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Before the
Subcommittee on the Rules of the House
Committee on Rules
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Mr. Chairman and Members of the Committee, I am pleased to appear before you today to testify on CBO's conclusions about the costs of H.R. 5424, the National Publications Act of 1980. My testimony will cover two topics. First, I would like to discuss the reasons why CBO was unable to estimate completely the costs or savings associated with H.R. 5424. Second, in response to a request from Congressman Bauman, I would like to compare the results of CBO's cost analysis with those made by other federal agencies.

CBO Cost Analysis of H.R. 5424

Pursuant to its responsibilities under Section 403 of the Congressional Budget Act, CBO has prepared over 1,200 cost estimates for bills considered in the 96th Congress. Most of these analyses provided a specific cost estimate of the legislation for the use of the Congress. In a few instances, however, CBO was unable to make a specific cost estimate of a bill. The National Publications Act of 1980, as reported by the Committee on House Administration, was one of these exceptions. In preparing an analysis of H.R. 5424, CBO found that the cost or savings from a number of major provisions of the bill cannot now be estimated because of insufficient data or uncertainty about the way the law would be implemented by the responsible agency and about the probable response by users of the system. I would like to discuss some of these provisions and point out the major estimating uncertainties.

Section 502 would restructure the printing operations of the government by requiring that all public printing services must be provided through a newly established National Publications Office (NPO). Upon request, the NPO would be authorized to permit contracting out if there were urgent needs that it **couldn't** meet, or if use of a commercial printer would result in cost savings to the government. The NPO could also permit agencies to print their own materials, if cost savings would be realized or national security requirements could be shown. Currently, only part of the government's printing flows through the Government Printing Office (GPO). Many agencies operate their own printing plants, and make their own independent decisions about contracting with private printers.

The difficulty of estimating the potential budgetary impact of this change stems from both lack of data and uncertainties surrounding implementation. Because printing costs are not recorded separately, no one knows how much the government now spends on printing. Estimates range from \$1.2 billion to \$2 billion, of which GPO handles about \$650 million. Not only do we not know how much is spent, but we also **don't** know what types and quantities of materials are printed, how much is printed by the agencies themselves, how much by private contractors, and how much is spent for each type of printing. Thus, there is no firm baseline against which to measure changes in the system. In the absence of a clear picture of how the current system functions and what it costs, there is no basis for projecting the changes that would occur under H.R. 5424. It is difficult to compare the marginal costs of additional printing by NPO with the cost of operating agency printing services or of contracting out with commercial printers. While a more coordinated printing operation aimed at using the

most cost-efficient means for each printing task might result in cost savings, there is no basis for determining the potential savings or whether a more centralized system could be administered in such a way as to realize significant savings.

It also is difficult to estimate the budget impact of changes contained in Chapter 7. That chapter would require the NPO to maintain a complete collection of government publications (in cooperation with other government agencies), to maintain a comprehensive cumulative index of government publications, to prepare periodically and issue a catalog of government publications, and to make available all such publications to depository libraries. Currently, the index compiled by the Superintendent of Documents includes approximately 60 percent of printed government publications, and thus many documents are not readily available to depository libraries.

CBO estimates that expansion of the current document collection and indexing procedures to encompass all printed government publications would cost about \$0.5 million per year. However, additional costs are likely to be incurred for two reasons. First, with an expanded index and centralized distribution system, depository libraries might increase their requests substantially, possibly doubling the current \$16 million cost of the depository library program in the short term. In the longer term, increased use of microfiche would reduce the added costs. The potential budget impact, however, is primarily dependent on the response of the libraries to the changed availability, a reaction that is difficult to predict with precision.

Second and even more difficult to assess is the impact of the changed definition of "government publication" in Section 101 of the bill. Under current law, a government publication is defined as "informational matter which is published as an individual document at government expense, or as required by law." H.R. 5424 would replace this very broad definition with a more specific one that would include, with certain exceptions, computer data files, microforms, and audio-visual material reproduced for official use of a government entity. Under current practice, the present definition has generally been interpreted to include only printed materials, although it clearly could be interpreted more broadly to encompass all the items in the proposed new definition. Application of the new definition could substantially increase the cost of collecting, indexing, and distributing government publications. There is, however, no comprehensive information available about the volume of publications that might qualify under the new definition, or the cost of collecting, reproducing, and distributing them. The cost would depend on how broadly the language is interpreted, how it would be implemented, and how many publications would be requested by depository libraries. None of these factors can be easily predicted.

Comparison with GSA and OMB Estimates

Two other agencies have estimated the cost of part or all of H.R. 5424. The General Services Administration (GSA) has estimated that the "potential" cost for one **year's** distribution of federal audio-visual products to depository libraries would be over \$2 billion. This estimate, which was prepared for H.R. 4572, an **earlier** version of H.R. 5424, assumes that one copy of every film and multimedia title is provided to each of the

1,400 depository libraries. This estimate is clearly intended to be a maximum ~~figure--and~~ it applies to a provision which has since been amended and was reported in a significantly different form. While the original bill would have required the NPO to provide audio-visual materials to depository libraries on the same basis as other government publications, H.R. 5424, as reported, would require only that such materials be available on a temporary loan basis.

More recently, GSA has estimated that, including postage and handling, the distribution on a loan basis of 50 percent of all audio-visual titles available each year to half of the depository libraries would cost \$1.9 billion per year. Correspondingly, GSA estimated that if 1 percent of the libraries selected 1 percent of the available titles, the annual cost would be about \$470,000. The likely cost of this program is very uncertain, and will depend to a large degree on the way it is administered by the NPO and on the response of the various depository libraries. While there is no clear basis for a definitive estimate, it is unlikely that the cost would be anywhere near \$2 billion, however.

The Office of Management and Budget also estimated the cost of the proposed new printing system, based on H.R. 4572, the earlier version of H.R. 5424. OMB stated that the cost of H.R. 4572 could be as high as \$5 billion a year. CBO has not been able to obtain any detailed documentation of that estimate, but it appears to be based primarily on the revised definition of "government publication." About \$2 billion of this estimate apparently is attributable to the additional cost of distributing audio-visual materials to depository libraries. This corresponds to the GSA estimate I

have already discussed. Another \$2 billion appears to be related to the cost of producing machine-readable data files and other materials not previously distributed to depository libraries. Based on information from GPO, we expect this activity to cost much less. Assuming that the data files would be supplied to libraries through several service centers, and that only a limited number of data bases would be of interest to the general public, we have estimated total reproduction costs to be less than \$100,000. While there is clearly some uncertainty surrounding this figure, and some additional administrative costs that would have to be added, an estimate of \$2 billion for this purpose seems far beyond the range of likely costs.

In sum, CBO has reviewed both the existing data and estimates prepared by other agencies. Because of the lack of information about current printing activities, and the many uncertainties about implementation and user response under the proposed new legislation, CBO has concluded that there is no reasonable basis for estimating the costs or savings associated with H.R. 5424. I would further note that, regardless of the assumptions anyone might make about the likely demand for government publications, the ultimate decision on how much will be spent will be made by the Congress through its regular authorization and appropriation process. This bill neither authorizes funds nor creates any mandatory government expenditures. The extent, effectiveness, and cost of the activities governed by H.R. 5424 will therefore be determined, in the end, by the Congress itself.