

U.S. GOVERNMENT PRINTING OFFICE



ANNUAL
REPORT
1989



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Public Printer's Message

Fiscal year 1989 was a period of transition for the Government Printing Office (GPO), bringing into clear relief the strategic course that GPO must follow if it is to continue as an effective instrument of Federal information policy. Chief among these is the need to build on the achievements of the last decade in improving the efficiency of GPO's conventional printing and distribution operations. The ongoing integration of electronic information technologies into GPO's operations must be accelerated, in addition to continued expansion of product and service options. Finally, GPO must act on the long-standing need for a modern, efficient facility. Progress was made in each of these areas during the year.

Revenues exceeded \$1 billion for the first time in GPO's history

At yearend, GPO realized a consolidated net income of \$9.1 million on total revenues of \$1.019 billion, marking the first time in GPO's history that revenues exceeded \$1 billion. Total expenses were \$1.010 billion. Net income from purchased printing activities increased over 1988 to \$6.5 million, due to an increase in procurement activity. Net income from sales of publications also increased to \$5.2 million, as the result of a gain in orders for Government books. However, continued losses in regional printing, combined with a reduction in net income from Central Office printing due to a substantial decrease in Congressional work, resulted in a loss of \$2.7 million from in-plant printing operations.

Once again, the RRC sustained yearend losses

Once again, this year's loss in regional printing operations was directly attributable to GPO's Rapid Response Center (RRC), located at the Washington, DC, Navy Yard. A declining workload has made the RRC an expensive and inefficient operation that has outlived its purpose. This problem was recognized as long ago as 1983, when GPO sought the approval of the Joint Committee on Printing (JCP) to relocate RRC operations to the Central Office plant on North Capitol Street. Instead, the RRC was reconfigured to handle the workload that was expected to result from the planned closure of many agency printing plants, which never occurred.

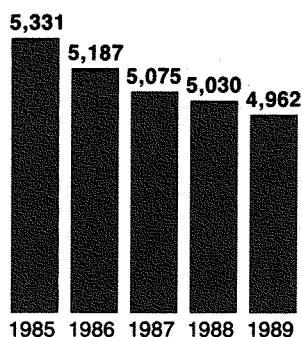
Since then, despite repeated efforts to improve the RRC, the plant has suffered a persistent downward trend in chargeable hours, resulting in a decade of cumulative losses approaching \$10 million. Although GPO was able to absorb these losses in previous years, the precarious condition of the RRC now jeopardizes the financial health of GPO's entire in-plant printing operation. This year GPO again asked the JCP for approval to relocate the RRC to prevent further losses and eliminate this drain on the Government's printing dollar. No JCP action was taken, however.

GPO's aging Record presses must be replaced

The JCP also declined again this year to act on GPO's documented need to replace its four aging web letterpresses, used to print the *Congressional Record* and the *Federal Register*, with modern offset web presses. This new equipment is essential to GPO's efforts to modernize pressroom operations. The existing presses, three of which were installed in 1952, use an antiquated printing technology and require excessive staffing. Spare parts have to be manufactured in-house, since they are no longer available.

**Employment has
been reduced by
30 percent over the
decade**

Staffing Levels
(FTE's at yearend)



**Investment in
alternative formats
increased**

As anyone who relies on the *Congressional Record* and the *Federal Register* knows, blurred pages, illegible characters, and irregular ink coverage have become regular features of these publications. Deplorable as it is, this level of quality is the best that can be attained with the present equipment. Because of their age, the limited applicability and excessive costs of photopolymer plates, the increasing scarcity of trained letterpress operators, and the poor quality of the finished product, it is unrealistic, in my judgment, to envision the continued use of these presses. JCP approval of GPO's replacement proposal is critical to improving the quality and reducing the costs associated with GPO's *Congressional Record* and *Federal Register* programs.

Despite these problems, significant progress was made in a variety of other program areas in 1989. GPO reduced its full-time equivalent (FTE) employment to 4,962 by the end of the year, in compliance with the ceiling on FTE's established by Congress. Since the beginning of fiscal year 1980, overall GPO employment has fallen more than 30 percent, from a high of 7,122 FTE's, with no negative impact on services.

GPO's continuing emphasis on service achieved substantial savings for the Federal Printing Program during 1989. A recommendation by the Customer Service Department yielded a savings of \$23 million in mailing costs on one job, the largest single cost savings ever achieved by GPO on behalf of a customer agency. An additional \$863,000 in savings was achieved for customer agencies as the result of other GPO production planning recommendations. The small purchase limit on procured printing was increased from \$10,000 to \$25,000, permitting GPO to process procured jobs more efficiently.

Modernization activities continued throughout the year to improve product and service options for GPO's customers. GPO's "dialup" composition service, featuring direct customer access to GPO's automated composition system, was expanded on Capitol Hill. In a new departure, GPO initiated distribution of its MICROCOMP Composition System, a software package that provides customers with their own capability to generate page proofs of databases that are compatible with GPO's principal composition system. Sales of publications in magnetic tape format increased over 1988, indicating a growing public interest in obtaining Government publications in alternative formats from GPO.

GPO's investment in the production and dissemination of such formats grew during 1989, with special emphasis on CD-ROM technology. A recent requisition for the procurement of the Defense Logistics Agency's Federal Logistics Data on CD-ROM will result in the largest single procurement of this technology for the Government to date. In addition, a combination of GPO in-house capabilities and commercial procurement will be used to meet the Environmental Protection Agency's (EPA) requirement for the 1987 Toxic Chemical Release Inventory in CD-ROM format. A substantial degree of attention was focused this year on the development of five pilot projects for disseminating Government information to depository libraries in CD-ROM and on-line database formats. The first of these projects, involving selected Census data on CD-ROM, was successfully conducted during 1989.

Cash management improvements yielded significant savings

New efforts were directed toward the improvement of GPO's cash management practices during 1989, with notable success. The Sales of Publications Program began participation in the Treasury Department's Cash Management Program, involving accelerated collections of bookstore receipts, credit card collection services, and lockbox subscription order services, all provided at no cost to GPO. Recurring annual savings from this program are projected to exceed \$1 million. Other financial management initiatives increased the value of prompt cash discounts taken, reduced the value of delinquent invoices, and expedited debt recovery. Audits of GPO operations conducted by the Inspector General, who was invested with statutory authority under the Inspector General Amendments Act of 1988, resulted in further recommendations to reduce costs and improve internal controls.

Labor-management relations were stable at yearend

Labor-management relations at GPO were stable at yearend, following the conclusion of wage negotiations with representatives of the American Federation of Government Employees, which was accorded bargaining rights by the JCP in 1988 under the Kiess Act provisions of Title 44. Concurrently, management took several steps to improve safe and productive working conditions for GPO's employees. A systematic program for disposing of hazardous wastes was implemented, and negotiations with GPO's unions were convened to develop an effective and responsible program for ensuring a drug-free workplace. In addition, plans were made for the establishment of a Child Care Center to alleviate the burden on GPO's working parents of finding suitable child care.

Several Congressional initiatives affecting the Federal Printing Program were implemented during the year. In compliance with the 1989 National Defense Authorization Act, GPO established a test program to assist small disadvantaged businesses in winning printing contracts required for the Defense Department. This program awarded contracts valued at \$4.3 million by yearend. A program for the procurement of recycled papers was implemented, following EPA guidelines issued pursuant to the Resource Conservation and Recovery Act of 1976, and GPO provided testimony and assistance to Congress in promoting the need for increased Government use of permanent papers to retard the deterioration of valuable Government publications. In addition, relevant provisions of the Procurement Integrity Act of 1988 were incorporated into GPO's printing procurement procedures.

The need for a new building can no longer be denied

GPO initiated action this year to resolve its longstanding need for a modern production facility. The continuing problems posed by GPO's aging Central Office plant can no longer be denied. Space limitations resulting from low ceilings, support columns, and multiple stories restrict efficient materials handling operations and impede effective production equipment alignments. Substantial annual costs for buildings renovation and maintenance, as well as lease costs for the use of several satellite facilities in the metropolitan area for extra office and storage space, impose additional financial burdens on GPO. A modern in-line printing plant would increase productivity and eliminate these costs. Accordingly, GPO began an examination this year of various options for obtaining a new building, including a strategy for leveraging the value of current real estate holdings against the costs of constructing a new plant. The prospective

**Strategic planning
was reactivated**

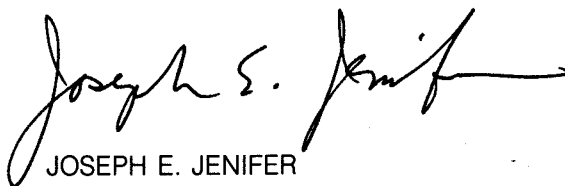
termination of RRC operations at the Navy Yard and the upcoming expiration of GPO's 20-year lease at the Union Center Plaza facility in 1994 compel GPO to continue efforts on this project.

Significantly, GPO re-established a strategic planning function in 1989 to systematize the improvement of conventional printing and distribution services, expand the provision of electronic information services, and reduce costs. This action was a direct outcome of the release in October 1988 of the Office of Technology Assessment (OTA) report, *Informing the Nation: Federal Information Dissemination in an Electronic Age*, the result of a 2-year study conducted at the request of several Congressional committees, and in which GPO was a major participant. Without strategic planning, GPO will be in no position to address the challenges and opportunities outlined by the OTA report for GPO's future.

The reinstitution of strategic planning at GPO coincided with the first real dialog regarding GPO's role in the execution of Federal information policy in a decade. The OTA report was the principal catalyst for this development, although other events, including the attempt to revise Office of Management and Budget Circular No. A-130 and the statutory reauthorization of the Paperwork Reduction Act, were significant factors. At issue was the future scope and structure of GPO's operations in view of the Government's ongoing transition to electronic information technologies. GPO was a principal contributor to this dialog, providing testimony before several Congressional committees. By yearend, pending House legislation reauthorizing the Paperwork Reduction Act contained several provisions addressing GPO's statutory responsibilities in the reproduction and dissemination of Government information.

**GPO must move
faster to meet the
challenges of the
Electronic Age**

Clearly, the burgeoning use of electronic information technologies by the Government has significant strategic implications for GPO. With or without GPO action, Federal information activities will continue to shift to an increasingly decentralized electronic basis, impacting the need for a centralized conventional printing and distribution operation. While Congressional action is needed to clarify and update GPO's statutory mission, legislation alone cannot sufficiently ensure GPO's future. GPO, with JCP support, must move faster to reduce the cost of its conventional services and offer an expanded range of competitive electronic information services if it is to serve Congress, Federal agencies, and the public effectively. On this depends GPO's continued viability as an integral component of Federal information policy in the Electronic Age.



JOSEPH E. JENIFER
Acting Public Printer

Financial Highlights

The public printing and documents chapters of Title 44, United States Code, require GPO to fulfill the printing and binding needs of the Federal Government and distribute Government publications to the public. GPO's printing and binding activities are performed by a Central Office printing and printing procurement facility in Washington, DC, and 6 regional printing plants, 14 regional procurement offices, and 6 satellite procurement offices located around the Nation. Superintendent of Documents operations, including the sale of publications, distribution to depository and international exchange libraries, agency and statutory distribution, and the cataloging and indexing of Government documents, are performed from centrally located operations in Washington, DC, from distribution centers in Laurel, MD, and Pueblo, CO, from a Congressional Sales Outlet in Washington, DC, and from 23 bookstores nationwide.

All GPO activities are financed through a revolving fund which is reimbursed by payments from customer agencies, sales to the public, and transfers from annual appropriations. The Congressional Printing and Binding Appropriation and the Superintendent of Documents Salaries and Expenses Appropriation are used to reimburse GPO for costs incurred in performing Congressional work and to fulfill statutory requirements associated with the distribution of Government publications. Reimbursements from these appropriations are included in GPO's total printing and binding revenue.

Results of GPO Operations

GPO achieved a consolidated net income for fiscal year 1989 of \$9.1 million, a net income margin of less than 1 percent, compared to \$16.4 million for fiscal year 1988. The decrease in net income is attributable to the loss incurred by in-plant printing operations. Consolidated revenue increased by \$78 million in 1989 to \$1.019 billion, the first time in GPO's history that revenue has exceeded \$1 billion, due to an increase in commercially-procured printing. Total expenses increased by \$85 million to \$1.010 billion, as the result of the increased costs associated with commercial procurement. For the eighth consecutive year, GPO's Sales of Publications Program continued to generate a healthy net income.

Consolidated Printing and Binding Operations

In 1989 GPO's in-plant and commercially-procured products and services generated revenues of \$952.9 million, compared to \$875.3 million in 1988, representing 90 percent of GPO's total revenue (after eliminations). Revenue from commercially-procured printing was \$726.4 million or 79 percent of total printing and binding revenues (net of revenue from sales of blank paper and Other Operations). During the year GPO produced or procured 1.9 billion publications on nearly 346,000 printing orders, an average of more than 1,300 orders per day. The average value of an order produced in the Central Office plant was \$4,500, while for regional plants it was slightly more than \$700. The average revenue generated from a commercially-procured job was nearly \$2,500. GPO used or sold 98.1 million pounds of paper in 1989. Of this, 43 percent was sold to Government agencies and 57 percent was used for in-plant printing.

Central Plant Printing Operations

GPO's Central Office plant printing operations (excluding Materials Handling and Other Operations) earned \$263,000 in net income this year compared to a net income of \$10 million for 1988. The reduction in net income was due primarily to a decrease of \$7.4 million in billings for Congressional printing compared to the previous year. Total revenue for 1989 was \$148.6 million, a decrease of \$5.7 million from 1988. Expenses totaled \$148.3 million, an increase of \$4 million from the previous year.

Regional Printing Operations

GPO's regional printing operations experienced a combined net loss of \$3.4 million in 1989, compared to a net loss of \$1.7 million the previous year, due primarily to the loss of \$2.8 million incurred by the Rapid Response Center. The remaining five regional facilities experienced a combined net loss of \$665,000 in 1989.

Central and Regional Printing Procurement Operations

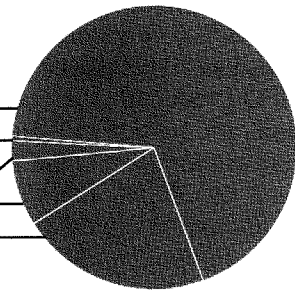
GPO's printing procurement operations generated revenue of \$726.4 million compared to last year's \$648.3 million. Net income was \$6.5 million, a gain of 51 percent over last year's net income of \$4.3 million. Revenue from Central Office printing procurement activities increased to \$462.1 million from \$394.5 million last year. Regional printing procurement revenue rose to \$264.3 million from \$253.8 million in 1988.

Materials Handling and Other Operations

Materials Handling operations, consisting of paper, materials, and supplies, experienced a net loss of \$997,000 this year, compared to a net income of \$869,000 in 1988, as the result of reductions in issues to Central Office printing operations. However, Other Operations, including the sale of waste and scrap, generated a net income of \$1.5 million, compared to a loss of \$1.6 million in 1988.

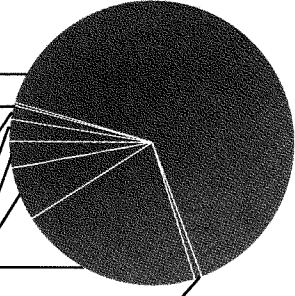
GPO's 1989 Revenue Dollar

Where It Came From



68.1¢/Purchased Printing
.5¢/Reimbursements
2.2¢/S & E Appropriation
7.4¢/Sales of Publications
21.8¢/In-House Printing

Where It Went



64.6¢/Procured Printing
.6¢/Capital Expenditures
1.6¢/Other
2.4¢/Sales of Publications
3.0¢/Rents, Comm., Utilities
6.2¢/Supplies & Materials
20.7¢/Labor
.9¢/Surplus

Sales of Publications Program

The Superintendent of Documents' Sales of Publications Program generated net income of \$5.2 million in 1989, an 18 percent increase over net income of \$4.4 million in 1988. Total sales revenue increased to \$75.7 million compared to \$71.8 million in 1988, due to an increase in mail orders for Government books. Revenue from sales of Government publications in magnetic tape format increased to \$595,000 compared to \$578,000 last year. Bookstore revenue decreased 2 percent to \$12.8 million in 1989 from \$13 million in 1988.

Agency Distribution Services

On behalf of customer agencies, GPO performs distribution of publications to recipients designated by those agencies. GPO charges for the cost of services performed. In 1989, this program was made a part of GPO's Revolving Fund operations, receiving \$4.8 million in revenue on \$4.7 million in costs, and yielding a net income of \$82,000.

Salaries and Expenses Programs

Salaries and expenses associated with the operation of the Statutory Distribution Program, the Depository Library Program, the Cataloging and Indexing Program, and the International Exchange Program increased by \$1.3 million over 1988 to a total of \$22.9 million in 1989.

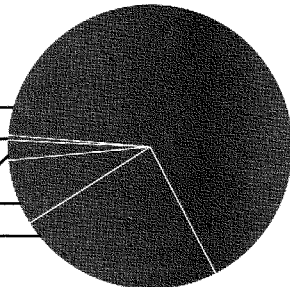
GPO Capital Expenditures

Capital expenditures for all GPO operations and programs in 1989 totaled \$5.8 million compared to \$5 million in 1988. Major expenditures included an AMDAHL mainframe computer, a book flow bindery system, two new presses, other automated data processing equipment, and various building improvements.

GPO's 1988 Revenue Dollar

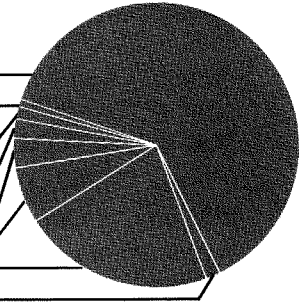
Where It Came From

66.0¢/Purchased Printing
.5¢/Reimbursements
2.2¢/S & E Appropriation
7.6¢/Sales of Publications
23.7¢/In-House Printing



Where It Went

62.4¢/Procured Printing
.5¢/Capital Expenditures
1.5¢/Other
2.2¢/Sales of Publications
3.4¢/Rents, Comm., Utilities
6.5¢/Supplies & Materials
21.8¢/Labor
1.7¢/Surplus



Executive Offices

Electronic Dissemination Task Force

GPO's Electronic Dissemination Task Force was established in 1989 to coordinate ongoing projects and provide for a continuing review of electronic dissemination opportunities as they arise, including the development of an on-line search and retrieval system for the *Congressional Record*, the transmission of *Federal Register* data via FM subcarrier and satellite dish, expanded dissemination in CD-ROM technology, and the dissemination of information in electronic formats to depository libraries.

During the year, there was significant Task Force involvement in activities supporting the National Institute of Standards and Technology's adoption of Standard Generalized Markup Language (SGML) as Federal Information Processing Standard (FIPS) 152. The Task Force hosted a major seminar on the implementation of FIPS 152, attended by more than 200 Federal and private sector personnel, and conducted an SGML tutorial for 40 GPO employees.

Office of Workforce Planning and Training

The Office of Workforce Planning and Training is responsible for the administration of GPO's Institute for Federal Printing and Publishing (IFPP). Established in September 1987, the purpose of the IFPP is to provide educational and training programs for individuals involved in the Government's printing and publishing activities.

During 1989, the Office conducted surveys of the Interagency Council on Printing and Publications Services and the Federal Publishers Committee to ascertain areas of interest for inclusion in the IFPP's agenda. The IFPP began offering courses on a monthly basis to GPO's customer agencies by yearend, beginning with a half-day seminar focusing on legal issues relative to Government procurement activities, which was conducted by GPO's Administrative Law Judge.

Office of Legislative Affairs

Spurred by the October 1988 release of the OTA report *Informing the Nation*, a significant degree of Congressional attention was focused this year on legislative oversight of GPO's operations and functions under Title 44. GPO's role was also addressed as part of the effort to include Government information dissemination policy in the reauthorization of the Paperwork Reduction Act. In addition, Congressional proposals regarding the use of permanent papers in Government publications involved GPO.

In response, the Office of Legislative Affairs coordinated GPO testimony before several Congressional panels during the year, including legislative oversight hearings on Title 44 conducted by the Subcommittee on Procurement and Printing, House Committee on House Administration (May/June); hearings on permanent papers conducted by the Subcommittee on Science, Research and Technology, House Committee on Science, Space, and Technology (May); and hearings on Government information dissemination conducted by the Subcommittee on Government Information, Justice, and Agriculture, House Committee on Government Operations (July). Separate bills concerning permanent paper and clarifying GPO's statutory responsibilities in the reauthorization of the Paperwork Reduction Act were pending at yearend.

**Office of the
Inspector General**

Under the Inspector General Act Amendments of 1988 (Pub. L. 100-504), GPO's Inspector General (IG) began the year with the same authorities held by other statutory IG's in the Government, including independent authority to issue subpoenas during the course of audits and investigations. During the year, the IG's Office of Audits issued 385 recommendations which helped GPO's managers reduce costs, improve operations, and strengthen internal controls against waste, fraud, and abuse. These recommendations resulted in potential cost savings, cost avoidance, and management commitment to reduce costs totaling \$13.7 million for the year.

The IG's Office of Investigations handled 60 reported or referred cases during the year. A total of 48 cases were opened and 64 were closed. Of those opened, 45 were criminal investigations. Contractor and GPO employee fraud investigations resulted in one presentation to a U.S. Attorney's Office for criminal prosecution, and three prior referrals to U.S. Attorney's Offices were adjudicated. Altogether, these matters resulted in three convictions, one guilty plea, imposition of 5,700 days jail time, 5,500 days suspended time, 7,300 days probation, court-imposed monetary fines totaling \$3,000, restitutions exceeding \$82,000, and monetary recoveries of over \$167,000. Seventeen administrative matters referred resulted in eight contractor debarments, two suspensions, and one GPO employee termination. The total savings to the Government from these actions approached \$658,000.

**Office of
Public Affairs**

For the fourth year in a row, GPO's Office of Public Affairs coordinated the release and distribution of the *Budget of the United States* and handled arrangements for the GPO-hosted budget press conference featuring remarks by the Secretary of the Treasury, the Director of the Office of Management and Budget, and the Chairman of the President's Council of Economic Advisers. Public Affairs was also involved in preparations and activities associated with FOSE '89, the celebration of National Police Week, and the opening of the newly relocated Houston bookstore, and made arrangements for GPO's Veterans Day program, Christmas Open House, and Community Children's Day. In cooperation with the District of Columbia Police Department, GPO's Adopt-a-Family program continued during the year, with eight families receiving assistance.

During the year, questionnaires were sent to Members of Congress requesting their views on GPO's Congressional notification program, under which Senators and Representatives are informed whenever a GPO printing or materials procurement contract valued at more than \$100,000 is issued to a business in their respective States or districts. The responses were overwhelmingly favorable, with some Members requesting additional information about GPO's competitive bidding process.

Public Affairs conducted 88 public tours of GPO in 1989 involving over 1,100 visitors, including 330 students and approximately 100 foreign nationals from 47 nations. Especially noteworthy was a visit by three members of the Supreme Soviet who were in Washington, DC, to study Congressional information systems.

Operations

Production Department

The Assistant Public Printer (Operations and Procurement) is responsible for all pre-press, press, and binding operations at GPO's Central Office printing plant, as well as the provision of quality control and related technical assistance to GPO's production and printing procurement activities. Additional responsibilities include GPO's Customer Service operations and the provision of engineering and facilities maintenance services to all GPO functions housed in the Central Office complex.

Located four blocks north of the U.S. Capitol, GPO's Central Office printing plant employs approximately 1,900 production personnel to provide printing, binding, and related products and services for the Government. The plant operates on three shifts, with about 1,000 employees serving on the intermediate and night shifts. Excluding Materials Handling and Other Operations, the Central Office plant produced work valued at \$148.6 million in 1989, representing 15 percent of GPO's total revenue for the year (after eliminations).

The primary purpose of the Central Office plant is to meet the legislative printing requirements of the U.S. Congress. Major Congressional products include the *Congressional Record*, bills, resolutions, amendments, reports, and hearings. Along with all other Legislative Branch work (including billings for work produced for the Superintendent of Documents), these comprised approximately 46 percent of total Central Office plant billings in 1989. Other major products and services include the *Federal Register*, U.S. passports, and postal cards, comprising 16 percent of Central Office plant billings for the year. The remaining 38 percent of Central Office plant billings for 1989 was for Executive Branch work, primarily books, pamphlets, and forms, and sales of blank paper.

On August 5, 1989, GPO printed the largest single edition of the *Congressional Record* ever, consisting of 728 pages, eclipsing the previous record of 712 pages established on December 21, 1987. In all, 25 editions of the *Congressional Record* totaled more than 300 pages each in 1989, with 4 totaling more than 500 pages each. GPO produced approximately 30,000 *Congressional Record* pages in 1989, a decrease of 11,000 from the total produced the previous year. Approximately 22,000 copies of the *Congressional Record* were printed each day, generating revenue of \$10.7 million. Due primarily to the election year adjournment of the 100th Congress, revenue from all Congressional work decreased 7 percent, to \$71.9 million, compared to 1988.

The *Federal Register*, GPO's other major daily product, contains proposed and final regulations and announcements by Federal agencies. It comprised 51,700 pages in 1989, an increase of nearly 3,600 pages over 1988. Approximately 32,000 copies of the *Federal Register* were printed each day, generating revenue of \$26.6 million.

In addition to Congressional work and the *Federal Register*, in 1989 the Central Office plant produced approximately 3.4 million passports for the State Department and over 466 million postal cards for the U.S. Postal Service, resulting in revenues of \$6.5 million and \$4.9 million, respectively.

Pre-press operations, involving the Electronic Photocomposition, Graphics Systems Development, and Electronic Systems Development Divisions, produced approximately 3.1 million pages of camera copy or negatives in 1989, more than doubled the pre-press production of enrolled bills, and produced approximately 6 million other electrostatic proofs. The new nine-digit *Zip Code Directory*, totaling 70,000 pages, was completed during the year, and significant progress was made in eliminating the pre-press backlog in the production of the bound *Congressional Record*. During the year, the 1983, 1984, and 1986 issues were completed, and completion of the 1987 and 1988 issues is projected for 1990. After testing more than 700 applicants through the Office of Personnel Management, 31 apprentices were hired to staff the Proof and Copy Markup and Video Keyboard Sections in the Electronic Photocomposition Division. In addition, 30 journeymen were hired to fill necessary positions in the proofroom.

Pre-press modernization activities were dominated in 1989 by the first phase of the planned conversion to a state-of-the-art personal computer (PC)-based composition system that utilizes a DEC Net network. The new equipment and systems will replace GPO's aging Atex systems, installed in 1978. With completion set for 1992, the conversion will reduce production time, improve reliability, enhance storage capacity, increase flexibility in staff utilization, and eventually provide for automatic cost reporting and some automated proofreading functions.

A new VAX 6210 central processing unit with SA 600 disk drives was installed, along with 27 IBM Model 60 PC's in the Video Keyboard Section, and the DEC Net network was expanded to include all of the existing PDP-11/44 central processing units, which were upgraded with RSX-11M+ operating software. GPO's DDEDIT program that checks input files before they are processed by the composition software was also rewritten to move from Atex to the PC-based system. Additional equipment for the second phase of the conversion, including a VAX cluster, is awaiting the approval of the JCP. Concurrently, one of GPO's aging VC 500 phototypesetters was replaced by a new VC 570, and two Qualstar dual density magnetic tape units were installed to improve the production of tape copies sold to the public by the Superintendent of Documents.

Additional equipment upgrades to existing external systems were accomplished to facilitate the conversion project. Communications with Capitol Hill were improved with the installation of DMR-II's in the House of Representatives' Release 4 Atex system and a PDP 11/44 Ethernet Communications System in the Senate Office of Legislative Counsel. Future upgrades to the overall GPO/Capitol Hill network will enable direct data transmission between the offices of the Senate and House Legislative Counsels, reducing the time and costs associated with the exchange of data required by the legislative process. In addition, LAN Bridge 100's were installed to ensure that the GPO, Senate, and House portions of the network continue to function independently in the event of computer downtime. For the Office of the Federal Register (OFR), GPO installed MDL-II's to facilitate Atex to IBM communications. GPO also upgraded three OFR modems from 2400 to 9600 baud to increase the speed of data transmission, and installed a second QMS laser printer on IBM PS 2/60 to facilitate OFR use of GPO's MICROCOMP program.

GPO introduced distribution of its MICROCOMP software package in 1989 as part of a series of improvements undertaken in response to the ongoing transition of the Government's pre-press activities to a microcomputer-based environment. MICROCOMP enables customer agencies to generate on-site page/galley proofs of databases, at their point of origin, through the use of inexpensive microcomputers and PostScript-driven printers. The data structure of the input is identical to that required by GPO's VAX-based composition systems, ensuring MICROCOMP users that their locally-composed files can be output to GPO's high-resolution phototypesetters. Facsimile pages containing data extracted from electronically-disseminated GPO publications can be automatically printed on demand with MICROCOMP. MICROCOMP will also enable GPO's customers to compose databases utilizing SGML, as the result of GPO's plan to develop an SGML parsing capability. In another development, a CD Publisher compact disk premastering system was delivered early in the year, and a variety of software search and retrieval packages were tested.

Press Division achievements during 1989 included the production of several new postal cards introduced by the U.S. Postal Service, including a series of 10 different *America the Beautiful* postal cards and 3 commemorative cards. Also produced were a set of five picture postal cards featuring antique cars. Another first was a sheet (8½ by 11 inches) of four different postal cards in a block with a two-way perforation, which was successfully produced in spite of tight deadlines.

Modernization activities in the Press Division included the installation of a new offset plate processor, which significantly increased efficiency during the production of 91,000 offset plates and over 112,000 letterpress photopolymer plates. Two new waste reduction systems were installed on GPO's Group 88 web offset presses, along with a new packer/bundler on the Group 92 web press. Further modernization plans, including the replacement of GPO's 37-year-old Group 59 web letterpresses, used to print the *Congressional Record* and the *Federal Register*, are currently under review.

The Binding Division completed the installation of a Heidelberg Corporation hard cover book line in 1989, which replaces several older pieces of equipment by performing a combination of round, back, crash, line, headband, case-in, and build-in functions. A 73-inch Wohlenberg cutting machine, equipped with a microprocessor, was delivered in 1989, and installation began in the Blank Section. Blank Section cutters were relocated from Building 3 to Building 1 to make room for a new adhesive binder due in GPO in 1990. GPO's Bookbinder training program produced 43 operators during the year.

**Customer
Service
Department**

The Customer Service Department coordinates the requirements of Congress and Federal agencies for GPO's printing, binding, and distribution services, and provides advice and assistance to customer agencies doing business with GPO. In addition, the Department offers training programs for printing and publishing personnel, provides a typography and design service, and manages the preparation of the *Congressional Record* index.

During the year, Customer Service conducted seven sessions of the Printing Assistant Training Program and two sessions of the Editorial Planning for Printing Production seminar. Over 350 Federal personnel from throughout the Nation were familiarized with GPO's services, procedures, and facilities by attending these courses.

GPO's customer outreach program continued during the year, with Customer Service personnel involved in over 500 meetings, including 155 agency visits, with agency personnel and contractor representatives to ensure the cost-effective performance of Federal printing needs. A Customer Service recommendation based on postal regulations saved one agency \$23 million on one job alone, the largest single savings ever achieved by GPO for a customer.

As Federal agency interest in the use of CD-ROM technology continued to grow, Customer Service increased its emphasis on presenting the benefits of using GPO for data preparation, mastering, and procurement of CD-ROM products. As one result, a requisition for the procurement of the Defense Logistics Agency's Federal Logistics Data on CD-ROM was made, representing the largest procurement of this technology for the Government to date, to include file development and maintenance, mastering replication, and distribution. In addition, a combination of in-house capabilities and outside procurement will be used to fulfill the EPA's requirement for the 1987 Toxic Chemical Release Inventory on CD-ROM.

Customer Service achieved significant savings for Federal agencies during the year while improving the utilization of Central Office plant resources. Under GPO's commercial binding contract, which allows fuller utilization of GPO's press capacity, 259 jobs were printed in-house and then bound commercially. GPO's negotiated price policy for printing jobs also continued during 1989, achieving a savings of approximately \$1.4 million for customer agencies on 121 jobs. Under another negotiated price policy for negatives, which allows GPO to produce negatives at a discounted rate for commercially-procured printing, approximately 73,000 negatives were produced in-house.

Providing the highest level of assistance to Congress remained a Customer Service priority in 1989. During the year, Customer Service indexed 28,000 *Congressional Record* pages, in addition to completing preparation of the 1982 annual index and beginning work on the 1985 annual index. A Customer Service recommendation saved over \$600,000 in the production of the *Congressional Serial Set* for the 100th Congress, due to an alternative method for printing the appendix materials for the Iran-Contra report. The number of Congressional offices using dial-up composition increased from 25 to 36, employing 78 systems by yearend. Customer Service also assisted in the production of several important Congressional products during the year, including *The Senate 1789-1989: Addresses on the History of the United States Senate* and *A History of the House Ways and Means Committee*, in addition to designing products for the Bicentennial Inauguration and the Bicentennial of the Senate.

**Quality Control
and Technical
Department**

GPO's Quality Control and Technical Department develops, coordinates, and monitors quality systems for products produced and procured by GPO. These systems encompass specifications and standards, inspection and sampling, process controls, quality audits, mathematical studies and analyses, and management reports. Quality Control's ink and adhesive production facility produced over 127,000 pounds of ink and 52,000 pounds of adhesives for in-plant use in 1989.

GPO's Innovation and Development program was added to Quality Control's functions in 1989, and was assigned the task of managing GPO's metrication effort under the Omnibus Trade Act of 1988 (Pub. L. 100-418), requiring Government agencies to adopt the metric system by 1992.

Major additions were made in 1989 to Quality Control's chemical and physical testing laboratory. A new atomic absorption spectrometer was installed, enabling the laboratory to catch up on a backlog of work created by new EPA regulations governing solid waste disposal. Other new equipment included a new scanning electron microscope, a reverse osmosis water purifier, and a new microwave drying oven.

Work on GPO's Quality Assurance Through Attributes Program (QATAP) continued during the year, with revisions issued to several standards. The Association for Information and Image Management adopted GPO's QATAP standards for microforms, initiating sales of GPO's microform attributes to its members.

Quality Control provided support to the development of new paper specifications for the use of permanent papers in Government printing, and to the implementation of the new EPA guidelines on recycled paper. A cooperative effort with GPO's pressroom resulted in reducing the use of isopropyl alcohol in fountain solution from 50,000 gallons per year to less than 15,000 gallons annually. Support to customer agencies included the development of a gauge for the U.S. Postal Service to check bar codes and work with the State Department on materials for a new passport. In addition, a Quality Control recommendation on the use of 4-mil diazo microfiche saved \$80,000 for a customer agency.

**Engineering
Service**

GPO's Engineering Service supports Central Office operations through the provision of buildings maintenance and renovation, and equipment installation and service.

During 1989, GPO's engineers processed 22,000 service calls in addition to completing several significant structural improvements and equipment installations. To enhance operations, part of the Letterpress Section was relocated to the second floor of the main plant. Engineers installed a new cut-pack machine for postal card operations and a new book flow line for binding operations. New office space was constructed for the Employee Relations Branch, and facilities for the Congressional Record Index office were upgraded. Several new security cameras were also installed to increase protection for GPO employees.

Engineering took several actions in 1989 to improve GPO's compliance with environmental regulations. Plans were prepared to replace or permanently remove all GPO underground storage tanks before 1992, in compliance with EPA regulations. Design work was also completed for the removal of hazardous PCB-filled transformers, and progress was made in GPO's asbestos abatement and removal program during the year.

Maintenance and renovation work on the aging Central Office complex continued during 1989. Large areas of deteriorated concrete subfloor had to be replaced in Buildings 1 and 3, while waterproofing for the aging storage vaults under North Capitol Street and G Street neared completion. Substantial repairs to GPO's elevators were also made during the year. Other projects included the replacement of the roofs on Buildings 1 and 2, as well as the ongoing window replacement project to conserve energy. Design work was completed and bids were received for concrete repairs, painting, and window replacement for GPO's Building 4 warehouse.

Procurement

Printing Procurement Department

The Assistant Public Printer (Operations and Procurement) is responsible for the procurement of the Government's printing and binding requirements from commercial contractors, as well as all materials, supplies, paper, and equipment used by GPO's in-plant production and other office areas.

In fulfilling the Government's printing and binding needs, GPO adheres to the Governmentwide policy of utilizing private sector contractors to the maximum extent possible to obtain goods and services at the most competitive price. As a result, GPO generated about 79 percent of its total printing and binding revenue from jobs contracted out to commercial printers in 1989. GPO's list of eligible contractors increased by 5 percent to approximately 16,000 commercial printers nationwide by yearend.

GPO's Printing Procurement Department processed over 293,000 jobs valued at \$726.4 million during 1989, compared to 288,000 jobs worth \$648.3 million in 1988. Approximately 68 percent of these jobs were procured by GPO's 14 regional and 6 satellite procurement offices, with the balance procured by Central Office procurement operations. Due to an increase in the small purchase limit from \$10,000 to \$25,000, GPO was able to process procured jobs more efficiently.

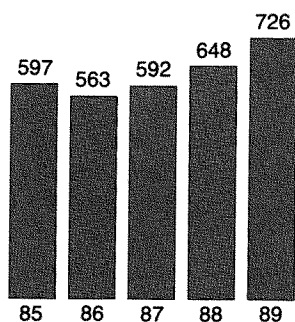
In compliance with the 1989 National Defense Authorization Act (Pub. L. 100-456), GPO established a 2-year test program to assist small disadvantaged businesses in winning printing and binding contracts for the Department of Defense. GPO worked with the Small Business Administration and several State minority development agencies to publicize the program, which initially was implemented in the Central Office, and contracts totaling \$4.3 million were awarded by yearend. The program will be expanded to GPO's regional procurement offices in 1990.

Following the completion of quality assurance activities, several contracts associated with the 1990 Decennial Census were issued in 1989. One of the Census contracts is for the printing of 86 million copies of the short form of the basic Census package, with distribution to be performed by the U.S. Postal Service to each known address in the United States. Valued at \$18 million, this contract represents the largest single award ever issued by GPO. Altogether, Printing Procurement processed \$65 million worth of printing requisitions for the 1990 Census project during 1989.

Several other major contracts were awarded or executed during the year. A contract valued at \$800,000 was awarded for the purchase of 5.6 million Personalized Earnings and Benefits Statements for the Social Security Administration. The program for Internal Revenue Service tax packages entered its second contract year with the placement of an order for almost 50 million copies valued at approximately \$8 million. In addition, Printing Procurement solicited proposals in 1989 for the creation, maintenance, and management of a publishing database for U.S. Army administrative publications, known as Program D400-S.

Purchased Printing Revenue

(In Millions of Dollars)



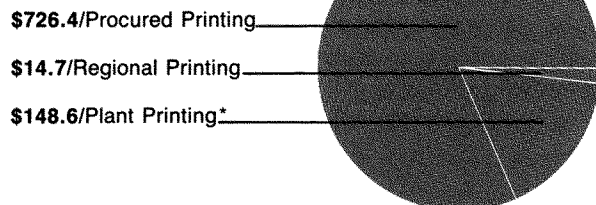
GPO's procurement procedures were revised in 1989 to require the use of recovered materials in certain papers contractors must supply, following EPA guidelines issued in June pursuant to the Resource Recovery and Conservation Act of 1976. Procurement procedures were also revised to incorporate relevant features of the Procurement Integrity Act of 1988.

Printing Procurement continued automation efforts throughout the year to expedite administrative functions and improve services to customer agencies and printing contractors. Fifty additional agencies were provided with access to GPO's Procurement Information Control System (PICS) in 1989, enabling 120 agencies at yearend to retrieve information concerning job specifications, scheduling, and status. The provision of PICS access to customer agencies outside the Washington, DC, area was enhanced with the implementation of a toll-free telephone access service.

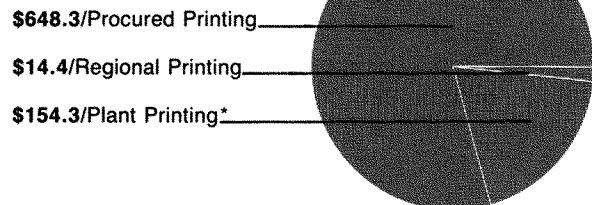
Several projects resulted in enhancements to the Department's PICS, Printing Cost Calculating System, and Automated Bid List System. In addition, a new application for an automated Government Bill of Lading System was developed and implemented. A preaward survey printout now provides contractor compliance and quality information formatted for use by contracting officers in one step, without additional information retrieval. In another project, a Small Purchase Specifications Print Program was developed as part of Printing Procurement's effort to automate as many forms as possible in the performance of contracting functions. Information captured by this program will ultimately be made available to printing contractors through the Department's electronic Bid Information Center.

During the year, the San Diego Satellite Procurement Office was relocated to new office space, and plans continued for consolidating the Chicago Regional Printing and Procurement offices, and for acquiring new space for the Columbus Regional Procurement Office. Facilities at the Hampton Regional Procurement Office were upgraded, and improved security printing features were implemented in the Denver Regional Printing and Procurement Office.

**Procured Printing vs.
In-House Work
Fiscal Year 1989
(Dollars in Millions)**



**Procured Printing vs.
In-House Work
Fiscal Year 1988
(Dollars in Millions)**



*Excludes Materials Handling and Other Operations.

**Materials
Management
Service**

GPO's Materials Management Service is responsible for purchasing necessary materials, equipment, supplies, and commercial services; leasing commercial and Federal space, and transportation services; receiving, shipping, and maintaining current inventory records of paper, envelopes, and materials and supplies; accounting for the shipment of postal cards; and providing other support to GPO operations.

For 1989, the total value of procurement activities other than printing was \$96.7 million, compared to \$106.5 million in 1988. Of this amount, \$47.1 million was for paper and paper products; \$33.2 million was for services, transportation, communications, and travel; \$11.9 million was for materials and supplies; and \$4.4 million was spent on machinery, equipment, and building appurtenances. Some of the major projects contracted for during the year included the replacement of a PCB transformer, the purchase of a new adhesive binder, asbestos removal, sidewalk demolition and replacement and waterproofing of GPO's underground vaults, and renovation of GPO's South Alley.

Income to GPO from surplus sales conducted by Materials Management included \$695,000 from wastepaper, \$186,000 from nonferrous metals, and \$92,000 from spot sales. Salvage operations involved 12.3 million pounds of wastepaper, 350,000 pounds of scrap iron, and 253,000 pounds of scrap metal and dross.

Paper purchased by the pound totaled 72.4 million pounds in 1989, while paper purchased by the sheet totaled 1.5 billion sheets. A total of 111.8 million envelopes were also purchased. During the year, the monthly average inventory of paper was 33.4 million pounds, with a high of 35.4 million pounds recorded in July and a low of 31.2 million pounds occurring in January. Price decreases for paper of 3.8 percent were reflected for the cumulative quarterly contract periods during the year.

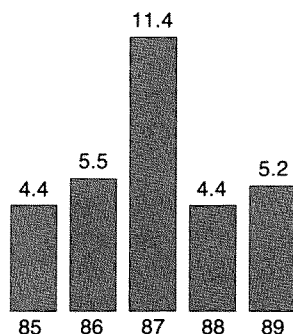
During the year, Materials Management successfully implemented the EPA guidelines governing recycled paper, under the Resource Recovery and Conservation Act of 1976. Subsequently, over 95 percent of the paper, envelopes, and containers contracted for contained at least the minimum percentage of recovered materials as specified by EPA. Materials Management also successfully implemented the purchase of paper under the JCP specifications for permanent papers.

Materials Management assumed a major role in the development of GPO's Hazardous Waste Program in 1989. Program achievements included the establishment of a hazardous waste contract and a tracking system, the creation of new internal operating procedures, re-warehousing of hazardous stock items, the procurement of personal protection and safety equipment, and training. A proposal to renovate the area housing oil, gas, and petroleum products in the Central Office plant will complete GPO compliance with EPA regulations governing hazardous wastes.

Sales of Publications Program

Net Income from Sales of Publications*

(In Millions of Dollars)



*Excludes Agency Distribution Services

The Assistant Public Printer (Superintendent of Documents) is responsible for Government information dissemination through the sale of publications, the compilation of catalogs and indexes, the distribution of publications to depository and international libraries, the distribution of publications as required by law, and distribution performed for agencies on a reimbursable basis.

Funding for Superintendent of Documents programs in 1989 included \$75.7 million in revenue from sales of publications, \$25.2 million made available by the fiscal year 1989 Salaries and Expenses Appropriation, and \$4.8 million in reimbursements from other Government agencies for distribution services. FTE utilization for all Superintendent of Documents operations was reduced from 975 to 901 in 1989, a 7.6 percent decrease. Superintendent of Documents operations distributed approximately 99 million copies of Government publications during the year, compared to 107 million copies in 1988, due to reductions in sales and depository library copies.

The Sales of Publications Program operates primarily by mail and telephone order, but publications are also distributed through the Laurel, MD, distribution outlet, the Congressional Sales Outlet in Washington, DC, through 23 bookstores nationwide, and by 61 consigned agents in other Federal agencies. The 1989 sales inventory comprised over 16,500 titles, including publications and subscriptions. In terms of revenue, the top selling titles for the year included the *Index Medicus*, the *Toxic Substances Control Act Chemical Substance Inventory*, and the *International Classification of Diseases*. Other, popular titles were *Government Auditing Standards*, *Eating to Lower Your Blood Cholesterol*, and the *Pocket Guide to Chemical Hazards*. The prices for publications are established by law, at cost as determined by the Public Printer plus 50 percent.

During the year, approximately 67 percent of Sales Program customers were businesses. The remainder were private individuals (24 percent) and various government and academic customers (9 percent). Publications comprised 76 percent of total orders, while subscriptions made up the other 24 percent. About 81 percent of all orders came in by telephone and mail. The remaining 19 percent were walk-ins at GPO's bookstores and the retail sales and Congressional sales outlets.

In 1989 the Sales Program produced revenues of \$75.7 million at a cost of \$70.5 million, resulting in a net income of \$5.2 million, an 18 percent increase over 1988. This was the eighth consecutive year that the Program generated a healthy net income.

The total number of orders for the Sales Program increased to 1.9 million from 1.8 million the previous year. Order activity was particularly strong in the subscription and Consumer Information areas. GPO's Low Priced Publications Project, operated at the Pueblo, CO, Distribution Center, increased orders from 277,000 the previous year to 288,000 in 1989. This project continues to provide small, consumer-oriented publications to the general public at a price of 50 cents each. The total number of copies sold by the Sales Program decreased, however, from 27 million in 1988 to 25 million in 1989.

Of particular concern was the continued decline in the number of copies of the *Commerce Business Daily* sold during the year, dropping to under 39,000 by yearend from 46,000 the previous year. Over the last 2 years combined, the number of *Commerce Business Daily* subscriptions has fallen 26 percent. The decline is attributable to increased competition from tailored, commercially-printed products and commercial on-line database services.

Sales of Government information in magnetic tape format increased by 3 percent to \$595,000 by yearend, compared to \$578,000 in 1988. Seven subscription products and 21 different publications are currently offered in this format, including the *Congressional Record*, the *Federal Register*, the *Budget of the United States Government*, and the *Monthly Catalog of U.S. Government Publications*. Future sales offerings will include selected Government publications in CD-ROM format.

Total sales revenue for all GPO bookstores in 1989 was \$12.8 million, a 2 percent decrease from the previous year. However, the number of customers served by the bookstores was up by 2.8 percent to approximately 352,000. GPO continued to improve the accessibility of the bookstores to the public during the year, moving the Houston bookstore into a new downtown location and the Boston bookstore into a new Federal building. The Portland, OR, bookstore completed its first full year of operation, surpassing nine other existing bookstores in the number of customers served. Consigned agent sales were approximately \$1.4 million in 1989.

Progress was made in recruiting distributors for U.S. Government publications overseas in 1989. Cooperation with the U.S. Information Agency's Books Abroad Program continued during the year, with exhibits of GPO sales titles mounted at international bookfairs in Frankfurt, Edinburgh, and Belgrade. Each exhibit comprised a display of approximately 125 subscriptions and publications, along with catalogs and bibliographic and order materials. The territory for GPO's distributor for the Hijaz region of Saudi Arabia was expanded to include the entire country, and a formal distribution agreement was concluded with GPO's distributor for the United Kingdom.

Cash management practices in the Sales Program were significantly improved during 1989 through participation in the Treasury Department's Cash Management Program. Utilization of the Treasury's cash concentration system, credit card collection network, and lockbox network services improved operating efficiency and reduced costs. These services are provided by Treasury at no cost to GPO.

Cash collection was accelerated and the opportunities for loss or theft were reduced significantly by participation in the Treasury program. By yearend, 19 bookstores and the Laurel distribution outlet had begun depositing daily collections in Treasury General Accounts maintained by commercial banks or in Federal Reserve or Branch banks, eliminating the mailing of cash collections to GPO's Central Office. Total bookstore participation will be implemented in 1990. This new cash collection system could save the Government \$97,000 annually when fully operational.

The Sales Program's popular credit card services were improved by participation in the Treasury's credit card collection network, which in 1989 assumed the costs of credit card processing that formerly were paid by GPO. This service will save GPO approximately \$170,000 per year, based on the value of bank processing fees paid by GPO in 1988.

In February, GPO began participation in Treasury's lockbox network with a pilot application for subscriptions to the newly formatted *International Classification of Diseases*, Volumes 1 and 2 (*ICD*). Operating from a lockbox bank selected by Treasury, this service set a precedent for future subscription order processing by the Sales Program. Orders for the *ICD* were received at the lockbox, monies were deposited daily into the Treasury under GPO's account, and data entry was accomplished daily by the lockbox bank. Provisions were also made for rapid transfer of order data to the Central Office. In 1989, the service handled orders for over 78,000 subscriptions, resulting in deposits of over \$2.8 million to GPO's lockbox account. This workload could not have been handled in-house. Since that time, a second lockbox has been opened for the sale of tax forms and a third will be opened in early 1990 for subscription renewal orders. Lockbox utilization has improved efficiency and customer service and reduced customer complaints. Continued use of this service is projected to save an estimated \$764,000 per year.

GPO's Marketing specialists continued to increase public awareness of Government information available through the Sales Program during 1989. A total of 475,000 copies of the *U.S. Government Books* catalog of new and popular sales publications were produced during the year. On the average, 55,000 copies of each bimonthly *New Books* list were distributed to a mailing list of librarians and other professional users to inform them about new Government publications entering the Sales Program. Marketing's Product Publicity Release Program, which disseminates information about new publications to trade and professional magazines, journals, and newsletters, issued 93 releases in 1989, and the "We're Glad You Asked" program of replies to inquiries generated by reader response cards saw increased activity over 1988. Other programs, including Marketing's *Books for Professionals* series of direct mail fliers and the use of Priority Announcements, also were effective in bringing selected and new publications to the public's attention.

Marketing's Public Service Announcement (PSA) campaign also continued in 1989. One of the television PSA's created in 1987 to increase public awareness of the Sales Program was redistributed to cable TV stations nationwide during the year, resulting in the contribution of 37 broadcast hours of free air time by 77 cable systems. Several newspapers and magazines also continued to use print PSA's originally distributed in 1988. Altogether, approximately 54,000 requests for GPO's *U.S. Government Books* catalog were generated by the PSA campaign, although this number decreased from the previous year. The production of new broadcast and print PSA's will offset further declines in public response.

Depository Library Program

Marketing continued efforts to promote specific publications cooperatively during the year, increasing to 22 the number of agency publishers participating in this program to distribute the costs of publications promotion between GPO and publishing agencies. Distribution of GPO's mail lists to non-Government organizations for one-time use also continued. In addition, several projects to increase public awareness of GPO's bookstores were undertaken in 1989, and Marketing exhibited Government publications at several conferences and conventions attended during the year.

The Depository Library Program distributes Government publications for the free use of the public to libraries designated as Government depositories by law. At yearend there were 1,396 depository libraries. Eight libraries were added to the Program during the year and six were dropped. An additional Regional Library was created, making a total of 54 Regional Depository Libraries.

During 1989, 27 million copies of 68,000 titles were distributed to depository libraries by GPO and by the Department of Energy and the U.S. Geological Survey operating under depository distribution agreements with GPO. This compares to a total distribution of 18 million copies of 50,000 titles in 1988. The increase for 1989 signifies a restoration of Program activity in microfiche distribution. Despite continued difficulties in the first half of the year resulting from the default of GPO's primary microfiche contractor in 1987, microfiche distribution improved significantly in the second half of 1989. By yearend, approximately 42,600 titles were distributed in microfiche by the Program, up dramatically from approximately 25,600 titles during 1988.

The National Ocean Service merged its map depository system with the Depository Library Program in 1989. In addition, an interagency agreement was signed with the Defense Mapping Agency for the distribution of aeronautical, hydrographic, and topographic maps to depository libraries beginning in 1990.

The Superintendent of Documents' Information Technology Program made significant progress in 1989 in the dissemination of Government information in electronic formats to depository libraries. The first of five electronic dissemination pilot projects was implemented with the successful distribution of selected Census data on CD-ROM. Two other pilot projects utilizing CD-ROM formats will be introduced in the near future, involving the 1985 bound *Congressional Record* and the EPA Toxic Release Inventory database. Preliminary planning was also completed for the first of two pilot projects involving on-line database dissemination to depository libraries. In cooperation with the Department of Commerce, 100 libraries will be provided with access to an electronic bulletin board featuring high-interest statistics and economic news. To ensure that sufficient information is generated to help Congress and GPO chart the future of electronic dissemination to depository libraries, staff of the General Accounting Office have been participating in the conduct of these pilot projects.

In 1989, several Marketing efforts were devoted to increasing public awareness of the availability of Government publications through the Depository Library Program. A new order form listing all depository library promotional materials

was produced and distributed to depository librarians, resulting in substantial orders for the *Directory of Depository Libraries*, bookmarks, brochures, and other items. Three TV PSA's promoting the Program were redistributed to cable TV systems nationwide, resulting in 37 broadcast hours of free air time by 71 systems. As with the Sales Program, the production and distribution of new broadcast and print PSA's promoting the Depository Library Program will result in an increase in PSA exposure.

Cataloging and Indexing Program

The Superintendent of Documents indexes and classifies Government publications and prepares the *Monthly Catalog of U.S. Government Publications*, which is a comprehensive listing of these documents. During the year, approximately 107,000 publications were received for classification, continuing the downward trend in receipts of the past several years. Of the work received, 44,400 publications were identified as duplicates and removed from processing, and 62,000 were assigned classification numbers. Approximately 29,000 publications were received for cataloging during the year, up from 25,000 in 1988. A total of 27,000 were cataloged and 200 duplicates were identified and removed from processing. At yearend, the backlog of publications awaiting cataloging and indexing stood at approximately 8,000.

Statutory and Agency Distribution Programs

During 1989 the Superintendent of Documents received 4.7 million copies of publications which were distributed free in accordance with statutory requirements, compared to 6.4 million copies in 1988. In addition, approximately 25.8 million copies of publications were received and mailed on behalf of other Government agencies, generating \$4.8 million in reimbursements from customer agencies, compared to 24.9 million copies distributed in 1988.

The largest reimbursable operation is the Consumer Information Center (CIC), which is located at GPO's Public Documents Distribution Center in Pueblo, CO. In 1989, 19.7 million free and paid consumer publications were distributed on behalf of the General Services Administration through this facility, compared to 20.7 million copies in 1988.

International Exchange Program

Under international treaty, the International Exchange Program provides for the distribution of Government publications to foreign libraries around the world in exchange for copies of similar publications produced by their governments which are distributed to the Library of Congress. The Library administers this Program and the Superintendent of Documents distributes the publications. Approximately 661,000 publications were distributed to 66 foreign libraries in 1989, compared to a total distribution of 274,000 publications to the same number of libraries in 1988.

Administration and Resources Management

The Assistant Public Printer (Administration and Resources Management) is responsible for GPO's information and personnel management, labor-management relations, occupational and environmental health and safety, security, administrative support, and equal employment opportunity programs. In 1989, GPO's Financial Management Service was transferred from this area to the Assistant Public Printer (Finance and Planning), and the Office of Human Resources was abolished.

Office of Information Resources Management

The Office of Information Resources Management (OIRM) provides information automation services to all GPO areas. During 1989, several existing systems were significantly upgraded. The Automated Postal Card System was modified to generate shipping labels and manifests in a predetermined ZIP Code sequence, and the Automated Bid List System was revised to conform to the new product codes and subcategories in questionnaires sent to GPO's printing contractors.

Programs and procedures were revised to enable the Sales of Publications Program to use the Treasury Department's Cash Management Program. The Materials Management Procurement and Control System was modified to track purchases of recycled paper to comply with EPA reporting guidelines.

A major accomplishment was the acquisition of an AMDAHL Model 5880 main-frame computer as an interim replacement for GPO's IBM 3081 central processing unit. Four tape cartridge drives were installed in OIRM's Data Center, greatly increasing reliability. A contract for a new long distance telephone service was awarded, and negotiations were initiated to develop a master contract from which each Legislative Branch agency can order long distance service. It is estimated that GPO will save \$615,000 per year over current service and \$146,000 over projected FTS-2000 service. During the year, OIRM also enhanced management control and use of GPO's Data Automation Plan, made major progress on the development of a new telecommunications system, and established an Information Technology Center to aid office automation efforts throughout GPO.

Security and Support Services

The Security and Support Services are responsible for GPO's law enforcement, physical and information security, and administrative support functions. During the year, a new automated cardkey security alarm and access control system was installed in the Uniformed Police Branch. The use of metal detectors was implemented to strengthen control over building access, and an X-ray unit to screen shipments of materials to the U.S. Capitol was put into operation. GPO's computer security program was brought into compliance with the Computer Security Act of 1987, and GPO's police officers were granted a special salary increase, which should aid in future recruiting efforts.

The GPO Directives Management System was expanded in 1989, and the Internal Printing Management Program was established to improve internal printing and binding services. The GPO Mail Manual, which prescribes policies and procedures for managing Government penalty mail sent through the U.S. Postal Service, was published, in addition to a consolidated Travel Regulations handbook. A test of GPO's interoffice mail delivery system indicated that 73 percent

of the mail is delivered within 8 hours; mail for the Printing Procurement Department, comprising parcels and proofs going to and from GPO's printing contractors, is picked up or delivered within the Central Office complex in under 2 hours.

Personnel Service

GPO's Personnel Service is responsible for GPO's personnel management programs, including policy development, recruiting and staffing, career development, and position classification. During the year, several proposals to reconstruct GPO's Merit Promotion System were developed and forwarded for presentation to the Joint Council of Unions. The Policy and Evaluation Staff developed a Drug-Free Workplace Program, following guidelines issued by the Department of Health and Human Services and the Office of Personnel Management (OPM), to bring GPO into compliance with the drug-free workplace requirements of the 1989 Treasury, Postal, and General Government Appropriations Act. At yearend, the terms of this program were being negotiated with representatives of GPO's collective bargaining units.

In the Employment Branch, the Printing Specialist College Recruitment Program was emphasized, and visits to 25 colleges resulted in 20 accepted job offers by yearend. The library/automated database for vacancy announcements was expanded, and a facsimile machine to facilitate communications with GPO regional offices and with OPM was installed. In addition, a staffing section dedicated to serving the regional offices was created. The Computer Lab in the Career Development Branch became fully operational in 1989, and 448 employees received training on a number of personal computer software packages. The Branch published the first quarterly listing of available in-house training, and created or revised several apprentice programs. About 60 employees entered apprenticeships during the year.

Labor and Employee Relations Service

The Labor and Employee Relations Service administers GPO's labor-management and employee relations programs. Under the terms of the Kiess Act provisions of Title 44, in 1988 GPO was directed by the JCP to negotiate the wages of Central Office employees in bargaining units represented by the American Federation of Government Employees. After protracted negotiations involving the Labor-Management Relations Branch, a wage settlement was approved by the JCP in 1989. Other Branch activities included the Joint Labor-Management Safety Committee, negotiations on apprentice programs, and negotiating the terms and conditions of GPO's drug-free workplace program.

In 1989, the Employee Relations Branch experienced the first decline in adverse actions processed in the several years such records have been maintained. It administered GPO's Combined Federal Campaign effort, which exceeded its goal by over \$29,000 in 1989, or 16 percent. A highly successful initiative of the Employee Programs Branch was the "Buck-A-Day" suggestion enhancement program, which cost about \$10,000 to implement and produced over \$48,000 in savings in its first 6 weeks of operation.

**Equal
Employment
Opportunity
Service**

The Equal Employment Opportunity Service (EEO) assists GPO management in adhering to laws, regulations, and policies concerning equal employment opportunity for employees and applicants for employment. EEO administers the discrimination complaint system, provides counseling services, and evaluates EEO plans and programs throughout GPO. A major achievement during 1989 was the approval by the Equal Employment Opportunity Commission of GPO's Multi-Year Affirmative Employment Program Plan covering fiscal years 1988-1991. EEO completed its first full year of scheduled evaluations among GPO regional offices. In addition, the evaluation teams conducted a series of training sessions for regional employees and managers on the recognition and prevention of sexual harassment.

**Occupational
Health and
Environmental
Services**

The Occupational Health and Environmental Services (OHES) focused on prevention, legal compliance, and systemization during 1989. For example, OHES sponsored a Drug Awareness Week program for GPO employees. Dr. Robert DuPont, former Director of the National Institute on Drug Abuse, and ex-Washington Redskin Tony McGee spoke at the opening ceremonies. Other OHES activities included a mammogram program and the 2d Annual GPO Health Fair.

The Safety Branch developed an automated Plant Emergency Organization roster and coordinated production of a training video on hand safety. Other concerns of the Branch included Clean Air Act compliance as required by the District of Columbia Government, monitoring asbestos removal, and managing hazardous waste, including contract removal of biomedical waste.

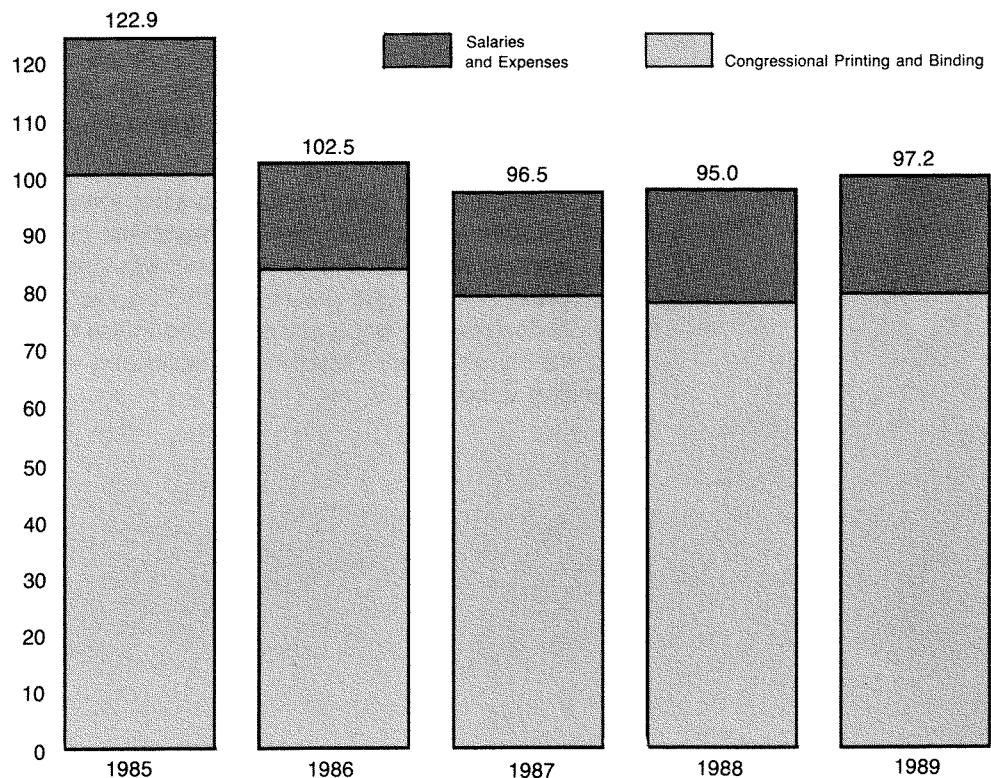
Finance and Planning

The Assistant Public Printer (Finance and Planning) serves as GPO's chief financial officer and represents GPO in all financial matters before the House and Senate Appropriations Committees, the JCP, the Office of Management and Budget, and other external agencies and departments. The Assistant Public Printer also oversees the provision of analytical services to GPO's Management Resources Committee (MRC), which reviews and approves major expenditure proposals. The Finance and Planning area was expanded in 1989 with the addition of GPO's Financial Management Service and the establishment of a Strategic Planning Division.

The Office of Planning provides support to GPO management in budget formulation and execution, analysis of financial performance, development of financial policies, and analysis of major expenditure proposals submitted to the MRC. Broad managerial input to the financial plan was augmented this year through a series of meetings held early in the budget formulation process. The timetables for major GPO planning-related functions were more closely coordinated and scheduling was improved, including the development of the internal expense budget, the processing of annual purchase orders, and the development of GPO's capital expenditures budget.

GPO Appropriations and Transfers

Millions of Dollars



Planning prepared and coordinated the presentation of GPO's fiscal year 1990 appropriations request before the House and Senate Subcommittees on Legislative Branch Appropriations. The request was for \$110.4 million, including \$84.9 million for the Congressional Printing and Binding Appropriation and \$25.5 million for the Superintendent of Documents' Salaries and Expenses Appropriation. In addition, the request package contained a variety of administrative proposals to provide GPO with additional authorities and otherwise clarify the intent of Title 44 provisions affecting GPO. Final Congressional action on the request resulted in total appropriations of \$98.4 million. This included \$74.2 million for Congressional Printing and Binding, and \$16.3 million for Salaries and Expenses in addition to transfers totaling \$7.9 million resulting from net income generated by the Superintendent of Documents' Sales of Publications Program in fiscal years 1988 and 1989. Most of the administrative proposals in the request package were approved.

Planning is responsible for overseeing the execution of budget and spending priorities in accordance with Congressional policy. A key policy governing GPO expenditures is the statutory limitation on employment of FTE's. For fiscal year 1989, the FTE ceiling was 5,117; the ceiling approved for fiscal year 1990 is 5,000. The Assistant Public Printer (Finance and Planning) is responsible for proposing allocations of FTE's throughout GPO to the Public Printer and for monitoring their use.

Planning also provides essential staff support to the MRC by performing cost/benefit analyses on spending proposals requiring MRC approval. During the year, the staff analyzed 194 expenditure requests, totaling \$45.6 million. Of this amount, 26 requests totaling \$3.9 million were fully authorized by yearend, including approvals where necessary by the JCP. In addition, \$43.9 million in annual purchase requests and \$2.3 million in other purchase requests were reviewed by the staff.

GPO re-established a centralized planning function in July to coordinate management efforts to upgrade conventional printing and dissemination services, expand the provision of electronic services, and reduce costs. Focusing on the concept of strategic planning, GPO's objectives were organized to address the challenges and opportunities raised in the OTA report on information dissemination, and work began on consolidating all GPO-wide goals into a single planning document.

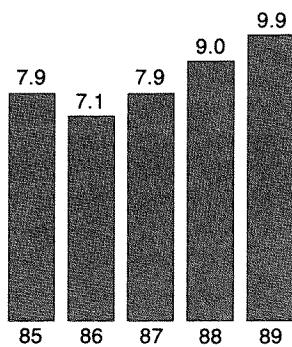
**Office of
Financial
Management**

Major efforts by GPO's Office of Financial Management were undertaken in 1989 to improve GPO's cash management program, focusing on the reduction of accounts receivable and expedited debt recovery. An aggressive collection effort resulted in a decrease in the value of delinquent invoices by more than \$5 million by yearend, and automation improvements to GPO's Voucher Order Processing and Payment System will expedite recovering funds due the Government. GPO improved its cash position during the year, increasing the average balance by \$10 million, or 20 percent. Cash discounts taken increased to \$10 million by yearend, compared to \$9 million in 1988.

Other Financial Management efforts were devoted to the elimination of forms and manual processing during 1989. Arrangements were finalized for the implementation of electronic funds transfer for employee paychecks and savings allotments, and several improvements were made for the computer generation of selected payroll forms. A database application was developed to automate the accrual and posting of payments for Government Bills of Lading, replacing an entirely manual operation. A substantial effort was also begun to encourage GPO's customer agencies to accept magnetic billing tapes instead of paper invoices, which will significantly reduce costs and improve the processing of customer billings. Other automation efforts were focused on the time, attendance, and leave system, on the employee awards system, and on the development of a new payroll system.

A new scale of prices was developed and implemented for the Chicago Regional Printing Office. New rates were also developed for individual magnetic tapes and for tape subscriptions available through the Sales of Publications Program, and rates were added for four-color work which can be produced on GPO's four-color postal card press. In addition, all term contracts for paper contain a new adjustment clause allowing a monthly adjustment after the first 3 months.

**Discounts Taken On
Commercial Printing**
(In Millions of Dollars)



Financial Statements

Consolidated Balance Sheet

As of September 30, 1989, and 1988 (Notes 1 and 2) (in thousands of dollars)

Assets	1989	1988
Current Assets:		
Cash:		
On-hand and in-transit	\$ 1,024	\$ 1,150
Revolving Fund	128,420	114,909
Appropriations	34,258	32,796
Accounts receivable (Note 3)	250,954	218,147
Inventories:		
Publications for sale, net (Note 4)	13,006	12,185
Paper	17,918	15,410
Materials and supplies	10,768	8,769
Total Current Assets	<u>\$456,348</u>	<u>\$403,366</u>
Property, Plant, and Equipment (Note 5):		
Land and buildings	18,648	18,648
Equipment and building improvements	113,980	111,887
	132,628	130,535
Less: accumulated depreciation	(79,520)	(76,486)
Net Property, Plant, and Equipment		
	53,108	54,049
Total Assets	<u><u>\$509,456</u></u>	<u><u>\$457,415</u></u>

The accompanying notes are an integral part of these financial statements.

Liabilities and Investment	1989	1988
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Current Liabilities:		
Accounts payable (Note 6)	\$101,922	\$ 82,463
Advances from customers (Note 7)	69,261	34,993
Accrued salaries, wages, benefits and other withholdings	4,371	4,156
State and local payroll taxes	<u>2,188</u>	<u>1,233</u>
Total Current Liabilities	<u>\$177,742</u>	<u>\$122,845</u>
Other Liabilities:		
Accrued annual leave	10,354	10,064
Excess receipts from sales of publications, due U.S. Treasury (Note 8)	<u>2,262</u>	<u>4,439</u>
Total Other Liabilities	<u>\$ 12,616</u>	<u>\$ 14,503</u>
Total Liabilities	<u>\$190,358</u>	<u>\$137,348</u>
Investment of U.S. Government:		
Appropriations:		
Unliquidated obligations	<u>33,357</u>	<u>33,996</u>
Revolving Fund:		
Contributed capital (Note 9)	110,051	110,236
Retained earnings	168,313	164,411
Reserved for intra-office funding (Note 8)	<u>7,377</u>	<u>11,424</u>
Total Revolving Fund	<u>\$285,741</u>	<u>\$286,071</u>
Total Investment	<u>\$319,098</u>	<u>\$320,067</u>
Total Liabilities and Investment	<u><u>\$509,456</u></u>	<u><u>\$457,415</u></u>

Consolidated Statement of Revenue and Expenses by Function and Retained Earnings

Fiscal Years 1989 and 1988 (Notes 1 and 2) (in thousands of dollars)

	Printing and Binding		
	In-House Printing	Purchased Printing	Total
Revenue:			
Printing and Binding	\$226,530	\$726,363	\$952,893
Sales of Publications	—	—	—
Appropriations	—	—	—
Reimbursements	—	—	—
Total Revenue	<u>\$226,530</u>	<u>\$726,363</u>	<u>\$952,893</u>
Expenses:			
Personnel compensation and benefits	\$148,284	\$30,000	\$178,284
Travel and transportation	697	2,374	3,071
Rents, communications and utilities	11,104	2,617	13,721
Printing and reproduction	—	682,492	682,492
Other services	3,116	688	3,804
Supplies and materials	60,606	1,042	61,648
Depreciation	5,412	641	6,053
Publications sold	—	—	—
Unsaleable publications	—	—	—
Total Expenses	<u>\$229,219</u>	<u>\$719,854</u>	<u>\$949,073</u>
Net Income or (Loss)	<u>(\$ 2,689)</u>	<u>\$ 6,509</u>	<u>\$ 3,820</u>

Retained Earnings, Beginning of Fiscal Year

Retained Earnings Before Payable to U.S. Treasury

Less:

Excess receipts from sales of publications, due U.S. Treasury

Retained Earnings, End of Fiscal Year

The accompanying notes are an integral part of these financial statements.

Information Dissemination					Total GPO	
Sales of Publications	Agency Distribution Services	Salaries and Expenses	Total	Eliminations	1989	1988
—	—	—	—	(\$ 36,869)	\$ 916,024	\$843,798
75,695	—	—	\$ 75,695	—	75,695	71,751
—	—	\$22,858	22,858	(359)	22,499	21,092
—	\$4,821	—	4,821	—	4,821	4,895
\$75,695	\$4,821	\$22,858	\$103,374	(\$37,228)	\$1,019,039	\$941,536
\$ 27,043	\$2,766	\$ 7,231	\$ 37,040	(\$ 3,223)	\$ 212,101	\$205,853
1,322	46	433	1,801	—	4,872	3,647
13,346	1,502	2,439	17,287	(578)	30,430	32,012
1,207	115	11,564	12,886	(32,737)	662,641	590,688
1,191	106	500	1,797	(483)	5,118	3,531
1,798	182	479	2,459	(207)	63,900	61,491
204	22	212	438	—	6,491	6,646
19,851	—	—	19,851	—	19,851	16,384
4,533	—	—	4,533	—	4,533	4,898
\$70,495	\$4,739	\$22,858	\$ 98,092	(\$37,228)	\$1,009,937	\$925,150
\$ 5,200	\$ 82	—	\$ 5,282	—	\$ 9,102	\$ 16,386
					\$ 164,411	\$152,464
					\$ 173,513	\$168,850
					(5,200)	(4,439)
					\$ 168,313	\$164,411

Consolidated Statement of Changes in Financial Position

Fiscal Years Ended September 30, 1989, and 1988 (Notes 1 and 2)
(in thousands of dollars)

	1989	1988
Funds Provided:		
Net Income	\$ 9,102	\$ 16,386
Add expenses not requiring working capital:		
Depreciation	6,491	6,646
Total Funds Provided by Operations	15,593	23,032
Book value of retired assets	67	209
Appropriations	85,731	89,521
Reimbursements to Appropriation	—	4,895
Increase in accrued annual leave	290	1,060
Total Funds Provided	\$101,681	\$118,717
Funds Applied:		
Purchase of fixed assets	5,804	5,019
Funds returned to U.S. Treasury from appropriations	—	5,155
Expended Appropriations (Note 10)	97,794	106,290
Total Funds Applied	\$103,598	\$116,464
Increase (Decrease) in Working Capital	(\$ 1,917)	\$ 2,253

Changes in Working Capital

Current Assets:

Cash:		
On-hand and in-transit	(\$ 126)	(\$ 710)
Revolving Fund	13,511	20,344
Appropriations	1,462	(13,475)
Accounts receivable	32,807	(18,039)
Publications for sale	821	(29)
Paper	2,508	2,995
Materials and supplies	1,999	339

Current Liabilities:

Accounts payable	(19,459)	5,234
Advances from customers	(34,268)	122
Accrued salaries, wages, benefits and other withholdings	(216)	5,883
State and local payroll taxes	(956)	(411)

Increase (Decrease) in Working Capital	(\$ 1,917)	\$ 2,253
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The accompanying notes are an integral part of these financial statements.

Status of Appropriated Funds

Fiscal Years Ended September 30, 1989, and 1988 (Notes 1 and 2)
(in thousands of dollars)

	Congressional Printing and Binding	Printing and Binding	Salaries and Expenses	Total Appropriated Funds	
				1989	1988
Status of Appropriations, Beginning of Fiscal Year	\$11,308	\$3,063	\$18,425	\$ 32,796	\$ 46,271
Funds Provided:					
Appropriations	72,000	—	13,731	85,731	89,521
Intra-Office Funding	—	—	11,424	11,424	5,500
Reimbursements	—	—	—	—	4,895
Total Funds Available	\$83,308	\$3,063	\$43,580	\$129,951	\$146,187
Funds Applied:					
Obligated appropriations:					
Current Fiscal Year	59,999	—	15,905	75,904	84,029
Prior Fiscal Years	10,267	3,063	6,459	19,789	24,207
Funds returned to U.S. Treasury	—	—	—	—	5,155
Total Funds Applied	\$70,266	\$3,063	\$22,364	\$ 95,693	\$113,391
Status of Appropriations, End of Fiscal Year	\$13,042	—	\$21,216	\$ 34,258	\$ 32,796

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

As of September 30, 1989, and September 30, 1988

(1) Organization

The Government Printing Office (GPO) provides printing, binding, and distribution services to the Congress and Federal agencies and distributes publications to the public. Title 44 of the U.S. Code authorizes the GPO Revolving Fund to finance these operations. The Revolving Fund is reimbursed by payments from agencies, receipts from sales of publications, and by transfers from the Salaries and Expenses, Congressional Printing and Binding, and prior year Printing and Binding Appropriations. In accordance with Pub. L. 100-458, for fiscal year 1989 Agency Distribution Services became part of the Revolving Fund. For prior years this program was included in the Salaries and Expenses Appropriation.

Beginning in fiscal year 1988, the Printing and Binding and the Congressional Printing and Binding Appropriations were combined into one appropriation. This appropriation is for printing and binding performed directly for Congress and for printing and binding of publications authorized by law to be distributed without charge to recipients.

The Salaries and Expenses Appropriation is for necessary expenses incurred by the Superintendent of Document for depository library, international exchange, and other statutory distribution of publications, and for the cataloging and indexing of Government publications.

(2) Summary of Significant Accounting Policies

Principles of Consolidation—The consolidated financial statements include all GPO funds. Inter-fund and inter-operational transactions and balances have been eliminated.

Basis of Accounting—Assets, liabilities, revenue, and expenses are recognized on the accrual basis of accounting following generally accepted accounting principles and the associated principles of fund accounting. During fiscal year 1989, the method of determining the liability for publications received but not billed at yearend was changed. The effect of this change on the financial statements was immaterial.

Expense Allocations—General and administrative expenses have been distributed among the various expense categories. To the extent practicable, general and administrative expenses were allocated to the various programs based on the estimated level of effort associated with each program.

Revenue Recognition—Printing and binding revenue is recognized on the basis of work performed by GPO due to the fact that all printing and binding work is required by law to be reimbursed on the basis of services rendered. Revenue from commercially-procured printing and binding is recognized on the constructive-receipt concept. Revenue from distributing and selling publications to the public is recognized when publications have been shipped, or when services have been performed.

Inventories—Publications for sale are valued using the first-in, first-out cost method. The allowance for unsaleable publications is established to estimate the value of potentially obsolete publications held in inventory at fiscal yearend. Paper, materials and supplies are valued using the moving-average cost method.

Property, Plant, and Equipment—Property, plant, and equipment are carried at cost. Expenditures which substantially increase the useful life of the assets are capitalized. Maintenance and repairs are expensed as incurred. Depreciation is computed using the straight-line method with estimated useful lives ranging from 42 to 50 years for buildings and from 3 to 30 years for machinery and equipment and building improvements. Depreciation expense for machinery and equipment and building improvements is recovered from billings to customer agencies. Buildings and structures have been paid from Legislative Branch appropriations. Accordingly, depreciation is recorded but not reimbursed on these items.

Intra-Office Funding—The Salaries and Expenses Appropriation was funded in part by excess receipts derived from sales of publications. Pursuant to Pub. L. 100-458 this type of funding provided \$11,424,000 to the Appropriation in fiscal year 1989. For fiscal year 1990, Pub. L. 101-163 and Pub. L. 101-164 will provide the Salaries and Expenses Appropriation \$7,377,000 from the sale of publications, and \$513,000 from the sale of land.

Pensions—GPO employees are covered by the Civil Service Retirement and Disability Fund, the Federal Old-Age, Survivor, and Disability Insurance Fund, and/or the Federal Employee Retirement Fund. Consequently, GPO is responsible for withholding the required percentage from each employee's salary and for contributing to the funds. GPO's contributions were \$13,723,000 and \$12,645,000 in 1989 and 1988, respectively.

Prior Period Adjustment—The prior period adjustment to excess receipts results from decreasing Deferred Subscription Revenue by \$640,000. This amount represents the value of subscriptions that were actually shipped in fiscal year 1988, but the appropriate revenue was not recognized. In accordance with Generally Accepted Accounting Principles, retained earnings at September 30, 1988, have been adjusted and comparative data recast to reflect the correction.

(3) Accounts Receivable

Accounts receivable comprised the following:

	September 30	
	1989	1988
U.S. Government agencies	\$ 34,548,000	\$ 35,285,000
Unbilled completed work	159,986,000	121,588,000
Unbilled work in process	53,030,000	59,324,000
Other	3,390,000	1,950,000
Totals	\$250,954,000	\$218,147,000

(4) Inventory—Publications for Sale, Net

Publications for sale, net, comprised the following:

	September 30	
	1989	1988
Publications for sale	\$ 16,506,000	\$ 15,585,000
Allowance for unsaleable publications	(3,500,000)	(3,400,000)
Publications for sale, net	\$13,006,000	\$12,185,000

(5) Property, Plant, and Equipment

Property, plant, and equipment consist of the following:

	September 30			
	Acquisition Value	Accumulated Depreciation	Net Book Value	Net Book Value
Land	\$ 9,992,000	—	\$ 9,992,000	\$ 9,992,000
Buildings	8,656,000	\$ 8,631,000	25,000	101,000
Building improvements	35,621,000	17,668,000	17,953,000	18,250,000
Leasehold improvements	824,000	175,000	649,000	671,000
Plant machinery and equipment	67,368,000	46,027,000	21,341,000	22,702,000
Office machinery and equipment	8,305,000	5,835,000	2,470,000	1,832,000
Computer software	420,000	315,000	105,000	10,000
Furniture and fixtures	349,000	205,000	144,000	58,000
Motor vehicles	746,000	664,000	82,000	109,000
Capital improvements in progress	347,000	—	347,000	324,000
Totals	\$132,628,000	\$79,520,000	\$53,108,000	\$54,049,000

(6) Accounts Payable

Accounts payable comprised the following:

Category	September 30	
	1989	1988
Commercial printing	\$ 88,770,000	\$ 71,090,000
U.S. Government agencies	7,649,000	6,538,000
Other	5,503,000	4,835,000
Totals	<u>\$101,922,000</u>	<u>\$82,463,000</u>

(7) Advances from Customers

Advances from customers comprised the following:

Category	September 30	
	1989	1988
Advanced billings to customer agencies *	\$ 38,222,000	\$ 6,127,000
Customer deposits for publication orders	8,308,000	8,314,000
Deferred subscription revenue	20,338,000	17,895,000
Undelivered publication orders	2,393,000	2,657,000
Totals	<u>\$69,261,000</u>	<u>\$34,993,000</u>

* Fiscal year 1989 includes \$33,304,000 advanced from the Bureau of the Census for printing and reproduction services related to the 1990 Decennial Census.

(8) Amount Due U.S. Treasury

Title 44 requires GPO to deposit in the U.S. Treasury excess receipts from sales of publications. The amount due the U.S. Treasury as of September 30, 1989, was determined as follows:

Amount due U.S. Treasury, September 30, 1988	\$ 3,799,000
Prior Period Adjustment to Excess Receipts	640,000
Fiscal Year 1989 Excess Receipts	5,200,000
Amount of Excess Receipts to be used to finance Fiscal Year 1990 Salaries and Expenses	
Appropriation as per Public Laws 101-163 and 101-164	(7,377,000)
Amount Due U.S. Treasury, September 30, 1989	<u>\$2,262,000</u>

(9) Contributed Capital

Contributed capital was derived from the following:

Contributed Capital	September 30	
	1989	1988
Beginning net worth when the Revolving Fund was established	\$ 33,807,000	\$ 33,807,000
Book value of contributed buildings and land	454,000	530,000
Appropriations for improvements to air conditioning and electrical systems	12,900,000	12,900,000
Appropriations for working capital and site acquisition	62,600,000	62,600,000
Donated equipment	290,000	399,000
Totals	\$110,051,000	\$110,236,000

(10) Expended Appropriations

Expended appropriations were as follows:

Programs	September 30	
	1989	1988
Congressional Printing and Binding	\$ 71,890,000	\$ 77,642,000
Printing and Binding	3,063,000	2,235,000
Depository library distribution	19,332,000	17,391,000
Cataloging and indexing	2,103,000	2,184,000
Statutory distribution	924,000	1,213,000
International exchange	482,000	292,000
Agency Distribution Services	—	5,333,000
Totals	\$97,794,000	\$106,290,000

UNITED STATES GOVERNMENT PRINTING OFFICE
(as of September 30, 1989)

