



# WASHINGTON NEWSLETTER



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## C O N T E N T S

Appropriations, FY 1983 . . . . .	p. 1	NCLIS Appointments . . . . .	p. 4
Taxation - Computer Donations . . . . .	p. 2	Florence Protocol . . . . .	p. 4
Postal Rates . . . . .	p. 3	Taxation - Manuscript Donations . . . . .	p. 5
Copyright Suit . . . . .	p. 3	INFORMATION NEEDED . . . . .	p. 6
Illiteracy Hearings . . . . .	p. 3	NEH Grants to Research Libraries . . . . .	p. 6
ECIA Ch. 2 Block Grant . . . . .	p. 4	Ordering Library Stamps . . . . .	p. 6

Attachments: 1) Funding Table, 2) Status of Legislation Chart

THE DATE THE PRESIDENT WILL SUBMIT HIS FY 1984 BUDGET TO CONGRESS HAS BEEN CHANGED FROM JANUARY 18 TO JANUARY 31.

### Appropriations, FY 1983

Continuing Resolution. Although the previous continuing resolution (H.J.Res. 599) expired December 17, the federal government stayed in operation in the expectation Congress would complete work on a new one. Finally on December 20 a weary House and Senate approved a conference report (H.Rept. 97-980) on a further continuing resolution (H.J.Res. 631) which provides funding for several agencies for the entire 1983 fiscal year (through September 30, 1983). Amounts for library and related programs are discussed below and shown in the attached funding table. The House version of the funding measure had an expiration date of March 15, but conferees accepted the Senate date of September 30.

An emergency jobs stimulus program was included in both the House (\$5.4 billion) and Senate (\$1.2 billion) versions of H.J.Res. 631. This title II jobs program would have provided additional funding for existing programs under which repairs could be made to the transportation infrastructure and in some cases to public buildings. Conferees deleted the jobs title because the President had publicly stated he would veto it. Signed on December 21, the resolution is now PL 97-377.

Library Programs. The continuing resolution, PL 97-377, provides funding for all of FY 1983 at the previous year's rate for the Library Services and Construction Act (\$60,000,000 for title I public library services, \$11,520,000 for title III inter-library cooperation), the Higher Education Act title II-A college library program (\$1,920,000) and the HEA II-B training and research program (\$880,000). For the HEA II-C research library program there is a slight increase, from \$5,760,000 to \$6,000,000. For the Education Consolidation and Improvement Act Chapter 2 school block grant, there is a decrease, from \$483,840,000 to \$479,420,000. The National Commission on Libraries and Information Science is funded at the FY 1982 level of \$674,000. These levels represent a significant demonstration of congressional support for a federal role in library services, considering that President Reagan's budget for all these programs except the school block grant was zero.

The House version of the continuing resolution was tied to HR 7205, the L-HHS-ED Appropriations Bill for FY 1983, as it passed the House 330-70 on December 1 with amounts for library programs at FY 1982 levels. The Senate version was tied to HR 7205 as reported by the Senate Appropriations Committee (S.Rept. 97-680) on December 8. The Senate committee bill made two changes in library programs -- a \$240,000 increase in the HEA II-C research library program initiated by committee Chairman Mark Hatfield (R-OR), and a cut of \$3,840,000 in the school block grant. Conferees on the continuing resolution accepted the II-C increase, and split the difference on the school block grant cut.

NLM. The Senate failed to act on a pending measure to extend the Medical Library Assistance Act, meaning that technically MLAA is without authorization. However, the continuing resolution (PL 97-377) for FY 1983 provides general authority. In addition, the conference report (H.Rept. 97-980) on the continuing resolution specifically refers to the MLAA portion of the statute (Public Health Service Act, title III, part J) in providing \$46,043,000 for the National Library of Medicine, of which \$7,500,000 would be for MLAA.

NARS and NHPRC. The continuing resolution also provided \$86 million for the National Archives and Records Service for FY 1983, of which \$3 million is earmarked for the grant programs of the National Historical Publications and Records Commission. During House floor debate on HR 7158, Rep. William Dannemeyer (R-CA) attempted to raise a point of order against an appropriation for NHPRC, and was prevented from doing so only by a parliamentary technicality. NHPRC grant programs are technically without authorization, but the continuing resolution provides general authority for the activities and programs funded under its terms.

NEH and NEA. The President requested a 27 percent cut for the National Endowment for the Humanities and a 30 percent cut for the National Endowment for the Arts. Congress disagreed (HR 7356, PL 97-394) and gave the Endowments essentially level funding -- a marginal increase for NEA at \$143,875,000, and a marginal decrease for NEH at \$130,060,000 with the \$500,000 cut to come from administrative costs rather than grant funds.

#### Taxation - Computer Equipment Contribution Act

The Senate did not act on the "Apple computer" bill before the session ended. As passed by the House (323-62) on September 22, the Computer Equipment Contribution Act of 1982 (HR 5573) would have provided a tax deduction to corporations for donations of new computers to schools for use in educating students. As approved by the Senate Finance Committee, recipient eligibility was expanded at the initiative of Sen. John Danforth (R-MO) to include tax-exempt or governmental libraries and museums if at least 80 percent of the use of the donated computers was in the education of elementary and secondary schoolchildren. The Senate version also provided a somewhat less generous tax break for computer manufacturers.

Apple Computer, Inc., which had originally pledged a computer for every school (approximately 103,000), had gradually trimmed that figure as the bill moved through the legislative process to an estimate of 22,000 donations under the Senate committee version. HR 5573 also suffered from a lack of enthusiasm from the education community. Some educators felt that a school which could not afford a computer on its own would not be able to afford the staff training, software and service to use a donated computer effectively.

Postal Rates

Postal rates for certain nonprofit mailers will increase January 9, including a nine percent increase for the library rate. The increases are due to the continuing resolution for FY 1983 (PL 97-377) which provides postal subsidy of approximately \$789 million, sufficient to peg phased rates at step 14, one step higher than the current step 13. The earlier continuing resolution (PL 97-276) which expired December 17 provided a higher amount to keep phased rates at step 13. However, the \$789 million finally provided is higher than the \$708 million (representing an earlier USPS estimate of the amount required for step 14) in the regular postal funding bill approved by a Senate committee and passed by the House with a two percent across-the-board cut. It is also much higher than the President's budget (\$500 million) or Congress' own budget (\$400 million).

The USPS Postal Bulletin for December 30 explains the increases effective January 9. For third-class bulk nonprofit rates, the basic minimum rate per piece goes up from 4.9¢ to 5.2¢. For the fourth-class library rate, the increase is shown below:

<u>Library Rate</u>	<u>Current Step 13</u>	<u>Step 14 as of 1/9/83</u>
First pound	32¢	35¢
Each addit. lb. thru 7 lbs.	11¢	12¢
Each addit. lb.	7¢	7¢

Copyright Suit

New York University, ten of its faculty, and the Unique Copy Center, an off-campus business, have been sued by nine publishers for copyright infringement. The suit, planned and financed by the Association of American Publishers, was filed December 14 in U.S. District Court, Southern District of New York, and is intended as a warning to other educational institutions. The plaintiffs, Addison-Wesley, Alfred A. Knopf, Basic Books, Houghton Mifflin, Little Brown, Macmillan, the National Association of Social Workers, Random House, and Simon and Schuster, have accused the defendants of "engaging in the unauthorized and unlawful reproduction, anthologizing, distribution, and sale of plaintiffs' copyrighted works."

Illiteracy - Oversight Hearings

The House Postsecondary Education Subcommittee, chaired by Rep. Paul Simon (D-IL), held hearings September 21 and December 2 on illiteracy and the scope of the problem in this country. At the first hearing the lead-off witness was Secretary of Education Terrel Bell who noted that 75 percent of the unemployed lack the basic skills of communication, personal relations, motivation, self-confidence, reading, and computing that would make them trainable for new jobs. Bell promised only limited federal assistance in meeting the problem of adult illiteracy. Among the other witnesses in September was Jane Heiser, Literacy Resources Librarian for Enoch Pratt Free Library in Baltimore. With the decline in the economy, Pratt's waiting list for volunteer tutors had grown to 285. "What," Heiser asked, "are we going to tell these people who keep calling and asking when they can be helped?"

Melissa Forinash Buckingham of the Reader Development Program at the Free Library of Philadelphia testified December 2. Philadelphia does not have resources for tutoring or classes, but provides easy reading materials to those agencies serving adult illiterates, and provides evaluative information about those materials to educators and librarians across the country. Both libraries began their programs with Library Services and Construction Act funds. Rep. Simon said he felt library literacy programs worked well because the library is a good neutral institution where adults are not embarrassed to go for help.

## ECIA Chapter 2 Block Grant

The Department of Education issued revised final regulations for the school block grant (Chapter 2 of the Education Consolidation and Improvement Act of 1981) in the November 19 Federal Register (pp. 52368-86). The original final regs published July 29 (FR pp. 32884-900) were disapproved by Congress August 10 because of the Secretary of Education's determination that the General Education Provisions Act (GEPA) did not apply to ECIA Chapters 1 and 2. The new final regs state that the Secretary has reconsidered and except for some provisions of GEPA which are superseded by ECIA, adopts the interpretation that GEPA is applicable to Chapter 2 and will administer the block grant accordingly -- thus retaining such GEPA provisions as advance funding, automatic extension, paperwork control, and prohibition against federal control of education including selection of library resources.

The House on December 17 and the Senate on December 20 passed HR 7336, making technical amendments to both Chapter 1 and Chapter 2 of the Education Consolidation and Improvement Act. For the Chapter 2 school block grant the amendments relieve the smallest school districts of the requirement for biennial audits, and clarify the limited audit and fiscal role of the states in certifying local school districts' applications for block grant funds. HR 7336 also clarifies the submission dates and timeliness for congressional review of regulations. The amendments were felt necessary to assure that school districts were not judged delinquent in future audits due to confusion in the law.

## NCLIS Appointments

On December 21, the Senate confirmed the nominations of John Juernensmeyer, Byron Leeds, Jerald Newman, and Julia Li Wu as members of the National Commission on Libraries and Information Science. On October 1 the Senate had confirmed Elinor Hashim as NCLIS Chair. The five were first nominated by President Reagan in November 1981 -- Hashim and Leeds for terms expiring July 19, 1986, the other three to replace commissioners (Joan Gross, Clara Jones, and Frances Naftalin) who were being removed before the expiration of their terms. On July 19, 1982 the terms of the three appointments in question expired, and on August 5 the President resubmitted the three nominations for terms expiring July 19, 1987. For the first time in the commission's history, the Senate Labor and Human Resources Committee held a hearing on the NCLIS nominations. ALA submitted a statement for the December 9 hearing record stressing the importance of an independent commission and expressing concern about President Reagan's use of the nomination process to remove members of NCLIS before the end of their statutory terms.

## Florence Agreement - Nairobi Protocol

Both House and Senate gave final approval December 21 to a tariff measure (HR 4566) which included implementation of the Nairobi Protocol to the Florence Agreement on the Importation of Educational, Scientific and Cultural Materials. Called the Nairobi Protocol after the location of the negotiations, it 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. On September 30, the Senate had unanimously ratified the protocol as a treaty (Treaty Doc. 97-2). Ratification and implementation of the protocol follows up on a recommendation of the White House Conference on Library and Information Services. Remaining steps not yet completed at this writing include the President's signature and the deposit of the U.S. instrument of ratification.

## Taxation - Manuscript Donations

Considerable momentum was generated this year toward restoration of a tax deduction for donations of literary, musical or artistic compositions by their creators to charitable institutions such as libraries. The Senate briefly considered the deduction as an amendment to the gasoline tax bill in the last days of the session, but did not vote on the amendment. Thus the deduction, lost to authors and artists since 1969 with a consequent decline in donations of contemporary manuscripts to libraries, has not yet been restored.

The legislative history of this year's effort is complex, beginning with introduction of S. 2225 in March by Sen. Max Baucus (D-MT). S. 2225 would restore a fair market value tax deduction except for papers of public officials which would not be eligible. The bill picked up 25 cosponsors, including a majority of Senate Finance Committee members. It was approved with amendments by the Senate Finance Committee on September 24 by voice vote, then added to HR 1524, a House-passed bill dealing with tax treatment of California public utilities.

Artists and authors who are now limited to a deduction for only the cost of the materials would be able to deduct the fair market value of their creations at the time of contribution if certain conditions were met -- conditions added during committee markup. The taxpayer must obtain a written appraisal done within one year of the contribution by a qualified third party (neither the taxpayer nor the donee or its employee, nor any related person), and attach a copy of the appraisal to the income tax return. The donee must use the contribution for a purpose related to its tax-exempt function, and provide the taxpayer a written statement to that effect. The Finance Committee returned to this measure on September 28 and, at the request of Sen. Russell Long (D-LA), added a further amendment: the small number of very wealthy individuals to whom the alternative minimum tax applies would not be able to deduct the excess of fair market value over basis (the cost of materials).

Despite Sen. Long's amendment, he remained opposed to the measure, as the Committee's report (S. Rept. 97-643) on HR 1524 made clear. Senate Finance Committee Chairman Sen. Robert Dole (R-KS) brought up HR 1524 on the Senate floor October 1 but Sen. William Armstrong (R-CO) objected that the report on the bill was not yet available, so it was passed over until the lameduck session. Sen. Armstrong, concerned about possible abuse, prepared a series of amendments to the manuscript donation provision.

In the late night hours of December 15 near the end of a confused and frustrating lameduck session, Sens. Armstrong, Dole, Baucus and Assistant Majority Leader Ted Stevens (R-AK) took one of the Armstrong amendments and modified the manuscript donation provision. Sen. Dole then offered the modified provision as an amendment to the gasoline tax bill (the Surface Transportation Assistance Act of 1982, HR 6211). The modified Dole amendment was discussed, but was not brought to a vote. The modification developed by Sen. Armstrong would limit the deduction to 50 percent of adjusted gross income, defined as "income from all property created by the taxpayer which is similar to the qualified artistic charitable contributions...". See the debate on the Dole amendment in the December 15 Congressional Record (pp. S14831-4, daily edition). This limitation would mean authors could claim a deduction only from income earned from the sale of written works or from royalties or rights from such works, and not from income from teaching or lecturing.

INFORMATION NEEDED: As Sen. Baucus pointed out on the Senate floor, the risk of abuse is substantially limited by provisions in the committee approved bill, and by mechanisms already in place and used by the Internal Revenue Service. Nevertheless, the perception of abuse is likely to be a problem in reviving the measure early in the next Congress. It would be helpful to know whether the 50 percent of artistic income limitation would be enough of an incentive to stimulate donations of manuscripts to libraries by authors and composers. Potential donors who have placed collections on deposit in libraries awaiting a change in the tax law should be contacted to determine whether they would make their donations official under such a provision. Would it make a difference if the definition of artistic income were expanded to include income from teaching and lecturing? Please share the reactions of potential donors with the ALA Washington Office.

NEH Grants to Independent Research Libraries

At a December 8 ceremony at the White House, the National Endowment for the Humanities launched a \$5,325,000 special initiative for independent research libraries. Thirteen libraries are receiving grants ranging from \$100,000 to \$2 million which must be matched three-to-one from nonfederal sources. The NEH press release noted three reasons for making the grants: (1) independent research libraries collect, preserve and promote research in important records of the past; (2) these libraries have demonstrated that they can carry out their mission intelligently and efficiently; and (3) they need substantial financial assistance to continue providing their basic services.

President Reagan met with the library directors and made remarks at the ceremony. In a prepared statement he said: "Our research libraries are repositories for the accumulated knowledge and teachings of civilization. We owe it to ourselves and our children to preserve these rich treasures for the generations to come.... Independent research libraries play a vital role in the cultural life of our nation. As centers for research and learning, they reflect our collective commitment to education and to intellectual freedom and growth -- the survival of these institutions is essential." He also emphasized the expected private sector contribution.

<u>Recipient libraries</u>	<u>Amount of NEH grant</u>
American Antiquarian Society, Worcester, MA	\$ 400,000
American Philosophical Society, Philadelphia, PA	175,000
Folger Shakespeare Library, Washington, D.C.	500,000
Historical Society of Pennsylvania, Philadelphia, PA	200,000
Huntington Library, San Marino, CA	500,000
Library Company of Philadelphia, Philadelphia, PA	100,000
Massachusetts Historical Society, Boston, MA	100,000
Newberry Library, Chicago, IL	750,000
New York Academy of Medicine, New York, NY	100,000
New York Historical Society, New York, NY	100,000
New York Public Library, New York, NY	2,000,000
Pierpont Morgan Library, New York, NY	300,000
Virginia Historical Society, Richmond, VA	100,000

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 \* HOW TO ORDER LIBRARY POSTAGE STAMPS: If local post offices have run out of \*  
 \* the 20¢ "America's Libraries" stamp, you may order them by writing to the \*  
 \* Philatelic Sales Division, U.S. Postal Service, Washington, D.C. 20265. Send \*  
 \* payment in the form of a check or money order made out to the Philatelic Sales \*  
 \* Division, and add 50¢ for postage and handling. The stamps come in sheets of \*  
 \* fifty, but any amount may be ordered. \*  
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FISCAL YEAR 1983 APPROPRIATIONS FOR LIBRARY AND RELATED PROGRAMS

(Figures in thousands)	FY 1982	FY 1983	FY 1983	FY 1983	FY 1983
LIBRARY PROGRAMS	Approp.	Budget	House	Senate	Approp.
<b>Educ. Consolidation &amp; Improvement</b>					
Chapter 2 (incl. school libs.)	\$ 483,840	\$ 433,000	\$ 483,840	\$ 475,000	\$ 479,420
GPO Superintendent of Documents	27,423	28,889	27,291	27,291	27,291
<b>Higher Education Act title II</b>	<b>8,560</b>	<b>-0-</b>	<b>8,560</b>	<b>8,800</b>	<b>8,800</b>
Title II-A, College Libraries	1,920	-0-	1,920	1,920	1,920
II-B, Training & Research	880	-0-	880	880	880
II-C, Research Libraries	5,760	-0-	5,760	6,000	6,000
Library of Congress	206,623	223,760	215,179	215,179	215,179
<b>Library Services &amp; Construction Act</b>	<b>71,520</b>	<b>-0-</b>	<b>71,520</b>	<b>71,520</b>	<b>71,520</b>
Title I, Public Lib. Services	60,000	-0-	60,000	60,000	60,000
III, Interlibrary Cooperation	11,520	-0-	11,520	11,520	11,520
Medical Library Assistance Act	7,500	7,500	7,500	7,500	7,500
National Agricultural Library	8,750	9,016	8,849	8,849	8,849
Nat'l. Commis. Libs. & Info. Science	674	-0-	674	674	674
National Library of Medicine	37,535	38,543	38,543	38,543	38,543
<b>LIBRARY RELATED PROGRAMS</b>					
Adult Education Act	86,400	-- 1/	95,000	95,000	95,000
Bilingual Education	138,057	94,534	138,057	138,057	138,057
Corporation for Public Broadcasting 2/	130,000	85,000	130,000	130,000	130,000
ECIA Ch. 1 (ESEA I Disadv. Children)	3,033,969	1,942,000 1/	3,033,969	3,200,000	3,160,394
Educ. Handicap. Child. (state grants)	931,008	-- 1/	962,428	970,000	970,000
HEA title I-B, Education Outreach	-0-	-0-	-0-	-0-	-0-
III, Developing Institutions	134,416	129,600	129,600	129,600	129,600
IV-C, College Work Study	528,000	397,500	528,000	550,000	540,000
VI, International Educ.	19,200	8,767	20,000	21,000	21,000
Indian Education Act	77,852	51,119	65,519	66,216	67,247
National Archives & Records Service	79,403	85,293	84,644	83,000	83,000
Nat'l. Center for Educ. Statistics	8,589	8,747	8,589	8,589	8,589
National Endowment for the Arts	143,456	100,875	143,875	143,875	143,875
National Endowment for the Humanities	130,560	96,000	130,560	130,060	130,060
Nat'l. Historical Publ. & Rec. Comm.	2,500	-0-	3,000	3,000	3,000
National Institute of Education	53,389	53,645	53,389	55,614	55,614
Postsecondary Educ. Improvement Fund	11,520	11,900	11,520	11,900	11,710
Public Telecommunications Facilities	18,000	-0-	15,000	15,000	15,000
Women's Education Equity	5,760	-0-	5,760	5,760	5,760

1/ Included in block grant proposals for Vocational & Adult Ed. or Special Ed.

2/ CPB funded 2 years in advance.

STATUS OF LEGISLATION OF INTEREST TO LIBRARIANS  97th Congress, 2nd Session  Convened January 25, 1982 Adjourned December 23, 1982 Chart Date: January 7, 1983	HOUSE				SENATE				FINAL ACTION				
	Introduced	Hearings	Reported by Subcommittee	Committee Report Number	Floor Action	Introduced	Hearings	Reported by Subcommittee	Committee Report Number	Floor Action	Conference Report	Final Passage	Public Law
Congressional Budget Ceilings	HConRes 352	X		597	X	SConRes 92	X		385	X	614	X	
Copyright - home video taping	HR 5250,5705	X				S 1758	X						
Copyright manufacturing clause	HR 6198	X		575	X	S 1880			none	X	none	X	PL 97-215
Copyright Piracy Act	HR 3530		X	495	X	S 691			274	X	none	X	PL 97-180
ECIA Regs. - Res. of Disapproval	HConRes 388			701	X	SConRes 115				X			
ECIA Technical Amendments	HR 7336	X		977	X	HR 7336				X	none	X	
Florence Protocol	HR 6093	X			X	HR 4566	X		564	X	989	X	
Foreign language program assistance	HR 3231	X	X	316		S 1817							
Freedom of Information Act Amendments	HR 4805	X				S 1730	X	X	690				
Information Science & Technology Act	HR 3137	X											
Job Training Partnership Act	HR 5320	X	X	537	X	S 2036	X		469	X	889	X	PL 97-300
Medical Library Assistance Act	HR 6457	X	X	791	X	S 2311	X		461				
National Archives - Indep. Agency	HR 6894					S 1421	X						
NHPRC Extension						S 2501							
National Library & Info. Services Act						S 1431							
NTIS & NBS Authorization	HR 5726			501	X	S 2271			337	X	none	X	PL 97-286
Taxation - Manuscript donations	HR 6662,etc.					HR 1524	X		643				
Taxation - Computer Equipment Contribution	HR 5573	X	X	836	X	S 2281	X		647				
Taxation - Thor Power Tool ruling	HR 1016,1936					S 578	X						
Telecommunications - Cable TV						S 2172	X		518				
Telecommunications Competition & Dereg.	HR 5158	X	X			S 898	X		170	X			
Appropriations													
Urgent Supplemental Approp. FY 1982	HR 6685			none	X	HR 6685			none	X	632	X	PL 97-216
Supplemental Approp. FY 1982	HR 6863			673	X	HR 6863			516	X	747	X	PL 97-257
Continuing Resolution FY 1983	HJRes 631			959	X	HJRes 631			none	X	980	X	PL 97-377
Agriculture, FY 1983	HR 7072	X	X	800	X	HR 7072	X	X	566	X	957	X	PL 97-370
Commerce, State Dept., FY 1983	HR 6957	X	X	721	X	S 2956	X	X	584				
HUD, Indep. Agencies, FY 1983	HR 6956	X	X	720	X	HR 6956	X	X	549	X	891	X	PL 97-272
Interior, FY 1983	HR 7356	X	X	942	X	HR 7356	X	X	none	X	978	X	PL 97-394
Labor-HHS-Education, FY 1983	HR 7205	X	X	894	X	HR 7205	X	X	680				
Legislative, FY 1983	HR 7073	X	X	801		S 2939	X	X	573				
Treasury, Postal, FY 1983	HR 7158	X	X	854	X	S 2916	X	X	547				

For bills, reports & laws write: House & Senate Doc. Rms., U.S. Capitol, Washington, D.C. 20515 & 20510 respectively.