

Written Statement of Edward C. Forst
Administrator, U.S. General Services Administration (GSA)
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Economic Development, Public Buildings and Emergency Management
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Good afternoon, Chairman Perry, Ranking Member Stanton, and members of the Subcommittee. Thank you for the opportunity to appear before you today. My name is Edward C. Forst, and I serve as the Administrator of the U.S. General Services Administration (GSA). I bring nearly four decades of experience in financial services, real estate, and executive management to this critical role. I was sworn in on December 24, 2025, and have been leading this agency for 10 weeks.

Throughout my career, I have learned a simple truth: disciplined execution, efficiency, sound risk management, and investment in people produce results at the highest level. I am operating by these principles to drive excellence. By doing so, we will return this agency to its core mission—being good landlords and responsible stewards of taxpayer dollars. That means eliminating fraud, waste, and abuse wherever it exists and delivering on President Trump’s priority to strategically rightsize the federal real estate portfolio.

I want to thank this Subcommittee for its sustained focus on public buildings, space utilization, and most importantly, advocating for full access to the Federal Buildings Fund. That access is essential if GSA is to rightsize its portfolio and responsibly manage federal assets. I look forward to our continued collaboration over the 147 business days remaining in the current fiscal year, with the goal of delivering the highest value for American people and our stakeholders.

GSA’s Real Estate Portfolio

When GSA first opened its doors in 1949, a promise was made to the American people: to manage the federal government’s administrative functions, including its real estate holdings, with efficiency, effectiveness, and accountability. Today, I must be candid with this Subcommittee; we have collectively fallen short of this promise—GSA and Congress together must chart a new path forward.

GSA is trusted to be a responsible landlord, and frankly, right now we are not meeting that standard. When GSA leases space on behalf of federal agencies, it holds private landlords accountable. Substandard building maintenance is unacceptable and GSA

works with lessors to address any issues promptly. It is imperative that we hold ourselves accountable to that very same standard in federally owned space.

This realization is sobering and demands immediate collaborative action that includes addressing delinquent maintenance, rightsizing the federal real estate portfolio, and streamlining repairs. We are charged with maintaining one of the largest portfolios of office buildings in the federal government—a portfolio comparable in size to some of the largest in the private sector.

I say "delinquent" maintenance, because when maintenance is deferred, it allows problems to grow and exacerbate. A small roof leak, left unrepaired leads to mold growth and continual water damage. What was once a small repair has now become a multi-stage renovation.

Currently, GSA cannot spend more than \$3.9 million on any renovation, repair, lease, or construction without multiple committee prospectuses and congressional funding. This process takes a considerable amount of time. Major repairs and alterations average 436 days for approval, new construction takes 325 days, and leases require 244 days, with some leases remaining pending for over 600 days. This is compounded by the limited spending authority that GSA receives as part of the annual appropriations cycle.

For example, cyclically replacing base building systems, like elevators, is a routine and necessary part of our job as a landlord. But we are unable to do that effectively, given our current spending authority. With the limited Repair and Alterations funding authority GSA receives annually, and an inadequate current prospectus threshold, we are forced to replace elevators in standalone segments, one or two at a time, rather than as a whole. These delays exacerbate costs and extend disruptions to building operations.

Out of necessity, this is the approach we are implementing at the Department of Veterans Affairs headquarters in Washington, DC.

This approach negatively impacts agency missions and costs the taxpayers more money. Simply put, we can't get the job done for which we are responsible.

As the primary real estate agency, GSA's permitted project thresholds are inferior to other agencies. For example, the Department of War receives \$9 million for minor military construction without specified repair caps, and the Department of Veterans Affairs is allocated \$30 million for minor medical facility construction.

Now, I am not here to advocate for cuts to those agencies—they serve critical needs. However, I am here to point out a fundamental misalignment. The GSA is responsible

for managing a significant amount of the federal government's portfolio of office space and operates under substantially restrictive funding authorities.

This misalignment directly contributes to the growing crisis of delinquent maintenance. To correct this misalignment, GSA needs two critical reforms: full access to the Federal Buildings Fund annual collections and increased prospectus thresholds that reflect today's construction costs.

These reforms would empower GSA to begin fulfilling its core mission of real estate management while reducing long-term costs to the government.

The prospectus process, designed to provide Congressional oversight of major federal real estate projects, has become increasingly problematic. While this Subcommittee diligently reviews prospectuses for critical repair and alteration projects, these authorizations too often fail to translate into actual funding. The existing disconnect among the authorizing committees, appropriators, and GSA creates a broken system that causes urgently needed projects to be indefinitely delayed and left in limbo.

The consequences of this mismanagement are severe. Projects awaiting final Congressional action may sit for years, during which building conditions deteriorate further and costs escalate dramatically. Meanwhile, GSA must repeatedly resubmit and update prospectuses to reflect new cost estimates, creating administrative burden and further delays. This cycle wastes public resources, as we spend time and money documenting the same needs year after year while buildings continue to crumble.

I urge us to collaborate on fixing this issue, thereby allowing GSA to successfully execute its mission.

Project 410

Much of my career unfolded in New York City, where the Empire State Building continues to inspire me. Built in just 410 days using 1928 technology, it stands as proof that vision, execution, and urgency can overcome bureaucracy.

On my first day, I launched a "Project 410" mindset at GSA. Speed and agility will define our culture—without compromising safety, compliance, or integrity. We are evaluating our processes, aggressively adopting new technologies, managing risk more intelligently, and removing barriers that slow progress.

We are accelerating all property disposals, prioritizing maintenance in our most critical assets, and fundamentally rethinking how we manage federal real estate.

Every decision will balance workforce needs, long-term building viability, and the true cost of delinquent maintenance. Put simply, we need to shrink to a better, consolidated core.

The historic Des Moines U.S. Courthouse was the first property disposed of under GSA's accelerated disposition initiative under President Trump. This sale has significantly benefited taxpayers, resulting in an annual cost avoidance of over \$891,000 in operating and maintenance, and avoiding more than \$27 million in capital repairs over the next decade. This successful disposition demonstrates the effectiveness of our strategy to engage the market, attract interested parties, and implement informed approaches to expedite future sales.

And, we conveyed the former Federal Executive Institute campus to the University of Virginia for their new ROTC (Reserve Officers Training Corps) campus, which will train future military officers. These examples demonstrate how strategic dispositions not only reduce our maintenance burden, but also redirect assets to their highest and best use while generating significant savings for the American people.

Our Priorities

Priority One: Scale and Accelerate Portfolio Management

We are accelerating property dispositions across the portfolio. A smaller, healthier portfolio enables us to reinvest in remaining assets and better support agency missions.

To do this, we need:

- Comprehensive optimization program funding and authority; and
- Full access to proceeds from Federal Assets Sale Transfer Act (FASTA) property sales to reinvest in higher-priority assets.

Priority Two: Centralize Real Estate Management

We are transforming our approach to real estate portfolio management with a laser focus on cost control and strategic planning. Rather than simply reacting to problems, we will proactively identify and concentrate resources on our core assets while systematically reducing our footprint. Through hands-on, disciplined building management, we will ensure partner agencies have the facilities they need to deliver on their missions while they focus on their core work. This strategic approach allows us to manage federal property more effectively and efficiently than ever before.

Delinquent Maintenance

Since 2011, \$15.7 billion has been diverted from the Federal Buildings Fund—money that was specifically intended for building maintenance and improvement of federal properties. When adjusted using the Turner Construction Index, this represents approximately \$22 billion in today's cost inflation. This isn't just an accounting exercise; this represents real buildings deteriorating and real safety hazards developing when we do not address problems when they arise.

The funding shortage is systematic and devastating. Over the past 15 years, Congress has appropriated an average of \$646.6 million annually for repairs and alterations projects, while our actual annual need averages \$1.2 billion. This is nearly half of what is required to maintain these critical federal assets. This is not a minor shortfall; this is a crisis of stewardship. We must work together to bridge this gap.

I am committed to assessing the total liability of delinquent maintenance on a property-by-property basis. Based on historical GSA Building Assessment Tool data, GSA has estimated approximately \$26 billion in delinquent maintenance across our portfolio. I believe this previous methodology to be flawed and understated by tens of billions. That is why, we are launching a comprehensive initiative to conduct this detailed analysis, and we expect the total of delinquent maintenance to increase significantly. When this assessment is complete, I look forward to sharing our findings with the Subcommittee. This chronic underfunding has produced a staggering delinquent maintenance crisis that threatens the integrity of federal operations nationwide. The backlog represents crumbling infrastructure, inefficient systems, unsafe working conditions, and ultimately, the inability of federal agencies to meet mission-critical needs.

Every dollar withheld in the short term costs taxpayers multiple dollars down the road.

I would like to thank the Congressional appropriators and ask for this Subcommittee's and Full Committee's support to move the 1800 F St prospectus forward, as there is no better example of our maintenance crisis than GSA's own headquarters. This building illustrates the problem vividly—approximately 40 percent has been deemed "uninhabitable," a shocking statistic that represents our current predicament. The agency that manages the federal real estate portfolio has not been permitted to properly maintain our own building.

It is an embarrassment; and GSA headquarters is just one of many buildings that face significant delinquent maintenance challenges. In support of the President's return-to-office order, we have had to lease additional space for our workforce because

we refuse to put people in harm's way. Ignoring this maintenance inevitably results in demolition by neglect—a wasteful outcome that serves no one.

Just as with other federal buildings requiring our immediate attention, I will be laser-focused on the complete restoration of 1800 F. This is more than just our headquarters; it is a living piece of federal architectural history, and we will preserve its historical significance while transforming it into a 21st-century model of innovative workplace design and operational excellence that other federal agencies can emulate.

While we can restore 1800 F Street, other properties have deteriorated beyond the point of responsible reinvestment. The United States Department of Agriculture's (USDA) South Building, right here in Washington, DC, exemplifies when disposal becomes the only prudent option. This iconic structure, which should serve as a flagship federal facility in the nation's capital, instead stands as a testament to the consequences of chronic underinvestment. The accrued delinquent maintenance liabilities have now reached, according to GSA analysis, approximately \$1.675 billion, making it the federal government's largest liability.

Disposition would avoid approximately \$15.2 million in annual operations and maintenance costs while achieving President Trump's goal of rightsizing USDA's workspace needs. Continuing to invest resources into this failing, nearly vacant structure represents poor stewardship of public funds—the responsible path forward is strategic disposal of this property. This asset illustrates the necessity and willingness to make difficult decisions about underperforming assets rather than perpetuating a cycle of endless, wasteful spending.

The Alexander Hamilton Customs House in New York, New York, serves as another instance of delinquent maintenance. By all accounts this building exemplifies American classical architecture. It is beautiful, and a national treasure. However, for the last decade, GSA has requested funding for its repairs, but requests have been ignored, causing the necessary repair costs to increase dramatically.

The neglect of essential repairs since 2016 and piecemeal funding over the years has resulted in a cost escalation of \$78,596,000. This delay has not only inflated costs but has also significantly compounded the required maintenance. This isn't just inflation—this is the augmented cost of institutional neglect, where every year of delay makes the desperately needed repair exponentially more expensive.

This is the hidden cost of insufficient funding for repair and alteration projects: when Congress doesn't appropriate enough funding, GSA must delay needed work on buildings. As we delay, problems continue to deteriorate and become exponentially

more expensive. The "savings" achieved today translate directly into much higher costs later. If we do not address the root problem, we are simply bailing water out of a boat with a hole in the hull.

GSA and this Subcommittee must partner to fix this systemic issue through two critical reforms:

First, we must fund urgent maintenance promptly so minor problems don't escalate into major failures.

Second, we must raise prospectus limits to allow larger repair projects to move forward instead of languishing for years awaiting approval. The current thresholds no longer align with today's market conditions, forcing GSA to delay necessary projects or break them into inefficient phases that ultimately increase overall costs.

Increasing these limits to accurately reflect significant rises in real construction costs and inflation would provide GSA with the necessary flexibility to meet comprehensive building needs. This, in turn, would allow for economies of scale in executing projects. This adjustment would not only improve GSA's operational efficiency but also provide better long-term value through strategic facility management—fixing buildings right the first time rather than managing their decline.

The restrictive prospectus thresholds, combined with the delinquent maintenance crises, aren't isolated problems but symptoms of a systemic failure that demands comprehensive reform. Beyond raising prospectus limits, we must apply disciplined building management best practices that are standard in the private sector, ensuring we catch problems early and address them cost-effectively before they spiral into billion-dollar liabilities.

Our federal real estate portfolio requires an updated legislative framework that empowers GSA to manage assets proactively rather than reactively. This means full access to the Federal Buildings Fund, higher prospectus limits that reflect current construction costs, and the ability to reuse proceeds from property sales into priority assets, without needing a separate congressional appropriation, is necessary.

Rightsizing the Federal Portfolio

Another key priority is fundamentally transforming how we manage the federal real estate footprint. We must face the reality that our portfolio includes too much underutilized real estate that drains resources without delivering proportional value.

We are moving strategically and responsibly to expedite the disposal of these buildings. We appreciate Congress for enacting new reporting requirements within the Thomas R. Carper Water Resources Development Act of 2024, particularly the emphasis on space utilization. These new reporting mechanisms are welcome as we work to rightsize the federal real estate portfolio.

By reducing the number of buildings we maintain, we can focus on invigorating our remaining assets, ultimately better supporting the critical missions of the agencies that rely on us.

As my colleague, Acting Public Buildings Service (PBS) Commissioner Andrew Heller noted during his testimony a few months ago, the William O. Lipinski Federal Building in Chicago, Illinois, is a prime example of the common-sense real estate solutions GSA can implement. By disposing of this underutilized property the federal taxpayer will realize over \$161 million in outyear cost avoidance by eliminating delinquent maintenance.

I want to emphasize that these are the types of common-sense real estate solutions that GSA can and should implement. This cannot be a partisan issue; we should be working to rightsize our real estate portfolio and return value to the American people.

To that end, I will cut red tape, eliminate unnecessary steps, and find smarter, more efficient ways to move properties off our books. It simply takes far too long to sell underutilized and unnecessary federal property. Under my leadership, I am personally committed to dramatically reducing the time it takes to offload a building from our portfolio while strategically utilizing leased space to support tenant relocation. Leasing provides speed, flexibility, and lower upfront capital requirements, enabling us to execute more consolidations and dispositions within existing funding constraints. With improved access to capital GSA could more deliberately balance leasing and ownership—retaining high-performing and architecturally significant assets where long-term stewardship creates the greatest value for taxpayers, while swiftly moving properties that are underperforming.

The American people deserve federal buildings that work—buildings that are safe, efficient, and worthy of the important work conducted within them. With congressional support, we will deliver exactly that.

We Are GSA

Another core focus of mine is to equip GSA with a unified, motivated workforce that strives for excellence across all levels of the organization. This commitment is central to

my vision for GSA, and it is why one of my first initiatives as Administrator was the launch of **We Are GSA**.

The **We Are GSA** initiative is designed to align our employees around a common mission and shared values that transcend individual offices and regions by breaking down silos, and fostering accountability and collaboration.

We will enforce the highest ethical standards, reward excellence, and strategically adopt technology to continuously improve our operations.

That means providing GSA with the operational tools it needs to truly transform the federal real estate portfolio in a way that better serves the public better. It won't be easy, and it will require sustained effort and congressional support, but I am completely confident that this transformation can be accomplished.

This effort demands urgency, discipline, and accountability at every level. By executing these priorities systematically and professionally, we will reduce waste, improve service delivery, and restore the American people's confidence in federal real estate management.

Closing Statement

GSA serves as the engine of the federal government—and while we have our own distinct mission, our ultimate charge is to ensure that our partner agencies operate effectively and that taxpayer resources are managed responsibly. I am fully committed to energizing our workforce and fulfilling President Trump's mission of strategically shrinking the federal footprint while maximizing the effectiveness of our remaining assets.

The American people deserve better stewardship of their real estate assets—and under this Administration, and with our collaboration with this Subcommittee, they will receive it. I look forward to working with this Subcommittee to deliver these results. Thank you, and I welcome your questions.