

OPMB COPY

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR 2003

HEARINGS BEFORE A SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS HOUSE OF REPRESENTATIVES ONE HUNDRED SEVENTH CONGRESS SECOND SESSION

SUBCOMMITTEE ON THE DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES

JOE SKEEN, *New Mexico, Chairman*

RALPH REGULA, Ohio	NORMAN D. DICKS, Washington
JIM KOLBE, Arizona	JOHN P. MURTHA, Pennsylvania
CHARLES H. TAYLOR, North Carolina	JAMES P. MORAN, Virginia
GEORGE R. NETHERCUTT, Jr., Washington	MAURICE D. HINCHEY, New York
ZACH WAMP, Tennessee	MARTIN OLAV SABO, Minnesota
JACK KINGSTON, Georgia	
JOHN E. PETERSON, Pennsylvania	

NOTE: Under Committee Rules, Mr. Young, as Chairman of the Full Committee, and Mr. Obey, as Ranking Minority Member of the Full Committee, are authorized to sit as Members of all Subcommittees.

DEBORAH WEATHERLY, LORETTA BEAUMONT, JOEL KAPLAN, and CHRISTOPHER TOPIK,
Staff Assistants

PART 8

	Page
Smithsonian Institution	1
National Endowment for the Arts	91
National Endowment for the Humanities	167
Advisory Council on Historic Preservation	243
Commission of Fine Arts	249
IMLS—Office of Museum Services	279
National Capital Planning Commission	281
Holocaust Memorial Council	289

COMMITTEE ON APPROPRIATIONS

C. W. BILL YOUNG, Florida, *Chairman*

RALPH REGULA, Ohio
JERRY LEWIS, California
HAROLD ROGERS, Kentucky
JOE SKEEN, New Mexico
FRANK R. WOLF, Virginia
TOM DeLAY, Texas
JIM KOLBE, Arizona
SONNY CALLAHAN, Alabama
JAMES T. WALSH, New York
CHARLES H. TAYLOR, North Carolina
DAVID L. HOBSON, Ohio
ERNEST J. ISTOOK, JR., Oklahoma
HENRY BONILLA, Texas
JOE KNOLLENBERG, Michigan
DAN MILLER, Florida
JACK KINGSTON, Georgia
RODNEY P. FRELINGHUYSEN, New Jersey
ROGER F. WICKER, Mississippi
GEORGE R. NETHERCUTT, JR., Washington
RANDY "DUKE" CUNNINGHAM, California
TODD TIAHRT, Kansas
ZACH WAMP, Tennessee
TOM LATHAM, Iowa
ANNE M. NORTHUP, Kentucky
ROBERT B. ADERHOLT, Alabama
JO ANN EMERSON, Missouri
JOHN E. SUNUNU, New Hampshire
KAY GRANGER, Texas
JOHN E. PETERSON, Pennsylvania
JOHN T. DOOLITTLE, California
RAY LAHOOD, Illinois
JOHN E. SWEENEY, New York
DAVID VITTER, Louisiana
DON SHERWOOD, Pennsylvania

DAVID R. OBEY, Wisconsin
JOHN P. MURTHA, Pennsylvania
NORMAN D. DICKS, Washington
MARTIN OLAV SABO, Minnesota
STENY H. HOYER, Maryland
ALAN B. MOLLOHAN, West Virginia
MARCY KAPTUR, Ohio
NANCY PELOSI, California
PETER J. VISCLOSKEY, Indiana
NITA M. LOWEY, New York
JOSE E. SERRANO, New York
ROSA L. DELAURO, Connecticut
JAMES P. MORAN, Virginia
JOHN W. OLVER, Massachusetts
ED PASTOR, Arizona
CARRIE P. MEEK, Florida
DAVID E. PRICE, North Carolina
CHET EDWARDS, Texas
ROBERT E. "BUD" CRAMER, JR., Alabama
PATRICK J. KENNEDY, Rhode Island
JAMES E. CLYBURN, South Carolina
MAURICE D. HINCHEY, New York
LUCILLE ROYBAL-ALLARD, California
SAM FARR, California
JESSE L. JACKSON, JR., Illinois
CAROLYN C. KILPATRICK, Michigan
ALLEN BOYD, Florida
CHAKA FATTAH, Pennsylvania
STEVEN R. ROTHMAN, New Jersey

VIRGIL H. GOODE, JR., Virginia

JAMES W. DYER, *Clerk and Staff Director*

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR 2003

WEDNESDAY, MARCH 20, 2002.

SMITHSONIAN INSTITUTION

WITNESSES

LAWRENCE M. SMALL, SECRETARY, SMITHSONIAN INSTITUTION
JOHN DAILEY, DIRECTOR, NATIONAL AIR AND SPACE MUSEUM
LUCY SPELMAN, DIRECTOR, NATIONAL ZOOLOGICAL PARK

OPENING REMARKS OF CHAIRMAN SKEEN

Mr. SKEEN. Welcome, Mr. Secretary. We are looking forward to hearing your testimony on your fiscal year 2003 budget. I would ask that you summarize your opening statement. Your complete statement will be made a part of the record.

Before you begin, I will defer to Mr. Dicks, the Ranking Member, for any opening remarks he may wish to make.

OPENING REMARKS OF MR. DICKS

Mr. DICKS. Thank you, Mr. Chairman.

I want to welcome Secretary Larry Small. I am anxious to hear Secretary Small's testimony this morning because there are so many things happening with the Smithsonian recently. I had a chance to talk briefly last week with Mr. Small in my office and I look forward to hearing more details about the work being done at the Smithsonian.

Everyone here recognizes how valuable the Smithsonian is to our Nation but I think it is critically important for the Congress, specifically this subcommittee, to look carefully at the budget and the planning for the Institution. The Administration this year has requested a modest increase for the Smithsonian but we all now are aware of the tremendous backlog of maintenance and repair needs at its facilities as estimated by Mr. Small and confirmed by the NAPA study, at over \$1 billion. I haven't seen anything in this budget that genuinely addresses that need and I am disappointed.

There are also program transfers requested in the budget submission. I have been skeptical of similar transfers in other areas of the budget and look forward to hearing more detail from Mr. Small this morning.

The budget also contains a request of \$8.8 million for security services and \$11 million for facilities security, in addition to the \$21.7 million related to homeland security costs that we appro-

priated after September 11. I would like to hear more about how these funds are being used and if we are meeting the needs.

Lastly, I look forward to an update on two major initiatives of the Smithsonian, the Dulles facility and the National Zoo Renewal Plan. The subcommittee obviously has great interest in both projects.

Thank you, Mr. Chairman, and we welcome Mr. Small and look forward to his testimony.

Mr. SKEEN. Over the last several years, you have made some significant organizational changes, including downsizing. Can you briefly describe these actions and what effect they have had on your organization?

OPENING STATEMENT OF MR. SMALL

Mr. SMALL. Do you want me to make my opening statement first or get right into questions?

Mr. SKEEN. We will let you do that.

Mr. SMALL. I want to thank all of you for your continued support and for this opportunity to provide the testimony on behalf of the Smithsonian. I have five or six minutes worth of remarks and then we can go directly to your questions.

REVITALIZATION AND MODERNIZATION

It is my continued and firm belief that if the Smithsonian deals with the challenges it has faces head on and we build on our successes in a thoughtful way, we can modernize one of America's greatest institutions and by the end of the decade, transform it into a truly 21st Century organization, one that is capable of touching the lives of Americans wherever they live.

To do that, we are in the midst of a revitalization campaign that is absolutely unprecedented in the history of the entire museum world, one that will transform the Smithsonian. We have four major and simultaneous projects—the New Air and Space Museum at Dulles Airport; the new National Museum of the American Indian on the Mall; the renovation of the Patent Office Building that houses the National Portrait Gallery and the Smithsonian American Art Museum; and the complete renovation of the exhibitions in the Smithsonian's National Museum of American History.

The entire cost of these four major and simultaneous efforts is ten times larger than all of the facilities projects tackled by the Smithsonian in the previous decade. To put it another way, what is going on at the Smithsonian right now is the equivalent of raising the money for and building four major museums, each equivalent in cost and complexity to the U.S. Holocaust Memorial Museum, all being done at the same time.

In addition to these efforts, the Smithsonian is seeking to make massive repairs and deal with public safety issues at the National Zoo and the National Museum of Natural History which are two of the most visited locations in the Capitol and these were built in 1890 and 1910 respectively.

When I testified before this committee two years ago, I said much of the Smithsonian was looking shabby. Since that time, the National Academy of Public Administration did a study which was

requested by this committee, which said that the Smithsonian would need \$1.5 billion over the course of this decade to restore its buildings. In addition, we need to raise between \$500 million and \$1 billion from the private sector to renovate the hundreds of aging exhibits in our museums, half of which are over 15 years old, some of which are more than 40 years old. We have grandparents who are visiting today with their children and grandchildren who are seeing exhibits they saw when they came as kids. That just is not appropriate and is unacceptable.

Modernizing the Smithsonian, making these monumental changes is expensive and can be controversial, as change often is. To my mind, critics of what we are doing have missed two important points. First, the modernization of the Smithsonian, which is the largest museum and research complex in the world, involves huge, expensive projects that are necessary to reverse a downward trajectory of benign neglect that has gone on for years and years. No museum organization in the world has ever required such a large revitalization program.

PRIVATE SECTOR DONATIONS

Second, the success of the Smithsonian over the past almost 156 years has been the result of funding from both the public and private sectors. From day one, when English scientist James Smithson left his fortune to the United States resulting in the Institution that his will said had to be named after him, there have been people who have been critical of private sector funding of an institution they think should be paid for solely with taxpayer dollars. But that has never, ever been the case. While there was controversy when the Smithsonian established the Hirshhorn Museum with a private sector donation and private sector collection, when the Smithsonian had the Sackler Gallery put in place, when Ralph Lauren gave money to restore the Star Spangled Banner and when other large gifts to the Smithsonian were given, there was controversy, but all of these actions have ended up being successful.

Given that there is over \$1 billion that the Smithsonian still needs to raise from the private sector, it is obvious there will be more of these large commitments and they too will be successful. The Smithsonian today is following exactly the same policies for private sector donations it always has, they have worked well in the past and there is no reason to believe they won't continue to do so.

RESEARCH

With respect to our research mission, the Smithsonian employs some of the brightest minds in the country and we really want that to continue but today fewer than 10 percent of the scientists funded by the Federal appropriations to the Smithsonian are under the age of 40. We can't continue to excel if we don't have that pipeline that permits the attraction of top new talent.

To help us better assess how to conduct science at the Smithsonian, we now have the assistance of three groups—a Science Commission formed of eminent scientists from around the country and two other special groups being established at the request of the Office of Management and Budget with the help of the National

Academy of Sciences and the National Academy of Public Administration. We look forward to hearing from all three of these during the course of this year.

OUTREACH

As to our efforts to get the Smithsonian out of Washington and all throughout the United States to touch the lives of Americans all over the country, through our Affiliations Program, we are lending some of our 142 million objects in the Smithsonian to museums large and small across the Nation. We now have 97 affiliate museums in 30 States and that is an increase in that number of over 400 percent in just two years' time.

Our Traveling Exhibition Service, the largest of its kind in the world, reached more than 5 million people across the country last year. We did 54 exhibitions in 289 different locations. We have over 1 million teachers and students who are using Smithsonian resources and more than 350,000 people took Smithsonian courses and trips, saw performances, study tours and regional events.

So getting all this done has involved making a lot of changes, particularly in the leadership team throughout the Smithsonian and in that area, I am really happy with the many talented individuals that we have brought on board. We still have years of work in front of us but we have made very significant progress. The Smithsonian certainly merits every ounce of energy and effort we can muster.

Once again, let me say thank you for the support of this committee. It has been vital to this institution for many, many years. I am open to any questions you may have.

Thank you, Mr. Chairman.

[The written statement of Mr. Small follows:]

Testimony of Lawrence M. Small, Secretary
Smithsonian Institution
House Interior Appropriations Subcommittee
March 20, 2002

INTRODUCTION - AN UNPRECEDENTED REVITALIZATION CAMPAIGN

Thank you for your continued support and for this opportunity to present testimony on behalf of the Smithsonian Institution. It's my continued and firm belief that, if the Smithsonian deals with the challenges it faces head on and we build on our successes in a thoughtful way, we can modernize one of America's greatest institutions, and by the end of this decade, transform it into a truly 21st century organization, one that is capable of touching the lives of all Americans, wherever they may live. To do that, we need sufficient funding, new and renovated buildings, and the best people we can find.

We are currently in the midst of a revitalization campaign absolutely unprecedented in the history of the entire museum world, one that will transform the Smithsonian.

Our four major—and simultaneous—projects are: the National Air and Space Museum's new Steven F. Udvar-Hazy Center, adjacent to Dulles Airport; the new National Museum of the American Indian on the Mall; the renovation of the Patent Office Building, which houses the National Portrait Gallery and the Smithsonian American Art Museum; and the complete renovation of the National Museum of American History. The combined cost of these initiatives is 10 times larger than the facilities projects tackled by the Smithsonian throughout the last decade. It's the equivalent of raising the money for and building four major museums, each equivalent in cost and complexity to the U.S. Holocaust Memorial Museum, at the same time!

In addition to these efforts, the Smithsonian is seeking the necessary support to make massive repairs and deal with significant public safety issues at the National Zoo and the National Museum of Natural History, two of the capital's most visited locations, which were built in 1890 and 1910, respectively.

When I testified before this committee two years ago, I said much of the Smithsonian was looking "shabby." Since that time, the National Academy of Public Administration did a study, requested by this Subcommittee, which said the Smithsonian would need \$1.5 billion dollars over the course of this decade to restore all of its buildings under current plans. I'll discuss this more later. In addition, we will need to raise between \$500 million to \$1 billion from the private sector to renovate hundreds of aging exhibitions in our museums, half of which are 15-25 years old, some of which are more than 40 years old. Visiting us today with their kids and grandkids are some grandparents who are seeing exhibits they themselves saw when they were children. That's totally unacceptable.

For the research it does, the Smithsonian employs some of the brightest minds in the country. We want that to continue, but in certain areas, especially science, that's a concern due to budget pressures. Today, fewer than 10% of the scientists funded by federal appropriations to the Smithsonian are under the age of 40. We can't continue to excel if we can't attract the top, young talent. To help us assess how best to conduct science at the Smithsonian, we now have the assistance of three groups: a science commission formed of eminent scientists from around the country, and two other special groups being established at the request of the Office of Management and Budget by the National Academy of Sciences and the National Academy of Public Administration. We look forward to hearing from all three during the course of this year.

THE AFTERMATH OF SEPTEMBER 11TH

Obviously, the whole country was affected by the tragedy of September 11th, particularly New York City and the nation's capital. The Smithsonian had a significant drop in visitors, and we want to get them back, so public safety will be a more of a concern than ever before.

Visits to Smithsonian museums in Washington, compared to the same month last year, dropped by 38% in September, 44% in October, 46% in November, only 15% in December thanks to a good Christmas to New Years week, and 29% in January. As a result, revenue from our museum stores, restaurants and theaters, as well as *Smithsonian* magazine, which depends heavily on travel-related advertising, have all declined.

This fall, during a visit by some of our nation's Governors, when they heard that we've had a drop-off in visitors and some cancellations of school field trips due to parental concerns, Mississippi Governor Musgrove commented, "The greater danger to our schoolchildren is that they will not come to Washington, D.C., and understand their national heritage." We're doing all that we can to bring back visitors of all ages.

Certainly, public concerns about safety will continue, and that means increased costs. Part of our construction request, \$2 million, is for design of a new extension, or pod, at the Institution's Museum Support Center in Suitland, Maryland. This new pod will provide code-compliant, state-of-the art secure storage for the extensive collections preserved in alcohol of the National Museum of Natural History.

In spite of these challenges, thanks to much hard work by our resourceful and dedicated staff, the Smithsonian had a successful year. Much progress was made in meeting our dual mission, unchanged since the founding of the Smithsonian in 1846, "the increase and diffusion of knowledge." To fulfill our mission, we are pursuing four major goals: (1) substantially increased public engagement, (2) more focused scientific research, (3) enhanced management excellence and (4) greater financial strength.

INCREASED PUBLIC ENGAGEMENT

The Institution enjoyed more than 42 million visits last year to our many museums, research centers, the National Zoo, and traveling exhibitions. Visitors saw several major new exhibitions, the most popular of which feature our two new giant pandas, who have welcomed more than 2.8 million visitors since they arrived in December 2000. *The American Presidency: A Glorious Burden*, has had more than 800,000 visitors since it opened in November 2000. And, since the opening of the Star-Spangled Banner conservation lab and exhibition in May of 1999, more than 7 million people have come to see the flag that inspired the national anthem. Other very well received exhibitions include *Within These Walls*; *Brain*; *Game Face*; *In the Presence of Spirits*; *Triceratops*; *Explore the Universe*, and many more.

In conjunction with *The American Presidency* exhibition at the National Museum of American History, Behring Center, the Museum is sponsoring a year-long series of events based on the show, including films, lectures, interviews, panels, living history programs and school tours, to name just a few. Thanks to the generous support of this Subcommittee and your Senate colleagues, in 2002 the Institution launched a traveling version of *The American Presidency* exhibition with more artifacts and materials from our vast collections, which opened in Chicago in February and will visit eight more sites across the country.

Because it may be difficult for new audiences to come great distances to us, we are bringing the Smithsonian to them through our Affiliations Program, which lends artifacts from our vast collection of 142 million items

to help museums across the country enrich their exhibition space. We now have 97 affiliates in 30 states, the District of Columbia, Panama and Puerto Rico, an increase of close to 400% in just two years.

We're bolstering the Smithsonian's program of traveling exhibitions. In fiscal year 2001, the Smithsonian Institution Traveling Exhibition Service (SITES), the largest in the world, circulated 54 exhibitions to 283 locations reaching more than 5 million people. SITES is celebrating 50 years of service to the American public this year. We are particularly proud of SITES' Museum on Main Street (MoMS) program, which sent three exhibitions to 41 rural towns. Thanks to your support, in 2002 we will increase MOMS' coverage to 84 towns, and we're adding a new exhibition, *Key Ingredients*, to enable us to visit more locations. And 300,000 people took part in The Smithsonian Associates' numerous lectures, seminars, courses, study tours, performances and regional events.

This year, for the first time, we've undertaken an extensive annual education survey of all our facilities. We're still compiling the data, but preliminary estimates indicate, and these are conservative estimates, that 21 million pre-K through 12th grade students benefitted from a variety of Smithsonian education programs. This includes web visits and actual visits to programs and museums here in D.C. and across the country. We know that 1.4 million teachers came to us for professional training; they then went out and trained an additional 846,000 teachers, for a total of 2.2 million teachers trained.

MORE FOCUSED SCIENTIFIC RESEARCH

The Smithsonian conducts some of the nation's most important scientific research activities. Highlights of current scientific research projects include: Scientists at the Smithsonian Astrophysical Observatory have discovered two new moons of Jupiter (18 are now known) and four new moons of Saturn (for a total of 22 known satellites). The Smithsonian Environmental Research Center and the University of Maryland's Center for Marine Biotechnology are developing techniques to enhance the fishery and biological understanding of the commercially important blue crab. The Center also works on the transfer of invasive species through ballast water. Scientists from the Smithsonian Tropical Research Institute and the National Museum of Natural History have published a study on how much and how long ago humans first caused dramatic changes in the world's coastal marine ecosystems. As mentioned, we look forward to the reports from the various science commissions.

ENHANCED MANAGEMENT EXCELLENCE AND GREATER FINANCIAL STRENGTH

There are five initiatives supporting these goals: (1) building a superior management team and introducing performance measures, (2) deploying a new financial system, (3) strengthening fund raising, (4) strengthening our business activities, and (5) implementing recommendations of the recent external study of our facilities operations.

People: During fiscal year 2001, we brought on board a new Chief Financial Officer, a new Director of Facilities Engineering and Operations, a new Chief Technology Officer, and a new Publisher and Editor for *Smithsonian* magazine. We have also recently hired new directors for the Hirshhorn Museum, the National Postal Museum, and the Freer and Sackler Galleries. When one considers that in fiscal year 2000 we put in place new directors at the National Zoo, Cooper-Hewitt National Design Museum, the National Air and Space Museum, and the National Portrait Gallery, and that we currently have a formal search in progress for the National Museum of American History, it is clear the management team at the Smithsonian is undergoing significant, rapid change. We are confident the long-term effect of this will be exceedingly positive. We are also making great progress in instituting performance measures for each museum and unit

director. These measures will be tied to the goals, objectives and strategies contained in our five-year Strategic Plan.

Systems: We're installing a new, information technology-based financial system. Our Enterprise Resource Planning (ERP) project is underway, thanks to your support. Working groups have been meeting regularly to design the implementation of the General Ledger, Accounts Payable and Purchasing modules. The *PeopleSoft* software is installed and is being tested. The first phase of the project will be finished by October 1, 2002.

Fund raising: Contributions to Smithsonian museums from individuals, foundations and corporations reached \$178.8 million in fiscal year 2001. For the first quarter of 2002, giving is down, but we are nonetheless on track such that by the end of the fiscal year, total giving for fiscal years 2000, 2001, and 2002 will exceed the total amount raised by the Smithsonian for the entire previous decade. The vast preponderance of the 2001 gifts are restricted by the donors to specified projects and programs. Extraordinary gifts of \$10 million or more include \$30 million from the Donald W. Reynolds Foundation for the purchase of the famous Gilbert Stuart *Lansdowne* portrait of George Washington, \$14.6 million from the Jerome and Dorothy Lemelson Foundation for the National Museum of American History, \$10 million from the Mohegan Indian Tribe of Connecticut for the construction of the National Museum of the American Indian, and \$10 million from the Luce Foundation for the Smithsonian American Art Museum. Contributions such as these are a supplement to, not a replacement for, our federal appropriations. While these funds are important to our programmatic needs, they do not support operations, collections management, facilities management, security, and maintenance of our buildings, for which we are dependent on federal appropriations.

Business: The Smithsonian Institution receives revenue from several business activities, managed by Smithsonian Business Ventures (SBV). *Smithsonian* magazine, one of the largest general-interest cultural magazines in the industry -- with more than two million subscribers and nearly eight million monthly readers -- generates more than half of Business Ventures' total revenue. The other half comes from the museum stores, restaurants and theaters, the mail order gift catalog, and product development and licensing. Revenues from Business Ventures are discretionary funds used to support general administration throughout the Institution, as well as research, collections management, educational activities, and public programs.

SBV's management team has been strengthened with the appointment of a new chief operating officer and a marketing and sales promotion manager for museum retail operations. Among their accomplishments is the plan for the new *Wright Place* food facility, to be managed by McDonald's, which will open at the National Air and Space Museum in May 2002.

As mentioned, fewer visitors has meant less revenue. Nevertheless, Smithsonian Business Ventures' provided a net contribution of \$26.2 million to the Institution for fiscal year 2001 from all business activities. However, projections for SBV revenues for fiscal year 2002 have been scaled back dramatically in light of the decline in tourism and museum visitation. As a consequence, SBV laid off 59 employees last fall.

Facilities: Regarding last year's National Academy of Public Administration (NAPA) report, we have either implemented or are in the process of implementing their recommendations. These steps include, among others: 1) revalidating the total backlog of requirements in our Repair, Restoration, and Alteration of Facilities (RR&A) account, 2) instituting procedures to improve our responses to requests for financial information from Congress and the Administration, 3) implementing a Reliability Centered Maintenance program, 4) adopting industry-wide definitions for maintenance and repair, 5) reorganizing, strengthening and centralizing facilities management functions, 6) assessing the feasibility of contracting out facilities operations and maintenance, 7) strengthening the role of our internal major project coordinating committee, the Capital Planning Board, 8) revising the annual budget justification to provide prior year program

accomplishments, and 9) implementing an effective financial system. We appreciate the support of Congress as we proceed to implement NAPA's recommendations and try to recover from many years of erosion.

FY2003 BUDGET REQUEST

The Smithsonian's budget request for fiscal year 2003 for all operating and capital accounts is \$528 million, an increase of \$32million above the fiscal year 2002 appropriation. (This comparison does not include the \$21.7 million provided in the fiscal year 2002 emergency supplemental appropriations bill.) Of this amount, \$93.3 million is for our capital program -- specifically \$81.3 million for Repair, Restoration and Alteration of Facilities, and \$12 million for Construction. The Salaries and Expenses request of \$454 million includes \$19.7 million related to the Administration's proposal for full funding of Civil Service Retirement and Federal Employee Health Benefits costs, for which funds were added to our request by OMB, which is not included in the total. In addition, we propose to use an additional \$14 million from funds provided in prior years.

Salaries and Expenses: The requested increase in the Salaries and Expenses account will fund mandatory costs for government-wide pay raises and increased utility costs, and priority programs. Mandatory costs include \$8.8 million to fund the 235 new security positions to be hired in fiscal year 2002 with emergency supplemental funds. For fiscal year 2003, our program priorities represent an increase of \$33.3 million and a net increase of 60 positions. Included is work related to the National Museum of the American Indian, the National Air and Space Museum Udvar-Hazy Center, security improvements, facilities program staffing, and information technology initiatives.

For the National Museum of the American Indian, the FY 2003 request includes an increase of \$5.2 million and 36 new positions for the opening of the Mall Museum, scheduled for 2004. These resources are requested to ready the new Museum for occupancy and public visits, and for essential outreach to Native American communities and facilities and program support. As of the end of last September, 229,900 artifacts out of a total of 773,183 have been moved from our storage facility in the Bronx in preparation for the opening, though in terms of volume and time the move is actually much further along.

For the Udvar-Hazy Center, the request includes an increase of \$3.3 million and 11 new positions to continue to prepare exhibits for the new site in Virginia, and to plan educational, public and information technology programs for the Center. Funds are also requested for facilities operations and security, which we intend to contract for, given the distance from our Mall operations and cadre staff.

The Institution's request includes an increase of \$5.8 million and 12 positions to begin new phases of our Enterprise Resource Planning system, which will greatly improve our financial and human resource management capability. A total of \$12 million is proposed for the ERP in fiscal year 2003, which will enable managers to run the contemporary Smithsonian with the essential information technology-based financial control systems that are appropriate for such a large and complex organization.

The request also includes an increase of \$3.4 million and 2 positions to continue establishing a standards-based information technology infrastructure, including a network operating center, extended Help Desk services, directory service audit software, continued network server consolidation, and initial application server consolidation. The request also includes an increase of \$500,000 in the information resources management pool to assist individual museums and offices with their technology needs.

The Institution is requesting a \$3.0 million increase to reinforce and modernize facilities operations. Additional staff is essential to carry out the Institution's program management role in line with the NAPA report's recommendations, including cost and schedule containment, safety, and quality of the work.

A total increase of \$12.1 million is requested for the non-personnel security needs of the Institution. This includes \$1.1 million to complete replacement of the outdated Smithsonian Institution Proprietary Security System (SIPSS) and maintain and upgrade the modernized system components. The balance of the request of \$11 million is for additional security improvements for the National Zoo and on the Mall, including installing permanent barriers, strengthening doors and windows, and hardening officer booths.

The Salaries and Expense program would have required an additional \$14.1 million in new appropriations had it not been for a rescission and reappropriation of prior year funds proposed in this budget. These prior year funds are available for rescission because we have determined that our plans to modify existing storage facilities to store collections preserved in alcohol are not viable. The Salaries and Expenses program outlined above exceeds the funding proposed by \$12.8 million. We intend to work with Congress and the Administration to complete our planned offsets from existing and new programs to address our planned expenditures.

Repair, Restoration and Alteration of Facilities: To honor its commitment to stewardship of artifacts and facilities, we must have an aggressive and sustained program for the renewal of our buildings. The Institution has developed such a program, which emphasizes restoring some of our most monumental buildings over the next decade while sustaining a constant funding level to continue renewal and code compliance in other facilities, some of which were constructed in the 19th Century. As the Committee recommended, we asked the National Academy of Public Administration (NAPA) to review and evaluate our facility needs. NAPA confirmed our beliefs and indicated that about \$1.5 billion in additional budget would be needed over the next ten years for the Smithsonian to sustain its facilities. Because such massive funding increases will not be possible under current budget constraints, the Smithsonian will set priorities within the Institution for repair and restoration.

Within the \$81.3 million requested in this budget for Repair, Restoration and Alteration of Facilities, the Institution will continue to address our most crucial renovation and maintenance needs in some of our oldest facilities. The funds will be allocated among the Patent Office Building (\$25 million), National Zoo (\$16.7 million), National Museum of Natural History (\$10 million), and routine maintenance (\$2.1 million), as well as to the repair, restoration, and alteration of other facilities. Two new positions are requested, to improve the construction contract supervision for RR&A projects.

The total cost of renovating the Patent Office Building is estimated to be \$166 million. The Smithsonian requests \$25 million in fiscal year 2003 for continued renovation. Through fiscal year 2002, the Congress has appropriated \$48.6 million for the project. While the additional \$25 million is a step forward, the total appropriated for the project is not yet even half the required amount. To date, contracts have been awarded to design the physical plant renewal project, to remove antiquated systems and hazardous materials in the building, and for the exterior stone and window renovation portion of the project. Additionally, a contract for the packing, crating, and relocating of the Museum's collections was recently awarded. The \$25 million being sought will begin courtyard excavation and elevator installation, and continue the renewal and restoration of the building's systems. The planned renovations will replace outdated and inadequate performance space by providing a new auditorium for public presentations and programming beneath the courtyard. In addition to renovating the building's infrastructure, the Smithsonian is committed to raising more than \$50 million in additional private funds to make further enhancements to the Patent Office Building such as adding an information kiosk and an enclosed courtyard for additional public use. Of this amount, more than \$20 million has already been raised. The Institution will seek Congressional approval for these efforts. Additional private funds will be raised to support enhanced public programs at the two museums.

Construction: Our request of \$12 million for construction includes \$10 million to allow us to complete the building of the National Museum of the American Indian facility on the Mall. The site preparation contract was awarded after the groundbreaking ceremony in September 1999, and preparatory work, including site fencing, utility relocation, sheeting and shoring, and full excavation of the site, was completed in January 2001. The current construction contract will be executed in phases, beginning with the foundation and structure, followed by the completion of the building's exterior skin and roof for total weatherproofing of the structure, which will be paid for in part with funds previously provided by this Subcommittee. The base bid and stone portions of the first two phases were awarded in June 2001. The \$10 million requested in FY 2003 will be used for work on the interior of the building.

As mentioned, the balance of the construction request, \$2 million, is for design of a new extension, or pod, at the Institution's Museum Support Center in Suitland, Maryland, to which the alcohol-based collections in the National Museum of Natural History on the Mall will be moved. The Construction request also includes a request for five new positions to improve construction project management of NMAI by hiring employees instead of contractors for construction management.

CONCLUSION

The Smithsonian has a special responsibility to the American public, to preserve our nation's great treasures and enrich our lives with information about history, art, and science. We are all committed to improving our execution of that responsibility, through quality public programming, important scientific research, management excellence, and financial strength. Thank you for your time and for your support.

Lawrence M. Small
Secretary of the Smithsonian Institution

Lawrence M. Small was installed as the 11th Secretary of the Smithsonian Institution on Jan. 24, 2000. He was named to the position in September 1999, succeeding I. Michael Heyman, who retired after serving for five years.

Prior to becoming Secretary of the Smithsonian Institution, Small had served as President and Chief Operating Officer of Fannie Mae, the world's largest housing finance company, since 1991.

Before joining Fannie Mae, Small worked at Citicorp/Citibank, the largest U.S. banking institution, for 27 years, ending his tenure there as Vice Chairman and Chairman of the Executive Committee of the Board of Directors. His numerous posts with that firm entailed work both in the United States and abroad, and in positions such as the company's senior executive in charge of Commercial Banking, Information Technology, Human Resources and Worldwide Corporate Banking.

His service on nonprofit and corporate boards has been extensive, including the National Building Museum; Mt. Sinai-NYU Medical Center and Health System; the Spanish Repertory Theatre; the U.S. Holocaust Memorial Council; Brown University; Morehouse College; the Collegiate School; the Joffrey Ballet; the American Women's Economic Development Corp.; the International Executive Service Corps; the Instituto de Estudios Superiores de la Empresa in Barcelona; and the Greater New York Councils of the Boy Scouts of America. He serves on the boards of trustees of the John F. Kennedy Center for the Performing Arts, the National Gallery, the Woodrow Wilson International Center for Scholars, and is a member of the boards of directors of The Chubb Corp. and Marriott International Inc. He is chairman of the Financial Advisory Committee of Trans-Resources International, the parent company of Haifa Chemical, an Israeli firm. He also has been a board member of Paramount Communications Inc., an entertainment and communications company, and of Fannie Mae and Citicorp/Citibank, the financial service companies where he was previously employed.

Lawrence M. Small was born in New York City on Sept. 14, 1941. Small graduated from Brown University in 1963 with highest honors in Spanish literature and was elected to Phi Beta Kappa. Small holds an honorary Doctor of Laws degree from Morehouse College in Atlanta,

where he was a member of the Board of Trustees from 1973 until 1999. He was awarded an honorary Doctor of Humane Letters from Brown University, where he was a trustee from 1984 until 1996.

Small and his wife, Sandra, have two children, a son and a daughter.

The Smithsonian Institution is the world's largest museum and research complex, with 16 museums and galleries, the National Zoo and several research facilities around the world. The Smithsonian's direct federal appropriation for fiscal year 2002 is \$497 million, up from \$455 million the previous year. The Institution is about 70 percent federally funded. More than 68 million visits to the Smithsonian nationwide were tallied in 2001, including more than 29 million visits to the museums in Washington and New York, an estimated 3 million visitors to the National Zoo, and 36 million people viewing Smithsonian traveling exhibitions, Web sites and museums that are part of the Smithsonian Affiliations Program.

###

NOTE TO EDITORS: For photos or more information, call the Smithsonian Office of Public Affairs, (202) 357-2627.

GENERAL JOHN R. DAILEY, USMC (Ret.)

John R. (Jack) Dailey, retired United States Marine Corps general and pilot, assumed the duties of director of the National Air and Space Museum in January 2000. General Dailey comes to the Museum from the National Aeronautics and Space Administration (NASA), where he had been the Associate Deputy Administrator since retiring from the United States Marine Corps in 1992. At NASA, he led the Agency's reinvention activities.

His career in the Marine Corps spanned thirty-six years and included extensive command and staff experience. He has flown over 6,000 hours in a wide variety of aircraft and helicopters. During two tours in Vietnam, he flew 450 missions. He was promoted to the rank of general and named Assistant Commandant of the Marine Corps in 1990. He has numerous personal decorations for his service in the Marine Corps and NASA.

While at NASA, General Dailey served on the President's Management Council, co-chaired the Aeronautics and Astronautics Coordinating Board, and was a national delegate to the Research and Technology Organization supporting NATO. He also serves as national commander of the Marine Corps Aviation Association and is a member of the Early and Pioneer Naval Aviators Association ("Golden Eagles").

General Dailey will lead the effort to open the Steven F. Udvar-Hazy Center, a 760,000-square-foot-facility at Washington Dulles International Airport, which will display more than 180 aircraft and 100 spacecraft currently in storage.

The National Air and Space Museum, which opened in 1976, is home to many of the "firsts" in aviation and space history, including the Wright brothers' Flyer, the *Spirit of St. Louis*, and the Apollo 11 command module *Columbia*. With nearly 10 million visitors a year, it is the most popular museum in the world.

General Dailey was born on February 17, 1934, in Quantico, Virginia, and earned his bachelor of science degree at the University of California, Los Angeles, in 1956. He and his wife, the former Mimi Rodian of Copenhagen, Denmark, live in Fairfax, Virginia. They have two grown children, Lisa Bader and Nils Dailey.

Summarized Bio: 01/11/02

Lucy H. Spelman, DVM, DACZM
Director
National Zoological Park
Smithsonian Institution

Dr. Spelman was born in Bridgeport, Connecticut and grew up in West Redding, Connecticut. She received her bachelor's degree in biology from Brown University and her doctorate in veterinary medicine from the University of California, Davis in 1990. Her post-graduate training included a one-year internship in small animal medicine and cardiology, followed by a three-year residency in zoological medicine at the North Carolina State College of Veterinary Medicine and the North Carolina State Zoological Park in Asheboro. She joined the veterinary staff of the Smithsonian National Zoological Park in 1995, became the Senior Medical Officer in 1999 and in June 2000 was appointed as Director of the Zoo. In addition to her administrative role and continuation of the practice of medicine, she continues to be active as a teacher, editor, and veterinary advisor. For relaxation she enjoys spending time with her two Labradors, bicycling and painting watercolors.

ORGANIZATIONAL CHANGE

Mr. SKEEN. For the last several years, you have made some significant organizational changes including downsizing.

Mr. SMALL. We have changed and I think the most important thing we have done is recognize that we have these tremendous tasks—the building of these huge museums, the renovation of half of the Smithsonian's 400 buildings which are deemed to be substandard—and what I am proud about is we have been able to bring in terrific people to carry this out.

We brought in the Director of Facilities from NASA, we brought in the Principal Deputy Comptroller of the Defense Department and the head of the budget for the Defense Department, a new Chief Information Technology Officer, and we have replaced six or seven museum directors and the Zoo director, so we have a great, new management team that is forming. We just announced yesterday a wonderful new director for the Freer-Sackler Gallery, a great new director for the Hirshhorn. So there have been a lot of changes but I am delighted with the progress we have made with the management team. We really have a great group of people forming to lead this institution into the 21st Century.

IMPACT OF SEPTEMBER 11

Mr. SKEEN. Specifically, how have the events of September 11 affected the Smithsonian both from a visitation standpoint and your recent decision to conduct a reduction in force?

Mr. SMALL. The aftermath of September 11 has been very, very serious. Overall, since that time, the attendance at the Smithsonian—the Smithsonian has the largest attendance of museum organizations in the world, we get here in Washington about 33 million visits to the Zoo and to the museums in a year's time—attendance fell off in October and November after the September tragedy by 44 to 46, 47 percent, a huge drop. It came up at Christmastime, then went back down again. Overall since that time, we have been down about a full third.

That has reduced enormously the revenue that comes into the shops, to the IMAX theaters, to the restaurants and so we have had to cut back on the staff that is paid for by those funds. You have seen that in museums and other organizations throughout the country.

The recession and reduced travel has also had a very significant effect on Smithsonian Magazine. Three-fifths of our business gain that helps the Smithsonian comes from the Magazine. The Magazine's number one category of advertising is travel. That has been down, so that has been our finances as well.

Right now, we are still running about a third off in attendance. We are moving into the high season and it is our hope that it will come back.

LEVEL OF SMITHSONIAN ACTIVITY

Mr. SKEEN. Mr. Dicks.

Mr. DICKS. Thank you, Mr. Chairman.

Mr. Secretary, in reviewing this budget, it is hard to avoid the question of whether the Smithsonian has spread itself too thin.

There seems to be, in the minds of some, too many new museums being built or proposed at the same time. In addition, you are funding massive rehabilitation projects for three existing museums.

We met last week on your efforts to find funding for a backlogged maintenance program costing about \$1.5 billion. That doesn't count proposals for new museums which are being considered both downtown and on the Hill.

In your defense, I would certainly acknowledge that Congress is a part of this problem but today, we are looking at all of these costs within the Federal budget. I want to give you this opportunity to kind of defend your program and tell us why you think you can do all these things at once.

Mr. SMALL. First of all, I think we don't have any choice. All these projects have been long approved. The Congress mandated the National Air and Space's extension at Dulles a long time ago; the National Museum of the American Indian was approved at the beginning of the past decade; and the rest of what is going on with the Smithsonian is the renovation and repair of existing facilities. Everybody knows when you have a problem in your own house, if you don't fix your problems today, they just get bigger tomorrow.

Mr. DICKS. Pay me now or pay me later, right?

Mr. SMALL. It is just going to get worse. So I think in terms of spreading itself too thin, the mere fact that we have had to hire in all these professionals to tackle the task that is ten times more costly than the Institution faced in the last decade would indicate, yes, that is right but that is water over the dam. We have to deal with what we have on our plate today.

The new museums are being built, the contracts have been let and the other museums are going down the tubes in terms of their physical situation, just getting worse and worse and they have got to be repaired.

We are now putting the staff in place to deal with these issues, so I am confident we can deal with them.

Mr. DICKS. Do you have a longer term strategy to try to deal with the \$1.5 billion backlog?

Mr. SMALL. We are working with our congressional regents now to determine how best to do that. It is clear to me that unless we get additional support, the American people are just going to have a bill that is going to get to the \$2 billion and then the \$3 billion range but we have not yet figured out exactly the way to get the necessary bi-partisan support to get the funds to make that happen.

Mr. DICKS. Unfortunately, our committee has a number of backlogs. For example, the Forest Service has a backlog of somewhere between \$7 and \$10 billion just on forest roads and the Park Service has a multibillion dollar backlog which is significant. So we understand and I think this is an important point you have to continue to make within the Administration, at OMB and with people at the White House that we have neglected some of these things and either we have to figure out a strategy for restoration or we are going to have to start maybe shutting down a few things, which I think would be unacceptable to the American people.

I wish you well in searching for an answer. I think Congress has to be helpful and I am glad you are telling us that the regents that

have been appointed to serve with you are a part of your effort to come up with some solutions here.

FUNDING FROM THE PRIVATE SECTOR

Can more be done in terms of private fundraising? Is that possible? How do you work a balance between what the Government provides and what you can do in the private sector? You have been very skillful at that, which is very much appreciated. My point of view is if we can get other people in the private sector to make these contributions and do it without stipulations and restrictions that are so onerous that they are not in the public interest, we shouldn't shy away from that, especially if we have someone like yourself who is good at doing that.

Mr. SMALL. I agree with you. It would seem to me that the sort of implicit arrangement that has worked over the years between the private sector and the public sector is that the public sector takes care of the Smithsonian buildings and its base functions, the security and the security of the collections and the people who visit the Smithsonian and its staff. The private sector is there to handle new exhibits and new programs. That seems to be working well.

The fact of the matter is that going out to the private sector and asking to fix windows, roofs, toilets, stairwells, and elevator shafts just doesn't work. They are not willing to give to buildings they see as government buildings for that. In the last three years, the Smithsonian has raised more money from the private sector than in the previous what we think of as 152 years. So we are getting hundreds and hundreds of millions of dollars from the private sector to do specific exhibits and specific programs but I don't think there is any chance that we will get the money from them to fix roofs and leaking windows.

I am confident about continuing to raise money from the private sector but not for what the private sector views as the Government's responsibility.

NATIONAL AIR AND SPACE MUSEUM UDVAR-HAZY CENTER

Mr. DICKS. Could you give us a current status report on the Dulles facility?

Mr. SMALL. I could but it would be better done by General Dailey, who is the Director of the National Air and Space Museum. He is here today, so I would like to ask him.

Mr. DICKS. General, welcome.

General DAILEY. Thank you.

For an orientation, this is the Washington-Dulles complex and this is our parcel of land, 176.2 acres in the southeast corner. This is Route 28 and Route 50. Drive down either one of these today and you can see the top of our building that is taking shape.

This will be the entrance going into the facility. These air foils are what we call our Wall of Honor. We are using this as a fundraising technique because for \$100 or more you can get your name on there along with your biography and your picture in the National Archives. So we have a very high interest where people are putting their fathers, grandfathers, uncles or themselves onto this so they can be remembered by their grandchildren in the future.

It shows it is going to really be a splendid park environment out there when we finish the facility.

We are under contract for what we call Phase I which includes the entire aviation building, all of the amenities, the food court, the stores and the shops and simulators. We have an observation tower named after my predecessor, Admiral Don Engen, and a large format theater with a conference center on top of it. Most importantly, we have an education center which is the Claude Moore Education Center. We have a donation from the Claude Moore Foundation for that and this will give us a capability we don't have downtown, students in a semi-controlled environment and to provide learning opportunities there but more importantly, will be tied into the Fairfax School system, the network, so that we have access to the entire country. Right now, 9 million students are on this network.

We can bring in astronauts to present topics, have prearranged material already distributed to schools that have an interactive capability not only with schools around the country but students who are here visiting. We are very excited about that opportunity.

Just last week, we had the Space Hangar added to this Phase I through a donation we got from the McDonnell family of McDonnell-Douglas fame. So the only thing remaining is this section here which includes the restoration hangar which is going to be a major point of interest because this is where the visitors will be able to observe the restoration of the aircraft taking place and then the Archives Library and dense storage.

We are very encouraged by the progress we have made so far because all of this is under contract and will be open in December 2003. The public opening will take place on the 15th of December if you would like to put that on your calendar.

This is what you will see if you walk in the front door. You actually enter at the second level as you would at most airports. You see the Space Shuttle which will now be in the Space Hangar and then 200 aircraft displayed at three levels and observation levels that go up to 40 feet which we hope will give the visitor a feeling of soaring.

In the back we will have the Shuttle Enterprise surrounded by 117 other space artifacts. This is the point at which Secretary Small says we need to have a resident cardiologist to handle the heart attacks.

Mr. SMALL. It will be the biggest single open room in the world. The room has the capacity to take 88 Goodyear blimps inside of it. It is about three football fields long and 10 stories high. There is no picture that can possibly give you the sense of the space involved here.

General DAILEY. These were taken the beginning of this month to show the status. The point is we have been very fortunate, Hensel Phelps is our contractor, and we are ahead of schedule and we are under cost. We had an agreement with them on value engineering. If they could identify a way to save money on this project, we would split it with them 45-55. They identified \$1.7 million in savings immediately and they gave it all to us, so we could not have a better arrangement.

The State of Virginia is in for \$40 million, \$34 million of which is in-kind support and that includes the 2,000 car parking lot, the

access road that will come off Route 28, the utilities coming up to the site and then all of the walkways and a taxiway that will come off Runway 01 right. We call it a tow-way because it has a highway going across it but it will give us the ability to fly airplanes in and actually deliver them which is going to facilitate things dramatically.

I mentioned, December 15, 2003. The funds we are requesting from the committee is the money required to prepare the collection and to set it up when we get it out there. It is the operating funds associated with it.

All of the construction I have described will be privately funded. We need about \$111 million more and we are going to get that. We haven't figured out exactly how but we have enough money in our contract to where we will have a spectacular facility when we open in December 2003.

I would be glad to answer any questions you may have, sir.

NATIONAL MUSEUM OF THE AMERICAN INDIAN-MALL MUSEUM

Mr. SKEEN. Mr. Wamp.

Mr. WAMP. Thank you.

Mr. Small, thank you for what you continue to do. I am kind of overwhelmed at the scope of all this myself. It is very, very exciting. I know you have challenges left and right.

Shifting gears away from this incredible Dulles facility, we just heard that all of the capital improvements are privately funded and you are just coming to us for the move and setting it up, and the things you expect the taxpayer to pay for. What about the National Museum of the American Indian on the Mall and how is it funded? How much of that is private and how is that going?

Mr. SMALL. The National Museum of the American Indian is coming along quite well. You can actually observe it from the Capitol. That is a project that in the end is going to take about \$219 million overall to complete, not just for the construction but there is money in there for exhibits and such. The construction part is about two-thirds Federal and one-third private, roughly.

There has been money that has been generously committed by this committee in the past and there is money in the 2003 budget, \$10 million more for the construction and we have another about \$40 million to raise from the private sector in funding to complete it.

We just had two commitments in the past year or so from the Mohegan Tribe and the Pequot Tribe of significant amounts, \$10 million commitments and we continue to work with the tribes that have special sources of income to get them behind this project. We are optimistic about getting that done.

SMITHSONIAN AFFILIATIONS

Mr. WAMP. One of those 97 affiliates you referred to is the American Museum of Science and Energy in Oak Ridge, Tennessee. I am grateful for that accomplishment in the last 12 months. You talked about 142 million artifacts and assets. What is the percent of those that are actually on display in Smithsonian institutions and what is the percentage that is actually in storage waiting to be used? How does the affiliates program work in terms of revenue genera-

tion for the Smithsonian and how can we enhance that as you light up the grassroots across the country through the Affiliates Program. It has grown 400 percent in the last couple of years, obviously it is fertile territory for the Smithsonian to reach out into every corner of our country but that is where the resources are going to have to be in order for us to ever provide the revenue stream for all of this incredible wonderment from history and science and everywhere. Tell us about that.

Mr. SMALL. The percentage of the collections that is out on loan is infinitesimal. Of the 142 million objects, I would guess there is maybe on display not even a couple million and on loan, in the thousands. So it is a very small amount of the total.

Remember the largest single number of items in the collection is made up of insects. There are 30 million different insects in the collection, millions of postage stamps and things like that, so that is the reason for the big numbers. The largest percentage of the collection is natural history specimens.

Nonetheless, we are getting all sorts of objects out to our affiliate museums. We charge them a very, very small amount to join the program, a few thousand dollars, and then all of the loans are free. They are long-term loans, they are meant to keep the objects with them for a time so they can build their exhibitions around them. They have to pay the cost they would if they owned the objects but some of these are very valuable and they simply haven't had to pay that cost.

We are trying to raise the money to build the staffs to support all these affiliates because the vast preponderance of this is supported with private sector money. So you are right, a big challenge, as we grow the number of affiliates, is getting the private sector support to pay for the people we need to support the affiliates.

IMPACT OF SEPTEMBER 11

Mr. WAMP. I wondered while I listened to your testimony about the fallout of September 11 with respect to your traffic. Have there been any good things that have come out of it? For instance, have we been able to do some spring cleaning while the people are not here? Are we able to restock, retool, anything while the traffic is low or is it all just bad news?

Mr. SMALL. It is mostly all bad news. The only benefit has been that it has given a heightened degree of focus to security, so for getting the Smithsonian a public address system, we can make consistent announcements over loudspeakers, that is helpful to have. On average, it has been very harmful to the museums because of the drop in the businesses and drop in revenue for us.

Mr. WAMP. At some point, I want to see the presentation on the Zoo, so I don't know if it is best for someone else to do that. I will yield and we will wait.

Mr. Regula wants to do that. We will wait for Mr. Regula's appearance and I will wait eagerly.

Mr. SKEEN. Mr. Nethercutt.

OPENING REMARKS OF MR. NETHERCUTT

Mr. NETHERCUTT. Welcome, we are pleased to have you here. Thanks for all your good work since you have been in this position.

I want to take a moment to compliment your staff. Nell Payne did a fabulous job of trying to link a group called Spokane Scholars, a great group of people, to have a recognition event once a year. Mr. Pachter is coming out to speak and we are really pleased he is going to be there. I want to compliment you on not only his attendance but her help. She has been great.

NATIONAL MUSEUM OF THE AMERICAN INDIAN-MALL MUSEUM

With respect to the Museum of the American Indian, I know a while back there was a question that came up about some conflict with the architect. Is that resolved now and the design is all taken care of and everybody is happy?

Mr. SMALL. Yes. All of that is resolved and the design phase is finished. The museum is being built.

Mr. NETHERCUTT. Is there adequate collaboration with the American Indian community, people in the community who will appreciate the construction? Are they satisfied with the progress and development of the museum?

Mr. SMALL. From everything I hear from Museum Director Rick West, who has been on the project for ten years and is Southern Cheyenne and Arapaho, a wonderful liaison with the Native community, I believe it is very strongly supported.

Mr. NETHERCUTT. Will all the artifacts and the exhibit items that have heretofore been in storage be able to be displayed, much of them, many of them? What is the calculation? My sense was there was an awful lot of storage at different locations around the East Coast. Will they be able to be displayed adequately?

Mr. SMALL. All of the objects would never be able to be displayed because this is the most magnificent collection of Native, if not ethnographic objects, in the entire history of the world and collected by one individual, approximately 800,000 objects. The bulk of them are still in a warehouse in the Bronx, New York. They are being moved down here. There is further funding in this budget request to continue that move. They will be put into a magnificent storage facility in Suitland, Maryland which is already built, built on time, on budget and is a great place for scholars to go and examine the objects.

Once again, as in the case of all museums, only a small percentage of the total collection will be on display.

Mr. NETHERCUTT. I would urge you and your colleagues to think about perhaps making use of other museum facilities around the country. The Northwest Museum of Arts and Culture in my city of Spokane has a fabulous facility they just opened recently and would be a great recipient of some of those, perhaps on loan or on occasion to make sure more people get to see them as opposed to fewer.

Mr. SMALL. I totally agree.

AFFILIATIONS PROGRAM

Mr. NETHERCUTT. With respect to the 142 million objects, one of my questions was to see to what extent you are looking at placement of these objects that cannot be otherwise displayed here out in the rest of the country in the museum world. Is that on your schedule?

Mr. SMALL. The whole idea of our Affiliations Program is to do just that. Frankly, the real reason for doing it is to get these objects out in front of the American people and to pick the ones that really merit the visitation by the American people and get them out there.

Many of the objects represent biological or archeological specimens of interest to scholars but are not really objects you would put on display. I don't think we will ever get to the point where you could say that 70 percent of the collection is out there but I think many of the objects that are wonderful to see have to see the light of day. There are things that have been in boxes for over 100 years that really merit viewing by the American people. That is the idea of this program. We will continue to push for that.

SECURITY ENHANCEMENTS

Mr. NETHERCUTT. I would ask if you are satisfied with the security enhancements that have occurred or will occur as a result of September 11. First of all, will they be adequate in the budget amount or perhaps the supplemental that is forthcoming? Second, will they be permanent and maybe you can address the question of whether you have had any experience thus far to the extent you would care to comment here, with any security questions or concerns you might have about terrorist attacks that might come to the museum?

Mr. SMALL. I think we are making good progress and we are grateful to the Administration and Congress for the supplemental addition. We are learning now about what this heightened degree of security means, of the rather awful looking jersey barriers in front of the museums. Those have to ultimately be changed for something that will provide our visitors to Washington with a better looking experience.

Things like having a loud speaker system will clearly add to the safety. What we really need to learn about is the use of things like x-ray machines and magnetometers in museums that get enormous visitation. The Holocaust Museum has always used x-ray machines and magnetometers. The Air and Space Museum hasn't. The attendance at the Air and Space Museum is almost five times more than the attendance at the Holocaust Museum.

We are starting a test now on it. What will happen? Will we have lines all down the Mall to the Washington Monument? We need to learn more about the more conventional approaches to security and do what we have to do to make sure the museums are secure.

Mr. NETHERCUTT. Is that part of your budget request for 2003 or is that focused on the supplemental appropriation?

Mr. SMALL. The test is funded with the FY 2002 supplemental. We also are using the supplemental funds for security items such as temporary barriers, security cameras, fencing for the zoo,

magnetometers and x-ray machines and security staff to man these items. Our FY 2003 request includes an increase to continue manning the magnetometers and x-ray machines and to purchase additional items such as permanent barriers.

Mr. NETHERCUTT. You are studying that?

Mr. SMALL. Yes.

Mr. SKEEN. Mr. Hinchey.

OPENING REMARKS OF MR. HINCHEY

Mr. HINCHEY. Mr. Small, it is nice to see you. You have a very interesting job. In many ways, I envy you. I want to particularly congratulate you and your predecessors on the way the Museum of the American Indian is being handled. I eagerly anticipate going there myself and seeing that. I have been very much aware of the artifacts that have been held in New York and put together by, as you said, one individual over a long period of time. It is absolutely astonishing. It will be a great addition to the wonderful museums the Smithsonian encompasses and a great opportunity for the American people to understand this part of our culture.

CORPORATE SPONSORSHIP

As I understand it, about 70 percent of the budget comes from public sources, correct? Thirty percent is coming from corporate sources generally?

Mr. SMALL. More private philanthropy from individuals.

Mr. HINCHEY. Private philanthropy and individuals.

Mr. SMALL. Then from the businesses of the Smithsonian and the endowment and the corporations.

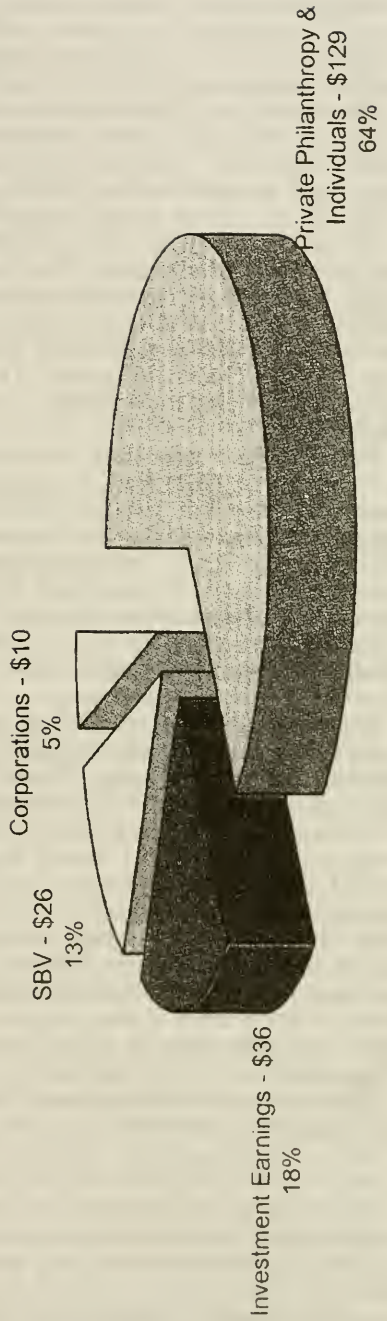
Mr. HINCHEY. Can you break that down for me?

Mr. SMALL. I would have to send it to you but the corporations are one of the smallest parts of it. The largest parts come from the endowment, the businesses and the individuals.

[The information follows:]

Sources of Private Funding (\$ in millions)

**Total \$201
FY 2001**



Mr. HINCHEY. If the corporate part is the smallest part, they are certainly getting the biggest play recently, aren't they?

Mr. SMALL. I would say critics of private philanthropy would tend to criticize corporations more than individuals.

Mr. HINCHEY. I think that is probably true but that wasn't my question. What I said to you was even if they are a smaller part of it, they are certainly getting the biggest play. Your answer wasn't an answer to that question but to a different question.

Mr. SMALL. How do you mean the biggest play?

Mr. HINCHEY. They are getting the biggest attention. For example, you just renamed the Langley Theater. Langley was one of the great pioneers of American astrophysics and aviation, a man who contributed a great deal to the history of the country and whose name was very appropriately associated with the IMAX Theater at the Air and Space Museum. You have just recently changed that name. You have also made a big change with regard to General Motors.

Frankly, just speaking as an individual citizen, not so much as a member of Congress, I really resent it. I deeply resent it. It seems to me what you are doing—and you didn't start this but recently you seem to be the biggest cheerleader for it—what we are experiencing is the crass commercialization of one of the most important aspects of American culture and history, the great demonstration of American history, the Smithsonian, a revered institution which represents in the eyes of many, many Americans, even those large numbers who have never been there, some of the best of what we do as a society.

Increasingly we are finding even though corporations provide a fraction of the 30 percent, whatever that fraction may be, they are getting the biggest play. Their billboards are all over and, at the rate we are going, will increasingly dominate the Smithsonian.

I think this is a bad thing. I think we are selling ourselves very, very cheaply indeed. I would hope it would stop. I would hope you would do something to stop it. I would hope this Congress would recognize its responsibility to fund not just the toilets, the paint jobs, the maintenance, and the upkeep, but to fund all of what goes on at the Smithsonian. Then we wouldn't have to stoop so low as to have others come in and sell out aspects of the Institution, not just to have their name put on the marquees but increasingly to have an influence on what kind of displays we promote and how those displays are promoted.

This is very troubling and I would hope we would stop it. I wonder what your attitude is.

SMITHSONIAN POLICY ON CORPORATE SPONSORSHIP

Mr. SMALL. As I indicated in my remarks, this has been a source of debate in the Smithsonian since 1835 when the gift was first announced and came to Congress, one Congressman stood up and said, send the money back, "otherwise every whippersnapper, vagabond in the world will send us his money to immortalize his name."

Mr. HINCHEY. We are doing that out at Dulles now.

Mr. SMALL. The way they immortalized his name was they set up the Smithsonian which he insisted on in his will. It has been a debate that has gone on as I said since the gift was first an-

nounced in the United States and it is a debate that takes place in America life. I respect that debate.

I don't happen to agree with that point of view. I am one American out of 285 million. The regents of the Smithsonian provided in their policies a long time ago for the recognition of donors who are individual philanthropists and corporations. I don't believe billboards are being put up, I don't believe there is anything crass about how the name of the theater will be displayed or how the name of General Motors will be displayed.

I think if Congress asked the Smithsonian to build a museum with private sector funds that is going to cost \$311 million exclusively with private sector funds, it would be naive to think that could possibly be done without getting the support of the corporate sector and without using conventional American approaches to recognizing donors.

I respect the point of view. I know it exists in American life. Our regents have put in policies that have served the Institution well and I fully support those policies and will continue to follow them.

PUBLIC POLICY ON CORPORATE SPONSORSHIP

Mr. HINCHEY. You are right. It was a direction from the Congress, an unfortunate direction to require that.

One of the debates we have around here on an ongoing basis is the insidious effect that substantial amounts of money have upon public policy decisions that take place in the Congress. We passed the Campaign Finance Reform Bill which ostensibly directs itself to that problem and dealing with it in some small way.

I think we are seeing the same kind of thing with regard to aspects of the Administration and the Smithsonian. I am very, very fearful that decisions will be made based upon donations of very large amounts of money. My experience is that very few people will give you something without some proviso attached to it. I think we are seeing that.

We spend enormous amounts of money here in the budget. For example in the budget resolution we have today, the Administration is asking for \$10 billion additional for defense spending undefined, without any definition whatsoever, over and above the very substantial amounts we have already provided for defense spending.

A good portion of that \$10 billion is going to go to some of the corporations that have their names on parts of the Smithsonian. Instead of us giving money to the Smithsonian in the way we ought to, the Congress funding the Smithsonian, keeping it up, eliminating the \$1 billion backlog that we have, we do it in a round about way. We give money to major corporations, the major corporations launder that money, and then they send a bit of it over to you so they can get their name up on some of the billboards and marquees of the Smithsonian. It is a very perverse way of doing business.

I don't mean to harangue about it particularly, although that is exactly what I am doing. This actually started before your watch but you are the guy who is there now and you are the guy who has done a lot to enhance and encourage this practice. On some level, I don't even blame you for that because you have to run the Insti-

tution, you have to get money from some place. Congress says to build this facility out here and to get the money for it all from private sources. The public sources, because we don't want to get any money from public sources, want it all to be private. I think that was a bad decision.

Nevertheless, you find yourself in a place where you have to administer this kind of thing. Others have recently made these kinds of decisions before you, and you are a guy with great energy, vigor, and intellect. So you rush right in there and try to do it even better than your predecessors. God love you, you certainly are.

My point is I wish you would slow it down. I wish we would stop this. I really think we are making some serious mistakes here and I think we are degrading an institution which means an awful lot to a lot of people and we are doing it, in my words, in a very crass, commercial kind of way. I just mention this to you in the hope that maybe tonight when you go to sleep you might have a second thought about it, or maybe next week when you wake up you might say to yourself, I wonder if we are doing the right thing here. I hope I might at least put a small question in your mind and the minds of others who are stimulating you, as the Secretary, to carry on this way.

Mr. SKEEN. Mr. Regula.

Mr. REGULA. What would you think of charging fees in order to generate the revenues we need?

Mr. HINCHEY. I don't think so, my former chairman. My view is that we have an awful lot of money around and we are spending a lot of it wastefully. One of the nice things we could do, and a very constructive thing, is to provide for a national museum in an appropriate way by spending a tiny, tiny fraction of our budget that would require to make it first class, first grade so we wouldn't have to be selling ourselves on the open market. That is what I think we ought to do.

NATIONAL ACADEMY OF PUBLIC ADMINISTRATION REPORT ON BACKLOGGED MAINTENANCE

Mr. REGULA. It is an interesting point which leads me to the question of the NAPA report on backlogged maintenance. You spent \$200 million but the NAPA report points out there is still a vast amount of maintenance that needs to be done. What is the status of all that and how much would you need to catch up in say ten years?

Mr. SMALL. First, I want to thank this committee for recommending the National Academy of Public Administration and asking that we have the report. The report turned out to be very, very useful. It did confirm that the \$200 million this committee authorized and appropriated to the Smithsonian was well spent but it said just wasn't enough and over the course of this decade \$1.5 billion would be needed to fix more than half of the Smithsonian's 400 buildings in substandard condition and some of them awful.

We are implementing all of the NAPA report. NAPA basically said the Smithsonian just hadn't been focusing enough attention on maintenance, didn't have an organization put together that consolidated the responsibility for maintenance, didn't have the computer systems to track projects properly.

Essentially, we have taken all their recommendations including one that was informally made that has us with a new Director of Facilities, William Brubaker, who is here today and who was Director of Facilities for NASA. He is completely professionalizing the function and while it is not easy and it is not going to take overnight, we are moving ahead energetically to focus on maintenance, to focus on reliability centered maintenance so that we catch problems before they occur and make the case to get all the resources we can because \$1.5 billion of deferred maintenance is a big, big amount of money.

It is 33 million visits to these museums in the Capital and people should not be in awe of falling paint and plaster; they should be in awe of seeing the Star-Spangled Banner or the desk on which Thomas Jefferson wrote the Declaration of Independence.

Mr. REGULA. I think part of the reason is there has never been a plan. Are you developing a plan for cyclical maintenance so that we get from A to B over a period of time recognizing the magnitude of the task?

Mr. SMALL. Yes, sir. It is not enough just to fix it once; we have to fix it forever, so that we have in place a maintenance program so this can never happen again. We are focused 100 percent on that.

Mr. REGULA. One of my staff went to Panama and was extremely impressed with the work being done there. I have been a bit of a skeptic so it was nice to get that kind of report.

Mr. SMALL. A wonderful operation.

NATIONAL ZOOLOGICAL PARK

Mr. REGULA. I would like to discuss the Zoo a little bit which is part of your portfolio. I see Ms. Spelman is here.

Mr. SMALL. Dr. Spelman is here and I would defer to her.

Ms. SPELMAN. I am very honored to be here. I have a lot of visuals for you today but you have to come out and see the real thing. Everything at the Zoo is living and that is one of our challenges because if we have an aging facility, which we do, we can't put those animals on the shelf and dust them off next year when we are ready to exhibit them.

I have a couple of photos. This shows Tian Tian, the giant panda, sleeping on his log. I have this photo to start because it is the people in the photo, not just the animal that matter. The National Zoo is a revered place, the jewel of Rock Creek Park. It is known worldwide for the highest standard. It is really about people and children. We view it as a multifaceted experience, you are learning when you are there, you are having a good time, the staff is also working to study and help protect the species we have on display.

We have many great areas at the Zoo. When you walk the park—it was established in the early 1890s—it is beautifully planted, it is a park-like setting. In many ways you don't actually notice what is a real issue for us, a major need to renovate and renew the old parts of the Zoo. We have a lot of structures actually between 70 and 100 years old.

BACKLOG MAINTENANCE AT THE ZOO

Mr. REGULA. Would you be in the backlogged maintenance problem we just discussed?

Ms. SPELMAN. That is correct. I know historically our Zoo directors have brought creatures here but the best I could do was a Steif stuffed sloth bear. This photo is Francois, our male sloth bear. Our sloth bears are stuck in the 1890s. This is when this was built. It has been upgraded, but this is a bear that, if you gave it a place to be like our giant pandas have, would be active, engaging, people would be fascinated by it. These bears are from Sri Lanka. They are ant-eating bears, with long claws for breaking up termite mounds. Their nose basically acts like a vacuum.

This is a stuffed bear. When it is sold—these bears are about \$500—the proceeds do come to the Smithsonian National Zoo. So it is a unique species and we have many others at the Zoo. We need to step up the pace at which we get them into modern exhibits.

This map—failure map—sometimes can be overwhelming. Everything in red and orange is essentially in trouble. We have graded, our facilities as either failing in red or poor in orange. At the Zoo, we have 29 major exhibit areas and 15 are in the failing or poor category.

We have two things in process, the renovation of our Mane Restaurant, actually the Lion's "Mane", that is happening now and we have a new interactive exhibit for kids called Kids' Farm which is going to be the first place in the Zoo where children can really touch an animal, get close to a cow, a goat, a chicken and understand where their food comes from, understand you have to care for the animals on a farm.

These are blue in your map. Blue, it says in process, but also would be considered excellent. That is the goal. To keep the yellow and green in the yellow and green good to fair category, there is also a maintenance need for the future.

We have looked at the entire Zoo. This started about two years ago. We really tried to figure out in what order can we renew the Zoo, how can we do it without disrupting traffic to the Zoo, how can we afford it and how can we not just renovate old places, but really take the Zoo and make it world class in every way.

One goal is to address the oldest areas of the Zoo. The bears are in the 1890s, our elephants are in the 1930s. This is Shanthy, our female elephant, and Kandula, her calf, about two months old here. He is now almost 500 pounds, growing rapidly. Look at the picture. This is the standard of housing elephants in the 1930s, fairly small space. Shanthy is reaching up into the air vent there, not a lot of room between her head and the ceiling, obviously a bit of water drainage issue here.

Perhaps the most important thing is Kandula. Once he is full grown, Shanthy weighs about 10,000 pounds, Kandula is going to weight 12,000 pounds, be much taller than she is, so there is no way we can keep a male bull elephant in our current facility.

I am showing you the inside of the elephant house. Actually the outside yards for elephants are great. We have a great elephant program but we only have three elephants and we have three unre-

lated females who actually don't know how to be elephants. We cannot put our two other females with this mother and her calf because if you are an elephant and you don't grow up with other elephants with you so you know how to recognize a youngster, you see this little guy and want to smash it.

Coupled with that, there are only 30,000 Asian elephants left on earth, mostly in Burma and Nepal; only 30 breeding age female Asian elephants in all of captivity and the problem with those is they are middle aged, mid-20s, have not been bred, have not had a calf, they are not with a male.

The Zoo community right now is saying if you want to have elephants, you have to make a commitment to be breeding the Asian elephant because we are going to lose them. Breeding them means you have to have a herd. For us a herd means maybe three females and three youngsters and a male. Part of our renewal plan is to trail blaze what an urban zoo should be for elephants which is more elephants.

NATIONAL ZOOLOGICAL PARK RENEWAL PLAN

My next point is we do have a plan. You have some color coded maps. These bears are from Sri Lanka and the elephants are from Asia. We actually have already funded a new yard for the giant pandas. We said why not tackle the biggest red area up here and do what we are calling Asia Trail. That is the first part of the renewal plan. The first five years is to deal with the bear and the elephant areas.

If you go to the red, the Australia Building is actually a condemned building, structurally unsound and has to come down within three years. We will move our kangaroos and keep them in the Zoo but the building has to go away.

Basically this is the part of the Zoo when you come off Connecticut Avenue you don't see an animal when you first come in the Zoo. It is beautiful but it makes you ask, are we in the Zoo. So the idea is for us to really brighten the top of the Zoo. It is a pretty, forested area there to the right, great for the sloth bears, and there are some cages there, but there are no animals. The idea is to give that area completely to the elephants.

That is what the renewal plan shows you in a two phase approach. We are calling it Asia Trail, Asia I gets the sloth bears a new home, builds a new trail down to a panda enclosure, brings the creatures in we already have. Pink is essentially all elephants.

If we take the elephants out of the large mammal house, which most zoos built in the early 1900s, most zoos have had to face this and we are not the only one. Let's move the elephants out, give people a sense of where they are on earth and this also tackles the fact we have mostly inaccessible pathways so the idea is to make this handicapped accessible as well as right at the beginning of the Zoo.

That leaves us with room in the existing elephant house to turn that into an Africa theme. In our current large mammal house, we have elephants, Asian, rhinos which are Asian but then we have giraffes and hippos which are from Africa. We are not really giving people a sense of where they are on earth. That is essentially a

standard way zoos are looking at teaching people about the rest of the world.

How is this funded and what will be the cost? This is the rock work around the sea lion pool. We can Band-aid this and we are band-aiding this as this falls apart. If you look at the areas in red, it is a huge effort. We are going to deal with this area and the sloth bears in the first five years and, then we have to be able to hit the sea lion area.

The second five years is the sea lion area and everything in orange which are the three major houses, the bird house, and so forth.

COST OF THE ZOO FIVE-YEAR RENEWAL PLAN

How much is it going to cost and how are we going to do this? Going to the color chart which we call the five year renewal plan, we already have in this current fiscal year, the beginnings of renewal money going to the design and planning of both Asia I and Asia II.

In the 2003 budget, we also have a significant amount of money going into the renewal plan. In total, over these five years, our estimate is about \$130 million to do these major exhibits and if you look at the amount of red, this is a big chunk of the Zoo. It is \$130 million to do the renewal plan which we expect to fund-raise about \$30 million and we believe we can do that. Most zoos have older areas and have had to attempt major capital campaigns. That is a reasonable amount for us to try to fund-raise.

The other important point is to keep the yellow and green, the fair and the good going—where the orangutans are, our cheetah area—we estimate about \$10 million a year as part of the annual maintenance. The total need over five years is about \$180 million of which \$30 million will be privately fund-raised.

NATIONAL ZOOLOGICAL PARK—IMPROVED EXHIBITS

It is ambitious but it is also extremely exciting. We are trying to raise the profile of the Zoo and we are not just going to renovate. This drawing is the concept for sloth bears, some yards, some water, some rocks and the real idea is to get people really close to these bears. They actually put their nose into the termite mound and their nose flaps close off, they have modified incisors so they can make a tube, the tag on this stuffed animal says part bear, part sloth and part vacuum. It will be sort of a demonstration, teaching area. We want to focus on what we can do well and make the most of the pretty face that is the Zoo. We are not going to change the landscape and try to make this into Sri Lanka.

What we want to do is say what do these bears do and are we going to study these bears, similar to giant pandas, what are their preferences for food, what are the main obstacles to them making it in the wild, how can we make that interactive and educational.

We want to measure the force with which they can inhale their food. When you come visit, we often feed these bears through a barrier but we will give them a jar of honey, a plastic half gallon of honey and they inhale that and create an incredible vacuum force in the honey jar.

Maybe in the exhibit we can get these bears to inhale their food, measure it and maybe there is a technology component here, so the keeper has been teaching the bears to inhale. He has a piece of pvc pipe, we do a lot of training, they learn how to inhale the grape in a moment but now we have a new problem, they are blowing it back out at him. That is going to be his challenge.

The last board shows you with respect to elephants, again we are not going to try to create Burma in our exhibit space. We want to have a big space, kind of calling it the elephant track or elephant trail, so we will have whatever group of elephants and these will be created over time. Essentially, we will breed elephants. It is going to take seven or eight years to come up with seven or eight elephants. Kandula will be fine in our current housing until he is a teenager, so we have time.

The idea is to have elephants of different ages, have a bull elephant nearby. This elephant has turned on a shower for herself and we are very interested in the interaction between elephants to elephants and elephants to people. If you think about the biggest issue facing conservation worldwide, it is the interaction between people and animals. One can say it is a conflict but one can also say there are solutions if you understand the interaction.

We are thinking of giving these elephants showers that they can turn on or off for people on a hot day and studying what makes that elephant turn on or off that shower. People say elephants are smart and we really haven't studied that.

The idea is as we renew the Zoo, we also want to ask some questions, find some answers, make it interactive and make it fun.

VISITATION AT THE ZOO

Mr. REGULA. Your enthusiasm is wonderful. I will say having visited a number of times, you have done a great job out there. I think the public response is evidence of that. How many visitors do you get a year?

Ms. SPELMAN. We had just under 3 million visitors last year. I have to say the Zoo survived the fall a bit better. We were lucky, we had all these baby animals born, not on purpose, but between giraffe, tiger, gorilla and the elephants, we had a great year and our visitation has been okay, in fact, pretty high. It is a great place.

Mr. REGULA. You are not under stress so when we get visitors, I can send them out there. I don't know how much security you have but it is not as much as we have downtown.

Ms. SPELMAN. No. One of the benefits of the security provision is that we actually don't have a complete, proper perimeter fence. I can scale that fence. One of the hopes is we can really look at how to do it properly but also visually be appealing.

VETERINARY SERVICES

Mr. REGULA. I noticed you made the Wall Street Journal yesterday. "The Daily Grind: Veterinary dentist Charles Williams, 59 years old, makes house calls at the National Zoo in Washington D.C. He normally charges about \$200 to clean a pet dog's teeth for its owner. His Zoo visits are free, but hardly painless. Hazards include bad breath. Extracting a tapir's tooth once, he was sprayed

with urine by her territorial mate”—that is a new approach. [Laughter.]

“A chisel and sledgehammer failed to help him remove an elephant’s loose tooth. He finally gave her 6 x 6 logs to teethe on and she worked it out by herself.” I know you are a veterinarian so I guess you had to give him some advice and counsel on how to handle this.

Ms. SPELMAN. It doesn’t really matter whether you are a veterinarian or the curator, nothing ever happens twice and you have to always kind of wing it. He is an excellent dentist. In fact, he has done root canals on both of Francois’ teeth and a baby tiger busted a baby tooth and he came out and fixed it. We are very lucky. We have about 30 consultants who help us, both veterinary and human. It is a wonderful experience for all.

NATIONAL ZOOLOGICAL PARK KIDS’ FARM

Mr. REGULA. A brief comment on the Kids’ Farm. You talk about animals interacting with humans. I think one of the important things is for kids at least they know where food comes from.

Ms. SPELMAN. That is right. The whole orientation is for 4 to 8 year olds and it is interactive. You can touch a cow, go in with the goats, we will have pygmy donkeys because horses tend to bite little kids, some chickens and it will be staffed by volunteers and our staff. So when you go in, it will be about learning to brush the goat or feed the goat, not just look at the goat.

Secondly, there is a whole playground—we don’t have anything like this for little kids at the Zoo—and the concept is based on a piece of cheese pizza because every part of your pizza comes from a farm, whether the box, the pepperoni or the cheese, there is a cheese slide and it will be very fun at the lower level of the Zoo, next to the parking lot. We think it will be fun. That is on track to begin construction this spring. We hope it will take one year and open sometime in 2003, spring, early summer.

Mr. REGULA. I will volunteer to teach your staff how to milk the cow.

NATIONAL ZOOLOGICAL PARK CORPORATE SPONSORSHIP

I was interested in Mr. Hinchey’s comment on commercialization which is debatable but I know with the pandas you worked with a film company and they have spent a lot of money for telecasting the story of the pandas. How has your arrangement worked out with them?

Ms. SPELMAN. It is certainly a new era for the Zoo to have corporate relationships. We have two excellent ones, both Animal Planet and Fuji Film have been wonderful and supportive of our development team and how we want to work with them.

With Animal Planet, we have seven hours of programming that has aired called Total Zoo. It is very funny. I can be in the supermarket and someone will come up and say I saw you on Animal Planet. It has really raised the awareness of what the National Zoo is all about. The series called Total Zoo has been filmed at two other zoos, the Los Angeles Zoo and the San Diego Zoo, and the ratings are actually higher for the National Zoo series.

When you watch them, our series is richer, there is more going on behind the scenes. You get the sense there is science, education, that we are in Washington. It has been good for us. I think it has been very beneficial, but not without a lot of work. We have teams and we work carefully to make sure the relationship is the one we want to strike.

Mr. REGULA. I have a lot more questions but time is up. You do a wonderful job. Thank you.

ISSUE OF COMMERCIALIZATION

Mr. SKEEN. Mr. Wamp.

Mr. WAMP. Let me give a word of commentary in a gentle way about this issue of commercialization. Even the Holy Scripture says "to whomsoever much is given, much is also required." We should encourage people who benefit from our free enterprise system and make a profit to give it back to worthy causes. I think sometimes it is easy to divide by talking about people who may be greedy or self interested but that is not the rule. That is the exception.

People around the world want what America has in large part because of our free enterprise system. I am about sick and tired of it being run over.

The person who I respect the most in the last 250 years in this country was Teddy Roosevelt who set aside lands and did what was right for our natural resources and he also went after corporate and union manipulation. He would be encouraged for Chiquita to sponsor an ape exhibit, he would be encouraged by that because it says all the right things.

Maybe there are cases where someone has bad motives but that is the way it is in life. The overall majority of people who are interested here are doing the right thing and we should encourage that and never discourage that.

FUNDING FOR RESEARCH

In terms of cost and benefits, I understand the Astrophysical Observatory, the Environmental Research Center and the Tropical Research Institute are some of your most successful programs, yet the budget request levels them out. Is that because you didn't ask for money because you didn't feel you could because of the other needs and can you speak to that issue?

Mr. SMALL. It is an issue of essentially balancing priorities. These are three of the great scientific institutions of the United States of America. They have fabulous people, do a great job. One of the things those three particular units of the Smithsonian are terrific at is getting competitive grants. They are the three that win the most money consistently, so we have had to balance out our various needs.

When you have all those red spots over there that indicate you have buildings that are falling down and you have this tremendous backlog of maintenance, we had to deal with our priorities. That doesn't mean we don't think the three units you mentioned aren't worthy of continued strong Federal support. They demonstrate how good they are by how effective they are competing for competitive money. That is where they have been able to raise tremendous resources, particularly the Astrophysical Observatory.

On average, those groups get over three times more from competitive grants they win than they get from direct Federal appropriations through the Smithsonian.

Mr. WAMP. Thank you.

CORPORATE SPONSORSHIP AND NAMING OPPORTUNITIES

Mr. SKEEN. Mr. Nethercutt.

Mr. NETHERCUTT. I appreciate Mr. Hinchey's view and many people I am sure share it. I think it should be less a matter of corporate structure or organization and more a matter of taste. That is the question. There is no royalty given back to the corporations that might be supporting this Dulles facility. Is it any less commercial if you put an individual's name on a stadium? We have Martin Stadium out in Washington State University, my alma mater. Nobody complains about that. It was a big gift and helpful to the university.

My view is to the extent that the trustees and the regents have a hard look at this and don't have flashing neon signs out and charging an admission that goes to the benefactor, I don't have a problem with it. These are American corporations by and large, made up of Americans who have a charitable purpose, the organization has a charitable purpose, and it is doing good public work in terms of giving more kids or human beings a chance to experience that which the Smithsonian is so proud of.

I know perceptions differ but I think it is a matter of taste and how you handle it. It sounds to me like you are doing it well.

Let me ask a question about the issue of the Lewis and Clark Bicentennial coming up in my part of the country. Is the Smithsonian doing anything in particular to commemorate that anniversary and the great traffic that will come through the Lewis and Clark Trail and come out to the Lewiston and Clarkston area of Washington State, Idaho and points west.

Mr. SMALL. If I am not mistaken, there is a coordinating group that has been set up here in Washington and we are participating in that. We have some wonderful objects. We have the Lewis and Clark compass, so that is on exhibit. If there is any way we can be helpful, we would want to be in that whole process.

Mr. SKEEN. Mr. Regula.

Mr. REGULA. Speaking of good taste, and I think Mr. Nethercutt has a good point there, and I am sure Mr. Hinchey would agree, part of it is how things are handled. I think in the case of the Zoo, it has been done in good taste in terms of the Animal Plant and the film people. They have done it probably as it should be done where you get some commercial involvement.

Mr. SKEEN. Mr. Hinchey.

Mr. HINCHEY. Unfortunately, because of the attention my remarks have gotten, I have to return to my criticism. I thank my colleagues very much for reacting to it. I think your reaction has been fair and reasonable. We disagree. We just have a different point of view on this particular subject.

I think you are absolutely right, it is a matter of taste. With that in mind, I would like to read a couple of paragraphs into the record from the Washington Post, which quotes a letter that was written to Chief Justice Rehnquist, the Chancellor of the Smithsonian's

Board of Regents. The letter, in part, says this, "The Secretary of the Smithsonian Institution, criticized for leading the museum into a new era of commercialization and corporate sponsorship, was attacked by a group of 170 scholars, authors and academics yesterday. In an open letter to the Chief Justice, the group contended that the leadership of the Smithsonian was unwilling or unable to carry out the mission of the Smithsonian or to safeguard its integrity. The letter signed by scholars from the Nation's top universities, authors and at least one former director of a major Smithsonian museum faulted the leadership for allowing corporate and individual sponsors to have what the letter argued was too much say in the content of exhibitions they sponsored and for allowing corporations to place their logos on Smithsonian buildings, exhibition halls and other spaces. If this is permitted to continue, the Smithsonian will become much like a shopping mall, with virtually every inch devoted to the promotion of a corporation or its products."

Mr. NETHERCUTT. Would the gentleman yield for a question?

Mr. HINCHEY. Absolutely.

Mr. NETHERCUTT. Is your objection that it is a corporation or would you have the same objections if it were an individual who through good intentions, charitable intentions gave \$100 million to the Smithsonian and would you want there to be no name associated with paying for that exhibit? Is it just corporations or is it the concept of having any outside money go to assist this institution?

COMMERCIALIZATION OF SMITHSONIAN

Mr. HINCHEY. Mr. Nethercutt, my objection is, as I indicated initially, what I regard, and what apparently 170 scholars, authors, academics from the top universities around the country including one former administrator regard, as the crass commercialization of the Smithsonian.

You asked me to yield, I did so. You asked me a question and now I am responding to the question. That is the way it works here.

My answer to you is that I object to the crass commercialization of the Smithsonian. I don't object to corporations, I think corporations are good for the country, I think by and large they do a lot of very good work. I am happy for them and I think they do very well. I support them in a great many ways.

What I do object to is the Langley Theater, which paid tribute to an important person in both American and aviation history, being changed. I object to that name being taken off. I think we lose something by that. I think we lose the connection with aviation history in America and when we put the name of a corporation, or some other name, on it that has nothing whatsoever to do with the history of aviation or other context, I think it is a mistake. I think we do lose something by that. I think more and more throughout the Smithsonian, Fuji Film, McDonald's, a host of those kinds of billboards in an institution like this is frankly offensive. That is what I object to. That is what 170 other scholars, academics, authors and leaders in this field apparently object to as well.

Mr. Small that is my point. I didn't think I would have to make it again but since what I said elicited comments from every one of

my colleagues on the panel, I felt I had to respond to what they said.

Mr. SMALL. I understand. That particular letter was orchestrated by an organization that is chaired by Ralph Nader. It is not surprising to me that Ralph Nader isn't fond of General Motors.

Mr. HINCHEY. I am not very fond of them these days myself.

Mr. SMALL. It is his organization that put that group together.

As I said before, Congressman, I respect the point of view. It is something well within the range of opinion Americans have had on the Smithsonian and our regents have chosen the direction and I am totally supportive of that direction. We all have the right to an opinion in this country and I fully respect it.

Mr. HINCHEY. Absolutely and that is what I am trying to do, voice an opinion which was not being expressed here but which nevertheless reflects the opinion of a large number of Americans. This is reflected in that letter you referred to, as well as in the editorials in the Washington Post, the New York Times, and a great many other newspapers around the country.

SCIENCE COMMISSION

Mr. SKEEN. The fiscal year 2002 appropriations bill contained a directive to form a Science Commission to advise the Smithsonian on current and future scientific research activities. What is the current status of the Commission's comprehensive review?

Mr. SMALL. The Science Commission was formed of eminent scientists from all over the country, some from inside the Smithsonian but the larger number outside, an excellent group of people. They have had several meetings. At the end of each meeting, they have had a press conference to announce their progress so far.

They have just finished visiting virtually all the scientific research facilities of the Smithsonian in smaller groups. They have already had one session that their executive group, two vice chairs and the chair, had with the Board of Regents to brief them on their findings to date and they are currently working on the preparation of some interim findings.

They met with me several times, I have had lunch with them several times so there is good communication going on. They are now working on establishing communication links with the new groups to be formed by the National Academy of Sciences and the National Academy of Public Administration.

Mr. SKEEN. When are they expected to have the finalized recommendations?

Mr. SMALL. So far, they are continuing to talk about the fall. They recognize with the two new groups being formed, it would be good to speed up and they are contemplating how to do that.

Mr. SKEEN. Mr. Dicks.

Mr. DICKS. I am sorry I had to go back and forth between here and the Defense Subcommittee but it is a wonderful world and one we live in.

This committee has been very concerned about the priority for funding of Et Cetera, Et Cetera. Last December, Science Magazine observed in a major article that "Research at the Smithsonian has been squeezed for the last 20 years as the institution has struggled

with every expanding needs for renovation and construction" as we have discussed.

How do you feel about the science part of the budget? Has this been held back because of these other competing considerations?

Mr. SMALL. Yes. What has happened over the years is that as the Smithsonian expanded programmatically, chose to do new things, there was less money available for other things. So if you look at the research functions throughout the Smithsonian, there are fewer people doing it with federally appropriated dollars than there were years ago because of the spread into other activities.

It wasn't, however, because of taking care of the physical buildings. That was also neglected.

PROPOSED TRANSFER OF SCIENCE PROGRAMS TO NSF

Mr. DICKS. Let me ask, apparently OMB had a suggestion that a number of science programs at the Smithsonian be transferred to the NSF including your Astrophysics Program. I don't necessarily support this proposal but given demands on the Institution, I think we have to consider every possibility with an open mind.

In the case of this transfer proposal, staff tells me the NSF astronomy and research physics budgets are each about \$200 million per year. This includes \$84 million for three NSF astronomy centers which appear very similar to your program.

Staff also tells me in addition to operating costs of over \$200 million for its astronomy program, the NSF is in the sixth year of a \$376 million program to build new telescopes.

Tell the subcommittee why transferring your Astrophysics Program to NSF is a bad idea or if it is a bad idea? Maybe it isn't.

Mr. SMALL. It is an idea that was a total surprise to us. It had never been suggested to us before, we checked with the National Science Foundation and never been suggested to them before. We think the approach that has been adopted now to have the National Academy of Public Administration and the National Academy of Sciences take a look at the competitiveness of Smithsonian science and to see if such ideas make sense is reasonable.

The Smithsonian Astrophysical Observatory has been in place in the Smithsonian since 1890, it is arguably the most prestigious center for the study of astrophysics in the world and is extremely competitive at getting scientific grant money. It is one of the biggest recipients of grant money from NASA alone.

We know of no problem with it in the Smithsonian. We know of no problem with its reputation in the world of science and we think it does a great job. This was surprising to us.

Mr. DICKS. It might not save any money either.

Mr. SMALL. Totally correct.

Mr. DICKS. Because you are going to keep both programs going. I assume the reason OMB comes up with this is they think if you combine the two programs, you could reduce some of the overall cost?

Mr. SMALL. I honestly have no idea.

Mr. DICKS. Did they ever show you any plan or anything of that nature? This was just an idea?

Mr. SMALL. The Administration has never discussed it with me personally.

HIRING FREEZE AND REALLOCATION OF FTES

Mr. DICKS. What about staff, did we get the FTEs? I want to ask a few questions about your staffing situation. In your statement you discuss \$12,795,000 of administrative reductions which will partially be addressed by a hiring freeze from 2002–2003. At the same time a justification shows an increase of 200 FTEs in 2002 and 304 FTEs in 2003, about a 12 percent increase in staff over two years. About half of these new FTEs relate to security but the budget chart also shows increases throughout the Smithsonian system.

How do you explain the requirements for a hiring freeze when budgeted FTEs are increasing at a dramatic pace?

Mr. SMALL. We have tried to meet the Administration's top line request, a suggested budget amount for us, recognizing the stresses from the country being in a war abroad and a need to focus on security at home and a hiring freeze is one way we are considering to reduce expenditures to reduce our budget constraint. At the same time, we are trying to honor the wishes that Congress has expressed to us over the years.

For example, when you look at the request for increased FTEs, they come from greater security, that you indicated is half the amount, they come from the need to staff up these two new congressionally mandated museums, they come from the need for more personnel to handle the information technology to deal with the recommendations of the National Academy of Public Administration's report on facilities maintenance and they come from the need for more people to handle the maintenance issues on facilities.

Mr. DICKS. So is it right to assume we really don't have a hiring freeze because we are hiring people?

Mr. SMALL. The fact is this conceivably is about the reallocation of people. If we want to do what we have said we want to do, we have to stop people from doing some things so that others can do other things. We haven't figured out how to do that yet. We need to work with this committee and other committees that have oversight.

Mr. DICKS. So you have, in essence, a partial hiring freeze where some categories you are not hiring people but in others because of Administration priorities, you are adding people?

Mr. SMALL. That is correct. This is a reallocation of the resources of the Smithsonian and it may end up, in working with Congress, that we won't have enough money to do all these things and we will have to cut certain things. That, we need to work out.

Mr. DICKS. Mr. Chairman, I don't have any further questions.

Mr. SKEEN. On that note, Mr. Secretary, we thank you for your testimony. It has been a very good hearing, we aired a number of issues and we will have a number of additional questions that will be submitted for the record.

This hearing is adjourned.

[Questions for the record follow:]

ADDITIONAL COMMITTEE QUESTIONS**Organizational Changes**

Question 1: Over the last several years, you have made some significant organizational changes including downsizing. Can you briefly describe these actions and what affect they have had on the organization?

Answer: Since FY 2000, several new museum directors and key administrators have been brought on board to sustain the high standards of Smithsonian scholarship; to improve our public programs; to aggressively strengthen management of our human capital, fiscal, and information technology resources; and to oversee the modernization of our aging buildings and infrastructure. Those who have joined the Smithsonian are experts in their fields who understand how to balance the needs of large, complex organizations with managing large sums of taxpayer and private dollars and are well prepared to lead the Institution into the 21st Century. They include, for example, the former Facilities Director from NASA who will oversee our capital program; a new director of the Freer Gallery of Art and Arthur M. Sackler Gallery – who brings to the Institution a career rich in the research, study, and teaching of Asian art and culture; and the Principal Deputy Comptroller and the budget officer from the Department of Defense.

In addition to building a first-rate management team, the Institution has also restructured some programs and business processes to reduce duplication of effort and to improve management efficiency. One such example, implemented this fiscal year, was outsourcing the duplicating function of the Office of Imaging, Printing and Photographic Services.

Restructuring and efficiencies have resulted in the elimination of a total of 97 federal positions in the last year. Most of this reduction was taken through attrition and only 11 staff members were directly affected.

Question 2: What do you consider to be the greatest challenge facing the Smithsonian Institution today?

Answer: In the largest sense, our greatest challenge is to bring the Smithsonian into the 21st century, in all its complexity. This means fixing up our buildings, installing up to date computer technology, modernizing our exhibits, and instituting modern methods of management. The real challenge is setting priorities to determine what can be accomplished within a realistic budget. We are vigorously raising money in the private sector, but private contributors are willing to pay for only part of that activity.

Private Fundraising

Question 3: There has been a significant amount of criticism in the press about private fundraising for the Institution. Can you reflect on this criticism and tell the Committee how this adverse publicity is affecting the Institution?

Answer: Undeserved negative press tends to have an adverse impact on philanthropy, however, we believe that the people, corporations, and organizations committed to the Smithsonian Institution take the long view and see these stories in perspective. Our fund raising work continues with great success. Contributions in the first part of fiscal year 2002 exceed \$80 million. A number of foundations, individuals and corporations are currently in discussion with the Smithsonian about future gifts.

Question 4: How would you describe the general morale of Smithsonian employees?

Answer: Smithsonian employees have been concerned for a number of years about tightening budgetary constraints that have affected, if not their units directly, certainly others in the Smithsonian community. In recent years there have been targeted downsizings and Institution-wide buyouts in FY 1994 and FY 1997.

In selecting Secretary Small, the Board of Regents signaled its intention to bring stability in both management and finances to the Institution, and from the beginning Secretary Small has been very open about the need to evaluate the Institution's programs and requirements against available resources and core missions. Programs and projects extraneous to those core missions may be terminated and costly in-house services that can be more economically contracted out have and will be eliminated. And, in keeping with the Administration's government management proposal, performance will become a key focus. All of these factors have a significant impact on job security, and morale is certainly affected by the prospect of change.

However, the Institution has also created greater access to its top managers, with opportunities for employees to express their concerns. Quarterly employee survey reports are conducted by all units, giving details of training and advancement opportunities and providing a mechanism for greatly increased communications. Regular town meetings are held for all Smithsonian staff to interface directly with the Secretary about any issue regarding the Institution. Both the Secretary and the Under Secretary for American Museums and National Programs conduct routine breakfast meetings that are open to all Smithsonian staff, giving everyone an opportunity to discuss issues and concerns directly. This enhanced communication allows Smithsonian employees to be a part of the solution to long-term institutional problems so that they can be hopeful about the future.

Impact of September 11

Question 5: Specifically how have the events of September 11th affected the Smithsonian both from a visitation standpoint and your recent decision to conduct a reduction in force?

Answer: The tragic events of September 11th affected the Institution in two ways: serious drop in visitation as Americans worried about security and a new focus on the security of our premises. During the first quarter of FY 2002 visitorship was down approximately 35 percent. This translated into a reduction in revenue from our business operations – restaurants, theatres and stores. Similarly, as a consequence of the nationwide recession, our magazine advertising revenue, which is historically related to the travel and automobile industries, is also down sharply from budget estimates. With these sharp drops in projected revenue, the Institution had no choice but to institute cost cutting measures in FY 2002 including a reduction of 209 trust funded positions. We expect these actions to save \$9 million in FY 2002. Our new focus on security at the Smithsonian has caused us to test magnetometers at the National Air and Space Museum, institute bag searches of all visitors, and reevaluate our plans for the storage of collections preserved in highly flammable alcohol.

Question 6: Was the decision to eliminate positions based solely on the reduction in visitation?

Answer: The decision to eliminate positions was driven not only by the reduced income resulting from the decline in visitation, but also lost magazine advertising revenue and the economic recession.

Research

Question 7: Recently, the Smithsonian Astrophysical Observatory, the Environmental Research Center and the Tropical Research Institute have been singled out in the scientific and popular press for their outstanding contributions to understanding the natural world and for their services to science throughout the United States. Given their prominence and scientific leadership, why is the Smithsonian not requesting any increase for these research programs?

Answer: These three programs are indeed pre-eminent in their respective fields. In addition to the quality of research they perform, their excellence is evident in their success in competing for grants from other institutions. At this time, per the instructions of the Committee, we are waiting for the report of the independent Science Commission, as well as the separate studies underway by the National Academy of Public Administration and the National Academy of Sciences, before addressing any changes to our scientific research programs.

Question 8: For the last seven years, the Smithsonian has requested few increases for the research programs. Considering the fact that the Smithsonian Institution is considered to be one of the greatest research institutions in the world, can you explain why research is considered a lesser priority for funding?

Answer: We do not consider research a lesser priority for funding. However, in the past several years, in a climate of restricted federal funding, it has been necessary to make difficult choices among the many competing priorities and needs for funding of the Institution. The state of many of our facilities, which requires additional funding to meet the very large backlog of revitalization needs; the need to address additional security requirements; the state of our financial management system, which requires implementation of a new system; and the requirements of the new museums authorized by Congress and now under construction, have all had to be addressed in this timeframe, leaving little or no opportunity to address many worthy and important needs in research. At this time, per the instructions of the Committee, we are waiting for the report of the independent Science Commission, as well as the separate studies underway by the National Academy of Public Administration and the National Academy of Sciences, before addressing any changes to our scientific research programs.

Question 9: The Smithsonian Tropical Research Institute in Panama has demonstrated world leadership in the understanding of tropical forests, and of the role of such forests in mitigating carbon emissions. Would you consider the work that is being done by the Institute among the most critical and timely research done by the Smithsonian? If so, would you support an increase to their base budget to expand studies on the crucial role of microorganisms in tropical forests and soils?

Answer: The work being done at the Smithsonian Tropical Research Institute is indeed critical and timely. There are major issues relating to the carbon cycle and green-house gas emissions in the tropics. STRI provides an exceptional logistical platform within a tropical setting for the study of carbon cycling within vegetation and soils. STRI scientists have made critical advances in understanding the role and interactions among forest microorganisms in carbon uptake by forest trees and in soils. We currently have several studies – the Smithsonian Science Commission, and additional studies by the National Academies of Public Administration and of Science – reviewing science activities and their funding at the Smithsonian. We will await the results of these studies before commenting on potential increases in funding.

Security Needs

Question 10: This Committee provided \$21.7 million to the Smithsonian in the Terrorism Supplemental bill last year to address security concerns in light of the

September 11th attacks. Similar funds were provided in fiscal year 1997. Specifically how are these funds being used?

Answer: After the 1995 bombing of the Alfred P. Murrah Federal Building in Oklahoma, the Smithsonian received \$935,000 in FY 1997. This funding was used to reduce vulnerabilities associated with mail handling, access to special events attended by VIP's, and personnel/vehicle access to facilities.

This funding was specifically used to purchase X-ray equipment for mail and package screening at the Smithsonian's central mail facility and facility loading docks. The funds were also used to procure equipment and training for various portable metal detectors that are deployed for the screening of guests during special events. This appropriation also funded the implementation of a centralized personnel identification system, which ensures that only authorized personnel have access to sensitive areas of the Smithsonian.

The Smithsonian received \$21.7 million via the Terrorism Supplemental in FY 2002. The Office of Protection Services administers approximately \$17.2 million and the National Zoological Park administers approximately \$4.4 million. The remainder (\$.1 million) is for the clean up of the Heye Center in New York City.

Current plans are to spend the funds received as follows:

FY 2002 Terrorism Supplemental Spending Plan

(\$Millions)	OPS	NZIP	TOTAL
Temporary physical barriers	2.25	0.00	2.25
Magnetometer/X-ray equipment	2.16	1.93	4.09
Public address systems	2.90	0.50	3.40
Security plan (blast assessment)	1.00	0.10	1.10
HAZMAT equipment	0.05	0.02	0.07
Perimeter cameras	0.66	0.00	0.66
Fencing at National Zoological Park	0.00	1.10	1.10
Heye Center clean up	0.10	0.00	0.10
Staffing for external patrols & operation of magnetometers and x-ray equipment	8.15	.78	8.93
TOTALS	17.27	4.43	21.7

Question 11: How would you describe the state of security at the Smithsonian?

Answer: Prior to September 11, 2001, the Institution considered the state of security at the Smithsonian adequate for the protection of the National Collections and more than 30 million visitors a year.

Since the September 11, 2001 terrorist attacks, the Institution is reconsidering its vulnerability to terrorist attack. New security measures are needed as the popular recognition of the Smithsonian name, the American icons contained in its facilities, and the high level of public access/visitation distinguish the Smithsonian from other government buildings and place it at a high risk for possible terrorist attack.

In the last six months, the Smithsonian has increased liaison efforts with local and federal law enforcement to exchange security information and monitor threat conditions. Also, the Smithsonian continues to perform vulnerability studies, which are being confirmed through independent assessment. Based on the findings of those studies, the Smithsonian has requested funding in FY 2003 to implement additional appropriate security measures.

Question 12: Will the supplemental funds, and the fiscal year 2003 request, provide for permanent security needs for the Institution?

Answer: In addition to the supplemental funding received in FY 2002, the Institution's FY 2003 budget request includes additional funding of \$19.8 million to continue implementing increased security measures in the following areas:

- Continued funding for authorized staffing from FY 2002
- Hardening of facility windows
- Permanent physical barriers
- Pop-up vehicle barriers
- Hardened security booths

The safety of Smithsonian visitors, staff, and collections is one of our highest priorities. We constantly monitor our security posture and will respond to future security needs as they arise.

Science Commission

Question 13: The fiscal year 2002 appropriations bill contained a directive to form a Science Commission to advise the Smithsonian on current and future scientific research activities. The Committee also prohibited the Smithsonian from closing any research facilities until final recommendations from the Commission have been reviewed by the Regents and the Committee. What is the current status of the Commission's comprehensive review?

Answer: The Science Commission has conducted four (Sept. 6-7, Nov. 12-13, Dec. 13-14, Feb.28-March 1) of its eight scheduled two-day meetings (Apr. 16-17, June 3-4, Aug 1-2, Sept. 26-27 remaining). The five subcommittees have been working on their charges (science organizational structure; research and public programs; research profile; research evaluation; and research leadership). Town hall meetings and Science Commission site visits have been conducted at Smithsonian Astrophysical Observatory, National Zoological Park's Rock Creek and Front Royal facilities, National Museum of Natural History, National Air and Space Museum's Center for Earth and Planetary Studies, Smithsonian Environmental Research Center, Smithsonian Center for Materials Research and Education, and Smithsonian Tropical Research Institute. Subgroups of Commissioners have met with staff scientists, department chairs, unit directors, Under Secretaries and the Secretary in executive session. The Committee of the whole has reviewed numerous documents, including: external reviews of research units, individual staff research statements (400+), unit programmatic statements, strategic vision statements of departments and units, and Smithsonian research budget data. The Science Commission Executive Committee met with the Smithsonian Board of Regents on January 22 to provide an update on the Commission's progress. A final report will be submitted to the Regents pending completion of the NAS and NAPA studies, most likely in late October.

Question 14: Specifically, what directions did the Smithsonian give to the Commission?

Answer: The following is the charge from the Regents to the Commission: "For 155 years, the Smithsonian Institution has had as its mission 'the increase and diffusion of knowledge.' Given the important questions facing the scientific world today, the existing level of institutional financial and physical resources, the strengths of the Institution's people and its collections, how should the Smithsonian set priorities for scientific research in the years ahead and, in general, carry out its historic mission more effectively?"

- How should scientific research be organized to optimize the use of the Institution's human, physical and financial resources?
- How should the performance of scientific research by individuals and research departments be evaluated?
- How can the relationship between research and public programming be enhanced?
- What suggestions, of any type might the Science Commission have to strengthen research at the Smithsonian?
- What should be the qualifications of those chosen to lead key scientific research units of the Smithsonian?
- What should be done to enhance public recognition of Smithsonian science?"

The Commission's findings will be submitted to the Regents for their consideration.

Question 15: When are they expected to finalize their recommendations?

Answer: The Science Commission has repeatedly stated that they are committed to work as long as it takes to provide the right recommendations. An interim report will be delivered to the Smithsonian Board of Regents at their May meeting that focuses on strengthening Smithsonian science. A final report will be submitted to the Regents in October 2002.

Question 16: There were discussions during the preparation of the budget about transferring \$35 million from Smithsonian research programs to the National Science Foundation. Can you comment on this proposal?

Answer: No. Discussions during the preparation of the budget are privileged communications within the Executive Branch. A key part of the Smithsonian Institution's mission is the increase of knowledge. Congress, in establishing the Smithsonian Institution, committed the Smithsonian to undertake basic scientific research.

There is currently an independent study being conducted by the National Academy of Sciences and the National Academy of Public Administration, which is reviewing the extent to which base funding of all basic scientific research at the Institution should be subject to competition.

Major Rehabilitation Needs

Question 17: The Committee directed the Smithsonian in the FY 2001 Interior Appropriations bill to contract with the National Academy of Public Administration (NAPA) to clarify the following: 1) how had the Smithsonian used over \$200 million specified for major backlog maintenance, 2) what progress had been made to reduce the most critical problems and 3) verify future backlog requirements. Can you summarize the highlights of the Academy's report for the Committee?

Answer: The NAPA team of Federal financial management and facilities engineering management experts spent eight months studying these issues identified by the Committee and submitted their report, *A Study of the Smithsonian Institution's Repair, Restoration and Alteration of Facilities Program*, in July 2001. The NAPA report included 30 recommendations, and the highlights are as follows:

- NAPA concluded that \$208 million appropriated by Congress between FY 1996 and 2000 was used properly for the purposes requested in the budgets.
- NAPA concluded that the Smithsonian's "extensive backlog of major repair, restoration and renewal requirements are valid and have not been overstated."

However, the Institution failed to communicate the full extent of its requirement.

- NAPA estimated the total revitalization requirement at \$1.5 billion, and recommended a thorough revalidation of the total requirement. The professional engineering study, *Museums and Facilities: Critical Assessment and Improvement Objectives*, was published in September 2001 to respond to this recommendation.
- NAPA noted that as the Smithsonian's RR&A program is substantially increased to achieve this revitalization requirement, staffing should also be increased to effectively manage the larger program.
- NAPA pointed out that lack of preventive maintenance contributed to building deterioration and increased restoration costs, and recommended development of a well-structured maintenance program with increased annual funding.
- NAPA found that Smithsonian's central management does not have effective tools for tracking obligations and expenditures or for measuring performance in order to hold managers accountable for achieving organizational goals. They recommended replacement of the current financial system.
- NAPA noted the lack of effective communications with OMB and Congress, and recommended that Smithsonian place increased emphasis on reestablishing credibility by responding quickly and accurately.
- NAPA recommended that Smithsonian consider reorganizing its facilities management functions under a single organization to improve operational efficiency and effectiveness, cost and quality control and accountability.

The Smithsonian agrees with all of the NAPA recommendations, and has implemented or is in the process of implementing all of them. The Institution found the NAPA report very useful in helping us focus on specific areas of the facilities operations needing improvement, and allowing us to articulate the full scope of requirements for modernizing the physical plant. We appreciate the Committee's past support and current interest in resolving this critical issue.

Question 18: One of the critical findings in the NAPA study was that for all practical purposes, the Smithsonian has not had a preventive cyclic maintenance program. This obviously led to the \$1 billion maintenance backlog. How are you proposing to deal with this problem?

Answer: Using the funding provided for maintenance within the RR&A program in FY 2002 and requested for FY 2003, the Smithsonian is refocusing its preventive maintenance program to a Reliability Centered Maintenance (RCM) program. RCM uses the latest in predictive test and inspection protocols to assist in determining the appropriate schedule for maintenance activities. Using risk assessment factors to guide the program will further insure that the appropriate maintenance tasks are performed at the proper time and that critical systems receive the highest priority.

As recommended by NAPA, the Institution plans to consolidate all current resources devoted to maintenance.

As the NAPA report pointed out, lack of a well-structured maintenance program has contributed to the Institution's \$1.5 billion backlog of revitalization requirements, as documented in the professional engineering report, *Museums and Facilities: Critical Assessment and Improvement Objectives*. Because such massive funding increases will not be possible under current budget constraints, the Smithsonian will set priorities within the Institution for repair and restoration.

Patent Office Building

Question 19: The budget includes \$25 million to continue renovations on the Patent Office Building. Is this amount adequate to let the next phase of the construction project?

Answer: In recognition of the fact that funding is likely to be received over multiple years, the design and construction team has examined the logical division of the scope of work in terms of construction sequence. A three phase, 36-month construction scenario breaks down as follows:

- \$45 million for purchase and installation of the backbone systems for mechanical, electrical, plumbing, telecommunications, security and life safety, courtyard excavation and shell construction of the below grade auditorium and mechanical rooms
- \$38 million for interior construction and systems distribution on the 3rd and 4th floors
- \$34 million for interior construction and systems distribution on the 1st and 2nd floors.

The \$25 million requested in FY 2003 will begin the \$45 million phase. The Institution anticipates requesting funding to complete this phase and the next one in FY 2004.

Question 20: What progress has been made to date on the project?

Answer: All collections have been removed from the building and the contract for demolition and removal of hazardous materials is nearly 60% complete. The construction design documents for the next phase reached the 70% milestone in February 2002. The documents have been reviewed and comments incorporated for the 95% submission, scheduled for completion April 2002. The Institution will begin advertising the next contract phase this summer in anticipation of receipt of the \$25 million requested for FY 2003.

Question 21: Have any significant changes been made to the construction project?

Answer: In the last six months, the auditorium has been reoriented to enhance accessibility and minimize operating costs for off-hours events. Variable air volume control has been added to the HVAC system to increase energy efficiency and minimize life cycle costs.

Question 22: If yes, have these changes resulted in another escalation in cost?

Answer: No, the cost of these changes has been accounted for in the project contingency and has not changed the overall baseline budget of \$166 million in Federal contributions from the Repair, Restoration and Alterations account.

Question 23: How is the private fundraising progressing and how will the funds be used?

Answer: Both museums are in the process of developing fundraising campaign plans, and drafting case statements. So far, the museums have raised over \$28 million.

The funds will be used for enhancements beyond the repair and restoration funded through the federal appropriation. These enhancements will include the design and construction of a covered courtyard, the fitting-out of an open storage area to allow more of the collection to be accessible to the public, and the acquisition of office and support space outside of the Patent Office Building to maximize the public space within the renovated building.

Question 24: What was the final resolution regarding space allocation for the National Portrait Gallery and the American Art Museum?

Answer: Upon completion of the major revitalization project, the National Portrait Gallery will occupy 38% of the available space, or about 57,000 square feet, and the Smithsonian's American Art Museum will occupy 62% of the space, or about 95,000 square feet.

Question 25: What is the current estimate and timeline for completing this project?

Answer: As detailed in the answer to question 19 above, a three phase, 36-month construction schedule is the optimal execution scenario for the complete Physical Plant Renewal for the Patent Office Building. The construction period would be followed by a 6-month move-in and reinstallation of the collections prior to reopening to the public. If funding is received in a different timetable than optimally projected, the completion date will be delayed.

The baseline total project cost is \$166 million for the Federally funded building renovation with an additional \$50 million projected in privately raised funds for enhancements. This total includes \$49 million in prior year Federal funds received to date and \$117 million projected in FY 2003, FY 2004 and FY 2005. Given current projections of available future funds, this will leave little for other repair and restoration projects during those years. The 70% cost estimate for the Physical Plant Renewal received in February 2002 has confirmed this figure. If funding is received in a different timetable than optimally projected, the construction cost estimate will increase.

National Museum of the American Indian (Mall Museum)

Question 26: What is the current status of the actual construction of the mall museum?

Answer: As you can see by logging on to www.nmaicam.si.edu, concrete operations are currently controlling the critical path schedule of construction. Underground work (foundations, piping, drainage, waterproofing) is essentially complete. Placement of the slab-on-grade concrete for the basement floor began in early March 2002, and is progressing from west to east across the site. The first elevated slab (ground floor) pour took place as scheduled the first week in April. Construction is essentially on schedule with completion projected for spring of 2004, to be followed with exhibits installation and museum opening in fall of 2004.

Question 27: Is the total estimate for construction still \$219 million?

Answer: The total estimate for construction of the NMAI Mall Museum remains at \$219 million. This estimate includes \$20 million for "costs to completion" of non-appropriated funds to complete the funding of the Museum's opening exhibits, provide for opening events, and raise additional contributions and finance private loans based on pledges for which actual cash has not been received.

Question 28: What is the total non-federal share?

Answer: The non-federal share of the NMAI Mall Museum construction costs is estimated to be \$106 million.

Question 29: How much of that has been raised to date?

Answer: With the recent addition of a \$10 million gift, \$78 million has been raised to support the construction of the NMAI Mall Museum and an additional \$5 million has been raised for exhibits, programming and other opening activities.

Question 30: Do you expect to raise the balance this year?

Answer: The current construction contract requires the Smithsonian to obligate remaining contract alternatives in late FY 2002 and early FY 2003. We expect to raise the funding necessary to meet this schedule.

Question 31: There is \$10 million included in your fiscal year 2003 budget request for construction of the museum. There was some discussion last year between the Smithsonian and the Office of Management and Budget over what the additional Federal share would be. Does OMB consider this \$10 million to be the final federal investment for construction of this project?

Answer: Yes. The Office of Management and Budget considers the \$10 million in the Institution's FY 2003 request to be the final federal investment in the construction of the National Museum of the American Indian Mall museum.

Question 32: Last year the Committee learned that there was a \$90 million cost overrun on this project. Some costs were associated with inflation in construction costs in the region but most cost overruns were associated with redesign costs resulting from the termination of the previous architect, the complex design of the building and enhancements such as exhibits, cultural and artwork items. Considering the \$1 billion backlog in maintenance needs, how can you justify what appears to be alarming financial mismanagement?

Answer: As you know, the original estimate for construction of the National Museum of the American Indian Mall Museum was based solely on the 1993 programming study, *The Way of the People*. This pre-design phase document established architectural elements important to Native peoples and square footage requirements for various kinds of spaces, but not actual space or building configurations. It is generally recognized in the industry that prior to full development of the details of project scope and schedule at the 35% design stage, cost estimates lack accuracy. The Institution has not changed the basic concept of the building since *The Way of the People*. The final design incorporates those architectural elements, building materials and Native crafted objects critically important to Native Americans, along with specific space requirements originally included in the study. However, creating a design that met these criteria proved a greater than anticipated challenge, and the result was a more complex and expensive building. The cost of the project was also increased because the Institution had no choice but to terminate the original design contract in 1998, when the design was only about the 10 - 20% complete. The architectural firm had failed to meet contract performance requirements, and was not able to offer remedies to forestall recurrence of the problem in the future. Before proceeding with a new design team, a number of design conflicts and problems had to be resolved, and this resulted in project delays and increased costs. Further design delays were caused by specific design changes requested by the Commission of Fine Arts and the National Capital Planning Commission. Although the Institution

eventually succeeded in convincing the agencies that these changes were not appropriate, considerable effort in time and funds was spent in the process.

The Institution is very concerned about the backlog of revitalization to its existing physical plant. However, we are equally concerned that we fulfill the commitment made to Native peoples—and to all Americans—to construct the final building (of three which were legislatively authorized) for the National Museum of the American Indian. Failure to complete the NMAI Museum as originally envisioned would have far reaching adverse consequences. Beyond the negative message to Native Americans, the Institution also stands to lose credibility with its many private contributors—not just for this project, but also in all areas of collecting and fundraising that constitute a vital component of the overall financial strength of the Smithsonian.

In order to balance these competing needs, the Smithsonian has carefully evaluated the revitalization requirements for its existing facilities, and has developed a capital program request for FY 2003 that will address urgent RR&A work and provide funds required to complete the Federal requirement for construction of the NMAI Museum.

Question 33: In light of the \$90 million cost overrun on the NMAI mall museum, what assurances can you give the Committee that this project is under control?

Answer: The construction costs for the building, equipment, and furnishings are now known with certainty and are legally binding through our construction contract. Construction administration and supervision costs have also been negotiated and are firm. The current working estimate reflects industry-average percentages for the contingency reserve. Now that the foundation work on the site is essentially complete, the potential “unknowns” that typically represent the highest magnitude change orders and draw down the contingency reserve are behind us, but there are still a number of areas where significant increases could occur. The Institution has strict controls in place, and the Director of the Museum has agreed that there will be no “owner” changes to the project. We believe we can keep the project on schedule and within budget. We have a professional team of qualified contracted construction administration and supervision personnel assisting us. In addition, the budget proposes the Institution’s own field staff on site to perform crucial “owner” functions to reduce the impacts of design and construction errors and manage the project. The Institution has proposed hiring the additional staff from project funds originally set aside for contract supervision and administration support, a method identical to that used by the Corps of Engineers, the Naval Facilities Command and the General Services Administration. Once this staff is in place, and as long as the funding stream allows award of the remaining contract options by the November 2002 deadline, the critical path construction schedule will be preserved. The Smithsonian executive staff meets monthly as the

NMAI project review committee, and an oversight committee at the Under Secretary level meets periodically to ensure integration of project management and funding issues.

Question 34: What are you doing to ensure that you maintain sound financial management control over all your other construction projects?

Answer: The Institution shares the Committee's goal of maintaining sound financial management control over construction activities. We recently established a policy of working to an agreed upon project baseline once design has reached the 35% stage and all elements of scope, schedule and cost have been determined. Before that stage of design, cost estimates cannot be determined with any real degree of accuracy as the scope and schedule, both of which have significant cost implications, are not yet fixed. The Institution plans to request construction funding for future projects only after 35% design is complete and the baseline has been established. Any proposed changes to the baseline thereafter would be carefully considered internally before seeking guidance and/or approval from the Institution's Capital Planning Board, the Regents, OMB and the Congress.

In addition to a more rigorous baseline control process, the Institution has revised its construction contract supervision and administration practices. In the past, the Smithsonian effectively used contract architecture and engineering firms and construction management firms to supplement limited in-house capabilities to assess adequacy of shop drawing submittals, quality of work completed, and field progress. Given the relatively light workload, and the small scale of projects, this contracted support, working alongside in-house architects and engineers, was sufficient. However, the recent increase in the number, size and complexity of capital projects increases the tempo for staff in managing A-E support, design reviews, procurement support, evaluating A-E assessments, exercising judgment, and making decisions. It is crucial that the Smithsonian increase in-house staff to perform these "owner" functions. Similar to the Corps of Engineers, Naval Facilities Command and the General Services Administration, the Smithsonian proposes to include in-house field oversight personnel expenses as a capital cost of RR&A and Construction projects as provided for in OMB guidelines. This will permit the Institution to hire additional architect/engineers to staff the field offices for projects, and to augment in-house capacity to manage the larger number of RR&A projects. The in-house staff will allow greater control over obligation performance, change orders, safety, and quality, and will improve containment of contract cost and schedule growth.

Udvar-Hazy Center of the National Air and Space Museum at Dulles

Question 35: What is the current status of the Dulles facility?

Answer: The scope of the awarded base bid with alternates includes at present: the main aviation hangar, the administrative wing, landscaping, the theater, food court, shop and observation tower, and additional bays at the north end of the main hangar. Of the total contract time, 37% has elapsed and of the total awarded \$125.6 million, 38% has been paid. A contract modification for the addition of two bays at the south end of the main aviation hangar and the space hanger is in progress. The remaining alternates, for the restoration hangar, study collections storage and archives, will be added as funds are raised.

The Commonwealth of Virginia's Department of Transportation has awarded two site packages including clearing the site, and construction of parking lots and roadways and is about to award the contract for the construction of an interchange to accommodate the museum's entrance on Route 28. The final site work package for wetlands mitigation has received verbal approval by the US Army Corps of Engineers and awaits their final approval in writing.

As you can see by logging on to www.nasm.si.edu, the huge trusses of the great roof of the aviation hangar continue to rise. Other recent construction photographs show that the foundation work is complete, the central utility plant is well underway and the major steel structure of the theater is in place. No time has been added to the construction contracts and the opening date is still projected for December 17, 2003, the 100th anniversary of the first powered flight.

Question 36: The Committee understands that the total project cost is \$309 million. How much is needed to complete the project?

Answer: The total budget/campaign goal for the Udvar-Hazy Center is not \$309 million but \$311 million, which now includes the full cost of compliance with the Davis Bacon Act requirements. A total of \$191 million has been committed to the project to date, leaving \$120 million to complete the project.

Question 37: How successful has your private fundraising effort been?

Answer: Of the \$291 million required from private/corporate and state and local government sources, we have raised \$179 million, leaving \$112 million to go in the campaign. We exceeded our fund raising goals for FY 2001 and have been successful in raising two-thirds of our FY 2002 goal year to date.

Question 38: The Committee understands that you have a rather unique relationship with the contractor in that you have been able to keep costs in check and in some instances achieved significant cost savings. Can you provide the Committee with details?

Answer: The Smithsonian Institution is continually seeking to improve its project management to complete projects at or below budget. At the NASM Steven F. Udvar-Hazy Center, application of evolving best practices and contractor responsiveness have combined to create optimal conditions for controlling costs.

Partnering and value engineering are management tools that have gained wide acceptance throughout the design and construction industry. Partnering identifies and promotes all stakeholders' interests and diminishes the possibility of an adversarial atmosphere and subsequent litigation. Value engineering (VE) seeks alternative solutions to construction problems that lessen cost without decreasing quality. At the Hazy Center, new rigor has been applied to partnering by asking participants to reflect monthly and in writing on the progress on partnering goals. Furthermore, value engineering has been unusually successful during construction, totaling \$1.4 million in savings. The unique structure of the main aviation hangar provided an opportunity for most of these savings when the contractor suggested bolted rather than welded connections for the giant trusses. The contractor has shown their commitment to the project not only through their creative recommendations, but also by donating their share of the VE savings back to the project.

Question 39: What do you expect the total annual operation costs to be when the facility opens in 2003?

Answer: We anticipate the total annual operating costs to be approximately \$21.8 million when the Center is fully operational. These annual operating costs include staffing and related expenses, outsourced operations, utilities, security and service of the Smithsonian's debt undertaken for the construction of the Udvar-Hazy Center.

Question 40: How much of this operating budget will require federal appropriations and how much do you estimate will be provided through revenues from concession run parking, restaurants, shop and the I-MAX theatre?

Answer: An amount of \$16.8 million is the annual federal appropriations requirement for the Center. The currently projected \$5.0 million from revenue producing activities will be used for debt service on the Smithsonian's loan commitment for the construction of the Udvar-Hazy Center.

Question 41: Aside from the above mentioned concession operations, do you plan to contract out maintenance or other operations requirements of the site?

Answer: Where practical, we will outsource support functions. These may include building management, horticulture, security and information technology.

Question 42: Since the facility at Dulles is an extension of the Air and Space Museum on the Mall, will you be able to achieve any administrative savings by not duplicating certain positions or functions located on the Mall?

Answer: The three facilities of the National Air and Space Museum – the National Mall Museum, the Suitland Facility and the Udvar-Hazy Center – will be managed through centralized administration on the Mall with the existing staffing complement, rather than duplicating these functions. One of the existing Associate Director positions will be assigned to the Udvar-Hazy Center.

Question 43: The fiscal year 2003 budget includes an operational increase of \$3.4 million to prepare and move collections from the Garber Storage facility to the new site. Is this amount adequate to meet the scheduled opening date?

Answer: This funding will allow the Institution to open the Udvar-Hazy Center on time.

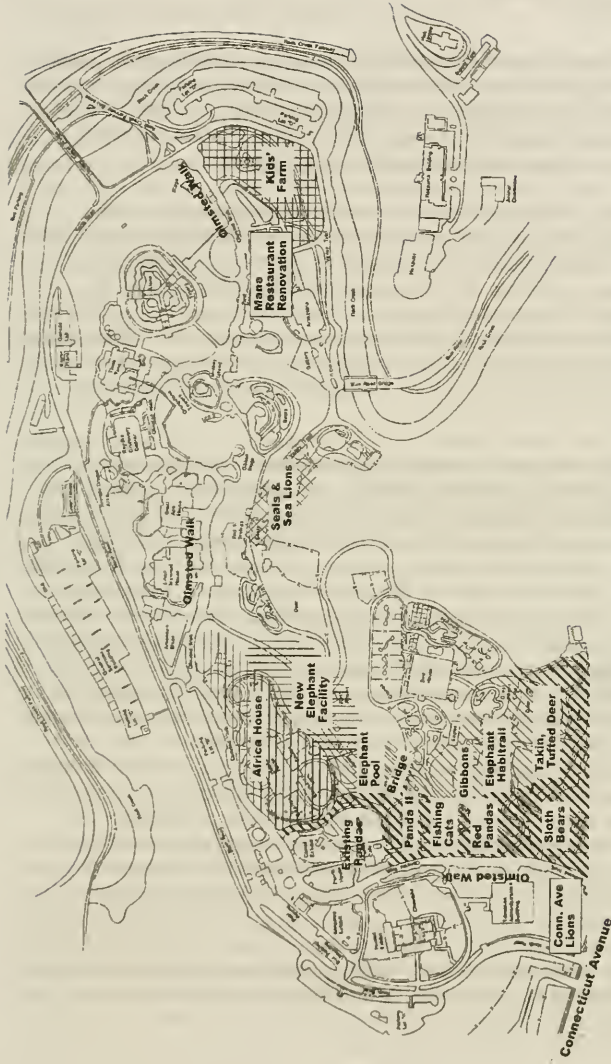
Question 44: If it is not adequate, what is a more realistic figure?

Answer: The funding requested will allow the Museum to open the Center on time with a limited program for the public.




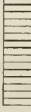
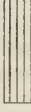

National Zoological Park

Question 45: The National Zoo was constructed over 100 years ago. What is the current condition of the buildings and animal enclosures?

Answer: The attached map of the National Zoo characterizes the condition of the existing buildings and animal enclosures as failing, poor, fair, good and under renovation. There are 29 major buildings or exhibit areas, of which fifteen are in failing or poor condition. Over half of the Zoo buildings have seriously compromised structural, mechanical, electrical and fire and life-safety systems. In particular, the bear and elephant facilities are in extremely poor condition. While adequate to meet the needs of the animals housed there, the quality of the exhibit is substandard. Our goal is to bring all of our major exhibits into the modern age so that we provide optimal conditions for staff safety, animal safety, quality of life for the animals, quality of the visitor experience, the capacity to breed endangered species, and the support of scientific research and education. In addition, buildings/exhibit areas that are rated as in fair or good condition will require on-going maintenance support to keep them in sound condition and prevent deterioration.



National Zoo Renewal Plan (2002-2007)

- 
Kids' Farm
 opens 2003
 cows,
 goats,
 donkeys,
 chickens,
 ducks
- 
Asia I
 opens spring 2004
 pandas,
 sloth bears,
 red pandas,
 fishing cats
- 
Asia II
 opens spring 2005
 elephant pool
 elephant habitat,
 gibbons,
 takin,
 tufted deer
- 
Asia III
 opens spring 2006
 new
 elephant
 facility
- 
Africa House
 opens 2007
 (Elephant House
 renovation)
 giraffe,
 hippopotamus,
 rhinoceros
- 
Seals & Sea Lions
 planning
 seals,
 sea lions

Question 46: The budget includes planning funds for a 10 year Zoo Renewal Plan, can you describe this plan?

Answer: The National Zoo Renewal Plan outlines the organized sequential repair, renovation, or replacement of those facilities in failing and poor condition. As each area is rebuilt, significant improvements to underground utilities, animal exhibit yards, visitor amenities, animal holding areas, roads, paths, fire and life safety systems, interpretive experience, and accessibility are included.

During the first five years, the Asia Trail Project will provide modern facilities, optimal living conditions, and stimulating public exhibits for the Zoo's existing Sloth bears, fishing cats, red pandas and elephants. These animals are all currently housed in failing and poor facilities. At the same time, this first phase of the renewal program (years 1-5) will bring together several key species from Asia, thus beginning a new trend of establishing zoogeographic areas at the Zoo. The goal is to give zoo visitors a better understanding of where these species come from and of some of the major conservation issues in that part of the world (Asia in this case).

Building a new facility for elephants is particularly important since the existing facility is deteriorating (dating to the early 1930's) and unsuitable to support the National Zoo's Asian elephant program. There are only about 30,000 Asian elephants remaining in the wild, and only about 30 breeding age female Asian elephants in captivity. Among these female elephants in captivity, few are housed in a breeding situation. The Zoo's female, Shanthi, was artificially inseminated, in part because the Zoo lacks a facility to hold a bull elephant. Furthermore, National Zoo scientists have pioneered the study of the reproductive biology of the Asian elephant, and have collaborated worldwide to develop strategies to support their reproduction in captivity as well as their conservation in the wild. We have the expertise to make a difference for the future of the elephant, and we want to share this with the visiting public. We also want to set a new standard for how urban zoos house elephants, by establishing a setting that allows more space for a small herd of these large mammals, including one or more bull elephants. In doing so, we can support natural social behaviors and improve breeding. In addition, by building new facilities for elephants (located in essentially undeveloped space adjacent to the current facility), the Zoo will be able to implement a phased renovation of the existing Elephant House, converting it to Africa House, for giraffes, hippos, and rhinos.

In years six through ten, Seal and Sea Lion Pools will be renovated and converted to salt water pools, followed by renovation of the Reptile/Invertebrates, Small Mammal and Bird Houses.

Question 47: What concerns do you have with respect to health and safety of the animals given the current conditions of the Zoo?

Answer: As noted in question 45, the standard of care for animals on exhibit in today's modern zoo is much higher than when the zoo's oldest facilities were constructed. It is now well recognized that animal health is directly related to healthy behavior. Providing an environment that encourages normal behavior, both social and foraging, is our goal zoo-wide. Not only does this encourage a healthy animal collection, but it is far more stimulating for the visitor. With respect to safety, structural failures such as crumbling rockwork or failed shift door mechanisms create both animal and staff safety concerns. Correcting such problems with temporary solutions also creates a risk of major structural failure that could allow animal escape or injury.

Question 48: The budget includes a request for \$16.7 million for repair and rehabilitation and \$2.4 million in operational increases. Does this request take care of the Zoo's highest priority needs?

Answer: This request covers our highest priority needs. The budget request for repair and rehabilitation allows the National Zoo to begin construction of Phase I of Asia Trail, to continue design for elephants in Phase II of Asia Trail, and to begin concept design for Africa House. Funds are also included for on-going maintenance and repair, and minor renovation projects. These are the highest priority renovation and repair needs.

The \$2.4M in operational increases covers the following: the salaries and benefits for the additional security officers (25 FTEs) hired with the supplemental funds provided in FY 2002, the installation of security pop up barriers, the necessary pay for existing staff, and the 3 staff positions to administer the Repair, Restoration and Alterations of facilities program at the National Zoological Park.

Question 49: How is the Zoo using the security funds included in last year's terrorism supplemental?

Answer: The supplemental provided \$4.429 million for the National Zoological Park. The funding is primarily in two areas: \$1.081 million for 25 FTEs for NZP Police Officers to increase security and provide for screening of visitors and \$3.348 million for security equipment and barriers to control access to NZP. Most of this funding will be used to erect physical barriers/fencing that will channel visitors to specific entrance points where they can be screened using magnetometers and x-ray machines. Since the total cost of the barrier/fencing is in excess of \$1 million, any funding left from the security plan or the pay for officers in FY 2002 will be redirected to support that expense. A summary of the FY 2002 funding and its planned uses is shown below.

Item:	(\$000s)
Security Plan	100
Fencing at Rock Creek	1,100
6 X-rays and 15 Magnetometers & 6 Kiosks to house mags & x-ray	1,665
Public Address Systems	500
Four X-ray machines	260
Hazmat Equipment	23
4 Temp & 21 full-time officers	781
TOTAL, FY 2002 Supplemental Appropriation	\$4,429

Question 50: What is the current status of the Farm exhibit and is the budget request sufficient to meet the scheduled opening date?

Answer: The Kids' Farm exhibit is currently scheduled to open summer of 2003. A curator position is partially funded. Animal care staff will need to be on board in spring of 2003. Facilities support staff will need to be on board in the summer of 2003.

Victor Building

Question 51: Last year, the Smithsonian stated that the renovation of the Victor Building was nearing completion and Smithsonian staff would soon be moving into the building. In addition, the Smithsonian was preparing to seek tenants for the retail space on the street level. What is the status of this project?

Answer: The renovation of the Victor Building is essentially complete, and staff from formerly leased space at L'Enfant Plaza has moved in. The occupants of the Patent Office Building have also moved into the building; some will return when the Patent Office Building reopens.

The Victor Building contains approximately 21,100 useable square feet of street level retail space. Presently, 9,400 square feet of this space has been leased, and the remaining 11,700 square feet of space is being actively marketed.

Question 52: When this project was initially proposed to the Committee, it was described as a way to consolidate administrative and other staff to save private rental costs. Later the Smithsonian asked the Committee to use those "savings." Given the \$1 billion backlog, the cost overrun on the NMAI museum, and the operational needs of the new Dulles facility, was the purchase of this building a wise investment, and what are the benefits to the Institution and the taxpayers?

Answer: The purchase of the Victor Building was a sound investment. It has allowed consolidation of administrative and other staff, and their permanent

relocation from long-term private sector leased space. The building also provides housing for displaced staff from the Patent Office Building, allowing restoration of that building. When renovation of the Patent Office Building is complete, 60,000 square feet of museum space will have been converted from administrative space to gallery space because the administrative staff will then be housed in the Victor Building.

The building is currently occupied at a cost significantly less than any available lease alternative. The Institution has converted this annual cost savings and future cost avoidance into a significant gain in space for exhibitions and other public programming for the two museums in the Patent Office Building. Other long-term advantages of ownership of the Victor Building include stabilized occupancy costs (except for inflation), and creation and retention of value in a real property asset.

High Priority Needs

Question 53: The budget includes bill language rescinding \$14,100,000 in previously appropriated funds which were provided to modify Pod 3 storage. Because of complications with the old proposal, you are proposing to use these funds for high priority activities. Specifically, what are these high priority needs?

Answer: The reduction of prior year budget authority by this action will partially offset FY 2003 increases for high priority needs within the Salaries and Expenses request. Priority areas include funding for mandatory cost increases and critical programmatic requirements.

Mandatory increases include:

- Salary and related costs for existing staff
- Salary costs for additional security staff
- Utilities, postage and rent increases

Program requirements include:

- Information Technology systems modernization
- Staff support for facilities improvements
- Security Systems modernization and related improvements
- National Museum of the American Indian start-up costs
- National Air and Space Museum Udvar-Hazy Center start-up costs

The reduction associated with this rescission has not been designated for specific requirements, but would partially offset the above increase in requirements.

Enterprise Resource Planning System

Question 54: The Enterprise Resource Planning System is intended to replace antiquated financial and human resources management systems. To date, \$5 million has been spent. What are you estimating the final cost to be?

Answer: The Smithsonian estimates that the ERP will cost \$42,226,000 to implement and operate through FY 2005. This amount includes \$1,051,000 in Trust funds. The following table breaks out Federal spending by ERP project phases.

SUMMARY OF FEDERAL SPENDING FOR ERP PROJECT STAGES
(Dollars in thousands)

Project Costs	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Total
Analysis Phase	1,400	0	0	0	0	1,400
Financials Phase 1 ¹	494	3,300	0	0	0	3,794
Financials Phase 2 ²	0	1,449	8,544	1,683	0	11,676
Human Resources Phase 1 ³	0	0	1,280	4,000	0	5,280
Travel Manager Interface ⁴	0	0	0	257	0	257
Human Resources Phase 2 ⁵	0	0	0	480	2,744	3,224
Development Platform	475	0	0	0	0	475
ERP Software	1,511	0	320	0	0	1,831
Development Sub-total	3,880	4,749	10,144	6,420	2,744	27,937
Applications, Maintenance & Operations	0	630	1,044	2,775	5,678	10,127
IT Operations	0	821	812	739	739	3,111
Steady State Sub-total	0	1,451	1,856	3,514	6,417	13,238
Total	3,880⁶	6,200	12,000	9,934	9,161	41,175

¹ General Ledger, Accounts Payable, and Purchasing

² Procurement, Budgets, Projects, Grants, Assets, and Accounts Receivable

³ Human Resources, Time & Labor, Payroll Interface

⁴ Integration of existing Travel Manager system with the ERP

⁵ Benefits Administration

⁶ Includes prior year IRM Pool funds amounting to \$1,734,200. In addition, Trust funds amounting to \$1,051,000 were used to support this project in FY 2001.

Question 55: Are you still on track to be fully operational by fiscal year 2005?

Answer: The Smithsonian plans to be fully operational by April 2005. The table below provides the ERP project schedule.

Key ERP project milestones are:

Tasks/Products	Completion Date		
	Initial Projection	Current Projection	Actual
Established Automated Resource Management Committee to analyze administrative systems	04/1998		04/1998
Completed analysis of administrative systems	07/1999		07/1999
Capital Planning Board approval	11/2000		11/2000
Acquired ERP product	03/2001		03/2001
Established IT Development Lab	04/2001		05/2001
Acquired ERP Integration Services	04/2001		06/2001
Established Integrated Product Team	07/2001		09/2001
Defined Chart of Accounts	12/2001		03/2002
Pilot General Ledger, Accounts Payable, Purchasing, and portion of Projects modules at NASM	07/2002	07/2002	
Deploy General Ledger, Accounts Payable, Purchasing, and portion of Projects modules	10/2002	10/2002	
Deploy Procurement, Projects, Budgets, Grants, Assets, and Accounts Receivable modules	10/2003	10/2003	
Deploy Human Resources, Time & Labor, and Payroll interface modules	04/2004	04/2004	
Deploy Travel Manager interface	08/2004	08/2004	
Deploy Benefits Administration module	04/2005	04/2005	

General Reduction

Question 56: The budget request includes a general reduction of \$12,795,000. How do you intend to achieve this savings?

Answer: The Institution carefully refined the FY 2003 budget to try to balance the amount approved for inclusion in the President's budget and still advance on the most important institutional priorities, such as repairing facilities, opening new museums and installing modern management and financial systems. The result of this effort is that important programs and/or staff must be cut to meet the budget constraint. Making significant reductions will require further consultation with appropriations and oversight committees.

The Institution has initiated a workforce analysis, a competitive sourcing review, and a review of science. These initiatives should inform discussions about how to achieve budget targets.

If it is necessary to take this reduction in FY 2003 exclusively by reducing staffing, it would require a reduction of more than 500 staff members. The Institution would attempt to absorb this reduction through attrition, but based on FY 2001 attrition rates, an estimated 200 people would likely lose their jobs. This would happen at a time that the Institution must add personnel to bolster security, make needed repairs to facilities and open new museums.

Question 57: You are currently undertaking a workforce analysis and reviewing additional outsourcing opportunities. Will these results yield any savings in fiscal year 2003?

Answer: The workforce analysis and the review of additional outsourcing opportunities are underway and should be completed late in FY 2003. It is possible that these studies will make recommendations that will produce savings in FY 2003.

Buyout Authority

Question 58: Last year there were discussions about the possible need for buyout authority. Is that still under consideration?

Answer: Yes. We are currently discussing buyout authority with the Administration. The Administration has submitted a legislative package ("Freedom to Manage") that includes buyout authority. We feel that buyout authority is a useful tool for tailoring our workforce to meet the needs of our strategic plan, and we anticipate it being a useful tool in implementing the recommendations of our workforce analysis. We must be clear in any government-wide buyout authority that it includes the Smithsonian.

Question 59: If so, have you discussed this need with the appropriate authorizing committee?

Answer: The Administration's Freedom to Manage legislation has been submitted to Congress.

QUESTIONS FROM CONGRESSMAN MORAN**General Reduction**

Question 60: I know you weathered quite a storm of public reaction to your proposal last year to close the Smithsonian's Conservation & Research Center and some other facilities and operations. This year, you are proposing \$12.8 million in unspecified spending cuts. At the risk of generating a new storm of controversy, do you have an idea on where these reductions should be made?

Answer: The Institution carefully refined the FY 2003 budget to try to balance the amount approved for inclusion in the President's budget and still advance on the most important institutional priorities, such as repairing facilities, opening new museums and installing modern management and financial systems. The result of this effort is that important programs and/or staff must be cut to meet the budget constraint. Making significant reductions will require further consultation with appropriations and oversight committees.

The Institution has initiated a workforce analysis, a competitive sourcing review, and a review of science. These initiatives should inform discussions about how to achieve budget targets.

If it is necessary to take this reduction in FY 2003 by reducing staffing, it would require a reduction of more than 500 staff members. The Institution would attempt to absorb this reduction through attrition, but based on FY 2001 attrition rates, an estimated 200 people would likely lose their jobs. This would happen at a time that the Institution must add personnel to bolster security, make needed repairs to facilities and open new museums.

Rescission

Question 61: Could you clarify for me how the Smithsonian plans to use the \$14.1 million? Is OMB permitting you to keep these funds?

Answer: The reduction of prior year budget authority by this action will partially offset FY 2003 increases for high priority needs within the Salaries and Expenses request. Priority areas include funding for mandatory cost increases and critical programmatic requirements.

Mandatory increases include:

- Salary and related costs for existing staff,
- Salary costs for additional security staff
- Utilities, postage and rent increases

Program requirements include:

- Information Technology systems modernization,
- Staff support for facilities improvements,
- Security Systems modernization and related improvements,
- National Museum of the American Indian start-up costs
- National Air and Space Museum Udvar-Hazy Center start-up costs

The reduction associated with this rescission has not been designated for specific requirements, but would partially offset the above increase in requirements.

Private Fundraising

Question 62: What is your attitude towards private fund raising? What is the status of efforts to privately finance the construction of the National Museum of the American Indian and the Air and Space Museum Extension at Dulles?

Answer: We take fundraising very seriously at the Smithsonian. It is essential to keep the Smithsonian modern, lively and of interest to the public. We staff each Smithsonian museum and research institute with a team of professional development officers. They are experts in their organization's collections and research, and they work very closely with donors. Fundraising is beneficial to the museums, to visitors to the museums, and to the donors. We should embrace the philanthropists who give so generously to enrich the lives of all Americans.

Recently, private and federal funding for the National Museum of the American Indian reached \$174 million, of which \$71 million has been raised from private sources. The Institution is requesting \$10 million in its FY 2003 budget and needs to raise \$35 million to finish the Mall Museum. The total estimated cost of the National Air and Space Museum Udvar-Hazy Center at Dulles is \$311 million, with \$118 million still left to be raised from private sources.

Question 63: How do you balance concerns that have now been raised that too many strings have been attached to large private donations, strings that could compromise the integrity of a museum's independent and scholarly presentation of its artifacts and displays?

Answer: The Smithsonian Institution continues its century-and-a-half long tradition of allowing donors to restrict their gifts for a specific purpose. Gifts typically are restricted or unrestricted, depending on the wishes of the donors. Regardless of the purpose, the Smithsonian does not cede control over either the content or design of its exhibitions or programs. The most publicized recent gift, from the Catherine Reynolds Foundation, was, in fact, withdrawn because the Smithsonian Institution would not cede control of the content as the donor wished.

Patent Office Building

Question 64: What is the status of your efforts to restore the Old Patent Office Building? Has the issue of dividing space between the National Portrait Gallery and the Museum of American Art been resolved?

Answer: All collections have been removed from the building and the contract for demolition and removal of hazardous material is nearly 60% complete. The construction design documents for the next phase reached the 70% milestone in February 2002. The documents have been reviewed and comments incorporated for the 95% submission, which is scheduled for completion in April 2002. The Institution plans to begin advertising the next contract phase this summer based on receipt of the \$25 million requested for FY 2003. The issue of the division of space between the two museums has been resolved.

Research

Question 65: The Smithsonian is perhaps best known for its museums on the Mall and its unique collections. Could you highlight some of the institution's other activities and its research activities in particular?

Answer:

Smithsonian Astrophysical Observatory's research activities are guided by questions addressing the structure and fate of the universe, when and how the first galaxies and stars formed, how black holes form and evolve and what physical processes occur in their vicinity, how stellar and planetary systems form and evolve, and what can we learn about the Sun that will help us understand other stars and the Sun's effect on Earth. Tools used to make most progress in finding answers to the above questions include the 6.5m Multiple Mirror Telescope (MMT), Chandra Observatory, and the Submillimeter Array (SMA).

National Zoological Park conducts research through its three departments of Animal Programs, Reproductive Sciences, and Conservation Biology. The cognitive research questions focus on identifying the origins of complex mental abilities, and describing the range of cognitive skills that exist in non-human species. Pathology questions study the disease process and its progress in zoo collections, encompassing diagnostic and research aspects. Reproduction, the essence of species survival, is studied through the interdisciplinary fields of endocrinology, behavior, embryology, cryobiology, gamete biology and assisted breeding. Likewise, conservation biology research incorporates interdisciplinary approaches to address the various challenges to maintaining biological diversity, including behavior, ecology, population biology, nutrition, migratory behavior, nutrition, and biodiversity training and outreach.

Smithsonian Environmental Research Center investigates a broad range of issues in invasion biology: (1) patterns of non-indigenous species transfer, invasion, and impact; (2) specific and general mechanisms that underlie these patterns; and, (3) efficacy of management strategies to limit the spread and impact of non-indigenous species. SERC blue crab research relates prey survivorship and community structure to habitat quality of major shoreline types. Temporal variation in survivorship of juvenile crabs in the nearshore refuge appears to regulate recruitment into the blue crab fishery. SERC's ballast water delivery and management program for vessels also includes research at an increasing number of sites outside of the Chesapeake Bay region (Alaska, California, Florida) to measure variation among sites and test for generalities in invasion processes. International collaborative research sites are in Australia, Israel, Italy, Netherlands, and New Zealand.

Smithsonian Tropical Research Institute in the Republic of Panama conducts advanced tropical studies on the ecology, evolution and behavior of tropical plants and animals. STRI research focuses on describing the past, understanding the present and ultimately developing predictive models of how life in the tropics responds to and influences life on the planet. These research activities integrally depend on the use of canopy cranes, scuba diving methods, and molecular techniques to name a few.

Question 66: Could you explain the decision-making process used to allocate scientific research funds at the Smithsonian?

Answer: All Federal staff scientists receive annual performance reviews, and are also evaluated via a peer review process on a regular basis. The best-known form of expert review is peer review, developed from the premise that a scientist's peers have the essential knowledge and perspective to judge the quality of research and are the best qualified people to do so. Requests for resources beyond basic salary support are reviewed by department chairs and/or associate directors at larger organizations, and by the deputy director and/or director at smaller units. Research support for staff is generally allocated based on the following criteria: overall performance and productivity of the scientist based on annual and peer reviews; funding appropriated for specific projects or programs for which a scientist is the chief investigator; recent publication record; knowledge of the scientist's research plans and ability to carry them out effectively with the requested resources; success of the scientist in obtaining competitive grants and contracts or other external support; and the importance of the research activity to the vision and mission of the organization and the Institution.

Question 67: Are there research areas in which the Smithsonian has established itself as a leader and is sought out for expertise by the federal government or the scientific community?

Answer:**National Museum of Natural History**

During FY 2001, the National Museum of Natural History provided scientific expertise to federal, state and local agencies in the areas of forensics and forensic-related training; identifications of biological specimens, especially invasive species and feathers; assessments of geological stability; volcanic events and hazards; biological surveys of particular animals such as amphibians and insects; analyses of meteorites and other solar system and planetary materials; management of Federally-collected biological collections, especially vertebrates and invertebrates; disease dynamics; coral reef studies; diamonds' chemical composition; and science education. This expertise was provided in the form of unreimbursed services, interagency transfers and extramural grants and contracts. Total interagency transfers and extramural grants and contracts for FY2001 was \$3.6 million from 13 government agencies. Grants were secured from the Board of County Commissioners, St Lucie County, FL; the Department of Agriculture; the Department of Commerce; the Department of Defense; the Department of Energy; the Department of the Interior; the Environmental Protection Agency; the National Aeronautical and Space Administration; the National Institutes of Health; the National Science Foundation; the State of Florida; and the United Nations Food and Agriculture Organization. In addition, services for no fee were provided to the Armed Forces Institute of Pathology; the DC Metropolitan Police; the Department of Commerce; the Department of Defense; the Department of Energy; the Department of the Interior; the Federal Aviation Administration; the Federal Bureau of Investigation; the National Center for Exploited and Missing Children; the White House; the US Geological Survey; and the United States Senate. Of particular note were the human identification services provided as a result of the events of September 11, 2001 and the biological specimen identification from ensuing government activities.

National Zoological Park

Federal, state, and local agencies seek the expertise of NZP scientists on a wide variety of issues involving the biology and recovery of endangered and threatened mammals, birds and reptiles. These agencies include, among others, the Fish and Wildlife Service, the Forest Service, the Bureau of Land Management, Marine Mammal Commission, Virginia Department of Conservation, Virginia Department of Game and Inland Fisheries, and Florida Freshwater Fish and Game Commission. Specific species include the Guam rail, desert tortoise, sea turtles, black-footed ferret, Florida panther, and a variety of migratory birds. The National Zoo's Conservation and Research Center actively participates in desert tortoise conservation in the Eastern Mojave Desert, and produces black-footed ferrets for reintroduction in the American West. NZP is also engaged in the international implementation of the Endangered Species Act, including projects on tigers, giant pandas, Asian elephants, and migratory songbirds.

NZP scientists consult on conservation and management issues related to marine mammals, and forest and water resources. In addition to completing specific research projects, NZP scientists also provide their expertise to these agencies by serving as consultants and members of endangered species recovery and resource management teams. The Zoo received \$2.4 million in government grants and contracts for research activities in FY 2001.

Smithsonian Astrophysical Observatory

In response to announcements of opportunity, primarily from NASA, SAO scientists submit proposals to build instruments for space experiments and to conduct related research. These proposals are ranked against proposals submitted by scientists throughout the nation and awarded by the agency on the basis of perceived scientific merit. Roughly three-quarters of SAO's budget is in the form of government contracts and grants. FY 2001 awards totaled \$85 million.

Smithsonian Environmental Research Center

SERC's expertise is broadly sought by all levels of government for its research in such fields as invasive species, wetlands ecology, global change, population and community ecology and landscape ecology. In FY 2001, SERC administered 48 external grants and contracts totaling more than \$21 million of multi-year support (\$3.1 million was awarded in FY 2001). Typically, SERC is funded by local and state agencies in Maryland, NSF, USDA, EPA, Commerce, DOD, Interior and other natural resource agencies of the Federal Government in peer-reviewed competitions.

Smithsonian Center for Material Research and Education

SCMRE expertise is regularly sought by other government agencies in matters pertaining to preservation and conservation of cultural properties under the care of those agencies, as well as in cases where our expertise in specific analytical techniques is sought. Recent (FY 2001 and current year) consultations have included the Architect of the Capitol, EPA, FBI, State Department, the Federal Highway Administration, the Texas Historical Commission, and California Department of Parks and Recreation.

Smithsonian Tropical Research Institute

Scientists at STRI collaborate in a number of initiatives funded by the National Science Foundation, the International Cooperative Biodiversity Groups (a consortium consisting of the National Institutes of Health, National Science Foundation, and the Department of Agriculture), NASA, and the Panama Canal Authority, among others, for which STRI has \$11.9 million in active grants and contracts (\$1.2 million awarded in FY 2001). Our work with the ICBG involves screening for potential new medicinal compounds from tropical forest plants. A grant from NASA is enabling us to assess the impacts of prevailing land uses on rainforest ecology and carbon storage in the Amazon basin; understanding such

effects is important because Amazonian forest conversion is a major source of carbon emissions worldwide. Locally in Panama, we collaborate in a watershed management study for the Panama Canal Authority.

Question 68: Is there a federal or national interest in this research?

Answer: Yes. As detailed in Question 67 above, there is great interest in the type of research that is being conducted by these units.

Question 69: What are some of the unique features of Smithsonian science as compared to other federally funded science programs?

Answer: The NAPA and NAS studies will be focusing on this particular question.

National Museum of Natural History

The uniqueness of NMNH science is its collections, scientific expertise and specialized laboratories. The NMNH has the largest and most diverse collection of plants, animals, fossils, minerals and other human artifacts and associated data in the world, numbering over 124 million. The associated data is of incalculable value because a collection of this sort can never be put together again, due to the loss of habitats and cultures. The information derived from the collections assists in informing current and critical biodiversity, climate change and ecological studies, to name a few.

National Zoological Park

The National Zoo is unique for its location within the Nation's Capitol and beautiful urban setting. The size of the living collection is 3000 specimens of which 45 species groups are on the United States endangered species list, and the relationship that the Zoo has with China has resulted in an increase in collaborative science programs involving the Zoo's animal care staff, research staff, and their Chinese counterparts. The Zoo has gained an international reputation for improving the management, husbandry, and exhibition of wildlife through scientific investigation. NZP specializes in using multi-disciplinary approaches to address a variety of conservation issues, and educates the public about these issues through its exhibits.

Smithsonian Astrophysical Observatory

In combination with the Harvard College Observatory, SAO forms the largest and most comprehensive center for astrophysics in the world. Its scientists cover the entire spectrum of radiation from the universe in a way that no other institution is able to do. SAO has excelled in carrying out large projects of national and international impact that are not feasible to undertake by virtually all other academic institutions. A prime current example is the enormously successful, \$2 billion class Chandra X-ray Observatory which was conceived, largely

developed, and now operated by SAO scientists. This major space mission is the only one not operated by NASA. Because of the extraordinarily wide range of disciplines represented at SAO, individual and group research projects are greatly enhanced by the proximity of SAO experts in all relevant fields. At present SAO also has unique facilities for astronomical observations in Arizona, Massachusetts, Hawaii, and the South Pole. In addition, SAO is unique among all of the world's astronomical research organizations in having the largest and most effective groups devoted to pre-college science education—curriculum development, teacher training, and the production of award-winning, nationally famous videos. SAO could apply some of its innovative developments for X-ray astronomy to medical instrumentation. A specific application, to angiography, could substantially improve the images obtained while simultaneously decreasing the radiation exposure of patients tenfold.

Smithsonian Tropical Research Institute

The facilities in Panama enable us to conduct long-term research and monitoring of the tropics, and to understand the results of recent studies within the context of STRI's longer-term environmental records spanning almost 90 years; provide access to high-biodiversity habitats which are scarce under the US flag and are well protected from disturbance (e.g. tropical rain forests and coral reefs). Barro Colorado Island, the oldest and best-studied tropical forest reserve, is under Smithsonian custodianship through international agreement with the Republic of Panama. Smithsonian provides state-of-the-art facilities including molecular laboratories, ultra-cold genetic-storage facilities, and marine research facilities on both the Atlantic and Pacific oceans from which state-of-the-art research in the tropics is conducted. STRI also pioneers new technologies for environmental research including the canopy crane and systems for automated telemetry. The Center for Tropical Forest Science provides an unmatched, circumtropical database of forest composition and change monitoring more than 6000 tree species in 13 tropical countries of Asia, Africa and the Americas.

Smithsonian Environmental Research Center

Utilizing its core site on the Chesapeake Bay, SERC's science is based on long-term monitoring of ecological characteristics at the land/water margin on a permanently owned and protected site. Its integrative and multi-disciplinary approach to environmental issues at various scales from local through global make it a unique asset to U.S. and international science. To cite just two examples, SERC is the Nation's leading center for invasive species research in the marine environment and also has the world's largest concentration of researchers on mangroves, a critical wetlands habitat.

Question 70: How can the National Collections at the National Museum of Natural History be improved for the benefit of U.S. science?

Answer: The most important improvements that could enhance the collections at the National Museum of Natural History are: to continue renovation of the Natural History building in order to protect the unique collections by making the building environmentally safer and more up-to-date and to provide better on-site examination facilities for researchers who come from all over the world to study the vast collections; to digitize the collections and make them available over the internet to reach more researchers all over the world; and to have a safe and yet accessible environment for those collections stored in alcohol.

Question 71: What evidence do you have to prove the quality of the science conducted at the Smithsonian?

Answer: The quality of the science conducted at the Smithsonian is reflected in the results of external program reviews by a panel of experts in the particular fields of study under review, conducted on a periodic basis at the direction of the Under Secretary for Science, or within a research unit, by the Director. These are typically done on an approximately five-year cycle. A Visiting Committee consults and reviews the Smithsonian Astrophysical Observatory (SAO) activities every two years. Reviews have been conducted on all the research institutes, or in the case of the National Museum of Natural History, the three overarching fields of study carried out by the Museum, over the past decade. Individual scientists are reviewed regularly as part of an annual appraisal system and a periodic peer-reviewed professional accomplishments evaluation, on their contributions to their field of study, publications, participation in professional organizations, and success at obtaining competitive grants and contracts, among other elements. The Office of Personnel Management's Research Grade Evaluation Guide, and the museum curator and specific classification standards provide a general framework for peer reviews of Federal scientists. Numerous Smithsonian scientists have received national and international recognition for their achievements, and are leaders in their respective fields of specialty as evidenced by their status and roles as officers in professional scientific societies. Staff are sought regularly as consultants to universities, non-government organizations, Federal agencies, foreign governments and international organizations. Many staff scientists hold adjunct appointments at universities.

Ten members of SAO's Federal staff have been elected to the National Academy of Sciences; one is a Nobel Laureate; and one is a MacArthur Fellow, and they have 11 American Academy of Arts and Sciences members. The Smithsonian Tropical Research Institute currently has two staff who are members of the National Academy of Sciences and three who are fellows of the American Academy of Arts and Sciences.

Question 72: What do you see as the difference between the work of the Smithsonian's Science Commission, which was appointed by the Regents, and the

studies to be performed by the National Academy of Public Administration and the National Academy of Sciences, which was mandated by the Office of Management and Budget?

Answer: The Science Commission is charged with examining the scientific work of the Institution, its organization and effectiveness and to make recommendations as to where and what changes, if any, might improve its performance and public appreciation. The studies recommended by the Office of Management and Budget to be conducted by the National Academy of Sciences and the National Academy of Public Administration are to determine the degree to which Smithsonian research should be exempt from competition.

Latino Initiatives

Question 73: How is the Smithsonian allocating the funds from the Latino initiatives pool that Congress funded in past years?

Answer: The Smithsonian currently uses a proposal and review process to allocate Latino initiatives pool funds. A call for proposals goes out each year from the Office of the Under Secretary for American Museums and National Programs (AMNP) to all Smithsonian units. The call contains a description of the pool and procedures for applications and a statement of guidelines that apply to the review process and approved projects. Proposals meeting the basic guidelines are presented to a review panel consisting of Smithsonian staff and external members chosen from the Latino community. Following its reviews, the panel makes recommendations to the Under Secretary, AMNP, who in turn determines the final decisions on funding for each successful proposal for that fiscal year. Successful applicants must provide a detailed budget for the approved project and a final report at the end of the project.

A review of funds distributed since the beginning of the Latino initiatives pool in 1995 shows that a wide variety of projects throughout Smithsonian museums and research institutes have been supported. Projects range from exhibitions and other types of public programming to training for undergraduates and graduate students to collections-related initiatives.

Question 74: What is the Smithsonian policy with respect to Latino programming, hiring, and retaining the Hispanics at your Institution?

Answer: With respect to Latino programming, the Smithsonian continues to encourage a wide variety of initiatives. Through careful stewardship of the Latino initiatives pool, the Smithsonian has helped fund over 200 proposals from 1995 to the present on a wide variety of subjects in virtually every museum and research institute. In addition, the Institution has encouraged individual units to augment

the projects funded by the Pool with organizational funding and staff support. Various units have incorporated Latino programming into their ongoing strategic planning and goal-setting, with initiatives that increase acquisition of Latino objects, documents, and artifacts and reflect U.S. Latino culture in exhibitions and other forms of public programming.

In the areas of hiring and retaining Hispanic employees at the Smithsonian, the Institution follows the principles of equal employment opportunity which apply to all staff. The Office of Human Resources conducts the recruitment process for Federal positions according to competitive procedures consistent with the policies of the Office of Personnel Management, including advertising, screening, and interviewing the applicants prior to selection. Management may choose to augment usual advertising procedures by placing additional notices of open positions in outside publications, such as newspapers, professional journals, or other appropriate means, including publications specifically targeted to the Latino community. The Office of Human Resources (OHR) has also taken specific steps in the past year to increase recruitment of Latinos. In conjunction with the Office of Equal Employment and Minority Affairs (OEEMA), OHR developed a Smithsonian Institution Diversity Recruitment Plan and a Hispanic Recruitment Plan. OHR and OEEMA met with offices that were likely to have significant hiring opportunities in calendar year 2002, providing an analysis of the current workforce demographics and a briefing on in-house recruiting services. OHR also developed specific recruitment plans for several vacancies to identify qualified Hispanic candidates. OHR developed a general recruitment brochure and updated the OHR website to include information on applying for positions in Spanish.

Once employees are on board, Smithsonian managers follow the principles of equal employment opportunity in supervising staff. Supervisors use such personnel management tools as career ladders, developmental training, and incentive awards to retain highly performing staff. We believe we have not yet achieved a level of Latino employee hires that is adequate so we will continue our efforts.

QUESTIONS FROM CONGRESSMAN DICKS

FY 2003 Budget for Science Programs

Question 75: Does the 2003 budget provide any significant increase for your science programs beyond inflation?

Answer: The FY 2003 budget request does not include any increase for our science programs, other than mandatory increases for pay raises. We have had to focus our requests for increases in several areas that require immediate attention, such as funding for replacement of our inadequate financial system; funding to prepare for the opening of the two new museums mandated by Congress and now

under construction; funding to address the backlog of facilities revitalization needs; and funding to address increased security requirements. We are also waiting for the report of the independent Science Commission, as well as the separate studies underway by the National Academy of Public Administration and the National Academy of Sciences, before addressing any changes to our science programs.

Private Gifts Controversies

Question 76: Mr. Small, I want to give you a chance to respond to some of the criticism which has come your way during the last year about large private gifts to the Smithsonian. Last month Joyce Appleby, who serves on the Smithsonian Council, wrote a pretty tough piece for the Post about these gifts, in particular the Hall of Achievement gift from Catherine Reynolds. Let me read a few lines from this article:

“Exhibitions at museums can be both popular and entertaining, but they are not popular entertainment per se. Their goal is not to please but to compel attention, invite reflection and stimulate questions...Failure to appreciate these critical distinctions goes a long way to ending the seven month association of philanthropist Catherine Reynolds and Larry Small, the Secretary. Museums do their best when there is a consensus about their goals and when the way they operate meshes with these goals. Both Small and Reynolds proceeded with their plans as though the Smithsonian museums had no procedures, no mission, no cumulative wisdom and no experience to offer.”

What is your response to this criticism?

Answer: From its inception in 1846, the Smithsonian has been a blend of private and public funding, and for the most part this arrangement has worked very well. The debate over private fund raising is going on throughout the museum world, and is much broader than just the Smithsonian. For many, many years fund raising at the Smithsonian was a relatively passive affair, but in the 1990's we began to increase our activity in this area, just as cultural institutions across the country began to do. In fiscal year 2001, the Institution raised \$179 million.

The issue that seems to get the most attention is donor participation. Like fund raising itself, this issue has been around for a very long time. In the case of the Smithsonian, one of the earliest issues we faced was whether the American government would even accept Mr. Smithsonian's bequest, in part because it required that the Institution be named for him. In the same era, Andrew Carnegie was very specific in the terms under which he gave generously to cities and towns across the country to create libraries that are still named for him.

The Smithsonian has not and will not deviate from its longstanding practice: the museums retain control of our exhibits. The conceptualization and execution of first-class museum exhibits is always challenging, and it requires a great deal of give and take between donors and curators. As in all relationships of this nature, it is very important that all parties have a clear understanding from the beginning about their goals and expectations. That is the surest way to achieve a successful collaboration and a successful exhibition. But at the end of the day, we owe it to the American public to maintain the highest quality of research and scholarship as the basis for all our work.

The case of the Reynolds donation to the National Museum of American History is proof that the Smithsonian maintains the highest standards. In the end, the donation was withdrawn because the donor required more control over the exhibit than the museum professionals wanted to give. Perhaps with patience and perseverance the museum and the donor could have agreed on an exhibit meeting the highest scholarly standards that would have been compelling and stimulating. It is unfortunate that the project will not be completed.

Question 77: This morning, there is an article in the Post about the renaming of the Langley Theater for Lockheed Martin in exchange for \$10 million. Can you tell us exactly how this gift was vetted with the Smithsonian community both internally and externally?

Answer: The National Air and Space Museum's development office negotiated the gift. It was discussed by the Museum's Director, the Under Secretary for American Museums, and National Programs and the Secretary. The naming of the theater had to be approved by the Smithsonian Board of Regents (as with all namings) and it was approved at the Regents' January 22, 2002 meeting.

Question 78: Other than the naming of the theater, did Lockheed Martin receive any other advantages or rights within the Smithsonian in exchange for its gifts?

Answer: Lockheed Martin received three more considerations. First, the right, three times a year, for a group of no more than 485 Lockheed Martin employees to take a guided tour of the National Air and Space Museum before opening hours; second, for one year, memberships for all regional employees to the Museum's National Air and Space Society (NASS) (this includes a decal, a membership card, a free subscription to *Flyer*, a newsletter, and discounts to the theater, shops and audio tour equipment); and third, for two years, 200 guest spaces at the Museum's 4th of July Concert, performed by the United States Air Force Band.

Question 79: Will Samuel Langley be honored within Air and Space Museum in some other way now that his name has disappeared from the theater?

Answer: The museum is considering other ways of honoring Secretary Langley such as a Wall of Honor Plaque or the naming of another venue within the National Air and Space Museum in his honor. The Smithsonian Institution has already honored Secretary Langley in several ways. The Langley Medal is the National Air and Space Museum's highest honor and is awarded for "especially meritorious investigations in the field of aerospace science." Secretary Langley's early plane is displayed in the *Early Flight* gallery at the National Air and Space Museum on the Mall and another plane will be displayed at the Udvar-Hazy Center.

Question 80: What is the current balance in the general trust fund account or accounts and how has this changed over the last several years?

Answer: As stated in our annual report, the total net assets in our trust funds were:

FY 2001: \$1,032.5 million (includes \$657.3 million of funds functioning as endowment with most of the balance reflecting funds that are restricted by their donors to specific purposes)

FY 2000: \$1,077.1 million (includes \$758.3 million of funds functioning as endowment with most of the balance reflecting funds that are restricted by their donors to specific purposes)

FY 1999: \$880.1 million (includes \$665.3 million of funds functioning as endowment with most of the balance reflecting funds that are restricted by their donors to specific purposes)

These values are as of September 30, the end of the Smithsonian's fiscal year. The Institution follows a total return concept for managing its endowment, and therefore, only the annual payout is available for expenditure. The FY 2001 endowment value reflects the sharp decline in the financial markets experienced in 2001.

Question 81: Are you on track in terms of your FY 2002 private giving goals?

Answer: We are off to a very solid start for FY 2002. In our first quarter, October 1 to December 31, 2001, we had extraordinary gifts, those of \$5 million or more, totaling \$25 million. That's compared to \$10 million in extraordinary gifts in the same period the year before. We have just finished the second quarter of our fiscal year 2002, and the year-to-date total is \$103 million, putting us squarely on track. We have staked out ambitious goals for the remainder of the year.

FTE's and Personnel Cutbacks

Question 82: Mr. Secretary, we discussed briefly the FTE situation but I would like to follow up briefly. The justifications show an increase of 204 FTE's in 2002 and 304 FTE's in 2003 – about a 12 percent increase in staff over two years. About half of these new FTE's relate to security but the budget chart also shows increases throughout the Smithsonian system. How do you explain the requirement for a hiring freeze when budgeted FTE's are increasing at a dramatic pace?

Answer: In FY 2003, the Smithsonian has the challenge of finding ways to meet budget targets and provide resources for high priority initiatives. One, but not the only, possibility to meet this challenge is a hiring freeze.

As shown at the bottom of page 17 in our justification, we expect FY 2002 Salary and Expense funded FTEs to be 4,288. This is a growth of only 32 FTEs over the actual FY 2001 level of 4,256. This difference largely reflects year-to-year fluctuation in the rate of filling vacancies.

With respect to FTE growth in FY 2003, the increase in Salaries and Expenses is 295, not 304. The FY 2002 Emergency Supplemental provided funding for 235 additional security officers at the Smithsonian, including the National Zoo. These additional 235 positions are reflected in the FY 2003 request and comprise most of this increase. The remaining new positions included in the FY 2003 request are associated mainly with preparing for the opening of the National Museum of the American Indian on the Mall (36 FTEs) and the National Air and Space Museum Steven F. Udvar-Hazy Center at Dulles (11 FTEs); and continued efforts to replace antiquated management, financial and human resource management information systems (14 FTEs); These are essential undertakings that would have to be accommodated within the workings of any hiring freeze.

Question 83: As we understand the situation, the proposed freeze may be principally the result of the Smithsonian being above its authorized FTE ceilings. Is this the case and if so, can you tell the Subcommittee why the Smithsonian was above its authorized staffing level and what procedures have been put in place to better manage FTE's?

Answer: In January 2000, due to changes in Panamanian labor laws, the Smithsonian Tropical Research Institute (STRI) shifted most locally hired contractors to federal employee status. STRI also added new hires to address shortfalls in support after the return of the Canal Zone to Panama. These adjustments were reflected in the FY 2001 actuals. The Smithsonian Institution has since worked with OMB to adjust the authorized ceiling level to accommodate this change. With this one exception, the Smithsonian has not been, and does not

expect to be, above authorized staffing levels. To ensure this is the case, the Smithsonian has instituted a recurring review process to monitor FTE usage.

Question 84: We understand you have made a significant number of exceptions to the freeze. How many individuals have been hired so far during FY 2002 and what types of exceptions have occurred under your freeze policy?

Answer: While the Smithsonian is considering the option of a hiring freeze in FY 2003 to meet budget targets, there has thus far been no federal or trust hiring freeze in FY 2002. An Under Secretary level review of all trust personnel actions has been instituted to assist in managing the Smithsonian's trust expenses to avoid deficit spending.

Question 85: Does the freeze policy apply to administrative and executive staff positions?

Answer: As stated in the response to the prior question, the Institution has not implemented a hiring freeze in FY 2002.

Question 86: Could you describe the reductions in force that have already occurred and tell us whether individuals who have been rified result in significant cost for the Smithsonian because of termination costs?

Answer: There were 97 federal positions and 209 general unrestricted trust positions for a total of 306 positions abolished in FY 2002. Of the 97 federal positions, 66 were already vacant, 13 retired, 3 were reassigned, 4 were classified at a lower grade and 11 were separated. Of the 209 general trust positions, 116 were already vacant, 6 were temporary employees whose appointments were not extended, 1 resigned, and 86 were separated.

In terms of actual people affected, there were 11 federal and 86 trust employees separated for a total of 97 permanent employees involuntarily separated from the Institution. Federal separation costs are estimated to be \$345,000. Trust separation costs are estimated to be \$2.4 million. Separation costs include severance pay and annual leave payouts. The total amount in annual leave payout includes payments to those employees who resigned and retired.

Question 87: Please insert in the record at this time an analysis of the number of people paid above the maximum level for career civil servants within the Smithsonian with comparisons of the level of such personnel over the last 4 years? Also supply a comprehensive table showing for Fiscal Year 2000 through 2003 the number of Smithsonian employees in each grade level or pay category and the average salary for people at each grade or pay level. This should include both federal funds and trust or private funds.

Answer: The following reflects the number of Smithsonian employees whose salary exceeds the civil service cap, the average salary of those above the cap, and the total amount of bonuses paid to those employees. Figures do not include benefits.

Trust Employees Paid Above Maximum Civil Service Salary

Fiscal Year	Civil Service Cap	Number of Employees	Average Salary Above Cap	Total Bonuses*
2001	\$161,200	29	\$203,193	\$534,972
2000	\$157,000	23	\$186,577	\$225,515
1999	\$151,800	15	\$189,666	\$263,030
1998	\$151,800	12	\$175,685	\$149,678

* Note that a large preponderance of bonuses were for Smithsonian Business Ventures employees, who compete in the commercial sector.

The following table reflects the average salary and count of employees in each grade or pay level at the end of fiscal years 1999 – 2001 and as of March 2002. FY 2003 figures are not available at this time.

Smithsonian Institution
 Total Employee Counts and Average Salary by Pay Plan and Grade
 Fiscal Year 1999 - 2002

Pay Plan/grade	Fiscal Year 1999		Fiscal Year 2000		Fiscal Year 2001		Fiscal Year 2002 ¹	
	Count	Average Salary ²	Count	Average Salary ²	Count	Average Salary ²	Count	Average Salary ²
Trust (Private)								
RA.00	1	\$300,000	1	\$330,000	1	\$480,000	1	\$502,896
IL.00 ³	11	115,254	12	120,631	11	124,208	12	129,325
AE.00 ⁴	83	107,385	106	114,779	131	114,113	88	131,375
IS.15	82	99,932	77	105,730	78	109,569	74	115,384
IS.14	109	81,272	115	86,387	127	90,108	129	94,715
IS.13	198	67,791	201	71,260	196	73,989	183	77,647
IS.12	196	56,052	214	58,533	217	61,396	210	64,265
IS.11	221	45,953	217	48,010	223	50,750	211	53,288
IS.10	15	44,823	15	47,016	13	48,406	3	49,680
IS.09	219	37,095	232	39,060	252	41,685	228	43,489
IS.08	44	36,001	38	38,403	40	40,376	30	42,470
IS.07	201	30,440	206	31,797	233	33,209	195	34,757
IS.06	65	28,411	75	29,432	90	30,088	64	31,480
IS.05	175	24,197	151	25,633	124	26,674	92	27,380
IS.04	93	22,173	103	22,755	83	23,595	45	24,121
IS.03	175	20,002	130	20,828	129	21,110	21	21,879
IS.02	185	16,843	171	17,768	152	18,642	35	18,999
IS.01	34	16,446	15	15,310	17	16,080	14	16,630
SB.00	102	65,972	97	68,461	97	73,368	548	40,488
PL.09 ⁵	1	43,827	0	0	0	0	0	0
HL.09 ⁵	1	41,740	1	43,827	1	45,914	0	0
HL.05 ⁵	0	0	5	29,218	5	29,218	0	0
HL.03 ⁵	1	25,044	8	27,131	8	29,218	1	29,218

Smithsonian Institution
 Total Employee Counts and Average Salary by Pay Plan and Grade
 Fiscal Year 1999 - 2002

Pay Plan/grade	Fiscal Year 1999		Fiscal Year 2000		Fiscal Year 2001		Fiscal Year 2002 ¹	
	Count	Average Salary ²	Count	Average Salary ²	Count	Average Salary ²	Count	Average Salary ²
Trust (Private) continued								
HS.05 ⁵	1	41,740	1	43,827	1	45,914	0	0
HS.04 ⁵	0	0	2	35,479	2	35,479	0	0
HG.09 ⁵	19	33,392	18	35,479	29	35,479	18	35,479
HG.08 ⁵	0	0	1	33,392	1	35,479	1	35,479
HG.07 ⁵	4	31,305	4	33,392	3	31,305	4	33,392
HG.06 ⁵	10	31,305	8	33,392	3	33,392	3	33,392
HG.05 ⁵	10	27,131	29	27,131	25	27,131	16	27,131
HG.04 ⁵	1	22,957	7	25,044	8	25,044	1	25,044
HG.03 ⁵	1	22,957	62	20,870	37	22,957	4	25,044
HG.02 ⁵	3	20,870	6	20,870	9	20,870	12	20,870
HG.01 ⁵	2	22,957	1	22,957	3	25,044	0	0
PG.08 ⁵	0	0	1	37,566	1	37,566	1	39,653
PG.07 ⁵	1	33,392	1	33,392	0	0	0	0
PG.05 ⁵	1	27,131	0	0	0	0	0	0
IC.00 ⁶	1	63	1	63	1	63	1	63
Total Trust (Private)	2,266		2,332		2,351		2,245	
Federal Funds								
ST.00	1	125,900	1	130,200	1	133,700	1	138,200
GG.00	3	120,173	2	116,271	2	120,019	3	116,810
GG.14	1	79,999	1	83,945	1	92,128	1	96,525
GG.13	0	0	1	60,890	1	65,319	1	68,436
GG.12	1	56,929	0	0	0	0	0	0

Smithsonian Institution
 Total Employee Counts and Average Salary by Pay Plan and Grade
 Fiscal Year 1999 - 2002

Pay Plan/grade	Fiscal Year 1999		Fiscal Year 2000		Fiscal Year 2001		Fiscal Year 2002 ¹	
	Count	Average Salary ²	Count	Average Salary ²	Count	Average Salary ²	Count	Average Salary ²
Federal Continued								
SL.00	96	114,629	92	119,511	91	124,336	93	128,774
EX.05	1	110,700	1	114,500	1	117,600	1	121,600
GM.15	38	101,258	29	107,546	28	111,336	26	117,064
GM.14	49	85,191	44	91,068	36	94,601	35	99,438
GM.13	55	71,549	44	76,793	37	79,817	32	83,982
GH.15	1	99,474	1	104,386	1	108,366	1	116,613
GS.15	133	93,912	143	99,338	155	103,011	148	108,666
GS.14	156	78,889	158	83,116	166	86,365	170	90,925
GS.13	295	55,646	309	69,609	327	72,664	336	76,320
GS.12	456	56,174	445	59,201	435	61,961	443	64,898
GS.11	503	46,217	481	48,785	506	50,782	513	53,332
GS.10	9	44,876	11	46,025	11	48,592	9	50,463
GS.09	397	38,292	397	40,226	384	41,948	385	43,811
GS.08	72	36,930	65	38,937	78	40,826	78	42,679
GS.07	385	31,609	370	33,389	380	34,515	364	36,436
GS.06	154	28,567	118	29,952	105	31,218	114	32,505
GS.05	540	25,472	570	26,583	556	27,759	563	29,038
GS.04	151	20,955	94	22,199	64	23,076	79	23,776
GS.03	26	18,785	13	20,769	6	21,267	4	22,296
GS.02	7	16,237	3	17,486	4	18,028	1	20,068
GS.01	1	14,414	0	0	0	0	0	0
WS.12 ⁵	3	54,262	3	56,349	1	60,523	1	62,610
WS.11 ⁵	13	52,175	14	52,175	12	56,349	11	56,349
WS.10 ⁵	9	52,175	7	52,175	8	54,262	7	58,436
WS.09 ⁵	18	50,088	12	52,175	10	52,175	10	54,262
WS.08 ⁵	8	45,914	5	48,001	4	50,088	4	52,175

Smithsonian Institution
 Total Employee Counts and Average Salary by Pay Plan and Grade
 Fiscal Year 1999 - 2002

Pay Plan/grade	Fiscal Year 1999		Fiscal Year 2000		Fiscal Year 2001		Fiscal Year 2002 ¹	
	Count	Average Salary ²	Count	Average Salary ²	Count	Average Salary ²	Count	Average Salary ²
Federal Continued								
WS.07 ⁵	1	45,914	1	41,740	1	43,827	1	45,914
WS.06 ⁵	4	43,827	4	45,914	4	48,001	4	50,088
WS.05 ⁵	4	39,653	4	41,740	4	43,827	4	45,914
WS.04 ⁵	1	39,653	2	41,740	2	41,740	2	43,827
WS.03 ⁵	6	37,566	5	39,653	6	39,653	7	39,653
WS.02 ⁵	14	35,479	13	35,479	14	35,479	14	37,566
WS.01 ⁵	2	27,131	0	0	0	0	0	0
WD.06 ⁵	4	52,175	3	54,262	3	56,349	2	60,523
WL.11 ⁵	4	45,914	11	50,088	13	50,088	13	52,175
WL.10 ⁵	15	41,740	14	45,914	12	50,088	9	50,088
WL.09 ⁵	8	37,566	7	41,740	7	43,827	5	43,827
WL.08 ⁵	4	37,566	4	41,740	1	43,827	1	45,914
WL.07 ⁵	1	35,479	1	39,653	1	39,653	1	41,740
WL.06 ⁵	4	35,479	4	35,479	5	35,479	5	37,566
WL.05 ⁵	4	31,305	4	31,305	2	35,479	2	35,479
WL.03 ⁵	3	25,044	3	25,044	4	27,131	3	27,131
WL.02 ⁵	28	25,044	29	25,044	27	25,044	22	27,131
XL.09 ⁵	1	43,827	0	0	0	0	0	0
WG.11 ⁵	57	41,740	53	43,827	50	45,914	51	48,001
WG.10 ⁵	124	39,653	124	41,740	125	43,827	122	45,914
WG.05 ⁵	91	35,479	82	37,566	82	39,653	81	41,740
WG.08 ⁵	44	33,392	43	35,479	28	37,566	20	39,653
WG.07 ⁵	41	31,305	38	33,392	37	35,479	35	35,479
WG.06 ⁵	19	31,305	19	33,392	16	33,392	16	35,479
WG.05 ⁵	59	27,131	46	29,218	42	31,305	42	31,305

Smithsonian Institution
Total Employee Counts and Average Salary by Pay Plan and Grade
Fiscal Year 1999 - 2002

Pay Plan/grade	Fiscal Year 1999		Fiscal Year 2000		Fiscal Year 2001		Fiscal Year 2002 ¹	
	Count	Average Salary ²	Count	Average Salary ²	Count	Average Salary ²	Count	Average Salary ²
Federal Continued								
WG.04 ³	16	20,870	16	27,131	16	27,131	14	29,218
WG.03 ⁵	31	25,044	32	22,957	35	25,044	40	25,044
WG.02 ⁵	158	20,870	164	20,870	156	22,957	148	22,957
WG.01 ⁵	23	16,696	0	0	0	0	0	0
ZP.10 ⁵	1	39,527	1	41,478	1	44,405	1	46,525
ZP.09 ⁵	0	0	1	44,724	1	47,648	1	49,924
ZP.08 ⁵	4	38,078	4	38,094	4	40,104	3	43,274
ZP.07 ⁵	18	30,768	16	31,871	20	32,163	16	34,276
WM.04	2	33,954	0	0	0	0	0	0
XP.10 ⁵	0	0	1	43,827	1	43,827	1	45,914
XP.09 ⁵	7	39,653	6	41,740	5	41,740	3	43,827
XP.08 ⁵	0	0	0	0	1	37,566	0	0
XP.07 ⁵	0	0	2	33,392	1	35,479	1	37,566
XP.05 ⁵	1	27,131	0	0	0	0	0	0
Total Federal	4,386		4,191		4,138		4,124	
Total Federal and Trust	6,652		6,523		6,489		6,369	

¹ Fiscal Year 2002 count and average salaries includes onboard staff of 3/09/02.

² Average Salaries do not include benefits or bonuses paid.

³ IL salaries are equivalent to Federal senior level and currently range from \$116,047 per year to \$138,200 per year.

⁴ AE salaries are determined by the Secretary and currently range from \$43,500 per year to \$325,000 per year.

⁵ Pay Plans with hourly rates converted to annual salary for purposes of comparison

⁶ Figures reflect hourly rates for consultants or experts on limited or intermittent appointments.

Rescission

Question 88: Your budget includes language requesting rescission of \$14 million of prior year funds. As far as we know, this is the only rescission being proposed in the entire federal Budget. It appears to the Committee staff that this proposal should really be treated as a transfer or a reappropriation request rather as a rescission. Why was the rescission process chosen?

Answer: The goal in proposing a rescission effective in FY 2003 was that it be considered in the context of the FY 2003 budget and that the Smithsonian would know whether it was acceptable at the start of FY 2003. The Institution would not object to other approaches that accomplish these goals, but budget scorekeeping that provides -\$14.1 million in FY 2003 budget authority should be maintained by whatever new approach the committee selects.

Question 89: Can you tell us in more detail which funds are proposed to be rescinded?

Answer: The \$14.1 million the Institution is proposing for rescission is previously appropriated Salaries and Expenses funds that were originally provided to modify Pod 3 of the Museum Support Center (MSC) to accommodate wet collections storage.

Since FY 1981, Congress has appropriated funds for collections storage equipment at the MSC. Each year the Institution transferred these MSC equipment funds to the General Services Administration (GSA) through a reimbursable work authorization. The GSA, acting as the Smithsonian agent, procured collection storage equipment for the Museum Support Center pods. Pods 1, 2, and 4 are complete. It was originally planned that the storage system in Pod 3 for the Institution's natural history specimens stored in alcohol would be completed in FY 2001. However, those at Smithsonian and GSA involved in the design effort for this storage system concluded that attempting to complete the storage structure as originally designed would be grossly inefficient and the no-year funds for this purpose have been deobligated and made available for rescission.

Security

Question 90: Last Fall, Congress approved \$21.7 million related to Homeland Security costs after September 11th. The 2003 budget includes another \$8.8 million for security services and \$11 million for facility security. Are these amounts sufficient?

Answer: The \$21.7 million in the FY 2002 supplemental and the \$19.8 million requested in FY 2003 will allow us to fund our highest priority security measures. The FY 2003 funds are programmed for the following security measures:

- Continued funding for authorized staffing from FY 2002
- Hardening of facility windows
- Permanent physical barriers
- Pop-up vehicle barriers
- Hardened security booths

The Smithsonian will consider including additional identified security measures in future budget requests.

Question 91: We are expecting a supplemental for defense and homeland security later this month. Facility upgrades of the type you have described to the Committee seem pretty urgent to me. Should some of these costs be included in that supplemental rather than waiting till next year?

Answer: No. The Administration has submitted its proposal for the supplemental, and it does not include funds for the Smithsonian.

SMITHSONIAN INSTITUTION LIBRARIES



3 9088 01619 8749