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REPORT BY THE
Comptroller General
OF THE UNITED STATES

RELEASED

2/23/78

**The General Services
Administration's Consumer
Information Center**

This report discusses the role of the Consumer Information Center in disseminating to the public information useful to consumers. The Center is effective in providing consumer information, but better coordination between the Center and other agencies providing consumer publications could improve service to the public.



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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-139310

The Honorable Edward P. Boland
Chairman, Subcommittee on
HUD-Independent Agencies
Committee on Appropriations
House of Representatives

Dear Mr. Chairman:

As requested in your June 10, 1977, letter, we are reporting the results of our examination of the General Services Administration's Consumer Information Center. We also examined the Government Printing Office's Pueblo, Colorado, distribution center, because it provides publications distribution support to the Center.

As requested by your office, we did not obtain written comments from the Center or the Printing Office. However, we discussed the matters in this report with officials of both agencies and included their views where appropriate.

This report contains a recommendation to the Administrator of General Services on page 29. As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the House Committee on Government Operations and the Senate Committee on Governmental Affairs not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

As arranged with your office, we are sending a copy of the report to the Chairman, Subcommittee on HUD-Independent Agencies, Senate Committee on Appropriations, and we are withholding further distribution. Your office requested that we make no further distribution of the report before Committee hearings at which the report will be used. These hearings are scheduled to be held on February 23, 1978. After the hearings, we will release the report so that the requirements of section 236 can be set in motion. We will also send copies to the Chairman, Joint Committee on Printing; the Administrator of General Services; and the Public Printer.

Sincerely yours

A handwritten signature in dark ink, appearing to read "James A. Stacks".

Comptroller General
of the United States

COMPTROLLER GENERAL'S REPORT
TO THE SUBCOMMITTEE ON
HUD-INDEPENDENT AGENCIES
HOUSE COMMITTEE ON
APPROPRIATIONS

THE GENERAL SERVICES
ADMINISTRATION'S CONSUMER
INFORMATION CENTER

D I G E S T

The General Services Administration's Consumer Information Center was established to disseminate information Government agencies had accumulated about consumer products to the public. The Center's mission has been expanded to include publications on a broad range of subjects, a change resulting from consumer requests and congressional direction.

The Center performs reasonably well its broadened mission of disseminating general consumer information to the public. In fiscal year 1978, the Center expects to fill over 3 million orders for about 21 million publications covering a wide range of consumer-oriented subjects. About 86 percent of the publications are sent out without charge; the rest are sold at prices set by the Government Printing Office.

The Center's major costs are spread among several Federal organizations and consumers. GAO estimated that these costs are over \$6.9 million a year. GAO examined the largest single portion, \$3.6 million for distribution of free publications for the Center by the Government Printing Office. (See p. 19.)

Distribution costs are predominately postage and order-filling labor costs, both of which are generally well controlled. (See p. 20.)

GAO recommends that the Administrator of General Services direct that the Center Director investigate alternative ways to increase the Center's effectiveness in informing the public of available information. The Center should consider using the Government Printing Office's Select List catalog,

the Department of Agriculture's catalogs and lists, and other Government catalogs to further publicize consumer information at the least cost to the Government. The Center might also act as a conduit for mailing agencies' catalogs to the public, while the actual distribution could shift to the agencies, such as the Government Printing Office and Agriculture.

As arranged with the Committee, GAO obtained only informal comments from the Center and the Government Printing Office to expedite completion of the report. These comments are included in the report. (See pp. 27 and 29.)

C o n t e n t s

		<u>Page</u>
DIGEST		i
CHAPTER		
1	INTRODUCTION	1
	Relationship with other publishing agencies	2
	Budget and staff	2
	Scope of review	3
2	IS THE CENTER EFFECTIVELY PROMOTING CONSUMER INFORMATION?	5
	What is consumer information?	5
	How does the Center identify consumer information needs?	6
	How does the Center locate consumer information?	7
	How does the Center distribute consumer information?	11
	What are the benefits of consumer publications?	17
	Conclusions	18
3	IS THE CENTER COSTING TOO MUCH?	19
	Cost of providing the service	19
	Are costs properly controlled?	20
	Impact of a fee for publications	22
	Conclusions	23
4	ARE THE CENTER'S SERVICES DUPLICATED BY OTHERS?	24
	Consumer information is available elsewhere	24
	Catalog promotions	25
	Publications distribution	25
	Conclusions	27
	Agency comments	27
5	CONCLUSIONS AND RECOMMENDATION	28
	Conclusions	28
	Recommendation	29
	Agency comments	29

ABBREVIATIONS

GAO General Accounting Office
GPO Government Printing Office
GSA General Services Administration

CHAPTER 1

INTRODUCTION

The Consumer Product Information Coordinating Center was established in October 1970 by Executive Order No. 11566, 35 Fed. Reg. 16675, to make available to the public a wide variety of consumer-related product information accumulated by the Federal Government as a result of its procurement and use of the products.

The Center is an independent office within the General Services Administration (GSA), reporting to the GSA Director of Public Affairs. The Center also receives policy guidance from the Special Assistant to the President for Consumer Affairs.

The Executive order requires that the Center promote the development, production, and dissemination of product information and eliminate duplicate publication. Through surveys of public interest, the Center staff found that the consumers wanted information on a broad range of subjects. In accordance with congressional direction, the Center broadened its subject universe and changed its name to the Consumer Information Center.

To meet its goal of providing general consumer information to the public, the Center:

- Determines what information interests the public.
- Obtains publications from Federal agencies to meet consumer interest.
- Prints and distributes a list of these publications in its Consumer Information Catalog.
- Informs the public that the information is available.

The Center's catalog is organized by subject and lists publications in such areas as diet and nutrition, health, housing, automobiles, and money management. The catalog is distributed to Members of Congress; Federal facilities such as Federal Information Centers, which have heavy visitor traffic; State and local government agencies; and non-government and nonprofit organizations, which in turn distribute them to consumers.

The consumer-requested publications are distributed by the Government Printing Office's (GPO's) distribution center in Pueblo, Colorado.

In fiscal year 1978 the Center expects to distribute over 21 million catalogs and fill 3.6 million orders requesting over 21.4 million publications.

RELATIONSHIP WITH OTHER PUBLISHING AGENCIES

The Center distributes publications which have been developed and printed by other agencies. To obtain needed publications, the Center has established a liaison approach with about 30 Federal agencies. The liaisons are to identify available publications, encourage development of new publications as needed, and request that the agencies give the Center publications to allow it to make wide distribution.

If a publication that is not a GPO publication is selected for the catalog and the publishing agency agrees to the printing of sufficient quantities, that publication is then listed as free in the catalog.

The Pueblo center is under GPO's Superintendent of Documents operations. The Superintendent of Documents also sells other Government publications.

An agreement between GSA and GPO specifies that the Center will not offer free in the catalog any publications which GPO sells. Instead, such publications are offered in the catalog at the same price as charged by GPO. These publications constitute about 40 percent of the catalog. All other publications listed in the catalog are free.

Pueblo distributes Center publications on a cost-reimbursable basis for free publications. GPO does not charge the Center for distributing publications sold through the catalog, but instead keeps the customers' payments.

BUDGET AND STAFF

The fiscal year 1977 actual costs and fiscal year 1978 budget estimates follow.

	<u>FY 1977</u> <u>actual</u>	<u>FY 1978</u> <u>estimate</u>
Personnel compensation	\$ 388,426	\$ 477,000
Printing of catalog and miscellaneous items	364,063	351,000
Advertising campaign and other services	221,032	223,000
Other operating costs	<u>96,856</u>	<u>104,000</u>
	1,070,377	1,155,000
Distribution reimbursement to GPO for distributing free publications	<u>(a)</u>	<u>3,576,000</u>
Total	<u>\$1,070,377</u>	<u>\$4,731,000</u>

a/ Not available

The Center has 18 employees, including 15 professional and 3 administrative staff members. The professional staff includes the Director, the Deputy Director, communications specialists, and consumer information specialists. All professional staff members are involved in some agency liaison efforts.

SCOPE OF REVIEW

Our review was requested by the Chairman, Subcommittee on HUD-Independent Agencies, House Committee on Appropriations, on June 10, 1977. The review involved:

- Discussing the Center's activities and programs with staff members and reviewing pertinent documentation.
- Examining GPO's Pueblo facility's operation and distribution costs.
- Discussing consumer information programs with officials of the Department of Agriculture, the Bureau of Labor Statistics, the Department of Labor, and the Small Business Administration.

We examined certain portions of the Center's activities with regard to effectiveness. We were also asked to find out if customers were satisfied with the publications received. After we determined that the time and resources required to make an independent assessment were quite large, it was agreed that we should instead rely on surveys which had been conducted by the Center.

CHAPTER 2

IS THE CENTER EFFECTIVELY PROMOTING

CONSUMER INFORMATION?

To achieve its basic objective of promoting consumer information development, production, and dissemination, the Consumer Information Center

- identifies what types of consumer information are needed;
- locates existing needed information and, if necessary, encourages development of new publications;
- makes the information available to consumers; and
- determines periodically whether the information is significantly beneficial.

WHAT IS CONSUMER INFORMATION?

The Executive order which established the Center discussed the type of information the Center would promote. The order pointed out that the Government, in acquiring products from private industry, performs evaluations and publishes reports. Some of this information, it said, would be useful to consumers in its original form, while other documents would require translation into information designed for consumer education. The Executive order therefore established the Consumer Product Information Coordinating Center to:

"Promote the development, production, and public dissemination of Government documents containing product information of possible use to consumers, including other Government agencies, and the release of which may be accomplished in a manner that is both fair to producers and vendors and protective of Government procurement processes."

In its early years the Center viewed "consumer information" as basically product related, which was consistent with the order. In 1974 at the direction of the Chairman of the House Appropriations Subcommittee on Agriculture-Environmental and Consumer Protection, however, the Center

changed this definition to encompass any information of interest to consumers and further changed its name to the Consumer Information Center.

Any information of
interest to consumers

Since everyone consumes goods and services, the definition could include virtually all information of interest to anyone. To illustrate, publications regarding safe driving, home gardening and landscaping, and other how-to-do-it pamphlets, if of interest, would be consumer information. This broadened definition requires the Center to consider all areas of potential interest when promoting the development of consumer information and to examine virtually all information published by Federal agencies when determining what should be made available or publicized.

HOW DOES THE CENTER IDENTIFY
CONSUMER INFORMATION NEEDS?

Methods used to identify the types of information of interest to consumers include demand analysis for current publications, questionnaires, public opinion polls, and contact with private and government consumer organizations. From the identified areas of interest, publications are selected to be listed in the Center's quarterly Consumer Information Catalog.

Demand analysis

According to Center officials, high demand for existing particular publications indicates consumer interest in broad subject areas, e.g., housing and automobiles. Therefore, quarterly the Center analyzes demand data based on randomly selected orders with free and sales items examined separately. During our examination, the sample included 200 orders, but this now has been increased to 1,000 orders.

Questionnaire surveys

Questionnaires are distributed in a sample of filled orders mailed from Pueblo. Five surveys, ranging from 750 to 1,500 catalog users each, have been conducted since December 1975. Among other things, the questionnaire requests suggestions for additional consumer publications. In a recent survey, subject areas showing consumer interest included inexpensive home repair/remodeling and home gardening.

Public opinion polls

Quarterly a private research firm, under the Center's direction, polls a random sample of about 2,500 consumers concerning their likelihood of ordering 14 proposed and 6 existing publications. This poll is conducted primarily to assess the potential demand for specific publications.

Interaction with private consumer organizations and Federal agencies

The Center staff attempts to remain current on consumer issues by participating in regional and national conferences of over 100 private consumer-oriented organizations, such as the American Public Health Association and the Association for Consumer Research.

Most discussions with other Federal agencies concern publication development and availability. However, agencies also provide the Center information on consumer interests based on their contacts with consumers and on anticipated consumer reaction to new legislation or Federal programs.

Has the Center effectively identified consumer information needs?

Based on the definition that consumer information includes anything of interest to consumers, the Center appears to have effective methods for identifying the needs.

HOW DOES THE CENTER LOCATE CONSUMER INFORMATION?

Once the Center has identified consumer interest areas, it attempts to locate existing Federal publications

in these subject areas which may be useful to consumers. If none are available the Center encourages and helps responsible Federal agencies to develop the publications.

The Center has established liaisons with about 30 agencies to identify available or develop new publications. The Center removes and replaces outdated and seasonal publications in the catalog, which amounts to about 25 percent of the approximately 200 publications listed in each quarter. The selectivity of the Center is indicated by comparison with the 23,000 documents currently available to the public from GPO.

The liaisons attempt to be continually aware of ongoing or proposed Federal programs and legislation, so that material for needed publications is not overlooked. The liaisons maintain monthly, weekly, or even daily contact with agency program, publication, and information officials.

Locating existing publications

According to Center officials, publishing activities of Federal agencies vary widely in (1) numbers of publications, (2) intended audiences, and (3) relevancy to general consumer interests. The Center relies on its agency liaison to locate needed publications. In addition, it reviews current lists of new publications being ordered in connection with GPO's publication sales program. Although required by the Executive order to consider the publications of all agencies, the Center does not have liaisons with all agencies and thousands of publications produced annually by the Government are not included in lists of GPO sales items.

We informed Center officials that GPO's Publications Reference File System might facilitate the search for publications. This system, which is on microfiche, lists all of the approximately 28,000 Government documents currently available through GPO's sales program. Updated data is available each month at an annual cost of \$50.

Center officials stated that the system may help them identify available consumer-oriented publications and they will follow through on this suggestion. However, they said their liaisons already are aware of most publications which could be used by consumers.

Encouraging development of new publications

If publications are not readily available in the areas of consumer interest, the liaisons suggest topics for new publications to Federal agencies. They also request updates to older publications, review manuscripts, provide subject area demand statistics, and promote joint agency development to avoid duplication between agencies with similar missions and ensure complete coverage of the subject. For example, the Center encouraged the United States Postal Service and the Federal Trade Commission to jointly prepare a publication on consumer rights in buying by mail. The Center's efforts to develop new publications are reflected in the following Center statistics for publications released in fiscal year 1976.

<u>Type of Center involvement</u>	<u>Number of publications</u>
1. Suggested new or revised publications and provided manuscript review	15
2. Suggested reprint	8
3. Provided manuscript review	20
4. Suggested compilation of separate articles	1
5. Suggested revision and reprint	5
6. Requested that GPO sales status be revoked to enable free distribution	6
7. Requested agency to purchase from private source	<u>1</u>
	<u>56</u>

Relations with other agencies

Since the Center has no authority to require agencies to develop publications, the Center's success in achieving its objectives depends on the cooperation received. According to Center officials, factors which

make locating or developing publications more difficult are that

--some of the agencies' publishing activities are decentralized, thereby requiring a more extensive liaison effort, and

--agency policies and procedures for determining what and how information will be disseminated and to whom are inconsistent among one another.

Center officials pointed out that locating appropriate publications requires contacting individuals in many offices involved in publications and their use. We believe reliance on a liaison for obtaining publications somewhat restricts the Center's coverage of agencies. The size of the Center staff permits liaison coverage primarily to those agencies which the Center considers to have the most potential for consumer information.

The Center does review the GPO list of new sales program publications, but there is no comprehensive list of other new Government publications which the Center could offer free to the public.

Even though the liaison system and the review of GPO sales publications enables the Center to locate a large number of publications, we believe more could be done to assist in identifying existing publications and to avoid developing new publications which may duplicate existing ones.

A supplement to liaisons

A supplement to the liaison system would be a Government-wide program wherein all agencies, during their publication approval processes, would determine, based on standard criteria, whether each publication has consumer application. Lists of such publications and copies could be provided to the Center periodically for review and determination as to whether they should be included in the Consumer Information Catalog. Initially each agency would screen all current publications for those having consumer application. Then based on its knowledge of consumer interest and existing publications, the Center could more effectively advise the agencies on areas of interest for future publication development.

HOW DOES THE CENTER
DISTRIBUTE CONSUMER INFORMATION?

The Center distributes consumer information by television and radio public service broadcasts, press releases, and mailing publications. Also consumers can order publications from the Center's Consumer Information Catalog.

Consumer Information Catalog

This 15-page quarterly pamphlet is the Center's basic informational tool. It lists consumer information available through the Center. Between 15 and 21 million catalogs have been printed and distributed each year.

Each year up to 50 percent of the catalogs printed are distributed by Congressmen to constituents. The Center Director stated that Congressmen who do not accept and distribute the catalogs generally have policies against all types of unrequested mailings to constituents. Most Congressmen use the Postal Patron mailing method to distribute the catalog. This method enables any member of the House of Representatives, for example, to mail catalogs to an entire congressional district using a simplified address. The Director stated that the Center has found that congressional distribution of the catalog is the most effective way to reach consumers in all socio-economic segments in all geographical areas of the country.

An average of 1.7 percent of the order forms in the catalogs distributed by Congressmen result in orders. In three separate congressional distributions, response rates ranged from 1.1 percent to 2.9 percent. A Center official told us 2 percent is a favorable rate for response to unsolicited mail, and an official of a Washington area direct mail firm confirmed this view.

In 1977 about 44 percent of the catalogs were distributed by Congressmen; 32 percent by bulk mailing to educational facilities, libraries, and community organizations; 13 percent by direct mail in response to specific requests or by inclusion with orders filled at Pueblo; and 10 percent as handouts at Federal facilities having heavy visitor traffic, such as Federal Information Centers.

Varying catalog distribution methods result in significantly different rates of orders. Based on Center sample data collected beginning about June 1976 for a period of 16 weeks, response rates for the different methods were as shown below. The response rates are approximate because some additional orders may have been sent in after the sample was taken.

<u>Distribution method</u>	<u>Number catalogs in sample</u>	<u>Number of orders</u>	<u>Return rate</u>	<u>Cost (note a)</u>	<u>Cost per order</u>	<u>Cost per publication (note b)</u>
Congressional mailing	365,000	6,205	1.7%	c/33,580	\$5.41	\$.30
Federal facilities	297,000	6,831	2.3	d/4,455	.65	.04
Bulk mailing	50,000	1,800	3.6	d/750	.42	.02
With publications orders	50,000	5,350	10.7	e/1,750	.33	.02
Requested in response to public service ads	<u>50,000</u>	<u>8,300</u>	16.6	<u>f/24,250</u>	2.29	.16
	<u>812,000</u>	<u>28,486</u>	3.5	<u>\$64,785</u>	\$2.27	.13

a/Catalog at 1.5 cents per copy for printing and postage.

b/The average catalog order consists of 14 free and 4 sales publications.

c/Postage at 7.7 cents postal patron rate.

d/Postage negligible.

e/Includes 2 cents per copy for labor to include the catalog with an order.

f/Based on 32 cents per catalog for public service campaign, 3.5 cents each for production and 13 cents each for postage.

According to the sample data, congressional mailings are the least cost-effective method of catalog distribution; the Government spends about \$5.41 per order received (excluding the cost of publications ordered). The most cost-effective method is including the catalog along with orders shipped, which results in a cost of 33 cents per order received. The distinction between the two methods is that congressional mailings go to the public at large, while under the order insert method, the catalog is sent to those that already have shown interest in ordering Government publications.

Without considering cost, the most effective method of getting orders from the catalogs was the public service advertising campaign, which achieved a 16.6-percent order rate. In contrast, the congressional mailings have the lowest response, 1.7 percent. However, the Center believes the congressional mailing cost is offset by the ability of this mailing to reach a broad spectrum of socioeconomic and geographical groups.

National public service campaign

In 1975 the Center began an annual national public service campaign to advertise the availability of the catalog and increase awareness of consumer information available from the Government. The Center saw a need for a standardized awareness program because no effort was being directed toward promoting the concept of the Center as an overall source of Government consumer information. The Center contracted with a private advertising firm in 1975 to develop a national public service campaign at a cost of \$137,500. The fiscal year 1977 campaign cost was \$152,000. The campaign includes ready-to-air radio/television advertisements. The current campaign has eight printed advertisements and television commercials, each in various sizes or lengths. The promotion emphasizes the catalog and the identity of the Center as a Government agency providing consumer information. The ads provide the address and an invitation to write for the catalog. The advertising firm identifies major radio and television stations, newspapers, and magazines, and it gives them the campaign materials.

According to an official of the advertising firm and the Center Director, a new public service campaign is

needed each year because few radio and television stations will continue advertisements for more than 1 year. Due to the competition for free public service time, the Center attempts to establish working relationships with television's public service directors in major market areas. Center staff members visits selected radio and television stations to discuss the campaign and the Center. They seek to inform public service directors of the purpose and scope of the Center. The Center hopes the directors, with this knowledge, will be more likely to air the Center ads and to place them in "higher price" time slots with maximum exposure. In 1977 Center staff members visited media personnel in 31 metropolitan market areas. Center officials believe these visits contributed significantly to the media coverage which has been estimated to have commercial value of several million dollars.

The campaign has resulted in increased individual requests for the catalog. A Center official stated that an average of 25,000 catalogs had been distributed to individual requestors, before this campaign. After it began, individual catalog requests that can be attributed primarily to the campaign rose to about 215,000 in 1975 and to 380,000 in 1976. The Center expects over 400,000 individual catalog requests as a result of the 1977 campaign. A Center sample of individually requested catalogs showed that about 17 percent resulted in orders during 4 months in 1977.

Consumer awareness of Pueblo as a source of Government information has also increased over the past year. National polls taken in February 1976 and July 1977 showed that in the months between the polls, consumer recognition of the Pueblo address increased from 15 percent to over 19 percent and that the identification of the address as a source of Government information had increased from 1.4 percent to about 7 percent.

Press releases

Based on demographic data collected by the Center, a disproportionate number of people requesting publications have annual incomes and educational backgrounds considerably above national medians.

To reach all social and economic levels, the Center develops biweekly press releases entitled "New for Con-

sumers," which are distributed to 6,000 newspapers, magazines, consumer journalists, consumer organizations, and libraries. Spanish language versions of the releases contain excerpts from or a summary of new or seasonal publications available from the Center. Though brief, the releases are intended to provide useful information to consumers and to encourage them to request the publications from Pueblo.

According to Center staff, increased demand results for publications advertised in these releases. For example, over 150,000 copies of "Keeping Records, What to Discard" were distributed after it was the subject of a press release. The Center attributed the demand in part to the fact that the release had been picked up by a national wire service. Demand for a number of publications advertised in releases in the past 3 years increased following the releases. A newspaper- and magazine-scanning service found 44 Center publications cited in 149 newspapers and magazines during a week in September 1977. The service scans 1,000 daily and 9,000 weekly or monthly publications.

Radio and television broadcasts

To reach more consumers, the Center sends radio and television scripts to 4,000 English-speaking and 400 Spanish-speaking stations. The scripts vary in length from 20 to 120 seconds and are designed to be read aloud with the possibility of film accompaniment on television. Seven scripts summarize consumer publications. Topics have included safe driving tips for winter, Federal hotlines, and drinking etiquette. The scripts include the Pueblo facility's address as a source of further information. The remaining script consists of a consumer news item taken from a current Federal publication or a press release offering information other than that available through the Center. Based on a telephone survey in 1977, Center personnel estimated that over 250 hours of public service time are devoted each week to the Center's program.

Managing publication inventories

Pueblo's publications inventory records are computerized. Key punch services, computer-disk file space, and computer processing are provided by Tooele Army Depot, Utah, through its satellite activity, the Pueblo Depot

Activity, formerly the Pueblo Army Depot. Pueblo stock control personnel update the inventory daily using a computer terminal. The system generates various reports for keeping publications stock managers informed of publication demand, inventory, and other information.

Pueblo establishes the stock levels for the sales publications listed in GPO's own catalogs and for the Consumer Information Center publications for which customers must pay. The Center establishes the stock levels for its free publications. Toole's computer is programmed to "kick out" a replenishment order form when a publication's reorder level is reached. This action results in either a reorder or a decrease in the reorder level in the case of low-demand publications. The Center's reorder level is 3 months of supply and is based on the approximate reorder time.

Stockout conditions are minimized by keeping agencies informed of their publications' popularity and encouraging them to reprint as soon as possible. However, some delays do occur. In December 1977 Pueblo filled most orders in about 7 days, but it did experience delays in filling about 5 percent of the orders because of stockout conditions. About 20 percent of the orders are for multiple publications, and a stockout condition on any publication in any of these orders would delay the entire order.

About 350 to 400 different publications are offered in a single year by the quarterly catalog. The Center changes about 25 percent of the 200 publications in each catalog. Some of these are seasonally listed.

Disposition of low-demand and outdated free publications is determined by the Center. Such free publication stocks are either destroyed, returned to the issuing agency, or given to private organizations. According to Pueblo officials, in fiscal year 1976 about 235,000 copies consisting of 26 different publications were returned to issuing agencies or given to private organizations. Pueblo also destroyed for the Center about 466,000 total copies of 28 different publications, or about 3 percent of the total number of free and sales publications distributed.

The method used to control stock quantities appears adequate. Enough copies are kept on hand by determining whether to reorder sufficiently in advance of stockout conditions and trying to encourage prompt reprinting. Further, the practice of removing low-demand stocks from the inventory precludes large accumulations of low-demand publications.

Does the Center effectively distribute consumer information?

While perhaps not cost effective in distributing consumer information--as evidenced by the range of 33 cents to \$5.41 expended per publications order under various methods--there is little doubt that the Center has achieved increased distribution of publications. For example, estimated orders and publications to be distributed for 1978 have increased five times the amounts for 1973, while the quantity of Consumer Information Catalogs distributed has remained about the same. The increased distribution is illustrated as follows:

<u>FY</u>	<u>Catalogs distributed</u>	<u>Orders received</u>	<u>Publications distributed</u>
1973	21,034,000	626,400	4,054,455
1974	17,000,000	993,002	6,172,169
1975	20,600,000	1,493,217	8,645,370
1976	20,545,000	2,193,566	10,303,152
Transition quarter	11,290,000	807,054	4,977,673
1977	21,925,000	2,884,839	17,114,719
1978 (estimated)	21,000,000	3,250,000	21,360,000

WHAT ARE THE BENEFITS OF CONSUMER PUBLICATIONS?

The Center has no objective means to measure benefits derived from Center publications received by consumers. Center officials told us they investigated the feasibility and merits of conducting research into the benefits of consumer information to the public. The Center learned that such research is complex and expensive and would have to be done on a publication-by-publication basis.

Data concerning the worth of Center publications consists largely of surveys of consumer satisfaction with

publications received and comparisons of demand for publications. A questionnaire periodically sent to current customers requests comments on the worth of publications received. In each of 4 surveys, between 30 and 35 percent of the 750 to 1,500 consumers who received the questionnaire replied. Over 90 percent of respondents indicated satisfaction with the publications. Respondents who were not satisfied generally said the information in the publications was too general or incomplete.

Publications with low demand are withdrawn from the Center's catalog. Consequently if demand equates with publication worth, publications which are repeatedly offered can be considered of value to consumers. The extent that consumers are willing to pay for publications offered by the Center is also related to the question of publication worth. In fiscal year 1977, sales revenue was \$1,277,000 for all publications sold by the Center.

CONCLUSIONS

The Center appears to have effectively promoted the development and dissemination of information of interest to a broad audience of consumers. Although the Center locates and reviews a large number of publications, we believe the Center's efforts could be supplemented to avoid developing new publications that may duplicate existing ones. A supplement to the staffs' liaison work could be a Government-wide program wherein each agency identifies, based on standard criteria, its own publications that have consumer application. Agencies could send copies of current and forthcoming publications automatically to the Center for further review. Under such a program, the Center would appear to be able to minimize its labor-intensive liaison activity with other agencies.

Also, the methods for disseminating the Consumer Information Catalogs could be improved. Some of the methods used are substantially more cost effective than others. We believe the Center should stress the more cost-effective methods, such as bulk mailings. For example, bulk mailings to city, country, State, and private consumer agencies and organizations that can in turn distribute the catalog could be less costly than other methods and just as effective.

CHAPTER 3

IS THE CENTER COSTING TOO MUCH?

The major costs of the Center's efforts are absorbed by several Federal agencies and consumers. The Center pays for determining consumer needs; locating publications; preparing, printing, and sending the Consumer Information Catalog to distribution points; and distributing free publications. It appears Congressmen pay for the largest single portion of catalog distribution costs. Agencies pay for researching and writing all publications and for printing free publications. Consumers pay for printing and distributing sales publications.

There is apparently no clear guidance regarding the costs to be borne by the consumer. For example, if consumers are to be charged, should the fee be set to recover all or only certain costs? Or should the fee be nominal to inhibit people from requesting publications merely because they are free? The Center's philosophy is that certain consumer publications should be free and that on others the price should be as low as possible, but sufficient to cover printing and distribution costs. The Center believes that publications on subjects such as food stamps and unemployment should be free.

Since the Center sells GPO publications at the GPO price and GPO fills the orders, we believe the Center is essentially advertising GPO publications for GPO. Consequently, an examination of the costs involved in these publications would more appropriately be handled in a review of GPO. Therefore, we concentrated on the free publications, which make up 86 percent of the Center's distribution.

COST OF PROVIDING THE SERVICE

Although not all costs of providing consumer information are known, we determined or estimated that major identifiable costs to the Government amounted to about \$6.9 million for fiscal year 1978. Of these costs, \$4.3 million, or 62 percent, is for distributing the catalogs and the publications.

Identifiable costs

As was outlined in chapter 1, the Center's estimated costs for fiscal year 1978 are \$1.16 million for determining consumer interest, locating publications, providing the catalogs, and paying other operating costs. In addition, the Center expects to pay GPO about \$3.58 million for distributing free publications.

Agencies bear the cost of printing free publications, which we estimate will cost about \$1.4 million in fiscal year 1978. We sampled the printing costs of publications listed in the Consumer Information Catalog and found that the average cost per copy was about 7.5 cents. This sample was not weighted by the number distributed of each publication. Center officials believe the high volume of smaller pamphlets would lower this average cost significantly.

Congressmen who send catalogs to constituents pay the Postal Patron rate of 7.7 cents per catalog. If Congressmen send out all of the approximately 9 million catalogs provided them in fiscal year 1978, the postage costs will total about \$690,000. In addition, Congressmen would incur some staff handling costs.

Other costs

The above are only part of the total cost to the Government. The Center does not produce publications offered in the catalog; instead Government agencies bear the actual research, writing, and printing costs.

At the Bureau of Labor Statistics, the Small Business Administration, and the Department of Agriculture, officials told us that recent data was not readily available on the total cost of developing, writing, and printing publications. However, the Agricultural Research Service did provide a fiscal year 1975 cost analysis of popular publications, such as Home and Garden Bulletins. Estimated costs include only Research Service publication staff editing, writing, and proofing and GPO printing. A Research Service official stated that costs for research, technical input, and departmental review cannot be determined. The average production cost of one copy of a Home and Garden Bulletin was about 10 cents, of which about 7.5 cents was for printing.

We asked agencies if the Center's operations caused researching or gathering of information that would not have been done otherwise. The Center has encouraged development of new publications and encouraged updates of older ones. (See ch. 2.) But we did not learn of any major research undertaken solely at the Center's request.

ARE COSTS PROPERLY CONTROLLED?

We examined the control of distribution costs, to determine if the costs that GPO charges the Center reflect actual costs for distributing free publications. We did

not examine printing costs because they are borne by issuing agencies and are not passed on to the Center.

Distribution of Center publications constitutes the bulk of GPO's Pueblo distribution activity. In the first three quarters of fiscal year 1977, Pueblo distributed about 10.7 million Center free publications, 2 million Center sales publications and about 1.8 million GPO publications.

We examined the methods of accounting for and controlling personnel and postal costs, which together make up about 90 percent of the distribution costs.

Personnel costs

Personnel costs charged to the Center are based on actual labor costs incurred by Pueblo in distributing the Center's free publications. From October 1976 through August 1977, personnel compensation and benefits at Pueblo were \$1,146,000, of which \$772,000, or 67 percent, was charged to the Center.

Generally the actual time, including overtime, of full-time direct labor employees is charged daily to the different types of publications distributed, i.e., GPO publications, Center free publications, and Center sales publications. An exception occurs when an employee works on orders for both free and sales publications. In this situation, 75 percent of the employee's time is allocated to the free program and 25 percent to the sales program. This practice is based on sampling results which showed that mixed orders for Center publications averaged about three free publications for every sales publication.

Pueblo's method of reporting employees' time against each program generally appears proper. We suggested to GPO officials two minor changes which we believe would make the reporting of employees' time more accurate.

Since May 1977 Pueblo has controlled labor costs by comparing employee performance with historical averages. Performance or productivity standards based on historical experience are often established without accompanying methods analyses and, as a result, the inefficiencies of past practices are incorporated within the standards. On the other hand, labor standards based on historical experience are often practical in small organizations and in situations when precise standards would cost more than their value as controls. As such, Pueblo's use of historically based standards does yield a reasonable measure of control.

Postal costs

The postal rate charged to GPO is based on a randomly selected monthly sample made by Pueblo of its outgoing mail. This rate is then applied to the total orders mailed to determine total charges. A report to the Postal Service specifies the number of packages mailed in each of several weight categories. One- and two-ounce items, which constitute a large volume, are separately counted and listed to take advantage of lower mailing costs for these items.

Before our survey, Pueblo had been inadvertently adding the quantity of 1- and 2-ounce items to the quantity reported for heavier items. As a result, the rate charged the Center's heavier items, which is based on the average weight of these items, was multiplied by inflated quantities.

Pueblo officials estimated the quantity of 1- and 2-ounce items for the first three quarters of fiscal year 1977 and, based on these estimates, determined that total postage costs were inflated by about \$90,000 for that period.

GPO officials told us they no longer add the 1- and 2-ounce envelope quantity to the quantity of heavier items. With this correction, the method used to determine postal costs appears proper.

IMPACT OF A FEE FOR PUBLICATIONS

We were asked to determine if customers ordered publications because they were free rather than because they were interested in the subject. We believe that customers may order a publication for both reasons. As would be expected, demand for free publications is higher than demand for sales publications. For example, 65 percent of the publications listed in the catalog are free; however, 86 percent of the publications requested are free. The typical order received on a catalog order blank contains requests for 14 free and 4 sales publications.

We were also asked to consider the impact of a minimum processing charge, which GPO estimated at 20 cents per free publication. In addition to lowering demand, as indicated by the above statistics, an additional cost would be incurred for extra handling of orders with money at Pueblo. GPO officials estimated that about six people would have to be added for the extra order handling at the current order level.

CONCLUSIONS

The largest element of cost is \$3.58 million for distributing publications requested by consumers. However, this cost appears to be reasonably well controlled. Almost 90 percent of the distribution costs are for postage and labor. Postage costs are based on actual quantities mailed, and the rates are fixed by the Postal Service. Labor costs are based on actual time spent on filling orders, and standards are used to monitor employee productivity.

Agencies were not initiating large research efforts to satisfy requests by the Center.

If a minimum processing fee is charged, the required fee of about 20 cents per publication would tend to lower demand and therefore reduce publication and distribution costs. Obviously, the amount of information disseminated--a measure of the Center's effectiveness--would likely decrease.

CHAPTER 4

ARE THE CENTER'S SERVICES

DUPLICATED BY OTHERS?

We were requested to examine the availability of consumer information from other sources and to determine if the Center duplicates other agencies' promotion and distribution efforts.

Consumer information is widely available, from both commercial sources and other Government sources. Although the Center works with other agencies to obtain and distribute publications, catalog promotion by the Center and other agencies does overlap. Further, both the Center and other agencies distribute many identical publications.

CONSUMER INFORMATION IS AVAILABLE ELSEWHERE

To a considerable extent, information similar or identical to that in the Center's publications is also available through commercial sources. For example, in an October 1976 issue, a major home improvement magazine offered a publication originally prepared by the Department of Housing and Urban Development and available through the Center.

Since Government information is in the public domain and is not copyrighted, commercial organizations can reprint any publication offered in the catalog.

Also consumer publications are available to the public from GPO and individual Government agencies.

According to GPO officials, they select about 3,000 of the approximately 25,000 publications submitted each year for printing and binding and sell these to the public. Selection is based on such factors as sales of similar items, agency recommendations, and the GPO staffs' opinions of the public interest in various subjects.

Many agencies distribute some publications free to any individual or private organization. A Joint Committee on Printing regulation limits distribution to 50 copies per recipient.

In addition, certain agency publications are made available free through Congressmen.

CATALOG PROMOTIONS

Various Government organizations promote their publications through catalogs and lists. These promotions tend to overlap in distribution and in subject matter.

Agencies' catalogs

Agencies generally prepare indexes of publications to inform the public of publications they produce, and they are also required by law (44 U.S.C. 1902) to provide lists of all publications to GPO for indexing in the Monthly Catalog of U.S. Government Publications. Some agencies further issue catalogs of publications of general or consumer interest. For example, the Department of Agriculture issues a catalog entitled "Popular Publications for the Farmer, Suburbanite, Homemaker, Consumer," which lists over 300 free publications, of which about 100 are specified as consumer oriented. Many of the consumer items are also listed in the Center's catalog. The National Bureau of Standards, Department of Commerce, issues a catalog entitled "Consumer Product Technology," which lists both Government and private publications and articles, not all of which are free.

Congressmen also promote Department of Agriculture publications by mailing over 6 million copies of lists of free publications to the public. Many of the free publications are also listed in the Center's catalog.

GPO catalogs

The public is informed of available GPO sales publications through an index, which is arranged by subject bibliography, and through the Select List, a catalog containing publications believed to be of wide interest to the public. The Select List, produced 10 times a year, is advertised, distributed in Federal Information Centers, and sent to a mailing list of individuals. Also, GPO's Consumer Guide to Federal Publications lists over 270 available subject areas.

PUBLICATIONS DISTRIBUTION

GPO, which distributed 55 million sales publications in fiscal year 1977 through bookstores, catalog sales, and individual requests, is the major source of Government publications. In addition, the agencies' distribution is performed for the Congress by GPO's Library and Statutory Distribution Service in Alexandria, Virginia, where 12.5 million Department of Agriculture publications were mailed out in fiscal year 1977.

Identical publications are being distributed by two and sometimes three organizations. Further, the Center and GPO are charging for publications that the agencies give away free. The following demonstrates this.

Distribution From Various Sources
Fiscal Year 1977
(Quantities distributed and price per item)

<u>Publication</u>	<u>Distribution source</u>		
	<u>Congressional/ Department of Agri- culture (Alexandria)</u>	<u>Center (Pueblo) (note a)</u>	<u>Government Printing Office bookstores and central office</u>
Baking for People With Food Allergies	27,750 (free)	3,200 (\$.35)	1,989 (\$.35)
Calories and Weight	40,800 (free)	1,720 (\$1)	14,337 (\$1)
Eat a Good Breakfast To Start a Good day	27,000 (free)	<u>b</u> /13,050 (\$.25)	260 (\$.25)
Family Fare, a Guide to Good Nutrition	273,840 (free)	<u>b</u> /2,520 (\$1)	3,288 (\$1)
Home Freezing of Fruits and Vegetables	147,200 (free)	16,082 (\$.65)	13,790 (\$.65)

a/These publications were not listed in all of the four quarterly catalogs in fiscal year 1977.

b/Fiscal year 1976.

In another example, our report to Senator William L. Scott on advertising cost (LCD-77-424, June 10, 1977) said GPO had sold 6,700 copies of the 1976 Agriculture Yearbook to the public for \$7.30 each, yet 233,000 copies had been given away free to the Congress for distribution to constituents. Another 30,000 were given away free by the Department. In addition, at the request of the Consumer Information Center, 27 yearbook articles were reprinted by the Department and provided to the Center for free distribution.

CONCLUSIONS

Consumer information is widely available from commercial and Government sources. Since Government information is in the public domain and is not copyrighted, commercial reprints of Government publications are available.

Within the Government there is duplication of catalog promotions and of distribution of consumer publications. Congressmen, through whom the Center attempts to distribute nearly half of its catalogs, also send out a similarly large quantity of lists of publications available from the Department of Agriculture. Many of the publications are on both lists. Further, GPO sends out its Select List containing publications of general public interest, some of which are also listed on the Center's catalog. The Select List is mailed out 10 times a year; the Center's catalog is mailed quarterly.

GPO's Alexandria distribution service sends out many of the same publications for Congressmen that GPO's Pueblo distribution service is sending out for the Center.

The agencies themselves, GPO bookstores, and other GPO distribution points also distribute these publications. Further, the consumer can get many publications free, even though the Center and GPO sell them. Knowing where to obtain such free items may depend on the promotional information that the consumer receives.

AGENCY COMMENTS

Center officials pointed out that the Consumer Information Catalog is the only source that allows consumers to write to one address and obtain free and low-cost publications that have been produced by over two dozen agencies.

We agree that the catalog does provide a unique service to the public.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATION

CONCLUSIONS

We believe that the Center has taken a reasonable approach to determining what kinds of information it should provide. Inquiries are made of a broad spectrum of sources--the general public, current customers, private consumer groups, and Government agencies. From such a variety of inputs, we believe the Center should be able to gauge the consumers' general information needs.

The Center is able to locate a large number of consumer publications within the agencies through a liaison system of personal contacts and by examining GPO's list of new sales publications. However, the Center is not able to contact all agencies with the liaison system, and thousands of Government publications are not on GPO's sales list. Consequently, we believe more could be done to help identify existing publications and to avoid developing new publications which may duplicate existing ones.

GPO, Congressmen, and agencies all promote the availability of publications through catalogs and lists. These catalogs and lists offer many of the same publications contained in the Consumer Information Catalog.

Further, Government consumer publications are available from various sources, and GPO is distributing many of the same publications from Pueblo for the Center, from Alexandria for Congressmen, and from GPO bookstores and other GPO distribution points.

Better coordination between Government agencies which provide consumer information could result in more effectively informing the public of available information and could result in providing such information at a lower cost.

Costs are reasonably well controlled. We concentrated on Pueblo distribution costs because they constitute the majority of the costs. GPO, which operates the Pueblo distribution center, properly accounts for postage costs and controls employees' productivity through the use of performance standards. These two costs constitute about 90 percent of distribution costs.

An agreement between GSA and GPO establishes that the Center will not provide publications free if GPO sells them.

