



UNITED STATES DEPARTMENT OF COMMERCE
National Technical Information Service
5301 Shawnee Road
Alexandria, VA 22312

September 30, 2012

MEMORANDUM FOR: Bruce Borzino
Director, NTIS

FROM: Dr. John Regazzi *JJR*
Chairman, NTIS Advisory Board

SUBJECT: Annual Report for Fiscal Year 2012

On behalf of the members of the National Technical Information Service Advisory Board, all concurring, I am pleased to submit this annual report and recommendations for your consideration and for such further action as may be appropriate. The Board wishes me to convey its appreciation for the courtesies and assistance extended to it by you and your staff.

The Board has established a cycle and purpose for its two meetings per year. The first meeting in the spring of the year is a review of the prior year's performance with particular focus on the Service's operations, including financial performance, customer focus, product development, risk management, and competitive and market positioning. The second meeting in the fall focuses on the strategic plans of the Service as well as the important industry trends which drive opportunities and risks.

During Fiscal Year (FY) 2012, the Board specifically conducted one meeting, concentrating on the Service's FY 2012 federal agency programs, technical products and tactical plans, and providing status in response to the Board's strategic recommendations from the August 2011 meeting. The Board is generally pleased that NTIS continues to adapt and evolve reasonably well to the changing conditions that have buffeted the information industry as a whole and the federal government budgets and spending. In particular, the Board is pleased that NTIS appears to be successfully developing a risk management approach and a risk register, and using risk-based monthly "quad charts" to management programs and to guide its decision making and program management. The Board also commends NTIS on remaining financially solvent and controlling costs during this period of decreased public and federal spending.

The Board understands and appreciates that the way NTIS's traditional customers access, use and value technical reports government information, is changing dramatically with the proliferation of content and the ease with which other sources can be located. Federal agencies that once had no choice but to provide material to NTIS if they wanted to assure permanent preservation and availability, can easily reach their own constituents. The Board also notes that

the underlying economy has changed from a manufacturing base to a service and information base and that this too may be affecting the demand for federal R&D, which is generally performed first and foremost to meet Federal agency program needs.

Therefore, the Board is pleased that NTIS has established an agreement with NARA to provide for the permanent electronic archiving of federal agency technical reports that are submitted by the agency to NTIS. The Board agrees that this arrangement with NARA will encourage other federal agencies to provide NTIS with their electronic technical reports. The agreement with NARA is an essential step in ensuring the permanent archiving of NTIS electronic technical reports.

The Board also notes the progress that NTIS has made to improve the usability and functionality of the National Technical Reports Library (NTRL) with NTRL Release 3, an open environment version featuring the Fedora data base repository and Solar search engine of all electronic technical reports in the NTIS repository. NTRL Release 3 aggregated with the release of pre-1964 catalogue metadata has been well-received by the academic community and has resulted in an increase in NTRL subscribers and in the distribution of NTIS technical reports. NTIS is also exploring how to aggregate new content into NTRL, including video and datasets, and is addressing with its customers how to increase the value of NTRL and its other product offerings. The Board is pleased that NTIS has appointed a special digitization working group to assess how to digitize and increase the electronic technical reports that are available in NTRL and to the public. The digitization working group and a special advisory panel is also addressing processes to increase the availability of electronic-on-demand technical reports where NTIS will provide customers with an electronic technical report even if the report is only currently available in print. This move to electronic is endorsed by the Board as well as the decision by NTIS to eliminate the issuance of microfiche products effective 1 June 2012, and we will be monitoring the continued viability of NTRL with these new innovations.

The Board notes the progress that NTIS has made to develop a new services component to the products lines of business, capitalizing on the open environment repository infrastructure developed for NTRL. The new service, Federal Science Repository Service (FSRS), is a service to assist federal agencies in developing active repositories for the collection, management and dissemination of their science and technology information products to their constituencies and the public. NTIS successfully developed and executed a FSRS pilot with the National Oceanic and Atmospheric Administration (NOAA) that featured information documents associated with the BP Deepwater Horizon Oil Spell. NTIS is currently engaged in discussions with other federal agencies who are interested in developing similar repository services.

The development of healthy service components is endorsed by the Board, which finds it to be consistent with the NTIS mission. For this reason, the Board recommends that NTIS seek new product services such as Drug Enforcement Administration (DEA) and Death Master File (DMF) products. On the other hand, the Board is split on whether the World News Connection is an appropriate service product that NTIS should maintain.

In response to the Board's concern that NTIS establish a clear mission statement and market focus that reflects a unified vision encompassing all NTIS products and services, NTIS has

developed a clear unified mission statement that ties products and services together to support the agency's long-term sustainability. Similarly, the Board continues to urge NTIS to take special care in making decisions with respect to particular lines of business or products within a line of business. The Board is concerned that the too-long continuation of unprofitable activities could drive up prices and threaten long-term NTIS sustainability. The Board recognizes that decisions with respect to particular lines of business are not always easy and that eliminating a particular line does not necessarily result in the elimination of costs. NTIS, like all federal agencies, cannot easily eliminate labor costs other than through the disruptive and expensive process of a formal reduction-in-force. Thus, the Board appreciates that the elimination of certain products may simply shift costs to other products, services and overhead. The Board points out that managed growth is important and that NTIS should be careful about spreading itself too thin because it will affect the entire agency. The Board recommends that putting in the right tools to manage the growth process is important.

The Board continues to support the NTIS services lines of business although members are concerned that the Federal Energy Management line of business continues at a net loss after the pilot project with the Architect of the Capitol was concluded and no additional projects have been initiated. The Board understands that the program is being revamped and that new joint venture partners with federal energy project experience were added in the summer. However, the Board cautions the Director to reconsider terminating the program if net losses continue in FY 2013 with no new projects. The Board supports the intent to develop a new E-Training and Knowledge Management program tailored to assist small federal agencies with limited budgets in accomplishing their E-Training requirements without the cost of an agency learning management system.

The Board wishes to note that while NTIS has shown considerable skill at developing new programs to meet the changing needs of its customers, there are still some substantial threats to its long-term health. These include the continuing need for new investment capital, an aging workforce, costs associated with maintaining a collection for research purposes but with limited sales potential and free availability of this material from other sources. NTIS must actively seek to eliminate unnecessary operating costs in addition to growth in current and new lines of business. To combat some of these issues, the Board agrees that there is a need to upgrade NTIS business systems to replace aging platforms and establish new systems and processes that will reduce operating and maintenance costs. The Board also recommends that NTIS continuously review NTIS investments and lines of business to determine if they are accomplishing or underperforming plan.

Finally, the Board is satisfied with the NTIS responses to the Strategic and Tactical Recommendations that were identified in the FY 2011 Advisory Board Annual Report. The Board does desire that NTIS continue to review these recommendations and provide any significant activities regarding them in future meetings.

The Board looks forward to hearing how NTIS is responding to these recommendations, at its next meeting which is scheduled for October 26, 2012.

The following members have approved this report:

John Regazzi, Chairman

Robert Friedenber

Jose-Marie Griffiths

Judith Russell

MacKenzie Smith