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

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July 6, 2009

SUMMARY OF SUBJECT MATTER

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

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

SUBJECT: Hearing on "General Services Administration's Fiscal Year 2010 Capital Investment and Leasing Program (CILP)"

PURPOSE

The Subcommittee will meet on Wednesday, July 8, 2009, at 3:00 p.m., in room 2167 of the Rayburn House Office Building to focus on all aspects of the CILP program including alteration, design, modernization, and construction activities.

BACKGROUND

The General Services Administration (GSA) is the central asset management agency of the Federal Government. GSA was created in 1949, after the Hoover Commission recommended a central management entity for Federal personnel and real property activities, telecommunications, and automatic data processing equipment. GSA owns more than 1,500 Federal buildings totaling 176.5 million rentable square feet of space. GSA leases 177.5 million rentable square feet of space in almost 7,100 leased properties. It also provides space in Federal buildings for child-care and telecommuting. GSA's inventory ranges from 2,500-square-foot border crossing stations along the northern border, to million square foot courthouses located in major metropolitan areas.

The Public Buildings Service (PBS) owns, operates, and develops Federal buildings. PBS is responsible for the construction, repair, maintenance, alteration, and operation of United States courthouses and public buildings of the Federal Government. Additionally, PBS leases privately owned space for Federal use. With a workforce of approximately 6,000 employees, PBS owns,

operates, maintains, and repairs existing Federal buildings, and plans for the construction of new Federal buildings, including courthouses.

GSA CILP

CILP plays a key role in providing the necessary resources to maintain current real property assets and acquire new or replacement assets. The Subcommittee on Economic Development, Public Buildings, and Emergency Management scrutinizes each project under the CILP to assure Members that these projects meet critical tests of need and other benchmarks. The Subcommittee has jurisdiction over all of GSA's real property activities pursuant to the Property Act of 1949, the Public Buildings Act of 1959, and the Cooperative Use Act of 1976. These three Acts are now codified in Title 40 of the United States Code.

Funding

PBS activities are funded primarily through the Federal Building Fund (FBF), an intra-governmental fund that agencies pay into with the rent for GSA. Any excess funds generated by the rental system are used for building repairs and new construction. In 1975, the FBF replaced appropriations to GSA as the primary means of financing the operations and capital costs associated with the Federal space owned or managed by GSA.

Congress exercises control over the FBF through the annual appropriations process by setting limits on how much of the fund can be expended for various activities. Section 3307 of Title 40, United States Code, requires the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on the Environment and Public Works of the Senate to pass resolutions authorizing the construction, repair, alteration, or leasing of space prior to an appropriation of funds. Title 40 also requires the Administrator of GSA to submit to the Committees a prospectus requesting authority for any project in excess of $2.66 million for FY 2009. The prospectus must be approved by the Office of Management and Budget, and must detail the particular project along with the cost, benefits, and plan for Federal occupancy.

The Transportation and Infrastructure Committee can also initiate building projects by passing a resolution in accordance with 40 U.S.C. § 3314(b), which allows Congress to direct the Administrator of GSA to conduct a study of Federal space needs in a community and report back to the Committee. These reports can serve as the basis to pass resolutions authorizing the appropriation of funds for the construction, acquisition, renovation, alteration, or leasing of space for Federal use.

In many previous budget cycles, the amount requested by GSA is not fully appropriated, which results in a backlog of repair, alteration, and construction needs and delays ongoing projects. The result of this delay is that GSA often does not need new authorizations for ongoing projects, which results in a disparity between the Administration's authorization request and their budget request.

FY 2010 Authorization Request

The President's budget request for PBS in 2010 was augmented by the American Recovery and Reinvestment Act of 2009, which provided $5.5 billion for construction and alteration projects

for GSA. The President's budget request for PBS for FY 2010 includes $610 million for new construction and alteration. GSA has requested:

A. Repairs and Alteration

The alteration program includes approximately $115.3 million worth of work to be done on seven projects. These projects include a roof replacement at the Eisenhower Executive Office Building and the East and West Wing Infrastructure Systems Replacement.

B. Design

No design funds are requested in the FY 2010 Program.

C. Construction

GSA has submitted seven construction projects in FY 2010 for a total $494.8 million. The largest project is $190.6 million for the consolidation of the Federal Bureau of Investigation Miami/Miramar, Florida, District Office. The construction portfolio also includes funds for two land ports of entry in El Paso County, Texas and Calexico, California.

D. Leasing

GSA has submitted four leases for committee authorization. The leases requests are located in the District of Columbia, Oregon, and Pennsylvania.

WITNESS

Mr. Anthony Costa
Acting Public Buildings Service Commissioner
General Services Administration