



U.S. House of Representatives
Committee on Transportation and Infrastructure
Washington, DC 20515

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SUMMARY OF SUBJECT MATTER

TO: Members of the Subcommittee on Economic Development, Public Buildings and Emergency Management

FROM: Subcommittee Economic Development, Public Buildings, and Emergency Management Staff

SUBJECT: Hearing on "GSA's Economic Recovery Role: Job Creation, Repair and Energy Efficiency in Federal Buildings and Accountability."

PURPOSE OF HEARING

On Wednesday, February 11, 2009, at 9:00 a.m., in room 2167 Rayburn House Office Building, the Subcommittee on Economic Development, Public Buildings, and Emergency Management will hold a hearing to examine how infrastructure investment contributes to job creation and economic recovery. The hearing will address infrastructure investment in Federal buildings with an emphasis on repair and alteration and energy efficiency and conservation.

BACKGROUND

Adequate investment in public infrastructure is critical to our nation's economic growth, our competitiveness in the world marketplace, and the quality of life in our communities. Despite the importance of these investments, many of our nation's infrastructure needs are going unmet.

The construction sector has been particularly hard-hit. According to the Bureau of Labor Statistics ("BLS"), as of January 2009, there are 1,744,000 unemployed construction workers in the nation, and the unemployment rate in construction is 18.2 percent – the highest unemployment rate of any industrial sector. In addition, the construction market is shrinking dramatically. The construction market is experiencing the biggest sustained decline in construction in at least four decades.

General Services Administration Economic Recovery and Reinvestment Projects

According to the General Services Administration (“GSA”), if additional Federal funds were made available, the types of projects that would be ready to go include major repair and alteration projects to modernize and upgrade aging Federal buildings nationwide and construction of border stations at both the northern and southern borders of the United States. These projects include critical energy conservation and efficiency initiatives; mechanical, electrical, and plumbing upgrades; and life safety and security projects. The projects do not include funds for interior finishes, interior upgrades, or furniture.

Investments in energy conservation and efficiency projects in Federal buildings will significantly lower Federal consumption of electricity. These investments, which will be made on a nationwide basis, will include investments in:

- solar roof installation;
- solar panel installation;
- electrical systems upgrades for lighting systems;
- building control systems replacement or upgrade;
- advanced metering;
- green roofs;
- co-generation;
- mechanical upgrades for more energy efficient escalators and elevators;
- HVAC systems replacement and upgrades;
- sprinkler systems;
- plumbing upgrades and replacement;
- door replacement;
- window replacement; and
- exterior envelope retrofits.

GSA will focus on the efficiencies of solar energy, in particular solar panels and solar roof installations. Testimony at the January 22, 2009 Committee on Transportation and Infrastructure hearing, entitled “Infrastructure Investment: Ensuring an Effective Economic Recovery Package”, highlighted the attractiveness of solar investment. According to one witness, “production and installation of solar energy systems creates more high-quality jobs than investment in any other energy technology... ten megawatts of PV capacity creates as many as 140 manufacturing jobs, 100 installation jobs, and 3 on going operations and maintenance jobs are created with each installation of ten megawatt photovoltaic capacity.”¹

In addition to improving energy efficiency and promoting alternative or renewable energy technologies, these projects will also produce a positive return on investment by reducing operating costs and energy consumption. According to GSA, for every \$1 million invested in federal construction, an additional \$4.3 million is generated in the local economy. GSA ready-to-go projects include land ports of entry, Federal buildings, and courthouses. According to GSA, an example of a ready-to-go project with a significant energy component is the Internal Revenue Service project in Massachusetts. This project will incorporate advantages of site location and building characteristics

¹ Testimony of Nancy Bacon, Senior Advisor, United Solar Ovonic & Energy Conversion Devices.

to install solar roof technology, which will reduce the heating and cooling loads, and will provide electricity for building operations. Similarly, the Portland, Oregon Federal building project involves removing the exterior precast cladding and replacing it with new energy efficient window walls. The retrofitted building will provide approximately 13,000 additional square feet and be more energy efficient.

According to GSA, ready-to-go land ports of entry include border stations on the northern and southern borders at 61 sites in Maine, Vermont, New York, Minnesota, Michigan, North Dakota, Idaho, Washington, Texas, New Mexico, Arizona, and California. Border stations cover the 5,000 miles of border with Canada, and the 1,900 miles along the southern border with Mexico. These stations process passengers, pedestrians, vehicles, trucks, railcars, and sea containers.

Transparency and Accountability

H.R. 1, the "American Recovery and Reinvestment Act of 2009", contains transparency and accountability provisions applicable to all funds in the Act. Section 1201 of the House-passed bill establishes transparency requirements that would apply to all funds made available in the Act. Under this provision, each Federal agency shall publish on the website, Recovery.gov (to be established and maintained by the Recovery Act Accountability and Transparency Board), a plan for using funds made available in the Act to the agency. The Federal agency must also publish on the website all announcements for grant competitions, allocations of formula grants, and awards of competitive grants using those funds.

In addition, for funds made available under the Act for infrastructure investments to Federal, State, or local government agencies, each such agency must notify the public of funds obligated to particular infrastructure investments by posting notification on this website. Such notification must include a description of the infrastructure investment funded, the purpose of the investment, and the total cost of the investment.

Section 1226 of the bill establishes minimum requirements for what information shall be posted on Recovery.gov, including the requirement that the website include notification of solicitations for contracts to be awarded, and printable reports on funds made available in the Act obligated by month to each State and congressional district.

Funding Levels

H.R. 1 as passed by the House provides \$7.7 billion for GSA's Federal Buildings Fund, including not more than \$1 billion for construction, repair and alteration of border facilities and land ports of entry, and not less than \$6 billion for construction, repair and alteration of Federal buildings for projects that will create the greatest impact on energy efficiency and conservation.

The Senate amendment to H.R. 1 provides \$5.548 billion for GSA's Federal Buildings Fund, of which \$1.4 billion is for Federal buildings and U.S. courthouses, \$1.2 billion is for border stations, \$2.5 billion is for measures necessary to convert GSA facilities to High-Performance Green Buildings, and \$448 million is for the development and construction of the Department of Homeland Security headquarters.