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Library Commemorative Postage Stamp

"Libraries in America" will be the subject of a 1982 commemorative postage stamp, according to a September 14 press release from the U.S. Postal Service. The single first-class library stamp will be issued in Washington, D.C., on a date in April to be announced later.

Additional Budget Cuts on the Way

In a televised speech September 24, President Reagan proposed an additional \$16 billion in spending cuts for FY 1982. He said he would ask Congress to reduce appropriations for most programs by 12 percent. All library programs are expected to be affected. This would mean 12 percent below Reagan's March budget request shown in the table on the next page. For LSCA I, for instance, this would mean 12 percent below \$46.9 million, or \$41,250,000, a 34 percent cut from FY 1981. The President also proposed to speed up the dismantling of the Education Department, an action which would require congressional approval. The Republican Senate has held up action on all appropriations bills until the details of the new budget cuts are received. However, the House passed the L-HHS-ED Appropriations bill without the additional cuts. Because the fiscal year began October 1, Congress has passed a temporary funding measure. See the following articles.

ACTION NEEDED: Write, call, or send mailgrams immediately to your Senators, especially to Senate Appropriations Committee members to urge that no further cuts be made in library programs and postal subsidies. See the February 10 Newsletter for committee lists.

Appropriations, FY 1982

Continuing Resolution. As the fiscal year ended September 30, Congress gave final approval to the conference report (H. Rept. 97-260) on the continuing resolution (H.J.Res. 325) covering the entire federal government and carrying most programs through November 20, 1981. Signed by the President October 1 (PL 97-51) the funding level in the resolution which applies to major library programs is the current level or the level of the House Labor-HHS-Education Appropriations bill (HR 4560), whichever is lower:

(Figures in millions)	FY 1981 Appropriation	FY '82 Reagan Budget	Reconciliation Authorization Level FY '82	FY '82 House Bill	FY '82 Continuing Resolution
ESEA IV-B	\$161.0	*	\$161.0*	*	*
LSCA I	62.5	46.9	65.0	62.5	62.5
III	12.0	12.0	15.0	12.0	12.0
HEA II-A	2.98	-0-	5.0	2.0	2.0
II-B	.9	1.2	1.2	1.2	.9
II-C	6.0	6.0	6.0	6.0	6.0
MLAA	9.8	8.9	7.5	7.5	7.5
NCLIS	.69	.7	.7	.7	.69

*ESEA IV-B included in block-grant provision

Labor-HHS-Education Appropriations. On October 6 the House passed by voice vote HR 4560, the FY 1982 Labor-HHS-Education Appropriations bill. The Administration lobbied hard to send it back to committee for new cuts, but the vote against recommitment was 249 to 168. The bill faces a possible presidential veto. On September 11, the House L-HHS-ED Appropriations Subcommittee made its FY 1982 funding recommendations in closed session and embargoed the results. On September 23, the full Appropriations Committee approved the bill (H.Rept. 97-251). Amounts for library programs are shown in the table above.

The ESEA IV-B school library program is now part of a state block grant for elementary and secondary education under the Education Consolidation and Improvement Act (which is part of the Omnibus Budget Reconciliation Act of 1981, PL 97-35). The House recommended \$521,485,000 for the block grant, which is the aggregate amount of the FY 1981 appropriations for the antecedent programs repealed by the block grant. The authorization level for FY 1982 for the block grant is \$589,368,000. For the National Library of Medicine, the bill includes \$46,252,000, \$1,586,000 over FY 1981, but \$1,425,000 less than requested.

The Senate L-HHS-ED Appropriations Subcommittee met September 16 and made recommendations subject to further amendment. For library programs, the subcommittee figures are the same as the House bill, with the exception of zero funding for both the HEA II-A college library program and the HEA II-B training, research and demonstration program.

Appropriations, FY 1982 - LC and GPO

Congress used the continuing resolution as an opportunity to provide funding for its own arm of government for the full 1982 fiscal year. H.J.Res. 325 in effect replaces the regular Legislative Branch Appropriations bill (HR 4120). For the Library of Congress the continuing resolution includes \$189,827,000, a compromise between the House figure of \$192,585,000 and the Senate figure of \$188,827,000. The Library had requested \$197,611,000. The Senate Legislative Branch Appropriations Subcommittee had cut the House Appropriations Committee level in two areas -- Congressional Research Service and the Copyright Office. The amount provided will allow LC to proceed with a three-year inventory project and with renovation of the Jefferson and Adams buildings and fireproofing the stacks. The Library wanted to speed up the rate of motion picture preservation but did not receive sufficient funds.

During a House-Senate conference on the continuing resolution, Sen. Mack Mattingly (R-GA), Chairman of the Legislative Branch Appropriations Subcommittee, briefly suggested that funds be denied to LC during FY 1982 for reproduction of certain features of Playboy magazine in braille. Other conferees protested that would

be censorship, and the suggestion was dropped. Rep. Chalmers Wylie (R-OH) had intended to offer a House floor amendment prohibiting federal funds for a braille edition of Playboy by LC's National Library Service for the Blind and Physically Handicapped. However, the regular legislative funding bill was not brought to the floor, and the continuing resolution was not amendable according to the rules.

For the Office of Superintendent of Documents in the Government Printing Office, the continuing resolution provides \$27,120,000 for FY 1982, compared with a request of \$29,279,000. Despite the shortfall, SuDocs expects to be able to distribute all items available for the depository library system, but only because both congressional and executive branch printing volume has declined, publications of the decennial census have been delayed, and an increasing percentage of depository items are being converted to microfiche.

Postal Rates and Subsidies

Postal Rates. The U.S. Postal Service Board of Governors overturned the recommended rates of the Postal Rate Commission and increased the rate of the first-class stamp from 18 to 20 cents effective November 1. The Governors' decision will also reduce the library rate from 25 to 24 cents for the first pound, and reduce the full attributable cost to be reached in 1987 from 50 to 41 cents. The book rate will stay the same at 63 cents for the first unsorted pound. There will be no change in the third class nonprofit bulk rate per piece, but the pound rate will increase from 15.3 to 15.8 cents.

The new phased (which means a gradual phasing in of the full costs attributable to a particular class of mail) rate schedule for the fourth-class library postage rate is shown below:

Permanent Phased Rate Increases in Cents
(Each step begins on July 6 of the indicated year unless otherwise indicated)

	<u>Step and Year</u>							
	10 '81	10 as of 11/1/81	11 '82	12 '83	13 '84	14 '85	15 '86	16 '87
<u>Library Rate</u>								
First pound	25	24	27	29	32	35	38	41
Each addit. lb. thru 7 lbs.	9	9	9	10	11	12	13	14
Each addit. lb.	6	6	6	6	7	7	7	7.5

In their September 29 decision, the USPS Governors indicate the rationale for the reductions in the library rate:

In addition, we are placing into effect the rates for library rate mail which were proposed by the Postal Service. The rates for library rate mail which were recommended by the Commission and which we allowed under protest reflect a 32 percent increase. We believe that an increase of this magnitude is not only unduly onerous for mailers whom the Congress favors but is also out of line with the rate changes for similar kinds of mail. The rates changes for both bound printed matter and library rate mail are supported by the record and reflect the value of the service provided to and the costs incurred by those subclasses of fourth-class mail.

Postal Subsidies. Due to the efforts of Sen. Ted Stevens (R-AK), the Senate Appropriations Committee added \$77 million to the postal revenue foregone subsidy, restoring the total postal subsidy to \$946,240,000, the amount authorized in the recent reconciliation measure. (Sen. Stevens should be thanked by his constituents and library supporters for his efforts.) However, the continuing resolution (H.J. Res. 325) carries funding through November 20 at the lower of the House or Senate levels -- in this case, the \$869,240,000 provided by the House.

In addition, it has been learned that the latest Administration recommendation on postal subsidies would reduce the public service subsidy of \$250 million to zero, and reduce the revenue foregone payment by \$77 million. There may be an attempt to incorporate these cuts into the FY 1982 Treasury, Postal Service, and General Government Appropriations bill (HR 4121) when it reaches the Senate floor the week of October 19. ACTION NEEDED as indicated on page 1.

Taxation - Thor Power Tool

On September 25 the Senate Finance Subcommittee on Taxation and Debt Management, chaired by Sen. Robert Packwood (R-OR), held a hearing on two bills to remedy the effects of the Thor Power Tool IRS ruling on publishers' backlists. The bills are S. 578, introduced by Sen. Daniel Moynihan (D-NY), and S. 1276, introduced by Sen. David Durenberger (R-MN). S. 578 would allow a write-down of excess inventory based on a firm's most recent five-year experience; S. 1276 would allow a write-down over three years of inventory held for more than twelve months by small businesses.

The problems have been greatly exaggerated, according to a Treasury Department representative testifying against the bills. He noted that a number of publishing companies have been in compliance with the inventory methods upheld in the Thor decision for years. Treasury is amending the IRS rules on inventory accounting to lessen the impact of inflation, and would consider a rule exempting taxpayers in cases of great hardship, but otherwise opposes the bills. Testimony in favor of a congressional remedy was heard not only from publishing firms, but also from representatives of farm equipment dealers, automobile dealers, and small businesses. ALA will file a statement in support of a congressional remedy.

Florence Protocol

On September 1, Kenneth Adleman, U.S. deputy permanent representative to the United Nations, signed the Protocol to the Florence Agreement, indicating the intent of the Reagan Administration to proceed with ratification. The 1950 Florence Agreement eliminates import duties on books, periodicals, printed music and other educational, scientific and cultural materials among the adhering countries, which include the U.S. and 67 other nations. The Protocol or supplement to the Florence Agreement would extend duty-free status to audio, visual and microform materials whether educational or not, and to products for the blind and other handicapped persons.

Open for signature since 1977, the Protocol requires approval by the Senate as a treaty and passage of implementing legislation by both Houses of Congress. The Office of Management and Budget has sent to interested agencies a State Department draft of implementing legislation and is now circulating an alternate Commerce Department draft. The next step is Senate Foreign Relations Committee hearings on the Protocol as an international treaty.

Carrying out one of the recommendations in his September 26, 1980 message on the White House Conference on Library and Information Services, President Carter on January 16 transmitted to Congress the Florence Protocol (Sen. Treaty Doc. 97-2) with a recommendation for ratification.

National Endowment for the Humanities Grant Deadline

January 15, 1982 is the application deadline for the NEH humanities projects in libraries beginning after July 1, 1982. Funding for the program will come from fiscal year 1982 appropriations. Further information from: Thomas Phelps, Humanities Projects in Libraries, NEH Mail Stop 406, 806 15th St., N.W., Washington, D.C. 20506 (202/724-0760).

Federal Register Notices

Continuing Education Outreach. The Department of Education published final regulation for the Higher Education Act Title I Continuing Education Outreach -- State-Administered Program in the September 23 FR, pp. 46925-46929. The regulations will govern the administration of a comprehensive program of planning, information and counseling services, and continuing education activities. Previously, the activities were carried out by the States under the Community Service and Continuing Education Program, the Educational Information Centers, and the State Postsecondary Education Planning Commissions Program. Eligible applicants are institutions of higher education, public and private organizations, community-based educational institutions, business, industry and labor. For further information contact John E. Donahue at the address given in the following notice.

Final regulations for the Continuing Education Outreach -- Special Projects Program were published by the Department of Education in the September 2 FR, pp. 43966-43968. The program is designed to demonstrate the effectiveness of alternative providers and approaches to postsecondary education that serve the needs of underserved adult learners. Eligibility for grants and contracts has been expanded to include public and private organizations, states, community-based educational institutions. The President has proposed budget rescissions to the Congress that may eliminate funds for this program. Contact: John E. Donahue, U.S. Dept. of Education (Room 3717), ROB-3), 400 Maryland Avenue, S.W., Washington, D.C. 20202 (202/245-9868).

Affirmative Action for Government Contractors. The Department of Labor Office of Federal Contract Compliance Programs published proposed regulations on affirmative action requirements for government contractors in the August 25 FR, pp. 42968-43017. The proposal "attempts to reduce substantially compliance burdens of government contractors without unnecessarily infringing protection of minorities, women, veterans and the handicapped." Comments must be received by October 26, 1981. Further information from: James W. Cisco, Acting Director, Division of Program Policy, Office of Federal Contract Compliance Programs, U.S. Dept. of Labor, Washington, D.C. 20210 (202/523-9426).

FIPSE. The Department of Education issued proposed regulations for the Fund for the Improvement of Postsecondary Education (FIPSE) in the September 30 FR, pp. 48092-48095. The revision is intended to increase the Fund's flexibility in the application selection process. Comments, due on November 16, 1981, should be addressed to Russell Y. Garth, FIPSE, U.S. Department of Education (3123 FOB-6), 400 Maryland Ave., S.W., Washington, D.C. 20202 (202/245-8091).

Revenue Sharing. The Department of Treasury's Office of Revenue Sharing published final regulations for the revenue sharing program in the September 30 FR, p. 48034-48071. For further information contact Richard Isen or Jacqueline Jackson, 202/634-5182.