

**Statement Of
The Honorable James L. Oberstar
Subcommittee on Economic Development, Public Buildings, and
Emergency Management
Hearing On
“GSA’s Economic Recovery Role: Job Creation, Repair and
Energy Efficiency in Federal Buildings and Accountability”
February 11, 2009**

For more than a year now, the Committee on Transportation and Infrastructure has worked to ensure that infrastructure investment programs play a key role in our nation's economic recovery and lay out the case for maintaining public buildings playing a key role in creating and retaining jobs. Today's hearing is a step in that direction by indentifying the important role that GSA will play in the economic recovery.

Earlier this week, the Senate passed the “American Recovery and Reinvestment Act of 2009” which will now be in conference with House version of the bill that was passed last week. Also earlier this week, at his press conference, President Obama explicitly acknowledged the importance of GSA’s investment in federal buildings and the three fold benefits of jobs, energy savings, and increased value of the federal inventory.

The Associated General Contractors of American have testified before this committee that \$1 billion in nonresidential construction creates or sustains 28,500 jobs. Given that the Department of Labor indicated earlier this month that the unemployment rate is 7.6%, the \$7.7 billion for GSA construction projects in the House legislation is especially necessary to maintain and grow this economy. The GSA projects also carry the added bonus of being focused on green and energy efficient repair and alteration projects which will save money on energy long term. The federal government is the largest consumers of energy in the United States so by making federal buildings more energy efficient, jobs are created and the nation’s energy bill is reduced.

As stated previously, I have proposed an aggressive timetable for the use of funds, with both the House and Senate bills calling for the obligation of funds within 18 months of enactment of the bill. I believe that GSA has the capacity to disburse these funds, with ready to go, shovel ready projects. I am certain that General Services Administration, under President Obama's leadership, will make the distribution of economic recovery funds one of their highest priorities. This committee, through aggressive oversight, will also push GSA to obligate these funds in the quickest most responsible way possible.

I am also supportive of this program because it would allow GSA to bolster its management of its capital asset portfolio. In previous hearings I have expressed my concern with GSA leaving federally owned space for leased office space because of the deteriorating condition of federal buildings. When the federal government leases space it has the dual impact of greater costs in housing federal agencies and reducing outlays to the Federal Building Fund which is used to fund construction, repair and alteration projects within the federal inventory.

I look forward to hearing the testimony of today's witnesses and discussing how we can ensure that the construction funds have the intended effect -- of creating good, family-wage jobs as quickly as possible, while also improving our deteriorating public buildings infrastructure and laying the foundation for our future economic growth.

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