(670)	-	3,026	3,595	899	4,376	3,255
404	1,328	13	8,418	71			9,746	84
405	6,490	3,570	4,352	3,434			10,842	7,004
406	434	46	77	804			511	850
407	-	-	25	50			25	50
408	296	-	-	(208)			296	(208)
409	915	640	20	2,886			935	3,526
410	5,598	5,050	441	282			6,039	5,332
411	2,141	-	185	37			2,326	37
412	658	-	-	-			658	
413	-	-	-	-			-	
415	(465)	-	-	(510)			(465)	(510)
Total	$ 66,123	$11,243	$ 37,942	$11,616	$ 5,071	$ 899	$109,175	$ 23,758

Report Category #1 = Actions Formally Resolved (other than through ASBCA)
#2 = Actions Informally Resolved
#4 = Actions Formally Resolved by ASBCA or In Process

2. In your opinion, have Cost Accounting Standards resulted in other benefits which cannot be quantified, such as better visibility of costs, streamlined review of contractor proposals and negotiations, etc?

We believe Cost Accounting Standards have resulted in the following significant benefits which cannot be quantified:

A. The disclosure statement has proven to be an excellent document for gaining a mutual understanding of the practices that will be used in costing Government contracts and holding the contractor accountable for those practices throughout the procurement process. This consistency requirement enables the auditor to place greater reliance on the contractor's cost representations which contributes to a more effective utilization of audit resources.

B. A significant accomplishment of CAS has been the limiting of accounting alternatives in contract costing. This enables the Government, in comparable circumstances, to compare cost data more meaningfully. As allocation techniques are made more objective and alternative procedures are limited by use of specified criteria, contract costing becomes more comparable and consistent. Standards promulgated to date have largely achieved this.

A few examples of provisions which have limited the available cost accounting alternatives and which, in our opinion, have improved cost accounting are summarized below:

--Use of 3-factor formula (payroll, operating revenue, capital assets plus inventories) to allocate residual expenses in excess of specified thresholds (403.40(c)(2) and 403.50(c)(1)).

--Minimum service life and acquisition cost criterion for capitalization of capital assets (404.40(b)(1)).

--Deletion of material non-G&A expenses from G&A pool if they can be allocated to cost objectives on a beneficial/causal relationship best measured by other than cost input (410.40(d)(1)).

--Increased visibility into pension costs computed under frozen liability or aggregate actuarial cost methods. (CAS 412/413.)

C. CAS has provided a more structured framework for assuring consistency and uniformity in contractors' practices and for making any necessary changes. More importantly, contractors have voluntarily improved accounting practices to conform with the CAS Board's requirements. As a result, we have seen overall improvements in the allocation procedures used in contract costing.

3. Many contractors have argued that the principal aims of the legislation creating the Cost Accounting Standards Board were achieved by the issuance of Cost Accounting Standards 401 and 402 and the requirement for disclosure statements, and that many of the Standards issued since that time are of questionable value. Do you have any comments on the value of subsequent Cost Accounting Standards and the burden of complying with these Standards? (Please discuss this question in light of the DCAA's experience with the selective exemption policy issued by the CASB several years ago, under which large firms

with relatively small contract totals were exempted from all CAS requirements other than CAS 401-2 and disclosure).

As indicated in our response to questions 1 and 2 above, the standards issued after 401 and 402 have resulted in savings to the Government and have contributed to the goal of PL 91-379 of enhancing the uniformity and consistency in cost accounting practices used in costing defense contracts.

Contractor's cost accounting systems have historically been subject to many changes to accommodate varying internal and external circumstances and conditions. So change, in and of itself, is not a new factor. To the contrary, CAS should bring about needed stability in contractor cost accounting systems by making companies more accountable for the changes they make. This view is equally applicable to standards subsequent to CAS 402 as it is to the disclosure statement and CAS 401-2.

In my opinion, the burden cited by contractors seems more related to the inherent reluctance to make any change which can be viewed as an additional control over private enterprise.

The modified CAS coverage initiated by the CAS Board on 10 March 1978 which provided exemptions for large firms with small CAS contract totals has not had a substantial impact on DCAA's level of effort expended on CAS. Because of the lack of materiality of CAS-covered work at these contractors, effort expended before 1978 in Government surveillance for CAS compliance had been relatively insignificant.

4. Please estimate the staffing levels, within DCAA, required to deal directly with CAS issues. In your opinion, do these staffing levels reflect a net increase or a net decrease from the activity which would be required to deal with similar issues if CAS did not exist?

DCAA's staffing levels required to deal directly with CAS issues in recent years are as follows:

Fiscal Year	Staff Years
1977	190
1978	139
1979	117

This effort is attributable solely to CAS; e.g., reviewing disclosure statements, participating in the resolution of noncompliance issues, and reviewing price adjustment proposals. It does not include time expended by audit personnel in testing for compliance since that activity is an integral part of our review of costs incurred by contractors.

Whenever there is an allocability concern, there is a need for audit attention. CAS facilitates allocability reviews, but they would still be required in the absence of CAS.

Regarding the net increases or net decreases, the problem of measurement was the subject of a special review in 1978. The CAS Board employed four distinguished consultants (Robert Anthony of Harvard University, Lacey Thomas of Columbia University, Arthur Toan of Price Waterhouse, and Solomon Fabricant of the National Bureau of Economic Research) to consider issues relating to comparing costs and benefits. Their 13 November 1978 report points out that the data collections examined illustrate that DCAA productivity has significantly increased in recent years. However, they explain that the increase cannot be

concluded to be predominantly caused by CAS because internal efforts of DCAA quite probably account for a great portion of the recorded productivity increase. It is reasonable to assume, however, that some portion of this productivity increase is attributable to CAS.

5. Please discuss the costs and burdens of CAS compliance, both for DCAA and, to the extent that you are able, for contractors.

The costs of CAS compliance to DCAA are reflected in the staffing levels devoted to CAS activity discussed in response to question 4. With regard to the overall measure of the costs of CAS, a panel of distinguished consultants (see names listed in response to question 4) reported to the CAS Board on 13 November 1978 that no objective cost benefit calculation in aggregate quantitative terms is possible for standards as a whole or for any of them individually.

Additional tasks undertaken by DCAA can be attributed to a lack of appropriate action by contractors to fulfill their responsibilities in complying with CAS. For example, Defense Acquisition Regulations (DAR) currently provide that, in the absence of a contractor submission, the ACO, assisted by the auditor, will estimate the cost impact on covered contracts and subcontracts. The CAS clause requires an estimate of the cost impact of accounting changes or noncompliances. The burden for this has frequently been shifted from the contractor to the Government by contractor failure to either submit a cost impact proposal or to submit one in sufficient detail. Our attempts to convince contractors to submit an impact proposal in the interests of efficiency, clarity, and completeness have generally not been successful. Revisions to the acquisition regulation are being considered to motivate contractors to fulfill their responsibilities in developing adequate cost impact data.

Other tasks of CAS borne by both contractors and the Government, such as the lengthy time required to deal with CAS issues, are a natural consequence of reaching agreement and implementing any accounting change even in the absence of CAS. Moreover, even when issues are addressed on a timely basis, the resolution and implementation cycles are long.

The problem of timely action on CAS matters becomes much more acute when there is disagreement on the issues. As the disagreements evolve into litigation, the consumption of both Government and contractor resources continues.

6. CASB policy requires contractors to file a new CAS disclosure statement whenever they change their accounting procedures. Can you estimate the time required to comply with this requirement, both for DCAA and contractors? In your opinion, do the benefits resulting from receipt of these updated disclosure statements outweigh the costs to contractors of preparing such statements and the costs to the Government of reviewing them?

Contractors are only required to submit new pages of their disclosure statement for those elements affected by the accounting change. If the contractor adequately describes the new practice, the review time is usually not significant. In fiscal year 1979, DCAA expended about 22 staff years reviewing disclosure statement revisions.

The benefits resulting from receipt of updated disclosure statements far outweigh the costs of preparing and reviewing them. Before the advent of CAS, auditors had to refer to manuals, when maintained, and interview contractor personnel to identify practices

used in estimating and accumulating costs on Government contracts. The disclosure statement, containing in one document a compendium of significant accounting practices, has proved a valuable means for gaining an understanding of the practices used in costing Government contracts.

It serves an important internal control function in that contractor commitments to the practice descriptions tend to deter inconsistent practices.

It provides an important data base of information available for reviewing uniformity of cost accounting practices.

The updated disclosure serves as a vehicle for mutual understanding between the contractor and Government as to what accounting practices are being applied during contract performance.

Finally, when contractors elect to make any accounting change, whether CAS is involved or not, everyone affected by the change must be made aware of it. Thus, in my opinion, the benefits exceed the cost.

7. In his testimony before this committee, CASB Chairman Elmer Staats listed several possible new CAS which were in various stages of development. In your opinion, has the current body of CAS satisfied the need in this area, or are further Standards likely to be needed? Regardless of the Government body to which CAS administrative authority is assigned, would you favor also assigning that organization the authority to issue new CAS?

The existing body of Cost Accounting Standards does not fully satisfy the need.

First of all, the Board has not completed the job of promulgating standards on all significant cost accounting areas. Obvious areas remaining to be covered are indirect costs (proposed CAS 417, 418, 419). In addition, those subjects identified by the Comptroller General in his testimony on 2 November 1979 deserve study to determine the need for a standard. They are:

1. Cost of Money as an Element of the Cost of Assets Under Construction
2. Capitalization Criterion
3. Gains from Disposition of Capitalized Assets
4. Selling and Marketing Costs
5. Product Development Costs
6. Joint Product Costs

Additional requirements may develop as a result of new and changed circumstances. For example, we have recently observed instances of significant inconsistent accounting practices for computer software costs. This may be an area in which a standard is needed.

While we believe authority to issue standards should continue, consideration of longer periods for initial implementation would be appropriate and helpful. This would minimize the disruption of accounting for existing contracts and would afford contractors the time needed to economically and effectively make any system changes needed.

8. Several outside commentators have complained that current CAS are too detailed, and require contractors to follow arbitrary accounting procedures. In your opinion, would CAS be more productive if, instead of prescribing specific procedures to follow, they simply described general principles but left more specific decisions about accounting procedures up to the discretion of contractors and contracting agencies?

Before CAS, the acquisition regulations provided some guidance and referred to "generally accepted accounting principles," which were much to general and were therefore largely ineffective. There was a great deal of flexibility of practices resulting in a lack of uniformity among contractors and even lack of consistency within the same contractor organization.

The CAS Board was established to achieve greater uniformity and consistency. It is unlikely that the degree of uniformity established by CAS would have been achieved if the criteria were less specific. I believe the standards should be as specific as practicable by describing criteria for the selection of a preferred alternative among acceptable practices. Such an approach also minimizes disputes between the parties.

9. Objections have been raised to the assignment of CAS issuance and interpretation authority to the GAO, on the grounds that this function should not reside within an agency of the Congress. Objections have also been raised to the suggestion that this authority be assigned to the Office of Federal Procurement Policy, on the grounds that this office has little or no expertise in accounting and auditing policy. Do you have any comments on the proposals to assign the authority to either of these agencies? Do you believe that DCAA would be able to handle the duties currently performed by the CASB ? (In answering the last question, please consider both manpower needs to fulfill this responsibility and the broader question of whether this authority would conflict with DCAA's primary mission of auditing contractor cost proposals and records.)

There does not seem to be a critical need to reassign the CAS Board function elsewhere in the U.S. Government. As auditors, we in DCAA are concerned that the CAS Board (1) operates independent of outside pressures and (2) promulgates standards that reflect a high degree of professional skills. The CAS Board, as an agent of Congress, has largely achieved these objectives. Thus, our first preference is to retain the present CAS Board status, assuming that the constitutionality question is resolved.

The proposed alternative of transferring the CAS Board to the GAO has the advantage of continuing the present policies and staff; however, the constitutionality question would continue, and the private sector would perceive a lack of the required independence. This latter problem would accompany the transfer of the function to the DCAA, as we discuss later in response to this question.

The Office of Federal Procurement Policy has a great task to bring improvement and uniformity to Government acquisition policies. Burdening OFPP with the CAS Board function would probably detract from accomplishment of this primary mission.

There is no compelling reason from a professional accounting viewpoint to change the Board's status since it has maintained a high level of technical competency and independence. Nevertheless, if

Congress decides to transfer the CAS Board to the Executive Branch, we believe the best location would be in the Department of Defense, but giving it an independent status which would insulate it from pressures of contractors and Government acquisition personnel. The relocated Board could be constituted and operate essentially as it does now except the Chairman would be appointed by and be responsive to the Secretary of Defense. Locating the CAS Board function in DoD would have the added advantage of eliminating the constitutional question.

As to its transfer to DCAA, I believe we have all the expertise necessary to handle the CAS Board function. However, DCAA's role in the CAS implementation process is performing the audit function. To assign standard promulgation authority to the same organization charged with responsibility for auditing compliance with the standards would result in a perception by the private sector that the required independence of the promulgating authority is seriously compromised.

10. CAS 405 requires contractors to identify and segregate unallowable costs and costs "directly associated with" unallowable expenses. As a general rule, do contractors adequately follow this requirement? If not, what remedies are needed?

There has been some improvement in contractor identification and segregation of unallowable costs since the promulgation of CAS 405. However, there continues to be numerous instances of noncompliance.

The requirements of CAS 405 do not provide sufficient incentive for contractors to fully comply. It remains to the contractor's advantage to leave some unallowable costs in proposals and claims and merely wait for the auditors to discover them. To achieve a significantly greater measure of compliance with CAS 405, some additional incentive to encourage compliance is required. This may call for some sanctions where contractors fail to comply.

11. Nearly all of the DCAA special Washington office reviews (performed during the 1976-77 time period) stated that the subject contractor was not in compliance with the requirements of CAS 405 and was subject to the 7 percent penalty.

a. What is being done to address this problem?

The questioned costs and CAS 405 noncompliances emanating from the Washington office audits have, for the most part, been resolved through negotiation without formal determinations of noncompliance.

b. Has the DCAA observed recent improvement in contractor compliance with CAS 405 requirements?

We have noted some recent improvement in contractor compliance with CAS 405 requirements. See our response to question 10 for additional comments in this regard.

c. Has the 7 percent penalty for CAS 405 violations been assessed? If so, please describe the circumstances of each assessment. If not, please discuss your plans for future implementation of this requirement.

First, it should be noted that the 7 percent assessed on increased costs resulting from failure to follow CAS represents the

maximum interest which may be assessed under the provisions of Sec. 719(h)(1) of the Defense Production Act.

We have been unable to identify any instances where the 7 percent interest has been assessed against contractors on increased costs paid by the Government as a result of noncompliance with CAS 405. The CAS 405 issues have generally been resolved without formal determinations of noncompliance. For the interest to be assessed, the CAS issues must be processed separately as contract price adjustments under the CAS contract clause.

d. The Task Force to Enhance the Audit of Contractors suggested that DCAA submit a recommendation to DoD on procedures for review of unclaimed costs. What has been done to implement this recommendation?

As a result of the Task Force recommendation, DCAA proposed that the DoD implement a systems review approach to the issue of unclaimed costs for the purpose of identifying directly associated costs. This proposal, now identified as Contractor's Unallowable Cost Identification System, would require contractors to establish systematic procedures for identifying and segregating unclaimed costs, including directly associated amounts, in accordance with CAS 405. Language to implement this proposal has been prepared by the DAR Council and submitted to industry for comment. Comments have been received and will be reviewed by the DAR Council before preparation of the final provisions to be included in the DAR.

12. Partially in response to the issuance of CAS 414, the Department of Defense issued a new profit policy in late-1976. Part of this policy involved an offset in negotiated profit rates to compensate for the effects of CAS 414. In a report to this committee (prepared in 1979), the GAO concluded that DoD's profit policy formula was inadequate to offset completely the effects of CAS 414. In your opinion, does DoD policy adequately provide for the effects of CAS 414? If not, what changes in DoD policy or in CAS 414 should be considered?

DoD is making a continuous analysis of the impact of the profit policy and the offset of the imputed cost of facilities capital. This analysis indicates that in FY 1978, the cost of money allowed was offset from profit objectives to within .02 percent. Based on the DoD study, we believe the policy represents a reasonable approach and was adequate to provide for the effects of CAS 414 for that year.

In subsequent periods, the DoD profit policy has, as one of its principal objectives, the providing of incentives to industry to invest capital in productive and cost reducing facilities. To the extent contractors find these incentives strong enough, the profit reward will be increased and the cost recognized by CAS 414 will likewise rise. Inherent in this DoD profit policy is greater productivity and decreased cost by contractors and ultimately lower overall prices paid by the Government.

13. Another part of the new profit policy establishes contractor productivity improvement rewards. Please describe DCAA's role, if any, in recommending firms to receive this reward or in screening contractor productivity records to verify eligibility for such reward.

To receive a productivity reward on follow-on contracts, contractors are to prepare and support the cost reduction estimate. We understand

that the number of contractor requests for profit consideration for productivity gains have been few, and we know of no instance where we have been requested to review such a cost reduction estimate.

Because of this inactivity, the DoD recently formed an ad hoc interdepartmental group to review the policy coverage of the special factor for productivity and recommend appropriate changes. This group is being directed by Office of Under Secretary of Defense, Research and Engineering.

14. Several studies, including the DoD/OMB Aircraft Industry Capacity Study and Project ACE (Air Force Systems Command) have highlighted low labor productivity as a problem in aircraft procurement. Please describe efforts undertaken by the DCAA to improve defense contractor productivity.

While we were not involved in these studies of the aircraft industry, DCAA does have an active program to identify costs that can be avoided by defense contractors. These reviews evaluate contractor policies, procedures, internal controls, and practices for the purpose of determining whether contractors can improve operational efficiency.

In FY 1979, we issued about 800 audit reports designed to accomplish these objectives at 245 major DoD contractor locations. We expect contractors to adopt a sufficient number of our report recommendations to produce an annual savings to the Government of more than $250 million. This amount represents only the Government's share of the first year savings that will be realized by the contractors.

15. Several years ago, in response to a recommendation from this committee, Under Secretary William Perry stated a new DoD policy that, in any instance where a contractor brought new information to the Government's attention during the course of post-audit negotiations, the negotiations would be recessed until DCAA has an opportunity to review and comment on the new material. Please describe the procedure by which this DCAA involvement is established, and the effectiveness of this new policy in assuring opportunity for DCAA review of contractor cost claims and supporting information.

The question of recessing negotiations until new contractor data could be reviewed by DCAA was referred to the DAR Council. They concluded that the policy was well understood and was being followed in the field, so no specific changes to the DAR were made at that time. More recently, this policy was reenforced by the Acting Deputy Under Secretary for Acquisition Policy in a letter dated 11 June 1979. This letter was issued as a result of GAO findings in their review of the effectiveness of DCAA. It is too early to determine the effectiveness of this most recent policy statement.

GENERAL ACCOUNTING OFFICE

STATEMENT OF ELMER B. STAATS, COMPTROLLER GENERAL OF THE UNITED STATES

ACCOMPANIED BY:

MILTON J. SOCOLAR, GENERAL COUNSEL
JOHN D. HELLER, ASSISTANT TO THE COMPTROLLER GENERAL
CLERIO P. PIN, ASSISTANT TO THE COMPTROLLER GENERAL
DONALD L. SCANTLEBURY, DIRECTOR, FINANCIAL AND GENERAL MANAGEMENT STUDIES DIVISION
RICHARD L. BROWN, DIRECTOR, GENERAL SERVICES AND CONTROLLER
RYAN S. YUILLE, DIRECTOR, EQUAL EMPLOYMENT OPPORTUNITY OFFICE
DEXTER J. PEACH, DIRECTOR, ENERGY AND MINERALS DIVISION
HARRY S. HAVENS, DIRECTOR, PROGRAM ANALYSIS DIVISION
ALLEN R. VOSS, DIRECTOR, GENERAL GOVERNMENT DIVISION
HYMAN L. KREIGER, DIRECTOR, FEDERAL PERSONNEL AND COMPENSATION DIVISION
JEROME H. STOLAROW, DIRECTOR, PROCUREMENT AND SYSTEMS ACQUISITION DIVISION
DONALD J. HORAN, DEPUTY DIRECTOR, LOGISTICS AND COMMUNICATIONS DIVISION

1980 APPROPRIATIONS AND 1981 BUDGET REQUEST

Senator SASSER. We will move on then to the General Accounting Office, General.

The 1981 President's budget includes $218,070,000 for the GAO, an increase of $9,003,000 over the amount anticipated to be appropriated for fiscal year 1980. Again, General, since you are going to be our principal witness, we will insert your summary statement in the record, and then turn to some questions. I might say before getting to that, that I understand General Staats, that Bob Keller, your Deputy for the past 10 years, has decided to embark on a well-earned retirement effective last month.

I might say that Mr. Keller is an outstanding example of how people can—through hard work and solid achievement—rise up through the ranks from GS-3 clerk to a Presidential appointment and on further to the second highest position in the agency that is called the "financial watchdog of Congress."

Here in Congress and in the agencies and around Government, Mr. Keller has enjoyed and does enjoy the highest reputation for competence and integrity. And, Mr. Staats, I will ask you to please extend to him my best wishes.

Mr. STAATS. I am sure he would appreciate it very much, Mr. Chairman.

PREPARED STATEMENT

Senator SASSER. Your prepared statement will be inserted in the record at this point.

[The statement follows:]

STATEMENT OF ELMER B. STAATS

Today we are presenting the financial requirements to carry out the responsibilities of the General Accounting Office for FY 1981 and to meet additional FY 1980 costs beyond those that we can absorb.

The GAO "Justification of Estimates for FY 1981," which has already been given you, details the basis for our request and how we plan to use the requested resources. In my statement today I will highlight GAO's plans to meet an increased workload. I will also summarize some of GAO's accomplishments--the benefits that the Congress, the Federal Government, and the nation have obtained--in the fiscal year ended on September 30, 1979.

NEED FOR ADDITIONAL FY 1980 RESOURCES

The civilian pay raise which was effective on October 1, 1979 will increase GAO's FY 1980 costs by $10,289,000. Additionally, on January 3, 1980 we received a request from the Chairman, Senate Committee on Appropriations asking us to accelerate the development of a Federal Programs Inventory well before we had planned to do so. This will increase GAO's costs by $117,100 in FY 1980 and by $538,000 in FY 1981.

We will absorb all of the additional FY 1980 costs of accelerating development of the Federal Programs Inventory. And we will absorb $1,522,000 of additional costs required in FY 1980 by the Federal civilian pay raise. We will, however, need additional funding of $8,767,000 to cover the additional costs of that pay raise in FY 1980. This will bring the total funds required to perform GAO's responsibilities in FY 1980 to $209,067,000.

APPROPRIATIONS REQUEST FOR FY 1981

Our request for FY 1981 funding is $218,608,000. This is the amount required to fund 5,286 staff years. The increase of 11 staff years over the 5,275 funded in FY 1980 is needed to accelerate completion of the Federal Programs

Inventory. The need for these additional staff years is detailed in the attached addendum to the "Justification of Estimates" that has already been given you.

GAO's RECENT APPROPRIATION EXPERIENCE

By way of background I would like to give you a brief picture of our recent appropriation experience. Because of the 5 percent across the board cut in Legislative Branch appropriations, for fiscal year 1979 we received a cut of 44 staff-years below the FY 1978 operating level. Last year--for FY 1980--the Congress provided us with funding to support a 175 staff-year increase, against our request of 250 staff years, to help meet the workload expansion that had already occurred. In the past four years, we have grown only 108 professional staff years.

Despite a continually expanding workload, GAO's FY 1981 budget request provides for no increase in staff resources beyond those needed to accelerate development of the Federal Programs Inventory. Moreover, as has been our long standing policy, GAO managers will be required to absorb further workload increases that occur during the budget year. It will, as with prior budgets that we have submitted, require GAO to do more work with less staff.

RESULTS OF GAO WORK

Over the years, GAO has, I believe, an impressive record of significant accomplishments. During the time since I became Comptroller General, GAO's quantifiable dollar savings alone have totaled $14 billion, $11 billion of which has been achieved in the past three years. This is ten times the total funds appropriated to GAO during that same period.

These dollar savings are, however, only part of the benefits that result from GAO work. Frequently GAO recommendations are for management improvements that cannot be readily quantified; and frequently they make programs work better or accomplish their objectives more effectively. That kind of

benefit--while substantial--is not included as a part of GAO dollar savings.

I am distributing a separate document, taken from GAO's Annual Report, which describes GAO's accomplishments in FY 1979. Beyond this, there is the benefit to good government that results just from the presence of an agency like GAO which can search out problems and make them visible to the Congress and to the public. The advantage of this continuing oversight presence and of work such as our emphasis on the detection of fraud and abuse, while apparent, is incalculable.

THE NATURE OF GAO'S WORKLOAD

A few points need to be made about GAO's responsibilities and the workload that arises from them. GAO has two major roles--independent auditor and evaluator of the operations of the executive agencies and support arm for the Congress.

Beginning with the Budget and Accounting Act of 1921 and the Accounting and Auditing Act of 1950, Congress assigned GAO a number of continuing responsibilities, the most comprehensive of which is to provide audit and evaluation oversight over Federal agencies, their programs, their contractors and their grantees. Since then, legislation establishing new agencies and new programs has regularly included an audit clause to provide GAO access to the required information and records. Each new agency and each new or expanded program, thus, automatically increases our workload.

GAO must provide a reasonable level of audit and evaluation coverage, not only over newly-established agency programs but also over those that have been in existence for many years. Moreover, in a number of instances, new legislation specifically requires GAO to perform special audits or evaluations in stated timeframes. The Nuclear Anti-Proliferation Act of 1978, for example, requires GAO to assess 'he implementation and impact of the Act on the nuclear non-proliferation policies, purposes, and objectives that it embodies. We are

committed by the terms of this Act to provide a comprehensive report to the Congress by March, 1981.

These requirements are, of course, entirely legitimate but we cannot always foresee them when planning our budget; and they do limit the flexibility we would otherwise have available in planning and scheduling our work.

WORKLOAD INCREASES IN GAO

As I have mentioned, workload increases occur annually and must be regarded as a normal part of the job to which GAO must respond. These increases result from new legislation creating or expanding federal programs; requests of committees and Members for audit and evaluation work; and testimony before congressional committees. I will mention each of them briefly.

Recent Legislation With Impact in FY 1981 or Beyond

The following illustrates recently enacted legislation or committee reports which will increase GAO's workload in FY 1981:

--Chrysler Corporation Loan Guarantee Act of 1979, Public Law 96-185, January 7, 1980. This Act provides Chrysler with up to $1.5 billion in loan guarantees over the next two years to prevent its bankruptcy and to continue it as a going concern. The Comptroller General is one of three members of a Loan Guarantee Board responsible for assuring--before they approve loan guarantee commitments--that conditions, stated in the law, have been met. In addition to the role assigned to the Comptroller General, GAO will need to apply considerable resources in related audit and evaluation work.

--Health Planning and Resources Development Act, Public Law 96-79, October 4, 1979. This Act, by its terms, requires GAO to evaluate the exemption authority provided by Section 152.7(b) of the Public Health Services Act which exempts Health Maintenance Organizations from certificate of need requirements.

--Panama Canal Act of 1979, Public Law 96-70, September 27, 1979. GAO is required by the terms of this Act to (a) certify revenues estimated by the Secretary of Defense, (b) audit the financial statements of the new Panama Canal Commission, and (c) audit the payments made to Panama for public services under paragraph 5 of Article III of the Treaty. The Comptroller General must also review and approve the Panama Canal Commission's accounting system when it is acceptable under GAO's standards.

--Agriculture, Rural Development and Related Agencies Appropriations, Public Law 96-108, November 9, 1979. The conference report on this Act requires GAO to conduct a full and complete review of the resource conservation and development program, taking into account both its costs and its benefits.

--Department of Education Organization Act of 1979, Public Law 96-88, October 17, 1979. This Act establishes the new Department of Education. GAO will need to increase work under its regular statutes in related areas, including matters such as the feasibility of transferring other education functions--such as those of the Bureau of Indian Affairs--to the new department.

--Veterans Health Care Amendments of 1979, Public Law 96-22, June 13, 1979. Providing adequate audit and evaluation coverage under these amendments will require GAO to review the effectiveness of readjustment counseling and related mental health services to Vietnam era veterans, and the pilot program for alcohol and drug dependence treatment.

--International Development Cooperation Act of 1979, Public Law 96-53, August 14, 1979. The Institute for Scientific and Technological Cooperation was created by this Act. In FY 1981, GAO will need to devote increased resources to review the organizational and start-up issues associated with the new agency.

Requests from Committees and Members

Responding to the requests of committees and Members is a major workload factor. Committee requests and many Member requests are for audit and evaluation work which is necessary for their use in considering new or proposed legislation, in assessing the need for amending existing programs, in determining the levels at which programs should be funded, and in dealing with concerns they have regarding oversight of Federal programs or agencies.

Since becoming Comptroller General I have viewed this role as one deserving considerable emphasis. In FY 1979, work performed on the specific requests of committees and Members comprised 36 percent of the work performed by GAO professional staff. Fourteen years prior, in FY 1965, such work utilized only 7 percent of GAO's professional resources.

We view the substantial increase in this service to the Congress as a mixed blessing. On the one hand, we are gratified that the committees and Members see us as a resource able to satisfy many of their diverse and complex needs. At the same time, we feel that we must hold this service in this range so that we can adequately discharge our other responsibilities.

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We will continue to probe with committees and Members the best means for meeting their needs. And we will seek, wherever it is possible to do so, to use this special request work in lieu of performing other work to meet our continuing oversight responsibilities. Nevertheless, we estimate that the staff years to be devoted to this activity will continue in FY 1981 at or above FY 1980 levels. Although we may have to devote even more resources to request work in FY 1981, our budget request has been developed on the basis that such work must be performed within available resources. If adjustments become necessary we will have no choice but to reprogram from work required under GAO's continuing responsibilities.

Testimony Before Congressional Committees

During the second session of the 95th Congress (calendar year 1978) GAO officials testified before Congressional Committees 150 times. In itself, this was a notable level of testimony, one which we had never even approached prior to that time. However, in the first session of the 96th Congress (calendar year 1979), we far surpassed the 1978 level by testifying 230 times at the request of congressional committees. This represents more than a 50 percent increase in a single year. The testimony covered a wide range of subjects including health, national defense, energy, housing, and fraud and waste in government programs. In addition, we provided testimony of direct importance to the Congress itself on such matters as the various "Sunset" reform proposals, legislative veto, and regulatory reform.

We averaged more than one appearance for each day that Congress was in session; in fact, on one day in 1979, GAO officials testified at six different hearings. We believe that these developments clearly point to the reliance which the Committees of Congress place upon GAO for objective information and independent recommendations. Furthermore, involvement in hearings represents a particularly immediate

form of assistance to the Congress, and for this reason we have endeavored to be especially responsive to the needs of the Committees.

Potential Increases Resulting From Pending Legislation

GAO budget requests include provision only for workload increases that have already occurred. They do not provide for the workload requirements of pending legislation no matter how likely its passage might seem. What this means is that during any budget year we may have to absorb the workload impacts of legislation enacted since the time that we made our last budget request. For example, since January 1979, when we submitted our budget request for FY 1980, new legislation and requirements of committee reports for audit and evaluation work have increased our FY 1980 workload by 86 staff years. We will absorb that increase.

We will continue to absorb increases wherever possible. However, the situation that could develop between now and the end of FY 1981 may require special action because legislation now pending could require that we absorb an additional 261 staff-years of effort. This, we believe, would be beyond what we could realistically absorb.

The "Sunset" proposals presently being considered would impact so heavily on GAO resources that we would be required to request a supplemental appropriation. If enacted in anything like their present form, they could involve additional costs to GAO approximating $30 million. On a lesser scale but nevertheless involving a considerable effort is the lobby registration proposal which we estimate would cost about $1 million to operate in the first full year.

AUTHORIZATION AND APPROPRIATION COMMITTEE USE OF GAO WORK

GAO frequently works closely with authorization and appropriations committees, providing them with the results of GAO work as they consider actions with respect to programs and resource levels.

For the past several years we have worked very closely with

the House and Senate Appropriations Subcommittees on Treasury, Postal Service, and General Government. Extensive questions prepared by GAO staff are used by the Subcommittees when questioning administration witnesses about their proposed budgets.

Another case in point is our work with the House Committee on Appropriations. The report on the Department of Defense Appropriations Bill for FY 1980 refers 85 times to GAO work. Where appropriate to prevent waste, it translates GAO findings and recommendations into reductions to agency appropriations. That report frequently highlights the need for DOD action on our recommendations for strengthening the management of DOD programs. We expect to make greater contributions and provide even more assistance to the Congress in defense areas since we plan to upgrade and intensify our defense-related efforts.

This kind of committee action takes good advantage of GAO work. It also clearly demonstrates to Federal agencies their need to correct deficiencies in their operations promptly and fully.

RELATIONSHIPS WITH CBO, CRS, AND OTA

Since the Congressional Budget Office and the Office of Technology Assessment were established and the role of the Congressional Research Service was expanded, we have worked closely with them to assure that we understand each others roles and the way they are being approached. We work together to help committees and Members understand the job of each and to know which agency to go to for the various kinds of help that they might need from time to time.

We are distributing a paper titled "Coordination and Cooperation among GAO/CRS/CBO/OTA" which briefly describes some of the approaches followed in promoting cooperation with the other agencies. The point that needs to be made is that, while the agencies are all legislative branch agencies, each

has its own job which is quite different from those of the others.

CONCLUSION

In my judgment there have been few times when the need to assure the economy, efficiency, and the effectiveness of Federal programs has been as great as it is today. Inflationary pressures are heightening the need for increased productivity and for government programs to be made more effective. This present climate of looking for ways to make government work better has, I believe, contributed to GAO's greatly intensified workload--to the increases in the number of committee and Member requests for audits and evaluations that we receive and to the requirements in legislation for GAO work. It also underscores the need for an adequate level of coverage of Federal programs under GAO's continuing oversight responsibilities.

Resources provided to GAO are returned many times over in tangible savings and in significant improvements to virtually all Federal agencies and programs. I hope you agree with me that providing GAO with the resources that it needs to do its job is an investment in better government that is well worth making.

FINANCIAL SAVINGS AND OTHER BENEFITS

Senator SASSER. Mr. Staats, in your testimony, which we have reviewed in advance, you indicate that for every dollar invested in the General Accounting Office, the taxpayers reap a benefit of $10 in savings. Now, in view of the austerity we are facing and the necessity to balance the budget, without, hopefully, cutting back on essential services, what would be the adverse effect, if any, on the savings if the GAO budget were cut back—I will just pick a figure out of the air—say, 10 percent?

Mr. STAATS. Mr. Chairman, this is a matter I have given a lot of thought to, since the President made his announcement recently.

In fact, I have given a lot of thought to it even before that. You mentioned the $10 return for $1 spent. That covers a period of 14 years since I have been Comptroller General. If you cover the last 3 years, the ratio is 20 to 1. Some $11 billion of cash savings to the Treasury to the taxpayers during the last 3-year period.

The GAO has the unique responsibility of trying to find ways to save money, to cut the cost of operations, to assess the priorities of programs which Congress may wish to reduce or eliminate.

This is a primary mission. We are an agent of the Congress in efforts to achieve savings. If our objective is to balance the budget and save money, then it does not seem to me that the GAO is a very good place to start in arbitration over all cuts of that type.

Some would characterize it as penny-wise and pound-foolish. I don't think that would be too strong a term to apply to it.

What I have concluded in the last 2 weeks is that I would like to go back over our program and see if we are giving a high enough priority to areas where we might achieve substantial dollars and cents savings. I am prepared to do that, but I would hope very much that the Congress would agree with me and my assessment that we do have a unique responsibility to help cut expenditures in Government.

We are doing our best to do that. We achieve lots of savings that we don't quantify because they are not quantifiable audited savings. But savings of the type I think we have been able to demonstrate we are achieving warrants the support of the Congress.

I would like to submit for the record at this point the "Financial Savings and Other Benefits Attributable to the Work of the U.S. General Accounting Office for Fiscal Year 1979."

Senator SASSER. Without objection, the report will be printed in the record at this point.

[The report follows:]

Financial Savings and Other Benefits

GAO cannot compel the agencies or the Congress to accept recommendations. Action on our recommendations rests on the persuasiveness of our arguments. Agency management and the Congress must be convinced that our analyses are sound and that it is in their interest to take the actions we recommend. Agencies' awareness of the Congress' attention to our reports no doubt stimulates interest in and attention to recommendations aimed at them.

The full effect of GAO's activities on financial savings and improvements in the operations and effectiveness of Government programs and activities cannot be measured. The increase in governmental effectiveness from actions taken on some of our recommendations simply cannot be stated in dollars and cents.

When actions taken by the Congress or an agency lead to measurable savings, we record them. The following table summarizes the $2.6 billion in collections and other measurable savings attributable to our work which we identified during the year. Of the $2.6 billion listed, about $1.9 billion represent one-time savings, while the benefits of the other $700 million will extend into future years as well. These amounts were $2.5 billion, $1.7 billion, and $800 million respectively for the prior year.

Table 8

Collections and Other Measurable Savings Attributable to the Work of the General Accounting Office Fiscal Year 1979

(000 omitted)

	Collections	Other measurable savings: Congressional action involved	Other measurable savings: Agency action involved	Total
DEPARTMENTS				
Agriculture	—	$35,000	$11,000	$46,000
Air Force	$24	32,000	95,884	127,908
Army	135	21,400	14,005	35,540
Commerce	—	6,800	11,000	17,800
Defense	8,570	693,500	190,242	892,312
District of Columbia Government	—	—	36	36
Energy	—	—	100,000	100,000
Environmental Protection Agency	—	300,000	—	300,000
Federal Judicial Center	—	510	—	510
General Services Administration	444	—	1,358	1,802
Health, Education, and Welfare	18,513	22,500	140,634	181,647
Housing and Urban Development	—	3,000	1,032	4,032
Interior	2,884	—	20,563	23,447
Justice	—	2,847	4,618	7,465
Labor	—	—	16	16
National Aeronautics and Space Administration	62	—	—	62
Navy	5,265	29,000	707,445	741,710
Postal Service	—	—	96	96
State	—	—	143	143
Transportation	17	30,000	—	30,017
Treasury	—	—	152	152
Veterans Administration	349	49,300	409	50,058
Washington Metropolitan Area Transit Authority	1,075	—	—	1,075
Government-wide	—	3,000	—	3,000
	37,338	1,228,857	1,298,633	2,564,828
General Claims Work	10,585	—	—	10,585
Total	$47,923	$1,228,857	$1,298,633	$2,575,413

This chapter also describes savings not fully or readily measurable and other benefits from GAO activities.

Collections

Collections attributable to our activities totaled $47.9 million. Of this, $10.6 million represented our recovery of debts that Government agencies had been unable to collect.

Following our recommendations, HEW recovered $17.8 million in Medicaid and Federal Aid to Families with Dependent Children overpayments. Other major collections included recoveries by Defense for undercharging for a foreign military sale, Interior for additional oil and gas revenues due the Government, Army for commissary inventory losses, Washington Metropolitan Transit Authority for contract warranty costs, and Navy for an excessive contract price.

Other Measurable Financial Savings

Other measurable savings consist largely of actual or potential savings from actions taken or planned by the Congress and Federal agencies. In most instances, the potential benefits are estimated, and for some items the eventual amounts have yet to be determined.

Action taken or planned	*Estimated savings*
Automatic Data Processing:	
Change in development, procurement, and operation of the Navy Advanced Information System—Navy (nonrecurring)	$36,200,000
Adoption of an input/output interface standard for Government-wide use—Commerce (estimated annual savings)	11,000,000
Cancellation of contract for unneeded mass storage system—Social Security Administration (nonrecurring)	10,900,000
Reduction in appropriation request for developing ADP standards—Commerce (nonrecurring)	6,800,000
Reduction in appropriation request for developing criminal case flow segment for COURTRAN II system—Judicial Branch (nonrecurring)	510,000
Communications:	
Adoption of world-wide nontactical secure voice communications system for Federal use in lieu of separate systems for civil and military users—Defense (nonrecurring)	355,500,000
Elimination of approximately 1,500 dedicated communication circuits—Defense (estimated annual savings)	5,500,000
Reduction in the number of terminals and supporting equipment in a nationwide computer and communication network—Immigration and Naturalization Service (nonrecurring)	3,818,000
Increased use of FTS by military installations—Defense (estimated annual savings)	120,000
Rerouting and eliminating of telecommunications services—Defense Commercial Communications Office, GSA (estimated annual savings)	32,000
Community Development and Housing:	
Reduction of appropriations for financing of the Section 8 Existing Housing Program—HUD (nonrecurring)	3,000,000
Action taken to collect delinquent public facility loans—HUD ($518,000 estimated annual savings; $514,000 nonrecurring)	1,032,000
Construction:	
Reduction in programmed construction and changes in methods of operations for fleet oilers and ocean tugs—Navy ($14,700,000 estimated annual savings; $53,000,000 nonrecurring)	67,700,000
Cancellation of an approved military construction project—Air Force (nonrecurring)	470,000
Reduction in appropriation request for facility construction at Trident base—Navy (nonrecurring)	385,000

Financial Savings and Other Benefits

Action taken or planned	Estimated savings
Contracting, Policies, and Procedures:	
Reduction of appropriations for funding advanced waste treatment projects—Environmental Protection Agency (nonrecurring)	300,000,000
Reduction in contract cost for claims processing under CHAMPUS by awarding fixed-priced contracts—Defense (estimated annual savings)	7,600,000
Increased competition for elevator maintenance and cleaning service contracts—GSA (nonrecurring)	1,286,000
Contracting out of medical and surgical services at St. Elizabeths Hospital—HEW (estimated annual savings)	944,000
Exercising option in existing contract rather than awarding new contract—Army (nonrecurring)	834,000
Increased competition for elevator maintenance contracts—VA (nonrecurring)	409,000
Avoidance of the need to perform and resolve additional defective pricing reviews—Navy (nonrecurring)	160,000
Reclassification of annuity costs claimed for reimbursement under a contract to "nonreimbursable"— Air Force ($14,000 estimated annual savings; $23,000 nonrecurring)	37,000
Education:	
Detection of student beneficiaries receiving excess benefits—HEW (estimated annual savings)	5,800,000
Employment and Training:	
Prevention of the use of CETA funds for unauthorized activity—Labor (nonrecurring)	16,000

Action taken or planned	Estimated savings
Financial Management:	
Increased use of account audits and reconciliations and collection letters to identify and collect royalties due Geological Survey—Interior ($11,400,000 estimated annual savings; $1,663,000 nonrecurring)	13,063,000
Reduction in funding of conservation operations for one half of average carry over of unobligated balance—Agriculture (nonrecurring)	3,000,000
Change in accounting procedures to provide that the Army Stock Fund be reimbursed for inventory losses from unidentifiable causes—Defense (estimated annual savings)	2,700,000
Installation of controls to reduce overtime use at St. Elizabeths Hospital—HEW (estimated annual savings)	983,000
Recapture of excess earnings from a commercial bank on five bank accounts—Postal Service (nonrecurring)	31,000
Foreign Military Sales:	
Deposit of proceeds from certain Foreign Military Sales in the Miscellaneous Receipts account of the U.S. Treasury—Defense (estimated annual savings)	188,000,000
Recovery of costs through improved pricing method—Defense (estimated annual savings)	150,000,000
Health Facilities:	
Closure of underused hospital—Navy (estimated annual savings)	2,918,000
Law Enforcement:	
Reduction in bank robbery investigative program—Federal Bureau of Investigation (estimated annual savings)	2,847,000

Action taken or planned	*Estimated savings*
Discontinuance of policy providing Federal inmates with free mail service on unrestricted basis—Bureau of Prisons (estimated annual savings)	800,000
Loans, Contributions, and Grants:	
Improved administration of education loans resulting in reduction of default rate and restricting loans to bona fide education-related financial need—VA (nonrecurring)	49,300,000
Decreases in funding for certain school districts—HEW (nonrecurring)	22,500,000
Management:	
Improved guidelines for implementing area mail processing plans—Postal Service (estimated annual savings)	65,000
Materiel Management:	
Reduction of war reserve requirements for C-5 aircraft spares and repair parts—Air Force (nonrecurring)	45,800,000
Reduction in procurement and strengthening procedures for stock levels—Air Force (nonrecurring)	28,700,000
Improved parts reclamation programs at the Military Airlift Storage and Distribution Center—Navy (nonrecurring)	13,600,000
Cancellation of a planned purchase of M2, 50 caliber machine guns and use of excess guns from other services—Army (nonrecurring)	9,333,000
Elimination of duplicate items listed under more than one national stock number in the Federal catalog—Defense (estimated annual savings)	3,500,000
Reduction of supply management and storage costs by purchasing readily available low-cost, low-use items from commercial sources—Defense (nonrecurring)	2,054,000
Cost reduction through consolidation and semi-automation of Message Refile Centers—Defense (estimated annual savings)	1,250,000
Reduction of contractual services which exceeded demonstrated needs and normal commercial practice—Air Force (estimated annual savings)	800,000
Reclassification of parts from unsuitable-for-use to serviceable at the San Antonio Air Logistics Center—Air Force (nonrecurring)	77,000
Medicare:	
Elimination of excessive reimbursement for home health care services—HEW (estimated annual savings)	20,000,000
Reduction in reimbursements for prescription drugs by basing reimbursements on lower unit cost package sizes—HEW (estimated annual savings)	750,000
Military Readiness:	
Reduction in C-141 flying hours by the Military Airlift Command—Defense (estimated annual savings)	20,000,000
Payments to Government Employees and Other Individuals:	
Elimination of enlistment bonus payments which were not required to attract skilled personnel—Army	4,400,000
Elimination of duplicate compensation for meals of foreign nationals employed by a U.S. Embassy—State Department (estimated annual savings)	123,000
Reduction in a foreign post per diem rate which had been raised on the basis of erroneous data—State Department (nonrecurring)	20,000

Action taken or planned	*Estimated savings*
Procurement:	
Change in strategy for procuring satellites for Defense Satellite Communications System—Defense (nonrecurring)	150,000,000
Recovery of costs of utilities furnished to non-Government tenants in Government leased building—GSA (estimated annual savings)	40,000
Real Property Maintenance:	
Reclamation from public agencies of surplus real property which was not being used for the purposes for which it was conveyed—HEW (nonrecurring)	254,000
Research:	
Savings resulting from reduction in spending on food irradiation research—Army (estimated annual savings)	1,138,000
Revenues:	
Increase in price of Federal uranium enrichment services to include interest cost of the investment in uranium feed material—Department of Energy (estimated annual savings)	100,000,000
Imposition of excise tax on fuel used by commercial vessels plying the inland and intercoastal waterways—Department of Transportation (estimated annual savings)	30,000,000
Increased reimbursement rate to fully recover cost of care provided civilian patients in DOD hospitals—Defense (estimated annual savings)	2,200,000
Imposition of fees for clinical services at neighborhood centers—District of Columbia Government (estimated annual savings)	36,000
Social Security:	
Withdrawal of proposed regulations which were contrary to provisions of the Social Security Act and which would make it easier for undocumented aliens to receive benefits—HEW (estimated annual savings)	57,000,000
Reduction in overpayments of benefits for students of retired, disabled, and deceased workers through verification of school attendance—HEW (estimated annual savings)	36,000,000
Reduction in duplicate payments made to student beneficiaries—HEW (estimated annual savings)	4,200,000
Improvement in the system for monitoring the continued medical eligibility of disabled persons receiving benefits—HEW (estimated annual savings)	3,000,000
Correction of data to compute black lung benefit payments—HEW (estimated annual savings)	803,000
Tax Administration:	
Instructions issued to retain tax payments made on small amounts of unreported income and to pursue collection of amounts due from taxpayers who agreed to income underreporting—Internal Revenue Service (estimated annual savings)	152,000
Transportation:	
Reduction of appropriation request for the transportation of ammunition—Defense (nonrecurring)	17,000,000
Reduction in the number of motor vehicles used by the U.S. Forces in Korea to support administrative operations—Defense (nonrecurring)	1,500,000

Action taken or planned	Estimated savings
Weapons System:	
Termination of the major caliber lightweight gun program—Navy (nonrecurring)	603,000,000
Reduction in appropriation and deletion of procurement funding for the GBU-15 Program—Air Force (nonrecurring)	32,000,000
Reduction in appropriation for the surveillance towed array sensor system—Navy (nonrecurring)	29,000,000
Other Items:	
General strengthening of the New York Summer Feeding Program—Agriculture (estimated annual savings)	32,000,000
Reduction of Federal rice deficiency payments for 1978 crop—Agriculture (nonrecurring)	11,000,000
Nonacquisition of endangered Hawaiian waterbird habitat—agreement reached on continued State protection—Interior (nonrecurring)	7,500,000
Reduction in Treasury borrowing costs by changing legislation to require disbursement of appropriated funds on quarterly basis—Corporation for Public Broadcasting (estimated annual savings)	3,000,000

Additional Financial Savings Not Fully or Readily Measurable

Many important one-time or recurring financial savings result from our work, but the resultant savings cannot be fully or readily measured.

Action Taken To Help Improve Financial Controls Over Wastewater Treatment Projects

In our report (CED-78-24, April 3, 1978) to the Administrator, Environmental Protection Agency (EPA), we pointed out that many grantees were not maintaining required accounting records and, as a result, were requesting and obtaining improper reimbursements from EPA. In many cases, grantees did not properly maintain required accounting records and, therefore, strongly relied on their consulting engineers for financial accountability. In addition, grantees were not effectively reviewing consulting engineer and construction contractor billings and, thus, did not play a significant role in assuring that expenditures under the program were proper.

To correct the situation, EPA distributed to its regional offices and grantees more than 10,000 copies of an "Accounting Guide for Construction Grants." The guide describes management techniques and accounting procedures that can be applied to construction grants projects. According to an Agency official, the document was published because of GAO's involvement in the area. The Agency believes the accounting guide will help to maintain fiscal integrity in its construction grants program and make sure that the estimated $170 billion still to be spent will be obligated wisely and prudently.

Improvements in Cost and Schedule Estimating and Demand Forecasting

In our report (PSAD-79-49, March 22, 1979) to the Chairman, Tennessee Valley Authority (TVA), we reported that current cost estimates for three powerplants were understated by several hundred million dollars each. As a result of this report, the Chairman of the Board of Directors advised the Chairmen, Senate Committee on Governmental Affairs and the House Committee on Government Operations, that TVA agreed with our report and initiated the following actions in line with our specific recommendations.

- TVA is currently reevaluating the cost estimates for all of the nuclear plants under construction to assure that they reflect the best estimate of what the actual costs will be. Moreover, TVA recently adjusted its construction schedules for the three plants studied by GAO to better fit the completion of new generating units with the most recent estimates of the need for additional power.
- TVA is planning to build units at Hartsville, Phipps Bend, and Yellow Creek in sequence rather than all at once. Meanwhile, TVA will continue to work toward completing its next three nuclear plants—Sequoyah, Watts Bar, and Bellefonte—as promptly as possible. The sequence approach will help combat inflation and improve control of construction delays and cost overruns through more efficient use of labor and more stable construction employment over a longer period.
- Construction schedules will be planned with enough flexibility so they can be adjusted in the future to match faster or slower growth rates that are in forecasts of regional power needs.

Advanced Wastewater Treatment Projects To Be Determined Before Funding Is Approved

In our report to the Congress (CED-77-12, December 21, 1976), we pointed out that the costs for advanced waste treatment (AWT) were higher than costs for secondary treatment and that, in some instances, the Environmental Protection Agency (EPA) was financing AWT facilities without sufficient water quality data and planning. While our review only covered five States, the U.S. Chamber of Commerce informed the Subcommittee on Water Resources, House Public Works Committee, that the general practice in other States was also to require AWT without adequate planning data.

As a result of our report and follow-up discussions with staff of the House Appropriations Committee, Subcommittee on HUD and Independent Agencies, the House reduced EPA's $4.5 billion request to $4.2 billion, citing concerns over the cost-effectiveness of AWT. On September 30, 1978, Public Law 95-392 was passed and provided $4.2 billion for EPA's construction grants program. The Appropriations Conference Committee stipulated that construction grants funds may be used for treatment greater than secondary only if the incremental cost of the advanced treatment would be $1 million or less, or if the Administrator personally determined that AWT was required and would definitely result in significant water quality and public health improvements. Substantial unmeasurable savings should result in the future as States and EPA continue to revise inappropriate water quality standards.

Improved Procedures for the General Services Administration's Management of Item Specifications and Standards

On November 3, 1977, we issued a report to the Congress (PSAD-77-171) on the need to improve the General Services Administration's (GSA) management of specification and standardization requirements for the items it purchases. We recommended that GSA develop a system whereby costs would be fully considered before developing or revising specifications and standards. Also, we recommended that specifications which are not used in a 5-year period be eliminated from the system.

Our recommendations were adopted by the agency.

Mail-order Catalogs No Longer Shipped by Air at Government Expense

Title 39 U.S.C. 3401(b)(1)(B) authorizes the air shipment of parcels to and from U.S. servicemen serving overseas on a space-available basis. The law does not define the term "parcel" other than to give allowable weights and measurements, and the U.S. Postal Service has allowed mail order companies to include catalogs in this service. The Department of Defense (DOD), which pays for the airlift, had tried unsuccessfully to persuade the Postal Service to exclude catalogs from space available mail.

Although DOD postal officials were unable to give us the total tonnage of catalogs shipped overseas, the volume shipped by 4 large mail-order houses during fiscal year 1975 amounted to 1.7 million pounds. If these catalogs had been shipped by air it would have cost DOD $435,000 more than normal surface transportation. DOD postal officials said this represented just the "tip of the iceberg" if all mail-order houses were permitted to use air service.

In our report (LCD-76-231, July 2, 1976), we cited cases where catalogs were, in fact, shipped by air. We expressed doubt that the legislation was to benefit private firms and recommended that the Postal Service amend its regulations to exclude mail-order catalogs from application of the law regarding air shipment of parcels. After much additional discussion between postal officials and the GAO Office of General Counsel, U.S. Postal Service regulations were amended, effective May 19, 1979, to exclude shipments of mail-order catalogs by air.

Improved Procedures To Determine Lowest Bidder

We reviewed the procedures followed for soliciting bids for each labor category involved in awards of contracts with expenditures of millions of dollars for technical services and noncomputer software products by the U.S. Army Communications and Electronics Materiel Readiness Command. We found that prospective contractors were permitted to bid in such a general manner as to leave considerable doubt that awards resulted in the lowest price.

In our report (PSAD-77-64, February 16, 1977), we recommended a new procedure whereby the Command could furnish specific bidding guidelines to prospective contractors. The Command adopted our recommendation.

Actions Taken To Increase Use of Pre-admission Screening for Elective Surgery

On April 4, 1978, we issued a letter report (HRD-78-85) on our review of the outpatient surgery and pre-admission testing programs in the Veterans' Administration (VA) hospital system. We advised VA that increased use of these programs would eliminate the need to hospitalize some veterans and reduce the length of hospitalization for others. Accordingly, we recommended that a systemwide policy for outpatient surgery and pre-admission testing be developed by VA and implemented in all general medical and surgical hospitals in the VA system.

A June 7, 1979, circular issued by VA's Department of Medicine and Surgery contained guidelines for pre-admission screening of patients who are candidates for elective surgery. The guidelines specifically suggested that:

- Diagnostic workups including consultations, laboratory studies, electrocardiograms, minor endoscopies, and X-ray studies be completed before hospital admission.
- Patients scheduled for minor surgery under local anesthesia not be admitted as inpatients except under unusual circumstances.

Improvements Made in the State of Oregon's Procurement System

On January 10, 1977, we issued a report (PSAD-77-15) on the cooperative GAO-Oregon Division of Audits review of the State of Oregon's procurement system to give the Congress and other interested parties an example of the potential benefits of performance auditing at State and local levels. The report recommended several improvements in three main functional areas of procurement: requirements determination and planning, contracting and contract administration, and delegation of procurement authority.

The Oregon Department of General Services has made some significant changes in those three procurement areas.

Modifications of General Services Administration Construction Contract Provisions

In our report (LCD-77-304, November 23, 1979), we recommended that the General Services Administration (GSA) amend construction contract provisions (known as general conditions) to provide that allowances for overhead, profit, and commission be applied on all change orders that add or delete work. We estimated that the overall cost of the Government on 5 contracts would have been reduced by $140,000 if GSA had obtained such allowances on 76 credit change orders. This recommendation was included in follow-up letters to GSA dated June 12, 1978, and January 18, 1979.

By letters dated April 25, 1979, the Acting Administrator of GSA informed GAO and the congressional committees that GSA is implementing our recommendation by modifying the general conditions in the construction contracts. Regional Administrators were notified by the Acting Commissioner of the Public Building Service on April 16, 1979.

Improved Procedures for Negotiating Contract Prices

In our report to the Secretary of Defense (PSAD-78-127, July 20, 1978), we recommended that Department of Defense (DOD) obtain from contractors certain data which would allow DOD to fairly negotiate the share of contractors' indirect expenses to be paid for by DOD.

DOD took appropriate action on our recommendation, including a requirement that the contractor certify the data.

Improved Congressional Mailing Practices and Franked Mail Billing Procedures

The congressional franking privilege is intended to facilitate the informing function of Members of Congress. The Congress was billed approximately $50 million for franked mail service in fiscal year 1978. Because of concern over rising postage costs, the Senate Committee on Appropriations asked that we review the mailing practices of the Congress and the Postal Service's method of determining the cost for franked mail service.

We suggested ways for both the House and the Senate to improve mailing practices and save on franked mail costs. Acting on information we provided, the House has met with the Postal Service and is making changes in its mail preparation procedures to take advantage of reduced postal rates. Likewise, the Senate has adopted our suggestion that it use different mailing procedures to substantially save postage costs. In addition to saving postage costs, these changes should improve the mail service for the House and the Senate.

In an April 26, 1979, report to the Postmaster General (GGD-79-50), we noted that numerous billing errors occurred in the Service's system for determining franked mail cost because of poor implementation and inadequate monitoring of the system. The Postal Service initiated steps to improve the training of employees involved in the billing process and strengthen monitoring procedures. It will also issue clarifying instructions if necessary. Revised billings will be issued to the Congress.

Action To Recover Unspent Federal Funds

On October 7, 1975, we reported that the Department of Labor's Employment and Training Administration had a large backlog of expired contracts and grants which had not been closed out. In a September 21, 1978, follow-up report to the Secretary of Labor (HRD-78-142), we pointed out that little improvement had been made. As of March 31, 1978, advances outstanding (payments to contractors and grantees in excess of reported costs) were $206.3 million for about 3,600 unclosed contracts and grants.

As a result of our draft report and indications that other agencies might be allowing contractors and grantees to hold unspent Federal funds, the Director, Office of Management and Budget (OMB), issued a memorandum to the heads of 16 Federal agencies. The Director requested agency heads to review closeout practices and procedures to determine whether they are consistent with OMB Circulars No. A-102 and A-110. These circulars require immediate recovery of unspent funds from grantees and contractors. He ordered that procedures inconsistent with the circulars promptly be made consistent and that immediate steps be taken to recover excess funds where closeouts were not current.

Taxpayers Will Find It Easier To Prepare Tax Returns More Accurately And in Less Time

In our report to the Joint Committee on Taxation (GGD-78-74, July 5, 1978), we recommended that the Internal Revenue Service (IRS) extensively revise the tax forms and instructions to make it easier for taxpayers to file their own returns. Because of the importance of the simplification effort and the need for the Congress to support it by providing funds to implement the improvements, we also recommended that the Congress hold hearings to review with IRS its plans for improving the forms and instructions and the progress being made.

Legislation which was enacted requires and provides resources for agency action to implement our recommendations. The Revenue Act of 1978 requires the Department of the Treasury to report to Congress by 1981 on steps which can be taken to simplify the tax forms and instructions as well as the tax laws. The act also authorizes hiring up to 10 additional staff to do the study.

Simpler tax materials will benefit both taxpayers and the Government. Taxpayers will be able to do their own returns more accurately, in less time, and with less professional assistance. And, the Government will find it easier to administer the tax laws.

Better Program Management Through Eliminating Exchange Rate Gains and Losses from the Department of Defense Budget Process

In 1973 the major industrial countries changed from fixed to floating currency exchange rates. The floating rates have made it difficult for the Department of Defense (DOD) to manage programs financed with foreign currencies. During the long leadtime between budget preparation and execution, foreign currencies are spent at different exchange rates than those budgeted.

If expenditures are made at less favorable rates than those budgeted, DOD must provide for such shortfall through supplemental appropriations and reprogramming authority or absorb the increased costs. This causes delay and uncertainty in carrying out programs. If not enough funds are obtained this way, funds for approved programs must be reduced. Gains attained from favorable exchange rate fluctuations enable Defense to either offset unbudgeted costs or to finance unfunded programs.

Our report (ID-78-33, April 17, 1978), concluded it would be desirable to provide for an alternative funding method to eliminate, from the budgetary process, exchange rate losses that are not predictable and that have adversely affected DOD programs. This would also help ensure that DOD does not supplement its appropriations through gains derived from favorable currency exchange rate fluctuations.

We recommended that authorizing legislation be sought to achieve these purposes. The Department of Defense Appropriations Act for the fiscal year 1979, Public Law 95-457, provides for a similar approach.

Actions Taken To Improve Planning for Pandemic Influenza

In our report to the Congress on the swine flu program (HRD-77-115, June 27, 1977), we stated that the Department of Health, Education, and Welfare (HEW) never formally reevaluated the decision to continue the program despite the delays and problems which hampered it and the decreasing chances of a pandemic as time passed. The swine flu did not occur as predicted, and claims and suits against the Government for adverse reactions from swine flu immunization total over $3 billion. Our report pointed out the need to establish key points in the formal program reevaluation process.

In December 1977, HEW convened an interagency work group to develop a flu pandemic contingency plan. The plan developed includes a time-phased approach to preparing for pandemic influenza. Key decision points are also included in HEW's program plan for its newly established annual flu immunization program. Proper implementation of these plans could save many needless immunizations and subsequent adverse reactions and the costs associated with each to the Government.

Improved Guidance, Accountability, and Reporting Requirements in Management of Facsimile Equipment

In our report (LCD-76-116, October 22, 1976), we stated that an estimated 8,000 facsimile machines were in use throughout the Government. Most machines were not being shared. We recommended that the Administrator of the General Services Administration (GSA) and the Secretary of the Department of Defense (DOD) (1) determine facsimile machine usage and use such information to evaluate the need for existing equipment and requests for additional equipment and (2) establish a uniform procedure for making lease-versus-purchase determinations for facsimile equipment. Further, our report recommended that DOD reevaluate the policy contained in existing instructions which required the use of automatic disconnect devices with facsimile machines.

GSA has revised its directives in accordance with our recommendations to (1) provide uniform guidance to users on lease-versus-purchase decisions for facsimile equipment, (2) require specific GSA approval for procurement of exclusive-use facsimile equipment rather than shared-use or common-use equipment, and (3) require users to supply information on use and cost of facsimile equipment. DOD has revised its instructions to allow an exception for using automatic disconnect devices with manually operated communications equipment.

Reliable costs for facsimile equipment and related communications were not available in GSA and DOD for inclusion in our report. Thus, we cannot determine the amount of savings resulting from the actions taken. However, the actions taken should bring about substantial savings.

Strengthened Procedures To Recover Costs for Federal Employees' Injuries Caused by Third Parties

If a third party is responsible for a Federal employee's injury and thus liable for paying damages, the Federal Employees' Compensation Act provides that the Department of Labor (DOL) may require the injured employee to assign to the United States any right to enforce the liability or any right to share in assets to satisfy the liability to prosecute the action in the employee's name. This provision is to keep taxpayers from bearing the compensation costs when a third party is liable.

On May 9, 1979, we reported to the Congress (HRD-79-36) that DOL had not been effectively identifying and recovering these costs and that such recoveries could have helped to offset escalating compensation costs.

We reviewed 1,002 randomly selected claims at three district offices. Our review showed that claims with recovery potential from third parties were not being effectively identified and recovery of costs was not being adequately pursued. Through more aggressive action, DOL might have recovered an additional $4.7 million from third parties for the 3-year period in the 3 district offices covered by our review. Potential monies from recoveries nationwide could amount to much more.

DOL has taken actions to make its program more effective and efficient. It stated these actions will meet the objectives of and conform to our recommendations. DOL later informed us that preliminary reports indicate that substantial recovery activity has been undertaken.

We believe that, if properly implemented, DOL's actions should resolve the problems disclosed in our report and result in the recovery of substantial additional costs.

Revised Architect-Engineer Deficiency Procedures

On July 14, 1977, we reported (LCD-76-333) that the Department of Defense (DOD) and the General Services Administration (GSA) were not adequately documenting causes for errors and omissions in plans and specifications prepared by Architect-Engineers (A-Es). Because of this inadequate documentation, the Government cannot establish responsibility for resultant contract change orders and recover costs from A-Es in cases involving negligence. As a result, millions of dollars are paid by the Government without determining responsibility.

We recommended that the agencies document design deficiencies, establish responsibility for resultant change orders, and recover costs stemming from apparent A-E negligence.

On March 13, 1978, the Armed Services Procurement Regulation (ASPR) Committee issued Defense Procurement Circular No. 76-14. The circular clarified and expanded ASPR guidance pertaining to A-E responsibility for construction contract change orders due to design errors or deficiencies. The contracting officer must determine the A-E's reasonable liability for the error or deficiency, and state why he decided to assess or not to assess an A-E for additional change order costs. This determination will be placed in the contract file.

As a result of our review and report, GSA revised its A-E Deficiency Procedures to provide guidelines for identifying the causes of change orders, determining and documenting liability for design deficiencies, recovering costs attributable to A-E negligence, and using A-E performance evaluations in subsequent selections. The finalized A-E Deficiency Procedures were issued to Public Buildings Service Regional Administrators on February 5, 1979.

Corps of Engineers Studies Unnecessary Corps Maintenance

In a January 17, 1978, letter of inquiry to the Director of Civil Works, Corps of Engineers, we pointed out the need to reduce dredging of little-used harbors. We also presented a case study of three harbors which we believed had been dredged to excess depths because the district apparently relied on historical rather than current harbor usage to plan its dredging activities. Attached was a listing of 152 projects which we would consider reviewing if a detailed audit were undertaken. We asked (1) what changes, if any, the Corps planned for reducing dredging requirements for these harbors, (2) what other dredging operations could be reduced, and (3) if Corps findings confirmed our limited analysis, what actions would be taken to carry out dredging activities at levels more consistent with current traffic operations.

On May 11, 1978, the Deputy Director of Civil Works instructed the district engineers to carefully review the commercial statistics and other trend indicators available and evaluate this data with respect to total operation and maintenance requirements.

On August 3, 1978, the Corps issued a circular which provided guidance and established review criteria to determine which projects are no longer justified for continued maintenance because of changed physical, economic, or other conditions. The circular provided screening criteria for all completed projects which Corps headquarters had identified. Subsequently, 114 projects failed the initial screening process. Corps' officials plan to prepare reconnaissance reports (a more indepth review costing about $20,000 per project) on each of these projects. If the projects seem questionable, they will be considered for a complete economic evaluation. This could result in project deauthorization and a halt to all Federal maintenance of the applicable project.

Project maintenance is periodic; the cycles range from annual to 50-year intervals. Recent 3-year average annual operation and maintenance costs for the 114 identified projects were over $21.5 million.

Legislation Requires Department of Defense To Charge Foreign Governments for Normal Inventory Losses

Since at least 1969, the Department of Defense (DOD) has required that inventory losses be assessed on all foreign military sales not covered by supply support arrangements. We found that the military departments were assessing inventory losses on stock fund sales but were not charging for inventory losses on nonstock fund sales even when such sales were covered by supply support arrangements. On September 8, 1977 (FGMSD-77-43), and August 25, 1978 (FGMSD-78-51), we reported that DOD was losing millions of dollars on sales to foreign governments because normal inventory losses were not being recovered.

As a direct result of our September 8, 1977 report, the Congress enacted legislation amending the Arms Export Control Act. The amendment expressly required that normal inventory losses be charged foreign governments on all sales from inventories of DOD articles being stored at the expense of the purchaser (supply support arrangements). We anticipate millions of dollars of additional recoveries once DOD implements existing legislation.

Revisions of the Endangered Species Act

The 95th Congress enacted legislation to amend the Endangered Species Act of 1973. Included in the 1978 amendments are legislative changes based on five GAO congressional briefings. These changes should reduce the impact endangered/threatened species will have on Federal projects and programs and save the Federal Government money. The existing legislation includes:

- A time limit for Federal agencies to identify endangered and threatened species likely to be affected by their projects and programs.
- Permanent exemptions from the act's protective provisions for Federal projects and programs which have been reviewed, avoiding later project delays and corresponding increased costs.
- A requirement that the Department of the Interior review all species listed as endangered and threatened at least once every 5 years to determine whether any should be delisted or reclassified, eliminating the costs related to unnecessary consultations and legal conflicts.
- A requirement that Interior publish a final regulation or a notice of withdrawal within 2 years of a proposed rulemaking, eliminating the costs to other Federal agencies of conserving and conducting reviews of species withdrawn from consideration.

Although annual savings cannot be measured, the legislative changes should (1) reduce the number of staff and financial resources required to identify and resolve conflicts between endangered/threatened species and Federal projects and programs, (2) eliminate the expense of conservation efforts and reviews on species which are not endangered or threatened, and (3) preclude project delays and corresponding increased costs.

Standardized Hearing Conservation Program Established by the Department of Defense

The Department of Defense (DOD) has paid out millions of dollars for employees' job-related hearing losses (2,500 Navy hearing loss claims paid in 1975 cost about $17 million). On September 15, 1977, we reported (LCD-77-208) on DOD's need for a complete and well-defined hearing conservation policy. We recommended that the Secretary of DOD (1) establish an 85 decibel, 8-hour maximum exposure level for unprotected workers; (2) improve work area surveys; and (3) DOD components monitor required hearing tests, adopt uniform criteria for deciding when engineering controls should be used, and stress safety rules and instructions.

In November 1977, DOD responded that it realized the lack of a standard DOD hearing conservation policy resulted in diverse programs among its components. To correct the problem, DOD issued an instruction in June 1978 which established a standardized hearing conservation program.

Food Stamp Program Eligibility Requirements Standardized

In a report to the Congress (RED-75-342, February 28, 1975), we recommended that the Department of Agriculture revise the food stamp program regulations to eliminate automatic eligibility for public assistance recipients and apply standardized income and other eligibility criteria equally to all applicants for program benefits. The Department said the law would have to be changed and it proposed such a change in October 1975.

In the Food Stamp Act of 1977, the Congress provided for the application of the same asset and income eligibility criteria for all people wishing to participate in the program. The Department issued regulations for implementing these criteria in October 1978.

Savings are expected because some households not meeting the asset and income criteria will be eliminated from the program. Also, standardizing program eligibility requirements should result in more equitable treatment of all persons wishing to participate.

Other Benefits

Some actions taken in response to our recommendations result in benefits other than financial savings. If the Congress enacts recommended legislation or if new agency regulations or procedures are adopted, day-to-day operations at Federal, State, and local levels may improve. Sometimes the actions directly enhance the well-being of individual citizens.

Condominium Homeownership Opportunities Increased

Federal laws provided that the Department of Housing and Urban Development (HUD) could insure mortgages on individual condominium units only if HUD insured mortgages on the entire project. This requirement eliminated 97 percent of existing condominiums—about 1.25 million units—from the Department's mortgage insurance program. Department officials and condominium developers believed that the requirement had unnecessarily discouraged many individuals from purchasing condominiums as a home. In our report (CED-78-71, March 21, 1978), we recommended that the Congress authorize HUD to insure mortgages on individual condominium homes without requiring that the project be built under a HUD mortgage insurance program.

The essence of our recommendation was included in Public Law 95-557, approved October 31, 1978. HUD is changing its regulations to authorize insuring offices to insure one-family condominium units in non-FHA insured multifamily projects containing 12 or more units if construction of the project was completed more than a year prior to the application for mortgage insurance.

Savings Bonds Are Returned to Their Owners

In August 1973, the Department of the Treasury and the Federal Reserve Banks had about 709,000 savings bonds which they were keeping for about 188,000 individuals. These bonds were held in "safekeeping accounts," with many of them belonging to World War II, Korean War, and Vietnam War veterans. At the time of our review, Treasury had not attempted to

return the bonds to the owners because they believed that it would be too difficult for them to locate the individuals. Many of these bonds had been with Treasury for over 30 years.

In our report to the Congress (B-179225, August 10, 1973), we recommended that Treasury use address files in other Government agencies to locate bond owners. As a result of our recommendation, Treasury had returned about 417,000 (nearly 60 percent) of the 709,000 bonds in safekeeping to bond owners through fiscal year 1979. The value of these returned bonds is approximately $33 million.

Limits Placed on Public Service Employment Program Participation

In our report to the Congress (HRD-77-53, April 7, 1977), we recommended that the Secretary of Labor provide more benefits to unemployed persons eligible to participate in public service employment (PSE) programs authorized by the Comprehensive Employment and Training Act (CETA). We reported that many PSE participants had remained in these temporary programs for a long time, and these programs often were not serving those most in need. Some participants were secondary wage earners coming from households with substantial incomes.

Amendments added to CETA in 1976 gave preferential help in obtaining a PSE job to unemployed, needy individuals for only a portion of the authorized PSE jobs. We recommended that the Congress amend CETA to (1) limit the time an enrollee can remain in the programs and (2) extend the preferential treatment to unemployed persons (who are not members of families with substantial incomes) for placement in all available public service jobs to serve those most in need.

In October 1978, CETA was reauthorized and amended. The 1978 amendments included an 18-month limitation on participation in all PSE programs and limited participation to "economically disadvantaged" persons. These amendments will enable more persons to be served by the programs and will help assure that the programs serve those persons most in need.

Nuclear Regulatory Commission's Role in Selecting Nuclear Fission Technologies for Development

In April 1977 the President decided to defer indefinitely the development of advanced nuclear fission technologies which use plutonium. This decision was made to help reduce the risk of nuclear weapons proliferation.

As a result of the President's decision, the executive branch is conducting a major assessment program to select nuclear fission technologies for future development. We found that the Nuclear Regulatory Commission (NRC)—the independent regulatory agency which ensures the public's safety from nuclear accidents and diversions of nuclear materials—did not have a major role in the selection process. We made recommendations to correct this deficiency.

As we recommended (EMD-78-44, March 7, 1978), NRC agreed to identify and report to the President and the Congress known or suspected licensing issues and problems associated with advanced nuclear fission technologies under serious consideration by the executive branch. This will be done before any are scheduled to be selected for future development. The report will identify the relative safety, safeguards, and environmental advantages and disadvantages of each technology.

NRC's report should help strengthen Federal efforts to select the most acceptable advanced nuclear fission technologies for the next generation of nuclear power in the United States.

Improved Procedures for Enforcing Federal Communications Commission Regulations

Growth and change have occurred in telecommunications in recent years. New services have been developed. The number of Federal Communications Commission (FCC) licensees has dramatically increased. And a greater public use and awareness of radio communication has occurred. This has placed demands on FCC to develop effective means for enforcing its regulations and responding to public inquiries.

Our August 18, 1978 report to the Chairman of the FCC (CED-78-151) included several recommendations relating to FCC's Field Operations Bureau. The Bureau is responsible for enforcing the provisions of the Communications Act of 1934 and the Commission's rules and regulations and serves as a liaison between FCC and the public.

On October 19, 1978, FCC adopted the basic recommendations contained in our report and established a committee of Field Operations Liaison Officers to help fully integrate field operations into the regulatory structure.

FCC has also funded a study to measure how effectively its field enforcement activities achieve regulatory objectives, and analyze the Field Operations Bureau's information gathering function. The study will also propose an improved structure for the Bureau so that it can measure the effectiveness of field enforcement activities and assist management in determining where and to what extent field enforcement resources should be expended.

Strengthening Securities and Exchange Commission Oversight of the Over-the-Counter Market

In our report (FGMSD-78-65, October 5, 1978), we stated that the Securities and Exchange Commission's (SEC) oversight of the National Association of Securities Dealers' (NASD) self-regulation of the over-the-counter securities market needed improvement in several areas. The SEC responded to our recommendations by informing Congress that it would act to strengthen its inspection and oversight of over-the-counter securities transactions. The SEC stated that its oversight staff was being increased, its inspection function for review of NASD operations was being reorganized, and greater efforts were being made to complete planned inspections. Other corrective actions were reportedly underway.

Unsafe Conditions at the Philadelphia Naval Regional Medical Center Are Being Corrected

On February 17, 1978, we reported (LCD-78-301) that the Philadelphia Naval Regional Medical Center had badly deteriorated and was unsafe for its intended use. We noted (1) violations of the National Fire Protection Association's fire safety code; (2) lack of emergency power and lighting in the medical, surgical, and recovery wards; (3) leaking roofs and deficiencies in wiring systems; (4) improper ventilation and fire deterrent systems; and (5) general obsolescence and deterioration of the buildings. At that time the Navy estimated $14 million was necessary to correct major deterioration and safety problems and an additional $3 million to remedy fire and other safety deficiencies. GAO recommended, among other items, that the Navy budget, as early as possible, the funds necessary to correct these problems.

On July 6, 1979, the Navy reported to GAO that it had funded fire safety code corrections, emergency power improvements, and elevator repairs for a total of $375,000. Funding for fiscal year 1979 and early fiscal year 1980 projects totals another $1,289,000 and includes repairs to the electrical system, food service refrigeration units, building exterior, other elevators and various miscellaneous items. Programing for additional repairs is also planned but is contingent upon additional funding.

Navy projects underway or programed are a significant step in improving the unsafe conditions at the Center. This is necessary until the construction of a planned replacement hospital in the mid-1980's.

Actions Taken To Improve the Farmers Home Administration's Business and Industrial Loan Program

In a September 30, 1977, report to the Congress (CED-77-126), we recommended several ways the Farmers Home Administration (FmHA) could improve its Business and Industrial Loan Program to (1) more accurately measure and report program accomplishments, (2) better assess proposed loans, (3) provide better loan servicing and management assistance to borrowers, and (4) attain enough qualified staff.

In line with our recommendations, the FmHA

- issued instructions setting forth the procedures for obtaining and reporting more accurate program accomplishments as they relate to actual jobs saved and/or created;
- reorganized its headquarters staff to better assess proposed loans and to provide better loan servicing and management assistance to borrowers;
- hired consultants to service problem loans;
- held a seminar relating to appraisal methods and techniques used in appraising loans;
- hired a consulting firm to train its employees on how to analyze loan applications from businesses associated with specific industries such as the textile, health care, services, and lodging industries.

Actions Taken by the Office of Education To Improve Its Administration of Institutional Grants for International Education

In our report to the Congress (ID-78-46, September 13, 1978), we recommended the adoption of four procedures to improve the management of institutional grants for international education made by the Department of Health, Education, and Welfare's Office of Education.

With respect to the recurring annual funding for 80 centers to promote and increase the study of needed modern foreign languages, we recommended Office of Education officials (1) visit each center every 2 years, (2) prepare and distribute to center officials every 2 years a report containing helpful lessons learned, and (3) prepare written feedback reports at least yearly on the required reports centers submit to the Office.

With respect to a starter-grant program begun in 1972 to help institutions initiate programs in international studies, we recommended the Office of Education develop a system to determine if programs continue after Federal grants are stopped and reasons for success or failure. Such information is essential for evaluating the starter-grant program and proposed new projects.

In April 1979, the Secretary of Health, Education, and Welfare informed us that the Office of Education (1) has developed plans to ensure that each of the 80 centers will be visited at least once every 2 years, (2) will distribute its first lessons-learned report to all 80 centers in December 1981, (3) will provide feedback reports to each center beginning with the next program cycle starting in the fall of 1979, and (4) is now developing a system to evaluate the effectiveness of starter-grants for international studies which will be used in the next program cycle.

Improved Effectiveness of the Federal Aviation Administration's Enforcement of Commercial Aircraft Safety Standards

In a report to the Secretary of Transportation (CED-79-10, November 21, 1978), we pointed out that certain large aircraft operators may be avoiding commercial aircraft safety regulations by leasing aircraft to foreign air carriers on paper and then continuing to operate them in the United States. Prior to our report, neither the Federal Aviation Administration (FAA) nor the Civil Aeronautics Board (CAB) required foreign air carriers to comply with commercial safety regulations while operating in this country.

We recommended that FAA and CAB require that all foreign air carriers flying in the United States meet at least the International Civil Aviation Organization's (ICAO) commerical safety standards. FAA and

CAB have reached an agreement that compliance with ICAO commercial standards will be a condition of all future operating permits issued by the CAB to foreign air carriers.

This requirement will close a loophole which may have been used by some operators to avoid commercial safety regulations. It will also improve the effectiveness of FAA's enforcement of commercial safety standards.

Action To Strengthen and Improve the Federal Automatic Data Processing Standards Program

In our April 19, 1978, report to Congress (FGMSD-78-23), we noted that the Federal Government is not fully realizing the potential savings available through the competitive procurement of Automatic Data Processing (ADP) resources, primarily because of a weak Federal ADP Standards program. Federal agencies have become locked into suppliers of computers and related services either because certain essential standards have not been developed or agencies are not complying with existing standards.

This has been caused in part by the Office of Management and Budget's (OMB) failure to provide all agencies with policy guidance that

- cites the importance of standards in addressing Federal programs;
- specifies and ensures an active role by Federal agencies in Federal and voluntary commercial standards setting;
- ensures that Federal agencies fully coordinate with the Department of Commerce when participating in commercial standards development;
- requires agencies to establish policies and procedures for implementing standards, including the use of internal audit to examine for compliance; and
- requires agencies to report annually on the degree of noncompliance with existing standards and agency plans for converting to standards.

On January 8, 1979, OMB issued a memorandum to the heads of executive departments and agencies citing the importance of the standards program and OMB's intent to revitalize the standards program. OMB directed the head of each department and agency to appoint a senior management official who will be responsible for developing agency policies and procedures and overseeing their implementation. This official is required to assist the Secretary of Commerce in

- identifying high priority standards requirements,
- assuring the development of effective standards,
- evaluating the effectiveness of existing standards, and
- measuring the degree of agency compliance with Federal standards.

New Regulations To Ease Entry into Regulated Trucking and Stimulate Competition

The Interstate Commerce Commission's (ICC) process for granting temporary operating authority often had resulted in inadequate service to shippers and had overly protected regulated truckers from competition. In a February 24, 1978, report to the Congress (CED-78-32), we pointed out that regulated truckers often opposed operating authority applications even when they did not desire or have the ability to perform the "new" service. To help ease entry into the regulated trucking industry and to promote competition, we recommended that the ICC, in the future, require protesting truckers to demonstrate specifically how they are meeting or could meet the needs of the shippers.

On October 27, 1978, ICC adopted new rules which will substantially reduce the number of truckers who oppose operating authority applications. In the past, ICC had permitted any interested individual to protest an application for operating authority and thereby become a party to the proceedings. Effective January 1, 1979, ICC began permitting regulated truckers to oppose operating authority applications only if they (1) hold operating authority that conflicts with that desired by the "new" trucker, (2) are able to provide the service, and (3) have in fact performed the desired service. ICC will permit others to oppose operating authority applications only if they can show that they have a sufficient interest in the outcome of the case or can make a meaningful contribution to the ultimate decision. Such truckers will be permitted to oppose operating authority applications only if they can show that they have directly and repeatedly solicited the shipper's traffic.

The new rules apply to permanent operating authorities, and we believe they will ultimately make it easier for truckers to obtain ICC's approval for interstate operating authority and will, therefore, in line with our recommendation, help stimulate competition in the trucking industry.

Radioactive Wastes at Inactive Uranium Mills To Be Cleaned Up

Since the 1940's, 39 privately owned mills have produced and sold uranium to the U.S. Government. Twenty-two of these mills have closed down, leaving about 25 million tons of radioactive sand-like waste—commonly called mill tailings—in unattended piles and ponds. Until recently, these tailings were believed to be of such low radiation they were not considered to be harmful to the public. However, recent concern about the possible adverse effects of long term low-level radiation has served as an impetus for various organizations to seek ways to prevent the tailings from harming the public.

We recommended to Congress on June 20, 1978 (EMD-78-90), that the Federal Government should take the lead in cleaning up the uranium mill tailings at the 22 inactive mill sites. On October 14, 1978, the Congress passed the Uranium Mill Tailings Control Act of 1978 (Public Law 95-604). This act, which incorporated several other recommendations we made to ensure the program would be conducted effectively and efficiently, authorized the Department of Energy as the lead agency to conduct a comprehensive program to clean up radioactive wastes.

Improvements in the Nuclear Regulatory Commission's Procedures for Acquiring Outside Goods and Services

More than half of the Nuclear Regulatory Commission's (NRC) annual budget ($288 million for fiscal year 1979) is spent for acquiring outside goods and services. The vast majority of these expenditures—86 percent—is for research and technical assistance acquired from the Department of Energy's (DOE) various laboratories. Regarding these expenditures, our March 7, 1979, report (EMD-79-37) to the Senate Subcommittee on Nuclear Regulation, Committee on Environment and Public Works, made several recommendations to ensure better compliance with requirements of applicable acquisition laws and regulations. We recommended that NRC justify its work placement with DOE laboratories instead of private contractors; seek greater competition in contract awards; ensure timely implementation of proposed procedures regarding contractor cost vouchers approval and alleviation of the contract closeout backlog; ensure better consultant appointment justifications; and tighten payment controls for consultants' services.

In response to our recommendations, NRC has instituted procedures to ensure the proper contracting source—private or government—has been identified and the choice properly justified and documented; implemented a program which allows for earlier development of contract requirements and expanded its Bidder's Mailing List system in attempts to obtain more contract competition; and has instituted improved procedures for obtaining and paying consultants.

Improved Congressional Budgetary Control Over Department of Agriculture Appropriation Accounts

At the request of the Senate Appropriations Committee's Subcommittee on Agriculture, Rural Development, and Related Agencies, we determined the advisability of retaining no year funding for accounts in the 1979 Department of Agriculture Appropriations Bill. In our May 19, 1978, testimony before the Subcommittee and in our report (PAD-78-74, September 19, 1978), we stated our general position that appropriations for regular operations of a department—other than long-term contracts—should be funded on a fixed-year basis. The 1979 Appropriation Act (Public Law 95-448, October 11, 1978) improved congressional budgetary control over seven Department of Agriculture appropriation accounts by changing them from no year to fixed year.

Improved Effectiveness and Administration of the Anti-dumping Act of 1921

Legislation enacted on July 26, 1979, amended the Anti-dumping Act of 1921 in several areas where we recommended change (ID-79-15, March 15, 1979). These include:

- Providing for simultaneous filing of anti-dumping petitions with the Department of the Treasury and the United States International Trade Commission (ITC). This will allow the ITC to proceed with its comprehensive investigation of injury without waiting some 7 to 10 months to begin an investigation while Treasury concludes its determination of whether imports had been sold at less than fair value.
- Collecting estimated duping duties after a final affirmative finding of dumping has been made, with appropriate provisions of refunds and collection of over- and underpayments upon determination of final dumping duties.
- Using the best information available to determine dumping duties when delays are encountered because respondents and importers are slow in providing the data needed for duty determinations.
- Establishing time limitations for collecting final dumping duties.

In addition, Treasury has reported (1) trying to obtain a monitoring system that will track imports for which anti-dumping proceedings have been initiated and (2) working to improve joint participation between Washington case handlers and Customs Service agents abroad in developing and verifying the data Treasury needs to meet its responsibilities under the act.

Improving Management of Equipment Warranties

The Washington Metropolitan Area Transit Authority is building and operating the METRO rapid rail system. We reviewed the management of equipment warranties to determine if the Authority was obtaining full value and found that warranty management was a low priority area and, as a result, the Authority was spending its own funds to make warranted repairs.

In our report (PSAD-79-41, February 27, 1979), we made a number of specific recommendations which the Authority's General Manager adopted. As a result of our report, in addition to actual collections of over $1 million, the Authority realized other benefits by (1) making major modifications to the warranty and reliability requirements for the next railcar procurement, (2) establishing clear lines of authority for enforcing warranty requirements, and (3) giving priority to the establishment of a computerized maintenance data system to track reliability and performance of equipment.

Increased Effectiveness in Acquiring Nuclear Weapons

Improved management interface between the Department of Defense (DOD) and the Department of Energy (DOE) should lead to increased effectivenesss in acquiring nuclear weapons as a result of recommendations contained in our report (PSAD-79-4, November 7, 1978). The report identified the need for (1) DOD to provide more definitive requirements when requesting DOE to initiate engineering development for nuclear weapons (warheads, bombs, etc.), and (2) DOE to participate in the Defense System Acquisition Review Council (DSARC) process when a nuclear weapon is involved. In response, DOD advised us that procedures had been implemented to better define nuclear wea-

pon requirements and to provide for DOE participation in DSARC. DOE indicated that direct involvement in the DSARC will provide an appropriate, timely information exchange at crucial DOD program milestone decision points, which will be mutually beneficial to the nuclear weapon development process.

Strengthening the Effectiveness of the Department of Energy's Nuclear Safeguards Program

The development and expanded use of nuclear energy in the United States has resulted in increasingly larger amounts of highly dangerous special nuclear material being processed by the Government and private industry. Two Federal agencies are responsible for properly safeguarding civilian nuclear activities in this country—the Department of Energy for nuclear materials held by its research and development facilities and the Nuclear Regulatory Commission for commercial nuclear facilities.

In our July 23, 1976 report (EMD-76-3), we found problems with the systems used to account for and protect special nuclear materials at Federal facilities. The problems resulted primarily because the agency responsible for developing and operating the facilities was also responsible for safeguarding its own programs without independent oversight.

In a more recent report (EMD-77-40, May 2, 1977), we also found weaknesses in the nuclear material accountability and physical security systems at commercial facilities and compared NRC's programs to those of DOE. In this later report we pointed out, among other things, the need to (1) minimize the risk to the public of subordinating regulatory to promotional functions, (2) maximize objectivity and impartiality, and (3) increase public confidence in the safe operation of all nuclear facilities. It was therefore necessary to assure that an independent determination be made that Federal and commercial nuclear facilities are being operated in the best interests of the security, health, and safety of the Nation. Accordingly, we recommended that independent assessments be made regarding the adequacy of DOE safeguard programs.

DOE agreed with the thrust of the recommendation and initiated studies to determine the best way for implementing it. As a result of DOE's follow-on studies, top agency management issued a directive on September 13, 1977, which gave DOE's Office of the Inspector General full responsibility for nuclear materials safeguards oversight for all Federal nuclear facilities. The Office of Inspector General has no direct program responsibilities and reports directly to program directors and the Deputy Secretary of DOE. As such, a separation is made between those responsible for safeguarding nuclear facilities and those responsible for ensuring its effectiveness.

As a result of DOE's action on our recommendation, we believe the public interests are better served by achieving a higher, more objective level of assurance that special nuclear material at the Nation's Federal nuclear installations is properly protected from theft, diversion, sabotage or other violent acts.

A New System of Tax Incentives For Americans Working Abroad To Improve U.S. Competitiveness

Legislation enacted November 8, 1978, (Public Law 95-615), established a new system of tax deductions as an incentive for U.S. citizens to work overseas. This reversed an October 1976 legislative decision to reduce substantially a longstanding tax incentive for citizens employed aboard. We reported (ID-78-13, February 21, 1978) on the adverse impact of the reduced tax incentive on employees, companies, and the U.S. economy. In the report we observed that, to remain competitive in overseas markets, it is essential to maintain a large force of U.S. citizens abroad to promote and service U.S. products and operations. We urged that a substantial tax incentive be continued to encourage overseas employment. In the congressional deliberations leading to the new legislation, there was frequent reference to our views. The report and related testimony contributed significantly to the development of the legislation.

Improvements in Timeliness and Accuracy of Operational Test Information Reported to the Congress

In our report to the Congress (PSAD-79-46, March 9, 1979), we demonstrated that the results of tests and evaluations of several Navy and Air Force major weapons systems were incorrectly reported to the Congress in Congressional Data Sheets. In fact, many of the Data Sheets reviewed by us contained clearly misleading information. To improve the quality and timeliness of operational test results reported in the Data Sheets, we recommended that the Secretary of Defense require (1) more thorough review of Congressional Data Sheets by the Office of the Director of Test and Evaluation before submission to Congress, (2) more definitive guidelines concerning the kind of test information that is required in Congressional Data Sheets, and (3) continued evaluation and identification of new test results that become available after initial Congressional Data Sheets submissions to determine if updated information should be reported to the Congress.

On May 14, 1979, DOD stated that our report was very useful in highlighting some of the problems involved in communicating to the Congress—accurately and concisely—the voluminous and often complex results derived from operational testing of weapons systems. DOD agreed there is a need to improve the communication process and initiated corrective action in line with our recommendations.

Coordinating State and Local Government Productivity Improvement Efforts

We recommended in our report (GGD-78-104, December 6, 1978) that the Federal Government establish a strong focal point for State and local government productivity improvement efforts. The Federal Government has an interest in these improvements because the national economy is strengthened, and the costs of Federal programs carried out by State and local governments are affected by the efficiencies of those governments.

In January 1979, the Office of Management and Budget acted on our recommendation and designated the Office of Personnel Management as the Federal Government's focal point for support of State and local government productivity improvements.

Improved Procedures for Notifying Payees and Delivering Checks of Claimants Under the Micronesian War Claims Program

During our review of the Micronesian War Claims program, we found that approximately 34,000 U.S. Department of the Treasury checks for a total of $24.5 million had been issued to Micronesians, without sufficient controls to assure who had received and cashed them. The Micronesians we interviewed often did not have a clear idea what was due them and, in some cases, could not recollect receiving certain checks reported as issued to them. We examined copies of canceled checks and found that some had questionable endorsements. This information was turned over to the Department of Justice.

Considering these circumstances and that many millions of dollars in claims were still unpaid at the time of our review, our report (ID-77-62, March 7, 1978) recommended that the Secretary of the Interior, through the Trust Territory Director of Finance, (1) strengthen procedures for notification and delivery of checks, (2) distribute detailed information about the checks to district offices, and publicize the information so that claimants would know which payments they should have received, and (3) verify, on a selective basis, that the recipients received their payments.

The Director, Office of Territorial Affairs, Department of the Interior, notified us by letter dated September 26, 1978, that the recommended procedures were adopted in July 1978.

Workplace Hazard Inspection Program

On April 9, 1979, we reported to the Congress (HRD-79-48) that virtually every complaint received by the Department of Labor's Occupational Safety and Health Administration and the States which alleged workplace hazards resulted in a workplace inspection. Many of the complaints were frivolous. Most of the alleged hazards did not violate safety and health standards and involved low-risk industries.

The agency accepted our recommendations and established a program to professionally evaluate and screen all complaints to determine the nature and severity of the hazard; the number of employees potentially exposed; and any injuries, illnesses or symptoms attributable to the hazard. The new program should allow for quicker resolution of complaints and should focus agency resources on more effective and expeditious investigations of complaints in areas of high risk.

Improved Accounting and Financial Reporting

Accurate accounting is necessary to control Government assets and to present fairly the financial position of the Government. In the past, the Social Security Administration (SSA) and the National Aeronautics and Space Administration (NASA) materially misstated accounts receivable, precluding a fair presentation of these agencies' financial position.

In separate reports to these agencies, we recommended specific improvements. Both agencies implemented our recommendations.

Our report (FGMSD-77-32, September 6, 1977) stated that in 1976, the SSA did not include the accounts receivable resulting from overpayments under the various benefit programs in reporting its financial position to the Department of the Treasury. Its reported accounts receivable from the public was $83 million. As of September 30, 1978, overpayments to retirees and other recipients were included and reported as accounts receivable. The reported accounts receivable amount was $1.5 billion with an allowance for uncollectible accounts of $478 million.

NASA took action to process billings through the accounting system to reflect properly the monies already collected and placed in a deposit fund account. At March 31, 1979, the billed accounts receivable amount was $227 million. The billings processed for collection in April were for $175 million. As a result of these billings in line with our report's recommendation (FGMSD-77-89, October 21, 1977), the accounts receivable balance and the deposit fund balance were reduced by $175 million.

Action Taken by the Law Enforcement Assistance Administration To Protect the Location of Its Undercover Fencing Operations

In preparing for a survey of the Law Enforcement Assistance Administration's (LEAA) antifencing program, we found that six active projects were listed in LEAA's computerized information system. The projects were operating with funds provided to States under LEAA's block grant program.

Since the information in LEAA's computer system is available to the public, the location of the projects could have been inadvertently disclosed, thereby placing the lives of participating law enforcement officers in danger. We brought this matter to the immediate attention of LEAA officials.

We were subsequently advised that LEAA's procedures for entering information into its computerized system did not take into consideration the possibility that States would report information that was supposed to have been kept confidential. On May 16, 1979, LEAA informed us that the input requirements for its computerized information system were being modified and that the changes would keep the location of its active antifencing projects from being disclosed.

Improved Controls Over the Health, Education, and Welfare Payroll System

Since it started operation, the Department of Health, Education, and Welfare's (HEW) centralized payroll system had been beset with control problems. As a result, employees were frequently over- or underpaid.

We issued a series of reports to the Secretary of HEW between October 1976 and September 1977 containing over 55 specific recommendations to improve this system. The Department took action to improve internal control procedures, assuring that prompt and accurate payments are made to civilian employees. For example, specific actions were taken to improve time and attendance reporting, authorize supplemental payments, regulate experts' and consultants' pay, monitor pay adjustments, control temporary pay records, and improve the quality of microfilm records.

Actions Taken To Improve Quality Control Procedures in the National Cancer Institute's Chemical Testing Program

The National Cancer Institute's (NCI) tests of chemicals for cancer are done mainly by subcontractor laboratories under a prime contract. Our report (HRD-79-51, March 30, 1979), prepared at the request of Congressman Henry A. Waxman, showed that NCI was neither requiring nor receiving complete reports of the prime contractor's inspection of subcontractor laboratories. As a result, laboratory deficiencies were being withheld from NCI and the prime contractor had failed to take corrective actions on deficiencies found. We suggested that NCI require the prime contractor to submit complete reports of its laboratory inspections and to set up a system to track deficiencies and ensure their correction. We also suggested that the prime contractor inform its subcontractor laboratories in writing of deficiencies found. NCI made changes in its prime contract to implement our suggestions.

Legislation Enacted Requiring That Treasury Pay Salaries for International Operations from Appropriations Instead of the Exchange Stabilization Fund

On October 7, 1977, the Comptroller General testified before the Senate Subcommittee on International Finance, Committee on Banking, Housing and Urban Affairs in support of Senate Bill 2093 to discontinue use of the Exchange Stabilization Fund to pay administrative expenses. The Comptroller General commented as follows:

> *We concur with Treasury's decision to seek legislation to pay salaries and administrative expenses from appropriations instead of from Fund resources since all administrative expenses of the Treasury Department will be handled in a consistent manner. In this way the Congress will be better able to evaluate competing budgetary programs and to establish overall priorities for allocating resources.*

These efforts by us contributed to passage of S. 2093 (Public Law 95-612, November 8, 1978) which states that, in line with our position, the Exchange Stabilization Fund shall not be available for payment of administrative expenses.

Actions Taken To Improve Job Training Programs

In a report to the Congress (HRD-78-96, July 7, 1978), we recommended that the Secretary of the Department of Labor (DOL) should take actions to improve the management of multibillion dollar job training programs authorized by the Comprehensive Employment and Training Act (CETA). We reported that some classroom and on-the-job training program participants were successful in obtaining and retaining employment, but many were not. The cost to place participants in subsidized jobs varied significantly. We recommended that DOL take a stronger and more active Federal oversight role of the job training programs to ensure, among other things, that participants' employment needs and capabilities are more accurately identified.

We also recommended that DOL develop more specific and appropriate performance standards for each training activity, and revise the federally required reports to provide adequate information to evaluate training activities.

At the time this report was issued, CETA did not give DOL express authority to take certain actions relating to our recommendations. The amendments added to CETA by Congress in 1978 gave DOL the clear authority to do so.

Regarding our recommendation that DOL develop performance standards with which to evaluate these programs, DOL had been reluctant to develop performance standards because of the still evolving and unsettled nature of Federal versus local government roles in the management of CETA's decentralized programs. However, a provision was added in CETA's 1978 amendments which gives DOL the authority to develop performance standards. DOL is presently in the process of developing these standards.

Our report also recommended that DOL redesign the management information system used by the program operators to provide adequate information to evaluate training activities. The 1978 amendments added a provision requiring DOL to report the types of participant outcomes experienced after they leave training. DOL had redesigned its Federal reports to obtain information which should enable the Department to better evaluate these programs.

In addition, concerning our recommendation that participants' training needs and capabilities be more accurately assessed, the Congress added a provision to CETA in the 1978 amendments which requires program operators to develop a personalized employability plan for each participant. Our report noted that participants were not usually assessed properly when they enrolled in these training programs. This new requirement should result in program operators properly assessing each participant before it is decided which training programs the participant should enter.

Achieving Foreign Aid Objectives Through an Alternative Form of Assistance

The United States provided balance of payments support to Israel from 1972 to 1978 through a $2 billion Commodity Import Program (CIP), under which the Agency for International Development (AID) reimbursed Israel for nonmilitary imports from the United States.

Our review disclosed that program objectives were not being met due to cumbersome procedural and paperwork requirements for documentation of each of the thousands of commercial transactions eligible for reimbursement. The need for the documentation was questionable because the United States and Israeli Government statistics showed that Israel's nonmilitary purchases in the United States exceeded the CIP aid levels.

We suggested to the House Committee on International Relations several alternatives to the CIP, and the Committee staff subsequently asked AID to examine these alternatives. In our report to AID (ID-78-31, August 18, 1978), we also suggested that AID examine various alternatives which would better achieve program objectives.

As a result of our review and congressional and agency interest, a revised Fiscal Year 1979 Congressional Presentation was submitted by AID, which proposed that the CIP be replaced with a simplified cash transfer program. The International Security Assistance Act of 1978 (Public Law 95-384, September 26, 1978) authorized a cash transfer program, and AID implemented this program in December 1978.

GAO HOTLINE

Senator SASSER. General, you recall back in December of 1978, we had a hearing. At that time I suggested that you establish a nationwide toll-free hotline and the then-ranking minority member of the subcommittee, Senator Schweiker, went along enthusiastically and supported it.

You put in your hotline operations in January of 1979. What kind of results have you had with that so far?

Mr. STAATS. The gentleman on my right, Mr. Scantlebury, is in charge of that operation. I think he is prepared to answer that question.

Mr. SCANTLEBURY. Mr. Chairman, so far we have had 16,500 calls. That is for a 14-month period. Of these calls, about 8,000 were deemed to us to be substantive and worth writing up. We get some calls from people that just want to call and complain about something, but we have written up about half of the calls as containing substantive information.

After analysis of these cases, we found that 5,500 of them merited further investigation; 3,700 of these involve apparent wrong-doing; the other 1,800 involve mismanagement.

Senator SASSER. One thousand eight hundred mismanagement and how many of them——

Mr. SCANTLEBURY. Three thousand seven hundred were apparent wrong-doing.

Mr. STAATS. They are illegal actions of some kind.

Senator SASSER. Have you turned any of them over to the Justice Department yet?

Mr. SCANTLEBURY. Yes, we have. The normal thing that we do is to turn ones for investigation over to the inspector generals of the various agencies involved. They, in turn, have turned a group of the allegations over to Justice. In all, they have turned 30 cases over to Justice. We have sent 95 cases directly to Justice. Some of those cases involve Justice activities and other of them were ones that we determined should be sent directly to Justice for investigation without any further investigation by an inspector general or us.

VALUE OF HOTLINE

Senator SASSER. I suppose the question to follow it: Has the hotline been worthwhile in the General Accounting Office?

Mr. SCANTLEBURY. We think the hotline has been very worthwhile. It gives you a chance to get some information on some things that are going on in Government, fraud, and abuse, that you really couldn't get any other way. Some of these things are not readily determinable from an analysis of records or other procedures that auditors and investigators regularly perform.

We believe that as far as following through on these cases including prosecution by the Department of Justice or other sanctions, it is early in the cycle. We haven't got the full deterrent benefit from all of these cases.

Also, we are analyzing all the cases and trying to identify particular programs and particular agencies that are prone to fraud and abuse. We

think there will be a lot of benefits coming out of the hotline including elimination of some fraud and abuse and tightening of the internal controls the Government has to prevent fraud.

Mr. STAATS. If I can add to that, two points: One is, I think there is a value in having, for the general public, a place that they can call if they have information or even rumors to the effect that the Federal taxpayers' money is being abused in some way or another.

The existence of this hotline has been written up now all over the country. As you know, it has been on TV. We have had public service announcements on local stations. Parade Magazine is going to have a special article on this subject, which will receive circulation of some 18 million.

MEASURES OF HOTLINE VALUE

Senator SASSER. You and I were on television together. I got some of the calls myself.

[Laughter.]

Mr. STAATS. I think there is a value in having a place where people can call without any fear of retribution, make it anonymous if they like. I believe there is a value there by itself. It is hard to measure. Over and above that, it helps us identify what kinds of program areas and what agencies most need attention,

So it helps us as we carry on our normal audit work. As you know, we set aside between 50 and 60 people who spend full-time working on the specific studies of the fraud and abuse problem. We diverted them from other work in GAO.

In addition to that, in HEW and the Labor Department, we have studies going on with relation to fraud and abuse. We are giving this a high priority, we think.

Senator SASSER. Well, General, let me say that I think the fraud hotline is worthwhile. I think it is doing good work as you have indicated. This is really not entirely a new idea, as you know. Franklin Roosevelt, many, many years ago, when the New Deal was first getting underway and Government agencies were being formed and expanding very rapidly, in one of his fireside chats, asked the American public to watch the Federal Government, to watch those who work for the Government or in essence work for the taxpayers, and to call him if they saw any evidence of fraud or waste or abuse.

Really, I think with our hotline, we are reinstituting a concept that has been with us since the thirties. I think it is very worthwhile.

Mr. STAATS. President Kennedy made a similar request. The difference in this case is it has been set up for a special number feeding into an agency that has staff capable of receiving calls, 24 hours a day, for a system that neither President Kennedy nor Roosevelt thought of.

At this point, Mr. Chairman, I would like to offer for the record a summary of the results of the first 15 months operation of the GAO fraud hotline.

Senator SASSER. Without objection, the summary wil be printed in the record at this point.

[The summary follows:]

FRAUD TASK FORCE
HOTLINE SUMMARY (4/15/80)

Volume of Calls and
Geographic Area - First 15 Months of Operation

We announced the hotline telephone number on January 18, 1979, and after the first 15 months of operation, (April 15, 1980), had written up over 8,200 allegations which require classification as to materiality, agency and program involved, and geographic location. In addition to the above, we have received numerous calls that were more appropriately the concern of other Federal agencies or State or local officials that were referred but not written up. We have received approximately 17,500 calls in total. Computer analysis of the first group of calls written up is complete and the follow-up process on these hotline leads has begun. Additional calls are being received daily, and will be handled by the same process.

Calls have been received from all 50 States, the District of Columbia and overseas locations.

A geographic breakdown based on the 5,574 allegations believed to be substantive in our initial screening of 8,254 cases is as follows:

Location of Reported Activities

392	Washington, D.C.	35	Minnesota
98	Alabama	64	Mississippi
24	Alaska	154	Missouri
52	Arizona	32	Montana
61	Arkansas	23	Nebraska
636	California	19	Nevada
102	Colorado	19	New Hampshire
38	Connecticut	103	New Jersey

12	Delaware	39	New Mexico
232	Florida	270	New York
214	Georgia	98	North Carolina
14	Hawaii	20	North Dakota
26	Idaho	242	Ohio
119	Illinois	79	Oklahoma
64	Indiana	47	Oregon
36	Iowa	244	Pennsylvania
47	Kansas	16	Rhode Island
97	Kentucky	33	South Carolina
84	Louisiana	26	South Dakota
22	Maine	228	Tennessee
160	Maryland	289	Texas
89	Massachusetts	25	Utah
192	Michigan	4	Vermont
283	Virginia		
156	Washington		
54	West Virginia		
48	Wisconsin		
3	Wyoming		
32	Overseas		
78	Missing Codes		

Affected Government Entity

Executive Branch

228	Department of Agriculture
70	Department of Commerce
148	Department of Defense (other than Air Force, Army, Navy)
190	Department of the Air Force
304	Department of the Army
304	Department of the Navy

63	Department of Energy
431	Department of Health, Education and Welfare (other than SSA, OE, NIH, FDA)
743	Social Security Administration (Welfare, SSI)
58	Office of Education
18	National Institutes of Health
407	Department of Housing and Urban Development
158	Department of the Interior
140	Department of Justice (other than FBI)
10	Federal Bureau of Investigation
420	Department of Labor
15	Department of State
133	Department of Transportation
74	Department of the Treasury (other than IRS)
538	Internal Revenue Service
10	ACTION
1	Civil Aeronautics Board
60	Community Services Administration
5	CONRAIL
1	Consumer Product Safety Commission
83	Environmental Protection Agency
18	Equal Employment Opportunity Commission
1	Export-Import Bank of the United States
6	Farm Credit Administration
10	Federal Communications Commission
3	Federal Deposit Insurance Corporation
1	Federal Election Commission
2	Federal Home Loan Bank Board
9	Federal Trade Commission
182	General Services Administration
3	Interstate Commerce Commission
27	National Aeronautics and Space Administration

6	National Science Foundation
3	Securities and Exchange Commission
52	Small Business Administration
30	Tennessee Valley Authority
28	Office of Personnel Management
186	United States Postal Service
247	Veterans Administration
1	The President of the United States
2	The White House Office
1	Office of Management and Budget
1	National Security Council
3	Central Intelligence Agency

Legislative Branch

9	Congress
16	General Accounting Office
8	Government Printing Office
7	Library of Congress
1	Congressional Budget Office

Other

14	D.C. Government
55	Other Federal Agencies
26	Missing Agency Codes

Mix of Calls -- Substantive vs. Non-substantive

Approximately 47 percent of all calls received appear to have some substance and are written up for further evaluation. After additional screening approximately 68 percent of those written up appear to have some substance for investigation or audit. For example, of 8,254 allegations that have received an initial screening, 5,574 appear to have some substance for investigation or audit. Of the

5,574, about 32 percent are in the "mismanagement" category, while the remaining 68 percent (3,811 allegations) appear to involve intentional wrongdoing.

Types of Allegations Received

Other than those of a non-substantive nature and those that did not appear to involve the expenditure of Federal funds, hotline allegations fell into one of two categories:

--instances of apparent mismanagement, and

--instances of intentional wrongdoing.

In summarizing the allegations of wrongdoing, we found it useful to categorize them according to the participants in the alleged improper activity. We established the following six activity participant categories:

1. Federal employees only
2. Federal employees in conjunction with others
3. Federal contractors or grantee organizations
4. Corporate recipients of Federal financial assistance
5. Individual recipients of Federal financial assistance
6. Other individuals or corporate entities.

Of the 3,811 allegations of wrongdoing, the highest proportion, 29.5 percent, was in the participant category "Federal employees only." The table below shows the number and proportion of total wrongdoing allegations falling in each of the six participant categories.

Participating Category	No. of Allegations	Percent of Total
1. Federal Employees only	1,126	29.5
2. Federal employees in conjunction with others	306	8.0
3. Federal contractors or grantee organizations	838	22.0
4. Corporate recipients of Federal financial assistance	15	.4
5. Individual recipients of Federal financial assistance	900	23.6
6. Other individuals or corporate entities	626	16.4
	3,811	100.0

Looking first at the "Federal employees only" category we found that there were 138 allegations of theft, 152 allegations of private use of Government property, 333 reports of employee working hour abuses, 283 reports of improper financial transactions, and 220 reports of other improper activities.

In the second category, that of "Federal employees in conjunction with others" there were 176 allegations of a bribe or kickback having been paid, 7 allegations of extortion and 123 miscellaneous other allegations.

In the "Federal contractor/grantee" category there were 417 allegations of improper expenditure of Government grant funds, 79 allegations of contract non-performance, 75 reports of the theft of Government funds or property and 267 other allegations of various natures.

The 15 allegations that fell into the category "Corporate recipients of Federal financial assistance" generally involved the improper receipt of subsidy funds.

The fifth category, "Individual recipients of

Government financial assistance" included 271 allegations of welfare cheating, 164 of cheating on social security benefit eligibility, 198 on collecting inappropriate disability benefits, 66 of cheating on veterans benefits, 52 instances of food stamp cheating, 50 of medicare/ medicaid cheating and 99 miscellaneous allegations.

The sixth and final category, "Other individuals or corporate entities" included 467 allegations of personal and corporate income tax cheating, and 159 other allegations of improper activity.

The allegations of wrongdoing that were received to date involve the funds of every one of the 12 cabinet departments of the Federal Government and involve activity in Washington, D.C., and all 50 States.

In 66 percent of the cases, the informant was anonymous. Twenty-nine percent of the informants were Federal employees.

REFERRALS MADE AS OF 4/15/80

HEW	1010	DOT	107
DOL	397	DOE	45
HUD	323	Commerce	48
DOD	622	Justice	122
IRS	478	Treasury	74
VA	207	SBA	43
GSA	164	NASA	21
USDA	208	LEAA	17
Post Office	108	GAO	32
Interior	124	CSA	52
EPA	70	OMB	4
NRC	2	Merit System	3
FEMA	12	TVA	20
D.C. Government	10	Comptroller of the Currency	1
Office of Personnal Management	26	Legal Services Corporation	2
State Department	10	Securities and Exchange Commission	1

TOTAL REFERRALS 4,363

PREVENTION OF FRAUD, ABUSE, WASTE, AND ERROR

Mr. STAATS. However, I would like to emphasize that there is still much to be done in the Federal Government in the area of prevention of fraud, abuse, waste, and error by instituting stronger internal accounting controls. In my speech to the Institute of Internal Auditors in March of this year, I highlighted some of these areas. I would like to have that address added to the record.

Senator SASSER. Without objection it will be printed in the record.

[The address follows:]

ADDRESS BY ELMER B. STAATS

THE INTERNAL CONTROL CONFERENCE
BY
THE INSTITUTE OF INTERNAL AUDITORS, INC.
AND
THE FOUNDATION FOR AUDITABILITY RESEARCH AND EDUCATION

NEW YORK CITY
MARCH 18, 1980

INTERNAL CONTROLS IN GOVERNMENT--ARE THEY GOOD ENOUGH TO PREVENT FRAUD?

I would like to express my appreciation to The Institute of Internal Auditors, its Foundation for Auditability Research and Education, and especially to Bob Richmond for giving me the opportunity to be here this morning. I always welcome the opportunity to address internal auditors for I believe they make major contributions to the efficiency and economy of both our private and public institutions. It is doubly a privilege when the visit gives me a chance to underscore the growing concern the General Accounting Office and the Congress have for effective internal financial controls.

As you are likely already aware, we in the Federal Government have been greatly concerned about fraud, waste, and error in Government programs. We are convinced that more attention must be devoted to stopping these fraudulent schemes and scandals so that the likelihood of recurrence can be reduced.

Internal controls are the first line of defense against such abuses. The lack of good internal controls in any organization--public or private--can lead to intentional or accidental misuse of assets. Almost daily, we read about the results of poor systems of internal controls in both the public and private sectors.

Therefore, I congratulate both the Institute of Internal Auditors and the Foundation for Auditability Research and Education for sponsoring this conference. The discussions here should help you and the organizations you represent focus renewed attention on internal controls. I also commend the Foundation's recent research efforts to develop guidelines

for evaluating an internal audit function, which we all know is an important element in any system of internal controls.

RESURGENCE OF INTEREST IN INTERNAL CONTROLS

Private and public interest in internal controls has undergone a recent resurgence. This conference as well as others held recently by other professional organizations stresses the need to improve internal controls, and many independent public accounting firms have published guidelines to help their clients assess the adequacy of their internal controls over operations.

The main force behind this renewed interest is, of course, the enactment of the Foreign Corrupt Practices Act of 1977, which provides strong penalties for violators. Not only does the act prohibit corrupt payments but it also contains a section requiring corporations affected by the law to devise and maintain an adequate system of internal accounting controls. To be considered adequate, these controls should be sufficient to ensure that transactions are executed according to management's authorization, that transactions are properly recorded, that access to corporate assets is controlled, and that assets and records will be compared and reconciled at reasonable intervals. Penalties for violations of the act's accounting standards provisions are limited to $10,000 for companies and $10,000 plus 5 years imprisonment for company officials.

Furthermore, the act also has a dramatic impact on auditing. According to the rules proposed by the Security Exchange Commission, independent public accountants would have to express an opinion on the adequacy of the internal accounting controls of an organization as well as on the accuracy of management's statement on the adequacy of these controls. Because management is now required to attest to the adequacy of the internal accounting controls, companies are increasing their internal audit staffs and seeking senior-level internal auditors who can evaluate and certify the internal controls.

Although the Foreign Corrupt Practices Act is limited to the private sector, it has been a factor in the renewed interest in internal controls in the Federal Government. On October 12, 1978, the Inspector General Act of 1978 which established Offices of Inspector General in several major Federal departments and agencies. As explicitly stated in the legislation, one of the major objectives of the Inspectors General is to prevent and detect fraud and abuse in programs and operations.

Unfortunately, the Federal Government has had its share of fraud and abuse. Recently, the General Services Administration has received a great deal of publicity about its problems. However, GSA is not alone; many other Federal departments and agencies have also been victims of fraud and abuse. In a review now underway, we have been astonished to find that a total of 130,000 cases of fraud and related types of illegal acts have been alleged against 21 major agencies in the 2-1/2 years ended March 31, 1979. Individual losses range from under $100 to over $1 million. Some involve Federal employees while others involve grantees, welfare recipients, and contractors. Very little information on these cases is available to Washington-level managers, so we had to go to field offices to get the information we needed.

One well-known example of fraud in the Federal Government involved the Department of Transportation. As you may recall, in 1977 an employee of the Department's Urban Mass Transportation Administration was charged with embezzling $800,000. He was a low level employee in the accounting department responsible for preparing public vouchers which listed the names, addresses, and amounts owed individuals, grantees, and contractors.

Apparently, after preparing the voucher, the employee forwarded it to the certifying officer who would verify its authenticity and correctness. Next, the voucher was submitted to the Department of the Treasury where checks were prepared and mailed

to those appearing on the vouchers. The employee knew that the certifying officer did not closely check the vouchers before signing. He also knew that the vouchers didn't have the customary markings that prevent additional entries. Apparently he simply added his own name to the legitimate payees on the vouchers, sometimes before signature and sometimes afterward.

The amounts listed on the vouchers were charged to legitimate accounts and the embezzlement might not have been detected if an alert bank employee had not questioned the sizable Federal checks this individual was depositing in his personal account--those checks ranged in amounts from $55,000 to $315,000. Before he was caught, the individual used much of the money to buy several Lincoln Continentals, and to make personal loans to friends at the Office. One humorous but ironic twist to the affair is that he purchased a bar which the Government became the temporary owner until the employee was convicted and the Government could sell the evidence.

There is little doubt that an embezzlement of this type could have been avoided if established internal control procedures had been effectively followed and if the certifying officer had reviewed the vouchers carefully before signing and had marked them so additional entries could not be made. Furthermore, since the employee in question prepared the vouchers, he should not have had access to them after signature. All signed vouchers should have gone to another individual who would have forwarded them to Treasury for payment.

Another case of fraud in the Federal Government involves an alleged $1.8 million embezzlement of medical care funds. The Federal Government provides financial assistance for medical care rendered by non-Government hospitals and doctors to individuals eligible for Government medical care but who do not have access to Government medical facilities. These include dependents of military personnel on active duty,

retirees and their dependents, and dependents of deceased members of the uniformed services.

Because of inadequate internal controls in the processing of claims sent to the Federal Government for reimbursement, an administrator in one foreign country was able to falsify over 3,300 claims forms which he then certified as correct. Later, the claims were paid in full.

The administrator was responsible for processing and approving all claims received from providers of medical services. He would review the claim form to ascertain whether the charges were correct and whether the beneficiary was authorized to receive the care. The administrator also served as the certifying and approving officer for all the claims and as such, prepared another form which certified the correctness of the claim and approved it for payment. Both forms were then forwarded to the Finance and Accounting Office which issued a Government check and sent it by registered mail to the address shown on the claimant's form.

In his position, the administrator was able to instruct hospitals to submit claim forms which left blank section II--the address, the cost of the service, and sometimes the authorized provider's signature. In completing the forms, the administrator claimed inflated amounts and listed mailing addresses that he controlled. He then forwarded these forms to the Finance and Accounting Office. Once the checks were delivered to his mailboxes, he cashed the checks, paid the hospitals the actual cost, and kept the rest of the money.

A thorough investigation revealed that the administrator was able to commit the alleged fraud because he was the only person receiving and adjudicating the claims submitted. He was also the sole certifying and approving officer for all claims, thereby eliminating the standard double check which should be done before submitting the claim for payment. The

investigation revealed other management control weaknesses, including

--weak management supervision over the administrator,

--no verification by the Finance and Accounting Office of claimants' mailing addresses, and

--no onsite audit to determine if established procedures existed and if they were being followed.

As important as detection of fraud and abuse may be, detection should not be our primary concern as managers. Our efforts should be devoted to constructing systems of internal control that will prevent fraud and abuse and decrease the likelihood of error and waste. When it comes to fraud and abuse, the old axiom "an ounce of prevention is worth a pound of cure" is most appropriate.

For a moment let us examine some of the benefits of preventing rather than detecting fraud and abuse and punishing those involved. The first thing is the obvious advantage of reducing expenditures. Fraud and abuse always cause an outflow of the dollars that managers are supposed to use sparingly. To the extent we prevent fraud and abuse with good management systems, we stem this source of unauthorized expenditures and thus carry out our stewardship responsibilities more effectively.

However, the loss of dollars--important as that may be--is not the only cost of fraud and abuse. Equally important is the toll in human suffering that occurs when fraud and abuse, or even sometimes errors, are discovered. While it is true that some perpetrators of fraud and abuse are hardened criminals, a great many become criminals when opportunities which they are not strong enough to resist are presented to them. When such persons are caught, they suffer humiliation, they lose their jobs, and frequently are alienated from friends and family. In short, their lives are ruined. Often, they go to prison--which results not only in a high cost in

human suffering but a high dollar cost in apprehending offenders and bringing them to trial.

Opportunities to commit fraud and abuse usually present themselves when internal controls that should eliminate such opportunities have not been established; or, if established, have fallen into disuse. If, by establishing good internal controls we can remove the temptation to commit fraud and abuse, we have served not only the organization but also the employee who may be a potential abuser. Even errors can cause extreme embarrassment, and if serious enough, may threaten a person's employment.

HOW GOOD ARE FEDERAL INTERNAL CONTROLS?

While we are not in a position to know the extent of specific control problems throughout the private sector, we do know that internal controls in the Federal Government are in need of immediate and extensive improvement. The General Accounting Office has always emphasized the importance of an effective system of internal controls. Moreover, we have often been appalled by Federal managers' apathy regarding internal controls. While it is true that departmental and agency written procedures usually provide for adequate controls, managers frequently do not require employees to follow those controls, so the result is the same as if no controls existed.

To be specific, over the last 3 years, we have checked internal controls over cash and receivables at 145 fiscal offices of 10 Federal agencies. At these and other agencies we visited in the course of our audit work, we have found a host of problems with internal controls. Here are just a few examples:

--Cash collections are not logged in when received so no one can be sure that all the money is accounted for.

--People who collect cash have access to the accounts receivable records--in other words, there is no separation of duties.

--Collections lie around for days and even weeks before being deposited. Thus, ample opportunity is allowed for someone to lose or misuse the funds, not to mention the lost interest on these funds.

--Limitations on amounts of disbursements that may be made from petty cash are ignored, making embezzlement of large sums possible.

-- Blank Government checks lie around easily accessible to anyone during and after business hours.

--Overpayments to or refunds due from grantees or vendors are not set up as receivables and controlled.

The inadequacy of Federal internal controls was emphasized in our September 1978, report entitled, "Federal Agencies Can, and Should, Do More to Combat Fraud in Government Programs." We attempted to ascertain whether Federal agencies had instituted effective policies and procedures for combating fraud that might exist in their programs, whether committed by Federal employees, by recipients of Federal assistance, or by others. We audited the Departments of Agriculture, Labor, Transportation, and Housing and Urban Development; as well as the Veterans, General Services, and Small Business Administrations.

While there were exceptions, the agencies we reviewed were not doing nearly enough to prevent and detect fraud. Federal programs involving grants, contracts, and loan guarantees are exploited as we found

--false claims are submitted for benefits or services,

--false statements are made to induce contracts or secure goods or services,

--public employees and officials are bribed or otherwise corrupted,

--false payment claims for goods and services that are not delivered, and

--collusion occurs involving contractors.

The extent of fraud against the Federal Government is not known. Hidden within apparently legitimate undertakings, it can go undetected and/or unreported. Opportunities for fraud, however, are tremendous when you consider the number of Federal programs, the inadequate controls in place and the size of the annual budget--currently over $600 billion, a large portion of which is disbursed in the form of grants, contracts, and payments to individuals.

Because of the problems noted in our September 1978 report, I established a Special Task Force for the Prevention of Fraud and Abuse in January 1979, giving it a three-fold mission. First, it was to establish the scope of the problem of fraud and other illegal activities against the Federal Government, and highlight where existing procedures for dealing with fraud are inadequate. This portion of the Task Force's activities has been termed the "Overview Assessment." Second, the Task Force was to offer citizens, nationwide, a toll-free number, which we refer to as the "hotline," to call and report, anonymously if they so desire, instances of fraud or wrongdoing. Third, the Task Force was to conduct an expanded assessment of the adequacy of internal controls at four departments and agencies--the Department of Labor, Naval Material Command, Community Services Administration, and the Small Business Administration. This phase was labeled "Vulnerability Assessment."

Based on the Task Force's work to date, we believe that all the agencies visited are vulnerable to fraud and abuse because Federal headquarters, regional offices, and other field locations, as well as grantees have inadequate internal controls over their operations. During our testing of selected internal control systems, we found Federal funds and equipment had been misused at many locations visited.

We believe that the reason internal control systems are in a state of disrepair is that top management has devoted most of its concern and emphasis to delivering funds and services and that effective controls over tasks and functions which lead to the delivery of these funds and services has had a low priority. Because of top management's insufficient concern for internal controls, middle management reflects this same indifference. That sentiment is passed down to internal audit staffs which have spent little time evaluating the adequacy of internal controls over all agency functions. Furthermore, when internal auditors have reported weaknesses in controls only over the portion of a task or program audited, management has often dismissed these findings as unimportant. This attitude not only precludes corrective action but also reduces the audit staff's concern for internal controls.

Lest I be accused of not considering cost, I want to add here that all controls have to be weighed in terms of cost effectiveness. Overcontrol is certainly a possibility; however, from what our audits have disclosed, I doubt that most Government agencies have much to worry about in that regard--at least for the immediate future.

THE FEDERAL GOVERNMENT HAS DONE MUCH TO IMPROVE INTERNAL CONTROLS

Recently, the Federal Government has taken several steps to improve internal controls, including the establishment of Offices of Inspector General in 14 major Departments and Agencies; the President's requirement for Departments and Agencies to assess their vulnerability to fraud, waste, and error; and the General Accounting Office's Government-wide study of the causes of fraud and abuse.

On December 13, 1978, the President sent a memorandum on the subject of Federal fraud and abuse to the heads of executive departments and agencies. In that memorandum he asked agency heads to identify programs and activities

they deemed most vulnerable to fraud and to deliver by January 31, 1979, a planned approach for preventing and dealing with problems of fraud, waste, and error in these programs and activities. While this is certainly a step in the right direction, due to the short time allowed these assessments were probably too superficial to identify specific internal control weaknesses. This is our conclusion after reviewing the assessments prepared by agencies visited by GAO Task Force auditors.

Our Task Force's work is nearly finished, and I believe the results of this work can make a substantial contribution to the Federal Government's efforts to minimize fraud and abuse. The Task Force will report the results of its audits to the Congress and those results will be made public.

Our work has shown that many agencies share common internal control weaknesses which may indicate the seriousness of the lack of internal controls Government-wide. For this reason, we plan to issue a standard audit package to the heads of all departments and agencies for their use in evaluating their own internal control systems.

In addition to these efforts, I am aware of a bill currently being drafted for the Federal Government which closely parallels the Foreign Corrupt Practices Act. Essentially, it would require agencies to report on the adequacy of their internal control system. Having seen the positive effects the Foreign Corrupt Practices Act has had on the private sector, we support the objectives of the legislation currently being considered.

WHAT MUST STILL BE DONE?

Although many positive steps have been taken and are planned for improving internal controls in the Federal Government, much remains to be done. Present internal

controls still cannot prevent or even really minimize the opportunity for fraud and abuse.

The temptation to employees to violate the system must be removed. Top management must instill in all of its employees an awareness of the need to adhere to good internal control procedures and must maintain high ethical standards to serve as an example to its employees. When employees can sense the trust that management has placed in them, they will be less likely to succumb to fraud's temptations and more aware of and sensitive to others' violations of standards. Therefore, management must see that all responsible officials cooperate in following established procedures and, if necessary, setting up new controls and that the personnel resources necessary to keeping them effective are devoted to the task.

Top management also must take the lead in making sure that its auditors concentrate on internal controls. We have always advocated a balanced total audit effort for the Government; balanced between evaluations of agency programs and evaluations of internal controls. Now auditors within the Federal agencies must increase the time and resources they spend auditing internal controls.

There has been much in the media to the effect that society's confidence in Government is eroding. The widespread belief is that Government should and must be run much more efficiently. Establishing and maintaining strong systems of internal control by Federal agencies can go a long way toward achieving responsible Government by minimizing fraud and abuse and by identifying errors that have plagued so many Government programs. Less fraud and error cannot help but make Government more economical and efficient and thus achieve what society expects of us. You may be assured that we in GAO will be doing all we can to bring about that result.

TRAVEL REDUCTION

Senator SASSER. Switching to another subject during the current fiscal year, the executive branch is operating under a $500 million travel cutback provision which I sponsored which was subsequently approved by the Congress, and the President signed it in law, on October 12, 1979.

This was an effort, as you know, to curtail the $8½ billion being expended in travel expenses, an effort to cut that back at least somewhat.

How is the travel cutback working?

Mr. STAATS. Mr. Kreiger, I believe, is prepared to answer that question. That is in his area.

Mr. KRIEGER. I am pleased to advise you that from all the evidence that we see it is working well. OMB has set travel ceilings for each of the agencies and at this time is doing a good job in seeing to it that those ceilings are being met by the agencies.

Appeals are being made by agencies, but in acting on these appeals, to this point, it looks as though OMB is managing the whole process within the $500 million cutback.

In essence, they seem to be meeting the essential condition that Mr. Staats expressed in his letter to Senator Ribicoff commenting on the legislation, and that is, with good management, the cutback should not have a bad effect on the capability of the agencies to carry out their programs.

I might say that there is one other benefit that may emerge from this, particularly if the Senate and Congress maintains its emphasis on a need for better management. That is, that agencies may seek other alternatives, perhaps innovative or creative alternatives to accomplish their business, either through other means of communication and through other forums, and we see some evidence that, as a result of the intense interest displayed by the Senator and the committee, that people are beginning to look at these other alternatives in a much more serious fashion than perhaps they had been doing previously.

So all in all, at this time, I would say it is working well. We will continue to watch it.

USE OF CONSULTANTS

Senator SASSER. Senator Pryor of Arkansas and I are about to introduce a Senate resolution that would, among other things, curtail the use of consultants in the Federal Government by $500 million. The General Accounting Office has just completed a report on this matter. What kind of abuse in the use of consultants, if any, has GAO uncovered?

Mr. STAATS. We would like to submit at this point some details on that for the record.

Senator SASSER. The information will be placed in the record at this point.

[The information follows:]

COMPTROLLER GENERAL'S REPORT TO THE SUBCOMMITTEE ON HUMAN RESOURCES COMMITTEE ON POST OFFICE AND CIVIL SERVICE HOUSE OF REPRESENTATIVES

CONTROLS OVER CONSULTING SERVICE CONTRACTS AT FEDERAL AGENCIES NEED TIGHTENING

D I G E S T

Federal agencies spend between $1 billion and $2 billion annually on consulting service contracts to obtain a variety of goods and services. Proper use of consulting services is a normal, legitimate, and economical way to improve Government services and operations, and agencies must continue to have the option to use consulting services where appropriate.

In spite of the considerable attention focused on misuse of these contracts, GAO found that serious, pervasive problems persist. Until agencies' management takes the initiative to control the need for and the contracting practices related to consulting service contracts, GAO believes there will be little or no improvement.

PAST ATTEMPTS INADEQUATE

Responding to presidential and congressional concern, the Office of Management and Budget, in May 1978, issued a bulletin to all executive agencies to better control and report the use of consulting services. However, in its review of 111 contracts, valued at $19.9 million, in 6 agencies, GAO found the new guidance led to little substantive improvement. The problems GAO identified include:

--Questionable agency requirements for consulting services. Little or no consideration was given to in-house capability prior to the award of contracts, and several contracts resulted from unsolicited proposals. (See p. 5.)

--Extensive sole-source awards which precluded effective price competition. Several of these awards were made to former agency employees. (See p. 14.)

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--A significant number of contract modifications resulting in increased costs and delays in delivery of the end product. (See p. 22.)

--Questionable use made of end products. (See p. 10.)

--Inaccurate reporting of consulting service contracts caused in part by confusion over the Office of Management and Budget definition for such contracts. (See p. 26.)

GAO also found significant spending for consulting services in the final quarter of the fiscal year, adding further doubt as to the need for the services. GAO also found that agencies often attributed their need for the services to various legislative mandates.

RECOMMENDATIONS

GAO recommends that the Director of the Office of Management and Budget should instruct Federal agencies to establish more rigorous procedures for approving consulting service contracts. Such procedures are necessary to assure the proper use of consulting services. One approach might be to establish an independent board within each agency or expand the functions of sole-source boards. The purpose of these boards would be to:

--Assure that in-house capability is adequately considered and assessed prior to award of contracts.

--Assure that the service is needed in terms of agency mission and established priorities.

--Assure that previous similar efforts have been adequately considered prior to award.

--Evaluate the necessity of using previous agency employees in performance of the contract tasks.

--Determine the reasonableness of using cost-plus-fixed-fee contracts in view of the nature of the proposed work.

In addition, GAO recommends that the Director of the Office of Management and Budget:

--Work with the Congress to achieve a better and more uniform understanding of the current definition of consulting services in terms of coverage and clarity as well as congressional needs. Also, a focal point should be established within the agencies to be responsible for determining which contracts meet the definition of consulting services.

--Intensify oversight on agencies' use of consulting services, including assuring that all agencies are moving as rapidly as possible to report those services to the Federal Procurement Data Center.

AGENCY COMMENTS

At the request of the Chairman, Subcommittee on Human Resources, House Committee on Post Office and Civil Service, GAO did not obtain official written agency comments.

PERSPECTIVE ON CONSULTING SERVICES

Mr. STAATS. I would like to say this in general. There have been abuses in terms of how consultants' services are procured. Many times agencies should be doing it competitively but that is not always the case. There is not an arm's length relationship at all times between the agency and the contractor. The contractor is actually being used to supervise Government personnel in some cases.

Mr. Chairman, the perspective I believe we should have toward consulting services is like many other things. Consulting activities are essential to many activities in the Government. We have to use them from time to time.

I think all agencies have an important role for consultants, if properly used. The trouble is, there has been abuse and that is what our report focused on.

I think, second, that you ought to look at the use of consultants partly in relationship to the arbitrary personnel ceilings. I think personnel ceilings imposed by the executive branch on the agencies has undoubtedly had effects on the agencies turning to contractors, because they can avoid the traditional number of Government personnel involved.

It is not an easy situation for an agency that has a job to do and the money to do it. If the President says, "You can only have *x* number of people," then they are going to contract out if it is necessary in their opinion to do the job.

It is a matter of keeping some balance, but more importantly, to be sure that when these services are procured, they are procured properly in accordance with the law.

PLANT CARE AND WATERING SERVICES

Senator SASSER. During last year's hearings on the budget of the Copyright Royalty Tribunal, we discovered to our dismay that this agency which employs only 11 people was spending $1,100 of taxpayers' money for plant care and watering services. Now, at my request, GAO looked into this matter to find out how widespread the practice was in Federal agencies contracting with private firms to come in and water their office plants.

GAO found that 26 Federal agencies have spent $816,700 of taxpayers' money between 1974 and 1977. In fact, they have people come in and water indoor office plants. We did some calculations, General. This is equivalent to the amount of income taxes paid by 4,400 families in my State of Tennessee. I introduced legislation to ban this practice of contracting out to get somebody to come in and water indoor office plants.

The legislation has been passed. Can you tell me, General, if the ban on contracting out to have your plants watered by private firms has affected these 26 agencies?

Mr. STAATS. Mr. Horan?

Mr. HORAN. Mr. Chairman, just this past week we made a telephone survey of the 26 agencies that were previously contracting for indoor

plant services. We found that 19 of those agencies were no longer contracting for such services but seven of the agencies were still contracting for plant care and maintenance services.

Now, the total amount that is being spent is much lower than it was in 1977, but it is still sizable. We found a total of about $54,400 was being spent by those seven agencies for that type of service.

I have a list of the seven agencies, if you would like to know which agencies they are and how much they were spending.

Senator SASSER. Why don't you give us a listing of the agencies and how much money they are spending on that?

Mr. HORAN. We haven't gone beyond the telephone survey. We think it is something we need to check a little further to be sure there is nothing more than meets the eye from the telephone survey.

Senator SASSER. We have a vote up on the floor, so I have to go up and vote. I will return as quickly as I can.

[A brief recess was taken.]

[The summary follows:]

RESULTS OF MARCH 1980 TELEPHONE SURVEY BY GAO CONCERNING SELECTED AGENCY CONTRACTS WITH PRIVATE FIRMS FOR INDOOR OFFICE PLANT CARE

Number of agencies contacted: 26; number of agencies with no contracts in fiscal year 1980: 19; number of agencies with contracts in fiscal year 1980: 7.

Contract amounts for agencies with plants:

Agency	*Contract amount*
Treasury (IRS)	$32,826
Veterans Administration	12,022
Agriculture	3,423
Farm Credit Administration	3,180
Transportation	2,007
Federal Election Commission	540
Federal Mediation and Conciliation Service	526
Total	54,524

Amounts spent by the 26 agencies for contracts with private firms in prior years.

Fiscal year:	
1974	$142,300
1975	176,900
1976	246,300
1977	251,200

TENNESSEE VALLEY AUTHORITY STUDY

Senator SASSER. General, we will resume here. Turning to the Tennessee Valley Authority efficiency study, what is the status of the efficiency study program of the Tennessee Valley?

May I say, General, before you answer, I want to commend the very fine work of John Boyle and Richard King of the recently established GAO Office in Knoxville; also Mr. Hamm and Mr. Martin of the GAO Atlanta regional office, and Mr. John Brown in the Washington office. All these people work under the direction of Dexter Peach, who I believe is accompanying you here today. I want to commend Mr. Peach also. We appreciate that.

Mr. STAATS. Would you like Mr. Peach to make a statement?

Senator SASSER. Yes, if you would, Mr. Peach.

Mr. PEACH. Thank you, Senator. I am pleased to be here to represent the other people you named who are really the ones on the frontline doing the work with respect to the Tennessee Valley Authority operations. The effort you referred to is a broad-based review of the efficiency and economy of the TVA power program and the work is about half completed. What we want to do with that effort is to identify a number of areas that would be the subject of a more detailed review, where we could make recommendations to improve the efficiency of TVA operations. Areas we already know we will be working on coming out of this survey include a look at TVA's coal use, including the types and grades of coal they are using, controls over the cost of coal, the decision to rely on eastern coals as contrasted to western coals, and the environmental tradeoffs involved in coal use decisions.

We also will be getting involved in TVA's security over its assets and the types of controls they have in that area. They are just two areas we have identified so far from our survey. We expect there to be more as we finish the survey and schedule the other work at TVA for the coming year.

Senator SASSER. Thank you, Mr. Peach. I look forward to your continuing work with TVA and look forward to continuing reports as your work progresses. I think it is very, very important, vital work and we are moving in the direction of more economy and more efficiency everywhere.

Certainly, I would think in an agency as widespread as TVA, we can find some room for efficiency and economy there. Perhaps it is not readily apparent, even to those in that agency who might be working and striving in that direction.

Many times, an outside observer can see things on the inside that can't be readily apparent.

COLLECTION OF FEDERAL GOVERNMENT DEBTS

Mr. Staats, as you are aware, I have been concerned over a period of time about the Federal Government's inability to collect debts which were owed to them. Last year, at a special appropriations hearing on Government debt collection operations, we concluded that delinquent debts could be collected by withholding tax refunds. We did this based on GAO's report entitled "The Government Can Collect Many Delinquent Debts by Keeping Federal Tax Refunds as Offsets."

As you know, I introduced legislation to provide funding for IRS to conduct a test, a demonstration project on how well the offset program could work.

The IRS opposed this plan. Funds were not provided. We lost that by a very, very narrow margin. The State of Oregon has an offset program similar to that proposed for the IRS. I asked if the General Accounting Office would look at this program.

Could you briefly describe how this program works?

Mr. STAATS. I think Mr. Scantlebury can answer that.

Mr. SCANTLEBURY. Yes. When an individual is delinquent in repaying money owed to the State of Oregon, a State agency such as a State college or university, the agency responsible for collecting the debt can

submit the debtor's name and social security number to the Oregon Department of Revenue. Taxpayers due refunds are matched with the delinquent debtors. If a match occurs, then the refund is held up, held in suspension, and the taxpayer is notified that this amount may be used to offset his debt. That gives the individual a chance to submit any information as to why the offset should not be made. In some cases, hearings are held, and if that results in the State government's favor, they take the money. If it goes the other way, the State taxpayer gets the refund. In most cases, hearings are resolved in the State's favor. That is the way the system works.

Mr. STAATS. Mr. Chairman, there is nothing radical about this idea at all. If an individual owes the Government money and the Government owes that individual money, we go through an offset process now.

Senator SASSER. With the so-called fleeing fathers?

Mr. STAATS. Yes. Mr. Heller can describe that better than I can. There is nothing new or surprising about this principle. We are surprised and disappointed the IRS took a negative position with respect to it. The only disposition they have is they would prefer not to be bothered by anything except collecting their taxes.

Senator SASSER. Judging from what I heard earlier, they don't want to be bothered with watering their plants over there either.

[Laughter.]

DELINQUENT SUPPORT PLAN

Senator SASSER. Can you give me a rundown? What about the delinquent support plan that the IRS is using? Is it working? Do you have that information? If not, would you get it and document it for the record?

Mr. SCANTLEBURY. I was able to get some information on that. Under section 452(b) of the Social Security Act and section 365 of the Internal Revenue Service Act the Secretary of HEW can certify to the delinquency of certain child support payments and refer these to the Secretary of the Treasury for collection by the IRS. The IRS in this case can use all of its authority to collect those moneys. That means it doesn't just have to use offset. It can use all the authority it has, such as the kind of authority it uses to collect delinquent taxes by putting liens on personal property.

That law even goes further than offset, which we recommended in connection with the collection of delinquent debts owed to the Government.

Senator SASSER. Did they oppose that legislation? Did the Internal Revenue Service oppose that legislation?

Mr. SCANTLEBURY. I don't know. They certainly have gone along with it. It is being used.

Senator SASSER. Our information is that this was expanded earlier this year. Do you have any knowledge of that?

Mr. STAATS. Why don't you let us supply additional information?

Senator SASSER. Why don't you do that, General? Supply it for the record. It would be helpful to see how these other programs are operating, and our impression is it is operating very, very well.

[The information follows:]

The program is small compared to income tax offset but is expanding—increasing 10 fold from 34 cases during 1976 through 1978 to over 350 cases in 1979. Although information is not readily available on total amount collected in one case IRS collected $23,000 from an individual who was delinquent on his child support payments.

ESTIMATED RATE OF RETURN

Senator SASSER. I recall when we first undertook this legislation in the Senate, I first introduced the bill, the General Accounting Office indicated that the initial $1 million appropriation to get this pilot program underway, we anticipated—what, recovering $30 for every $1 expended?

Do you recall the rate of return that your auditors calculated on that?

Mr. STAATS. I don't recall the precise figures. It was very substantial.

Mr. SCANTLEBURY. Yes; I don't have the figures with me.

Senator SASSER. Well, I think it would be helpful to refresh ourselves on that.

Mr. STAATS. This was based on an actual case-by-case analysis.

Senator SASSER. I remember vividly. I had it in my mind then, it was a very, very impressive return on dollars spent. I am hopeful that now, with this new atmosphere with regard to trying to cut back and make ourselves most fiscally responsible here and save Federal dollars, we could look at it not just from the expenditures, outgo side, but also from the revenue side. We need to collect some of these delinquent debts that are justly owed to the Federal Government and can be paid by those who owe them.

Obviously, this offset seems to be the ideal way to do it. Based on your previous studies, we can get a really substantial return on every dollar we spent in collecting delinquent debts.

[The information follows:]

Our study of 613 delinquent debts totaling $431,000 which had been written off and collection action terminated showed that over $153,000 or 36 percent could have been collected by reducing the debtor's tax refund.

OREGON OFFSET PROGRAM

I might ask this: With regard to the State of Oregon experience, have they encountered any problems relating to invasion of privacy in reporting this delinquent debt information?

Mr. SCANTLEBURY. The Oregon's court of appeals ruled that the offset program doesn't violate individual privacy. The court stated that the amount of the refund to which a taxpayer is entitled to was the result of a calculation, which that calculation itself doesn't reveal anything private about the taxpayer. So that problem can be done away with as far as Oregon is concerned.

Senator SASSER. What type of delinquent debt does the State collect?

Mr. SCANTLEBURY. Any delinquent debt owed to the State is subject to offset. One type of debt collected is delinquent student loans. Besides the State-sponsored loan programs, in which, of course, they are collecting their own debts, they collect Federal student loans such as the national direct student loans and health professional student loans.

ALLOWANCE FOR BAD DEBTS

Senator SASSER. I contend the Federal Government does really a very poor job of collecting debts that are owed them. How much is set aside for bad debts and how much would it be if they just allowed a trace; do you have figures on that?

Mr. SCANTLEBURY. We can't tell how much is being written off. A great deal of those amounts are charged to program costs instead of into a bad debt account. So it is very, very difficult to tell how much is written off in total.

Now, I can give you a figure that the increase in the allowance for bad debts this last year was $400 million.

Mr. STAATS. That's the increase.

Mr. SCANTLEBURY. That is just the increase. It went from $3.5 to $3.9 billion. I think, though, that amount is probably very, very conservative. Some of the agencies don't even have an allowance for bad debts at the present time.

I can give you some information on writeoffs that agencies have reported to the Treasury. We have information on certain agencies. HEW, SBA, Agriculture, and HUD, in the aggregate, wrote off $900 million this last year. So, we believe that if we were able to get all the figures together of all of the writeoffs, it would be well over $1 billion.

Senator SASSER. Do we have any estimate of how much might have been written off, say, on the past debt?

Mr. SCANTLEBURY. No, I was not able to get that figure, sir.

Mr. STAATS. Government accounting systems just don't furnish that information. They should.

Senator SASSER. What else can we do in the Federal Government to collect the debts? Should we use credit bureaus, collection agencies, that sort of thing?

Mr. STAATS. We have recommended the use of credit bureaus. We have authority to refer these cases to credit bureaus now.

The problem that has arisen has to do with the privacy laws. Credit bureaus believe that they would come under the privacy laws. They say if that is the case, then they will not cooperate. We question whether or not we could get some amendment to the Privacy Act to make that possible, than the one that is now before us. We intend to pursue it.

That could be a very potent instrument, because if individuals cannot get commercial credit to satisfy their debts to the Federal Government, then that would be a sanction to prevent them from incurring debts to the Government. The use of the collection agencies is now going through some experimentation by the Department of Education. We are watching that. We think it may have some potential.

Interest rates is another factor. Since the individual can hold the Government money and have to pay a very nominal percentage of interest, there is not a great deal of incentive for him to repay that debt. He cannot get the same low interest from his bank or some other source. The Treasury has taken steps to act on recommendations we made to establish interest rates in line with the costs of Treasury borrowing.

WORD PROCESSING IN THE SENATE

Senator SASSER. What is the status of the General Accounting Office study on word processing here in the Senate? I understand that this study has a potential of saving $1 million in the Senate budget?

Mr. SCANTLEBURY. This is mine, too.

Mr. STAATS. Forgive me, Mr. Scantlebury.

Senator SASSER. He has got all the interesting topics.

Mr. SCANTLEBURY. Yes, we have just completed our field work on this study. We don't have a report on it yet, but we surveyed and interviewed the staff from all 100 Senators' offices. We do predict potential savings of about $1 million a year over the next 5 years. Right now, there are three systems that are being used: One we call the stand-alone word processing system, which 6 Senators at the time of our audit were using, including yourself; and then there are 75 Senators who use the correspondence management system—CMS—and 19 Senators are using older "other" word processing equipment.

The stand-alone word processing system seems to turn out more attractive letters at the least cost. The CMS has some capabilities including management reporting and automatic updating of the mailing list that are not now offered by the stand-alone system. The "other" equipment is mostly older word processing systems that in most cases has been discontinued by the manufacturer and is inferior to the two other systems. When the respective capacities of CMS and the stand-alone systems were factored into the analysis, they were judged to be equally effective.

In our review we found another type of systems that is now becoming available by a number of different manufacturers, which are called distributive logic systems. These systems basically are different from the stand-alones in that they have their own microprocessor and they usually use a disc-type memory. Also several terminals can be operated off a single microprocessor. In addition an intelligent terminal can be used off one standard memory or you can have a memory independently in case the microprocessor fails. We feel this is the most efficient way for the Senate to proceed in the future.

We believe that if the use of these were to be adopted by the Senate, that it could save at least $1 million a year in equipment costs.

Also, the distributive systems would probably be more efficient for the 19 Senators who are using the correspondence management systems in their home offices by reducing communications costs. In addition, other correspondence functions such as text processing could be done using this equipment.

Senator SASSER. When is this study coming to an end?

Mr. SCANTLEBURY. Probably early in May.

ADMINISTRATIVE COST OF TRAVEL

Senator SASSER. Mr. Staats, at my request, the General Accounting Office has turned to studying the extraordinarily high administrative cost of employee traveling expenses. This runs about $450 million a year. Initial reports of GAO studies show two principal methods of pay-

ing travel claims. The first method is the so-called high-rate geographic areas at the cost of processing one of these claims, $35. At the other end of the spectrum is the lodging plus per diem. It costs only $20 to process these claims.

Now, the point you want to get to is I am afraid that the Administrator of GSA is planning to issue new regulations regarding en route travel. That is, those days in which the employee is actually traveling. Under the proposed regulations, the cost to process vouchers would be likely, I think, to increase dramatically. Could you bring us up to date on this?

Mr. SCANTLEBURY. This is mine, too. The cost certainly has gone up in the past few years. A lot of it is due to the use of actual cost instead of per diem rates. We started out with just a few cities, where we had to have the actual costs. Then we increased the number until now there is something like 190 cities that will all have that kind of cost system. If they go to this new en route travel system, this will mean that if you fly out of Washington on a particular day, you will have to be concerned with whether your expenses are allowable no matter where you go. There would be no per diem allowed for such travel. You would be reimbursed specific amounts for each specific meal allowable for all en route days even though you were en route to a city where per diem was allowed. I think this system will generate numerous questions as to which meals are allowed and will be nightmare as far as checking the voucher is concerned.

It certainly would make it easier to use the system of so much for the hotel bill, plus so much for meals. Computing it that way would certainly minimize the problem and make it much easier and less costly to audit and process the travel claims. In fact, in some of the more advanced systems they could set up the computer to do a lot of the work. If they did that, the audit could be done efficiently but the way we are going, it will make it a very, very complicated thing to administer.

QUESTIONS SUBMITTED FOR RESPONSES

Senator SASSER. Mr. Staats, we have a number of other questions which I would like to submit and ask you to respond for the record in your usual prompt fashion. I want to express my appreciation to you and your colleagues for appearing here today.

[The questions and responses follow:]

Additional Questions

IRS OFFSET PROGRAM

Question: How much delinquent debt has Oregon collected by offset and at what cost?

Answer: During fiscal year 1979 Oregon collected approximately $2.4 million of delinquent debt at a cost of $200,000, or less than 10 percent of collections. State officials told us that most of the $2.4 million probably would not have been collected if it were not for the offset program. In effect the Oregon taxpayers would have subsidized those dishonest individuals who refused to pay their just debts.

Question: Collection by reducing Federal tax refunds as offsets is dependent upon individuals having tax refunds due them. Couldn't debtors just adjust their withholding to avoid paying their debts?

Answer: This is possible, however, Oregon's offset program is almost 10 years old and the State has not experienced a change in withholdings as a result of the program. We do not believe that a substantial number of debtors would take action to reduce or eliminate over-withholding at the Federal level.

Question: Has Oregon encountered privacy problems in reporting delinquent debt information?

Answer: The Oregon Court of Appeals has ruled that the offset program does not violate individual privacy. The court stated that the amount of refund to which a taxpayer is entitled is the result of a calculation which by itself reveals nothing private about the taxpayer.

Question: How does Oregon handle joint returns?

Answer: Refunds due on joint returns may be offsets if one of the taxpayers is a delinquent debtor. If the taxpayers request, the Oregon Department of Revenue will apportion any joint refund between the joint taxpayers based on the amount of withholdings. Only the amount allocated to the delinquent debtor is available for offset. Thus, if a joint return is filed but only one spouse had withholdings, then only this spouse can have an offset made if a delinquent debt exists. If the other spouse had the debt but no withholdings, none of the refund can be used as an offset.

Question: Are you aware of any other States that have an offset program?

Answer: North Carolina, Montana and Utah have programs similar to Oregon, and Arizona, Iowa and Georgia have legislation pending to establish some form of offset. We have not done any substantive work as yet in these other States. Furthermore, the Council of State Governments has recently completed a review of Oregon's program and will disseminate the information to all states. We expect more States to establish offset programs similar to the Oregon program.

ion: Do you see any reason why the Federal Government
e offset programs as a means to collect its bad debts?

Answer: In our March 9, 1979, report "The Government Can Collect Many Delinquent Debts By Keeping Federal Tax Refunds As Offsets", we recommended that the IRS perform a test project to offset delinquent student loans. We still believe an offset program at the Federal level would collect amounts that otherwise would be written off as uncollectible. As I mentioned earlier, Oregon collected about $2.4 million of such debts, at a cost of only $200,000. During fiscal 1979 Federal agencies established allowances for doubtful accounts of about $3.9 billion. This represents amounts the agencies believe will be written off as uncollectible. Although we do not know the exact amount that could be collected rather than written off, based on Oregon's experience, some of this can be collected in a cost effective manner.

Question: What type of delinquent debt does the State collect by offset?

Answer: Any amount owed to the State or a state agency is subject to offset. The major type of delinquent debt collected by offset include public welfare overpayments, University of Oregon hospital bills and delinquent student loans owed the state supported colleges and universities.

Question: In 1979 the Justice Department testified that it had between $500 million and $1 billion in judgements and fines outstanding. These judgements and fines have worked through the judicial process and are ripe for collection through the IRS offset process. Do you believe that offset would be an effective way of collecting these debts?

Answer: Judgements and fines are prime candidates for collection through the IRS offset process. Of course the debtors right to due process would have to be protected but since the cases have been adjudicated this should be relatively easy to achieve. IRS or the Justice Department could notify the debtor that the debt was scheduled for offset and afford the debtor opportunity to voluntarily pay the amount owed. If the debtor failed to pay, either in a lump sum or installments, refunds due could be offset. Furthermore, the notice that IRS was involved and planning to act would most likely induce many debtors to pay up without the need for an offset to be made. In any case, the Government could collect significant amounts of money that it is currently losing. It is difficult to say how much would be collected without a thorough review of individual cases but potential collections could approach $100 million if only 10 percent of the judgements and fines were collected.

DEBT COLLECTION

Question: What else could the Federal Government do to collect the debts due? Please answer to the extent this has not been covered in your oral testimony.

Answer: Collections of debts owed the Government could be substantially increased if greater use was made of commercial credit bureaus and commercial debt collection agencies.

Question: What about use of credit bureaus?

Answer: We are working with the Congress to develop legislation that would allow two Federal agencies--VA and the Department of Education--to report debtors to credit bureaus while exempting these agencies from the privacy act. This would permit two substantial debt-reporting programs to start. In the long-term, we would prefer a general legislative authority to allow all agencies to report debts to credit bureaus.

Question: What about use of commercial collection agencies?

Answer: Under special legislative authority, the Department of Education has contracted with two private collection agencies to test the effectiveness of using such organizations to help collect its heavy volume of debts. The results of this test cannot yet be fully evaluated. However, there are indications that private collection agencies could be effective, especially for those debts which would otherwise be written off as uncollectible because they are too small to be considered for litigation. We are monitoring the Department of Education test and plan to consider the potential for wider use of collection agencies to help collect Federal debts. New legislative authority would be required before other Government agencies could use private collection agencies.

Question: What about charging interest on delinquent debts?

Answer: Progress toward charging interest on delinquent debts has been slow. In a November 1979 letter to all executive and legislative agencies, GAO emphasized the need for them to take action on this matter and requested a status report by mid-December. As of January 1, 1980, most agencies either had not replied or had indicated there would be substantial delays before implementation. GAO and the Department of the Treasury are taking follow-up action to determine the reasons for the lack of reporting and what corrective action is needed.

Question: How much interest is lost now?

Answer: We do not know precisely how much interest is being lost because agencies do not keep such records. However, we believe that hundreds of millions of dollars may be involved. Testifying before your subcommittee last year I agreed with your estimate that about $200 million was lost each year because of the Government's failure to charge interest on delinquent debts. That was a very conservative figure based on a Treasury imposed 9 percent interest rate. In today's economic environment, with the prime rate around 20 percent and the Treasury paying almost 15 percent on Treasury bills, the 9 percent rate is unrealistically low. Treasury is preparing regulations to establish an interest rate based upon its return on invested funds. This should raise the interest rate on delinquent debts substantially closer to the rates charged by commercial organizations. If a realistic rate of 15 percent were used, in excess of $300 million annually is being lost. There may be legal restrictions which would have to be changed for agencies to charge a realistic interest rate, particularly, in the case of defaulted loans, but obviously the current rate is too low and does not act as an incentive for individuals to pay their delinquent debts.

Question: Do you believe the Federal Government is devoting the proper resources and establishing proper priorities to aggressively collect debts owed the Government?

Answer: Generally collection of receivables is given a low priority in the allocation of personnel resources. Priority is usually given to staffing organizations directly responsible for the accomplishment of agency program objectives. This usually involves the extension of credit or the disbursement of funds rather than the collection of money owed. Stated simply, relatively few people are assigned to collect debts, particularly delinquent debts. Because the amount of debts and delinqunecy problems vary by agency, it is difficult to say exactly how many individuals should be collecting debts but it is clear that agencies assign few resources to debt collection. For example:

--During a recent review we found that LEAA assigned only four full time and two part-time employees to service more than 210,000 loan accounts amounting to over $150 million. We estimated that over $18 million due the Government will go uncollected because of inept collection efforts, at least partially attributable to lack of staff.

--The Office of Education has about 90 employees in regional offices assigned to collecting defaulted National Direct Student loans as of October 1979. Defaulted loans totaled over $700 million on over 800,000 accounts. As of December 31, 1979, collections of only $538,000 on 2,631 loans had been made.

On a Government-wide basis substantial amounts, perhaps hundreds of millions of dollars, could be collected if additional people were assigned to pursue delinquent debtors and collect amounts owed the Government.

$450 MILLION COST OF PROCESSING TRAVEL VOUCHERS

Question: Mr. Staats, could you work with the Administrator of the General Services Administration with a view to holding off the issuance of new travel regulations until the GAO report with its recommendations to simplify the process are studied by GSA?

Answer: We have tried to stop the issuance at the staff level but have not been successful. We are now preparing a letter to the Administrator.

FOREIGN MILITARY SALES

Question: Can you bring me up to date on the matter of foreign military sales? Has there been any significant improvement in the area?

Answer: For years, Defense has experienced serious accounting and financial management problems with regard to the foreign military sales program. The Department, acting upon GAO's recommendations, has made improvements to its accounting systems and further improvements may result from current Defense efforts.

However, many problems remain uncorrected. For example, the Department has not developed a standardized automated accounting system for the program, but rather has continued to use existing nonstandard accounting systems. As a result, Defense is unable to properly account for what has been done with billions of dollars of foreign customer money. In addition, Defense's foreign military sales pricing policies have not been uniformly implemented by the military departments.

These problems have been longstanding and have not been resolved because Defense lacks a program-wide plan to correct the problems. GAO has previously recommended that Defense (1) produce a plan for centralizing accounting and financial management of the foreign military sales program and (2) establish specific responsibility for insuring effective and consistent implementation of foreign military sales pricing policies. We believe that until Defense fully acts on these recommendations the above problems will continue to exist.

AGENCY AUDIT REPORTS

Question: What is the status of the 16,305 unresolved agency audit reports questioning $4.3 billion in Federal expenditures?

Answer: At this time, we do not know how much of the $4.3 billion has been resolved. In responding to our report, OMB has required the executive agencies to report on the amount of unresolved findings and open reports over 6 months old. The agency reports indicate that such findings are less that $1 billion, but the actual amount may be larger since some major agencies stated that their data is incomplete. As a follow-up measure, we have started our own work to determine what action has been taken on these findings, and expect to be able to fully answer this question later in the year.

LOCAL TELEPHONE SERVICE

Question: What has been the outcome of your recent study on local telephone costs? Have the affected agencies moved to adopt your recommendations?

Answer: Economic and operational benefits to the Government have not yet been achieved through Government-wide consolidation in any of the four geographic areas--San Antonio, Texas; St. Louis, Missouri; Leavenworth, Kansas; and Orlando, Florida--where our office developed scenarios.

In addition, I am not aware of any agency efforts, concerning any of these selected geographic areas, towards our suggested Government-wide detailed telephone consolidation studies.

Question: Can the Government possibly achieve greater annual operating savings and cost avoidance if studies of local telephone service utilized by government agencies are conducted in other geographical areas and their results are appropriately implemented?

Answer: The GAO staff could not project the results from this review because the sample geographic areas were not statistically selected. However, we believe that significantly greater cost avoid-

ances could result since our review was conducted in widely dispersed geographic areas, which involved a fairly broad selection of field activities from various government agencies, and was based on rates established in various political jurisdictions.

Question: Are you aware of any actions between Federal agencies that might enhance their interagency coordination and cooperation in studying and establishing the best local telephone services for the Government?

Answer: As of mid-March, the Department of Defense and General Services Administration have reached a tentative draft agreement--referred to as the Government Metropolitan Area Telephone System (GMATS) program--for studying, installing, and managing Government-wide consolidated local telephone systems. I am not aware of any other similar efforts.

Question: What actions has the Office of Management and Budget planned and taken as the result of your report recommendations?

Answer: As reported to the Chairman, Senate Committee on Governmental Affairs, the Office of Management and Budget planned to solicit recommendations from the General Services Administration and the National Telecommunications and Information Administration, Department of Commerce. These would address planning, implementing, and operating Government-wide consolidation and modernization of local telephone services. Also, as my report recommended, the Office of Management and Budget planned to develop policies, as appropriate, to improve the management of local telephone services for Federal agencies.

An official from the Office of Management and Budget advised, about mid-March, that the recommendations had been solicited and a response had already been received from the General Services Administration, but not from the National Telecommunications and Information Administration. We will follow-up on the actions taken as the result of this report.

COORDINATION AND COOPERATION AMONG LEGISLATIVE AGENCIES

Question: What steps has GAO taken to improve the effectiveness of coordination and cooperation among the legislative agencies?

Answer: Since the Congressional Budget Office and the Office of Technology Assessment were established and the role of the Congressional Research Service was expanded, we have worked closely with them to assure that we understand each other's roles and the way they are being approached. We work together to help committees and Members understand the job of each and to know which agency to go to for the various kinds of help that they seek from time to time.

Last year, in response to a request of the House Legislative Branch Appropriations Subcommittee, we joined with the other legislative branch agencies in reexamining the mechanisms that we use to avoid duplication and to increase cooperation.

On January 24, 1980, we, together with the other legislative branch agencies, replied to the subcommittee that existing coordina-

tion and cooperation arrangements and approaches are working well and that we were undertaking some modification that will further improve them.

Those changes are as follows:

The Congressional Research Service developed and distributed an "Oversight Manual" which describes for committees and their staff the various services provided by each legislative branch agency.

The four agencies, working together, are now developing a single brochure which will concisely describe the roles and responsibilities of each agency. We plan a wide distribution to committees and Members to further instruct congressional staff about which agency to go to for particular kinds of assistance.

Together with the other agencies we have instituted periodic meetings of counterpart staff to discuss work and plans in particular interest areas. Within the past several months, such meetings have been held on health, energy, and defense and related matters.

GAO is now routinely providing the other agencies with information on new job starts planned to begin over the next three months. This, we believe, will be useful adjunct to information included in the "Research Notification System".

Additionally, by memorandums, through training, and in routine contacts over the range of our management systems, we have further stressed the need for, and the benefits to be gained from, a high level of cooperation and staff contacts with representatives of the other agencies. Throughout GAO, we are trying hard to assure effective relationships with the other agencies. We are confident that GAO staff is well sensitized to the importance of this.

GAO PERSONNEL ACT

Question: The GAO Personnel Legislation was just recently signed by the President into law. What effect will this have on GAO operations?

Answer: The GAO Personnel Act, which takes effect October 1, 1980, will improve the effectiveness of the Office and reinforce the credibility of its work. GAO's personnel progam is regulated and controlled by executive branch agencies which GAO is required to review and evaluate objectively. This institutional conflict of interest has a dangerous potential for compromising the integrity of GAO work and is easily perceived as actually producing undesirable results. The GAO Personnel Act eliminates this institutional conflict of interest and the potential for undesired results by authorizing the Office to establish an independent, self-contained personnel program which is divorced from executive branch control. I might add that it is our intention to establish a merit personnel system which is second to none.

Under the Act the rights of GAO employees will be protected to

the same extent as now and the benefits enjoyed by other Federal employees will be continued. These include annual, sick, and other paid leave, coverage under the Civil Service Retirement System, compensation for work injuries, unemployment compensation, health and life insurance, training, incentive awards, back pay, severance pay, waiver of over payments, and travel and transportation expenses. The Act also affords the Office the discretion to establish a GAO Senior Executive Service like that of the executive branch. We plan to do so and this will result in more effective utilization of our critical managerial resources.

GAO OMNIBUS BILL

Question: The GAO Omnibus Bill--for the record, what is this legislation and how will it affect the GAO?

Answer: Enactment of H.R. 24 will enhance our ability to conduct our reviews and to report the results of these reviews on a timely basis. The bill has features that (1) promote GAO's oversight of Federal expenditures; (2) provide formal congressional input into the selection of future Comptrollers and Deputy Comptrollers General; and (3) bring the audit standards of the Inspectors General of the Departments of Energy and Health, Education and Welfare, into line with the Inspectors General of the other Federal departments. The salient aspects of H.R. 24 are as follows:

Section 101 of the bill authorizes GAO to audit so-called "unvouchered" accounts, in which expenditures may be accounted for solely on the approval or certificate of the President or another Executive branch official. This section will expand GAO's audit capabilities and thereby promote oversight of Federal expenditures.

Section 102 grants GAO authority to enforce our existing access to records of Federal agencies and those non-Federal persons and organizations who are required to grant us access by law or agreement. I do not anticipate having to make frequent use of this authority since its mere existence should greatly enhance the timeliness of responses to our requests for documents. I also expect that we will achieve better results in obtaining the information we need and even in accommodating legitimate Executive branch concerns.

Section 103 of H.R. 24 sets forth guidelines and time limits for obtaining agency comments on our draft reports as well as identifying changes in draft and final reports wrought by agency comments. Many of the requirements prescribed by section 103 have already been implemented administratively for a time now.

Section 104 changes the selection process for the Comptroller and Deputy Comptroller General. The section formalizes input by both Houses of Congress into the process by establishing a commission comprised of the leadership of both houses and political parties to recommend individuals to the President for the two offices. We think this feature of H.R. 24 solidifies the good relationship of the Office to our congressional clients by having the incumbents in the two offices chosen by the congressional leadership.

The bill also changes the term of office of the Deputy Comptroller General to be coterminous with that of the Comptroller General.

This aspect together with the Comptroller's formal role in the selection of the Deputy should assure a close working relationship between the two leaders of the General Accounting Office.

Finally, title II of the bill conforms the audit standards of the Inspectors General of DOE and HEW to those prescribed for other agency Inspectors General. This feature of H.R. 24 will result in government-wide consistency in the way all Inspectors General execute their duties by having all such officials adhere to the Comptroller General's audit standards for Federal programs.

RESPONSIBILITIES OF GAO

Question: How does GAO differ from other congressional agencies?

Answer: Unlike the Congressional Budget Office, the Congressional Research Service and the Office of Technology Assessment, GAO has a responsibility under its basic statutes to provide continuing audit and evaluation coverage of Federal programs and agencies. While the other agencies are required only to respond to specific work requests of all or certain committees and Members, the General Accounting Office has a continuing responsibility to review executive branch operations and those of its grantees and contractors and to provide the results of its work to the Congress. This is in addition to GAO's responsibility to perform particular audits and evaluations based on the request of committees and Members.

Under its basic statutes, which include the Budget and Accounting Act of 1921, the Accounting and Auditing Act of 1950, the Legislative Reorganization Act of 1970, and the Congressional Budget and Impoundment Control Act of 1974, GAO is responsible for maintaining an adequate level of audit and evaluation coverage and to thereby assist the Congress in its authorization, appropriation, oversight and legislative roles. In furtherance of these responsibilities GAO reports on its audit and evaluation work include recommendations to Federal agencies and to the Congress which are directed to improving the economy and efficiency of Federal programs and operations and to make them more effective in accomplishing their objectives. In both its request work and in the work that it performs based on the requirements of its basic statutes, GAO frequently testifies before congressional committees. The results of its work are used throughout the legislative process and result in very substantial accomplishments including, for example, tangible measurable savings of $11 billion over the last three years alone.

Another significant difference from the other congressional agencies is that GAO alone performs primary fact finding audit and evaluation work at the site where agency operations are carried out. To do this most effectively and economically, GAO maintains staff at executive branch agency offices throughout Washington, D.C., in regional offices located throughout the country and in overseas branches in Europe, the Far East and in Latin America. Unlike the other congressional agencies GAO's work includes extensive original data gathering as well as the use of secondary source data.

WORK REQUIRED BY GAO'S BASIC STATUTES

Question: Please explain how you decide to initiate work required by your basic statutes and what you do to assure that such work reflects the interest and concerns of the Congress. Provide some examples.

Answer: To help explain how GAO decides to undertake work under its basic statutes, we are providing (a) information on our centralized planning process, (b) the criteria used when undertaking jobs required by GAO's basic statutes and (c) examples of work begun since October 1, 1979, pursuant to the requirements of our basic statutes, to illustrate how GAO policy is implemented.

This information is included as follows:

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Information on GAO's centralized planning process	1
The criteria used when undertaking jobs required by GAO's basic statutes	7
Examples of work begun since October 1, 1979	9

CENTRALIZED PLANNING

To better understand how we decide to undertake jobs that are required by GAO's basic statutes, we thought that it would be useful to discuss the broad context within which such jobs are initiated—our centralized planning process.

In 1972, we organized our headquarters operation into several divisions, each representing a function or program concern. Thus, we have a division for procurement matters, one for energy, one for human resources and so on—ten divisions in total. In addition, primary audit responsibility for the various government agencies and entities is assigned to the division having the corresponding function or program concern. For example, audit responsibility for the Department of State is assigned to our International Division, while audit responsibility for the Department of Energy is assigned to our Energy and Minerals Division.

Building on this base, we began using a centralized, issue-oriented, planning system in 1975. The key elements of our "Program Planning System" are:

--the identification of a single division (the lead division) as being responsible for GAO-wide leadership in a designated area (an issue area) and

—the preparation of a plan for all our work in an issue area (these plans cover an 18-month period).

Within this system, major issue areas are identified for program planning treatment by the top management in GAO. These issue areas are matters of current national importance, such as energy, health, and environment, or areas where the government has an obvious stake, like internal auditing or automatic data processing. In total, we have 36 such areas giving us broad coverage of the major issues facing the Nation.

The designated lead division prepares an 18-month plan for the issue area, using advice and guidance from its own staff, our regional office staff, congressional staff, and outside experts and consultants. A typical program plan will contain sub-issues which must be addressed, objectives to be accomplished, and the priorities for our efforts in the area.

Each issue area plan is reviewed and approved by a Program Planning Committee (consisting of the Comptroller General, Deputy Comptroller General, General Counsel, Assistants to the Comptroller General, Field Operations Division Director, and Office of Program Planning Director). The plans then guide, under the direction of the lead division, all of our work in the issue area.

Interestingly, the Select Committee on Congressional Operations, in its June 22, 1978, report on GAO operations, described our program planning as "being...comprehensive, highly sophisticated, and elaborately documented."

Although centralized planning within GAO has been in effect since 1975, it is reinforced periodically by the Comptroller General. To illustrate, the Comptroller General provided further guidance on program planning in a March 14, 1978, memorandum to top GAO management. In the memorandum, the Comptroller General reaffirmed the need to continue relating GAO's work to the needs, concerns, and expectations of the Congress. The Comptroller General stressed that the tie-in can best be achieved by sitting down with appropriate committees and discussing the proposed main thrusts and priorities of program plans before they are finalized. The Comptroller General also emphasized that such discussions should help divisions sort out priorities and satisfy management that GAO is addressing the kinds of questions and concerns most on the minds of our primary audience--the Congress.

What follows are examples of how we sought, and received appropriate Congressional input when developing program plans.

PLANNING SYSTEM FOR WORK IN THE ENERGY ISSUE AREA

The process of planning work in the energy issue area incorporates congressional interests through several means. The following discussion sketches the steps in the planning

process and describes the various ways in which congressional concerns are identified and incorporated.

Overall work in the area is guided by a program plan for all GAO work in energy, revised every 18 months and approved by the Comptroller General. Based on the principal thrusts stated in that plan, divisions performing work on energy formulate an annual work plan, which identifies the subject, objectives, and estimated cost of projects expected to begin during the year. Expected congressional hearings or debate (for example, on agency budget requests or legislative proposals) are a key factor considered in deciding what work to undertake and when to do so.

Nearly all assignments are based on this annual work plan. Each such assignment is approached in two phases. In the first phase (usually 3 months), a skeleton staff prepares a "decision paper" which identifies the programs and issues involved; discusses current legislative interest and developments; summarizes other work on the subject to avoid duplication; assesses the contribution that GAO can make; discusses alternative approaches and methodologies for the assignment; and recommends which approach is best. Based on these decision papers, about one of every six assignments is terminated after the first phase, which eliminates the less profitable undertakings at a modest cost. Those that survive this test then proceed to the second phase--full-scale implementation.

Congressional concerns are factored into this planning process at each stage. There are several major sources of such information.

—At the beginning of each session of Congress, top officials brief staff of key energy-related committees and subcommittees. At these meetings we and the staff describe our respective plans for the year and discuss how we can scope and sequence our work to best serve their needs. In this regard, we specifically discuss with the committee staffs their specific plans for hearings and investigations, so that we can time our relevant work to meet their needs. For example, briefings at the start of the 96th Congress, 1st session were conducted for staff of the Senate Committee on Energy and Natural Resources; Senate Committee on Governmental Affairs and its Subcommittee on Energy, Nuclear Proliferation and Federal Services; House Committee on Interstate and Foreign Commerce, Subcommittee on Energy and Power; House Committee on Science and Technology, Subcommittee on Energy Development and Applications and Subcommittee on Energy Research and Production. Committee staffers' reaction to the briefings and to our planned work has been very favorable. Staff members have expressed an interest in requesting various studies, but we advised them that this was not necessary because the work was already ongoing or planned.

--We Testified 37 times in calendar 1979 on energy and related topics. Working with committee staff to plan these hearings provided continuous guidance throughout the year.

--We conduct numerous briefings throughout the year on work in progress or recently completed, on both congressionally requested assignments and assignments which are mandated by statute.

--In areas where work that is mandated by statute has begun or is planned, congressional requests are often factored into management decisions with respect to scope and timing.

From these major sources and others we believe that we keep well attuned to both long-term and immediate congressional interests, and, as noted above, we actively incorporate such intelligence into our entire planning process.

TAX ADMINISTRATION ISSUE AREA

We recently completed our third program plan for the Tax Administration Issue Area. In our continuing efforts to tie our tax administration work with the needs, concerns, and expectations of the Congress, we actively solicited the ideas of appropriate congressional members and staff in developing each of the three plans. For example, in developing the most recent plan, we:

--Hosted both the Chairman and Vice Chairman of the Joint Committee on Taxation at a luncheon attended by the Comptroller General and top GAO management during which ideas were exchanged concerning current and future issues in tax administration.

--Met with the following Joint Committee on Taxation staff members including: Bernard (Bobby) Shapiro, Chief of Staff; Don Ricketts, Assistant Chief of Staff; Leon Klud, Special Assistant; David Brockway, International Tax Consultant; Floyd Williams, Legislative Attorney; and Allan Rosenbaum, Accountant.

--Met with the Chairman of the Subcommittee on Oversight of the Internal Revenue Service, Senate Committee on Finance, Max Baucus and members of the Subcommittee staff.

--Met with the Chairman of the Subcommittee on Oversight, House Committee on Ways and Means, Sam M. Gibbons; his Chief of Staff, Pam Pecarich; and various other members of the Subcommittee staff.

--Met with Peter Barash, Chief of Staff, and Herschel Clesner, Chief Counsel of the Subcommittee on Commerce, Consumer,

and Monetary Affairs, House Government Operations Committee.

—Met with Mike Hall, staff member of the Senate Appropriations Committee, Subcommittee on Treasury, Postal Service, and General Government.

—Met with Aubrey(Tex) Cunnels and Bill Smith, staff members of the Subcommittee on Treasury, Postal Service, and General Government, House Committee on Appropriations.

These meetings involved our laying-out the current and future issues we saw in the Tax Administration area and giving a general description of the work that we proposed for addressing these issues. The Congressional members and staffs, in turn, gave us their thoughts concerning our ideas and other issues or concerns that they felt we should consider during the planning process. Each of the meetings was characterized by an active give and take atmosphere.

These discussions helped us sort out priorities and satisfy ourselves that our plan, once finalized, would address the kind of questions and concerns most on the minds of our primary audience. It also helped us gauge the timing of results necessary for maximizing the impact of our work. Those with whom we dealt seemed to feel that our effort in addressing and identifying the issues of greatest concern was worthwhile in that our results would assist them greatly in decision-making.

JOB START CRITERIA

The GAO, is undertaking audits and evaluations of executive branch programs as mandated by its basic statutes, applies a number of tests in assessing the priority of individual reviews. Criteria include factors such as:

1. Statutory requirements, such as the requirement to audit government corporations, to settle agency financial accounts, to render legal opinions, and other recurring work pursuant to statutes.

2. Criticism of executive branch management of programs as reflected in congressional hearings, congressional floor debate, and direct contacts with congressional committees, as well as criticism appearing in the press and from groups affected by these programs.

3. Consultation with committees related to annual authorization and appropriation hearings.

4. The possibility of making substantial monetary savings.

5. New programs authorized by the Congress which have not been previously audited by the GAO.

6. Reviews of the effectiveness of programs from the standpoint of cost-benefit analysis.

7. Follow up reviews on previous GAO audits to determine whether agencies have carried out GAO recommendations.

8. Reviews of accounting systems in operation to determine whether system approved by the GAO are being carried out in accordance with approved systems.

All work undertaken is subject to detailed review by the Program Planning Committee, chaired by the Comptroller General, within an 18-month timeframe. In addition, each division sets forth its specific plans at the beginning of each month for a 3-month time period and the Assignment Review Group reviews all new starts from the standpoint of their necessity, practicality, cost, scope, and so forth, requiring justification for reviews which may be questionable. The Assignment Review Group submits its recommendations to the Comptroller General periodically for his review.

The overriding factor in GAO's audit and evaluative work is whether the reviews are expected to contribute to greater economy, efficiency, and effectivenes of government programs and their operations and to determine whether other ways of accomplishing objectives of programs authorized by the Congress can be achieved at lower cost.

The following jobs, started since October 1, 1979, are illustrative of how we implement the above policy.

Title of Survey

Survey of Education Institutions
Efforts to Collect Office of Education
Defaulted Student Loans

Criteria Used to Start Job

In recent years considerable congressional concern has been expressed over the growing number of postsecondary students defaulting on Federal loans and the inability of the Office of Education to effectively manage loan programs and collect amounts owed.

As of June 30, 1978, about 3,620 institutions were participating in the National Direct StudentLoan (NDSL) program. The amount of loans in default totaled more than $700 million which represented a default rated of 17.37 percent.

During hearings on the Department of Health, Education, and Welfare's 1980 budget the Senate Appropriations Committee expressed concern about the high default rate and stated that the "high default rate cannot be tolerated." The Chairman of the Senate Appropriations Subcommittee on the Legislative Branch, in an October 24, 1979, letter to GAO also expressed concern that billions of dollars owed to the Government are not being collected. The

Chairman was particularly interested in the Office of Education's actions to collect defaulted loans.

A high default rate and a large number of uncollected loans have plagued the NDSL program for years. In reports previously issued to the Congress and the Office of Education GAO pointed out the need for improvements in the NDSL program. The Office has since implemented a number of actions to improve the program. Legislation has also been introduced in the Congress to restructure the program.

Because of the strong congressional interest, recent OE actions, and proposed legislation, GAO has initiated a review of the NDSL program which should be helpful to the Congress. We will emphasize methods to improve the collection of funds owed the government by postsecondary students.

Title of Job: "Survey of Agencies' Policies and Practices to Recover Disallowed Costs and Unexpended Funds Identified by Audits"

Criteria Used to Start Job

Prior work in this area indicates that the Government is not properly recovering amounts owed to it by grant recipients. A significant part of the amount grantees owe may arise from disallowed costs or unexpended funds often identified in audit reports. We believe that strengthening the process for collecting these amounts could result in significant savings. Our assignments that were particularly helpful in identifying this problem include:

a. More Effective Action is Needed on Auditors' Findings—Millions Can be Collected or Saved (911770)

b. Improved Grant Auditing and Resolution of Findings Could Save the Law Enforcement Assistance Administration Millions (911900)

The reviews identified above resulted in testimony before the House Committee on Government Operations, Subcommittee on Legislation and National Security. This Committee has shown interest in our pursuing these issues.

Title of Job

Review of the Office of Personnel Management's Administration of Survivor Benefit Reductions (Code 963140)

Criteria Used to Start Job

This assignment, for which planning and scoping began in January 1980, will be an evaluation of whether the Office of Personnel Management is properly making the reductions required by law in the annuities of civil

service retirees who have elected to provide benefits to their survivors. The civil service retirement law on survivorship reductions is virtually identical to the law covering the military retirement system, yet the Department of Defense uses a different method to determine the reduction amounts. It appears to us at this point that the Defense method, which requires a large reduction, is more in line with congressional intent. We estimate that the civil service retirement fund could save several millions of dollars a year if the Defense method were used.

In our past work on Federal retirement programs, we have become very concerned about the inequities, illogical and inconsistent benefits, and the tremendous growth in costs of the programs. The congressional committees involved in retirement matters have also generally shared these concerns. We have discussed this assignment with staff members of the appropriate House and Senate committees, and they have agreed that the assignment should be undertaken in the interest of identifying an area in which cost reductions and greater equity for all Federal personnel can be achieved.

Title of Job

Survey into the requirements for the quantity and type of facilities provided for the Reserve Forces

Criteria Used to Start Job

Congressional Interest

The quantity and cost of the Reserve Forces' facilities construction program is a subject of interest to the Appropriations and Armed Services Committees, particularly at the time DOD's annual budget request for construction authorization and appropriations are being considered.

In January 1979, the Subcommittee on Military Installations and Facilities, House Armed Services Committee, requested GAO to

--assess the validity of the Reserves' construction backlog,

--assess the feasibility of the Reserves using vacant or underutilized Active Forces' facilities to meet Reserve facility needs,

--inquire into whether the Reserves are using the most cost effective methods for meeting facility needs, e.g., constructing facilities for joint use of more than one Reserve component.

Information developed by GAO in response to this request was used by the Subcommittee in February 1980 hearings on DOD's fiscal year 1981 budget request.

During the above review we saw indications of possible additional ways to reduce the cost of the Reserve Forces' facilities construction program while still providing adequate facilities to meet the Reserves' needs. Two such indications--Reserve components using differing criteria for sizing facilities which serve the same function and Reserves building new facilities under more costly design specifications than appeared necessary--prompted our initiation of this survey.

Other work in the area

While GAO has performed other reviews of the Reserves' construction program, the areas to be covered in this survey were not covered in the earlier reviews.

We are not aware of any reviews of this area by any other agency or activity.

Anticipated accomplishments

We hope to recommend ways to reduce the cost of the Reserve Forces' planned construction program while still providing needed facilities. The Congress has appropriated an average of $120 million annually for the last 10 years to finance Reserves' construction and DOD has estimated that its Reserves' construction backlog is still over $2 billion.

At this stage, we believe that any recommendations we may have could be implemented by DOD and no action by the Congress would be required.

1. Title of Job - Review of GSA's Furniture Procurement Program

2. Criteria Used to Start Job

Congressional Interest - This ongoing assignment resulted in high congressional interest because of newspaper articles showing wasteful Government practices in purchasing and disposing of furniture. This interest is illustrated by Senator Lawton Chiles, Chairman, Subcommittee on Federal Spending Practices and Open Government, Committee on Governmental Affairs. He wrote to GAO on November 9, 1979, requesting us to investigate several aspects of GSA's furniture procurement.

Other Work in the Area - An Interagency Task Force was initiated by GSA's Inspector General as a reaction to newspaper articles describing the dumping of good furniture. Part of our effort includes monitoring the efforts of this Task Force.

Program Considerations - Each agency of the Federal Government annually purchases furniture. Together these purchases amount to millions of dollars and is growing. In fiscal year 1977 these purchases totaled $191 million

and in fiscal year 1978 they totaled $264 million. Additional growth is anticipated.

Anticipated Accomplishments - It was our belief when we initiated this assignment that there were inefficiencies in the manner in which GSA was procuring furniture. Our audit is geared toward identifying and correcting these inefficiencies. We are presently scheduled to testify before Senator Chiles' Subcommittee on March 18 to state our views on this matter.

EQUAL EMPLOYMENT OPPORTUNITY PROGRAM

Question: How is your Equal Employment Opportunity program working?

Answer: We have a report which we would like to submit to the Subcommittee for the record.

(The information follows.)

EQUAL EMPLOYMENT OPPORTUNITY
AFFIRMATIVE ACTION PROGRAM

I. EMPLOYMENT AND RECRUITMENT OF MINORITY PERSONS AND WOMEN

Employment Profile: December 1978 - December 1979

A. During this 12-month period the total GAO general schedule workforce increased by 40 persons. The number of non-minority employees decreased by 16 while minority persons increased by 56. This change brought the minority workforce to 1034 which represents 19.2 percent of the total -- a gain of 0.9 percent over 1978.

B. Minority employment in grades 1 through 4 increased from 181 to 240 persons, an increase of 59 persons or a 32.6 percent increase. An increase also occured among non-minority persons in these same grades but to a much smaller extent. Their number went from 247 to 250 persons, an increase of 3 persons or 1.2 percent.

C. In grades 5 through 8 minority employment went from 388 to 354 -- a decrease of 34 persons or 8.8 percent. Non-minority employment in these grades also decreased. Their employment numbers went from 604 to 538 -- a decrease of 66 persons or 10.9 percent.

D. In grades 9 through 11 minority representation increased from 149 to 151 -- an increase of 2 persons or 1.3 percent. The number of non-minority persons in these grades fell from 560 to 520, a loss of 40 persons or 7.1 percent.

E. Minority representation in grades 12 through 13 went from 227 to 251, an increase of 24 persons or 10.6 percent. Non-minority representation also increased for these grades from 1907 to 1984, an increase of 77 persons or 4 percent.

F. Minority employment in grades 14 and 15 changed from 30 to 34 an increase of 4 persons or 13.3 percent, while non-minority employment went from 952 to 963--an increase of 11 persons or 1.2 percent.

G. In the super grades, minority employment went from 3 to 4 persons while non-minority employment in the super grades went from 84 to 83.

The table below shows the 2-year change in the minority composition of our workforce according to grade.

Minority Employees as a Percentage of all Employees

Grade	12/31/77	12/31/78	Change	12/31/79	Change
1-4	47.1	42.3	- 4.8	49.0	+ 6.7
5-8	40.3	39.1	- 1.2	39.7	+ .6
9-11	19.4	21.0	+ 1.6	22.5	+ 1.5
12-13	8.8	10.6	+ 1.8	11.2	+ .6
14-15	2.5	3.1	+ .6	3.4	+ .3
16-18	2.3	3.4	+ 1.1	4.6	+ 1.2

H. Analysis of our professional workforce (GS 7, 9, and 11 through GS-18) for 1978 and 1979, shows that it rose from 4276 to 4289 -- up only 13 persons or .3 percent. However GAO was still able to increase its professional workforce profile by the above percentages.

II. Upward Mobility Program

One Hundred Thirty-Four (134) employees have entered GAO's "preprofessional" Upward Mobility Program since the first person entered in 1973. Seventy-Three (73) participants have successfully completed Upward Mobility training and are now assigned to positions as Management Analysts, Claims Adjudicators, Editors, or Computer Technicians.

In FY 1979, 17 persons moved over career-development ladders from clerical/technical jobs to professional auditor, computer specialist, and editor positions as a result of UMP. There are now 26 persons participating in our five ongoing Upward Mobility career avenues as of November 30, 1979.

III. Competitive Selection Process

Competitive Selection, which was adopted in 1976, was needed in GAO for a long time. For many years the staff complained that positions were filled before it was known that vacancies existed: that some persons selected were not the best qualified for the positions, etc. Under Competitive Selection many things have changed. Vacancies are announced and all eligible qualified persons have an opportunity to compete and be considered for the positions. The following charts provide the results of the competitive selection process from December 17, 1976 through June 1, 1979

The charts show that 115 or 52 percent of white female applicants made certificates with 58 or 50.4 being selected for positions. This compares with 1628 or 39.6 percent of white males making certificates

and 505 or 31 percent being selected. With respect to minority persons, 67 or 32 percent of minority male applicants made certificates with 21 or 31.3 percent being selected for positions. This compares with 19 or 26.4 percent of minority female applicants making certificates, with 6 or 31.6 being selected for positions.

Although some progress has been made toward increasing the representation of women and minority persons in upper-level management positions, obviously, further improvement is needed. It should be noted that 4,329 white persons submitted 10,236 applications for positions, while 281 minority persons submitted 735 applications for positions under Competitive Selection from December 17, 1976 through June 1, 1979.

60-569 O—80——50

CONTRACTING ACTIVITIES AND SAFEGUARDS

Question: Please describe your contracting activities and safeguards.

Answer: In accordance with the Federal Procurement Guidelines issued by the General Services Administration, we have instituted standard procurement procedures to ensure and safeguard competition and full contractor performance. Where additional guidance is needed, we supplement the Guidelines with the Department of Defense Acquisition Regulations. Provision for the utilization of these guidelines is contained in revised GAO Order 0625.1.

In general the estimated dollar amount of a procurement request will dictate the degree to which competition will be obtained. We use the following guidelines provided in the Department of Defense Acquisition Regulations (DAR) relevant to competition in accordance with monetary threshholds.

1. For small purchases (those under $10,000) requests in excess of $500 require solicitation of quotations from at least 3 qualified sources. Those not over $500 may be procured without competitive quotes, but the prices must be fair and reasonable and the procurements should be distributed equitably among qualified suppliers. (Reference DAR 3-604.1)

2. Solicitation for unclassified procurements estimated between $2,500 and $10,000 providing at least 10 calendar days for submission of offers must be displayed at the contracting office. (Reference DAR 1-1002.4)

3. Procurement estimated to exceed $10,000 (negotiated and formally advertised) must be publicized in the Commerce Business Daily.

4. Contract awards in excess of $25,000 must also be publicized in the Commerce Business Daily for subcontracting possibilities.

(Reference DAR 1-1005.1)

All contracts of $25,000 or more requires the approval of the Comptroller General prior to initiation of any contractual action. A memorandum outlining the need is prepared by our Procurement Branch and submitted to the Office of General Counsel where legal sufficiency is determined. If approved by OGC, it is then routed through the Special Assistant to the Comptroller General for Administration and the Deputy Comptroller General for final authorization and approval. It is also GAO's policy to obtain competition to the maximum practicable extent in processing procurement requests involving small purchases, formal advertising, and negotiation procedures. To enhance competition we also: (1) contact other Government procurement offices for pertinent information; (2) research sources in such publications as the Thomas Register, Blue Book, and GSA-published bidders mailing lists; (3) using established GSA Federal Supply Schedule Contracts, Multiple Awards Schedule Contracts (ADP) and Basic Agreements; (4) maintaining an internal bidders mailing list and contractor files for source references; (5) requiring the review of technical specifications by technical, legal and contracting personnel to insure against restrictive specification; and (6) providing for adequate procurement planning to allow sufficient time for the competitive procurement process including notification to activities of

impending contract expiration dates. Approximately 89.7 percent of the total dollar value of our current contracts was competitively awarded, 4.2 percent was awarded under the Small Business Administration 8(a) procedures and to non-profit organizations, and 6.1 percent was awarded on an individual sole source basis.

Among control measures to insure satisfactory contractor performance include post-award conferences with contractors to reiterate contract requirements, intermittent conferences with contractors and technical personnel to discuss overall contract progress and problem areas, designation of technical representatives to monitor contractor performance and document contractor compliance with the terms of the agreement, contract designs tailored to provide safeguards against unsatisfactory performances, and timely issuance of cure notice/show cause letters under appropriate circumstances.

GAO RENOVATION

Question: Legislation was passed to give GAO priority on space in the GAO building. What is the status of your renovation plans and gaining access to parts of the building that are currently occupied by other agencies?

Answer: We have a report which we would like to submit to the Subcommittee for the record.

(The information follows.)

Long-Range Space Improvement and Utilization Plan for the General Accounting Office

The purpose of this report is to present the status of the acquisition of additional space by GAO in its main building at 441 G Street, N.W., Washington, D. C.

The General Accounting Office Building was designed in 1940 and after several delays construction was completed in early 1951. Originally the building was intended for use by the large GAO clerical audit staff, which received financial documents from throughout the government for centralized processing. Consequently, the building as designed consisted of large, expansive, interior open areas with an air and light distribution system suited only for warehouse type functions. Given the apparent functional needs of the GAO in 1940 and the prevailing design standards, these systems were adequate.

However, in 1950, the Budget and Accounting Procedures Act was passed. This Act led to the decentralization of the GAO audit activities, thus making the building available for occupancy not only by other agencies, but by new organizational divisions of GAO, all with entirely new functions and space needs. With the changes in organizational functions came a need for more privacy for an increasing professional staff. To accomodate this need, the effectiveness of already inadequate air-handling, lighting, and acoustical systems was further reduced by the creation of private offices in the interior space which was originally planned to be an open warehouse type area. The new offices reduced the available light and distorted air flow creating hot and cold spots. In addition, the acoustical properties of the original ceilings were virtually destroyed through repeated painting.

In summary, the combination of changes in organizational functions coupled with a change in the concept of interior planning made the building inadequate for the needs of the staff

which had been forced to use the interior core space for a totally different function than the one for which it was designed.

In 1972, after reviewing many government and commercial installations, a phased programmatic approach to interior space planning was proposed. The program consisted of three major elements: a new integrated ceiling system to include lighting, air supply and return, and acoustical tiles; individual modular work stations; and installation of carpet. There were two primary factors which influenced the need to phase the proposed program: the future acquisition of additional space occupied by other agencies; and, the need to allow for concurrent staging areas while renovation was being accomplished in areas occupied by the GAO. The original plan presented to the Congress in 1972 was to renovate 162,725 square feet of space phased by area and fiscal year to begin in FY 73 and be completed in FY 76.

As work began on the projects, the engineers determined that it was more beneficial to renovate the ceiling, lighting, and air flow systems by installing a new integrated ceiling system to cover entire floors rather than the interior portions as originally planned. Therefore, additional space was identified which needed to be renovated. Through FY 79 approximately 480,000 square feet of office space was renovated.

As the organizational functions of GAO continued to change, the need to bring all elements of the organization together for more efficient operations became apparent. Additional space was required to accomplish this. After several unsuccessful attempts by GAO to obtain additional space in the GAO building, the Congress enacted a law in 1974 (General Accounting Office Act of 1974) which granted the GAO first priority for space in the building. In December 1976, the Comptroller General formally requested that GSA release

a sufficient amount of continguous space in the GAO building to the GAO to enable it to effectively discharge the additional responsibilities placed upon it by the Congress and to consolidate many of its activities based in Northern Virginia and elsewhere in Washington, D. C. The decision to release space occupied by the Bureau of Labor Statistics (BLS) to GAO was made in November 1977. Since 1977 GAO has encountered repeated delays in the scheduled delivery dates which have impacted on the GAO. The current plan calls for delivery of the first BLS space in July, 1980 and the remainder by December, 1980.

The following schedules outline the areas renovated since the 1972 proposal and the renovation cost of each.

Project Costs

Completed through Fiscal Year	Location	Square Feet	Renovation Cost
1975	3rd Floor	12,500	$ 120,000
	4th Floor	95,000	506,000
	6th Floor	76,000	499,000
	7th Floor	33,000	189,000
1976	3rd Floor	12,000	99,000
	7th Floor	14,000	70,000
1977	5th Floor	87,000	499,000
	6th Floor	68,000	471,000
1978	3rd Floor	10,500	135,000
1979	5th Floor	73,000	511,000
Subtotal			$3,099,000*

Projected Completion Fiscal Year	Location	Square Feet	Projected Renovation Cost
1981	4th Floor		
	Phase I	35,000	$ 260,000**
	Phase II	33,000	672,000**
	3rd Floor	8,000	60,000#
	5th Floor	14,000	10,000#
	7th Floor	14,000	500,000#
Subtotal			$1,502,000

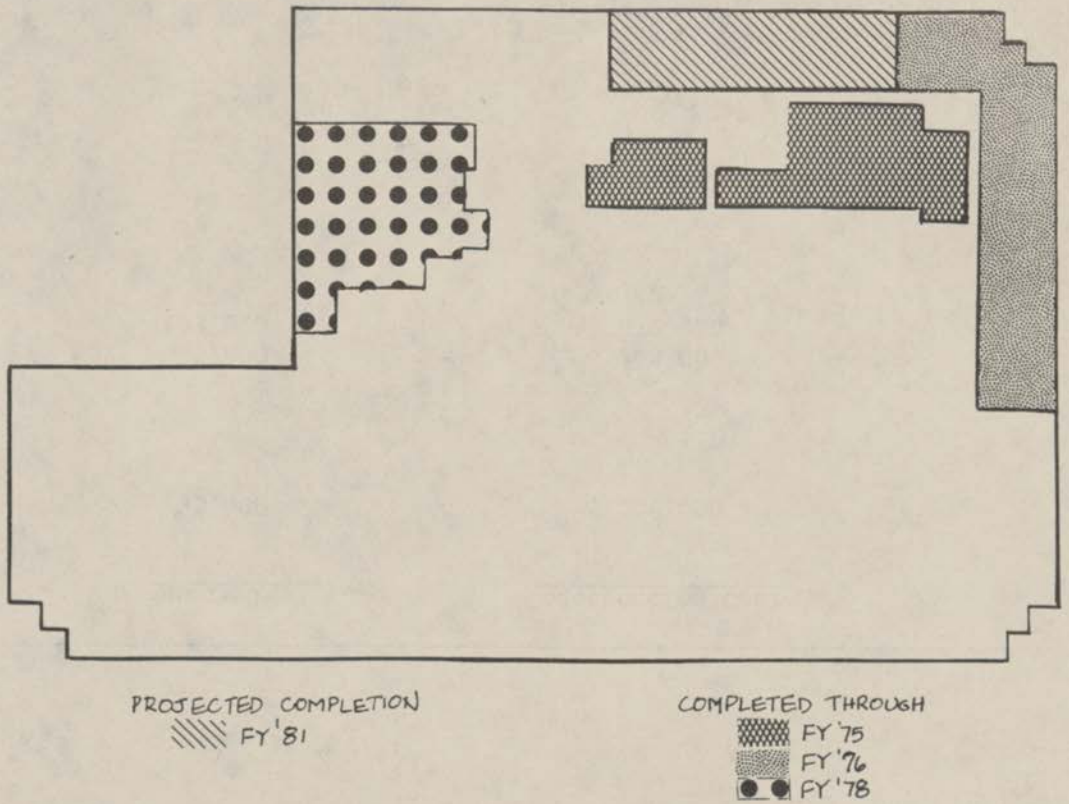
Cost to renovate space to relocate BLS in Bicentennial Bldg. $ 591,000

Grand Total $5,192,000

*Funds expended from prior year appropriations
**Funds obligated in prior year appropriations -- not yet expended.
#Planned FY 81 obligations

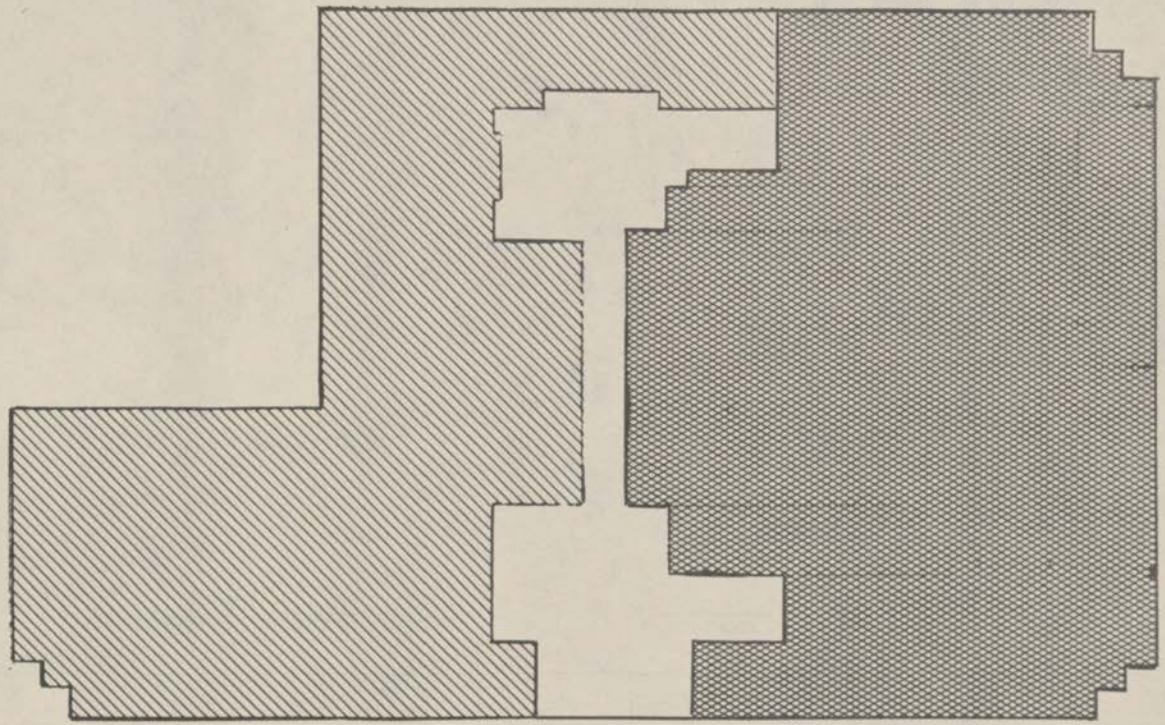
3rd Floor

	Square Feet	Construction Cost
Completed through Fiscal Year 1975	12,500	$ 120,000
Completed through Fiscal Year 1976	12,000	$ 99,000
Completed through Fiscal Year 1978	10,500	$ 135,000
Projected for Completion in Fiscal Year 1981	8,000	$ 60,000


PROJECTED COMPLETION
FY '81
COMPLETED THROUGH
FY '75
FY '76
FY '78

4th Floor

	Square Feet	Construction Cost
Completed through Fiscal Year 1975	95,000	$ 506,000
Projected for Completion in Fiscal Year 1981		
Phase I	35,000	$ 260,000
Phase II	33,000	$ 672,000

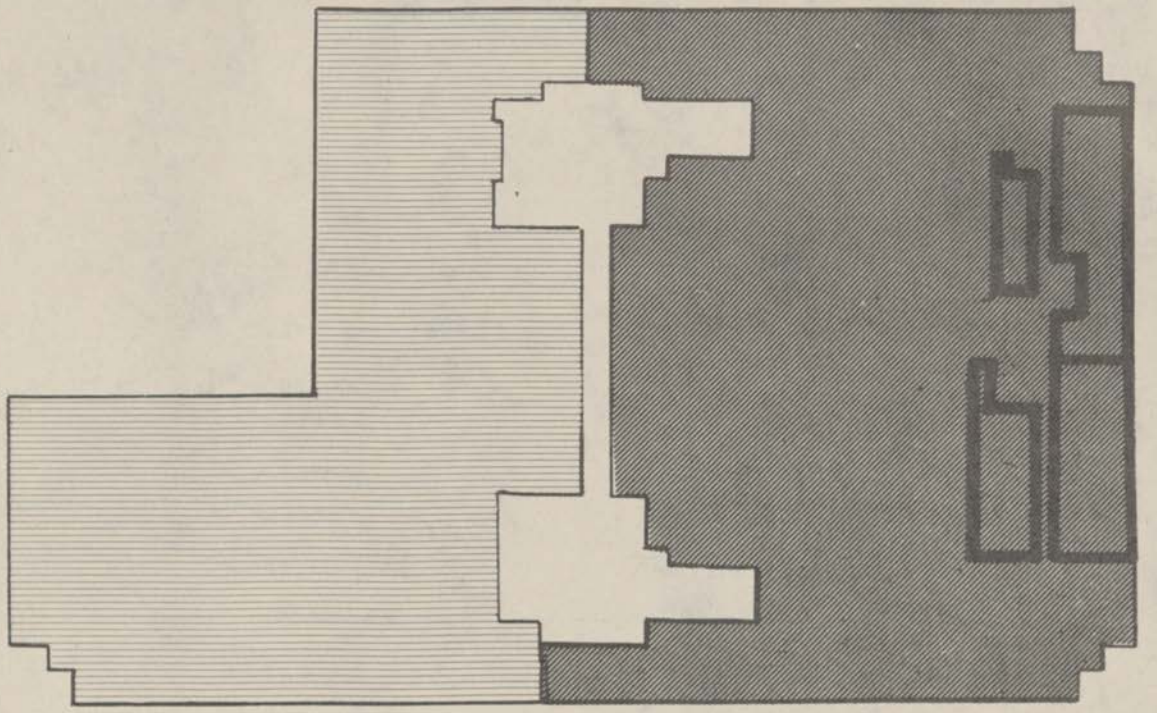


PROJECTED COMPLETION
FY'81

COMPLETED THROUGH
FY '75

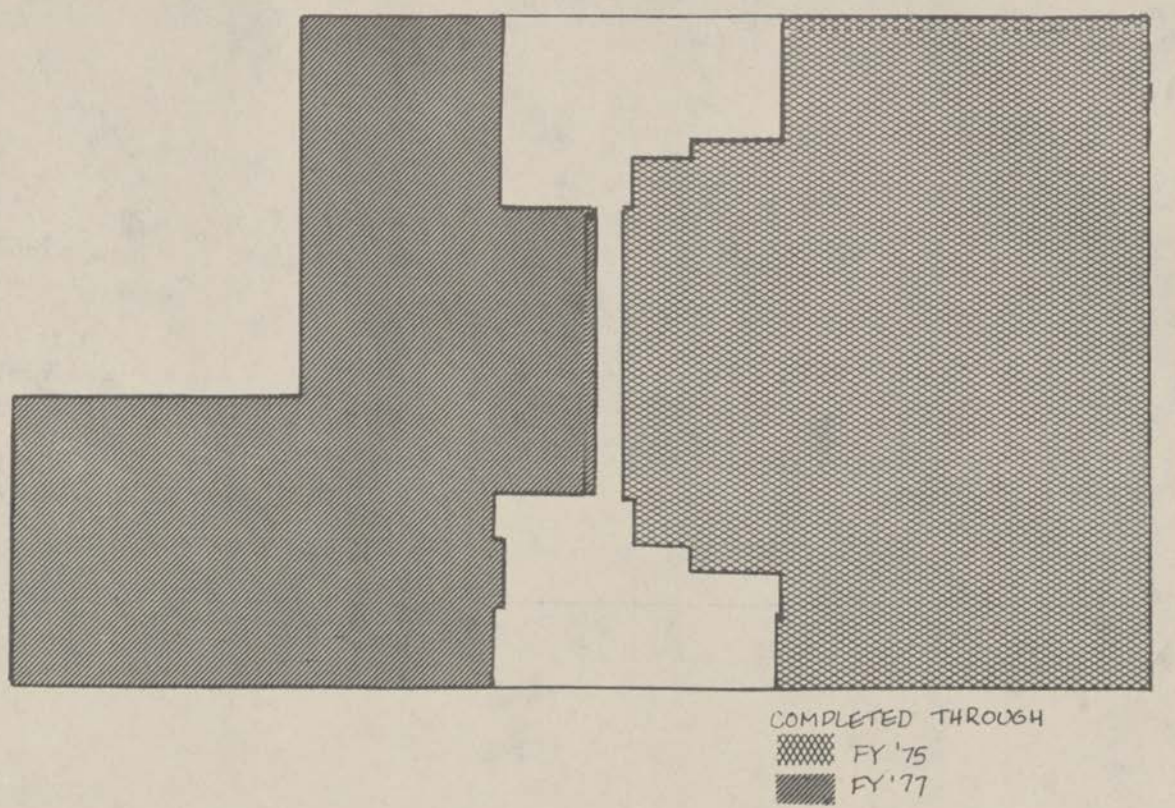
5th Floor

	Square Feet	Construction Cost
Completed through Fiscal Year 1977	87,000	$ 499,000
Completed through Fiscal Year 1979	73,000	$ 511,000
Projected for Completion in Fiscal Year 1981	14,000	$ 10,000


PROJECTED BACKFILL
FY '81
COMPLETED THROUGH
FY '77
FY '79

6th Floor

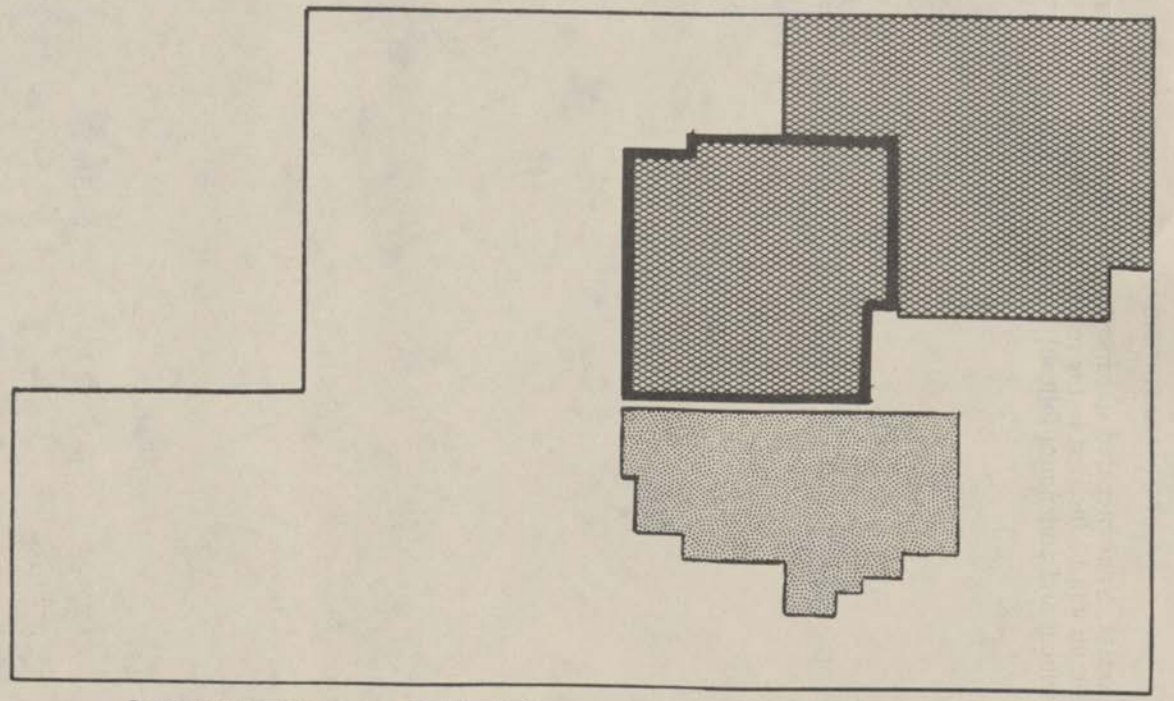
	Square Feet	Construction Cost
Completed through Fiscal Year 1975	76,000	$ 499,000
Completed through Fiscal Year 1977	68,000	$ 471,000


COMPLETED THROUGH
FY '75
FY '77

7th Floor

	Square Feet	Construction Cost
Completed through Fiscal Year 1975	33,000	$ 189,000
Completed through Fiscal Year 1976	14,000	$ 70,000
Projected for Completion in Fiscal Year 1981	14,000	$ 500,000

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PLANNED TRAINING CENTER

FY '81

COMPLETED THROUGH

FY '75

FY '76

PREPARED STATEMENT

Senator SASSER. Your prepared statement on the supplemental as well as an addendum will be inserted in the record at this point.

[The statement and addendum follow:]

Statement of Elmer B. Staats

We appreciate this opportunity to present to you our request for supplemental funds in the amount of $8,767,000 for fiscal year 1980. We are requesting funds for Title II of the Second Supplemental Act as follows:

Pay Increase Costs

Category	FY 1980
Title II - Pay Increase	$8,767,000

Pay Costs

The pay supplemental is to cover salaries and benefits related to the Executive Pay Raise (as authorized by Public Law 96-86, Continuing Appropriations, 1980) and the Civilian Pay Raise (as authorized by Executive Order 12165 of October 1, 1979).

The Executive Pay Raise raised the existing pay ceiling by 5.5 percent, while the Civilian Pay Raise provided for an overall increase of 7 percent. The net effect of these pay raises on total salaries and benefits of the General Accounting Office is 6.7 percent.

Absorption

The actual cost incurred as a result of these pay raises is $10,289,000. We have offered to absorb $1,522,000 and request that the Congress provide funding in the amount of $8,767,000. We are able to effect this partial absorption due to an anticipated staff-year shortfall in fiscal year 1980 and collections made under the pay parking program.

ADDENDUM TO GAO'S
FY 1981 JUSTIFICATION OF ESTIMATES
ADDITIONAL RESOURCES REQUIRED TO DEVELOP A FEDERAL
PROGRAMS INVENTORY

NEED TO DEVELOP A FEDERAL
PROGRAMS INVENTORY

As part of GAO's then new responsibilities under Title VIII of the Congressional Budget Act of 1974, to identify congressional information needs and to assist committees in obtaining information, we began collecting basic program and budgetary data on most Federal programs and activities. We have been furnishing this data annually to several authorizing committees in both the Senate and House of Representatives to assist them in developing their "views and estimates" on the Federal budget, as required by section 301(c) of the Budget Act.

Out of these efforts, we are developing an automated data base which includes information on all Federal agencies. Basic organizational, legislative authorization and financial data for programs and activities is included below the budget account level.

At our current resource level, the expansion of our basic inventory into a comprehensive inventory that would provide specific program and budgetary information to meet a wide range of user needs for oversight and decisionmaking, will take 3 to 5 years to complete.

On January 3, 1980 we received a letter from the Chairman of the Senate Committee on Appropriations asking GAO to develop a Federal Programs Inventory as an important tool for improving congressional policy, budget and oversight work. He pointed out that it would be highly useful for the inventory to be available by February, 1981 rather than the 1982-1984 time frame that would be possible within GAO's present volume levels. The chairman asked us to develop a budget and staffing plan so that it could be considered as an "add on" either to FY 1980 appropriations already available to GAO, or to the FY 1981 budget request.

REQUIREMENTS TO DEVELOP THE FEDERAL PROGRAMS INVENTORY IN THE ACCELERATED TIME FRAME

To complete development of the Federal Programs Inventory in the time frame requested by the Chairman, Senate Committee on Appropriations will require $117,100 in additional resources in FY 1980 and $538,000 in FY 1981. These additional costs, by object class, are as follows:

Object Class	FY 1980	FY 1981
Salaries and Benefits	$100,400	$280,700
Travel	200	500
Rent, Communications and Utilities	7,600	14,700
Printing and Reproduction	1,300	1,300
Other Services	-	236,800
Supplies and Materials	2,000	2,000
Equipment	5,600	2,000
TOTAL	$117,100	$538,000

The costs for fiscal year 1980 are based on five months of development. Resources required in that fiscal year are being reprogrammed from other functions to avoid requesting supplemental funds. Reprogramming of fiscal year 1981 resources would seriously affect our ability to meet our other responsibilities. Therefore, fiscal year 1981 resources ($538,000) are required in addition to those included in our original budget request.

The salaries and benefits will be for nine professionals and two clerical staff members as follows:

Personnel Category	Staff Years
Program Analysts	5
System/Computer Analysts	2
Clerical Support	2
Expert/Consultant	2
TOTAL	11

The requested increase in staff will supplement existing staff resources applied to the inventory development efforts. The additional five program analysts will assist in (1) performing the requisite programmatic research and coordination and reconciliation between congressional staff members and executive agency officials, and (2) developing, refining and finalizing program structure and collecting relevant budgetary data by the subject program structures. The system/computer analysts will assist in the development and maintenance of a comprehensive and responsive automated data processing system.

Additionally, we will need approximately two staff years of expert/consultant support. They will be used in the highly technical and complex areas of automated file structure design, alternative system configuration and selection of most appropriate data base management package, and system development and implementation. The use of experts and consultants is particularly helpful when, as here, specialized talents are needed in a timely, but not constant, fashion.

SCOPE OF THE FEDERAL PROGRAMS INVENTORY

The basic idea underlying a Federal Programs Inventory is the identification of all government programs, including tax expenditure and regulatory activities. Our present belief is that there are 2,000 to 3,000 of these individual entities. We envision for each of these programs that certain basic information would be gathered and maintained in an automated data base. The basic data (for each program, tax expenditure or regulatory activity) should include the following:

--Organizational data, identifying the department or agency, bureau, office, etc., responsible for carrying out the program;

--Legislative data, recording the Public Law and/or U.S. Code citations authorizing the program and governing its operations, and expiration dates, if applicable;

--Budget data, providing a record of authorizations, budget authority and outlays for the program;

--Brief narrative description of the program and its operations;

--Statements of program goals and objectives derived from statutes, committee reports and/or agency statements;

--Indicators of program performance, primarily in the form of simple output measures (units produced, checks issued, clients served, etc.);

--Coding schemes to permit quick aggregation of programs with similar characteristics which analysts and decisionmakers are most likely to want to review (or be aware of) simultaneously, or to add up for one reason or another. Some of these coding schemes are predictable; others will emerge over time. Some of the apparent ones which may well be included are:

- House and Senate committee jurisdiction;
- Budget function and subfunction;
- Nature of program (grants, loans, R&D, procurement, construction, regulation, direct service operations, etc.);
- Form of financing (agency funded with appropriations, self-financing business-type activity, etc.);
- Target groups (particular industry, particular resource, veterans, minorities, low-income, elderly, children, etc.);
- Policy areas to which the program is relevant (food, health, education, civil rights, consumer affairs, urban problems, energy, national security, etc.).

In effect, the multiple coding approach (made possible through the use of automated data processing techniques) allows us to identify an almost unlimited number of subjects (policy areas) with which a particular program should be associated, and to rapidly compile basic information about all the programs associated with any particular issues or policy areas.

Letter From Elmer B. Staats

March 11, 1980

The Honorable Warren G. Magnuson
Chairman, Senate Committee on
Appropriations
United States Senate

Dear Mr. Chairman:

In your December 21, 1979, letter you requested that we accelerate our development of a Federal programs inventory. It is quite apparent that you perceive the inventory to be a valuable aid to congressional policy, budget, and oversight work. We also believe that such an inventory is an essential tool for the Congress, and have supported the inclusion of a requirement for it in the oversight reform (sunset and sunrise) bills.

At this time, it appears that there is general agreement on this need since it is included in some form in each of the oversight legislative proposals, including: S.2 and H.R.2, The Program Reauthorization and Evaluation Act of 1978; H.R.65, Legislative Oversight Act of 1979; and H.R. 5858, Sunset Review Act of 1979. The latest of these, H.R.5858 (sponsored by Congressmen Long and Derrick), reflects many of the needs expressed in your request. For your information, a copy of the pertinent sections of H.R.5858 is enclosed.

Due to the high degree of similarity between your request and that of the oversight proposals, we are prepared, if the necessary resources are provided, to accelerate the development of a Federal programs inventory that will be responsive to the expressed needs of the Congress in general. With adequate resources, we believe we could meet, by in large, the needs and timeframes outlined in your letter. Extreme care and judgment must be exercised in the development of a comprehensive and responsive Federal programs inventory. These considerations, along with others, are reflected in the work plan and budget which are discussed below.

In my November 26, 1979, letter to the Chairman of the Subcommittee on Agriculture, Rural Development and Related Agencies concerning the feasibility of developing an inventory system that would catalog all Federal programs, I outlined the tasks that would be undertaken by GAO over the next 5 years to develop such an inventory. Those tasks were assumed to be accomplished with no additional resources. However, with additional resources we can accelerate our work and complete the inventory development in phases over the next 18 to 24 months as you requested. Following is an outline of the most significant tasks:

--During the remainder of calendar year 1980, we would complete the initial inventory of Federal programs and develop a data system that will be responsive to the needs of the Senate Appropriations Committee. The content of the inventory would include, but not be limited to, the following data for each program or tax expenditure:

. Name and unique identification number,

. Administering Agency,

. Principal authorizing statutes,

. Committee jurisdiction,

. Year of latest review and authorization,

. Budgetary information,

. Policy area codes, and

. Objective/descriptive statements.

--During calendar year 1981, we would refine and finalize the programs inventory and its supporting information system. Specifically, during calendar year 1981 we would:

. Link Federal programs inventory to the Catalog of Federal Domestic Assistance;

. Link Federal programs inventory to other information sources (GAO congressional information sources inventories);

. Add regulatory programs and activities;

. Add workload and performance data to the extent needed and available; and

. Complete a comprehensive and operational information system to support the Federal programs inventory.

This schedule would allow for the delivery of an initial Federal programs inventory to your committee by February 1981. The programs inventory would contain the data/information requested and would be formatted and sorted by Senate Appropriations Subcommittee and primary policy area codes. Subsequently, we would refine the inventory and would complete the related on-line and user-oriented data system by late 1981.

The increase in cost which would be associated with accelerating the schedule are as follows:

Object Class	FY 1980	FY 1981
Salaries and Benefits	$100,400	$280,700
Travel	200	500
Rent, Communications and Utilities	7,600	14,700
Printing and Reproduction	1,300	1,300
Other Services		236,800
Supplies and Materials	2,000	2,000
Equipment	5,600	2,000
TOTAL	$117,100	$538,000

The costs for fiscal year 1980 are based upon 5 months of development. These costs and the likelihood of our

being able to meet your requested timeframes will decrease if there is a delay in staffing for this function.

We are monitoring our FY 1980 budget very closely and we would make every effort to absorb the initial costs associated with this project. Doing so, however, would require us to reassign or recruit staff. This action would not be warranted unless we had a basis for confidence that the accelerated pace of development could be maintained in FY 1981. This would require that our FY 1981 budget request be increased to include $538,000 for this project.

Detailed supplemental staffing, budgeting, and working plans have been provided to Committee staff. My staff is available for further discussions on this issue, if you feel it is appropriate.

We are looking forward to working with you and members of your Committee on the conduct of this important assignment. Your continuing assistance and cooperation are appreciated.

Sincerely yours,

Comptroller General
of the United States

[Note.—A copy of H.R. 5858 was submitted and inserted in the subcommittee files.]

COMPLETION OF HEARINGS

Senator SASSER. This hearing completes the hearings for the Subcommittee on the Legislative Branch. The subcommittee will recess.

[Whereupon, at 3:25 p.m., Friday, March 25, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

MATERIAL SUBMITTED SUBSEQUENT TO THE HEARING

[CLERK'S NOTE.—The following material was submitted subsequent to the hearing. The chairman has directed that it be placed at this point in the record.]

LETTER FROM THE COMPTROLLER GENERAL RELATING TO MAINTENANCE OF OFFICE PLANTS

April 24, 1980

The Honorable James R. Sasser
Chairman, Subcommittee on Legislative
Branch, Committee on Appropriations
United States Senate

Dear Mr. Chairman:

At your request, we recently asked 26 Federal agencies whether they were still contracting with private firms for the maintenance of indoor office plants. In March 1979, we had provided you a listing of the agencies that contracted for these services during fiscal years 1974 through 1977. As you know, the results of our most recent inquiries were provided to you in our appropriations hearings on March 25, 1980. At that time, we agreed with your staff to perform a limited amount of observations in selected agencies to determine if their fiscal year 1980 contracts are in violation of the restriction you placed into section 409 of the Department of Housing and Urban Development--Independent Agencies Appropriations Act, 1980, Pub. L. No. 96-103, 93 Stat. 771, 778.

Enclosed is a copy of our decision Contracts for maintenance of office plants, B-193242, in which we conclude that section 409 prohibits the use of fiscal year 1980 appropriated funds for contracts to maintain office plants located in areas which are the assigned work spaces of particular Federal employees.

We found that the agencies we observed plants in--the Departments of Transportation and the Treasury and the Veterans Administration--were making expenditures in violation of the law. We did not observe plants in the Department of Agriculture, the Federal Election Commission, or the Federal Mediation and Conciliation Service. Accordingly, we are informing the Secretaries of Agriculture, Transportation, and the Treasury, the Administrator of Veterans Affairs, the Chairman of the Federal Election Commission, and the Director of the Federal Mediation and Conciliation Service, that their agencies are or may be in violation of section 409. Copies of our letters to these agencies are enclosed. We have recommended that they review their agencies' current indoor plant maintenance contracts and to the extent that they violate section 409 to cancel them immediately. We have further informed them that we would be forced to take formal exception to any illegal payments made for plant maintenance services rendered after April 30, 1980.

Sincerely yours,

Milton J. Socolar

Acting Comptroller General
of the United States

FILE: B-198242 DATE: April 24, 1980

MATTER OF: Contracts for maintenance of office plants

DIGEST: Extent of prohibition against using appropriated funds for plant care and watering contracts with private firms, contained in fiscal year 1980 HUD Appropriation Act, is uncertain. However, violation of provision clearly occurs when appropriated funds are used for private maintenance contracts for office plants located in areas which are assigned work spaces of particular Federal employee or employees.

This decision interprets section 409 of the Department of Housing and Urban Development--Independent Agencies Appropriation Act, 1980, Pub. L. No. 96-103, 93 Stat. 771, 788 (HUD Appropriation Act). This provision prohibits the use of appropriated funds for plant maintenance contracts. For the reasons indicated below, we conclude that this section is violated when appropriated funds are used for contracts to maintain plants located in offices to which particular Federal employees are assigned. On the other hand, without further clarification from the Congress, we are unable to conclude that the section is violated if the plants are located in publicly or commonly used areas which are not the work spaces of any particular employees.

Section 409 of the HUD Appropriation Act provides:

> "No part of any appropriation for the fiscal year ending September 30, 1980, contained in this or any other Act shall be used to contract with private firms to provide plant care or watering services."

If read literally, this section would prohibit the use of any appropriated money for any contract for maintenance of plants, wherever located. For example, it would prohibit contracting for landscaping services outside of Federal office buildings, contracting for tree and shrubbery care in national cemeteries, and contracting by municipalities for maintenance of their parks if Federal revenue sharing funds were used, as well as contracting for watering office plants within Federal buildings.

However, after examining the legislative history of this provision, we believe that the Congress did not intend such a broad application of the prohibition. The provision was introduced as a floor amendment to the HUD Appropriation Act by Senator Sasser. In explaining the need for this provision, Senator Sasser stated his belief that the Government should not be spending its money to care for "office" plants for Federal employees. For example, he stated:

> "Mr. PRESIDENT, in the final analysis, the question comes down to 'Should the taxpayers pay for office plants for Federal employees.'
>
> "Consequently, Mr. PRESIDENT, I am offering an amendment that would prohibit Federal agencies from using appropriated funds to contract with private firms to provide plant care and watering services." (125 Cong. Rec. S10725 (daily ed. July 27, 1979).)

Senator Sasser was then asked by Senator Proxmire whether the proposed amendment would apply to activities in city parks and similar activities. Senator Sasser replied:

> "No; this would be activities which are conducted in the offices of various agencies wherein they contract with a

private plant service to come by and water their plants. (Id. at S10726)

Although the Senate adopted this amendment, while the bill was in conference, Senator Proxmire again expressed concern about the coverage of the amendment. The staff of the Senate Appropriations Committee informally asked this Office for its interpretation of the amendment. In a letter to the committee staff dated August 10, 1979, Richard Brown, GAO's Director, General Services and Controller, stated:

> "* * * Based upon the legislative history involved, we have concluded that it is the clear intent of the sponsor that no part of any appropriation for fiscal year 1980 should be used to contract with private firms to provide plant care or watering services in interior offices housing federal employees."

At the request of Senator Proxmire, this letter was printed in the Congressional Record to aid the Senate in its consideration of the conference report on the HUD Appropriation Act. In explaining the amendment at that time, Senator Proxmire stated that the prohibition was "clearly meant to apply to plants in interior offices * * *."

Based on this history, we believe that the Congress intended that the prohibition only apply to plant maintenance contracts inside Federal offices. In our opinion, maintenance contracts for outdoor plants were not intended to be covered.

Moreover, we are not certain that the Congress intended the prohibition to apply to all plants located inside Federal buildings or in rented space controlled and occupied by the Federal Government.

For example, in introducing the amendment, Senator Sasser stated that he didn't think Tennessee taxpayers would want to pay for indoor office plants "for Federal employees." Further, the GAO letter printed in the Congressional Record interpreted the prohibition as extending to plants in interior offices "housing Federal employees." Finally, Senator Proxmire explained that the prohibition applied to plants in interior offices "which I think we can agree should be cared for by the occupants of those offices rather than a private contractor." From these statements, it would appear that the Congress intended that the prohibition only apply to office space to which particular Federal employees are actually assigned. In such space, it appears that the Congress intends that the occupant should care for the plants.

Therefore, we conclude that the prohibition is violated when fiscal year 1980 appropriated funds are used for private contracts to care for or water plants located in areas where an individual or group of Federal employees are assigned to work. We would be forced to take exception to any expenditures for these contracts. On the other hand, it is not clear that the Congress intended the prohibition to apply where the plants maintained are in publicly or commonly used areas which are not the assigned work space of any particular employee or employees. In the absence of further clarification by the Congress, we cannot conclude that these contracts violate the act. Therefore, we will not object to expenditures for plant maintenance in such public or common areas.

Milton J. Socolar

Acting Comptroller General
of the United States

March 26, 1980

Honorable Jim Sasser
Chairman
Subcommittee on Legislative Branch
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Jim:

Attached you will find a copy of the letter I wrote you last year reference my interest in your Subcommittee giving special attention to the deficiency at the Library of Congress in rare books which recorded our Nation's natural history.

I hope that the interest you showed in this program last year can be manifested in some way in the FY 1981 legislative bill for the Library of Congress. An appropriation of $100,000 would have great impact enabling the Library to acquire these increasingly rare and expensive books which record our Nation's earlier natural history.

Please call upon me for any assistance I can give you in this matter.

With warm personal regards,

Sincerely,

Strom

Strom Thurmond

June 7, 1979

The Hon. Jim Sasser, Chairman
Subcommittee on Legislative Branch
Committee on Appropriations
United States Senate
Washington, D. C.

Dear ~~Mr. Chairman~~ Jim:

Every American today is concerned about the environment, the pollution of our rivers, the destruction of our flora and wildlife.

My interest in this area has led me to a finding that the natural history holdings in the Library of Congress are deficient in books on this subject, particularly in the works of the 1800's when the natural history of our country was being discovered and described by botanists, ornithologists and others.

In 1977 I asked the Library to remove from circulation in the Rare Book Room, John James Audubon's great folio entitled "The Birds of America" for the purpose of restoring its plates and limiting the damage of overuse. This work is presently underway and nearing completion.

My interest in this area led me to the realization that while the Library houses many fine collections of Americana, more attention needed to be given to the basic subject of American natural history. At my request earlier this year the Rare Book Room made a study of its shortages, and the report revealed they were extensive.

Since that time I have been working with the Library Administration, the Library Budget Office, and the Rare Book Room on the best means to redress this shortcoming. All recommendations lead to two conclusions: first, the need for funds, on an incremental basis, to acquire the needed books; and second, the need to make an effort to attract donations from private collectors.

On the second point I intend to have prepared for publication articles on this subject for possible use in the Audubon and Natural History magazines and like periodicals.

However, the funds allotted to the Rare Book Room for what is termed "retrospective or noncurrent acquisitions" is so small and the cost of these books is advancing so rapidly that I believe the Congress should take its own steps to correct this deficiency. Frankly, I feel this subject area is a primary one, and the original Congressional charter of the Library directed that the Library acquire books in the area of the nation's "natural history."

Mr. Chairman, this is a matter of real concern, and I feel strongly that the budget for such rare books should be higher. Therefore, I would appreciate consideration by the Subcommittee for the addition of $50,000 in FY 1980 as the first increment towards redressing this deficiency.

The natural history of our country, which the naturalists of the 19th Century and earlier recorded so faithfully, deserves full representation in our national library. The condition of our natural environment today is ample testimony to the need for this modest expenditure of funds for books which will grow in importance each year. Here we have an opportunity to add to the national treasure whereas much of the taxpayers' money goes to salaries and expendables. These books will increase in value and serve future generations. The officials of the Library at all levels - budget, administrative and otherwise - welcome this interest and support.

Because of severe reductions already made by the House in the Library's book account, it does not seem fair to direct the Library to allocate a portion of its remaining funds for a specific purpose. Therefore, I shall be pleased to appear before your Committee and offer an amendment, address the subject on the Senate floor, or whatever might be necessary to provide the Subcommittee with justification and support in undertaking this effort.

With kindest regards,

Sincerely,

Strom

Strom Thurmond

The Rare Book and Special Collections Division houses valuable and unusual books in virtually every subject in which the Library collects. Most of the great rarities in the division came to the Library as acquisitions at the time they were published, gifts, transfers, and special Congressional appropriations (Jefferson's Library, Peter Force Collection, Vollbehr incunabula, and the Feinberg Whitman Collection). Given the Library's canons of selection, the staff responsible for establishing acquisitions priorities has allocated the bulk of appropriated funds to current acquisitions. The funds allocated to non-current acquisitions are distributed among a substantial number of library units and to the numerous recommending officers responsible for the development of the collections. These retrospective funds have never been adequate to permit the Library to take a strong position in the development of its historical collections and over the years the Library has had to pass up countless opportunities to buy valuable books offered in the market. In such a situation the Rare Book and Special Collections Division has used the available funds to develop areas in which it already has special strengths and has acquired books in support of its many special collections, as one means of announcing to the scholarly world the important resources standing behind the latest acquisitions. As rare book prices have mounted, some areas formerly developed (15th century books, 17th century American imprints, history of science, etc., etc.) have had to be de-emphasized or dropped entirely. In fiscal year 1978 the division had available $19,500 from budgeted funds specifically allocated for the development of its collections. In fiscal year 1979 the amount was increased to $22,000. Reserve funds and the Librarian's Special Fund can be used to take advantage of unusual opportunities, especially in the vast area lumped together under the heading Americana. All this taken together signifies little in a world in which Indiana University has spent half a million dollars a year to develop its rare book collection (the Lilly Library), Texas over 12 years at least as many millions, the Beinecke Library at Yale immense sums, etc. As a consequence of long-term, limited funding the collections of the Rare Book and Special Collections Division are uneven. Unless they came in through the several channels described in the opening of this memo, the major rarities in such fields as English literature, American literature (Poe's Tamerlane, Melville's The Whale, Pound's A lume spento, etc. etc.), the early explorations of America (Columbus letters, the Libretto of 1504, Pigafetta's account of Magellan's voyage, etc., etc.) are missing from the collections. This pattern applies with equal force to very rare natural history books, as indicated by the desiderata supplied to Senator Thurmond. He and his staff are correct in saying that we have serious holes in our natural history collections. To remedy this situation will take considerable sums spent over many years. The Senator's intention to seek annual supplementary appropriations of $50,000 to $100,000 to develop the American natural history collections is one I heartily support. Supplementary funding over a number of years would benefit the Library more than a single lump sum, since books of the rarity and interest we are seeking do not come on the market all at once. There is no question about our ability to spend the indicated sums to the substantial benefit of our natural history collections and ultimately of the American people.

April 21, 1980

Dear Senator Sasser:

I appreciate the opportunity to comment on the letter addressed to you by Senator Thurmond on March 26. I am glad to see that the letter written by Senator Thurmond last July, along with our supporting statement, was enclosed with his recent correspondence. Our position remains as it was then. The Library recognizes that with additional funds for the acquisition of rarities in American natural history our resources would be immeasurably enriched. As it is now, scholars working in several privately supported collections elsewhere in the nation are able to find essential documents in this field that the Library of Congress is simply not able to afford.

We would welcome the additional support proposed by Senator Thurmond for the improvement of our collections, and with continuing support of this kind we believe we can make the Library of Congress' collections in natural history the equal of any in the United States.

I am sure you will understand that we are not able to reprogram any of our existing appropriated funds for this purpose, nor are we able to reduce our current appropriation request for fiscal year 1981 to accommodate this need. Therefore, I hope this matter may be considered on its own merits, not in comparison with the basic operating budget of the Library. I agree with Senator Thurmond that it deserves such consideration.

Sincerely,

Daniel J. Boorstin
The Librarian of Congress

The Honorable
Jim Sasser
Chairman
Subcommittee on The Legislative Branch
Committee on Appropriations
United States Senate
Washington, D. C. 20510

60-569 O—80——52

Letter From Sergeant at Arms Relating to Merit Compensation

August 1, 1979

Honorable Jim Sasser
Chairman
Subcommittee on Legislative Appropriations
United States Senate
Washington, D. C.

Dear Mr. Chairman:

Pursuant to the authority granted to me by the fiscal year 1979 Legislative Branch Appropriations Act, this is to advise you of the action we have taken this year in awarding merit compensation increases to outstanding employees of our office.

While the law provides authority for the Sergeant at Arms to grant a total of eighteen merit increases during a fiscal year, in 1979 we have granted a total of seven such increases. A special rating form was prepared and distributed to each department of the Office of the Sergeant at Arms, and department heads were invited to submit the names of those employees whom they felt were worthy of consideration as candidates for a merit compensation increase. The individual recommendations were received in our Administrative Office where they were reviewed by a special Merit Compensation Board consisting of the Deputy Sergeant at Arms, the Administrative Assistant to the Sergeant at Arms, the Secretary for Personnel Administration, and the Executive Secretary to the Sergeant at Arms.

Upon conclusion of the Board's review of the candidates, the recommendations were submitted to the Sergeant at Arms for final consideration.

The candidates who have been selected to receive a merit compensation increase this year are as follows:

Name	Department	% of merit increase	new salary (excludes longevity)
Mark S. Perkins	Post Office	10%	$20,412
James R. Grahne	Recording Studio	5%	33,831
Glenn M. Musser	Recording Studio	5%	30,618
Kathleen M. Miller	Telecommunications	10%	13,797
Mario D'Angelo	Barber Shop	10%	21,924
Angioletta M. Landon	Sergeant at Arms	10%	32,697
Robert E. McCormick	Guide Service	10%	25,515

We have made every effort to award these merit compensation increases to truly deserving employees, and we believe that the availability of this type of program will provide an incentive for better performance and also an opportunity for recognition of exceptional work in the service of the Senate. We appreciate the Committee's expression of confidence in us in making this program available to our office, and we will be pleased to provide any additional information you may request.

With warmest regards,

Sincerely,

F. Nordy Hoffmann
Sergeant at Arms

Letter From Financial Clerk Relating to Schedules of Administration

April 22, 1980

Honorable J. S. Kimmitt
Secretary of the Senate
United States Senate

Dear Mr. Secretary:

In response to a request from Mr. Terrence Sauvain, Clerk to the Subcommittee on Legislative Branch Appropriations, I am transmitting to you two items:

(1) Schedule of Administrative, Clerical, and Legislative Assistance authorized each United States Senator, by state, including population of the state and maximum allowance per capita, for fiscal year 1980, and

(2) Schedule of Administrative, Clerical, and Legislative Assistance Allowances to United States Senators, with percentage of unexpended balances by population category, for fiscal year 1979.

The schedules attached are acceptable for the committee to include as a part of its hearing documents for public information.

Respectfully,

Robert A. Malstrom

Robert A. Malstrom
Financial Clerk, United States Senate

SCHEDULE OF ADMINISTRATIVE, CLERICAL AND
LEGISLATIVE ASSISTANCE ALLOWANCE AUTHORIZED EACH
UNITED STATES SENATOR
FISCAL YEAR 1980

STATE	POPULATION*	ALLOWANCE FOR EACH SENATOR			MAXIMUM ALLOWANCE PER CAPITA
		ADMINISTRATIVE AND CLERICAL ASSISTANCE	LEGISLATIVE ASSISTANCE**	MAXIMUM	
Alabama	3,769,000	$ 596,910	$168,468	$ 765,378	$ .2031
Alaska	406,000	543,178	168,468	711,646	1.7528
Arizona	2,450,000	558,934	168,468	727,402	.2969
Arkansas	2,180,000	558,934	168,468	727,402	.3337
California	22,694,000	1,091,406	168,468	1,259,874	.0555
Colorado	2,772,000	558,934	168,468	727,402	.2624
Connecticut	3,115,000	596,910	168,468	765,378	.2457
Delaware	582,000	543,178	168,468	711,646	1.2228
Florida	8,860,000	750,026	168,468	918,494	.1037
Georgia	5,117,000	685,790	168,468	854,258	.1669
Hawaii	915,000	543,178	168,468	711,646	.7778
Idaho	905,000	543,178	168,468	711,646	.7863
Illinois	11,229,000	854,662	168,468	1,023,130	.0911
Indiana	5,400,000	685,790	168,468	854,258	.1582
Iowa	2,902,000	558,934	168,468	727,402	.2507
Kansas	2,369,000	558,934	168,468	727,402	.3071
Kentucky	3,527,000	596,910	168,468	765,378	.2170
Louisiana	4,018,000	645,794	168,468	814,262	.2027
Maine	1,097,000	543,178	168,468	711,646	.6487

STATE	POPULATION*	ALLOWANCE FOR EACH SENATOR			MAXIMUM ALLOWANCE PER CAPITA
		ADMINISTRATIVE AND CLERICAL ASSISTANCE	LEGISLATIVE ASSISTANCE**	MAXIMUM	
Maryland	4,148,000	$ 645,794	$168,468	$ 814,262	$ .1963
Massachusetts	5,769,000	685,790	168,468	854,258	.1481
Michigan	9,207,000	773,458	168,468	941,926	.1023
Minnesota	4,060,000	645,794	168,468	814,262	.2006
Mississippi	2,429,000	558,934	168,468	727,402	.2995
Missouri	4,867,000	645,794	168,468	814,262	.1673
Montana	786,000	543,178	168,468	711,646	.9054
Nebraska	1,574,000	543,178	168,468	711,646	.4521
Nevada	702,000	543,178	168,468	711,646	1.0137
New Hampshire	887,000	543,178	168,468	711,646	.8023
New Jersey	7,332,000	727,806	168,468	896,274	.1222
New Mexico	1,241,000	543,178	168,468	711,646	.5734
New York	17,648,000	1,024,342	168,468	1,192,810	.0676
North Carolina	5,606,000	685,790	168,468	854,258	.1524
North Dakota	657,000	543,178	168,468	711,646	1.0832
Ohio	10,731,000	808,606	168,468	977,074	.0911
Oklahoma	2,892,000	558,934	168,468	727,402	.2515
Oregon	2,527,000	558,934	168,468	727,402	.2879
Pennsylvania	11,731,000	854,662	168,468	1,023,130	.0872
Rhode Island	929,000	543,178	168,468	711,646	.7660

STATE	POPULATION*	ALLOWANCE FOR EACH SENATOR: ADMINISTRATIVE AND CLERICAL ASSISTANCE	ALLOWANCE FOR EACH SENATOR: LEGISLATIVE ASSISTANCE**	ALLOWANCE FOR EACH SENATOR: MAXIMUM	MAXIMUM ALLOWANCE PER CAPITA
South Carolina	2,932,000	$ 558,934	$168,468	$ 727,402	.2481
South Dakota	689,000	543,178	168,468	711,646	1.0329
Tennessee	4,380,000	645,794	168,468	814,262	.1859
Texas	13,380,000	934,654	168,468	1,103,122	.0824
Utah	1,367,000	543,178	168,468	711,646	.5206
Vermont	493,000	543,178	168,468	711,646	1.4435
Virginia	5,197,000	685,790	168,468	854,258	.1644
Washington	3,926,000	596,910	168,468	765,378	.1950
West Virginia	1,878,000	543,178	168,468	711,646	.3789
Wisconsin	4,720,000	645,794	168,468	814,262	.1725
Wyoming	450,000	543,178	168,468	711,646	1.5814

*Per Census Bureau provisional estimate as of July 1, 1979

**Subject to mandatory reductions if Chairman or Ranking Minority Member of a Committee or other reductions for Committee staff assistance.

SCHEDULE OF ADMINISTRATIVE, CLERICAL, AND LEGISLATIVE
ASSISTANCE ALLOWANCES TO UNITED STATES SENATORS -
PERCENTAGE OF UNEXPENDED BALANCES BY POPULATION CATEGORY

FISCAL YEAR 1979

Population Category	Number of States	Number of Offices with Unexpended Balance of:					
		Less than 5%	5% but less than 10%	10% but less than 15%	15% but less than 20%	20% but less than 25%	25% or more
Less than 2 million	17	10	8	4	4	2	6
2 million but less than 3 million	9	9	2	1	0	1	5
3 million but less than 4 million	4	2	3	1	2	0	0
4 million but less than 5 million	6	4	5	1	1	1	0
5 million but less than 7 million	5	6	0	1	2	0	1
7 million but less than 8 million	1	0	1	1	0	0	0
8 million but less than 9 million	1	1	1	0	0	0	0
9 million but less than 10 million	1	2	0	0	0	0	0
10 million but less than 11 million	1	1	1	0	0	0	0
11 million but less than 12 million	2	2	0	1	1	0	0
12 million but less than 13 million	0	0	0	0	0	0	0
13 million but less than 15 million	1	1	1	0	0	0	0
15 million but less than 17 million	0	0	0	0	0	0	0
17 million but less than 19 million	1	2	0	0	0	0	0
19 million but less than 21 million	0	0	0	0	0	0	0
21 million or more	1	2	0	0	0	0	0

Letter From Secretary of the Senate Relating to Merit Compensation

October 11, 1979

The Honorable Jim Sasser
Chairman, Subcommittee on
Legislative Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

In accordance with Section 109(e) of the Legislative Branch Appropriations Act, 1979 (P.L. 95-391), I am submitting my report detailing the use, during fiscal year 1979, of the merit compensation program in the Office of the Secretary of the Senate. As we reported to you in the hearings for our fiscal year 1980 budget, a set of Merit Promotion Guidelines were developed and distributed to all departments under my jurisdiction. In addition, a form was prepared to give guidance to supervisors in the preparation of merit recommendations.

The newly-established Merit Promotion Board, chaired by the Assistant Secretary met twice (February 7 and August 6) during the year. A total of ten candidates were nominated and seven were awarded merit increases as follows:

Name	Position	Date Compensation Began
Frederick G. Sparrow	Enrolling Clerk	2/16/79
Susan M. Casteel	Technical Assistant, Public Records	2/16/79
Elizabeth Williams	Chief Technical Assistant, Public Records	2/16/79
Walter Bilbrough	Expert Transcriber, Official Reporters	2/16/79
John Kominak	Special Assistant, Official Reporters	2/16/79
Donnee L. Gray	Chief, Bill Status Unit, Library	8/20/79
Daniel W. Pelham	Clerk, Secretary's Main Office	8/20/79

This program has provided a much needed mechanism for rewarding employees who are providing more than satisfactory services in the Secretary's Office. It is my belief that it will continue to be an effective management tool and has minimized our need to request adjustments of position rates from your committee.

With best personal wishes, I am

Sincerely,

Letter From Architect of the Capitol Relating to Fire Protection Improvement

February 25, 1980

The Honorable Jim Sasser, Chairman
Subcommittee on Legislative Branch
Appropriations
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

In Fiscal Years 1978 and 1979 a total of $420,000 was appropriated for fire protection improvements in the Russell and Dirksen Senate Office Buildings and in the following Senate Annex Buildings: Plaza Hotel, Capitol Hill Hotel, Senate Courts Apartments, and Hill Apartments. The request allowed for permanent improvements in the Russell and Dirksen Buildings, such as fire sprinkler installations, but only provided for smoke detectors, dry standpipes, and a very limited extension of sprinkler systems in the temporary Annex Buildings. The Immigration Building was inadvertently excluded from the program at that time.

Most of the fire protection improvements have been made as planned and there remains an amount of approximately $40,000 in the funds appropriated for those purposes. Therefore since there are serious deficiencies in the fire protection systems in the Immigration Building, I propose to use the remaining balance to install smoke detection devices and dry standpipes in that building in a manner similar to that in the other temporary buildings. When these temporary structures are vacated, we expect to salvage the smoke detection devices, and other similar equipment, for use in other facilities.

I shall, of course, be happy to discuss this matter further if you may deem that desirable.

Cordially,

George M. White, FAIA
Architect of the Capitol

Letters From American Library Association Relating to Library of Congress and Government Printing Office

March 3, 1980

The Honorable James R. Sasser, Chairman
Subcommittee on Legislative Appropriations
Senate Committee on Appropriations
U.S. Senate
Washington, D.C. 20510

Dear Senator Sasser:

On behalf of the American Library Association, I would like to request that this letter be made part of the hearing record on FY 1981 appropriations for the Library of Congress.

The American Library Association, founded in 1876, is the oldest and largest national library association in the world. A nonprofit educational organization of over 35,000 librarians, library trustees and public-spirited citizens, the Association is dedicated to the development of library and information service for all the American people.

The American Library Association strongly endorses the request of the Library of Congress for an appropriation of $196,526,000 for FY 1981, an increase of only 6.2 percent over the total amount anticipated for 1980. Considering the opening of the James Madison Memorial Building this spring, the increasing needs of Congress, and the workloads of such units as the Copyright Office, the request for $7 million to cover the Library's growing workload is a modest one.

As we have noted in previous statements supporting the Library's appropriations requests, making the Library's vast resources available to the public is to more fully realize the benefits from the initial investment put into developing these resources. The occupation of the nearly complete James Madison Memorial Building during the years 1980 and 1981 marks a significant turning point in the Library's ability to improve services to the people of our nation. Many of our comments in support of particular programs of the Library of Congress arise out of the significance of this long awaited occasion.

Members of the Association have always maintained a strong interest in the Library of Congress, which provides essential services for libraries and scholars throughout the country as well as critical information for members of Congress. The nation's libraries look to the Library of Congress to perform not only in national and international capacities, but also to serve as a leader, both in terms of preserving the human record and in the adaptation of expanding technologies to the library and information needs of the nation.

In recent years those seeking the services of the Library have been met with long lines at computer terminals and frustrated attempts to obtain misplaced materials. Many who are so fortunate as to be able to visit the library in person find themselves relieved if their wait for one book to be retrieved from the storage stacks is less than one hour. The same users would not tolerate such conditions in their own local public library or scholarly institution, but they now know the solution to be on its way -- the James Madison Memorial Building.

As an association we have appreciated Congress' foresight in having considered the future space needs of the Library over two decades ago. In the past few years we have tempered our requests knowing that demands for additional staff would only meet the problem half way. Additional staff were necessary, but additional space and a new layout were prerequisites to the efficient and effective use of any new staff members.

The expectations of the nation are high for the success of the Madison Building. People came to see the new Air and Space Museum and the new East Wing of the National Gallery of Art, but they will come to use the Library of Congress. During 1980 and 1981 the following library and information services associations, representing just one profession, will be holding major conferences in Washington: the American Library Association, the American Society for Information Science, the Information Industry Association, the Medical Library Association, and the Special Libraries Association. Because information and knowledge are constantly expanding, those who make use of the resources of such a great institution will return time and again. Libraries are not places people visit once and simply check off their list.

We fully concur with the number one priority indicated by the Librarian of Congress in his testimony before the Legislative Branch Appropriations Subcommittee this past week. While Dr. Boorstin's request for 62 positions sounds like an enormous increase, it represents only a one percent increment over the nearly 5,800 now working in the Library. When the requested positions are viewed in terms of the number going to each unit within the Library, they are very slight indeed.

We wish to call particular attention to the importance of the plans to inventory the Library's general collection. Many volumes cannot be located in their proper position on the shelf. Often this is because there is not any space for several feet on each side of that position. More than just a handy time to check the order of books on the shelf, the move is an opportunity to reserve space for books yet to come. Leaving the proper expansion room can only be accomplished once all books are properly located. We recommend your support of the request for thirty-two positions to inventory the Library's collection over a three year period.

It is not often that the American Library Association takes a position on the Library's Special Police or public tour guides, but the conditions brought on by the new building require more than reader services staff additions. As mentioned earlier, Library visitor and Library use levels are likely to be high. The tours of the James Madison Memorial Building will not replace those of the Library of Congress Building. They will represent an added workload. The geographical split will mean that heads of state must be escorted not only down the hall, but also across the street. The tour guides combined with the slide presentation and exhibits are what literally bring the collection to life for the vast majority of those visiting the Library.

Related to tours is the need for standardized directional signs. Part of the efficiency to be gained by the new building can be attributed to a more logical arrangement of the Library's collections. Signs are needed to assist not only visitors, but also each of the Library's nearly 6,000 staff members. Standardization and simplicity provided by quality materials and craftsmanship are required if the signs are to be meaningful to the regular Library users speaking one or two of the world's many languages. We consider the Librarian's request well justified.

Few people enter art galleries carrying paintings, but most library researchers enter libraries with an armful of books. The Special Police are a crucial ingredient because it is their judgment upon which the public's right to use the Library is preserved. Anything can be carried in, so long as the Special Police can distinguish the ownership of anything going out. Adding staff to retrieve items from the collection, conducting an inventory of the general collection, and purchasing materials in the first place, are all predicated on the assumption that the items will remain available to serve Congress and the nation for years to come. Staff safety in a building housing 4,000 people and accommodating hundreds of visitors daily is an important concern as well.

Preservation of library materials is a topic that will become more prominent as we move through the 1980s. Library collections throughout the world are deteriorating at an alarming pace, while research on the topic struggles forward with only meager support. The move of many of the Library of Congress' collections to the Madison Building will slow the pace. Proper humidity and temperature controls retard deterioration and save materials for treatment at a later date. We support the request for picture film preservation and also the American Folklife Center's project to record the contents of the Library's wax recordings of Native American life and culture.

The separate statement provided to the Subcommittee by the National Library Service for the Blind and Physically Handicapped identifies the impact of the reductions in service that followed the FY 1980 reduction in the Service's authorized base. We strongly urge that the full requested increase of $750,000 be granted for FY 1981.

Delegates to the White House Conference on Library and Information Services this past November repeatedly favored resolutions calling for equal access to library services for the blind and physically handicapped. The four management objectives of the National Library Service deserve recognition as use-oriented activities designed to assure uniform access and quality materials. Full support of the funding request, including the designation of the eight non-permanent positions as permanent, will permit the Service to evaluate its users' needs and network member libraries' services.

Each year the question of the amount of funding for staff travel is discussed. Retention of competent professionals in all fields is one of the absolute necessities of the Library, yet this cannot be achieved without sufficient travel funds.

Attendance at professional meetings is often the only way for experts to communicate with their colleagues regarding on-going research. The activities of the Library are international in scope. No enterprise of such magnitude, private or public, can afford to rely solely upon local contacts to meet the long term information needs of Congress. In the library and information science profession alone many of the Library's professional staff are national leaders. Their continued close contact with other authorities is of benefit to all whom they serve.

In the belief that accessibility is the key to making the Library's collections useful and relevant to all of our nation's pursuits, the American Library Association fully supports the Library of Congress request for sufficient computer hardware and software to make the optimum use of its storehouse of knowledge. In supporting the request for six additional computer programmer-analysts we are recognizing the tremendous benefits thus far achieved by the Library's automated systems staff. The six individuals are likely to bring benefits valued at many times their number when the time saved by hundreds of Congressional staff utilizing the computer services is considered.

On behalf of the American library community and the users of libraries nation-wide, we would like to commend the staff of the Library of Congress for the continued pursuit of excellence during the recent years of budget austerity. We also wish to express our gratitude to the members of the Legislative Branch Appropriations Subcommittee for their efforts to assure that the limitations placed on the budget of the Library of Congress did not inflict irreparable harm. As we approach the opening of the James Madison Memorial Building we wish to assure you that we share your joy and pride in this momentous step in the continuous development of America's greatest knowledge institution. We give our full support to the budget request of the Librarian of Congress and respectfully request that the Subcommittee approve the full request of $196,526,000.

Sincerely,

Eileen D. Cooke
Director
ALA Washington Office

March 4, 1980

The Honorable James R. Sasser, Chairman
Subcommittee on Legislative Appropriations
Senate Committee on Appropriations
U.S. Senate
Washington, D.C. 20510

Dear Senator Sasser:

This letter is submitted on behalf of the American Library Association, a nonprofit educational organization whose 35,000 members are dedicated to the improvement of library service to all segments of the American population. We request that it be made part of the hearing record on FY 1981 appropriations for the Government Printing Office.

It is because of our intimate knowledge of the usefulness of government publications, as well as our belief that the citizenry should have access to materials printed at public expense, that we support the budget request of $23,630,000 for GPO's Superintendent of Documents. The amended request for $23,630,000 instead of the original $26,200,000 prompts us once again to state our views on the necessity for unhampered public access to publications of the federal government.

We are disappointed that the reduction of the original request of $26,200,000 to the current figure of $23,630,000 has resulted in a shift of $2,570,000 in costs from the Legislative Branch to those who purchase what many consider the single most essential government publication, the Federal Register. We question the wisdom of reversing the pricing policies of publications such as the Federal Register from that of subsidized and therefore widely available publications, to that of full cost recovery items available only to those able and willing to pay high prices.

A possible compromise might be adopted. We suggest that all remaining steps toward full cost recovery be achieved by further increasing the charges to the government entity placing the notice. This would be consistent with the current deregulation fervor and would place the cost at its source (unless the original enactment by Congress is to blame!). The citizen would not then be in the position of paying an outrageous subscription fee to cover the cost of keeping abreast of the proposed and promulgated policies of the various agencies of the government.

The philosophy behind our position has been expressed on numerous occasions. To state it another way: It simply makes good sense to encourage citizen awareness of fundamental government policies and activities. The Internal Revenue Service is fully aware of the fact that were they to charge taxpayers directly for their publications the number of taxpayers who would pay close attention to their filing requirements would drop dramatically. The Internal Revenue Service goes one step further and assure that each and every one of us is aware of their efforts by offering toll-free information and assistance. Imagine the response were each agency publishing announcements in the Federal Register accompanied by a toll-free number for advice and assistance!

The delegates to the White House Conference on Library and Information Services this past November appeared to understand this issue very well. We have attached a copy of the resolution passed by the over 900 delegates to the conference, two-thirds of whom were laypersons representing all segments of the American population. Many of our comments below also speak to issues raised and supported by the Conference delegates.

We fully support the Superintendent of Documents request for the continued development of the automated support services required to catalog materials published by GPO. Additional support will eventually free the technical processing staffs of the Library of Congress and other federal libraries from expending their resources on work that is often duplicative and labor intensive.

We continue to applaud the gains of the Government Printing Office and wish to call attention to the very effective working relationship between the Depository Library Council and the GPO management. This past year has seen improvements similar to those of recent years despite the limitations of the current law governing the printing and distribution of public documents (44 U.S.C.).

During the past sixteen months ALA has been working closely with the staff of the Joint Committee on Printing and the Committee on House Administration, as well as with representatives of other interested parties to discuss the possible revision of Title 44 of the U.S. Code. One of the important improvements contained in the current revision bill passed by the Committee on House Administration and soon to be reported is an elevation of the status of the Superintendent of Documents to a level equal of the Public Printer. For too long the focus of the Government Printing Office has overwhelmingly been on the production of printed goods rather than on their dissemination. The recent successes the Superintendent of Documents has achieved with the marketing of federal publications through government and commercial bookstores are clear evidence that while GPO has long provided a service to the government, the public has largely been ignored. The Superintendent's activities as the chief proponent of public access deserve your wholehearted support.

Libraries and bookstores have traditionally served complementary roles in American society. When one does not have the item in the right place, at the right time, for the right price, the other is likely to come through with the desired item with reasonable terms. What both need is publicity. The free Consumer Information Center publications have been popular, but not just because they are free. They have been the subject of nationwide publicity utilizing all manner of media. We recommend that the Legislative Appropriations Subcommittees ask GPO to further consider additional publicity programs directed at increasing the public's awareness of both the government bookstores and the depository libraries. As librarians we encounter citizens daily who are amazed that their information needs can be satisfied by publications of the federal government.

We have noted the expense and space required for the proper servicing of federal publications in previous statements. Libraries having sizeable collections of federal publications frequently have specially trained staff. But, not all libraries can afford such staff, nor is it good policy to discourage other staff from becoming familiar with the riches of a collection of government materials. For this reason we support the Superintendent's request for travel funds. While a large portion of the amount is required to assure the quality of service provided by depository libraries and government bookstores, a small amount has brought the first GPO exhibit to the annual conference of the American Library Association. For most librarians this is the only person-to-person contact they have with GPO. Since only about 1,300 of the 100,000 libraries in the United States are depository libraries, the presence of this outreach effort should clear up as well as prevent misunderstandings about both libraries and the GPO Depository Library Program.

In conclusion, we wish to express our appreciation for this opportunity to present our views to the Subcommittee on Legislative Appropriations. We offer our assistance should the members of the Subcommittee ever desire to seek improvement of the public's access to the information products of the federal government. As the public's window on government, we consider the effective and efficient operation of the Government Printing Office a high priority on Congress' agenda.

Sincerely,

Eileen D. Cooke
Director
ALA Washington Office

PRICING OF BASIC GOVERNMENT PUBLICATIONS

WHEREAS, broad public participation in government is essential to the effective functioning of a democracy, and

WHEREAS, the nation's libraries provide students, scholars, and the general public with free and equal access to the printed record of the federal government, and

WHEREAS, fewer than 8 percent of the 18,000 public libraries, branches, and college libraries in the United States are eligible to receive one copy of the Congressional Record, Federal Register, and other basic publications free through the depository library program, and

WHEREAS, House Report 96-245 urges that the Public Printer raise the price of these and other subsidized publications to fully recover costs, and

WHEREAS, this action would limit the number of libraries able to afford these publications, thus lessening public access to those fundamental tools of democracy;

THEREFORE BE IT RESOLVED, that the U.S. Congress continue to foster broad public participation in the federal government by substantial subsidies on the sale of basic federal documents and continue to maintain a system of regional depository libraries.

Adopted by White House Conference
on Library and Information Services
November 19, 1979

SUMMARY OF LITIGATION RELATING TO COOK AND PERRY VERSUS BOORSTIN

March 7, 1980

The Honorable James R. Sasser
Chairman
Subcommittee on Legislative Branch Appropriations
Room S-128
U.S. Senate
Washington, D.C. 20510

Dear Chairman Sasser:

RE: COOK AND PERRY v. BOORSTIN (LIBRARY OF CONGRESS)

Enclosed please find a summary of the current status of the above-described litigation.

Also enclosed is a copy of a petition filed in the Court of Claims. We would appreciate it if you would have the petition reproduced in the Congressional Record since the grave importance of this case and the immense First Amendment repercussions demand it.

Sincerely yours,

Joel D. Joseph

SUMMARY OF STATUS OF LITIGATION
REGARDING GEORGE E. PERRY, HOWARD
COOK AND THE LIBRARY OF CONGRESS

March 7, 1980

United States District Court: On February 11, 1980 Judge Oliver Gasch dismissed the lawsuit filed by George Perry and Howard Cook against the Library of Congress. Judge Gasch refused to consider plaintiffs' claims concerning the First Amendment; The Library fired Messrs. Cook and Perry for making statements to the Metropolitan Washington Area Congressional Caucus.

United States Court of Claims: The dismissal discussed above was without prejudice, which means that the plaintiffs are entitled to file another suit based on their claims

that the Library violated their First Amendment and other rights. On March 5, 1980 Messrs. Cook and Perry filed a petition in the United States Court of Claims, seeking compensation for the Library's wrongful termination of their employment (Mr. Perry was terminated while Mr. Cook was suspended for ninety days). A copy of that petition is attached.

United States Court of Appeals for the District of Columbia Circuit: Mr. Perry and Mr. Cook will shortly note their appeal of Judge Gasch's decision. Review will also be sought of Judge Gasch's denial of plaintiffs' motion for summary judgment. Judge Gasch denied the motion the Saturday before the Monday trial date; he signed a short order despite lengthy briefs submitted by all parties. Counsel believes that reversal is likely. Other attorneys have been sonsulted and uniformly contend that Judge Gasch's actions in this case are erroneous.

IN THE UNITED STATES COURT OF CLAIMS

2. GEORGE E. PERRY
6100 East View
Bethesda, Maryland 20034

and

1. HOWARD R. L. COOK
7212 Donnel Pl., Apt. B-5
Forestville, Maryland 20028

Plaintiffs

v.

UNITED STATES OF AMERICA,

Defendant

No. 100-80 C

PETITION

I. NATURE OF ACTION.

1. This is an action, based on the First Amendment to the Constitution of the United States, inter alia, for damages against the defendant for disciplinary action taken against plaintiffs for testimony that they delivered to Members of Congress, and for distributing copies of this testimony to others.

II. JURISDICTION.

2. Jurisdiction is conferred on this court by 28 U.S.C. Section 1491, for claims founded upon the Constitution of the United States and Acts of Congress, as specified in detail in this petition.

III. PARTIES.

3. Plaintiff Perry is President of the Ethnic Employees of the Library of Congress (EELC), and has held that position since November, 1973. Mr. Perry was employed by the Library of Congress from 1963 until July 15, 1977.

4. Plaintiff Cook is the Executive Director of the Black Employees of the Library of Congress (BELC) and has held that position since October, 1960.

5. Defendant, by its agency, the Library of Congress, established by 2 U.S.C. Sections 131, et seq., was the employer of both plaintiffs, during the time periods specified above.

IV. FACTUAL ALLEGATIONS.

6. Howard Cook and George E. Perry investigated the background of Paul Horecky, Chief of the Slavic and European Division because they had serious doubts concerning Mr. Horecky's claimed qualifications for the position.

7. Plaintiffs consulted biographical directories to determine what educational and employment background was claimed by Horecky, and they consulted University Catalogues, dictionaries and encylopedias to verify the accuracy of published information.

8. In June or July of 1973 Perry asked the Director of the Reference Department, Horecky's immediate supervisor, to investigate alleged misrepresentations and discrepancies in Horecky's educational background and in Horecky's participation in the publication of two volumes on the Nuremburg Trials. The Director refused, stating that Horecky's background was not relevant to his career at the Library.

9. In February or March 1975 Cook received anonymously five or six documents of personnel actions concerning Horecky. Among the documents were two Standard Form 57's dated 1950 and 1951, two Personnel Action Recommendations (1951) and a Standard Form 86 (1958). Cook went over the forms with Perry and they found different information on the forms which they viewed as discrepancies in the description of Horecky's background.

10. Perry and Cook continued to pursue the matter of misrepresentations of Horecky. They wrote dozens of letters and presented voluminous documentation to both officials of the Library and members of the Joint Committee on the Library of Congress. The Director of Personnel met with them in early 1976 and apparently caused a security investigation of Horecky to be made. Security officer Stringer presented a memorandum which contained conflicts with other material concerning Horecky's background. The Director of Personnel found that the inconsistencies in Horecky's background had no bearing on the personnel actions taken during his career.

11. Perry and Cook were not satisfied with the response of the Director. They authored a report some time prior to July 1, 1976 on the discrepancies in Horecky's background.

12. On June 4, 1976 Cook was invited to appear at ad hoc hearings of the Metropolitan Area Congressional Caucus on the issue of fitness for duty examinations in the federal government. Perry received a similar invitation on June 16, 1976.

13. Both Perry and Cook attended the hearings and each presented prepared statements. Later the same day, July 1, 1976, these statements were distributed to the Librarian and Department Directors.

14. In August and September of 1976 Cook and Perry were served with notices of proposed adverse action, copies of which are Exhibits 1 and 2.

15. The notices of proposed adverse action proposed disciplinary actions against Perry and Cook exclusively because of the statements that they made before the Metropolitan Area Congressional Caucus, for distributing copies of these statements, and for the preparation of these statements.

16. Plaintiffs Cook and Perry have exhausted all administrative avenues available to them concerning the disciplinary action taken against them by the Library of Congress.

17. George E. Perry was terminated by the Library of Congress as of July 15, 1977 as a result of the notice of proposed adverse action attached as Exhibit 1. Mr. Perry has been unemployed since that date. On July 15, 1977, Mr. Perry was a GS-13.

18. Howard R. L. Cook was suspended for a ninety day period starting July 15, 1977 as punishment for the activities complained of in the notice of adverse action attached as Exhibit 2. Mr. Cook has been a GS-9 since 1971.

19. The competence of plaintiffs Perry and Cook has never been questioned by the Library of Congress. Evaluations of their work have always been more than satisfactory.

V. FIRST CLAIM: Violations of U.S.C. Section 7211 (1979 Ed.)

20. Plaintiffs incorporate by reference paragraphs one through 19, inclusive.

21. Title 5, United States Code, Section 7211 (formerly section 7102) provides;

> The right of employees, individually or collectively, to petition Congress or a Member of Congress, or to furnish information to either House of Congress, or to a committee or Member thereof, may not be interfered with or denied.
>
> (emphasis added).

22. Plaintiffs furnished information to the Metropolitan Area Congressional Caucus, which is composed of Members of Congress from Maryland, Virginia and the District of Columbia.

23. The Library of Congress brough adverse actions against plaintiffs for furnishing information to Members of Congress.

24. The adverse actions (Exhibits 1 and 2) interfered with the rights of plaintiffs to present information to Members of Congress and constitutes a violation of 5 U.S.C. Section 7211.

VI. SECOND CLAIM: Violations of the Freedom of Speech provisions of the First Amendment.

25. Plaintiffs incorporate by reference paragraphs one through 24, inclusive..

26. The First Amendment provides in part that:

> Congress shall make no law. . . abriding freedom of speech . . .

27. The Library of Congress is an arm of Congress and is subject to the restrictions of the First Amendment of the Constitution of the United States.

28. Defendant violated the plaintiffs' right to free speech, in violation of the First Amendment, by taking adverse actions against them for statements that they made to Members of Congress and for distributing of statements to other persons.

VII. THIRD CLAIM: Violations of the Right to Petition the government for redress of grievances.

29. Plaintiffs incorporate by reference paragraphs one through 28, inclusive.

30. The First Amendment provides that:

> Congress shall make no law . . . abridging . . . the right of the people . . . to petition their government for redress of grievances.

31. Defendant violated the plaintiffs' right to petition their government for redress of grievances by taking adverse actions against them for statements taht they made to Members of Congress.

VIII. FOURTH CLAIM: Violations of 18 U.S.C. Section 1505

32. Plaintiffs incorporate by reference paragraphs one through 31, inclusive.

33. Title 18, United States Code, Section 1505 makes it illegal for any person to influence or intimidate a witness before a congressional body.

34. Defendant violated 18 U.S.C. Scetion 1505 by taking adverse action against plaintiffs for their testimony before the Metropolitan Area Congressional Caucus and before committees of Congress.

IX. FIFTH CLAIM: Abuse of discretion, arbitrary and capricious actions.

35. Plaintiffs incorporate by reference paragraphs one through 34, inclusive.

36. Defendant acted arbitrarily, capriciously, abused its discretion, violated the due process rights of plaintiffs and otherwise acted contrary to law in taking adverse action against plaintiffs.

X. REQUEST FOR RELIEF.

WHEREFORE, Plaintiffs request judgment against defendant for

compensatory damages, back pay, reinstatement, promotion and such other relief as this court deems just and appropriate, including costs and attorneys' fees.

JOEL D. JOSEPH OF RECORD
JEFFREY HILLER OF COUNSEL

JOSEPH & HILLER
1712 Eye Street, N.W.
Suite 1010
Washington, D.C. 20006
338-5560

Attorneys for Plaintiffs

LIBRARY OF CONGRESS

NOTICE OF PROPOSED ADVERSE ACTION
(In accordance with LCR 2020-3) PLAINTIFFS' EXHIBIT 1

INSTRUCTIONS TO DIVISION CHIEFS AND HEADS OF OFFICES: It is the responsibility of the initiator of this proposed adverse action to have read and be familiar with LCR 2020-3 in order that this form be completed in compliance with its provisions. Prepare an original and two carbon copies. The employee is to be given the original not less than 25 work days in advance of the proposed action; except that the notice for written reprimands shall be issued no less than five work days in advance. The employee must sign the reverse side of both carbon copies. Send one copy to the Employee Relations Office and retain one for the division's/office's records.

To: Employee's Name	Position Title	Grade
Howard R. L. Cook	Technical Information Specialist	GS-9

Department	Division	Section	Ext.
Congressional Research Service	Education and Public Welfare	N/A	5323

From: Division Chief/Office Head (Signature) Date

Eugene C. Lowe 8-30-76

Date of written warning for failure to meet requirements of position (not required in cases of disciplinary action):

Nature of Proposed Adverse Action:

- ☐ Removal
- ☐ Transfer
- ☐ Reassignment
- ☐ Demotion
- ☒ Suspension for 90 days
- ☐ Written Reprimand

Date of Proposed Adverse Action:

To be determined

Reason(s) supporting proposed adverse action. (Include names, dates and places where known or reasonably obtainable, parts of official personnel records and any other additional documents and/or statements relied upon in support of the proposed action. Use additional paper if necessary.)

The counts supporting your proposed suspension are contained on the attached pages. Any or all counts support the proposed suspension.

I. You have engaged in the activities cited below which constitute personal misconduct and which are in violation of Section 2, LCR 2023-1, in that said activities adversely reflect on the Library and impede Library efficiency:

1) In Paragraphs 8-11 of the document attached as Exhibit 1 (and herein incorporated by reference) you knowingly made and published false and malicious statements against Dr. Paul L. Horecky, Chief, Slavic and Central European Division, and the Library of Congress Administration.

2) With the intent to injure the reputation of Dr. Horecky and to undermine his authority as a supervisor you sent or caused to have sent copies of Exhibits 1 and 2 (herein incorporated by reference) to staff members under Dr. Horecky's supervision.

3) With the intent to injure the reputation of Dr. Horecky and undermine the lawful authority of the Library Administration you distributed copies of Exhibits 1 and 3 (herein incorporated by reference) to employees of the Library reporting for work on or about July 30, 1976.

4) You distributed to Library of Congress staff members copies of the document attached as Exhibit 4 (herein incorporated by reference) in which you knowingly made false and malicious statements against Dr. Paul L. Horecky with the intent to harm his reputation and falsely and maliciously accused the Librarian of Congress and the Library Administration of criminal conduct.

5) You have without authorization and contrary to Library policy gained access to and obtained copies of confidential documents contained in the Official Personnel Folder of Dr. Paul Horecky and have widely distributed information contained therein with the intent to injure the reputation of Dr. Horecky.

II. You have engaged in the conduct cited below, which violates LCR 1819, Section 2 of which prohibits distribution of pamphlets, handbills, flyers, and the like on Library premises without prior approval of the Director of the Administrative Department:

1) On the morning of July 30, 1976, you distributed to employees reporting for work copies of the documents attached as Exhibits 2 and 3, which contain false and malicious statements. You were distributing copies of the document on Library premises. You neither sought nor received approval from the Director of the Administrative Department or his designee for this distribution.

OFFICE PROPOSED ADVERSE ACTION
(In accordance with HCR 2020-3)

PLAINTIFFS' EXHIBIT 2

INSTRUCTIONS TO DIVISION CHIEFS AND HEADS OF OFFICES: It is the responsibility of the initiator of this proposed adverse action to have read and be familiar with HCR 2020-3 in order that this form be completed in compliance with its provisions. Prepare an original and two carbon copies. The employee is to be given the original not less than 25 work days in advance of the proposed action; except that the notice for written reprimands shall be issued no less than five work days in advance. The employee must sign the reverse side of both carbon copies. Send one copy to the Employee Relations Office and retain one for the division's/office's records.

To: Employee's Name	Position Title		Grade
George E. Perry	Area Specialist (Greek)		GS-13
Department	Division	Section	Ext.
Research	Slavic and Central European Division	N/A	6174

From: Division Chief/Office Head (Signature) Date

George C. Constantinides 9/14/76

Date of written warning for failure to meet requirements of position (not required in cases of disciplinary action):

N/A

Nature of Proposed Adverse Action:

- [x] Removal for cause
- [ ] Demotion
- [ ] Transfer
- [ ] Suspension
- [ ] Reassignment
- [ ] Written Reprimand

Date of Proposed Adverse Action:

To be determined

Reason(s) supporting proposed adverse action. (Include names, dates and places where known or reasonably obtainable, parts of official personnel records and any other additional documents and/or statements relied upon in support of the proposed action. Use additional paper if necessary.)

The counts supporting your proposed removal are contained on the attached pages. Proposed removal is supported by any or all counts.

I. You have engaged in the activities cited below which constitute personal misconduct and which are in violation of Section 2, LCR 7023-1, in that said activities adversely reflect on the Library and impede Library efficiency:

1) In the title and Paragraphs 1 and 15 of the document attached as Exhibit 1 (and herein incorporated by reference) you knowingly made and published false and malicious statements against Dr. Paul L. Horecky, Chief, Slavic and Central European Division, and the Library of Congress Administration. The making of false and malicious statements has been the cause of previous disciplinary action taken against you. On September 3, 1974, you were charged with inter alia making false and malicious statements against Dr. Horecky and others. As a result of charges against you, you were subsequently suspended for 90 days without pay, removed from your position as Head of the Slavic Room, and reassigned. On April 16, 1976, the disciplinary action taken against you was affirmed by Hearing Officer John H. Dorsey, Esquire. The findings and recommendations of the Hearing Officer were affirmed by the Librarian of Congress on April 28, 1976.

2) With the intent to injure the reputation of Dr. Horecky and to undermine his authority as a supervisor you sent or caused to have sent copies of Exhibits 1 and 2 (herein incorporated by reference) to staff members under Dr. Horecky's supervision.

3) With the intent to injure the reputation of Dr. Horecky and undermine the lawful authority of the Library Administration, you distributed copies of Exhibits 1 and 3 (herein incorporated by reference) to employees of the Library reporting for work on or about July 30, 1976.

4) You distributed to Library of Congress staff members copies of the document attached as Exhibit 4 (and herein incorporated by reference) in which you knowingly made false and malicious statements against Dr. Paul L. Horecky with the intent to harm his reputation and falsely and maliciously accused the Librarian of Congress and the Library Administration of criminal conduct.

5) You have without authorization and contrary to Library policy gained access to and obtained copies of confidential documents contained in the Official Personnel Folder of Dr. Paul Horecky and have widely distributed information contained therein with the intent to injure the reputation of Dr. Horecky.

II. You have engaged in the conduct cited below, which violates LCR 1819, Section 2 of which prohibits distribution of pamphlets, handbills, flyers, and the like on Library premises without prior approval of the Director of the Administrative Department:

1) On the morning of July 30, 1976, you distributed to employees reporting for work copies of the documents attached as Exhibits 1 and 3 which contain false and malicious statements. You were distributing copies of the document on Library premises. You neither sought nor received approval from the Director of the Administrative Department or his designee for this distribution.

Letter From F. Nordy Hoffmann Regarding 1980 Budget Revisions

April 30, 1980

Honorable Jim Sasser
Chairman
Subcommittee on Legislative Appropriations
United States Senate
Washington, D. C.

Dear Mr. Chairman:

At the time we testified before your subcommittee on February 28, 1980, on behalf of the fiscal year 1980 and 1981 budget request for our office, in the interest of economy you asked that we review our budget requirements and make a maximum effort to hold the line on expenditures. Following a comprehensive review, we have attempted to prioritize our requirements and have deferred several items in our original request such that I am pleased to advise you that our supplemental request I am now submitting requires no additional appropriation of funds and certain necessary increases have been completely offset by reductions and savings achieved elsewhere.

Mr. Chairman, we have summarized our fiscal year 1980 supplemental budget requirements on the attached two charts, and we earnestly request your favorable consideration of approving these resources which we feel are critical to the needs of our office in providing authorized services to the Senate.

We are available to review this request at your convenience, and we appreciate your consideration.

Sincerely,

F. Nordy Hoffmann
Sergeant at Arms

REVISED BUDGET REQUEST

DEPARTMENT	ORIGINAL REQUEST		REVISED REQUEST		INCREASE/DECREASE FROM ORIG. REQUEST		EXPLANATION
Computer Ctr.	(25) new positions	$621,958	(7) new positions	$136,148	(18)	-$485,810	New positions for state office network expansion, micrographics services, and to save money thru implementing Optical Character Recognition capability.
	(85) position changes	$201,596	(5) position changes	$ 29,088	(80)	-$172,508	To establish manager level pay comparability with similar civil service job classifications.
Parking Dept.	(8) new positions	$167,054	(8) new positions	$167,054		-0-	To establish new department & permanent professional staff positions.
Cabinet Shop	(1) new position	$ 13,332		-0-	(1)	-$ 13,332	Deferred
	(2) position changes	$ 4,848		-0-	(2)	-$ 4,848	Deferred
Capitol Police	(1) new position	$ 33,734		-0-	(1)	-$ 33,734	Deferred
Totals	(35) new positions (87) position changes	$1,042,522	(15) new positions (5) position changes	$332,290	(20) new positions (82) position changes	-$710,232	

Net Increase: $332,290

Less: projected reduction in Legislative Appropriations Bill during fiscal year 1980 through departure of seven Metropolitan Police assigned to Senate-total salaries & surcharge to D.C. Government -$349,553

Projected Net Decrease in Legislative Budget: -$ 17,263

MISCELLANEOUS BUDGET ADJUSTMENTS

Department	New Position	Position Increase	Position to be Abolished	Explanation
Custodial Services	)Laborer 6,060)Laborer 6,060		Laborer -11,716	One full time position being converted to two half-time positions.
Post Office		3 shift supervisors in lieu of mail carriers-increase 9,090	Mail Supervisor -15,756	One full time position to be abolished; three mail carrier positions to be converted to shift supervisors.
Record. Studio			Audio Engineer -16,968	One full time position to be abolished.
Telecommunications			Teletype Oper. -14,140 Teletype Oper. -14,140	Two full time positions to be abolished; program for deaf communications absorbed in Service Dept.
Service	Deputy Director 35,956 Receiving Clerk 12,928 Power Cutter 13,534	Supr., Typewriter Repair 2,222 Sr. Fold. Machine Operator 3,838 Auto. Typewriter Repairman 1,212	Supr., Supply Section-18,382	Position in Supply Section to be downgraded to Rec.Clk. Two new positions and three position adjustments needed to handle increased workload.
Sub-totals	$74,538	$16,362	-$91,102	
Totals	$90,900		- 91,102	
Net Expenditure Decrease			-$ 202	

Technical Amendments:

1. To establish shift pay differential — To be deferred.
2. To clarify state office rental rates — Language has been submitted-no add'l approp.needed
3. To retitle one position of Manager, User Training & Liaison (Computer Center) to Special Assistant to Sergeant at Arms (Administrative Office) — No change in salary-no add'l approp. needed.

COMMUNICATION FROM ATTENDING PHYSICIAN

April 24, 1980

The Honorable Jim Sasser
Chairman, Subcommittee on Legislative
Affairs
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

I am writing to provide information concerning the operation of the Office of the Attending Physician, U. S. Capitol, along with justification for the increase in requested funds for the operation of the office.

I am requesting $503,872.00 for FY 81. This is an increase of $44,000.00 over my appropriation request for FY 80. The reasons for the increase are as follows:

(a) Cost for one additional staff member, a Registered Pharmacist.....$22,500.00
(b) Replacement of a 9 year old x-ray processor..$11,000.00
(c) Increase in costs for medical supplies.....$10,500.00
Total increase.$44,000.00

As you know, Members of Congress are provided full outpatient care by the Office of the Attending Physician, which includes x-ray, laboratory, physiotherapy, electrocardiograms, pulmonary function tests, pharmacy service, and immunizations for foreign travel.

In addition, we have nine first aid rooms located in the various House and Senate Office Buildings, along with the first aid room located in the Capitol. These units are staffed by Registered Nurses. Tourists are seen on an emergency basis, and staff personnel may visit these units for minor ailments, where simple over-the-counter medications are dispensed if needed.

Physical examinations for recruits, for the U. S. Capitol Police, as well as promotion and annual physical examinations for those over the age of 55 are performed by this office also.

During FY 79, we recorded approximately 80,000 visits, which is about the same number of recorded visits as the previous year.

I hope that this information is useful and if I can provide any additional information, please let me know.

Yours sincerely,

Freeman H. Cary

FREEMAN H. CARY, M. D.

Letter From Daniel J. Boorstin Regarding Hiring Limitation

March 25, 1980

Dear Senator Sasser:

On March 14, the President announced that he was placing new limitations on the hiring of Federal civilian personnel. On March 17, the Office of Management and Budget issued Bulletin No. 80-7, Limitations on Federal Civilian Hiring, which specifies those policies to be followed by agencies of the executive branch. The President also has announced his intention of absorbing up to 35 percent of the pending pay raise supplemental for fiscal year 1980. We have reviewed carefully the most appropriate concrete steps we can take to support the goals and objectives stated by the President and endorsed by the Congress. I believe the most constructive action we can propose is to sharply reduce our request for supplemental funding for the 1980 pay raises. Therefore, the Library will absorb 50 percent of the cost for 1980, thereby reducing our request from $7,573,000 to $3,773,000. A detailed schedule of amounts by each appropriation is enclosed.

We anticipate that all of the absorption will be taken from our salary allotments. As a result, we will curtail filling of vacancies and increase lapse rates as needed to meet our objective. We do not anticipate that any employees will be separated as a direct result of this action. Holding of vacancies and attrition will be used as needed to accomplish the desired results.

Sincerely,

Daniel J. Boorstin
The Librarian of Congress

The Honorable
Jim Sasser
Chairman
Subcommittee on The Legislative Branch
Committee on Appropriations
United States Senate
Washington, D. C. 20510

Letter From Daniel J. Boorstin Regarding Furniture and Furnishing

March 27, 1980

Dear Senator Sasser:

As your Subcommittee considers the Supplemental Appropriations Bill for fiscal year 1980, I ask that you give special attention to a matter of great concern to the Library of Congress. I propose that the Congress authorize the use of $800,000, which was appropriated in 1979 in the Furniture and Furnishings appropriation, but set aside under the provision of Section 311 of the Title III General Provisions governing the Legislative Branch Appropriations Act for 1980, to purchase shelving to complete outfitting of the Thomas Jefferson Building bookstacks. As you know, we have asked for this item in our 1981 budget request in the Furniture and Furnishings appropriation. If the Congress approves our proposal, it would, of course, eliminate the item from the 1981 budget.

When the Thomas Jefferson Building was opened in 1939, some of the bookstack space was left unfinished. During the years this space has been used for staff work areas or for collections not requiring conventional shelving. The final equipping of the bookstacks has had to be delayed until the Madison Building was finished and the space vacated.

The staff and special collections now in six bookstack areas of the Jefferson Building will be moved to the Madison Building, so equipping of the six bookstacks can begin. One hundred thousand feet of shelving which can accommodate one million books will be purchased with the requested $800,000.00.

We cannot effectively rearrange the book collections housed in the Library of Congress and Thomas Jefferson Buildings without this shelving. It was a serious oversight on our part not to have asked for these funds in our original 1980 budget. The added shelf space is an integral part of a complex plan which will eventually involve the movement of virtually every book in our collections of over 18 million volumes. It is a key link in the entire chain of moves which are essential for effective book service throughout the Library.

I appreciate your continuing interest and support. If I or other members of our staff can provide additional supporting information, we shall be happy to do so.

Sincerely yours,

Daniel J. Boorstin
The Librarian of Congress

The Honorable
Jim Sasser
Chairman, Subcommittee on The Legislative Branch
Committee on Appropriations
United States Senate
Washington, D. C. 20510

60-569 O—80——54

Letter From J. S. Kimmitt Regarding Senate Stationery Room

May 5, 1980

The Honorable Jim Sasser, Chairman
Subcommittee on Legislative Branch Appropriations
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

At the request of your Committee, I am enclosing, for inclusion in the hearing record for fiscal year 1981, information on the operation of the Senate Stationery Room as it relates to warehousing of stationery inventories; procedures for controlling out-of-stock items; merchandise purchases and deliveries, and deliveries to exterior buildings during inclement weather.

I am also enclosing a quotation of $2,800 from Price, Williams and Associates, Inc. for the cost of the analysis, design, programming, debugging and documentation of software for the Stationery Room computer to produce a monthly report that would detail all items out-of-stock for one day or more together with other pertinent inventory information. In view of what is now being done in the area of out-of-stock items, I do not recommend, at this time, an expenditure for this purpose.

Insofar as the policies and procedures of the Senate Stationery Room are concerned, it is my understanding that those of the House Office Supply Service (Stationery Room) are similar to ours. One difference is that the House Stationery Room does not accept telephone orders for delivery.

I want to reassure the Committee that with the new self service arrangement, every effort is being made to enhance the merchandising and deliveries by the Stationery Room, and to minimize problems concerning out-of-stock items.

With best personal wishes, I am

Sincerely,



As you requested, I have prepared a report listing items in our current inventory that could possibly be stored in a location such as the Alexandria, Virginia warehouse. I understand that temperatures and humidity will vary directly with the outside conditions because there is no heat or humidity control in the building. This means that the temperatures could reach as much as 100 degrees or more and humidity anywhere from 50% to 80% in the summer months and freezing and below during the winter months. These figures, of course, are merely assumptions on our part because none of us have actually seen the warehouse. Taking these uncontrollable room conditions into consideration, I have prepared a list of items and divided them into two categories - Durable and Nondurable. (See Exhibit #1.)

When considering the category for each item, specific markings or warnings that manufacturers place on their product must be considered. Examples of some of these items are rubber cement and thinner, carbon manifold sets, all types of tape, envelopes and labels. In addition, we must watch the expiration dates stamped on merchandise which limits storage for extended periods. Good examples of this are ribbons and duplicating supplies. In the case of vinyl binders and simulated leather photo albums, storage in extreme cold will cause cracking or splitting. Likewise, extreme heat prohibits storage of masking, filament or asphalt tapes.

Finally, and most important, the question of paper goods such as bond, Xerox, mimeo and continuous form must be dealt with because it represents the items which are most conducive to volume warehousing. These are items which take up much of our present storage space. I contacted several of our vendors and the Government Printing Office and none of them had had any experience with storing paper in uncontrolled temperatures. One vendor did concede, however, that if paper is stored in extreme hot or cold temperatures, in ream packages, in cartons, it <u>probably</u> would not be damaged. In order to prevent damage,

EXHIBIT #1

WAREHOUSING OF STATIONERY INVENTORY

DURABLE	NONDURABLE
Pads: USS Memo	Paper, photocopy
Canary	Paper, bond typewriting
Memo of Call	Paper, mimeograph
Notebooks, Spiral Composition	Paper, onionskin
Notebooks, Steno	Paper, Whitings Social
Cookbooks	Paper, Continuous Form
Dictionaries	Photo Albums
Calendars and Stands	Vinyl Binders
Note fillers	Guest Book
Listfinders *	Diaries (Seasonal)
Coasters	Address Books
Staples *	Duplicating Fluids and Imagers
Rotary Files	Stamp Pads
Staplers*	Ink
Horizontal Files *	Desk Pads
Clips *	Rubber Cement and Thinner
Wastebaskets *	Tape: Masking
Rubber Bands	Filament
Agate Card files	Gummed
Indexes	Knives
Ash Trays	Scissors
Bookends	Billfolds
Flags *	Key Cases
Jiffy Sacks	Attache Cases
Letter Openers	Brief Cases
Twine	Envelopes
Desk Trays *	Labels
Pencils	Carbon Paper
Transfer Files	Manifold Carbon Sets
File Pockets	Writing Pens
File Wallets	Desk Sets
	Typewriter Ribbons
	Miscellaneous Stationery

* Depending on the duration of storage and rotation of stock. As well as can be estimated and based upon the fact that merchandise would be ordered in larger quantities the approximate amount of space to warehouse the "Durable" goods would be an area approximately 720 square feet.

it would have to be stored under proper room temperatures for 72 hours or more before usage. This would add to the requirements for additional space with climate controlled conditions. Stock rotation might ease the damage problem but the buying habits of Senate Offices are too unpredictable and seasonal to pinpoint any definite purchasing trends. See Exhibit #2 with excerpts from a booklet titled "Paper Storage and Handling for Better Printing" published by Nekoosa Papers Incorporated.

EXHIBIT #2

EXCERPTS FROM "PAPER STORAGE AND HANDLING FOR BETTER PRINTING" PUBLISHED BY NEKOOSA PAPERS INCORPORATED

PAPER HANDLING AT THE MILL:

Wrapping has more function than protecting the paper in transit. It is important to understand that paper starts its journey to your inventory with the right balance of moisture in each sheet. While the moistureproof wrapping will obviously protect the paper from outside moisture, it also ensures that proper internal moisture control is maintained until the moment you ready the paper for printing.

ROTATION:

A simple system for using paper efficiently is to rotate your stock. As new paper is received into your inventory, each grade on the shelf should be checked, and standing reams moved forward to be used before the newer quantities.

CONTROLLING YOUR QUALITY:

From the moment your order was first inspected and sealed at the mill's finishing department, proper moisture balance, as well as protection, has been maintained. Unless your department has facilities to match the temperature and humidity control available at the merchant house storage facilities, your first consideration is to minimize the amount of time the paper will be exposed to changes before press time. It should not sit on a loading dock, exposed to temperature changes and possible damage from bumping or unnecessary handling. Move your paper from receiving to your department as soon as possible. Once stored, do not open wrapped and sealed reams until you have to.

BASIC POINTS TO REMEMBER:

1. Never store paper in direct sunlight.
2. Never stock cartons on end - keep paper flat.
3. Do not store paper near doorways or windows.
4. Use pallets - do not stack cartons of cement floors.
5. Always keep floors clean and free of dust and grit.

6. Never drop cartons.
7. Reseal opened reams, repack in cartons.
8. Reseal opened cartons.
9. Allow incoming paper a reasonable time to adjust to temperature conditions in your plant before opening cartons or removing ream wrappers. This is especially important during cold weather.
10. Use oldest stock first. You may want to date receipt of stock on wrapper label.
11. Don't destroy labels. Keep all stock identified.
12. Store paper stock in dry area, away from heating pipes or overhead water pipes, etc.
13. Invest in proper and adequate handling equipment.
14. Don't turn off air conditioning over week ends or holidays unless adequate time is allowed on "business days" for system to come back into balance.
15. Provide adequate space and racks for paper storage to avoid loss through damage to stock.

My suggestion for the best use of such warehouse space is to store items listed as "Durable" in larger quantities. This would release current floor space to store more of the "Nondurable" goods in the Senate Office buildings. Means of delivery to and from storage space such as the Alexandria warehouse will have to be considered if such space is utilized.

PROCEDURES FOR CONTROL OF OUT-OF-STOCK ITEMS

Out of stock items in the sales room are handled as follows:

1. The chief sales clerk will check, if an item is not on the shelf, to determine if the merchandise is in the warehouse. If it is in the warehouse, the customer will be advised and told when it will be available in the sales room. It could be either that day or the following morning, depending upon the needs of the customer.

2. If the stock is not in the warehouse, a check is made through the perpetual inventory to determine if it is on order and how long it has been on order. The customer is then notified of the approximate delivery date and when he/she can expect to receive the merchandise. If an item is not on order, appropriate steps are taken to immediately order such item. The customer is then advised of the approximate delivery time.
3. If an item is completely out of stock and not already on order, expedited orders are placed for immediate delivery to the Stationery Room. Depending on the location of the vendor, the time frame for receipt of merchandise varies from less than 24 hours to a week to ten days. Certain merchandise requires a longer period of time.
4. The attached notice of Out-of-Stock item(s) is being printed and will be placed in appropriate places in the Stationery Room for use by customers to give the Stationery Room a written notice when an item is found to be out-of-stock on the shelf.

United States Senate
STATIONERY ROOM
WASHINGTON, D.C. 20510

_____
Date

TO: Keeper of Stationery
United States Senate

I was in the Stationery Room today and I found the following item(s) out of stock:

_____

_____

_____

_____

_____

Please notify me when the item(s) are back in stock and available.

_____
Name

_____
Office

_____
Telephone Number

MERCHANDISE PURCHASES AND DELIVERY

When a customer comes into the self service area to buy merchandise it is the policy of the Stationery Room that sales to that person be taken with him/her. Exceptions such as an emergency order or an item that may be too heavy for the customer to carry will be accomodated. In such cases, an emergency order will be delivered promptly and in the case of heavy items, delivery will be made on the very next delivery run. In either case the customer will be advised of when the delivery will be made.

This policy eliminates long lines at the checkout terminals and makes available more space in the sales room for merchandise. Otherwise an area would have had to be planned to hold merchandise in the sales area for delivery.

The procedure of the Stationery Room is to have offices submit written order requests (on Stationery Room order request forms) so that merchandise can be pulled from the warehousing rooms and be delivered by our messenger service. This allows ample stock to be left on the shelves in the sales room for self service customers. It also eliminates the need for labeling merchandise for bulk order deliveries. This policy has worked well with all offices.

The options available to offices for obtaining merchandise are as follows:

1. Customer can present a written order form for delivery.
2. Customer can call in a telephone order for delivery.
3. Customer can pick up emergency items or have them delivered immediately.

DELIVERIES TO EXTERIOR BUILDINGS DURING INCLEMENT WEATHER

The policy of the Stationery Room for deliveries to exterior buildings during inclement weather is as follows:

Each office will be called to see if any items on the order are critical for that day. If it is so needed, it will be delivered that day, with the customers understanding that some of the merchandise could possibly be damaged due to wet conditions. If the office does not need the merchandise that day, it will be delivered as promptly as weather conditions permit.

The above applies to all Senate Buildings except the Capitol, the Russell Senate Office Building and the Dirksen Senate Office Building.

LETTER FROM DOUGLAS M. COSTLE, U.S. ENVIRONMENTAL PROTECTION AGENCY

APR 18 1980

Mr. George M. White
Architect of the Capitol
United States Senate
Washington, D.C. 20515

Dear Mr. White:

My staff has informed me of the unfortunate incidents surrounding the issuance of an Administrative Order by this agency with regard to the Capitol Power Plant. I am deeply disturbed by the confusion and errors in office procedures which occurred in the transmission of this Order to your staff and in the attendant inappropriate publicity. I apologize and assure you that it will not happen again.

As you know, the Enforcement Director for the Philadelphia Regional Office met last week with your General Counsel and engineering staff. I have been informed of the details of this meeting and am pleased that we are working together to address our respective concerns.

I am confident that we will resolve this matter to our mutual satisfaction and, once again, offer my apologies.

Sincerely yours,

Douglas M. Costle

LETTER FROM GEORGE M. WHITE, ARCHITECT OF THE CAPITOL

April 18, 1980

Honorable Douglas M. Costle
Administrator
Environmental Protection Agency
401 M Street, S. W.
Washington, D. C. 20460

Dear Mr. Costle:

My office has recently experienced a series of events, resulting from activities of your agency, which I am constrained to bring to your attention. As an officer of the United States and the head of another Government agency, I have often found that activities for which I

was responsible have been conducted without my actual knowledge. Because such conditions are understandably common in large organizations, I thought it prudent to offer this information for your interest.

An administrative order containing findings of alleged violations of our NPDES permit issued by EPA Region III to Mr. John Berlin, Chief Engineer of the United States Capitol Power Plant, was received in my office on April 7, 1980. It is dated March 27, 1980. The Capitol Power Plant is a facility operated by my office under the direction of the House Office Building Commission, the members of which are the Speaker and the Majority and Minority Leaders of the U.S. House of Representatives.

Our first notice of this matter was obtained indirectly on April 1, 1980, as a result of a telephone inquiry from a television reporter seeking our reaction to a press release issued by Region III on March 25, 1980 (two days before the date of the order!), concerning the alleged violations. Since my staff was unable to obtain a copy of either the order or press release from your headquarters, and because the copy of the order eventually obtained from Philadelphia by telecopier did not arrive until after close of business on April 1, my personal introduction to the substance of this matter was obtained from a television news broadcast that night. Needless to say, this turn of events was not only most irregular, but somewhat embarrassing.

Turning to the factual circumstances, I think that you should be aware that the daily volume of effluent from the Capitol Power Plant ranges between 10,000 and 70,000 gallons, and averages about 30,000 gallons, or the approximate equivalent of the daily flow of two half-inch garden hoses. Although the introduction of any pollutants in excess of permit limitations into the navigable waters of the United States is a technical violation of the law, in my judgment, the quantities here in question are clearly *de minimis* when introduced into the huge volume of water in the Anacostia River. It is also clear that the problem could have been corrected expeditiously, as has now been done, without resort to a formal order, had your Region III office seen fit to accord us the ordinary courtesy of advance notice. In that regard, EPA has been in receipt of periodic effluent test reports from my office since 1976. Further, the local District of Columbia Pollution Control Agency has also taken quarterly samples since that time, of the effluent being discharged into the Anacostia River. While these data reflect certain technical violations of the permit limitations, no particular concern was demonstrated by Region III. In fact, in response to a letter from EPA Region III dated July 15, 1977, which, among other things remarked on the fact that we appeared to be exceeding limits in certain areas, Mr. J. Raymond Carroll, my Director of Engineering explained the reasons for the high ph in the effluent and asked for EPA's comments and recommendations concerning the matter. No response to this request was ever received, and therefore, particularly in view of the minimal quantities involved, we assigned the matter substantially the same priority it was accorded by Region III.

Whatever the merits, perhaps you will agree that the procedures followed in this case were not designed to create an atmosphere of fairness or due process. The issuance of a press release prior to the effective date of the order is but one such matter of concern. I am also troubled by the lack of any notice or opportunity to be heard prior to the issuance of the order, especially in the light of the history of this particular circumstance. This fundamental common courtesy, if not a legal necessity, would, I assure

you, have resulted in immediate remedial action on our part, avoiding unwarranted publicity, inconvenience and embarrassment both to EPA and the Congress.

Our immediate technical problem has been temporarily solved by damming the flume, installing a small, residential-type sump pump and diverting the effluent into the sanitary sewer pending development of a permanent solution. However, I am much more concerned about solutions to what I perceive to be the much larger problem evidenced by the arbitrary and insensitive treatment that was accorded the Congress and this office in the handling of this case. In that regard, it appears that if the Congress, although certainly not entitled to any preference, is treated in such a cavalier fashion by some of your employees, the ordinary citizen and the private sector generally may have reasonable bases for some of the attitudes toward Government regulation of which the media make all of us painfully aware. Ms. R. Sarah Compton of Region III has, I am informed, recently visited with the General Counsel for my office and courteously attempted to explain the reasons for the unfortunate chain of events described above. Nevertheless, it seemed desirable for you to be made aware of the facts directly.

It should probably also be stated that, as you may already know, the Government is a defendant in a lawsuit regarding alleged air pollution. The suit was filed by a private interest group which, we have been informed, is using the vehicle of air pollution to attack Government clean air regulations, and is thus in reality using protectors of the environment against themselves! The recent publicity regarding the purported water pollution, which was unnecessary as explained earlier, certainly did not help us or the Department of Justice which is providing our defense in the court action; in fact, it may have aided the cause of the private interest group in question.

Perhaps this information will be helpful in enabling EPA to accomplish its goals in the appropriate manner which I feel certain you wish to pursue. I shall be pleased, of course, to furnish any additional information which you may find useful.

Cordially,

George M. White

George M. White, FAIA
Architect of the Capitol

Letter From Joint Congressional Committee on Inaugural Ceremonies

June 13, 1980

Honorable Warren G. Magnuson, Chairman
Committee on Appropriations
United States Senate
Washington, D. C.

Dear Mr. Chairman:

On June 4, 1980, the Joint Congressional Committee on Inaugural Ceremonies appointed pursuant to Senate Concurrent Resolution 84 met to organize, elect a Chairman, and approve a budget request for the sums which will be needed in planning and conducting the inauguration of the President of the United States on January 20, 1981.

As newly elected Chairman, I was instructed by the Joint Committee to advise you that it has approved the following budget request:

Architect of the Capitol	$375,000
Senate Sergeant at Arms	68,000
Joint Committee	20,000
	$463,000

I understand that the Senate Financial Clerk, Robert A. Malstrom, who was present at our meeting, will appear before your Committee to testify regarding the details of our request.

Warm regards.

Ever sincerely,

Claiborne Pell
Chairman

Letter From Senate Photographic Studio, Establishing

June 6, 1980

The Honorable Jim Sasser, Chairman
Legislative Branch Subcommittee
Committee on Appropriations
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

We are writing to request your Committee to include an administrative provision in the pending F. Y. 1980 Supplemental Appropriation Bill to establish a Senate Photographic Studio.

This administrative provision would change the name of the Senate Recording Studio to the Senate Recording and Photographic Studios thereby creating a Senate Photographic Studio. Both studios would be operated independently by the Sergeant at Arms and Doorkeeper, but the funds of the Recording Studio revolving fund would be available to both studios in the same manner as the funds have been and are currently available for the operation of the Recording Studio. The receipts and expenditures relating to the Photographic Studio will be deposited in and paid from the revolving fund with separate records being maintained by each studio.

The Sergeant at Arms and Doorkeeper, subject to the approval of the Majority and Minority Leaders, would be authorized to promulgate rules and regulations governing the operation, use and procedures of the Photographic Studio, including the establishment of a fee schedule for photographs and related photographic services.

The objective in recommending a Photographic Studio is to provide the Senate with a central, efficient, service-oriented and professional facility. This administrative provision contains the necessary changes in the law to enable the Sergeant at Arms and Doorkeeper to work out all details concerning the operation of the studio, including the assignment of personnel.

It is intended that the personnel of the studio will be principally those employees already on the Senate payroll under the jurisdiction of the Majority and Minority parties who will be transferred by the Sergeant at Arms and Doorkeeper to the payroll under his jurisdiction. All personnel actions, including transfers, appointments, salary changes and terminations, will be subject to the approval of the Majority and Minority Leaders.

We have spent considerable time and effort reviewing methods to provide improved photographic services for members, and we believe this proposal will result in improved quality and timeliness of these services to the members.

If you or your Committee have any questions regarding this matter or, if any additional information is required, please let us know.

Sincerely,

HOWARD H. BAKER, JR.
Minority Leader

ROBERT C. BYRD
Majority Leader

ADMINISTRATIVE PROVISION

Sec. . (a) The Senate Recording Studio hereafter shall be known as the Senate Recording and Photographic Studios. Subject to subsection (b), all references to the Senate Recording Studio (including the revolving fund) in any law, resolution, or regulation shall be considered as referring to the Senate Recording and Photographic Studios, and any provision of any law, resolution, or regulation which is applicable to the Senate Recording Studio shall be deemed to apply to the Senate Recording and Photographic Studios.

(b) (1) The Sergeant at Arms of the Senate shall, subject to the approval of the Majority and Minority Leaders, promulgate rules and regulations, and establish fees, for the provision of photographs and photographic services to be furnished by the Photographic Studio.

(2) Subject to the approval of the Majority and Minority Leaders, the Sergeant at Arms of the Senate is authorized to appoint not more than fifteen employees with such titles, and at such annual rates of compensation, as he deems appropriate, to carry out the functions of the Photographic Studio. Payments of compensation (including agency contributions and longevity compensation as authorized) for personnel employed pursuant to the preceding sentence shall be made by the Secretary of the Senate from funds appropriated for ''Salaries, Officers and Employees'' under the heading ''SENATE''.

LETTER FROM THE ETHNIC EMPLOYEES OF THE LIBRARY OF CONGRESS

June 18, 1980

The Honorable Claiborne Pell
Chairman, Joint Committee on the Library
Congress of the United States

The Honorable Jim Sasser
Chairman, Subcommittee on the Legislative Branch
Committee on Appropriations, United States Senate

The Honorable Adam Benjamin, Jr.
Chairman, Subcommittee on Legislative Branch Appropriations
Committee on Appropriations, U.S. House of Representatives

Dear Chairman Pell, Chairman Sasser and Chairman Benjamin:

The Librarian of Congress has been abusing his authority and administrative discretion in denying to the EELC, an LC minority employee organization, the right to freely function and operate in the Library.

You have the authority over the Library of Congress as oversight committees and committees controlling the purse strings of the Library.

We ask you therefore to direct or instruct the Librarian of Congress, Dr. Daniel J. Boorstin, to provide to the EELC organization:

1. Office space in the Library of Congress and specifically in the James Madison Building contiguous to the Credit Union - including a conference room and editorial board room for EELC publications. The Library provides office space for other organizations such as the Welfare and Recreation Association, the Credit Union, AFSCME Locals 2477 and 2910 and the Congressional Research Employees Association.

2. Dues check-off for the EELC organization members wishing to have dues check-off.

3. Catalog the Ethnic Racial Review, published since 1975 jointly by the Ethnic Employees of the Library of Congress and the Black Employees of the Library of Congress and place one copy in the Rare Book and Special Collections Division - for ready availability to everyone - and a second copy in the Library's General Collections.

4. Make provisions for accepting in the Library's Manuscript Division on an ongoing basis copies of the EELC Archive from 1973 to the present.

5. Permit the EELC organization to function freely without harassment, intimidation, surveillance and psychological pressures directed against it from its formation to the present by the Library administration.

6. Permit the Ethnic Employees of the Library of Congress organization to freely associate with the Black Employees of the Library of Congress organization - a sister organization - without intimidation and threats directed against the EELC for doing so as in the past.

U.S.

The following basic constitutional rights and principles are involved in the above matters: Freedom to speak, freedom of the press, the right to assemble, the right to associate, due process - and last, but not least, civilized, humane Administration conduct and behavior towards minorities in the National Library of the United States.

Attached are the most important documents in the latest EELC request for office space in the Library of Congress. Please note that the Library of Congress has not replied to the Perry letter of Feb. 19, 1980 to Ms. Pierce asking for EELC office space in LC, that the Librariann of Congress has not responded to Senator Pell's letter of Feb. 21, 1980 asking him to respond to George Perry's letter of Feb. 19, 1980 and that the Library has not responded to the letter of May 13, 1980 by EELC attorney Joel D. Joseph to Ms. Pierce (all three documents referred to above are among the attachments to this letter).

Sincerely,

George E. Perry
George E. Perry
president, EELC
general counselor, BELC
editor, Ethnic Racial Review

Howard R. L. Cook
Howard R. L. Cook
executive director, BELC
vice president, EELC

CURRENT STATUS OF COOK AND PERRY V. BOORSTIN (LIBRARY OF CONGRESS)

March 7, 1980

The Honorable James R. Sasser
Chairman
Subcommittee on Legislative Branch Appropriations
Room S-128
U.S. Senate
Washington, D.C. 20510

Dear Chairman Sasser:

RE: COOK AND PERRY v. BOORSTIN (LIBRARY OF CONGRESS)

Enclosed please find a summary of the current status of the above-described litigation.

Also enclosed is a copy of a petition filed in the Court of Claims. We would appreciate it if you would have the petition reproduced in the Congressional Record since the grave importance of this case and the immense First Amendment repercussions demand it.

Sincerely yours,

Joel D. Joseph

Joel D. Joseph

SUMMARY OF STATUS OF LITIGATION
REGARDING GEORGE E. PERRY, HOWARD
COOK AND THE LIBRARY OF CONGRESS

March 7, 1980

United States District Court: On February 11, 1980 Judge Oliver Gasch dismissed the lawsuit filed by George Perry and Howard Cook against the Library of Congress. Judge Gasch refused to consider plaintiffs' claims concerning the First Amendment; The Library fired Messrs. Cook and Perry for making statements to the Metropolitan Washington Area Congressional Caucus.

United States Court of Claims: The dismissal discussed above was without prejudice, which means that the plaintiffs are entitled to file another suit based on their claims that the Library violated their First Amendment and other rights. On March 5, 1980 Messrs. Cook and Perry filed a petition in the United States Court of Claims, seeking compensation for the Library's wrongful termination of their employment (Mr. Perry was terminated while Mr. Cook was suspended for ninety days). A copy of that petition is attached.

United States Court of Appeals for the District of Columbia Circuit: Mr. Perry and Mr. Cook will shortly note their appeal of Judge Gasch's decision. Review will also be sought of Judge Gasch's denial of plaintiffs' motion for summary judgment. Judge Gasch denied the motion the Saturday before the Monday trial date; he signed a short order despite lengthy briefs submitted by all parties. Counsel believes that reversal is likely. Other attorneys have been consulted and uniformly contend that Judge Gasch's actions in this case are erroneous.

IN THE UNITED STATES COURT OF CLAIMS

RECEIVED
MAR 5 1980
OFFICE OF THE CLERK
U. S. COURT OF CLAIMS

GEORGE E. PERRY
6100 East View
Bethesda, Maryland 20034

and

HOWARD R. L. COOK
7212 Donnel Pl., Apt. B-5
Forestville, Maryland 20028

Plaintiffs

v.

UNITED STATES OF AMERICA,

Defendant

No. 100-80 C

PETITION

I. NATURE OF ACTION.

1. This is an action, based on the First Amendment to the Constitution of the United States, inter alia, for damages against the defendant for disciplinary action taken against plaintiffs for testimony that they delivered to Members of Congress, and for distributing copies of this testimony to others.

II. JURISDICTION.

2. Jurisdiction is conferred on this court by 28 U.S.C. Section 1491, for claims founded upon the Constitution of the United States and Acts of Congress, as specified in detail in this petition.

III. PARTIES.

3. Plaintiff Perry is President of the Ethnic Employees of the Library of Congress (EELC), and has held that position since November, 1973. Mr. Perry was employed by the Library of Congress from 1963 until July 15, 1977.

4. Plaintiff Cook is the Executive Director of the Black Employees of the Library of Congress (BELC) and has held that position since October, 1960.

5. Defendant, by its agency, the Library of Congress, established by 2 U.S.C. Sections 131, et seq., was the employer of both plaintiffs, during the time periods specified above.

IV. FACTUAL ALLEGATIONS.

6. Howard Cook and George E. Perry investigated the background of Paul Horecky, Chief of the Slavic and European Division because they had serious doubts concerning Mr. Horecky's claimed qualifications for the position.

7. Plaintiffs consulted biographical directories to determine what educational and employment background was claimed by Horecky, and they consulted University Catalogues, dictionaries and encylopedias to verify the accuracy of published information.

8. In June or July of 1973 Perry asked the Director of the Reference Department, Horecky's immediate supervisor, to investigate alleged misrepresentations and discrepancies in Horecky's educational background and in Horecky's participation in the publication of two volumes on the Nuremburg Trials. The Director refused, stating that Horecky's background was not relevant to his career at the Library.

9. In February or March 1975 Cook received anonymously five or six documents of personnel actions concerning Horecky. Among the documents were two Standard Form 57's dated 1950 and 1951, two Personnel Action Recommendations (1951) and a Standard Form 86 (1958). Cook went over the forms with Perry and they found different information on the forms which they viewed as discrepancies in the description of Horecky's background.

10. Perry and Cook continued to pursue the matter of misrepresentations of Horecky. They wrote dozens of letters and presented voluminous documentation to both officials of the Library and members of the Joint Committee on the Library of Congress. The Director of Personnel met with them in early 1976 and apparently caused a security investigation of Horecky to be made. Security officer Stringer presented a memorandum which contained conflicts with other material concerning Horecky's background. The Director of Personnel found that the inconsistencies in Horecky's background had no bearing on the personnel actions taken during his career.

11. Perry and Cook were not satisfied with the response of the

Director. They authored a report some time prior to July 1, 1976 on the discrepancies in Horecky's background.

12. On June 4, 1976 Cook was invited to appear at ad hoc hearings of the Metropolitan Area Congressional Caucus on the issue of fitness for duty examinations in the federal government. Perry received a similar invitation on June 16, 1976.

13. Both Perry and Cook attended the hearings and each presented prepared statements. Later the same day, July 1, 1976, these statements were distributed to the Librarian and Department Directors.

14. In August and September of 1976 Cook and Perry were served with notices of proposed adverse action, copies of which are Exhibits 1 and 2.

15. The notices of proposed adverse action proposed disciplinary actions against Perry and Cook exclusively because of the statements that they made before the Metropolitan Area Congressional Caucus, for distributing copies of these statements, and for the preparation of these statements.

16. Plaintiffs Cook and Perry have exhausted all administrative avenues available to them concerning the disciplinary action taken against them by the Library of Congress.

17. George E. Perry was terminated by the Library of Congress as of July 15, 1977 as a result of the notice of proposed adverse action attached as Exhibit 1. Mr. Perry has been unemployed since that date. On July 15, 1977, Mr. Perry was a GS-13.

18. Howard R. L. Cook was suspended for a ninety day period starting July 15, 1977 as punishment for the activities complained of in the notice of adverse action attached as Exhibit 2. Mr. Cook has been a GS-9 since 1971.

19. The competence of plaintiffs Perry and Cook has never been questioned by the Library of Congress. Evaluations of their work have always been more than satisfactory.

V. FIRST CLAIM: Violations of U.S.C. Section 7211 (1979 Ed.)

20. Plaintiffs incorporate by reference paragraphs one through 19, inclusive.

21. Title 5, United States Code, Section 7211 (formerly section 7102) provides;

> The right of employees, individually or collectively, to petition Congress or a Member of Congress, or to furnish information to either House of Congress, or to a committee or Member thereof, may not be interfered with or denied.
>
> (emphasis added).

22. Plaintiffs furnished information to the Metropolitan Area Congressional Caucus, which is composed of Members of Congress from Maryland, Virginia and the District of Columbia.

23. The Library of Congress brough adverse actions against plaintiffs for furnishing information to Members of Congress.

24. The adverse actions (Exhibits 1 and 2) interfered with the rights of plaintiffs to present information to Members of Congress and constitutes a violation of 5 U.S.C. Section 7211.

VI. SECOND CLAIM: Violations of the Freedom of Speech provisions of the First Amendment.

25. Plaintiffs incorporate by reference paragraphs one through 24, inclusive..

26. The First Amendment provides in part that:

> Congress shall make no law. . . abriding freedom of speech . . .

27. The Library of Congress is an arm of Congress and is subject to the restrictions of the First Amendment of the Constitution of the United States.

28. Defendant violated the plaintiffs' right to free speech, in violation of the First Amendment, by taking adverse actions against them for statements that they made to Members of Congress and for distributing of statements to other persons.

VII. THIRD CLAIM: Violations of the Right to Petition the government for redress of grievances.

29. Plaintiffs incorporate by reference paragraphs one through 28, inclusive.

30. The First Amendment provides that:

> Congress shall make no law . . . abridging . . . the right of the people . . . to petition their government for redress of grievances.

31. Defendant violated the plaintiffs' right to petition their government for redress of grievances by taking adverse actions against them for statements taht they made to Members of Congress.

VIII. FOURTH CLAIM: Violations of 18 U.S.C. Section 1505

32. Plaintiffs incorporate by reference paragraphs one through 31, inclusive.

33. Title 18, United States Code, Section 1505 makes it illegal for any person to influence or intimidate a witness before a congressional body.

34. Defendant violated 18 U.S.C. Scetion 1505 by taking adverse action against plaintiffs for their testimony before the Metropolitan Area Congressional Caucus and before committees of Congress.

IX. FIFTH CLAIM: Abuse of discretion, arbitrary and capricious actions..

35. Plaintiffs incorporate by reference paragraphs one through 34, inclusive.

36. Defendant acted arbitrarily, capriciously, abused its discretion, violated the due process rights of plaintiffs and otherwise acted contrary to law in taking adverse action against plaintiffs.

X. REQUEST FOR RELIEF.

WHEREFORE, Plaintiffs request judgment against defendant for compensatory damages, back pay, reinstatement, promotion and such other relief as this court deems just and appropriate, including costs and attorneys' fees.

JOEL D. JOSEPH OF RECORD
JEFFREY HILLER OF COUNSEL

JOSEPH & HILLER
1712 Eye Street, N.W.
Suite 1010
Washington, D.C. 20006
338-5560

Attorneys for Plaintiffs

EELC Request for Office Space in the Library of Congress

February 19, 1980

Ms. Doris E. Pierce
Staff Relations Officer
Staff Relations Office
Library of Congress
Washington, D.C. 20540

Dear Ms. Pierce:

The Ethnic Employees of the Library of Congress (EELC), an officially recognized Library of Congress employee organization founded in 1973, once again asks hereby for an office, with a telephone, in a location in the Library of Congress Building easily accessible to the Library staff.

It is noted that two other officially recognized Library of Congress employee organizations, the Library of Congress Credit Union and the Welfare and Recreation Association, have had and continue to have offices with telephones in the Library of Congress, and they are also listed in the Library of Congress Directory (See October 1979 edition, pages 10 and 46 respectively).

In a letter, dated June 8 1977, (a copy of which is attached) to the then Chairman of the Joint Committee on the Library Senator Howard W. Cannon, the Librarian of Congress Dr. Daniel J. Boorstin in refusing office space to the Ethnic Employees of the Library of Congress stated:

"As you know, space in the Library buildings is increasingly limited. Space for the other organizations mentioned by Mr. Perry was available years ago at the time it was requested. While we would like to provide the Ethnic Employees of the Library of Congress with an office we are unable to do so at the present time."

The Library of Congress is now in the process of expanding into its third building, the James Madison Memorial Building which will render the Library of Congress one of the most spacious - indeed gigantic - Agencies of the United States Government.

Sincerely,

George E. Perry

George E. Perry
president, EELC
general counselor, EELC

June 8 1977.

Dear Senator Cannon:

With regard to your letter of May 31, 1977, and two letters to Miss Elizabeth W. Ridley (dated May 9 and May 12) signed by Mr. George E. Perry, these matters have been explored and a copy of Miss Ridley's reply is attached.

As you know, space in the Library buildings is increasingly limited. Space for the other organizations mentioned by Mr. Perry was available years ago at the time it was requested. While we would like to provide the Ethnic Employees of the Library of Congress with an office we are unable to do so at the present time.

Sincerely,

Daniel J. Boorstin
Librarian of Congress

Enclosure

Honorable Howard W. Cannon
United States Senate
Washington, D. C. 20510

TO : George E. Perry, President
Ethnic Employees of the Library of Congress

DATE: June 7, 1977

FROM : Elizabeth W. Ridley EWR
Employee Relations Officer

SUBJECT: Your request for Office Space for EELC

Your request and need for office space for EELC was submitted to the Library Environment Resources Office. We have been advised that space adjustments and rearrangements are planned over the next few months which will absorb the last amounts of usable office-type space in the Library of Congress Building and the Thomas Jefferson Building. We regret that there is no office space available for EELC at this time but have asked for such space in the Madison Building.

Years ago, when the Credit Union and WRA asked for space, it was available, but as you realize, currently the Library hasn't enough space to meet all requests. However, we are continuing to try to find an area where you could at least keep your file cabinets. As you know LCPA uses the WRA office for theirs and we could make the same arrangement for your organization.

With regard to an EELC telephone, as I previously advised you, one could be installed on your desk and listed in the LC telephone directory until such time as an office can be provided. If you wish this service please inform me no later than June 10, so the number may be listed in the new telephone directory.

February 21, 1980

Dear Mr. Perry:

Your letter of February 19, 1980 requesting office space for The Ethnic Employees of the Library of Congress is under consideration.

You will be contacted when a decision is reached.

Sincerely yours,

Doris E. Pierce
Staff Relations Officer

Mr. George E. Perry
President
Ethnic Employees of the
Library of Congress
6100 East View Kenwood Park
Washington, D. C. 20034

February 21, 1980

Mr. George E. Perry
President, EELC
6100 East View, Kenwood Park
Washington, D.C. 20034

Dear Mr. Perry:

Thank you for sending me a copy of your February 19 letter to Ms. Doris E. Pierce of the Library of Congress, requesting office space for the Ethnic Employees of the Library of Congress.

While the assignment of space in the Library buildings is within the jurisdiction of the Librarian of Congress, I was glad to call your letter to his personal attention, asking that he review your comments and answer the points you made.

Warm regards.

Ever sincerely,

Claiborne Pell
Chairman

April 29, 1980

Dear Mr. Perry:

You are advised that a proposal to withdraw recognition of the organization known as the Ethnic Employees of the Library of Congress (EELC) is presently under consideration. A final decision in this matter will be based on the recommendation of the Staff Relations Officer in accordance with the provisions of LCR 2022-2 (Recognized Employee Organizations Concerned with Welfare, Financial Assistance, Recreational, Cultural, or Professional Activities). In order that a fair and just determination may be made in this matter please submit information which has a bearing on the issues of the proposal as stated below.

ISSUES

EELC has failed to conform to the requirements of LCR 2022-2, in that;

(1) It has not been organized to conduct it's affairs in an orderly manner and in accordance with democratic principles and practices.

and

(2) Its activities are infringing upon the exclusive functions and rights of labor organizations.

1. Failure to Conduct Affairs in an Orderly Manner and in Accordance with Democratic Principles and Practices.

Article I, Section a of the EELC bylaws states that

> "Nominations and elections of the President, Vice-President, Secretary and Treasurer shall be ordinarily made at the general meeting of the organization in November of each year."

This article provides that a normal practice of holding an annual election of officers shall be required. I have no evidence that EELC has ever held an election. It appears that EELC has failed to comply with Article I of its bylaws.

Article II of the bylaws states that,

> "Regular meetings of the membership shall be held at least three times during the year, at no greater than 4 month intervals."

I have no evidence that any membership meetings were ever held in accordance with this article.

Article V of the EELC Constitution provides that, "This constitution shall be amended by a two-third majority, and the bylaws by a majority, of those present and voting at a duly constituted meeting of the organization, provided that a thirty day notice is given to the Executive Committee."

Four amendments have been made to the constitution or bylaws. Since the Staff Relations Office has no evidence that any meetings were ever conducted, the EELC appears to be out of compliance with this article.

2. Infringement on the Functions and Rights of Labor Organizations

In civil action No. 78-2312 in the United States District Court for the District of Columbia you have made the activities, functions, and purposes of the EELC organization a matter of public record. An examination of that record reveals that the organization in recent years has dealt almost exclusively with matters of Library personnel policies, procedures, and practices, which are exclusive functions of the labor organizations granted recognition under Library of Congress Regulation 2026 and subsequently Chapter 71, Title V, United States Code.

Your Amended Complaint, filed with the Court on or about February 2, 1979, states that you are a leader of two minority employees-rights organizations, one of which is the Ethnic Employees of the Library of Congress. In paragraph 27 of that complaint, you state that the EELC was established by you and others in November of 1973 for the purposes of advancing the interests of diverse minority ethnic employees within the Library and purposes otherwise similar to those of the organization known as the Black Employees of the Library of Congress (BELC). You also claim that EELC has engaged in activities essentially similar to those of the BELC. The BELC, of which you say you are also an officer had been a labor organization. It was granted recognition specifically as a labor organization in accordance with the then existing provisions of LCR 2022-2. When the provisions of that regulation relating to labor organizations were superseded by

the issuance of LCR 2026, EELC unsuccessfully sought exclusive recognition in the representation election.

Paragraphs 28 through 34 of your Amended Complaint list your activities in your capacity as an officer of EELC, including representation of the employees in adverse action and equal opportunity cases, counseling, advising, assisting in the preparation of cases, and arranging legal services for individual employees. While such activities when done on a personal or individual basis on one's own time are laudable and when done by an exclusive labor organization are perfectly permissible, they are not permitted under the regulation for organizations concerned with cultural, professional, financial, or recreational activities.

In light of this, EELC appears to be out of conformance with LCR 2022-2 which governs the mission and activities of your organization.

It is requested that you submit the following information in order that a prompt determination may be made concerning the proposal to withdraw recognition of EELC:

(1) A membership list.

(2) State when meetings have been held during the past calender or fiscal year and submit evidence that such meetings were held (e.g., minutes of the meetings).

(3) State when the last election of officers occurred, whether the election occurred at a membership meeting, and submit evidence of the election.

(4) State when amendments to the EELC constitution and/or bylaws occurred and whether the amendments occurred in accord with the constitution (two-thirds majority vote for an amendment to the EELC constition and majority vote for an amendment to the bylaws). Submit evidence such as minutes in support of your statement.

(5) Please state what cultural, professional, financial or recreational activities EELC has been involved with. Submit evidence such as minutes, memoranda, brochures, circulars, announcements, publications, etc. in support of your statement.

(6) In civil action No. 78-2312 the amended complaint, among other things, states that EELC qualifies as a labor organization and charges the Library with violating the rights of the EELC as a labor organization. Please state what labor activities the EELC is involved with and submit supporting evidence.

Your prompt attention to this matter will be greatly appreciated. I look forward to receiving an answer to this letter within two weeks after you receive it.

Very truly yours,

Doris E. Pierce
Staff Relations Officer

Mr. George Perry
President, EELC
6100 East View
Kenwood Park
Washington, D.C. 20034

May 13, 1980

Doris Pierce
Staff Relations Officer
Library of Congress
Washington, D.C. 20540

Dear Ms. Pierce,

Your letter dated April 29, 1980, addressed to George Perry, President, Ethnic Employees of the Library of Congress, has been refered to my office for a response.

You do not state any reason for your inquiries. In order that we can understand your motives for the materials that you have requested, please state the following:

1. Have you ever made similar requests of other recognized organizations? If yes, please provide the names of these organizations.

2. On what basis did you select the Ethnic Employees of the Library of Congress for investigation and possible removal of its recognized status?

3. Have you ever removed recognition from any Library of Congress organization? If yes, please give the name of the organization, the reasons for the removal and the date that the removal took place.

Quite frankly, your request for information is outrageous. Membership lists are privileged and unobtainable under NAACP v. Alabama, 357 U.S. 444 (1958) and Louisiana ex rel. Gremillion v. NAACP, 366 U.S. 293 (1961). Further, the other materials that you request are similarly privileged and will not be produced unless and until you provide me with a bona fide reason for their disclosure.

As you are aware the EELC request for office space has not yet been granted. Please inform me as to when its request will be granted.

The Ethnic Employees of the Library of Congress have complied with the requirements of LCR 2022-2E by certifying and providing evidence that they continue to meet the criteria of the regulations. An affidavit was submitted verifying that EELC has more than fifty members. A current officer list has been supplied and a submission was made stating that no changes have been effected in its constitution or bylaws. All of these submissions were made well in advance of the April 1, 1980 deadline.

Please respond to this letter to my office in Washington, D.C. within ten days.

Sincerely yours,

Joel D. Joseph

Joel D. Joseph
Attorney for Ethnic
Employees of the
Library of Congress

LETTER FROM THE JOINT COMMITTEE ON THE LIBRARY

June 17, 1980

The Honorable Daniel J. Boorstin
The Librarian of Congress
Library of Congress
Washington, D.C. 20540

Dear Dr. Boorstin:

I enclose copies of correspondence delivered to the office of the Committee on Rules and Administration by Mr. George E. Perry. I think you will find it to be self-explanatory.

I would appreciate it if you would let me know when the Library will be able to give Mr. Perry an answer to his request for office space for "the Ethnic Employees of the Library of Congress" and when the question regarding recognition by the Library of his organization, as set forth in Ms. Pierce's April 29, 1980 letter, will be settled. I assume these two matters are related to one another.

Warm regards.

Ever sincerely,

Claiborne Pell
Chairman

June 23, 1980

Mr. Nathan R. Einhorn
Chief, Exchange and Gift Division
NYA-329
Library of Congress
Washington, D.C. 20540

Dear Mr. Einhorn:

We hereby ask that the Library of Congress catalog the Ethnic Racial Review, a joint publication of the two Library of Congress minority employee organizations, the Ethnic Employees of the Library of Congress (EELC) and the Black Employees of the Library of Congress (BELC).

Please add two sets of the Ethnic Racial Review to the Library's collections: Specifically, place the first set in the Rare Book and Special Collections Division - for ready availability - and the second set in the Library's General Collections - for use by the general public.

When cataloging this publication, catalog it according to its distinct title under: Ethnic Racial Review, but also note its unique character by having an added entry card to show its joint publication by the EELC and the BELC. The two organizations publishing the Ethnic Racial Review should be entered together on the same added entry card.

In connection with the cataloging of the Ethnic Racial Review we ask that the Library prepare "authority cards" for the Second Official Catalog under the Ethnic Employees of the Library of Congress (EELC) organization, under the Black Employees of the Library of Congress (BELC) organization and under the name of the editor of the Ethnic Racial Review George E. Perry.

Both of us are available to the cataloger for further assistance in the cataloging of this publication and the preparation of the authority cards.

We would appreciate it if this serial were cataloged on a rush basis and that copies of the Library of Congress catalog card for the Review be supplied to us as soon as possible.

Enclosed are the following issues of the Ethnic Racial Review: Number 1: August 1975; Number 2: March 1978; Number 3: April 11, 1978; Number 4: May 3, 1978; Number 5: Summer 1978; Number 6: January 1979; Number 7: February 12, 1979; Number 8: March 1, 1979; Number 9: April 25, 1979, Number 10: Summer 1979.

Additional numbers of the Ethnic Racial Review will be supplied shortly.

Another set of the Ethnic Racial Review, Nos. 1-10, is being forwarded to Senator Claiborne Pell, Chairman, Joint Committee on the Library, Congress of the United States.

Attached are two letters and a memorandum concerning the Ethnic Racial Review dated March 14, 1980, April 29, 1980 and November 12, 1975.

Sincerely,

George E. Perry
George E. Perry
president, EELC
general counselor, BELC
editor, Ethnic Racial Review

Howard R.L. Cook
Howard R. L. Cook
vice president, EELC
executive director, BELC

March 14, 1980

Mrs. Doris E. Pierce
Staff Relations Officer
Staff Relations Office
Library of Congress
Washington, D.C. 20540

Dear Mrs. Pierce:

The Ethnic Racial Review is a joint publication of two Library of Congress employee organizations, the Ethnic Employees of the Library of Congress (EELC) and the Black Employees of the Library of Congress (BELC). Ethnic Racial Review Number 1 appeared in August 1975 in connection with the Nomination of the Librarian of Congress and copies were supplied to the Employee Relations Office at its request; the latest issue, Number 12, appeared on January 30, 1980. Requests for our publication have come to us from various libraries in the United States.

The Ethnic Racial Review has not been acquired or cataloged to date by the Library of Congress. We therefore are raising the question of what the policy of the Library is concerning inclusion in its collections and cataloging of publications of all Library of Congress employee organizations. It would appear that the Library is required to process information on a non-discriminatory basis - especially its own employee organizations' materials, newsletters, reviews etc. Yet the Library of Congress has acquired and cataloged the publications, newsletters etc. of selected Library of Congress employee organizations but has ignored the publications of certain other LC employee organizations.

We would appreciate an early reply on this vital matter of Library policy concerning the printed word emanating from the employee organizations of this National Institution.

Sincerely,

George E. Perry
George E. Perry
president, EELC
general counselor, BELC

Howard R. L. Cook
Howard R. L. Cook
vice president, EELC
executive director, BELC

Letter From the Library of Congress

April 29, 1980

Dear Mr. Perry:

This is in response to your letter dated March 14, 1980 regarding the Library's selection policy for staff organization publications.

Since there is no entry in the Serial Record for The Ethnic Racial Review, it appears that copies of this publication were never received for possible addition to the collections. A decision to keep or discard this publication was, therefore, never made. It is suggested that copies of available issues be sent to Mr. Nathan Einhorn, Chief, Exchange and Gift Division. Please include a brief letter requesting that The Ethnic Racial Review be added to the Library's collections.

Some of the staff organization newsletters which have been received for consideration have not, at this point, been selected for retention by the Library. Selection policies for such publications are presently being studied. A final determination of an overall policy in this regard has not yet been made.

You may be assured that the Library's selection policies are based on established collection development principals and are in full conformance with both the letter and spirit of all governing regulations and laws.

Sincerely yours,

Doris E. Pierce
Staff Relations Officer

Mr. George E. Perry
President, EELC
6100 East View
Kenwood Park
Washington, D.C. 20034

MEMORANDUM FROM THE ETHNIC EMPLOYEES OF THE LIBRARY OF CONGRESS

TO : Miss Elizabeth W. Ridley
Employee Relations Officer

DATE: November 12, 1975

FROM : George E. Perry GEP
President, EELC

SUBJECT: Your Memorandum of October 30, 1975

This is in reply to your memorandum of October 30, 1975 received by me on November 10, 1975 upon my return from a vacation.

The Ethnic Employees of the Library of Congress (EELC), a recognized LC employee organization, continues to conform to the criteria set out in Sections 4A and 4B of LCR 2022-2.

The Executive Committee of the EELC is as follows:

President: George E. Perry

Vice-President: Howard R. L. Cook

Secretary: Ruzica Popovitch

Treasurer: Christopher Dell

Members-at-Large: Joann H. Chock

James E. Nix

Program Chairman: Samuel Iftikhar

The editor of the Ethnic Racial Review is George E. Perry. The first number of the Ethnic Racial Review appeared in August 1975. Letters were received from universities, research institutes and libraries requesting that they be placed on the ERR mailing list.

Attached is a copy of a duly adopted amendment to the constitution and by-laws of the Ethnic Employees of the Library of Congress (EELC).

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