

Fiscal Year 2004  
Annual Report of the  
Federal Library and Information Center Committee

---

Susan M. Tarr, Executive Director



## **Highlights of the Year**

During Fiscal Year 2004, the Federal Library and Information Center Committee (FLICC) continued to carry out its mission “to foster excellence in federal library and information services through interagency cooperation and to provide guidance and direction for FEDLINK.”

FLICC's annual information policy forum, “E-Competencies for E-Government: Changing Role of the Federal Information Professional,” focused on the major information issues ushered in with the E-Government Act and identified the competencies needed to address developing trends in electronic content. The keynote speaker for the event was Janice R. Lachance, Executive Director of the Special Libraries Association and former Director of the U.S. Office of Personnel Management. Ms. Lachance was followed by a morning panel discussion on the e-competencies needed by federal information professionals, with commentary from Robert S. Martin, Director, Institute of Museum and Library Services, Artemis Kirk, University Librarian, Georgetown University Libraries, Suzanne Grefsheim, Chief, National Institutes of Health Library Branch, and Jane Dysart, Principal and Founder, Dysart & Jones Associates. Karen Evans, Associate Director for Information Technology and E-Gov, Office of Management and Budget (OMB) began the afternoon session with the executive keynote address, which was followed by a panel discussion on Federal E-Gov Programs and Issues with Jonathan Womer, Analyst, OMB, Oscar Morales, Chair, Federal eRulemaking Initiative, Deanna Marcum, Associate Librarian for Library Services, Library of Congress, and Judy Russell, Superintendent of Documents, Government Printing Office. The final afternoon presentation looked at Content

Rights Management for Electronic Government, with Sarah Sully, Associate Attorney, Morrison & Foerster, LLP. Donna Scheeder, Congressional Research Service, then offered her perspective and summary of the day to conclude the forum.

The FLICC working groups completed an ambitious agenda in Fiscal Year 2004: selected FLICC Awards recipients for 2003 and offered the sixth annual FLICC Awards to recognize the innovative ways federal libraries, librarians and library technicians fulfill the information demands of government, business, scholarly communities and the American public; assisted the new Department of Homeland Security in providing information services for their staff of 180,000 from multiple agencies and hiring a new library services director for the agency; implemented a leadership and management education series for current and potential federal library managers; and addressed issues on cataloging, taxonomy, digital project management, preservation and binding, virtual reference and other information science policy issues.

FLICC also continued its collaboration with the Library's General Counsel on a series of meetings between federal agency legal counsels and agency librarians. Now in their sixth year, the fora grew out of the recognition that federal attorneys and librarians face many of the same questions in applying copyright, privacy, FOIA, and other laws to their agencies' activities in the electronic age -- with regard both to using information within the agency and to publishing the agency's own information. These meetings have enhanced the relationship between agency attorneys and librarians and have helped them develop contacts with their counterparts at other agencies. This year's series featured discussions on assessing copyright and fair use issues, and

on rights management for access to research results funded by federal grants.

Without an updated census of federal libraries and information centers by the National Center for Educational Statistics (NCES), FLICC endorsed membership participation for a second year in the annual Outsell survey of content deploying functions in industry, academia, and the public sector. Nearly 300 federal librarians participated in the survey. According to Outsell, Inc., a unique research and advisory firm that focuses exclusively on the information content industry, the survey showed that federal library government budgets are significantly lower in 2004 and staffing levels have declined for the second year in a row. Federal content managers identify themselves primarily as information professionals and librarians, managing externally procured content; however, content-related functions are amalgamating throughout every subset of government. The trend of reporting into administration and operations has deepened this year, despite the fact that science, as well as research and development, is the most common mission of government content managers.

FLICC's cooperative network, FEDLINK, continued to enhance its fiscal operations while providing its members with \$60.7 million in transfer pay services, \$7.7 million in direct pay services, and an estimated \$26.1 million in the new Direct Express services, saving federal agencies more than \$10 million in vendor volume discounts and approximately \$8.5 million more in cost avoidance.

To meet the requirements of the Fiscal Operations Improvement Act of 2000 (P.L. 106-481) that

created new statutory authority for FEDLINK's fee-based activities, FEDLINK governing bodies and staff members developed a five-year business plan in Fiscal Year 2002 that entered its third year in Fiscal Year 2004. Program work in Fiscal Year 2004 continued to take advantage of the increased opportunities of FEDLINK's authority as a revolving fund. Staff members made significant progress on goals relating to improving processes and expanding marketing initiatives.

Fiscal Year 2004 also saw innovative educational initiatives including workshops and seminars on Library of Congress subject headings, integrating resource and cartographic cataloging, virtual reference, and information retrieval and searching. Staff members sponsored 38 seminars and workshops for 1,557 participants and conducted 39 OCLC, Internet, and related training classes for 551 students.

FEDLINK also continued to customize and configure software and support services for electronic invoicing and increase online access to financial information for member agencies and vendors. Furthermore, FEDLINK's continuing financial management efforts ensured that FEDLINK successfully passed the Library's Financial Audit of Fiscal Year 2003 transactions performed by Clifton Gunderson, LLP.

FLICC and FEDLINK programs continue to thrive in the Facilitative Leadership (FL) environment. The FL tools consistently provided approaches and techniques to involve FEDLINK staff members and customers in the planning process, resulting in streamlined,

efficient and cost-effective program actions.

### **FLICC Quarterly Membership Meetings**

Beyond regular FLICC Working Group updates and reports from FLICC/FEDLINK staff members, each FLICC quarterly meeting included a special meeting focus on a new or developing trend in federal libraries or a guest speaker: the first FLICC Quarterly Membership meeting featured Bruce James, U.S. Public Printer, Government Printing Office; the second meeting included a federal information policy update by Jane Bortnick Griffith, Assistant Director, NLM, Jeffrey Seifert, Analyst in Information, Science and Technology Policy, Library of Congress, and Jonathan Womer, Policy Analyst, OMB; the third meeting's focus was a presentation on the "Business Case for Information Services at the Environmental Protection Agency," by Richard Huffine, Manager, National Library Network, Environmental Protection Agency; and the fourth meeting featured Walter Warnick, Director, Office of Scientific & Technical Information, Department of Energy, on Science.gov.

### **FLICC Executive Board (FEB)**

The FEB focused its efforts on a number of initiatives related to competitive sourcing, E-Government, fair use, and the renewal of the FLICC Authorization. Early in the year, the board selected the 2003 FLICC Awards winners and then later approved a recommendation from the Awards Working Group to clarify eligibility criteria for the Library Technician of the Year award. At the end of the year, the FEB also approved discontinuation of the ad hoc FLICC

Working Group for the Department of Homeland Security Libraries with thanks for a job well done.

**FLICC Working Group Highlights** (For a list of all working groups and chairs, see Figure A.)

FLICC Awards Working Group

To honor the many innovative ways federal libraries, librarians, and library technicians fulfill the information demands of government, business, research, scholarly communities and the American public, the Awards Working Group administered a series of national awards for federal librarianship.

**2003 Federal Library/Information Center of the Year**

Large Library/Information Center Category (with a staff of 11 or more federal and/or contract employees):

The National Institute of Standards and Technology (NIST) Research Library, Gaithersburg, Md., was recognized for its technological innovations and comprehensive knowledge management systems that proactively provided the tools necessary to support new programs, superior customer service and the agency mission. They commended the library staff for its work in 2003 on both the design and creation of the NIST Integrated Knowledge EditorialNet (NIKE), an enterprising project designed to ease the capture, organization, retrieval and distribution of NIST publications. For the Laboratory Liaison

program, which promotes collaboration between researchers and the library and enhances collection development and access.

Small Library/Information Center Category (with a staff of 10 or fewer federal and/or contract employees):

The Library Services Department at the Naval Medical Center, Portsmouth, Va., was recognized for the innovative services and superior customer services it offered in 2003.

The library was commended for its provision of knowledge-based resources that optimize military health care, promote research and encourage professional growth. The library has demonstrated its ability to combine creativity and innovation to meet the needs of its customers and the overall mission of its agency by providing print and electronic resources that support the Medicine, Nursing and Hospital Corps and training programs; by hosting a semiannual college fair; and by highlighting the scholarly activities of the center cited authors and publications.

### **2003 Federal Librarian of the Year**

Lillian Woon Gassie, senior systems librarian, Dudley Knox Library, Naval Postgraduate School, Monterey, Calif., was recognized for her dynamic professionalism during 2003 in articulating the needs of the library to faculty, policymakers and information technology stakeholders. Gassie provided outstanding guidance and technical knowledge as the library developed wireless and remote proxy access to the campus network and implemented a knowledge portal and mobile

education teams to support federal and state homeland security policy and strategy. Her extensive technical knowledge brought the highest level of visibility and credibility to the library as a builder of information systems and supported the overall mission of the agency.

### **2003 Federal Library Technician of the Year**

Wilma Riley, library technician, National Institute of Standards and Technology (NIST) Research Library, Gaithersburg, Md., was recognized for her dedication to service excellence in support of the mission of the NIST Research Library and the core values of the NIST Information Services Division. In 2003, Riley set up communications connections for telecommuting staff, ensured that the library wireless technology was current and provided dynamic end-user training. Her versatility allowed her to translate the library vision into action. As a creative problem solver, she employed her talents and strong technical skills to support a variety of customer focused activities that reinforced the library successes.

At the annual FLICC Forum on Federal Information Policies in March 2004, the Librarian of Congress presented the individual award winners with a certificate and an engraved crystal award in the shape of a book honoring their contributions to the field of federal library and information service; he presented the institutional winners with framed, hand-painted certificates for display.

### FLICC Budget and Finance Working Group

The FLICC Budget and Finance Working Group developed the Fiscal Year 2005 FEDLINK

budget and fee structure in the winter quarter. The group produced an online budget questionnaire for FEDLINK members and used the results to verify assumptions for the budget for Fiscal Year 2005. The final budget for Fiscal Year 2005 kept membership fees for transfer pay customers at Fiscal Year 2004 levels: 7.75 percent on accounts up to \$300,000 and 7.00 percent on amounts exceeding \$300,000. Direct pay fees also remained at Fiscal Year 2004 levels, as did Direct Express fees of 0.75 percent for all participating commercial online information services vendors. Library officials approved the budget in August 2004.

#### FLICC Competitive Sourcing Working Group

In its first year, the working group reviewed the competitive sourcing chapter of the online *Handbook of Federal Librarianship* and compiled competitive sourcing resources for the FLICC Web site.

#### FLICC Content Management Working Group

The working group sponsored four discussion series on topic maps, taxonomy mapping projects, portals and content syndication, as well as the 2004 Information Technology Update program called “The E-Government Act of 2002: A Progress Report” for a combined total of 212 attendees. The group also collaborated with the General Services Administration on the Federal Webmasters Fora, a high-level group of Webmasters dealing with major library knowledge and content management issues, and worked with the CENDI Copyright Task Force in their efforts to develop rights language for government information distribution.

### FLICC Department of Homeland Security (DHS) Libraries Working Group

The working group addressed a number of procurement and management issues including arranging for enterprise-wide licenses for commercial databases and initiating a pilot project for virtual reference services. They also helped to draft a position description for a DHS library services director position that the agency filled by the end of the summer. The working group's subgroup on DHS Virtual Reference implemented an "Ask-a-Federal Librarian" tool and planned a promotion campaign that included posters, conference give aways and an exhibit stand for internal and external outreach activities. After successfully completing its charge, the FEB voted to discontinue the ad hoc working group in September.

### FLICC Education Working Group

During Fiscal Year 2004, the FLICC Education Working Group sponsored a total of 24 seminars, workshops, and lunchtime discussions for 817 members of the federal library and information center community in the areas of cataloging, digital project management, XML, the U.S. Patriot Act, and leadership development. Included in that total are two FLICC Orientations to National Libraries and Information Centers and two brown-bag luncheon discussions that took place throughout the year.

The working group responded to the educational agenda developed by the FLICC membership in 2001 by continuing its seminar series from the American Management Association with a multi day session on planning and management and a "mini-MBA" series for federal library directors. The working group also released its Web-based *Handbook of Federal Librarianship* and held an

inaugural discussion series session on the handbook to promote its release and begin to identify additional sections for future development.

#### FLICC Human Resources Working Group (formerly the FLICC Personnel Working Group)

The working group began the year with an official name change and then renewed its work on the critical areas of core competencies, recruitment and retention of federal librarians, professional development and advancement for federal librarians. The working group also developed a number of employment resources for both those seeking federal jobs and those hiring. These materials were the basis for a new Web page for the working group and are featured along with links to other educational resources and professional organizations. Ongoing projects include removing librarian as a category in the Department of Labor's Directory of Occupations under the Contracts Services Act and establishing a collection of existing classified librarian position descriptions. The working group also researched the Presidential Management Fellows Program as a potential recruitment tool for outstanding library and information science graduate students. In September, FLICC emailed a notice to 44 accredited library schools, informing them of this prestigious U.S. Government program and encouraging them to nominate their best students.

#### FLICC Nominating Working Group

The FLICC Nominating Working Group oversaw the 2004 election process for FLICC rotating members, FLICC Executive Board members and the FEDLINK Advisory Council (FAC).

Librarians representing a variety of federal agencies agreed to place their names in nomination

for these positions.

#### FLICC Working Group on Federal Libraries/GPO Partnership

Early in the year, nine librarians on this ad hoc working group met with the Superintendent of Documents to discuss issues related to the future of the depository program within the federal library context. In the succeeding months, the group received proposals from GPO via its closed listserv and commented on GPO plans from a federal library perspective.

#### FLICC Preservation and Binding Working Group

The working group completed its efforts on a “statement of work” (SOW) for developing a standard federal conservation/preservation service contract that opened for bids in the spring. After members of the working group reviewed bidders’ proposals for conservation and preservation services, Library of Congress Contracts and Grants Management awarded basic ordering agreements (BOAs) to 13 preservation services vendors. The working group also held an informational session on the GPO binding contract.

#### FLICC Publications and Education Office

In Fiscal Year 2004, FLICC supported an ambitious publication schedule producing six issues of *FEDLINK Technical Notes*: November/December 2003 (12 pages); January/February 2004 (12 pages); March/April 2004 (8 pages); May/June 2004 (12 pages); July/August 2004 (12 pages); and September/October 2004 (12 pages); and two issues of the *FLICC Quarterly Newsletter*: Fall

2003 (12 pages) and Winter 2004 (12 pages).

FLICC revised mission critical materials and developed targeted resources to support the FEDLINK program, including the Fiscal Year electronic-only 2005 *FEDLINK Registration Pamphlet* and six FEDLINK Information Alerts. FLICC also produced the minutes of the four Fiscal Year 2004 FLICC Quarterly Meetings and six FLICC Executive Board meetings, as well as all FLICC Education Program promotional and support materials including the FLICC Forum announcement, Forum attendee and speaker badges, press advisories, speeches and speaker remarks, and Forum collateral materials. FLICC produced 38 FLICC Meeting Announcements to promote FLICC education programs, FEDLINK membership and OCLC users' meetings, brown-bag discussion series, and education institutes, along with badges, programs, certificates of completion, and other supporting materials.

FLICC and FEDLINK staff members continued to manage, support and update the FLICC/FEDLINK Web site of more than 1,000 pages of content, video and resource links. Special Web projects this year included the second edition of the online *Handbook of Federal Librarianship*; a FEDLINK authority page; password-protected vendor pricing pages; archives for newsletters, information alerts, meeting minutes and meeting announcements; and revisions to the federal library resources site. Staff members also upgraded the secondary pages of all sections of the Web site with enhanced graphics designed for better projection and added a link to the video library throughout the Web site. Staff members worked closely with the FLICC working groups, releasing new Awards, Preservation and Binding, and Human Resources

Working Groups pages and began work on a new Content Management Working Group page. FLICC staff members continued to convert all publications, newsletters, announcements, alerts, member materials, meeting minutes and working group resources into HTML and PDF formats, uploading current materials within days of their being printed. Staff members completed an extensive initiative to update the many Web links throughout the Web site and continued to enhance and expand the site via an inter-unit Web team of content, design, editorial and technical personnel.

FLICC continued to build its distance learning offerings by providing on-demand Web videos of both the fall and spring FEDLINK Membership meetings, as well as the annual FLICC Information Policy Forum, the FLICC Awards Ceremony, and several events on taxonomy, E-government, and topic maps.

FLICC staff members recorded five outstanding educational programs to provide videos on interlibrary loan through the National Library of Education. To make the discussions and presentations at the FLICC quarterly membership meetings available for members at remote locations, staff members recorded these sessions and distributed copies in DVD format for viewing by members who were unable to attend.

In collaboration with FEDLINK Network Operations staff members, the FLICC Publications staff continued to offer dynamic resources including OCLC Usage Analysis Reports, pricing data, and many new documents, including the Fiscal Year 2005 budget questionnaire and ballot,

as well as a variety of training resources. Staff members also worked with Library of Congress Contracts and Grants Management staff to make electronic versions of FEDLINK's Requests for Proposals available online for prospective vendors.

In Fiscal Year 2004, Publications staff members continued to support the Member Services Unit and their Online Registration/Online Interagency Agreement (IAG) system. The Online Registration site also included an update screen regarding outstanding contracts and centralized all of the other resources customers need to manage their accounts on one Web page.

In conjunction with the FLICC Working Groups, FLICC offered a total of 38 seminars, workshops, and lunchtime discussions to 1,557 members of the federal library and information center community. Multi day institutes looked at cataloging integrating resources and electronic serials, planning and managing organizational change, digital licensing; one-day sessions offered hands-on and theoretical knowledge on taxonomy, digital project management, XML, content management, QuestionPoint, portals, Library of Congress subject headings, and virtual reference. FLICC was also the host to three General Counsel Fora on rights management for access to research funded under federal contracts and grants and fair use and three Federal Webmaster Fora on emerging technology issues related to E-government initiatives. FLICC also collaborated with CAPCON on educational events by co-promoting programs and opening events up to each other's members when additional seats were available.

FLICC demonstrated its ongoing commitment to library technicians' continuing education by

hosting a popular teleconference series, “Soaring to... Excellence,” produced by the College of DuPage. Following the success of previous programs, FLICC held the eighth annual “Federal Library Technicians Institute.” This week-long summer institute again focused on orienting library technicians to the full array of library functions in the federal sector. Federal and academic librarians joined FLICC professionals to discuss various areas of librarianship, including acquisitions, cataloging, reference, and automation.

FLICC also provided organizational, promotional, and logistical support for FEDLINK meetings and events including: the FEDLINK Fall and Spring Membership Meetings; two FEDLINK OCLC Users Group meetings; and 47 vendor presentations with 374 customers attending. (See Figure C for a complete listing of educational programs.)

### **FEDLINK (Federal Library and Information Network)**

In Fiscal Year 2004, FEDLINK managers and professional staff members executed plans for the third year of the business plan under the Revolving Fund. They improved processes, increased marketing of the program to federal libraries and their partner contracting officers, and expanded the number and types of services that libraries and information centers can procure via the FEDLINK program. They also continued work to ameliorate the effects on federal libraries of the bankruptcy of a major serials subscription agent, Faxon/Rowecom (Rowecom) by working with the Library of Congress General Counsel and the Department of Justice on the bankruptcy proceedings claim made by the U.S. Government on behalf of the FEDLINK program.

FEDLINK continued to give federal agencies cost-effective access to an array of automated information retrieval services for online research, cataloging, and interlibrary loan (ILL). FEDLINK members also procured print serials, electronic journals, books and other publications, CD-ROMs and document delivery via Library of Congress/FEDLINK Contracts with more than 100 major vendors. The program obtained further discounts for customers through consortia and enterprise-wide licenses for journals, aggregated information retrieval services and electronic books. FEDLINK awarded a new contract for ILL fee payment, and initiated the whole new area of preservation services with thirteen companies in place to provide microfilming, duplication and conservation of books, archival materials, photographs and other flat materials, as well as tailored consultation on how best to preserve materials in federal collections. A number of national conferences highlighted FEDLINK programs including the Special Libraries Association and Medical Library Association meetings.

The FEDLINK Advisory Council (FAC) met eight times during the fiscal year. In addition to their general oversight activities, the council advised FEDLINK managers on priorities for the third year of the five-year business plan, provided valuable insight into trends in the information industry and supported adoption of the proposed Fiscal Year 2005 budget. They also provided feedback on the administration of consortial purchases and provided insight to FEDLINK staff members on customer requirements.

The annual Fall FEDLINK Membership meeting featured an overview of Library of Congress Digital Archiving Programs presented by William LeFurgy, Library of Congress Office of

Strategic Initiatives. FEDLINK staff presented information about new services and a comparison of the advantages of the Direct Express and Transfer Pay purchase options.

The Spring FEDLINK Membership meeting featured Carol Bursik, chair of the FLICC Budget and Finance Working Group, who presented the proposed Fiscal Year 2005 budget, along with a presentation by Cathy De Rosa, OCLC Vice President for Corporate Marketing, on their *2003 OCLC Environmental Scan: Pattern Recognition* report that OCLC produced for its worldwide membership to examine the significant issues and trends having an impact on OCLC, libraries, museums, archives and other allied organizations, both now and in the future.

#### FEDLINK/OCLC Network Activity

Both FEDLINK OCLC Users Group meetings, held in November and May, provided in-depth presentations on OCLC's expanded Web services including improved interfaces for cataloging, interlibrary loan, reference databases and full text in FirstSearch and NetLibrary, and QuestionPoint, the Library of Congress-OCLC cooperative digital reference system. In the afternoon of the May meeting, CAPCON members joined FEDLINK members for a regional QuestionPoint Users Group meeting, at which OCLC outlined upcoming enhancements and current users described implementation plans, training materials and online support.

FEDLINK staff members supplemented these biannual OCLC meetings with six "OCLC News" articles in *FEDLINK Technical Notes*, postings on electronic lists, extensive telephone

consultations and email. Staff members visited 16 member libraries to provide in-depth demonstrations of OCLC services and to consult on workflow and best practices. They provided demonstrations and lectures at agency meetings, such as Navy and Air Force library meetings, the Military Librarians Workshop and the Defense Technical Information Center Users Group meeting. Staff members also monitored OCLC usage, posted usage data monthly to FEDLINK's online account management system, ALIX-FS, and reduced deficits in OCLC accounts.

FEDLINK members Carol Bursik, Assistant Director for Access and Organization, Department of Justice Libraries, and Eleanor Frierson, Deputy Director, National Agricultural Library, represented federal libraries on the OCLC Membership Council where they added a federal perspective to issues of librarianship and information science and contributed to plans to meet the cooperative needs of libraries.

### Training Program

The 2004 FEDLINK training program included 26 onsite training classes for 367 students and 13 offsite programs for 184 participants. FEDLINK facilitated training by Library of Congress cataloging experts for Army libraries in Europe and taught OCLC workshops to Army and Air Force library staff members in Germany and Japan.

FEDLINK also promoted its training agreements with other OCLC networks so FEDLINK customers could fund training accounts for workshops held by Amigos, BCR, CAPCON,

Michigan Library Consortium, Missouri Library Network Corporation, NYLINK, OCLC Western, PALINET and SOLINET. FEDLINK also brokered the Computers in Libraries conference at a discounted rate for 262 attendees, saving the government nearly \$70,000.

### Procurement Program

After a successful pilot of a new procurement method in FY2003, FEDLINK established new contracts with vendors of online information services and incorporated the Direct Express option into 56 of the 62 contracts. Staff worked closely with Library of Congress Contracts and Grants Management to issue a Request for Proposal for serials subscription services and anticipate awards in FY2005. FEDLINK also awarded new contracts for ILL fee payment and preservation. Thirteen companies will provide microfilming, duplication and conservation of books, archival materials, photographs and other flat materials, as well as tailored consultation on how best to preserve materials in federal collections. FEDLINK added training agreements with Missouri Library Network Corporation and SOLINET.

FEDLINK staff members continued to support consortial arrangements for services such as INSPEC, LexisNexis and West. After a Department of Defense group with library representatives from all four services pilot tested various procurement options, they selected the FEDLINK consortium as the most beneficial. They noted cost avoidance and savings of an estimated \$19,000,000 per year and a discounted savings of up to 88 percent less than the list price for online services.

### Faxon/Rowecom (Rowecom) Bankruptcy

At the end of Fiscal Year 2003, the Library of Congress requested a decision from the Government Accountability Office (GAO) regarding the issue of liability for federal agency funds lost in the Rowecom (serials vendor) bankruptcy. The request posed “whether the revolving fund or the specific agencies on whose behalf the library had placed orders with the defaulting contractor should bear the cost of the losses associated with the default.”

In the decision, GAO determined that the “loss resulting from RoweCom’s bankruptcy is related to the operation of the FEDLINK program, and is an appropriate expense of the revolving fund. ...The Library should use FEDLINK’s administrative reserve to cover this deficit. If the Library wishes to allocate the costs differently in the future, it should add a clause dealing with contractor defaults to the interagency agreements.” Thus, the FEDLINK revolving fund, rather than the subscribing agency customers, will bear the financial loss associated with RoweCom.

Following the decision, FEDLINK managers, with guidance from the Library of Congress Office of General Counsel and the Department of Justice Bankruptcy Counsel, exchanged information with the debtor (i.e., the representatives of Rowecom) to establish the net amount of the loss after libraries had been credited for journals “graced” by the publishers (despite non-payment by Rowecom). The amount of the Library of Congress claim included library losses from prepaid subscriptions, cost of reprocurring alternative subscriptions, costs of reprocurring alternative

subscription agents service, and FEDLINK's administrative costs for satisfactorily resolving the contracts for more than 50 FEDLINK transfer pay customers with Rowecom contracts in Fiscal years 2002 and 2003. At the close of Fiscal Year 2004, FEDLINK had agreed with Library of Congress and Department of Justice counsel to submit a joint settlement agreement, in cooperation with the debtor, to the U.S. Bankruptcy Court, rather than pursue further litigation. After the court has approved the settlement agreement, FEDLINK will reimburse libraries for their losses as established under the settlement. The debtor will then pay the FEDLINK program with whatever proceeds from the estate accrue to the Library of Congress as an unsecured creditor.

### **FEDLINK Fiscal Operations**

#### **FEDLINK Vendor Services**

Total FEDLINK vendor service dollars for Fiscal Year 2004 comprised \$60.7 million for transfer pay customers, \$7.7 million for direct pay customers and \$26.1 million of estimated vendor billings to Direct Express customers. Database retrieval services, available only through the transfer pay and Direct Express options, represented \$25.2 million and \$26.1 million, respectively. Within this service category, online services comprised the largest procurement for transfer pay and Direct Express customers, representing \$23.9 million and \$25.0 million, respectively. Publication acquisition services, available only through the transfer pay and standard direct pay options, represented \$27.5 million and \$7.7 million respectively. Within this

service category, serials subscription services comprised the largest procurement for transfer pay and direct pay customers, representing \$19.9 million and \$7.5 million, respectively. Library support and other miscellaneous services, available only through the transfer pay option, represented \$8.0 million. Within this service category, bibliographic utilities constituted the largest procurement area, representing \$5.3 million.

#### Accounts Receivable and Member Services

FEDLINK processed Fiscal Year 2004 registrations from federal libraries, information centers, and other federal offices for a total of 529 signed IAGs. In addition, FEDLINK processed 1,733 IAG amendments (1,047 for Fiscal Year 2004 and 686 for prior year adjustments) for agencies that added, adjusted, or ended service funding. These IAGs and IAG amendments represented 6,258 individual service requests to begin, move, convert or cancel service from FEDLINK vendors. FEDLINK executed service requests by generating 5,983 delivery orders that LC/Contracts and Grants issued to vendors. For Fiscal Year 2004 alone, FEDLINK processed \$60.7 million in service dollars for 2,223 transfer pay accounts and \$7.7 million in service dollars for 29 direct pay accounts. Included in the above member service transactions were 974 member requests to move prior year (no-year and multi year) funds across fiscal year boundaries. These no-year and multi year service request transactions represented an additional contracting volume of \$5.4 million.

The FEDLINK Fiscal Hotline responded to a variety of member questions ranging from routine queries about IAGs, delivery orders and account balances to complicated questions regarding

FEDLINK policies and operating procedures. In addition, the FLICC Web site and email contacts continued to offer FEDLINK members and vendors 24-hour access to fiscal operations. Staff members continued to schedule appointments to discuss complicated account problems with FEDLINK member agencies and FEDLINK vendors while senior staff members concentrated on resolving complex current and prior year situations. The FLICC executive director, business manager and systems unit head visited the program's largest customer to review their library procurement system and initiate dialogue on how best to support customer requirements for similar systems in the future.

FEDLINK's online financial service system, ALIX-FS, provided current and prior year transfer pay account information in Fiscal Year 2004 and continued to offer members early access to their monthly balance information throughout the fiscal year. FEDLINK prepared monthly mailings and emails that alerted individual members to unsigned IAG amendments, deficit accounts, rejected invoices, and delinquent accounts; and issued an advance year-end schedule for fiscal year IAG transactions.

#### Transfer Pay Accounts Payable Services

For transfer pay users, FEDLINK processed 51,419 invoices for payment during Fiscal Year 2004 for both current and prior year orders. Staff members efficiently processed vendor invoices and earned \$6,919 in discounts in excess of interest payment penalties levied for the late payment of invoices to FEDLINK vendors. FEDLINK continued to maintain open accounts for three

prior years to pay publications service invoices ("bill later" and "back orders") for members using books and serials services. Staff members issued 88,082 statements to members (22,508 for the current year and 65,574 for prior years) and continued to generate current fiscal year statements for electronic information retrieval service accounts on the 30th or the last working day of each month, and publications and acquisitions account statements on the 15th of each month. FEDLINK issued final Fiscal Year 1999 statements in support of closing obligations for expired Fiscal Year 1999 appropriations and quarterly statements for prior fiscal years while supporting the reconciliation of Fiscal Year 2000 FEDLINK vendor services accounts. FEDLINK issued the final call for Fiscal Year 2000 invoices to vendors in early December 2003.

### Direct Express Services

At the beginning of the fiscal year, FEDLINK expanded the Direct Express Program to include all of its vendors (55) offering database retrieval services. During Fiscal Year 2003, just five vendors in this category were involved in the pilot program. The program was set up to provide customers procurement and payment options similar to GSA in which the vendors pay a quarterly service fee to FEDLINK based on customer billings for usage. The advantage for the customers and the vendors is the elimination of the process steps for setting up an IAG for the direct purchase of online services citing FEDLINK contract terms and conditions. The Direct Express

Program, although successful, only generated 77 percent of the fee revenue initially anticipated in the budget for fiscal year 2004. FEDLINK attributes the fee shortfall to a slow start up during the pilot phase associated with insufficient information required for customer and vendor awareness on program operations. It should be noted that Direct Express fee revenue contributions did exceed lowered forecast estimates as revised early in Fiscal Year 2004.

### Budget and Revenue

During Fiscal Year 2004, FEDLINK revenue from signed IAGs was approximately 4.7 percent above Fiscal Year 2002 levels but was 1.7 percent less (\$81,900) than budgeted. The budget difference in program fee revenue is attributed to a slow startup in the Direct Express program during the pilot phase. The program fee revenue exceeded FY 04 expenditure obligations by \$83,300, which is higher than the \$23,700 anticipated surplus in the budget for FY 04. Program expenditure obligations (net of training reimbursements) are expected to be approximately \$283,600 less than the budget due to unexpected/ unplanned attrition and reassignment of senior staff.

The 4.7 percent increase in fee revenue over Fiscal Year 2003 is directly attributed to an 8.9 percent increase in transfer pay service dollars which is the result of adding a new large federal agency to FEDLINK's customer base.

### Reserves and Risks

At the close of Fiscal Year 2004, FEDLINK reserve carryover is estimated to increase by approximately \$80,000 from the Fiscal Year 2003 balance of \$1,369,000. During Fiscal Year 2004, the Government Accountability Office (GAO) rendered its decision affirming FEDLINK's liability for transfer pay customer losses associated with the FAXON bankruptcy (see FAXON/Rowecom Bankruptcy discussion above). FEDLINK will reduce its reserve position by approximately \$350,000 - \$400,000 in the first quarter of Fiscal Year 2005 to absorb customer agency losses not covered by publisher gracing and settlement agreements.

#### Other Financial Management Accomplishments

FEDLINK successfully passed the Library of Congress Financial Audit of Fiscal Year 2003 transactions and completed vulnerability assessments of program financial risks for Library Services, Office of the Inspector General (OIG) and the Planning, Management and Evaluation (PMED) audit review. As a follow-up requirement, staff members completed Detail Control Reviews of program financial operations for Library Services, OIG and PMED review. Support for these audits includes financial systems briefings, documented review and analysis of financial system, testing and verification of account balances in the central and subsidiary financial system, financial statement preparation support, security briefings and reviews, and research and documented responses to follow-up audit questions and findings.

FEDLINK continued to provide central accounting for customer agency account balances to meet Treasury Department reporting requirements. FEDLINK also implemented all aspects of Revolving Fund reporting, including preparation, review, and forecasting revenue and expenses for the accounting period.

In support of the Library of Congress implementation of a new financial management system, FEDLINK staff members worked with staff members from the Office of the Chief Financial Officer on its conversion efforts. To accomplish this task, FEDLINK staff members worked with vendors to pay customer invoices in advance of Prompt Pay requirements, modified year-end schedules for IAG transactions and supported interface testing and conversion of vendor records for FEDLINK customer agencies and FEDLINK service providers.

At the FEDLINK level, staff members worked aggressively to replace FEDLINK's current financial system and secured a configuring agreement with acquisition and A/P modules. Throughout the summer, FEDLINK resolved a number of significant issues regarding exporting critical customer information to the Acquisition module for an early Fiscal Year 2005 transition to the new system.

### **FLICC Systems Office**

FLICC systems staff worked with other FLICC/FEDLINK units and the Library of Congress's contractors to determine if the Library's new financial system would be a suitable replacement for FEDLINK's older financial management system. FLICC managers determined that the new system will work as a replacement, and efforts with the Library of Congress contracts began with a plan to implement the new system for FEDLINK by the Spring of 2005.