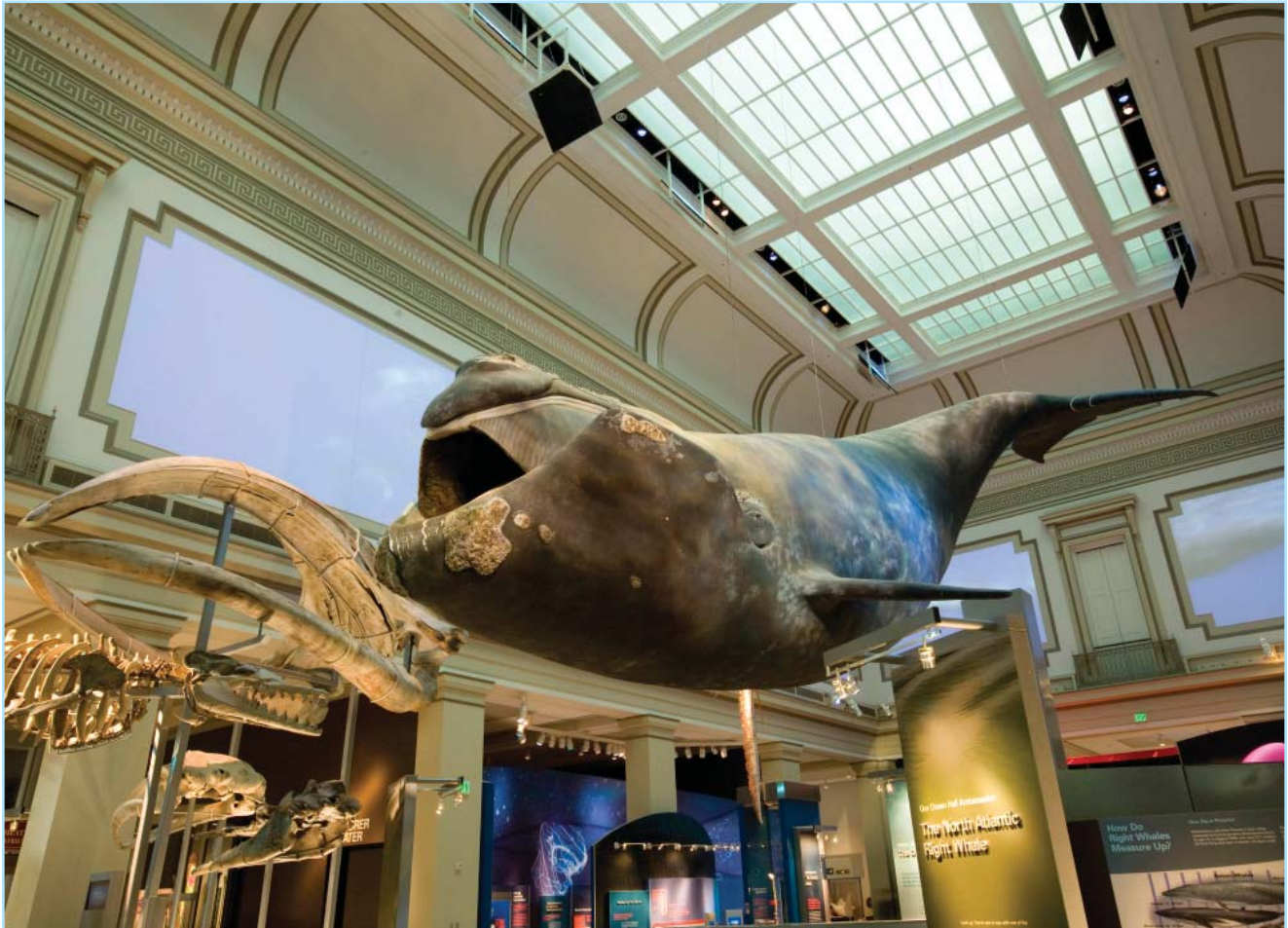




Smithsonian Institution



The National Museum of Natural History's Sant Ocean Hall opened in September 2008. This 23,000-square-foot exhibition combines state-of-the-art technology with hundreds of marine specimens and models to explore the past, present, and future of Earth's ocean systems and humanity's impact upon it.

Annual Report to the Board of Regents Fiscal Year 2008

January 2009

Public Impact

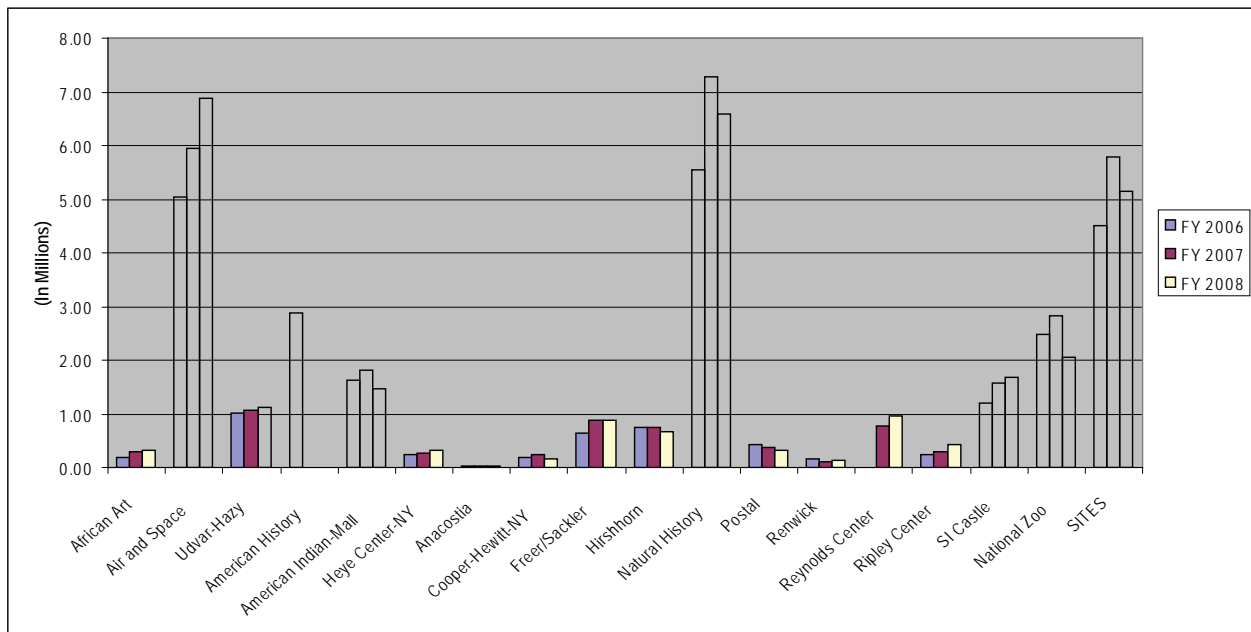
Visits to the Smithsonian

In fiscal year 2008, the Institution counted **24.0 million visits** to its museums in Washington, D.C., and New York, plus the National Zoo and Steven F. Udvar-Hazy Center—down **2 percent** from fiscal year 2007. This small decrease follows a strong surge in visitation in fiscal year 2007 and reflects the general downturn in the economy.

The Smithsonian also counted approximately **5.15 million** visits to 58 traveling exhibitions mounted by the Smithsonian Institution Traveling Exhibition Service, on view in 510 locations in all 50 states plus the District of Columbia, Guam, and American Samoa.



Visits to Smithsonian Museums and Traveling Exhibitions
Fiscal Years 2006, 2007, and 2008



Smithsonian Online

Smithsonian Web sites logged **173 million** visits in fiscal year 2008, down about **1 percent** from the fiscal year 2007 figure of 183 million.

The International Academy of Digital Arts and Sciences announced winners of its prestigious **Webby Awards** in June. Cooper-Hewitt, National Design Museum's *Design for the Other 90%* exhibition site won in the Cultural Institutions category, and Cooper-Hewitt's online **Educator Resource Center** and *Piranesi as Designer* exhibition site were Official Honorees in the Education and Art categories,

respectively. For the second consecutive year, the Smithsonian Center for Education and Museum Studies' **SmithsonianEducation.org** won the People's Voice Award for Best Cultural Institution Web site.

In February 2008, the alpha version of the online *Encyclopedia of Life*, which aims to document all known species, went live with 40,000 species pages, 24 multimedia pages, and one million placeholder pages. Experts from around the world will soon be invited to curate new species pages and upload their data. The project is led by a consortium of leading scientific organizations, including the Smithsonian.

Digitization proceeded apace at the Smithsonian. A few examples include the following:

- **Collection records** from all seven research departments at the National Museum of Natural History have been posted on the Web. Over five million records are now available to the public online.
- The Smithsonian Institution Scholarly Press and Smithsonian Institution Libraries completed digitization of more than 1,000 legacy volumes of the **Smithsonian Contributions** research series and have made them available online in PDF format.
- Thirty-one archival collections from the **Archives of American Art** were digitized and posted online. Sixty-three collections are now fully accessible online.

Among the other online highlights of the fiscal year were the following:

- The Smithsonian's National Museum of American History launched *Smithsonian History Explorer*, offering free, standards-based resources for teaching and learning American history.
- The Smithsonian Center for Education and Museum Studies launched *Smithsonian Across America*, a Web site that provides information on Smithsonian programming across the country.
- The Smithsonian Photography Initiative launched *click! photography changes everything*, a Web-based forum that seeks to stimulate a dialogue about how photography shapes our lives.
- The National Museum of African American History and Culture's new Web site offers an innovative feature called *Memory Book*, which allows site visitors to upload stories, images, and audio.
- The Web site of the National Museum of African Art won three silver **W3 Awards** from the International Academy of the Visual Arts.



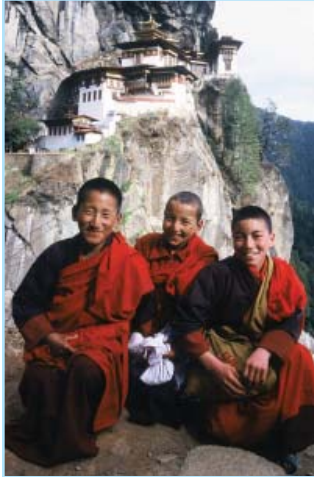
Exhibition Highlights

The **Sant Ocean Hall** opened in September 2008 at the National Museum of Natural History. This 23,000 square foot permanent exhibition features state-of-the-art media technology and nearly 700 specimens and models.

The National Air and Space Museum's completely renovated *America by Air* gallery reopened in November 2007. In addition to displays of classic airplanes and walk-in exhibits of a 747 nose and a DC-7 fuselage, *America by Air* offers a wide range of artifacts, photographs, artwork, and interactive displays that tell the story of commercial aviation.

In February 2008, the National Museum of Natural History opened the new permanent exhibition, *Butterflies+Plants: Partners in Evolution*. With its immersive live butterfly pavilion, this exhibition combines traditional and experiential learning.





The 42nd annual Smithsonian Folklife Festival drew hundreds of thousands of visitors to the Mall from June 25 through July 6, 2008, to see featured programs on *Bhutan: Land of the Thunder Dragon*, *NASA: Fifty Years and Beyond*, and *Texas: A Celebration of Music, Food, and Wine*.

The inaugural exhibition of the National Museum of African American History and Culture, *Let Your Motto Be Resistance: African American Portraits*, cosponsored by the National Portrait Gallery, was on display in the National Portrait Gallery (October 19, 2007–March 2, 2008) before moving on to the Louisiana State Museum in New Orleans.

The Anacostia Community Museum's *Separate and Unequaled: Black Baseball in the District of Columbia* was on display at the Historical Society of Washington, D.C. (May 18–October 5, 2008). The Museum also presented *East of the River: Continuity and Change* (September 15, 2007–

November 9, 2008) in its own gallery to commemorate its 40th anniversary.

From July 12 through October 5, 2008, the Smithsonian celebrated the imagination of Muppets creator Jim Henson with *Jim Henson's Fantastic World* in the International Gallery of the Ripley Center. It attracted a record 325,000 visitors there before embarking on a national tour.

Smithsonian art museums presented an exciting variety of exhibitions, including the following:



- *The Cinema Effect*, a two-part exhibition of contemporary film, video, and digital works at the Hirshhorn Museum and Sculpture Garden, explored how moving pictures have blurred the distinction between illusion and reality.
- *Wine, Worship, and Sacrifice: Golden Graves of Ancient Vani* at the Arthur M. Sackler Gallery (December 1, 2007–February 24, 2008) featured antiquities from the ancient Kingdom of Colchis in what is today western Georgia.
- *RECOGNIZE! Hip Hop and Contemporary Portraiture* at the National Portrait Gallery (February 8–October 26, 2008) focused on the cultural impact of hip hop music.
- *Georgia O'Keeffe and Ansel Adams: Natural Affinities* at the Smithsonian American Art Museum (September 26, 2008–January 4, 2009) looked at two iconic artists of the American West.
- *El Anatsui: Gawu* at the National Museum of African Art (March 12–September 7, 2008) featured huge metal “tapestries” and other imposing sculptures by one of Africa’s leading contemporary artists.
- *Provoking Magic: Lighting of Ingo Maurer* at Cooper-Hewitt (September 14, 2007–January 27, 2008) is a retrospective of the celebrated lighting designer’s nearly four decades of work.
- *Going West! Quilts and Community* at the Renwick Gallery (October 5, 2007–January 21, 2008) featured 50 quilts dating from the early 19th century to the 1930s.

To celebrate its 15th anniversary, the National Postal Museum is hosting *Alphabetilately* (September 26, 2008–October 29, 2009), an alphabetical exhibition covering 26 topics related to the mail.

Collections Highlights

After a three-billion-mile rendezvous with a comet, the **Stardust return capsule** joined the national collection of space icons at the National Air and Space Museum, where it will be displayed in the *Milestones of Flight* gallery.



At a ceremony at the El Portal Theater in North Hollywood on January 29, 2008, **nine leading ladies of Hollywood and Broadway** donated objects from their careers to the National Museum of American History. These included Carol Channing's diamond dress from *Lorelei*, Tippi Hedren's script from *The Birds*, Angela Lansbury's costume from *Mame*, and Julie Newmar's Catwoman suit from the *Batman* television series.

The Archives of American Art acquired the records of the **Leo Castelli Gallery** in New York, which comprise a rich source of primary materials from the second half of the 20th century, and the photographic archive of **Colin de Land**, which offers a glimpse into the world of a renowned art dealer.

On November 3, 2007, the Smithsonian American Art Museum unveiled a large-scale, site-specific light sculpture by Jenny Holzer, an artist renowned for her pioneering work incorporating texts into light-based art. The sculpture, titled *For SAAM*, is on display in the museum's third-floor Lincoln Gallery.

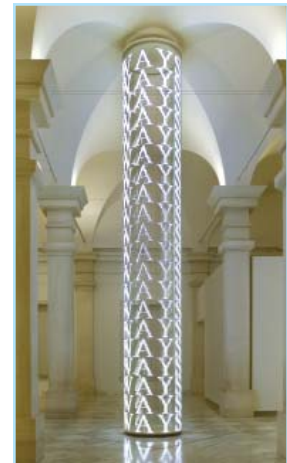
The Smithsonian Institution Libraries received the first set of *Botanica Magnifica*, a five-volume folio-sized work of 250 photographic images of plants—two volumes of which focus specifically on the Smithsonian's living plant collections. Only ten sets will be produced.

The National Zoo's animals produced some valuable offspring this year:

- Two female **Przewalski's horses** brought from Europe to the Conservation and Research Center gave birth to foals sired by a Zoo stallion, infusing genetic diversity into a captive population descended from just 14 animals. The species, native to China and Mongolia, is extinct in the wild.



- A female **dama gazelle fawn** was born in November 2007, a first for the Zoo. Only 120 dama gazelles exist in U.S. captive breeding populations, and the fewer than 500 estimated to remain in the wild are under constant threat from hunters and poachers.
- In March 2008, a **North Island brown kiwi chick** hatched at the Zoo. These birds are one of the world's most endangered species.



Education, Event, and Public Program Highlights

The Smithsonian Channel, a joint venture with Showtime Networks, won an **Emmy Award** — its first — for the cinematography in “The Magic of Motion,” an episode of the series *Nature Tech*.

In spring 2008, the Smithsonian Associates presented the program series *China: An Incomparable Journey* in collaboration with the Embassy of the People's Republic of China.

The Museo de Arte de Puerto Rico (San Juan, Puerto Rico) partnered with the Smithsonian Latino Center for **Puerto Rico at the Smithsonian**, a series of exhibitions and activities in September 2008.

More than 9,000 people visited the second annual Cooper-Hewitt **National Design Week** in October 2007. A highlight was the eighth annual National Design Awards Gala.

In January, the Conservation and Research Center of the National Zoo, in partnership with George Mason University, launched an **undergraduate semester in conservation biology program** at the Zoo's facility in Front Royal, Virginia.

In December 2007, the Friends of the National Zoo held **ZooLights**. For 25 nights, the Zoo shone with thousands of environmentally friendly LED lights and animated exhibits that attracted 43,000 visitors.

The Hirshhorn held three hugely popular evening **After Hours events** targeted at young professionals, offering tours, music, and other activities to introduce the Museum to new audiences.

The Smithsonian Center for Education and Museum Studies hosted its annual **Smithsonian Teachers' Night** on November 2, 2007, welcoming 2,800 educators to the National Air and Space Museum.

The Smithsonian Astrophysical Observatory completed work on a one-semester **interactive Web-based undergraduate course**, "Habitable Planet: A Systems Approach to Environmental Science." It has now begun work on a Web-based physics course in collaboration with the Harvard physics department.



In conjunction with the Archives of American Art's exhibition *A Thousand Kisses: Love Letters from the Archives of American Art*, legendary new wave musician and artist **Patti Smith** gave a performance of her own songs and poems, plus readings from the exhibition's companion book.

The **Masters Program in the History of Decorative Arts and Design**, a joint program of the Parsons School of Design and Cooper-Hewitt, celebrated its 25th anniversary in January.

A redesigned and expanded *Archives of American Art Journal* was nominated for a prestigious publishing award from the Society of Publication Designers.

National Outreach

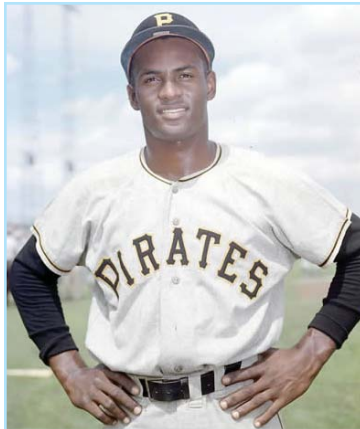
Smithsonian Affiliations offers museums, cultural institutions, and educational organizations across the country access to Smithsonian collections and resources.

- In fiscal year 2008, Affiliations welcomed **14 new Affiliates**; there are currently over **160 Affiliates** in 40 states, Puerto Rico, and Panama.
- Eight Smithsonian museums and the Smithsonian Institution Libraries loaned **68 artifacts to 13 Affiliates**.
- Affiliations partnered with *Smithsonian* magazine to promote a **Museum Day** at Affiliates across the country, featuring Smithsonian programs and screenings of Smithsonian Channel DVDs.
- This year's **Affiliations conference** in Washington, D.C., drew representatives of 68 Affiliates; a Congressional reception in the Rayburn House Office Building drew 30 Capitol Hill attendees, including five U.S. Representatives.

The **Smithsonian Institution Traveling Exhibition Service (SITES)** continued to sustain a high level of outreach activity through its traveling exhibitions. In fiscal year 2008, SITES put the following new shows on the road:

- *Let Your Motto Be Resistance: African American Portraits* opened at the California African American Museum in Los Angeles.
- *The Working White House* opened at the State Historical Society of Iowa in Des Moines.
- *The White House Garden* debuted at the U.S. Botanic Garden in Washington, D.C.
- *Freedom's Sisters* opened at the Cincinnati Museum Center in Cincinnati, Ohio.





- *Beyond Baseball: The Life of Roberto Clemente* opened at the Louisville Slugger Museum and Factory in Louisville, Kentucky.
- *The Dancer Within* opened at the Ypsilanti District Library in Michigan.
- *Ancestry & Innovation: African American Art from the American Folk Art Museum* opened at Reynolda House Museum of Art in Winston-Salem, North Carolina.
- *Beyond: Visions of Planetary Landscapes* opened at the Monmouth Museum in Lincroft, New Jersey.
- *Singgalot (The Ties That Bind)*

opened at Remy's on Temply Art Gallery in Los Angeles, California.

- *Earth from Space*, a poster exhibition of satellite images, opened in more than 300 locations.



The National Science Resources Center held several national outreach events, including the following:

- the 2008 Indiana Building Awareness of Science Education Symposium, the first step in a proposed 10-year partnership to help Indiana reform its K–16 science education programs;
- the North Carolina Science Education Strategic Planning Institute for 15 school district leadership teams representing over 130,000 students, nearly half of whom live in poverty. The Center has a 10-year agreement with North Carolina to help it establish effective K–12 science programs; and
- the 2008 National K–8 Science Education Strategic Planning Institute, at which the Center hosted 14 school district leadership teams to develop strategic plans for reforming K–8 science education. The teams represented over 1 million students, nearly half of whom live in poverty.

The National Museum of African American History and Culture conducted three *Save Our African American Treasures* workshops in Chicago, Los Angeles, and Washington, D.C. It also completed a series of public engagement events across the nation to assess the public's expectations for the new Museum.

As part of the National Museum of the American Indian's **Renewing Connections** project to engage with its core Native constituencies, Museum teams manned booths, addressed audiences, and talked one-on-one with hundreds of Native people across the nation at venues such as the National Congress of American Indians, Assembly of First Nations, and Indian Market.

The Smithsonian Associates coordinated **Teaching American History workshops** in three school districts in New York and Michigan, at which Smithsonian educators taught object-based learning methods to public school teachers. Another major Associates outreach effort was the 10th annual *Smithsonian Week in Long Beach*, an eight-day program produced in collaboration with the Arts Council for Long Beach.

The Smithsonian Center for Education and Museum Studies produced two issues of *Smithsonian in Your Classroom*. Complimentary hard copies are sent to all of the nation's 80,000 elementary and middle schools, and the publications are available in PDF format on SmithsonianEducation.org.

Under the direction of David Baker, the Smithsonian Jazz Masterworks Orchestra toured **Egypt**, performing at the Pyramids, Cairo Opera House, Alexandria Opera House, and Cairo American College.

Scholarship

Science Units

National Zoological Park (NZP)

During fiscal year 2008, NZP scientists produced **118 publications (including one book)**, of which 25 were published in high-impact journals.



Smithsonian scientists discovered a new bird species in Africa; their findings were published in the international science journal *Zootaxa* in August 2008. The **olive-backed forest robin** (*Stiphrornis pyrrholaemus*) was first observed in 2001 in southwest Gabon.

In October 2007, Director John Berry and U.S. Representative Frank Wolf formally opened a **Cheetah Science Facility** at the Conservation and Research Center in Front Royal, Virginia — the first new research facility on the property in 22 years.

In September 2008, Mary Hagedorn and fellow scientists from around the world had a successful field trip to Puerto Rico to work on reproduction of an **endangered coral species**, *Acropora palmata*. The group reared two million larvae, shipped 700,000 larvae to zoos and aquaria, and created the first genetic bank for endangered coral.

Smithsonian Tropical Research Institute (STRI)

STRI recorded **330 scholarly publications**, including journal articles, books, and book chapters, 297 of which were articles in peer-reviewed journals (53 in high-impact journals).

Among the eight books published by STRI researchers was *Tropical Forest Community Ecology*, edited by Walter P. Carson and Stefan A. Schnitzer, a definitive collection of 28 contributions from some of the world's leading specialists that summarizes key issues in tropical ecology.



In June 2008, STRI's Center for Tropical Forest Science launched an ambitious **long-term study of ecosystem services** — water, carbon, biodiversity — provided by tropical forests. Conducted on a 3.3-square-mile site in Panama, the study's findings will have implications for tropical land use worldwide.

In December 2007, STRI and its partners launched China's contribution to the **Smithsonian Institution Global Earth Observatories (SIGEO)** program. STRI is also collaborating with local partners to establish observation plots in India and Brunei, and plots are being established at the Smithsonian Environmental Research Center in Maryland and the National Zoo's Conservation and Research Center in Virginia.

Smithsonian Astrophysical Observatory (SAO)

SAO scientists published **450 articles in peer-reviewed journals**, plus another 730 non-peer-reviewed journal articles, books, and conference proceedings. SAO scholars produced 17 articles or columns for the prestigious journals *Nature* and *Science*.



Astronomers from the Harvard-Smithsonian Center for Astrophysics have measured, for the first time, a limit to the albedo (reflectivity) of a Jupiter-sized extrasolar planet, and shown that clouds probably do not exist in its upper atmosphere. The **Giant Magellan Telescope** — SAO's highest research facility priority — will be able to study much smaller planets around nearby stars.

Harvard-Smithsonian Center for Astrophysics scientists have invented a revolutionary new laser device to improve measurements of minute velocities (down to one centimeter per second) in

astronomical sources. The “astro-comb” produces a fine, stable yardstick of reference wavelengths.

Smithsonian Astrophysical Observatory astronomers have helped pioneer technologies to coordinate the Smithsonian's **Submillimeter Array** with other telescopes to image the giant black hole at the center of the Milky Way galaxy at resolutions close to the highest ever achieved in astronomy — a scale equivalent to observing, from earth, a baseball on the moon.

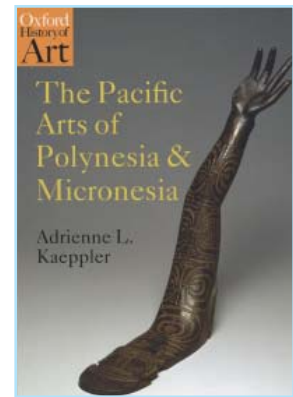
National Museum of Natural History (NMNH)

NMNH scientists authored or coauthored over **700 publications**.

A recent paper in *Science* coauthored by Tim McCoy of the mineral sciences department reports on what may be the **most ancient asteroids preserved from the formation of the solar system**.

A book by Adrienne Kaeppler of the anthropology department, *The Pacific Arts of Polynesia and Micronesia*, provides a richly illustrated, comprehensive introduction to the artistic traditions of these regions of the South Pacific.

The June 27, 2008, issue of *Science* featured the first report to emerge from a five-year, National Science Foundation–funded study by scientists from NMNH and four other institutions. The study aims to establish a framework for ornithologists and evolutionary biologists to organize and interpret the huge amount of available scientific data on birds.



Smithsonian Environmental Research Center (SERC)

SERC scientists produced **98 papers** (published and in-press) in peer-reviewed journals and books, and gave nearly 300 presentations at conferences and symposia. SERC scholars were awarded almost \$5.5 million in grants and contracts. Many SERC publications focus on critical ecological problems of the day, including the effects of invasive species in marine ecosystems, land-use impacts on watershed discharge, blue crab fisheries, and oxygen-depleted “dead zones” in coastal waters.

Scientists from SERC published six papers in *Reviews in Fishery Science* that summarize their research on replenishing the **blue crab population** in the Chesapeake Bay. This research is widely recognized as some of the world's most comprehensive work on fishery stock enhancement.

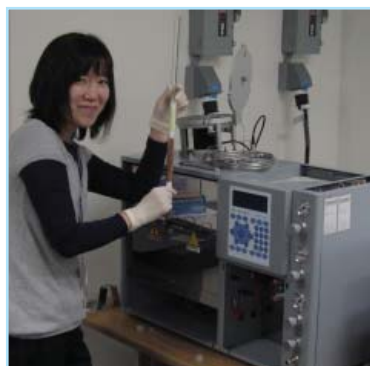
Published in the *Journal of Environmental Quality*, a study by SERC's Donald Weller and Kathy Boomer (with Thomas Jordan) compares actual **sediment measurements** in Chesapeake watershed streams with predictions from the most up-to-date models and finds model predictions to be extremely unreliable, apparently because of the models' use of an equation developed for a different purpose.

In the past 200 years, carbon dioxide levels in the atmosphere have increased by 35 percent, and oceans and waterways have been soaking up excess carbon, growing more acidic in response. Whitman Miller of SERC is investigating the effects on the Chesapeake Bay's **oyster population**, which today stands at 2 percent of what it was in colonial times.



Museum Conservation Institute (MCI)

MCI worked on **139 projects** with 30 Smithsonian museums, research centers, and offices, as well as external organizations such as the Library of Congress, the U.S. Senate and House of Representatives, and the Office of the Architect of the Capitol. MCI scientists also produced 19 publications in peer-reviewed journals, three books and catalogues, six book chapters, and nearly 30 other publications.



In June 2008, MCI set up a central laboratory with two state-of-the-art stable isotope ratio mass spectrometers (IR-MS) as the first step in establishing a **Mass Spectrometry Center** to support pan-Institutional interdisciplinary research in earth sciences, environmental science, biology, anthropology, and even art history.

MCI's Jeff Speakman and his collaborators published a paper in the *Proceedings of the National Academy of Sciences* describing the discovery of a **4,000-year-old gold necklace** at an archaeological site in Peru's

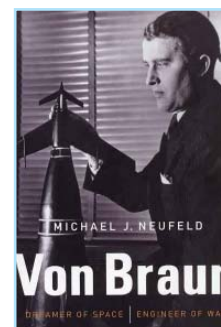
Lake Titicaca basin — the oldest worked-gold object found to date in the Americas.

National Air and Space Museum (NASM)

In September 2008, John Grant of the Center for Earth and Planetary Studies (CEPS) cochaired the third landing site workshop for NASA's 2009 Mars Science Laboratory mission to advise on landing sites for the **Mars Science Lander**, the next NASA mission to Mars.

Using earth-based radar, CEPS scientists discovered that areas of the south pole of the Moon do not have extensive **ice deposits**, and that any ice present there would be scattered, making it unsuitable to support future manned landings.

Two books from the National Air and Space Museum's Space History Division recently received awards. *After Sputnik: Fifty Years of the Space Age*, edited by Martin Collins, won second prize in the Washington Book Publishers 2007 Book Design and Effectiveness Awards. Michael Neufeld's *Von Braun: Dreamer of Space, Engineer of War* won the Richard W. Leopold Prize of the Organization of American Historians.



The new book *Hubble: Imaging Space and Time* by David H. DeVorkin and Robert W. Smith, with contributions by Elizabeth Kessler, updates the authors' 2004 book *The Hubble Space Telescope*, which sold 70,000 copies.

Art Units

Smithsonian art museums published numerous exhibition catalogues, including the following:

- *Ballyhoo! Posters as Portraiture* and *Zaida Ben-Yusuf: New York Portrait Photographer* from the National Portrait Gallery;

- *The Cinema Effect: Illusion, Reality, and the Moving Image* and *Amy Sillman: Third Person Singular* from the Hirshhorn Museum and Sculpture Garden;
- *Piranesi as Designer; Provoking Magic: Lighting of Ingo Maurer; Rococo: The Continuing Curve 1730–2008*; and *House Proud: Nineteenth-Century Watercolor Interiors from the Thaw Collection* from Cooper-Hewitt;
- *Inscribing Meaning: Writing and Graphic Systems in African Art* by the National Museum of African Art's Christine Mullen Kreamer, which was awarded the Secretary's 2008 Research Prize; and
- *Japanese Masterworks from the Price Collection* and *Garden and Cosmos: The Royal Paintings of Jodhpur* from the Freer and Sackler Galleries, as well as the second and third volumes to accompany the Galleries' monumental 2007 *Encompassing the Globe* exhibition.

Smithsonian American Art Museum Senior Curator **Virginia Mecklenburg** was honored by the National New Deal Preservation Association for her work with New Deal–related art.

Over 200 scholars gathered in September 2008 for the symposium **Words Matter!**, organized by the Smithsonian American Art Museum to mark the 20th anniversary of the Charles C. Eldredge Prize, awarded annually to the best book in the field of American art.

The International Institute for Conservation of Historic and Artistic Works awarded the prestigious **Keck Award**, for promoting public appreciation of the conservation profession, to the Lunder Conservation Center at the Donald W. Reynolds Center for American Art and Portraiture.

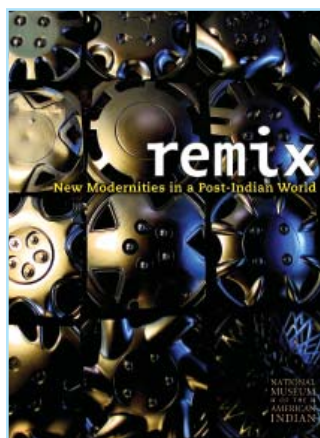
The Archives of American Art published two books, *With Love: Artists' Letters and Illustrated Notes* and *Speaking of Art: Selections from the Archives of American Art Oral History Collection*. The Archives also launched a redesigned and expanded *Archives of American Art Journal*.

Hirshhorn Chief Conservator and Collections Manager Susan Lake collaborated with the Getty Conservation Institute in Los Angeles to publish a book on noted artist **Willem de Kooning's** painting methods and materials.

Stephen Van Dyk of Cooper-Hewitt Library worked with photographer and design historian Andrew Garn on the book *Exit to Tomorrow: World's Fair Architecture, Design, Fashion 1933–2005*.

History and Culture Units

In September 2008, the third annual **Winton M. Blount Postal History Symposium**, a national conference of scholars and philatelists sponsored by the National Postal Museum and the American Philatelic Society, was held in the Museum's Blount conference center.



National Museum of American History research staff published several books: *The Star-Spangled Banner: The Making of an American Icon* by Jeffrey L. Brodie, Kathleen K. Kendrick, and Lonn Taylor; *America's Forested Wetlands: From Wasteland to Valued Resource* by Jeffrey K. Stine; *The Kennedys: Portrait of a Family* by Shannon Thomas Perich; and *Holidays on Display* by William L. Bird.

The National Museum of the American Indian added several titles to its highly regarded publishing program, including *Fritz Scholder: Indian/Not Indian*; *Remix: New Modernities in a Post-Indian World*; *Meet Christopher: An Osage Indian Boy from Oklahoma* (the fourth title in the *My World* series for young readers); and the revised paperback edition of *Native Universe: Voices of Indian America*.

National Museum of the American Indian Research Unit staff organized the symposium **Mother Earth: Call to Consciousness on Climate Change** for scholars and community members engaged with climate change issues in Indian country. Unit members accepted positions in the Cultural Studies Association, Indigenous Studies Association, and American Academy of Religion, and have launched a Latin American Initiative to enhance the Museum's commitment to the indigenous cultures of Latin America.

In February 2008, the exhibition catalogue for the National Museum of African American History and Culture's *Let Your Motto Be Resistance* won the Outstanding Contribution to Publishing Citation from the American Library Association.

The Smithsonian Institution Archives organized the symposium "**Preserving Historical Correspondence: Email Preservation Progress and Future Directions**," the culmination of a three-year collaboration with the Rockefeller Archive Center.

The Eugene S. Ferguson Award of the Society for the History of Technology was awarded to the Smithsonian Institution Archives for *The Papers of Joseph Henry*.

Asian Pacific American Program Director **Franklin Odo** is completing a book on Japanese immigrant folksongs on Hawaii sugar plantations, for which he received a 2008 Scholarly Studies grant.

The Smithsonian Networks film *Sound Revolution: The Electric Guitar* — based on the Lemelson Center's research on the history of the electric guitar — won a Gold World Medal in the Arts category at the New York Festival's television broadcasting awards.

Management Excellence

Leadership Milestones



On July 1, 2008, **G. Wayne Clough** assumed his duties as the 12th Secretary of the Smithsonian Institution, taking over from Acting Secretary Cristián Samper, who returned to his previous post as Director of the National Museum of Natural History.

In September 2008, the Board of Regents elected **Patricia Stonesifer** to succeed Roger Sant as Chair of the Board, effective January 27, 2009. Stonesifer, Senior Advisor and Former Chief Executive Officer of the Bill and Melinda Gates Foundation, has been a Regent since 2001.



In March 2008, **John W. McCarter Jr.** was appointed to the Board of Regents. Since 1996, McCarter has been President and Chief Operating Officer of the Field Museum in Chicago. He previously served as Senior Vice President of Booz Allen Hamilton and as President of the DeKalb Corporation.

Charles Alcock became Acting Under Secretary for Science in April 2008. A renowned astrophysicist and member of the National Academy of Sciences, Alcock joined the Smithsonian as Director of the Smithsonian Astrophysical Observatory in 2004 and continues to serve in this role while he is Acting Under Secretary.





In April 2008, the Smithsonian's art units were organizationally joined to the history and culture units under a renamed Office of the Under Secretary for History, Art, and Culture. **Richard Kurin** serves as Acting Under Secretary for this new division.

Eldredge "Biff" Bermingham was named Director of the Smithsonian Tropical Research Institute in Panama City, Panama. Bermingham has been the Institute's Acting Director since March 2007. He joined its scientific staff in 1989 and served as Deputy Director in 2003–07.



Martin E. Sullivan was named Director of the National Portrait Gallery. Sullivan previously served as Chief Executive Officer of the Historic St. Mary's City Commission in Maryland and Director of the Heard Museum in Phoenix. He also has chaired three national boards on museum standards and practices.

Management Initiatives

On March 15, 2008, the governing Board of Regents announced its selection of **G. Wayne Clough** as the 12th Secretary of the Institution. In his previous position as President of the Georgia Institute of Technology, Clough dramatically raised that university's profile as a top-tier national research institution. He also has served on the President's Council of Advisors on Science and Technology, the National Science Board, and the Council on Competitiveness (as Vice Chair).

Prior to Clough's arrival, the Board of Regents, working with Acting Secretary **Cristián Samper**, took major steps to address acknowledged weaknesses in the Institution's governance policies and processes.

Prior to its reopening in November 2008 after extensive renovations, the National Museum of American History began a **Visitor Experience Training Initiative** for all on-site personnel who have contact with the public, with the goal of providing visitors with a welcoming experience at all stages of their visit.



The Smithsonian Environmental Research Center completed a **Master Plan for sustainable facilities and land management**. It provides a 20-year plan for creating a model environmentally sustainable campus. The Center also completed the purchase of the 575-acre **Contee Farm** property for \$6.2 million, bringing its land holdings to 2,650 contiguous acres on the Chesapeake Bay.

In October 2007, Smithsonian Tropical Research Institute Acting Director Eldredge Bermingham signed a contract to purchase a 17.5-acre **site in Gamboa**, Panama, along the

Panama Canal, as the first step in establishing a new campus that will support advanced research.

Office of the Chief Information Officer (OCIO)

In December 2007, Chief Information Officer Ann Speyer presented Accenture Consulting's **initial Web strategy findings** to Smithsonian Web masters and senior staff. One result of the study was the creation of a Director of Web and New Media position to lead the development of Web strategy.

In May 2008, the Smithsonian launched a **digitization strategic planning committee** to develop a pan-Institutional digitization plan to feed into the Smithsonian's overall strategic plan.

The Smithsonian joined **Flickr Commons** — a leading photo-sharing community — and posted over 1000 images with no known copyright restrictions. The Smithsonian hopes to learn more about its audiences through their interactions with Smithsonian images on Flickr.

To address the need for a pan-Institutional, centrally supported **video teleconferencing (VTC) system**, OCIO completed a pilot of Cisco Meeting Place for video, audio, and Web conferencing. The system entered production shortly after the end of fiscal year 2008.

The Getty Foundation is funding development of a Smithsonian **enterprise digital asset network (EDAN)** that will give scholars, scientists, and the public the ability to locate and retrieve digital files stored in various systems across the Institution, without accessing each system individually. The initial system will be operational by the end of fiscal year 2009.

AT&T, Sprint/Nextel, and Verizon Wireless are providing approximately \$6 million to create a **common wireless access system (CWAS)** to improve cell phone coverage inside Smithsonian Mall buildings. The design is complete, and the system will become operational at several initial sites by the end of the calendar year. Several free public Wi-Fi hot spots also will be provided as part of the CWAS.

All Federal and Trust staff now report their hours using a unified, Web-based **time and attendance/labor system (WebTA)** that electronically transmits the information needed to generate pay checks. WebTA replaces the previous, awkward mix of manual processes, spreadsheets, and unit-specific systems.

OCIO relocated **159 unit application servers**, previously scattered across the Institution, to its data center in Herndon, Virginia, upgrading many in the process. The data center location provides advantages such as a secure environment, backups, monitoring, and environmental controls.

In January 2008, the Smithsonian's first **secure wireless network** was rolled out, enabling staff to connect to the Smithsonian network and Internet with minimal security risk. It also features zones where visiting colleagues can connect to their home institutions. One hundred and sixty secure wireless access points were established.

Major Construction, Renovation, and Facilities Projects

Donald W. Reynolds Center for American Art and Portraiture

\$19.5 million total estimated project cost

The Robert and Arlene Kogod Courtyard, the center of the Donald W. Reynolds Center for American Art and Portraiture, opened to the public on November 18, 2007. Final design documents for the last parts of the Reynolds Center renovation — the F Street stair reconstruction, exterior landscape, and perimeter security — are complete. The stair will be privately funded at an approximate cost of \$10.1 million, and the current five-year facilities capital plan includes a Federal funding request of \$9.4 million for the landscape and security project in fiscal year 2015.



National Museum of American History, Kenneth E. Behring Center

Central Core: \$87.1 million total project cost

Work on the most extensive renovation of the Museum's public space in over 40 years stayed on track for the Museum's successful reopening on November 21, 2008. Federal appropriations of \$47.9 million were received in fiscal years 2005–008, and \$39.2 million has been raised in gifts and pledges.

National Zoological Park

\$52.8 million estimated total project and program cost for Asia Trail II: Elephant Trails

The second phase of the Asia Trail project will renovate the historic elephant house and enlarge yard space into three habitat areas and a trail at a projected cost of \$52.8 million — \$35.6 million Federal (received in fiscal years 2006–08), and \$17.2 million Trust. Construction began in March 2008 and is on schedule for completion in April 2011. The elephants will move into their new holding area in the spring of 2009, after which renovation of their current facilities can commence.

National Museum of African American History and Culture

\$500 million total estimated project cost

A programming study to inform the design of the Museum building was completed in October 2008, and the second-phase Environmental Impact Statement and Historic Preservation Review is under way with the National Capital Planning Commission. The architect/engineer selection process has begun, with a design contract award scheduled for late summer 2010. Museum design and construction (\$400 million, pre-concept estimate) and exhibit design, fabrication, and installation (\$100 million, pre-concept estimate) are scheduled for completion by December 2015.

National Museum of Natural History, Sant Ocean Hall Exhibition

\$46.6 million total estimated project and program cost

The Sant Ocean Hall exhibition opened in September 2008 at a total estimated cost of \$46.6 million — \$22.2 million in Federal funding (received in fiscal years 2002–06) and \$24.4 million from grants provided by the National Oceanic and Atmospheric Administration and other donors.

Arts and Industries Building (AIB) Revitalization

\$75 million estimated cost for building repairs, infrastructure, and roof replacement

Current planning is focused on determining a use for AIB (beginning with a review of the possibilities that fit its architecture, history, and plan) and scheduling \$75 million in roof and infrastructure system revitalization that can be completed while the building's future use is under discussion. Contracts for a historic structures report, roof investigation, and exterior masonry repairs will be awarded in fiscal year 2009, followed by design efforts in fiscal year 2010, and the start of renovations in fiscal year 2011.

Cooper-Hewitt, National Design Museum

\$57 million total estimated project cost

A long-term lease was signed in October 2008 for a storage facility in Newark, New Jersey, to house Cooper-Hewitt collections, photography, and conservation functions during building renovations, with transfers to start in December 2008. Design for the Fox-Miller townhouse renovation will be complete in December 2008, with construction starting in March 2009. Design for the Carnegie Mansion renovation is on track for completion in July 2009. A one-year delay in the Mansion renovation was approved to allow the Museum time to complete fund raising for the project. A construction contract is expected to be awarded in January 2011. Of the \$15 million Federal appropriation, \$2.4 million has been received and spent on design and collections storage, \$1.7 million will be available in fiscal year 2009 for the Fox-Miller work, and the balance will be deferred to fiscal year 2011. Of the \$42 million in required private funds, \$23 million has been identified in gifts and pledges.

Museum Support Center of the National Museum of Natural History, Pod 5

\$42.7 million total estimated project cost

Construction of a fifth storage pod in Suitland, Maryland, was completed in April 2007. This addresses a major safety concern by allowing the transfer of specimens stored in alcohol from the National Museum of Natural History building and Pod 3 into a facility with state-of-the-art fire protection systems. Transfer of specimens is under way and will be completed by spring 2009.

Museum Support Center of the National Museum of Natural History, Pod 3

\$42.65 million total estimated project cost

The July 2008 award of a \$22.6 million design-and-construction contract for renovations to Pod 3 in Suitland began the next phase in the Smithsonian's drive to improve collections care. The renovated Pod 3 will provide a consolidated site for frozen, refrigerated, gas-preserved, and dry collections, allowing the Smithsonian to vacate leased properties and free up congested space in the Hirshhorn, African Art, Freer/Sackler, and Natural History museums. More than \$15 million of shelving/racking, collections and meteorite cases, and freezers will be installed. Transfers of art, specimens, and artifacts from the Mall are expected to be completed after July 2011; estimated moving costs are \$5 million.

Smithsonian Environmental Research Center, Mathias Replacement Laboratory Project

\$40.5 million total estimated project cost

The Smithsonian Environmental Research Center is eliminating unsafe trailers (which currently house 25 percent of the Center's lab space and 65 percent of its office space) and renovating and reconfiguring the existing Mathias Lab to create 52,000 square feet of laboratory and support space. The new space will employ sustainable technologies and building materials that will yield substantial reductions in energy and maintenance costs. Solicitation for design was issued May 2008, with an architect/engineer award anticipated in early 2009. Design is scheduled for completion by early 2010. Congressional authorization — required prior to the award of a construction contract — is anticipated in 2009. Construction will be completed by mid-2012.

National Air and Space Museum—Steven F. Udvar-Hazy Center, Phase 2

\$81 million (Trust) total project cost

Phase 2 of the Udvar-Hazy Center at Dulles International Airport is under construction. It will add 237,000 square feet of collections care space to the current facility, including a restoration hangar, storage and processing space, a conservation laboratory, and archives. Completion is expected in mid-2011.

Permanent Physical Security Barriers

\$55 million total project cost

Construction of security barriers at the National Museum of Natural History is under way, with the first phase to be completed in December 2008. Contracts for the final phase of the security perimeter will be awarded in fiscal year 2010. A construction contract has been awarded for perimeter barriers on all but the south side of the National Museum of American History, with completion expected in spring 2010. The design for Castle and Quadrangle security barriers will be awarded in fiscal year 2009, with construction scheduled to start in fiscal year 2013.

Financial Strength

At the close of fiscal year 2008, the Smithsonian Institution reported a drop in net assets of \$100 million, driven primarily by the impact of the U.S. economic recession on the Smithsonian's Endowment. From an operational standpoint, however, the Institution's financial posture remains sound. Net income from Smithsonian Enterprises (SE) exceeded budget and private-sector giving was stronger than expected. Despite the steep decline in the financial markets, the Endowment fared better than its policy benchmark.

The Institution continued to make progress on its stated goals. Resource constraints remained a challenge because Federal increases largely went to pay mandatory operating bills such as pay raises, electricity, and rent. The Institution continued to fill, with rare exceptions, only one out of every two Central Trust-funded vacancies that occurred.

Financial Performance

Fiscal year 2008 began on October 1, 2007, amidst considerable uncertainty. With Congressional action on the full-year appropriation still not complete, the Institution implemented a Federal hiring freeze and made other preparations for the possibility that Federal funding would be held at the prior year's level. This was averted with the December 2007 enactment of a fiscal year 2008 appropriation, which allowed Federal hiring to resume. However, the Smithsonian still had to contend with a \$13.3 million Federal funding shortfall — the result of (1) a mandated pay raise that was not fully funded; (2) a 1.56% across-the-board budget reduction on all entities funded in the Interior, Environment and Related Agencies Appropriations Act; and (3) the need to absorb the cost of Congressionally mandated staff increases in the Office of the Inspector General and the Office of the Chief Financial Officer.

Revenues for fiscal year 2008 exceeded budget by \$53 million, driven primarily by better than budgeted donor and sponsor contributions. Nevertheless, notable specific revenue variances occurred as reflected below.

Revenues exceeded budget, due primarily to:

- **An increase in contributions** driven by two \$15 million gifts
- **An increase in Smithsonian Enterprises net gain** compared to budget associated with (1) the unbudgeted licensing fee from Twentieth Century Fox's *Night at the Museum II*; (2) the strong performance of the museum stores and restaurants; (3) the success of Smithsonian Journeys; and (4) the aggressive management of SE operating expenses in the Magazine and the Catalogue where costs exceeded budget
- **An increase in funding for government grant and contract efforts**
- **An increase in museum revenue** due to unbudgeted royalties and special events
- **An increase in the Endowment payout** due to the unbudgeted investment of \$70 million taken from the short-term portfolio at the direction of the Board of Regents

The increase in revenues was offset by:

- **A decrease in Federal revenues recognized for operations** due to the across-the-board 1.56% rescission enacted by Congress and slower than planned hiring at the National Museum of African American History and Culture
- **A decrease in Federal revenues recognized for capital programs** due to delays in the execution of the Legacy Fund and delays in awarding several major contracts
- **A decrease in Trust revenue from Contributing Memberships** attributed to the economy and an unexpected net loss from The Smithsonian Associates
- **A loss on gift annuity program investments** due to the economic recession
- **A decrease in short-term investment income** due to the unbudgeted transfer of \$70 million from the short-term portfolio to the Endowment at the direction of the Regents

Expenses for fiscal year 2008 were below budget by \$55 million. Notable variances in expenses occurred as reflected below.

Expenses were below budget, due primarily to:

- **A decrease in Federal expenses recognized for operations** as a consequence of the 1.56% across-the-board rescission enacted by Congress, slower than planned hiring at the National Museum of African American History and Culture, and an under-estimate of the level of capitalized S&E funds
- **A decrease in unrestricted Trust expenses** associated with a slower than planned backfill of leadership positions and development vacancies, and a delayed start-up of the reinstituted scholarly studies program
- **Lower depreciation expenses** due to the November versus July 2008 reopening of the National Museum of American History
- **A decrease in restricted Trust expenses** to reflect the capitalization of expenses for the NMAH Public Space Renewal Project and the NMNH Ocean Hall

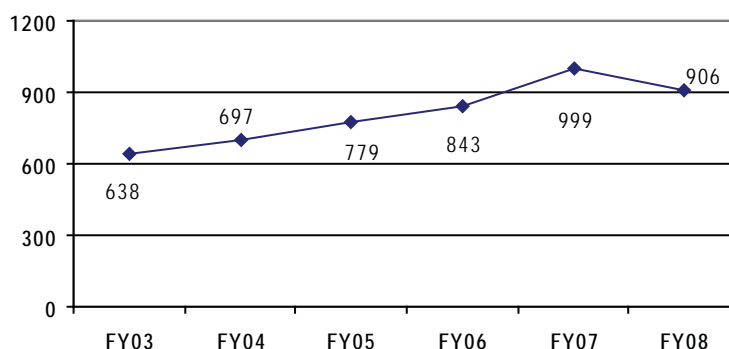
The decrease in expenses was partially offset by:

- **Increases in spending on government grants and contracts**

The fourth quarter decline in the financial markets dramatically affected the performance of the Endowment. With a non-operating investment loss of \$199 million at year-end, the Endowment return which had been budgeted to increase by a modest amount, fell short of budget by \$239 million. By design, the Endowment's budgeted income represents the Institution's investment objective and is not based on an annual market forecast. While the Endowment continues to diversify its assets with the goal of reducing risk and improving the long-term return, the volatility of the financial markets and the steep economic decline experienced during the first quarter of fiscal year 2009 continues to be reflected in the Endowment's performance. Likewise, the operational performance of SE is feeling the impact of the sour economy as fiscal year 2009 gets under way. Extraordinary efforts are being taken by all SE operational divisions to remain on budget.

Compared to the policy benchmark, which is a blend of indices based on the Endowment's allocation targets, the fiscal year 2008 performance of the Smithsonian's Endowment (-14.1%) exceeded the policy benchmark return (-17.3%), while the total return on the Endowment over the last five years annualized through September 2008 (7.7%) also exceeded the policy benchmark return (6.6%). The Institution's diversified investment portfolio had a value of \$906 million at year-end.

Smithsonian Institution Year-End Endowment Value (\$ in millions)



Taken together, the Institution's net assets decreased by **\$100 million** — \$133 million below budget — due to the poor performance of the financial markets.

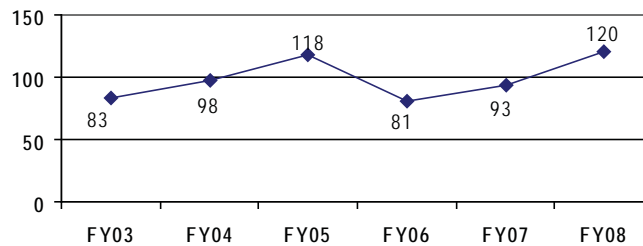
Smithsonian Institution Financial Performance for Fiscal Year 2008 (\$ in millions)

	FY2008 Budget	FY2008 (Unaudited)	Variance to Budget
Revenues	948	1,001	53
Expenses	947	892	55
Endowment Return Reinvested/ Unrealized Losses	40	(199)	(239)
Net Collection Activities/Other	(8)	(10)	(2)
Change in Net Assets	33	(100)	(133)

Efforts to increase funding for important programmatic initiatives, facilities revitalization, and maintenance requirements remained the Institution's highest priorities. Recent reports prepared by the Government Accountability Office noted that current funding levels were not sufficient to address the Institution's overall facilities requirement. The Institution requires a minimum of \$100 million annually for facilities maintenance (based on the National Research Council's recommendation of a minimum of 2% of the physical plant replacement value) and \$150 million annually for facilities revitalization.

Funding for the revitalization of the Smithsonian's physical infrastructure totaled \$120 million in fiscal year 2008. This funding level is an improvement over prior years, but remains short of the \$150 million annual goal. The \$120 million includes \$15 million from the Legacy Fund, which is a matching fund set up to provide one Federal dollar for every two dollars raised privately for facilities revitalization. Use of the Legacy Fund is delayed while the Institution continues to evolve the concept of the Fund with Congress. Maintenance funding was also short in fiscal year 2008, at \$51.4 million against an annual need of \$100 million.

Funding for Smithsonian Facilities Revitalization (\$ in millions)



Management remains committed to the revitalization of the Institution's physical infrastructure and to funding equally critical programmatic priorities that have suffered many years of underfunding. Securing adequate Federal funding and sustaining support for Federal funding increases over the long term remain enormous challenges. Likewise, management continues to be challenged by the need to secure adequate operations funding to forestall further erosion of the Institution's ongoing programs. Nevertheless, the Institution proudly continues to serve the American people and accomplish its time-honored mission, "the increase and diffusion of knowledge."

External Affairs

In fiscal year 2008, the Smithsonian raised **\$135.6 million** in private support from individuals, foundations, and corporations. This is 36 percent above the \$100 million goal for the year.

Twenty-four leadership gifts of \$1 million or more were received. Leadership gifts totaled \$64.7 million, or 48 percent of total funds raised, and provided major support for eight Smithsonian units and funding for exhibitions, research, acquisitions, educational programs, construction, renovation, and Web site development. \$15.5 million of these were directed to endowment. In the final quarter, gifts were received from Richard D. and Laura A. Parsons and The Oprah Winfrey Foundation to support the planning and design of the National Museum of African American History and Culture's Mall facility.

Thirteen Smithsonian museums and research centers exceeded their fund-raising goals. The National Museum of Natural History raised \$26.2 million, more than four times its goal of \$6 million. The National Air and Space Museum raised \$21.5 million, twice its goal of \$10.2 million. And the National Museum of African American History and Culture raised \$12.2 million, surpassing its goal of \$8 million by 53 percent.

The **Contributing Membership** had revenues of **\$14.1 million**, comparable to last year. Membership increased 8 percent over last year, to 91,000. The James Smithsonian Society, part of the Contributing Membership, contributed \$1.47 million, and Society membership reached an all-time high, with 568 members at the end of fiscal year 2008. Results for the National Air and Space Museum membership program paralleled the Contributing Membership, while Friends of the National Zoo increased both membership and total contributions over last year.

The Smithsonian raised \$305,000 for the **Legacy Fund** challenge posed by Congress. An online campaign, which reached more than 500,000 individuals by e-mail, resulted in 551 gifts totaling \$61,000. Banner ads placed on the Smithsonian home page and other Smithsonian Web sites, as well as on Google, Yahoo, and Facebook, brought the total number of people to have seen the Legacy Fund appeal to more than a million. In addition, Board of Regents Chair Roger Sant sent an appeal to 723 Smithsonian advisory board members, which was answered with 29 gifts totaling \$244,000.

Online fund raising continued its rapid growth, with \$622,105 raised in fiscal year 2008—more than double last year's total of \$219,403. This figure includes Contributing Membership and Legacy Fund gifts. Subscribers to the monthly e-newsletter *Smithsonian Focus* increased from 65,216 to 72,081.

The **Smithsonian National Board's annual giving program**, which raises unrestricted funds, raised \$1.04 million. National Board members gave \$8.4 million in new gifts and payments on pledges.

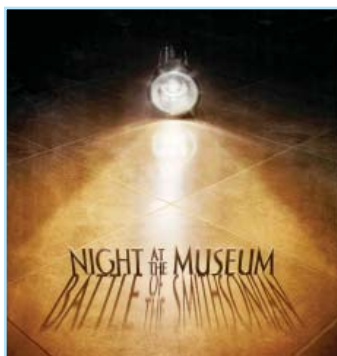
Planning for the Smithsonian's **national fund-raising campaign** continues. The Office of External Affairs will soon complete searches for a campaign director and campaign consultant. Early in 2009, it will begin an internal assessment to identify the resources available and needed for the multi-year fund raising effort. The Institution's strategic planning process, when complete, will inform the campaign's goals.

Smithsonian Enterprises (SE)

Acting on the recommendations of the SBV Task Force, Smithsonian Business Ventures formally changed its name to Smithsonian Enterprises on July 1. Business lines were consolidated from five to three: Retail, Media, and Licensing and Business Development, with new leaders appointed to the first and third of these. The Board of Directors was disbanded, and the President now reports directly to the Secretary through the Board of Regents' Finance Committee. Other recommendations continue to be addressed.

SE operations contributed **\$26.7 million in net gain** (after tax) to the Institution in fiscal year 2008, \$200,000 (0.8 percent) above budget and slightly above the contribution in fiscal year 2007.

This favorable performance is primarily attributable to the extension of summer operating hours for stores and theaters; the license fee for the film *Night at the Museum II: Battle of the Smithsonian*;



merchandise margin initiatives; and cost controls. It was achieved despite an interruption of the catalogue business between March and July; significant deterioration in magazine advertising (owing to the ongoing migration from print to digital media and the effects of the recession on advertisers' budgets); and the delayed reopening of the National Museum of American History.

Additionally, SE paid unbudgeted taxes of \$600,000 for non-mission-related income from fiscal years 2007 and 2008, primarily after-hours theater shows and unrelated merchandise. These taxes are expected to continue, as Institution tax credits no longer exist to offset this income.

SE is internally budgeted to provide **\$27.2 million in net gain** in fiscal year 2009. Reflecting the economic slowdown, consumer spending has significantly softened, and the print advertising industry continues to struggle. Management has initiated actions to address these factors through creative promotions and marketing, coupled with continued cost vigilance.

Retail

The stores' **year-end net gain** exceeded both budget and fiscal year 2007 performance, despite a shortfall in forecasted sales. This was due to improvements in merchandise gross margins and reduced operating expenses. Also, strong performances from the National Museum of Natural History, National Air and Space Museum, and *Jim Henson's Fantastic World* exhibit helped to offset a \$2 million shortfall from the delayed opening of the National Museum of American History.

Theater operations contributed \$4.1 million but fell short of budget by \$134,000, due largely to

underperforming mission films and the delayed launch of *Legends of the Sky 3D*. Balancing these were the strong showings of *3D Sun* and two feature films, *U2 3D* and *The Dark Knight*.

Two new **airplane simulators** installed at the National Air and Space Museum helped drive concessions performance well above budget.

Food and beverage commissions exceeded both budget and fiscal year 2007 performance, contributing a net gain of \$3.7 million.

Due to the unanticipated mid-year closure of the Smithsonian catalogue's fulfillment partner, the **catalogue unit** was forced to suspend operations for four months, resulting in a fiscal year loss of \$1.6 million. Operations resumed with a new fulfillment provider in August.

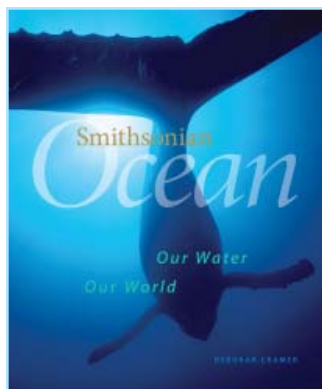


Media

With distribution provided by DISH Network, DirecTV, Verizon FiOS TV, RCN, and Charter Communications, the **Smithsonian Channel** is in approximately 2.4 million households via linear programming and 10.8 million households via on-demand programming. Selected Smithsonian Channel shows are now available for download at the iTunes Store. Adding to the five CINE Golden Eagle awards garnered earlier in the year, the Channel celebrated its first Emmy Award, becoming the youngest channel ever to receive this coveted prize. During the fiscal year, 134 programs were completed, bringing the total to 209.

Unique visitors across all **media Web sites** were up 107 percent over last year.

Smithsonian magazine's **Museum Day** event offered more than 200,000 cultural enthusiasts—double last year's number—free admission to 928 participating museums across all 50 states and Puerto Rico.



Smithsonian Books has changed its title-acquisition strategy to focus on adult trade nonfiction and a handful of popular reference titles. *America's Hidden History* by Kenneth Davis was on the *New York Times* best seller list for two weeks, and *How the States Got Their Shapes* made it to the extended list for several weeks. Another blockbuster was the *Smithsonian Field Guide to the Birds of North America*, which has received glowing reviews and is expected to sell over 100,000 copies in its first year. Other highlighted titles featuring Smithsonian content include *Let Your Motto Be Resistance* (National Museum of African American History and Culture), *The Star-Spangled Banner* (National Museum of American History), and *Smithsonian Ocean* (National Museum of Natural History).

Licensing and Business Development

Smithsonian Journeys exceeded its budgeted net gain by nearly \$700,000 while increasing its passengers by 11 percent, including 42 percent growth in the value-priced Travel Adventures line. The division completed its first full year as a preferred supplier for the American Express Consumer Travel Network, netting more than 200 bookings and over \$1 million in sales.

As part of a pan-Institutional effort, SE's Licensing division helped secure a licensing agreement with 20th Century Fox for use of the Smithsonian name in the **second *Night at the Museum* movie**. Location fees and royalties based on related product sales were also included in the overall agreement.

Smithsonian Home furniture introduced a third line at the High Point International Furniture Trade Show, consisting of dining room, bedroom, living room, and home office groupings developed from the resources of the Freer Gallery of Art, Smithsonian Castle, National Museum of American History, National Museum of Natural History, and Smithsonian Institution Libraries. Also introduced was a line of hand-tufted rugs inspired by Smithsonian collections, including those of Cooper-Hewitt.

Two licensees won awards for Smithsonian-themed children's products in 2008. Soundprints earned two **Teachers' Choice Awards** with *Smithsonian American Favorites: Star-Spangled Banner* and *Smithsonian Alphabet Books: Alphabet of Insects*, and Pressman Toy won a **Dr. Toy Award** for the *Smithsonian Be the Expert* game.