

Statement of James H. Billington
The Librarian of Congress
Before the
Committee on Rules and Administration
United States Senate
April 8, 2003

Chairman Lott, Senator Dodd, Members of the Committee:

I am grateful for the opportunity to report on the Library's collections, workforce, operations and FY2004 budget – about which I will testify before the House and Senate Legislative Branch Subcommittees over the next two days. The world has changed dramatically since my last appearance before this committee in June 2000, when the Library celebrated its Bicentennial and the Congress' longstanding support. In September of the following year we launched the first National Book Festival with First Lady Laura Bush. Three days later came the events of September 11th. This was followed by the anthrax attacks on Capitol Hill. Heightened security temporarily disrupted operations here as elsewhere in the Capitol complex – and greatly increased the importance of the Library's mission to gather, preserve, and disseminate the world's knowledge for the nation's good.

The challenges now to fulfilling this historic mission have become truly awesome. We must, in effect, superimpose a new electronic library of exploding digital material on our massive traditional collections, which are themselves growing by 10,000 items each working day; plan for continuity of operations and support for the Congress in a heightened security environment; and replace or retrain our highly experienced workforce, one-third of which is at or near retirement age.

America has become what no one once thought possible: a dynamic democracy on a continental scale, with a very diverse population, yet unified by its durable constitution and political institutions. It has prospered in good measure because a free people has continuously used human knowledge to create and innovate. The Library of Congress has played an important role in this process by making publicly available both the largest repository of the world's knowledge in human history and the mint record of intellectual creativity.

Our United States is the only great world civilization whose basic institutions were created entirely in the age of print. We have more recently led the world in creating a revolutionary new electronic form of communicating knowledge. America, as a knowledge-based democracy, needs to maximize its utilization of the information contained in digital files, the knowledge contained in books, and the wisdom of those who curate and live with both. The Library of Congress can and must play a central role in meeting this national need – particularly at a time when America's pressing economic and security concerns depend increasingly on better knowledge and understanding of the world. The Library of Congress is the world's largest and most comprehensive library – and America's strategic reserve of the world's knowledge and information – maintaining a collection of more than 126 million items.

The mission of the Library of Congress is to acquire, preserve, and make accessible the world's knowledge for America's use and to maintain a universal collection for future generations. That mission does not change, but its sweep and its central importance for America's future requires a comprehensive strategy solidly based on what the Library of Congress has become – and can uniquely do for America in the early 21st century.

My testimony today will focus on: (1) our FY2004 budget request; (2) security and plans for ensuring the continuity of operations to serve the Congress in the event of future disruptions; (3) the expanding significance of the Library's strategic information reserve and the cadre of specialists who mediate its richness to Congress and the American people; and (4) an update on projects and programs that have been within the purview of the Senate Rules and Administration Committee and would not have been realized without your support and involvement.

I have just submitted to the Committee the Library's audited Financial Statements for Fiscal 2002, and am pleased to report that, for the seventh consecutive year, independent auditors have issued an unqualified "clean" opinion on the Library's Financial Statements. Auditors found no material internal control weaknesses. I request that the full report be included for the record [Attachment A]. The Management's Discussion portion of the report provides a high-level overview of what we do, and how we accomplished our mission during FY2002; a consolidated balance sheet; a statement of net costs for all six program areas of the Library; a track of the growth of the Library's collections and of management controls with regard to its assets. A Stewardship Report describes the Library's heritage assets, and factors that shape the future growth and content of the universal collection.

The independent auditor recommended that the Library strengthen security protocols and practices for its Information Technology Systems and also develop a comprehensive disaster recovery program. We have already addressed many of the specific recommendations. The Library's FY2004 budget request includes \$17.5M to support increased security of the Library's people, collections, and buildings.

FY2004 Budget Overview and Priorities

The Library's FY2004 budget request totals \$576.6 M (\$540.1 M in net appropriations and \$36.5M in authority to use receipts) – an 8.4 percent increase over FY2003 levels. Requested funding supports the Library's programs and infrastructure through four salaries and expenses (S&E) appropriations:

- Library of Congress S&E, which encompasses
 - National Library
 - Law Library, and
 - management support services;
- Copyright Office;
- Congressional Research Service; and

Books and Services for the Blind and Physically Handicapped.

The FY2004 requested funding supports 4,365 full-time-equivalent (FTE) positions, a net increase of 124 FTEs above the FY2003 level of 4,241. The Library is assuming the staffing ceiling in FY2003, and requesting additional FTEs largely to support the physical security of the Library's employees and buildings, and the security and management of its collections.

The Library's largest budget request is simply for mandatory and price level increases: \$23.6 million and 4 annualized FTE's that are needed to maintain current services. Its major other priorities are:

- \$ Physical Security: \$17.5 million and 62 FTE's to support improved security of our staff, collection, visitors and buildings. This request includes \$511,000 and 5 FTE's to establish an Office of Emergency Management and create a medical emergency coordinator position. This new Office will also coordinate planning for the Library's business recovery, continuity of operations, and linkage with other continuity-of-government and disaster recovery efforts.
- \$ Collections Security and Management: an increase of \$14.1 million and 30 FTE's for preserving and maintaining the Library's collections. This includes funds for the National Audio-Visual Conservation Center (NAVCC) in Culpeper, VA, as well as arrearage reduction and inventory management
- \$ Copyright Office: funds to restore, in FY2004, a one-year base reduction that occurred in FY2003 due to the use of available supplemental no-year funds, and to support the Office's ongoing operations and comprehensive re-engineering project.
- \$ Congressional Research Service: An increase of \$2.7 million to support information retrieval, data handling, and employee recruitment and retention – including a pilot student loan repayment program.

The Library is also requesting a total increase of \$6.2 million and 28 FTE's for core programs (mass deacidification, Integrated Library System, Law Library acquisitions, computer security audits, and restoration of funds to the Books for the Blind program), retail sales activities, and congressionally mandated projects (Veterans History Project, Meeting of the Frontiers, National Film Preservation Foundation, and National Digital Information Infrastructure and Preservation Program).

The Library's FY2004 budget request is crucial to our success in meeting all of our upcoming challenges and I hope that the Committee will support it.

Physical and Collections Security

Security operations at the Library, a major focus of this Committee's concern throughout

the past decade, have been extensively realigned and consolidated over the last five years to protect our collections, facilities, staff and visitors. Working with security consultants and with Congressional approval, the Library established an Office of Security in 1997 to centralize management of the Library's multi-faceted security needs, which include providing security for people, facilities, collections, assets, and information. Our *Library of Congress Security Plan* supports the Library's seven-year Strategic Plan (1997-2004) and provides the framework for addressing risks and implementing controls Library-wide.

The Library has also worked with the Congress, the U.S. Capitol Police and the Architect of the Capitol to help standardize security and law enforcement operations across the Capitol complex. The Library has coordinated its core physical security requirements, identified in our 1999 *Security Enhancement Implementation Plan*, with the Capitol Police Board to ensure that the Library conforms with the overall Capitol complex security objectives.

In implementing the additional enhancements funded by the FY1999 security supplemental appropriation, we have hired 46 additional uniformed officers, bringing us to the full complement of positions authorized by Congress in the 1999 supplemental; we have also completed 95 percent of the design phase of the Library security upgrades that were included under the supplemental for perimeter and other security enhancements of the entire Capitol complex, and are proceeding with construction and installation of various components of the Plan's tasks.

In accordance with PL 108-7, the Library has begin working with the U.S. Capitol Police on the transfer of the Library Police to the Capitol Police. On March 26, Deputy Librarian Scott met with USCP Chief Gainer to discuss the pending merger and implementation plan. The Library has agreed to provide office space for the merger project team. At this meeting, several items were immediately agreed to, including the USCP immediately setting aside two training spaces for Library police officers, including Gen. Scott in the USCP command notification blackberry system, and exploring the immediate inclusion of the Library in the Capitol annunciator system. With close cooperation, I am confident that a merger of police forces will result in a continued high level of protection for the Library's collections and an overall enhancement of the security environment on Capitol Hill.

In working with the Capitol Police, the Library stands by the 4 principles for the Security of the Library and its collections as articulated last Fall:

- \$ The Librarian of Congress must retain statutory authority to make rules and regulations for the governance of the Library, including protection of its buildings and grounds, people, collections, and other assets.
- \$ There must be a separate Library of Congress division within the Capitol Police under the direct control of the Librarian.
- \$ The Library of Congress division must have a separate budget.
- \$ All Library of Congress employees directly affected by the merger must be fairly treated.

While sharing a common Hill-wide requirement to protect its staff, visitors, and facilities, the Library has a unique and critical added responsibility – its collections. The Library’s outside auditors have stressed the need for us to have a comprehensive security plan that seamlessly interweaves collections and physical security; in order to attain full and effective control over our irreplaceable collections, our security program must include effective preservation, inventory, and bibliographic controls across Library functions. Three recently implemented Library-wide initiatives directly support the collections security planning framework: risk assessments, random sampling projects, and the Integrated Library System (ILS). The findings of our multi-year program of risk assessments have been integrated into the *Security Plan*. Random sampling of collections, begun in early 1999 in the Prints and Photographs Division, has provided us with baselines for assessing the efficacy of theft and mutilation prevention strategies. The ILS has improved inventory controls by tracking incoming books and other materials.

Additional facilities off Capitol Hill will enable the Library to store its treasures more securely – thanks to congressional support for the Fort Meade, Md., modules currently being built and an unprecedentedly generous private donation from the Packard Humanities Institute (PHI) for the new and much-needed National Audio-Visual Conservation Center (NAVCC) at Culpeper, Virginia.

A recently concluded GAO study of the Library’s security that had been requested by this Committee concluded that there were no physical security concerns that the Library was not currently addressing. GAO did note that the Library needed to update and consolidate some of its risk assessment and security planning documents, which we are currently doing. Similarly, the GAO found no faults in the Library’s personnel security operations. The study noted (as did our audited financial statement) the lack of a comprehensive collections inventory, but also endorsed the Library’s monumental eight-year undertaking to achieve item-level inventory control for print collections, and collection-level control for special collections. The report cited several shortcomings in the Library’s computer security environment, but also took note of the many steps we are taking to overcome these problems.

We are grateful for the Committee’s continued attention to and support for security at the Library.

The Library’s Workforce

The Library’s greatest strength is the knowledge and expertise of its workforce, which . . . has preserved a widespread devotion to excellence and to the service of the Congress and the nation.

-Library of Congress Strategic Plan 2000-2004

In order to maintain a diverse and highly skilled staff, the Library’s highest priority and challenge is to attract and retain a qualified, committed, creative and motivated workforce. As of December 31, 2002, the Library had a workforce staff of 4,096. This workforce is highly

educated – more than 40 percent hold a Bachelor's degree and over one-quarter hold a Master's degree. Librarians represent 23 percent of the Library's staff. Our staff are highly diverse and nearly half of the permanent workforce are minorities. I am pleased to supply the Committee with the Library's comprehensive overview of its workforce – *Library of Congress Workforce Issues: Progress and Challenges*. I would call your attention to the excerpted graphs in your folders and ask that the complete report – which the Library will update quarterly – be inserted for the hearing record [Attachment B].

Twenty percent of the Library's workforce is now eligible to retire; 40 percent will be eligible by 2008. The single most important task the Library faces in the next decade is to recruit and retain staff who can replace special skills built up over many years, and to retrain and renew many already in our marvelous workforce. This will give us the opportunity to create a workforce that will provide even greater diversity of both backgrounds and technical skills. The staff for the 21st century must include highly skilled and well-trained experts in both the new technologies of the information age and the traditional scholarly, linguistic, and substantive subjects covered by our rich and varied collections.

In March 2001, the Library's Human Resources Services implemented an automated hiring selection system. The new online automated system met the statistical reporting standards and methods, and produced an equitable competitive selection process. Since implementation of the automated system, about which the Library testified during its FY2003 budget hearings, we have realized benefits including:

- \$ a sharp increase in competitive selections – 300 in FY2002, vs. 187 the previous year;
- \$ a larger applicant pool – with an average of 94 applicants for professional and technical positions vs. a previous average of 18 candidates;
- \$ a substantially reduced time line for the hiring process;
- \$ an automated process that applicants can access using the Internet, and that is advertised on the largest federal hiring sites; and
- \$ a process that is content-valid and that provides a complete audit trail.

During FY2002, our Human Resources Services implemented major strategies to achieve goals set under a five-year Human Capital management plan, enabling us to:

- \$ build, develop, and manage the workforce in support of the Library's mission and priorities;
- \$ ensure alignment of human resources plans, programs and systems through strategic planning and automation;
- \$ recruit and hire the best and brightest staff; and
- \$ support the Library's goal of becoming a performance-based organization through workforce management.

To meet human resources needs, the Library also developed a *Human Resources for the 21st Century* ("HR21") plan. Key strategic elements include recruiting, assessing, rewarding, and holding employees accountable; training, developing, and retooling the workforce to perform

new functions; promoting fairness, equal opportunity, and respect; and fostering communication.

The Library's Collections Today – and Tomorrow

At the core of the Library of Congress are its incomparable collections and the specialists who interpret and make them available to the Congress and the American people.

Our founding fathers linked governance to learning – and legislation to libraries – from when the Continental Congress convened for the very first time in Philadelphia in July 1774, *inside a library*. Article I, Section IX of the Constitution was designed to promote “the useful arts and sciences.” The first joint committee established in the new capital of Washington, D.C., was created by Congress for its library. Congress created the world’s first nationwide network of library-based higher education when the Morrill Act built land grant universities – underscoring the basic Jeffersonian belief that democracy, to be dynamic, has to be based on ever more people using knowledge in ever more ways.

The Internet and World Wide Web have caused an unprecedented explosion of information – much of it evanescent, uncataloged, and unvalidated. During FY2002 we concentrated our web-related collection efforts on documenting the most significant events – including September 11th and the worldwide response to that tragic day; the anthrax attacks of October 2001; and the 2002 elections.

While we are just beginning to expand extensively our “born digital” collections by collecting and preserving websites, we continue our traditional work of adding to our print, audio, and pictorial collections in all formats. The vast majority of these items come into the Library through copyright deposit; others come through gift, purchase, long-standing treaties of exchange, and the Library’s overseas acquisitions offices in Cairo, Jakarta, Islamabad, Nairobi, New Delhi, and Rio de Janeiro.

In FY2002, we added many treasures to our collections: the *Carte des Etats de L’Amerique*, a map of America drawn up after the 1783 Treaty of Paris, which was presented to Benjamin Franklin and which includes extensive marginal text describing the major military campaigns of the American Revolution; the papers of Jackie Robinson, over 7000 items that chronicle all aspects of his life; 26 rare Afghan monographs smuggled out of Afghanistan during the Taliban era; and 67 North Korean movies, the first North Korean videos acquired by the Library.

The Library also continues to work diligently to complete the acquisition of the 1507 “Waldseemuller Map,” considered by many scholars to be the most important item of printed Americana in existence. It is the first document of any kind to use the name “America,” the first map to show America as a separate continent, and the first to record the existence of a separate Pacific Ocean. We have possession of the only known copy in existence, subject to a June 2003 purchase deadline. Congress generously appropriated \$5 million toward its \$10 million price;

members of the Library's Madison Council have contributed \$1.25 million, and \$.5 million have been added from other sources. We are very hopeful that a corporate partner will be announced as the donor of the remaining \$3.5 million before the deadline. Upon conclusion of the acquisition, the Library plans to exhibit this new top treasure as soon as appropriate security and preservation conditions can be met.

In 1994 the Library requested matching support from the Congress to create the *National Digital Library* to expand access to the Library's significant primary documents in American history and culture, particularly for the K-12 school community of students, parents, and teachers. Nearly a decade later, the Library's digitized resources have grown from an initial collection of 5 million documents to 75 million records – all provided free, via the Internet, to Congress, federal agencies, schools, libraries, and the American and worldwide public in multiple languages. The digital collections include a groundbreaking program – Meeting of the Frontiers – that illustrates the parallel expansion of the Russian Far East and the American West, with the convergence of exploration, history, and cultures in Alaska, the American Northwest, and California.

The Library is grateful to the Congress for its early support of the American Memory pilots and the five-year process of building the National Digital Library, and we are particularly grateful to Senator Ted Stevens, who both serves on this committee and chairs the Joint Committee on the Library in the 108th Congress, for his support of the Library's wide-ranging digital efforts. His vision for Meeting of the Frontiers has resulted in a wonderful platform for collaborative exploration between U.S. and Russian scholars and teachers. The wife of the President of Russia, Ludmila Putina, was personally present for the unveiling of new online material from six Siberian cities at the National Book Festival last October.

National Digital Information Infrastructure and Preservation Program (NDIIPP)

Two important knowledge networks have the Congress' Library as their central hub: America's national network of libraries, archives and other repositories, and an international network of libraries. By delivering 8 million items of American history and the THOMAS system for congressional information on the Web, the Library now receives 2.8 billion electronic transactions a year, and is a leading provider of high-quality free material on the Internet. Recognizing that leadership, the Congress has assigned the Library the central coordinating role in developing a national policy for preserving and accessing digital material, just as in the early 20th century the Congress endorsed the Library of Congress providing other libraries its cataloging data for print material.

The Library's groundbreaking work in creating the National Digital Library, and the early pilots in digitizing processes within the Copyright Office of the Library, focused our attention on the increasing importance of acquiring and preserving "born digital" materials – electronic files – ranging across all means of intellectual and creative expression. The Library's vehicle for this effort is the National Digital Information Infrastructure and Preservation Program (NDIIPP), Congressionally authorized and funded with an appropriation of \$99.8M in FY2001.

NDIIPP's goal is to organize national partnerships and solutions for preserving essential digital content and cultural materials regardless of evolving formats, and to ensure the long-term storage, preservation, and authenticity of these materials in order to provide rights-protected access for Congress and the American people to essential digital information. We greatly appreciate this committee's approval of the NDIIPP plan in December 2002, allowing the program to proceed to phase 2 of its implementation plan. I respectfully ask that the NDIIPP plan and program be made part of the hearing record [Attachment C].

Our experience with NDIIPP and our expanded web-based acquisitions, particularly with respect to major events such as September 11th and the 2002 elections, have made us very aware of the short life of web-based content. The average life of a website today is estimated to be 44 days, on average. This brief lifespan necessitates a change in the way the Library acquires and preserves essential information in pursuit of its unique mission to serve the Congress. In order to accomplish this, the Library will seek legislation to clarify our authority to acquire "born-digital" material, and I will submit draft legislation to the Joint Committee on the Library. I hope to have the support of the Rules Committee in enactment of this legislation. Again, I must recognize Senator Stevens' early sighting of, and support for entering, this uncharted territory, and I thank Senator Dodd for his leadership in securing approval of the plan by the Rules Committee.

National Audio Visual Conservation Center (NAVCC) – Culpeper, Virginia

Not only is the Library extremely fortunate to have had the patronage of the United States Congress over the past 203 years, but it has more recently been the beneficiary of individual and corporate philanthropy. The Library will receive the single largest private gift in its history when it takes full occupancy of the National Audio Visual Conservation Center (NAVCC) in Culpeper, Virginia. This facility will be turned over to the government and readied for Library use in two phases. The newly renovated Collections storage building will be ready for occupancy in the summer of 2004, and the newly constructed Nitrate film vaults and the Conservation laboratories building will be ready for staff and collections occupancy one year later, in the summer of 2005.

The generosity of David Woodley Packard and the Packard Humanities Institute is enabling construction of this state-of-the-art center for the acquisition, processing, preservation and permanent storage of the 3.5 million items in the Library's motion picture, broadcasting and sound recording collections. The Rules Committee authorized acquisition of the NAVCC in 1997 (PL 105-144). The facility will enable us to fulfill finally and comprehensively the function mandated first by the Congress to constitute a National T.V. and Radio Archive, in October of 1976.

The Center will help us achieve the following imperative needs:

1) Collections Storage: Presently, the Library's audio-visual collections are stored in seven facilities in four states and the District of Columbia. None of these facilities were designed to

meet current environmental standards. Several are over 50 years old and nearing the end of their useful lives. If left in their current surroundings, our films, television programs and sound recordings would continue to suffer, effectively shortening the life of national treasures. Without the Packard Institute's generous gift, the Library would have been forced to ask the Congress to fund the construction of one or more new facilities. With this gift, the new Center will enable the Library for the first time to consolidate its existing audio-visual collections in a single, centralized location that also provides space sufficient to house projected collections growth for 25 years.

2) Preservation Reformatting: The Center's Preservation Laboratories are being designed to expand significantly its preservation program for all audio-visual formats. Without the Center, current rates of reformatting production using traditional analog methods and existing resources would result in the preservation of only 5 percent of total endangered sound and video materials by the year 2015. By contrast, the new digital laboratories and resources will enable us to preserve over 50 percent of these endangered collections in the same 10-year period. This accelerated preservation capacity is vitally important from a cost-benefit perspective, because the longer these fragile media are allowed to continue their slow, inevitable march toward deterioration, the more costly and time-consuming will be the work needed to restore them.

3) Digital Repository and Access: The NAVCC will allow Library staff to perform ground-breaking work in the areas of digital conversion and born-digital capture, and to provide new avenues for access. The Center will include a Digital Audio-Visual Preservation System that will preserve and provide research access to both newly acquired born-digital content and digitized analog legacy formats. This new Digital Preservation System is contributing greatly to the Library's overall development of a digital preservation strategy and content repository.

4) Strategic Asset: The NAVCC is of utmost strategic importance to the Library. It is a major investment component of the National Library's strategic plan. It serves as a test bed for research and innovation in the digital lifecycle for audio-visual formats, and as such is a key asset in advancing the goals of the NDIIPP, the National Film Preservation Program and the National Recording Preservation Program. A demonstrated return on investment will provide the Library with an extraordinary success story that can be leveraged to attract other sources of private funding in the future.

Upon completion of the NAVCC, responsibility for the day-to-day operation of the building will be assumed by the Architect of the Capitol, who has requested \$1.263 million in FY2004 for this purpose. PHI has ensured that this facility will be constructed to government specifications, and has worked closely with the Library and the Architect to ensure that all applicable building standards are met or exceeded. Indeed, this building requires specialized equipment, sophisticated environmental control and monitoring systems, and increased security features that would not be needed in normal commercial construction. PHI has embraced all of these requirements and ensured that they have been incorporated into the facility's design.

In FY2004, the Library is requesting \$11.1 million in no-year funding, the bulk of which

will be used to purchase equipment for the facility, primarily shelving for the two collections storage buildings. In addition, this money will fund initial staff and contractors to begin the preparations for relocating both collections and personnel to the NAVCC.

The \$120 million investment that the Packard Humanities Institute has put into this project represents an extraordinary gift and opportunity for the Library of Congress and the American taxpayer. Without the generosity of David W. Packard, the Library would have been unable to achieve the level of preservation and access that the Culpeper facility can provide.

Kluge Center and Scholars

In an age where power and influence depend increasingly on knowledge, the John W. Kluge Center at the Library of Congress presents a new opportunity to attract to Washington some of the world's greatest thinkers, to facilitate their access to the Library's remarkable collections of the world's knowledge, and to engage them in informal conversation with Members of Congress. A sixty million dollar donation from John Kluge, President of Metromedia and Chairman of the Library's Madison Council, was used to establish an endowment for the Kluge Center and the John W. Kluge Prize in the Human Sciences. I appreciate that members of this committee, who serve on the Joint Committee on the Library, joined me in October 2000 to announce Mr. Kluge's generous gift. We will honor John Kluge at the Library on May 6, 2003, and we will announce the first recipient of the Kluge Prize later this year.

The Kluge Center has enabled the Library to bring outstanding internationally renowned scholars to Washington and to make them available to consult with Members of Congress on key issues facing our nation. The famed military historian, Sir Michael Howard, and the great moderate Islamic scholar, Mohammed Arkoun, recently met with members of the Senate. Later this month, Dr. Samuel Huntington will meet with members of the Senate to discuss the changing landscape in the world order. I ask that material on the Kluge center and information on the scholars who will be in residence later this year be made part of the hearing record. [Attachment D]

The John W. Kluge Prize in the Human Sciences will be awarded for lifetime achievement in the human sciences to celebrate the importance of the intellectual arts to the public interest. The Prize recognizes, at the dawn of the Third Millennium, the leadership demonstrated by the United States as it has supported research in the humanities and social sciences over the past century at a level unprecedented in human history. The Prize winner will give an address and meet informally with Members of Congress.

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Finally, I would like to bring the Committee up to date on other projects and Library programs that have fallen within the Committee's purview since 2000 or will require Committee

action in the 108th Congress.

Veterans History Program

One of the most vital initiatives that the Library of Congress is currently spearheading is the Veterans History Project. This project, created by a unanimous vote of Congress in 2000, charges the Library's American Folklife Center with collecting and preserving oral histories, letters, photographs, and other materials documenting the wartime experiences of our nation's veterans.

There is an urgency to this effort. Of the 19 million American war veterans now living, some 1,500 pass away each day. If their stories are not collected and preserved they will be lost to future generations. We are working vigorously to capture as many of their stories as possible. Through a national network of some 600 partners, including the American Legion, VFW, scores of other veterans and military organizations, libraries and archives, museums, oral history programs, educational institutions, and civic organizations, we are gathering this invaluable documentary material at the Library of Congress, where it will be preserved and shared with our fellow citizens and generations to come. Examples of collections we have received include those of Sanford Casey of Rankin County, Mississippi, who served in the infantry during World War II and was a prisoner of war, and Raymond Kristoff from Hartford, Connecticut, who was awarded two bronze stars for service in the 8th Air Force during World War II.

We are also collaborating directly with Members of Congress who are launching their own Veterans History Project initiatives and supporting the efforts of veterans and community organizations in their states and districts to promote public participation.

To date we have received 21,000 items for the archive from nearly 6,000 veterans, and many more arrive each day. There is great interest in the project – since last Veterans Day we have received over half a million hits on our Veterans History Project website, where people can learn how to participate in the project.

National Book Festival

The Library of Congress organized and sponsored with First Lady Laura Bush an enormously successful and family-friendly Second Annual National Book Festival last October 12 on the West Lawn of the Capitol grounds and the National Mall.

The Festival attracted some 45,000 book lovers and featured 70 award-winning authors, illustrators, and storytellers. Included were readings and discussions by such notables as David Baldacci, Christopher Buckley, Mary Higgins Clark, Henry Louis Gates, David Halberstam, Sebastian Junger, Jim Lehrer, David McCullough, James McPherson, and Edmund Morris, to name only a few. In addition there were performances by storytellers, live children's storybook

characters, and musical performances representing the broad spectrum of America's traditions. Also included were a conservation clinic for families to learn how to preserve family letters and albums, and a popular Pavilion of the States with representatives of each state highlighting their reading promotion programs, famous state authors and state historical sites associated with books.

The Library and Mrs. Bush will host the third National Book Festival this year on October 4 on the Mall. We will invite every Member of Congress and their friends and constituents to participate in what has become a festive and stimulating tradition for all who value libraries and the joys of reading.

Capitol Visitor Center

Members of this Committee have been intimately involved with authorizing, planning, and executing the Capitol Visitor Center (CVC) project. I am grateful for your support in approving a tunnel connection between the Visitor Center and the Thomas Jefferson Building which the Congress has restored so magnificently. The tunnel will increase security in a seamless fashion within the Capitol and the Jefferson Building, which received over one million visitors last year. The physical connection is a fitting representation of the historical links between the Library and Congress, whose patronage for learning and knowledge exceeds any that the world has seen.

Planning for the CVC also includes the interior exhibit space and the themes and ideals portrayed there. Members of the Library's exhibition and curatorial staff have been invited to serve on the exhibit planning committee. We are pleased to support this important effort and to work collaboratively to find the means to display the treasures assembled over 203 years, particularly examples of American creativity that have been preserved within the Library as a result of the movement of the Copyright Office to the legislative branch in July, 1870. The Visitor Center provides an opportunity to dramatize the unique role of the Congress in preserving the cultural legacy of America – and to present entertaining and enlightening materials from the world's largest performing arts library.

Status of Revolving Funds

During the 106th Congress, this committee's review of the Library's operations included consideration of long-sought legislation to establish revolving funds and put the Library's fee-based operations on a firm business footing. The Library of Congress Fiscal Operations Improvement Act of 2000 was signed into law [PL 106-481] and the Library immediately began to transition our cost-recovery activities into revolving funds.

These revolving funds cover the Library's cost-recovery transactions with the public and

with other federal agencies. The specific programs authorized as revolving funds reflect the Library's unique staff expertise and extensive collections:

- **Duplication Services Revolving Fund** (specialized preservation and duplication services for the Library's audio-visual collections);
- **Decimal Classification Development program** (editorial work to produce and maintain editions of the *Dewey Decimal Classification* and related products);
- **Gift Shop Operations** (the Library's retail sales activities);
- **Document Reproduction and Microfilm Services** (on-demand photocopy, microfilm, photographic, and digital reproductions for the public of items in our collections for a fee, as well as preservation microfilming for the Library);
- **Special Events and Public Programs** (coordination of Library, Congressional and outside organization events);
- **Federal Library and Information Network** (FEDLINK, a consortium of over 1,200 federal libraries and research centers, providing cost-effective training and centralized procurement for the acquisition of library materials and services);
- **Federal Research Program** (customized research reports, translations, and analytical studies for entities of the federal government and the District of Columbia on a cost-recovery basis); and
- **Cooperative Acquisitions Program** (acquisition of primarily foreign library materials on behalf of participating U.S. research and other libraries). The Library sent Congress a new audit report on March 31, showing another "clean opinion" for this program.

A fundamental reason to establish revolving funds is to disclose systematically the relationship between program income and costs for products and services. Revolving funds provide a firm basis for decisions regarding services to be undertaken, prices to be charged, and reserves to be established, resulting in an enhanced ability to ride out the inevitable highs and lows of economic shifts. Our program managers are now able to do long-term business planning. By the end of FY2002, the first year of operating as revolving funds, we have made measurable progress in putting all revolving fund operations on a businesslike footing.

At the initiative of Senate appropriators, the Library has explored the possibilities of generating profits through expansion of our retail ventures. We have determined that additional investment would be required if we are to develop a proper business infrastructure and alternate distribution channels. Revenue levels from a piloted sales shop website show promise. A pilot we are ready to advance, which involves expanded content selections and greater marketing efforts, will provide conclusive evidence of the degree to which these businesses can become profitable. In our budget request to Congress, the Library is seeking one-year funding of \$715,000 as seed money to capitalize a profitable retail sales program and 5 FTE's. Without an infusion of capital, the Library will be able to implement only small incremental improvements toward the goal of making our retail program a profit center that can support other Library activities.

National Film Preservation Board/Foundation Reauthorization

This year, I will be asking Congress to reauthorize the National Film Preservation Board (NFPB) and to consider changes to the federally chartered National Film Preservation Foundation.

First created in 1988, the National Film Preservation Board was reauthorized in 1992 and 1996. The current authorization expires in October of this year. The Board's initial mission was to conduct a national study of the film preservation problems facing the nation (completed in 1993) and to prepare a national preservation plan to address the problems posed by the study (released in 1994). In conducting the study, the Library and the NFPB brought together stakeholders interested in film production, preservation, and dissemination. Each year, the Board recommends and I select up to 25 "culturally, historically or aesthetically significant" films to add to the *National Film Registry*. The Registry, now grown to 350 films, reflects the full breadth and diversity of America's film heritage, thus increasing public awareness of the richness and variety of American cinema and the need for its preservation.

We will be requesting reauthorization of the NFPB for 10 years, and extension of its \$250,000 appropriation. The legislation includes minor technical changes to the Board, and the addition of new language expressly directing coordination of the NFPB and the film preservation program with the ongoing research and initiatives of the National Audio-Visual Conservation Center at Culpeper, Va.

As part of the reauthorizing legislation, we will also be requesting some changes to the National Film Preservation Foundation, the charitable affiliate of the National Film Preservation Board, created by Congress in 1996. The Foundation raises funds, distributes grants, and manages cooperative projects that help American archives preserve films and make them publicly available. The Foundation's broad range of partners represent the film industry (Academy of Motion Picture Arts and Sciences, Martin Scorsese's Film Foundation, Cecil B. DeMille Foundation Twentieth Century Fox; MGM); cultural foundations (Andrew W. Mellon Foundation, Pew Charitable Trusts); and the technical/production industries (Technicolor, Sony Pictures, Kodak). Through the Foundation's fundraising efforts, support has been provided to 84 institutions in 30 states to preserve and make available over 500 historically and culturally significant films. The Foundation enhances its private support through federal matching funds, and on the Foundation's behalf the Library seeks to increase the federal funding authorization from \$250,000 to \$500,000 in FY2004, with a gradual increase to \$1 million over the next 10 years. The legislation also includes, beginning in FY2006, authorization for an additional \$1 million in federal matching funds for special cooperative projects approved by both the Foundation and the NFPB.

Sound Recording Preservation Act

In 2000, Congress also passed the National Recording Preservation Act [PL 106-474], modeled extensively on the very successful Film Preservation Act. The Act prescribes three main components: a Board, consisting of members of organizations representing composers, musicians, musicologists and the recording industry; a federally chartered Foundation similar to the Film foundation, and a comprehensive sound preservation program. The objectives of the program are to coordinate activities of archivists and copyright owners, increase accessibility to sound recordings for educational purposes, and develop state-of-the-art standards and practices for sound recording preservation. Activities under this program will be closely coordinated with the National Audio-Visual Conservation Center at Culpeper.

After establishing the Board membership in 2001, we were able to release, earlier this year, the first entries to the National Sound Recording Registry. In consultation with the Board, I selected 50 recordings that are culturally, historically, or aesthetically significant. The challenge of reviewing more than 100 years of the history of recorded sound in America, and selecting only 50 significant recordings for the inaugural recording registry, was formidable. Many of these first selections for the recording registry recognize important “firsts” in the history of recording in America; all reflect technical, musical, and cultural achievements. As with the Film Registry, the National Sound Recording Registry not only ensures the optimal preservation of these significant recordings, but also serves the vital function of underscoring, in the awareness of the public, our responsibility to assure long-term preservation of our audio recording legacy so that it may be appreciated and studied by generations to come.

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In conclusion, I am grateful to members of the Committee for the attention that has been paid to the Library’s legislative needs and its myriad activities and programs. The Library’s collections are intended, first and foremost, to serve Members of Congress. We look forward to finding new ways to expand our services to you, your colleagues in the Congress, and your constituents across America.

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