GENERAL SERVICES ADMINISTRATION'S FISCAL YEAR 2010 CAPITAL INVESTMENT AND LEASING PROGRAM (CILP)

(111–46)

HEARING

BEFORE THE

SUBCOMMITTEE ON
ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT

OF THE

COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

FIRST SESSION

July 8, 2009

Printed for the use of the
Committee on Transportation and Infrastructure

U.S. GOVERNMENT PRINTING OFFICE

50–973 PDF WASHINGTON : 2009

For sale by the Superintendent of Documents, U.S. Government Printing Office
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U.S. House of Representatives
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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

HEARING ON GENERAL SERVICES ADMINISTRATION'S FISCAL YEAR 2010 CAPITAL INVESTMENT AND LEASING PROGRAM (CILP)

Wednesday, July 8, 2009

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS AND EMERGENCY MANAGEMENT,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
Washington, DC.

The Subcommittee met, pursuant to call, at 3:50 p.m., in Room 2167, Rayburn House Office Building, Hon. Eleanor Holmes Norton [Chair of the Subcommittee] presiding.

Ms. NORTON. Welcome to today's hearing entitled ″GSA Construction and Leasing Stimulus Spending, Energy Goals and Making a Down Market Work for Taxpayers on the General Services Administration Capital Investment and Leasing Program for Fiscal Year 2010.

The fiscal year 2010 program represents an important variety of real estate projects that should also benefit the economy and taxpayers, if managed well. There are nine construction projects, five alteration projects and four leases, for a total of 18 prospectuses before the Subcommittee, with additional leases to come at a later date.

The GSA Fiscal Year 2010 Capital Investment and Leasing Program is national in scope, including a variety of projects across the United States.

The submission also includes reports known as fact sheets on the status of ongoing, authorized projects for the Food and Drug Administration at White Oak, Maryland, and site remediation at Lakewood, Colorado, as well as almost 50 acres of construction under way at Capitol Riverfront near Nationals Park in Washington, D.C., known as The Yard, authorized by our bill, the Southeast Federal Center Public-Private Development Act of 2000. Major projects include two alteration projects for the Eisenhower Executive Office Building and infrastructure systems replacement for the White House East and West Wings in Washington, D.C. The GSA fiscal year 2010 package also includes funds for land ports of entry at Madawaska, Maine, and El Paso, Texas.

We were surprised and disappointed with the submission of two courthouse projects in Yuma, Arizona, and Lancaster, Pennsylvania. These projects were not on the 5-year plan submitted to this Subcommittee by the administration office of the United States Courts, and seem to have come from virtually nowhere. Even more

troubling, these two small, below-prospectus courthouse projects, were originally leased construct projects, typically the most expensive way to house Federal tenants, and GSA had planned to go forward with these construction projects without notifying this Subcommittee.

Although these projects technically fall below the prospectus level that requires congressional approval, GSA would be ill-advised to proceed on any such project in the future without notifying this Subcommittee, especially given our consistent and active oversight of the Federal courthouse program.

We are working on statutory changes to restore fiscal and management professionalism to this very troubled and wasteful program. GSA is again on notice that this Subcommittee expects GSA to report consistently and with regularity on all—underline ″all″—aspects of its construction program. Failure to disclose information on construction projects going forward will not be tolerated.

The administration's fiscal year 2010 budget request includes $100 million for the GSA to exercise its purchase option for the Columbia Plaza Building located at 2401 E Street Northwest in Washington, D.C. Because I represent this city, I understand that any loss of leased space, even for a single building, is a loss for the local tax rolls. However, the administration has simply adopted the consistent policy of the Federal Government and the Committee is in favor of ownership where possible, particularly considering that the vital Federal Building Fund depends on payments from Federal agencies occupying government-owned space only. This funding, in turn, provides the resources that enable GSA to construct, maintain and repair buildings in the Federal inventory.

However, recent trends have tipped so that the government now leases more than it owns. The alarming shrinkage of available funds has severely reduced the Federal Government's ability to maintain its valuable inventory of buildings and facilities, as well as to generate funds for Federal construction and rehabilitation. This skewed lease-to-own ratio trend, which seems likely to continue, resulted in the need for almost $6 billion in stimulus funding for vastly overdue energy conservation and other repairs that have left a distressing portrait of the condition of Federal asset management, an essential government function.

The current Federal lease on the Columbia Plaza Building dates back to 1992. Moreover, because of the building's critical location, the government does not have the alternative of vacating and moving on. Considering the millions of dollars poured into this space, that the government does not own, for upgrades, rehabilitation, as well as lease payments, the government has more than paid the equivalent cost of the premises by now.

When the current lease was signed in 1992, however, GSA did negotiate a purchase option of $100 million, and in 2006, GSA appraised the Columbia Plaza Building at $190 million. The administration would not easily propose a lump sum $100 million payment for real estate today, unless, as here, there was an opportunity whose avoidance would be difficult to explain to taxpayers in light of the nearly two-to-one return on the initial Federal investment and the substantial return to the Federal Building Fund that would follow.

Related to the fiscal year 2010 budget request is the American Recovery and Reinvestment Act of 2009, which became public law on February 17, 2009. The GSA Fiscal Year 2010 Capital Investment and Leasing package before the Subcommittee today must be viewed in light of the largest single infusion of funding for construction, repair and alteration in many years, all of which was appropriated by the—was authorized, excuse me—by the American Recovery and Reinvestment Act.

According to GSA's latest activity report, it has obligated over $10 million of this stimulus funding in the past few weeks. These awards include funding for Federal buildings and courthouses, land ports of entry and high-performance green building modernizations. The stimulus projects range from energy and water studies and land acquisitions to the design of energy-efficient construction projects and HVAC optimization and improvement projects.

The projects are being carried out in at least a dozen States. GSA has—and I should add, the projects are authorized in all 50 States and all the territories and the District of Columbia.

GSA has also indicated that it plans to award several larger contracts in excess of $400 million before July 31, 2009. These projects include the Washington Herbert Hoover Building, phase 2 and phase 3, at $134,446,000; the Andover, Massachusetts, IRS Service Center, $115 million; the Austin, Texas U.S. courthouse, $116,041,000, and the San Antonio, Texas, Garcia U.S. Courthouse, $61,331.

GSA stimulus funds must be obligated by 2010. Because of that date, this Subcommittee will have to find a way to pace the level of obligation by GSA of the funds.

This Subcommittee has unique oversight responsibility for stimulus funding because the GSA funding is administered by the Federal Government itself, unlike other stimulus funds administered by the States. Therefore, the Subcommittee will need to decide how to measure the pace at which GSA is obligating the funds.

This Committee already has begun vigorous oversight over the American Recovery and Reinvestment Act, GSA section. We held oversight hearings on stimulus spending on April 29, 2009, and on June 25, 2009; and we are planning another hearing for the end of this month.

Today, I look forward to hearing from GSA about the execution of several of the projects expected to be awarded this summer. We thank each of you who will testify today for your preparation for today's hearing.

And I am pleased to ask our Ranking Member, Mr. Diaz-Balart, if he has any opening remarks.

Mr. DIAZ-BALART. Thank you. Let me first thank you, Madam Chairwoman, for holding this hearing today on GSA's Capital Investment and Leasing Program for Fiscal Year 2010. I thank you for bringing us together on this important issue.

Last month, the General Services Administration submitted prospectuses for 21 projects, and that included seven alteration projects, ten construction projects and four lease projects. Now, the program includes modernization projects for the East and West Wings of the White House, as you stated, and construction of land ports of entry and courthouses.

The program also includes the consolidation of the FBI operations in Miami Dade County, in the area of south Florida. Those district offices right now, those operations—and this would drive you crazy, Madam Chairwoman—they are spread out in 12 different locations right now. So that is clearly a good consolidation of the FBI operations into one location, which obviously will be more efficient and more secure, et cetera. So that is obviously a good project.

Now, while a number the proposals like the FBI consolidation appear to meet important space needs, I am also troubled by some of the projects; and you just mentioned a couple of those, Madam Chairwoman. I am concerned that instead of maximizing GSA funds to create jobs, the Recovery Act—I have brought this up before—made greening existing Federal buildings a priority by providing GSA with $4.5 billion for, ″measures necessary to convert GSA facilities to high-performance green buildings,″ which we all know is a meritorious thing to do. But obviously, job creation was what that money was supposed to be for.

Now, despite that significant investment in greening, which again has merit in the stimulus, the fiscal year 2010 program proposes an additional $40 million for conservation measures and high-performance energy projects. So I am just not clear as to why we need an additional 40 million on top of the $4.5 million already appropriated. That is one issue.

The 2010 GSA program also includes various projects related to the New Executive Office Building, the Eisenhower Executive Office Building and the East and West Wings of the White House, as I said a little while ago.

Now, as an example, GSA proposes the construction of a new structure for the Secret Service. Now, here is the rub because, obviously, everybody knows the essential service that they provide. But the cost to the taxpayer would be about $1,000 per square foot. That is pretty significant by any stretch of the imagination. So—obviously, I understand and I have the utmost respect for the Secret Service, and there may be some really good reasons why $1,000 per square foot is necessary; but I think this Committee needs to see that, needs to see an explanation for that and what other less costly alternatives were looked at, if they were. If they were, I would like to see why those were not accepted; and if they weren't, obviously, why not.

I also have similar concerns with proposed costs associated with the renovation of the East and West Wings of the White House now, and I will state why. Last Congress, GSA submitted a prospectus for the modernization of the West Wing of the White House. At that time, GSA explained the high cost as including the infrastructure in various systems that would be shared with other buildings related to the White House. Obviously, we understand that.

This year, GSA is proposing renovations of the East Wing. Now, again, I am obviously supportive of important renovations to the White House, given the importance of—the national importance of that building, the historical importance of the building, the fact—I mean, there are so many reasons obviously that I am supportive. But I am concerned that there doesn't seem to be a comprehensive

plan for the White House complex renovations because we keep getting this piecemeal. So, obviously, I think that a comprehensive review and evaluation of all the capital improvement needs is warranted, and I think that is pretty essential because I keep seeing this piecemeal approach.

Another concern, Madam Chairwoman, that I have relates to the two courthouses proposed in the program. I believe they are the ones that you were talking about. And again, there is no clear statement of need for these new courthouses and, in fact, neither of them is included in the 5-year courthouse plan.

So, again, there are clearly some worthwhile projects proposed, but there are others that appear either unnecessary or, frankly, clearly need further explanation, which I think the Committee deserves to have.

And finally, I want to express my concern about the timing of GSA's submission of the prospectuses to this Committee. As the authorizing Committee for the GSA, our actions here are important in informing the appropriations process. Receiving the Capital Investment and Leasing Programs in June provides us with, frankly, very little time, almost no time, to review and act on those prospectuses before the appropriations process begins, so now—in the past, this Committee has received those prospectuses shortly after the President's budget was released. I hope that that will be the case again in the future, that they are submitted to us to this Committee in a timely manner.

I want to again—once again, Madam Chairwoman, I want to thank you for having this hearing. I want to thank the witness.

Mr. Costa, it is always good to see you, sir. And I look forward to the testimony.

Thank you.

Ms. NORTON. Thank you very much, Mr. Diaz-Balart.

Could I ask Ms. Edwards if she has any opening remarks.

Ms. EDWARDS. Thank you, Madam Chairwoman.

And again, thank you, Mr. Costa; it is good to see you again. I hope that you will today—I know we have been over this territory before, but really focus on the activities of the Agency to implement the green buildings and infrastructure program as has been authorized and appropriated in—both in your upcoming open lease arrangements, as well as with efficiency improvement, as well as with the new construction programs. And I am just interested in an ongoing update of how those programs are being implemented.

And again, as you know—and we will discuss this now and forever more: my ongoing concerns about lease opportunities in the Maryland suburban metropolitan area, and how we are proceeding on that and what we might need; and your and perhaps even recommendations from the GSA about ways that we may need to strengthen the authorizing legislation that gets us to a goal that it seems, from the record that you submitted to us in the past, that we have not quite achieved in terms of parity of distribution of these leases and new construction activities in the metropolitan area. And so I look forward to our continuing dialogue on that.

More importantly, I look forward to achieving some measure of success that we can point to more specifically.

And, again, I thank you for being here and for the outreach that your Agency has made and connection with my office, because I do appreciate the relationship that we continue to develop. Thank you very much.

Thank you, Madam Chairwoman.

Ms. NORTON. Thank you very much, Ms. Edwards.

Mr. Tony Costa, the Acting Commissioner of Public Building Service. We will hear your testimony at this time.

TESTIMONY OF ANTHONY E. COSTA, ACTING COMMISSIONER, PUBLIC BUILDINGS SERVICE, U.S. GENERAL SERVICES ADMINISTRATION

Mr. COSTA. Thank you. Good afternoon, Madam Chairman, Ranking Member Diaz-Balart, and Congresswoman Edwards. My name is Tony Costa, and I am the Acting Commissioner of the Public Buildings Service at the U.S. General Services Administration. Thank you for inviting me here to discuss GSA's fiscal year 2010 Capital Investment and Leasing Program.

GSA's Public Buildings Service is one of the largest and most diverse public real estate organizations in the world. Our inventory consists of over 8,500 assets, with almost 354,000,000 square feet of space across all 50 States, six U.S. territories and the District of Columbia. Our portfolio includes office buildings, courthouses, land ports of entry and warehouses. It is the PBS mission to provide superior workplaces for Federal customer Agencies at an economical cost to the American taxpayer.

I am pleased to be here today to request your authorization and support of the individual projects that make up our fiscal year 2010 capital program. These projects will best meet our customer Agencies' housing needs and have been thoroughly analyzed so that they are consistent with our overall portfolio objectives.

We try to optimize the value of our own assets. We try to direct capital resources toward performing assets and develop workout or disposal strategies for under- and nonperforming assets. We have to maintain the continued functionality of our buildings and safeguard the health and safety of their occupants and provide quality work space that supports the varied missions of our tenants.

We now have to achieve energy efficiency and environmental goals of the Energy Independence and Security Act of 2007. And, of course, we have to fulfill our responsibilities under the National Historic Preservation Act to proudly protect and preserve our historically significant public buildings.

GSA is a steward of 1,500 Federal buildings which have a replacement value of over $40 billion. We are requesting a repair and alterations program of $496 million to maintain and improve property in our inventory. Because we have received significant Recovery Act funding for our buildings, our repairs and alterations request is slightly below that of recent years. But continuing to reduce our backlog is still our top priority.

The highlights of GSA's fiscal year 2010 repair and alterations program include $260 million for the basic program, $176 million for major and limited-scope programs, $20 million for the fire and life safety program, $20 million for energy and water conversation

measures, and $20 million for Federal high-performance green buildings.

The Energy and High-Performance Green Buildings Programs are a small but crucial part of our repair and alteration request. Through these programs, we will make improvements similar to those included in our Recovery Act spending plan, but in a different set of buildings.

The Energy Independence and Security Act of 2007 sets challenging goals. Beginning in fiscal year 2010, it requires GSA to reduce consumption of fossil fuel-generated energy in new buildings, major renovations and lease construction. And by 2030 it requires GSA to totally eliminate fossil fuel consumption in our new buildings, major renovations and lease construction projects.

EISA also accelerates the rate at which we must reduce energy consumption in our inventory as a whole to 3 percent per year, and specifically requires more energy and water retrofits in our existing buildings. We are requesting $40 million for the implementation of energy and water for retrofit projects in government-owned buildings during fiscal year 2010 to help achieve these goals.

We are also requesting a Construction and Acquisition of Facilities Program of $658 million. Our request includes funding for sites, acquisition, design, infrastructure construction and the management inspection costs of 10 Federal facilities. We traditionally pursue a construction ownership solution for special purpose and unique facilities that are not readily available in the real estate market. In addition, we recommend new construction where there is a long-term need in a given locality.

GSA's fiscal year 2010 New Construction Program is focused on urgent customer priorities ranging from laboratories for protecting the public health to land ports of entry for securing our borders. It includes $138 million for the Food and Drug consolidation at White Oak, Maryland; $100 million for the purchase of the Columbia Plaza Building in Washington, D.C.; $25 million for remediation activities at the Denver Federal Center and the Southeast Federal Center in Washington, D.C.; $190 million for a new FBI facility in Miami, Florida; $151 million for the design and construction of three land ports of entry; and $53 million for two U.S. courthouses in Yuma, Arizona, and Lancaster, Pennsylvania. Several of these projects were originally planned as lease construction, but will now be built and owned by the Federal Government, saving the taxpayers millions of dollars over the long term.

In addition to our owned inventory, GSA has entered into more than 8,500 private sector leases in 7,000 locations nationwide. At 178 million square feet, leased space comprises more than half of our total portfolio square footage. We are pleased that the vacant space in our leased inventory has been at or below 1.5 percent for the last 6 years, well below the national industry average. We strive to keep leasing costs at or below market levels, and have developed strategies to do so, including the standard use of industry benchmarks and market surveys to comparison shop for the best value for our customers.

Due to the volume and complexity of our customers' lease requirements, we will submit at least one more set of lease prospectuses for your consideration.

GSA continues to work with our customer Agencies to meet their mission requirements within their financial restraints by consolidating requirements, reducing unutilized space and minimizing tenant improvement costs in expiring space assignments. At the same time, we continue to work with stakeholders such as this Subcommittee to continue to recognize our capital requirements as our inventory ages and as customers' needs change.

Madam Chair, Ranking Member, this concludes my prepared statement. I will be pleased to answer any questions that you or any other Members of the Subcommittee may have about our proposed fiscal year 2010 Capital Investment and Leasing Program or any other aspects of the Public Buildings Service. Thank you.

Ms. NORTON. Thank you very much, Mr. Costa. I have got to lead off with this question concerning one of your largest tenants and government-owned facility.

I am into shock and dismay that the USDA, Department of Agriculture, apparently is delinquent in its rent, and very delinquent. You notice that in my opening statement—as I have very often in the past and as the Ranking Member has, the Full Committee and its Ranking Member—I have noted that we are in dire straits because no matter what we do, we will continue to lease. We are not going to start building buildings. $6 billion enables us to get a little way towards energy conservation and repair, and that is only the tip of the iceberg.

So then, in the preparation for this hearing, I learned that USDA is $40 million annually behind in its rent. First, I want to know, how behind? How could any Agency be behind? What have you done to secure the taxpayers' money?

In short, explain yourself.

Mr. COSTA. Well, Madam Chair, a number of years ago there was an internal, inside-the-administration agreement to reduce payments that the USDA would pay to GSA and, in turn, USDA would fund their own renovation for their headquarters building. That strategy never really worked. The USDA building still needs to be renovated.

Ms. NORTON. Did USDA, in any way, begin to meet that—their part of the bargain?

Mr. COSTA. The USDA did do some renovations. But the building still needs a major modernization.

Ms. NORTON. When was this done, sir?

Mr. COSTA. Pardon?

Ms. NORTON. When was this agreement struck?

Mr. COSTA. Over a decade ago.

Ms. NORTON. When it became clear that they had no intention of proceeding, what then did Public Buildings Service do?

Mr. COSTA. Over the last 5 years we have been working closely within the administration to ensure that the USDA——

Ms. NORTON. By doing what?

Mr. COSTA. By working with the Office of Management and Budget and the USDA to ensure——

Ms. NORTON. Working with whom?

Mr. COSTA. Both the Office of Management and Budget and the USDA to ensure that the USDA would budget full rent to the General Services Administration.

Ms. NORTON. What was the response?

You have to understand that you can't expect us to continue to try to protect the Federal Building Fund at the same time that you allow one of your largest tenants to be a decade in arrears.

So at any point did OMB appropriate or ask for funds? And then what happened to those funds?

Mr. COSTA. Well, yes, they did. We have made progress. In fiscal year 2009 the USDA is paying $20 million more rent than they paid the previous year.

Ms. NORTON. Well, you know, 20 million is up from zero.

Mr. COSTA. For a particular building. But they had been paying, I think the figure was over $200 million in rent to GSA in total.

Ms. NORTON. So I don't understand.

They paid—they paid $20 million toward what they owed GSA; is that it?

Mr. COSTA. No. Basically, the USDA was paying full rent for all facilities except for two facilities in the Washington, D.C., area.

Ms. NORTON. Have they continued to do that?

Mr. COSTA. What has happened is, we basically put them on a plan to step up and begin to pay full rent.

Ms. NORTON. When did you put them on that plan?

Mr. COSTA. Fiscal year 2009 they are paying $20 million more than they had paid the previous year.

Ms. NORTON. But what had they been paying in previous years?

Mr. COSTA. $200 million total.

Ms. NORTON. So they had been paying $200 million?

Mr. COSTA. Yes, they had been.

Ms. NORTON. And how much in arrears are they?

Mr. COSTA. I will have to get back to you.

Ms. NORTON. So you are counting their facilities across the country, is that right, the 200 million?

Mr. COSTA. Yes.

Ms. NORTON. It is the facility in Washington they haven't been paying on?

Mr. COSTA. Yes.

Ms. NORTON. The $20 million is—represents what fraction of how much they should be paying, please?

Mr. COSTA. My understanding is that it is about a third of the total gap. And the concern was, trying to fund the full increase in a single budget year would harm the mission and program requirements of the USDA.

Ms. NORTON. Oh, not to mention your own, sir.

Mr. COSTA. That is true.

Ms. NORTON. Look, I have served inside of an administration. I am the first to understand what you are up against. What I can't understand is why, in fact—indeed, I would have expected you to come to the Subcommittee and ask for some assistance since the notion of the Federal Building Fund is mentioned virtually every time we have a hearing.

Do you need assistance from this Subcommittee? I will ask you directly.

Mr. COSTA. Well, as we work within the administration developing the fiscal year 2011 budget——

Ms. NORTON. What is the 2000—what is USDA supposed to be doing every year from here on in, if anything?

Mr. COSTA. They should be including the full rent for the USDA headquarters in their overall budget request for rent to GSA.

Ms. NORTON. But with no responsibility for arrears?

Mr. COSTA. Actually, they had been paying in arrears up to their ability to move money. In fact, appropriation language was included in the 2008 appropriations bill to allow them to move money to pay us back rent. Before that time, they actually could not move money to pay that back rent.

So we have made good progress. We haven't completed the job, but we have made good progress to both pay back rent——

Ms. NORTON. Did you inform this Subcommittee of any of this, of these deliberations?

Mr. COSTA. Well, periodically we have talked with staff, but not recently, no.

Ms. NORTON. How much is in the fiscal year 2010 for the Federal Building Fund payments from USDA, please?

Mr. COSTA. My understanding is that there is a step up from the $20 million toward full rent bill for the USDA headquarters.

Ms. NORTON. You know what? I was here until at least 11:00. They went on until, I understand, 1:00 at the Financial Services hearing. Mr. Serrano, because the District of Columbia happens also to be in there.

By now you mean, being owed as much as you are, you don't know whether it made it into your appropriation, the full amount.

Mr. COSTA. I personally don't know that for fiscal year 2010. We can certainly find out.

Ms. NORTON. Will somebody go out right now and call to find out whether or not, somebody in this room from GSA and find out what is in the 2010 budget that was passed last night.

Mr. COSTA. We can do that.

Ms. NORTON. We need to know that.

You know, I am on—I Chair the Subcommittee. Financial Services Committee is one with which I am closely in touch. This is the first I have heard of that, so I have never had an opportunity to weigh in on this. Meanwhile, here I am kicking and screaming about the Federal Building Fund. We said that you needed to keep us in touch with your construction program, even more so on the Federal Building Fund.

Could I ask you, are there any other tenants who are delinquent in government-owned space? And what are those tenants?

Mr. COSTA. No, not delinquent. There are a limited number of Agencies where rent waivers were requested and approved. And I actually think that we report back to you, to your Subcommittee, at least on an annual——

Ms. NORTON. Did we approve this rent waiver?

Mr. COSTA. No, not the USDA.

Ms. NORTON. Well, how did it occur?

Mr. COSTA. Through administrative means.

But you asked whether—we actually have—you did ask us to do some drafting assistance, which we have provided to you to deal with the USDA rent issue.

Ms. NORTON. Well, when there is an exchange of letters of that kind, this really falls in the category of inform the Committee so it can do what it can do. I am very distressed to hear that, especially since we don't know of any way to make up for what is happening to the Federal Building Fund.

Before I go on to further questions, I am going to go to our Ranking Member. I have used up more than my time on this one question, so disturbed was I to learn that there was this huge delinquent Agency, that I think I ought to pass now to our Ranking Member and then to Ms. Edwards.

Mr. DIAZ-BALART. Thank you, Madam Chairman. But I never complain about the Chairwoman taking too much time, so don't worry about that.

Actually, I want to talk about some of the issues I brought up in my statement, and that includes the White House complex and the Executive Office Building. It appears that as the work starts, we have already approved projects, yet more projects are identified.

So, has GSA required, thought about requiring a master plan for the White House complex if there is a more orderly assessment of all the work that is needed?

Mr. COSTA. There are a number of organizations that are responsible for facilities on the White House complex—National Park Service, GSA, White House Military Office.

A number of years ago there was a master planning effort that went on, but I don't think that that came to a conclusion, especially as it relates to a capital plan which is, essentially, I think, what we are talking about.

What has happened over the last few years, we have had a lot of success, with the Subcommittee's support, both to authorize and help support funding for the renovation of the Eisenhower Executive Office Building, which needed repair pretty desperately. As we worked on that building, frankly, like any other renovation, we found things, additional things, wrong on the complex that were associated with the Eisenhower Executive Office Building. And that is, frankly, where our discussion started with repairs to both the West Wing and the East Wing infrastructure issues.

It all started when we looked at the Eisenhower Executive Office Building and how it served those portions of the White House complex. And we discovered, frankly, pretty dramatic problems which have led over the last 3 years to our—a number of requests from the General Services Administration to do work for both the West Wing and the East Wing.

Mr. DIAZ-BALART. But that would not—wouldn't that actually then make the case for a new master plan even more logical?

Mr. COSTA. I think it is a great idea, and we will go back to our customers and the organizations we work with on the complex to make that happen.

Mr. DIAZ-BALART. Because it just seems that, again, the more I hear about it, the more sense it makes. And I guess you agree with that.

Mr. COSTA. Definitely.

Mr. DIAZ-BALART. Now, for example, last year this Committee approved a prospectus for the West Wing of the White House, and I believe that we were told that part of the cost—the reason that

the cost was so high was because of, you know, shared infrastructure. Now, however, the improvements on the East Wing seem to be just as costly.

Why, if the cost before was associated with the sharing of the infrastructure—and I guess those costs are no longer there—why is this now almost the same price or about the same type of cost?

Mr. COSTA. What we didn't know when we proposed the West Wing infrastructure improvements, we understood pretty clearly the connection between the Eisenhower Executive Office Building and the West Wing. After we proposed the project, we began a pretty extensive study to look at the East Wing and realized the conditions in the East Wing were just as bad.

Unfortunately, it is almost impossible to do preventive maintenance on a complex like the White House. It obviously runs 24/7, and no one allows us to shut down the power for a weekend. And so, frankly, that hadn't happened.

Mr. DIAZ-BALART. Am I wrong when I say that part of what we were told last year about the cost was the shared infrastructure? If that was not the case and then I never heard back saying that that was not the case, am I wrong when I say that we were basically told that that part of the high cost was because of the shared infrastructure?

It would seem to me that we don't have the same issue. I mean, we have other issues, but do we have the same issue now also with the shared infrastructure with the East Wing as well?

Mr. COSTA. I think—and I am sorry it has taken me so long to get to that issue.

Initially, the shared infrastructure was between the Eisenhower Executive Office Building and the West Wing. Now that we have learned that the East Wing is in as bad shape, we need to do the same kind of repair work.

And we are also creating a pathway between—from the East Wing to the West Wing to ensure that we can do repairs in both wings. And so there will be redundancy not only with the EOB, but with the West Wing and across the East Wing, so there is even more redundancy.

It is a very complex project, and we would love to offer a detailed briefing and, frankly, a tour because the complexities of the project really are just amazing. It is a very expensive project.

Ms. NORTON. With the indulgence of the Ranking Member, they are playing games on the floor to such a degree I thought that perhaps we could get a question or two in for Ms. Edwards or Mr. Perriello because we may be over by the time they finish if they still have votes and so forth.

Go ahead, Ms. Edwards.

Ms. EDWARDS. Thank you very much, Madam Chairwoman. I have a number of questions, but I just want to focus really quickly—and it is a bit of a tangential issue from where we are today.

But there have been several critiques, including my own, and other Members of the Committee about how the Agency determines where Federal leases should be located. And so I want you to just outline for me and articulate the process that happens on a staff level after you receive the requirements from an Agency—what they are looking for in a project and what is the role of the staff

in taking the recommendations, applying them to a specific project, and then making the lease.

And does the Agency then—is the Agency then able to revoke it or go back on their decision and ask for new requirements once the staff have actually made a determination according to the—a first set of requirements set before them?

And then, lastly, how much of a consideration is it to consider mass transit in a determination of leasing or building facilities or where the employees are residing? And if that is not in law, it is not codified, is there a need to codify it if we make a conclusion that the regulatory—the regulations process isn't working for applying those kinds of criteria?

Mr. COSTA. Essentially, we first rely on a customer agency to define their requirements, including locality requirements. But the General Services Administration ultimately has the responsibility to decide on a delineated area. In the past, we didn't do a good enough job, frankly, of working with customers, applying our ability to ask customers detailed questions about their requirements that would then conclude with their requirement piece of this.

But also from the standpoint of the market, we need to do a better job of aggressively pushing for maximum competition, the broadest competitive area that we can. We have been doing a better job in the last couple of years and, frankly, much of it has come from direction from the Subcommittee. In the past, we had had problems with changing delineated areas after authorization for projects. We no longer have that problem, both from the standpoint of your direction, the Subcommittee direction, to come back and notify when there is a proposed delineated area; but also we have revamped our internal business procedures, so there is not the flexibility that there used to be, both in requirements in general and in delineated areas.

So we have made a pretty dramatic turn over the last couple of years to, again, put a fair amount of structure in those deliberations. And staff doesn't really have the ability, unless there is some specific mission requirement, to adjust those requirements, and certainly not in mid-procurement.

There are times when mission needs do change during the procurement process. But none of us like to get into that kind of situation because it is—frankly, it isn't fair to the market for the government to change requirements unless there is some real need for it.

We had a great meeting in March, talking about this issue. We have been issuing new leasing guidance. A year ago we introduced what we called our green leasing clauses. We are issuing new clauses this fall to require ENERGY STAR buildings. What we have talked about, and I think it is a terrific idea, is to start to add some structure around the issue of sustainability, commuting patterns to locational decisions.

Now, our current regulations suggest that we need to include those things, but I don't think we have done a good enough job of actually both giving direction to Agencies as to how to consider those things. We just say, you are required to do it. We are going to provide a deeper structure and analytic approach to that so that we can do a much better job for the Federal Government, taxpayers

and localities to explain how we are concluding a locational decision.

Ms. EDWARDS. Is there a role for this Subcommittee, for this Committee, to address some of these questions and give perhaps more guidance with your suggestions in that area so that you can actually better apply what your goals are?

Mr. COSTA. I think it would be great to have that kind of discussion. I think it is our obligation to put forth a framework to you all to consider.

Ms. EDWARDS. Madam Chairwoman, I will conclude here, but I look forward to working with you to make sure that that, in fact, happens. Thank you.

Ms. NORTON. Thank you very much Ms. Edwards.

Mr. Perriello?

I want to say before Ms. Edwards leaves, that she ran down a list taken right out of GSA's playbook where an egregious amendment was added to a prospectus that undermined the very prospectus language that we required, that there would be no change in the procurement or the solicitation area. It was a shocking—it was so shocking, and it came to our attention only because the developer brought it to our attention.

I simply must ask you, with her present, since what resulted is that you had to cancel, as I understand it, that amendment which said that the facility had to be near the existing, also-rented facility; that it be near churches, in violation of church and state; hardware stores; as I recall, hairdressers. It was a clear setup to make sure that this facility did not go in Prince George's County, and that the new facility would remain in Montgomery County.

There was no way to avoid that implication. It bordered on corruption, frankly, but it had a lot to do with simply doing whatever the Agency said.

So let me ask you, what is the status of that project? Has that project been awarded? And if so, where and when? It is an HHS project, I believe.

Mr. COSTA. No. I do not think that the HHS lease has been awarded. I am certain it has not been awarded.

Ms. NORTON. Do you intend to award a lease? It was obviously something that needed to be done because you had gone pretty far.

Mr. COSTA. We do intend to award a lease. But as recently as this week, talking with our colleagues in the National Capital Region, we did talk briefly about the HHS lease, and it has not been awarded.

I can provide you more details on the schedule for that award.

Ms. NORTON. Within 30 days, please.

Mr. COSTA. Yes, ma'am.

Ms. NORTON. Thank you very much.

Ms. EDWARDS. Madam Chairwoman, I would just say—one, thank you for raising that question. That does go to the heart of the questions that I raised, and it is that, you know, once those requirements are set down and GSA goes through the process of implementing that, it does raise a question when the process seems to be aborted or deflected based on a whole set of new requirements that were not in place at first when GSA was looking at the project.

And so that is—I mean, my question is, how do we move forward in enabling GSA to move forward in implementing Agency requirements without interference and in a process that involves a little bit of fairness and equity to all jurisdictions, so that people just understand what the rules are, what the process is, and that there is a sense that there was a bit of evenhandedness and even arm's-length distance in that implementation and negotiation without interference once the requirements are set down.

And so I thank you, Madam Chairwoman, again, for raising this question.

Ms. NORTON. Thank you, Ms. Edwards.

So can you assure this Subcommittee that the prospectuses that we approve today will abide by the 2007 language, language which obviously, in light of the violation, needs to be strengthened; and that the solicitation area and that the procurement area will be identical and not solicitation area and then you procure in some subset of that area?

Mr. COSTA. Yes.

Ms. NORTON. Thank you, sir.

Mr. COSTA. With no uncertainty.

Ms. NORTON. Now, I understand that—before I put to sleep the USDA, that 2 months ago, the staff asked for language for the appropriation report which, I assure you, I could have tried very diligently to get.

Why is that language regarding—why did that language regarding USDA not come forward?

Mr. COSTA. My understanding is that we had provided that. If we hadn't, then it is my mistake to suggest that we had.

Ms. NORTON. You are the Acting Commissioner, and that is something as important as providing language for your own appropriation, for delinquent rent that goes back to—10 years, nobody keeps track of whether or not it has even been submitted?

Mr. COSTA. I hope that is not the case, but if it is, I do take full responsibility for it.

Ms. NORTON. Did it clear OMB? Do you have to go to OMB to get your own back then?

Mr. COSTA. No. When we get a request from staff to help with drafting language, we do not have to go through the Office of Management and Budget.

Ms. NORTON. We just ask that you at least give us a little help. We can be helpful.

Mr. COSTA. I understand fully.

Ms. NORTON. But it leaves a very bad taste in our mouth when we are not even informed of how to be helpful.

Let me ask you about the high-performance green buildings. The President of the United States was real clear that in the infrastructure money, he wanted the emphasis on high-performance green buildings and other green projects. And because the GSA project is under his direct supervision, through you, this was particularly important for GSA.

I indicated that, unlike virtually every other project, this one is going to be traceable right back to us; therefore, the oversight is very important. So we have already passed the climate bill. Shows

you the kind of—energy bill, rather. Shows you the kind of priority we have given this.

Then we learned, or at least I did in preparation for this hearing, that this new office we authorized, I suppose in the first energy bill, the Office of High Performance Green Building, has yet to have a permanent director. I know this issue goes back to at least April, at a Full Committee oversight hearing; and we were assured, and the language, as I recall, it was full speed ahead to get a director.

Why is there no director? Or perhaps there is and we just haven't heard about it.

Mr. COSTA. Well, we have an acting director, and he is sitting behind me to my right, Kevin Kampschroer, who is doing a terrific job.

Ms. NORTON. Why is there no permanent director full speed ahead.

Mr. COSTA. Essentially, what it comes down to is we don't have a permanent administrator. And there are——

Ms. NORTON. What does that have to do with it? You are waiting for her to appoint the person, but you have somebody to recommend to her?

Mr. COSTA. Well, the process is already started. We recruited for the job. We did interviews. I am sorry, we are scheduling interviews. And we will be ready for a new administrator to make a recommendation so that——

Ms. NORTON. As soon as she is confirmed?

Mr. COSTA. Probably about 3 weeks. Well, we are waiting for her to be confirmed.

Ms. NORTON. I want to know if there is going to be—somebody has got to recommend to her. She is not going to start from scratch. We are now well into the process, green building process.

Mr. COSTA. Yes.

Ms. NORTON. I am concerned that you are having to rely I am sure on competent personnel, but not on the specialized personnel authorized by our bill. Therefore, I need to know whether or not when she is confirmed she can be presented with your list of candidates or not.

Mr. COSTA. She will be. As a matter of fact, she won't even have a list of candidates, she will have a recommendation for an individual candidate. And based on our schedule of interviews, that will occur by the end of July, which is what we have been telling folks publicly.

Ms. NORTON. The end of July?

Mr. COSTA. Yes.

Ms. NORTON. Oh, that would be, assuming we get through the confirmation process.

Mr. COSTA. Yes.

Ms. NORTON. That is just so important that there be somebody with that specialized experience. There are all sorts of people who know how to do all kinds of things, but we are looking for a highly qualified person in this specialty, which is what it is today. I am sure I indicated in my opening statement that you know, we are funding projects in all 50 States. That is how you do a stimulus project, a stimulus funding, because everybody is going to be look-

ing. That is not how we do project selection generally. So I wish you would tell the Subcommittee how the agency prioritizes projects. How do you decide, particularly given the poor state of the Federal inventory, that one project gets funded and another does not?

Mr. COSTA. Well, essentially we rely on four or five factors. The first factor is really customer urgency, the mission occurring in the building.

Ms. NORTON. Now, customer urgency means what, the roof is leaking and people are complaining?

Mr. COSTA. Essentially, things that are either harming productivity of our customers in a building——

Ms. NORTON. Give us an example of what those things are.

Mr. COSTA. Failing roofs, air conditioning that doesn't work, heat that doesn't work. Things like that. We also rely on customer priorities. So when we are choosing, for instance, courthouses, we rely on the Court's 5-year plan.

Ms. NORTON. In that regard, how did Yuma, Arizona, and Lancaster, Pennsylvania, not on the full list, get included in the request for 2010?

Mr. COSTA. The Court's 5-year plan is a 5-year construction plan. Both Yuma and Lancaster were projects that had been blessed by the Judicial Council—or the Judicial Conference, I am sorry, but were deemed to be lease construction projects. When we continued to evaluate the market and——

Ms. NORTON. Go ahead.

Mr. COSTA. Actually, both Yuma and Lancaster were small enough projects they would not have required a prospectus.

Ms. NORTON. No, no, we understand that.

Mr. COSTA. But both were going to be lease construction.

Ms. NORTON. Why? Why do lease construction, an expensive way to——

Mr. COSTA. Because of funding constraints we do lots of leasing that in the end——

Ms. NORTON. Courthouses? When is the last time you did lease construct courthouses?

Mr. COSTA. In the last 20 years we have probably done 15 to 20 lease construction for courthouses.

Ms. NORTON. If that were the case, we wouldn't be turning down so many people to come to us for courthouses. We tell them it has got to be in the President's budget, it has got to be approved in the 5-year plan. We are being besieged all the time. I don't know what I am to tell people now. Has it been funded?

Mr. COSTA. The prior 15 to 20?

Ms. NORTON. No, this one, these two courthouses.

Mr. COSTA. No, that is what we are requesting this year, or for fiscal year 2010.

Ms. NORTON. Well, just a moment. Somebody really does need to look. Has anybody found out the answer to my first question? Somebody really better look at that 2010 appropriation, because it has been done. God, I am like way on right when it comes to my appropriation to see what really got funded. That is all I want to know. Did this Subcommittee—I am sorry, Full Committee fund this lease construct two courthouses in its appropriation?

Mr. COSTA. For Yuma and Lancaster?

Ms. NORTON. Excuse me? For both of them. Or either of them.

Mr. COSTA. Those projects were both meeting requirements of the courts, and we were in the beginning stages for Lancaster and had begun a procurement in Yuma, Arizona. When we looked at the market and where we thought the—and the rent rate that we knew that those projects would require, we decided it made more sense, in light of Subcommittee direction and GAO guidance, to change direction and propose the construction of those courthouses because of the cost.

Ms. NORTON. So there is no money in the appropriations for these courthouses but you are going to do them anyway? Make me understand.

Mr. COSTA. No. When we proposed these projects as lease construction projects, frankly the only money that was required is for the courts to get money to pay us rent. So from that perspective, all that was required was for the courts to budget for rent. When we started to approach the market in Yuma and started to look at the market in Lancaster, it was pretty clear to us that the rent rates associated with these lease constructed courthouses would be extremely high and didn't make sense for taxpayers, so we did change direction.

Ms. NORTON. So they will not be constructed.

Mr. COSTA. We are requesting funding in 2010 to do construction of these two courthouses.

Ms. NORTON. The appropriation passed last night. Have they been funded?

Mr. COSTA. I have a card with neither were funded.

Ms. NORTON. So your testimony is that these two projects will not proceed because they have not been funded. Is that correct?

Mr. COSTA. Based on House action, no.

Ms. NORTON. Does that mean you will seek the funds in the Senate?

Mr. COSTA. That is the part of the President's request, yes.

Ms. NORTON. All right. Let's see if they fall for it.

Now, there is $60 million for energy and water retrofit. They are high performance green projects, fire protection projects. That is in your ongoing budget for 2010. How does that fit, particularly since these are energy projects as well, how does that fit with the stimulus? What is the connection, if any, with your stimulus funding?

Mr. COSTA. The basic connection is that there are two requests, one for 20 and one for 20, adding up to 40. The first $20 million for—really are for the same kinds of things we are funding through Recovery money. It is just a different set of buildings. We had not been able to do——

Ms. NORTON. These are ongoing needs that you would be funded anyway?

Mr. COSTA. We had requested and received funding for the last number of years for this type of work. And so it is the same kind of thing, lighting, repairs to HVAC systems, things like that, but in a different set of buildings than we had been able to do work in through Recovery funding.

The second request for $20 million is actually to look at buildings that are either in the final stages of design or actually, where we

have begun construction, to look at alternative energy sourcing that we had not proposed in the design of those projects. For instance, there is a land port of entry in Alexandria Bay where we are looking at geothermal applications that we had not proposed in the project.

Ms. NORTON. Why would you have—I thought when we build anything today, given what we now know about payback, we would always seek to get that no matter what we build.

Mr. COSTA. That is what we have done. But because of the economics and the payback, we are much more aggressive about adding that kind of work, and that is what that second $20 million will allow us to do.

Ms. NORTON. Can you assure us that we will not build afresh and anew unless there is a significant energy component in the future whatever we do?

Mr. COSTA. I can assure you of that. We are changing our standards to ensure that—our basic standards to ensure that happens for all projects.

Ms. NORTON. Mr. Cao, before I proceed further I should ask you if you have any questions or any statement you would like to make.

Mr. CAO. Thank you, Madam Chair. I just have a very quick question. Based on what I have read here, you have received $5.5 billion for construction in authorized projects in the stimulus bill. Is that correct?

Mr. COSTA. Yes, sir.

Mr. CAO. How much of that money has been obligated?

Mr. COSTA. $320 million. By the end of July, we will have obligated $1 billion. By the end of the calendar year, we will have obligated $2 billion. By the end of March, our total obligation will be $4 billion.

Mr. CAO. Okay. So as of this point the percentage of obligated funds would be approximately——

Mr. COSTA. 320 divided by 5.5 billion, 7 or 8 percent.

Mr. CAO. 7 or 8 percent?

Mr. COSTA. Yeah.

Mr. CAO. Okay. Why such a slow process or pace?

Mr. COSTA. We feel like the pace is pretty quick. We just submitted a list of projects in March. And so what we have tried to do is take advantage of projects that were phase projects and fund future phases now. And that is the bulk of the work that is going on at this point. We are using accelerated contracting methods. This pace of obligation is beyond anything we have done before. And I know that it might seem slow, but I can assure you it is well beyond anything we have done in the past.

Mr. CAO. Okay. The 2010 program this year was submitted in June, which gave us little or no time to review the proposed projects prior to the appropriations cycle. Why was the program submitted so late? And do you commit to an earlier submission next year?

Mr. COSTA. I can commit to that. I think this year was difficult because congressional action didn't occur on our 2009 budget until well into the budget year. And with the Recovery Act, we had to submit a fairly extensive list of projects. So we had to both see what Congress would end up enacting in 2009, put together a pret-

ty significant project list for recovery, and produce a fiscal year 2010 project list. So it was a little bit of a perfect storm when it comes to project planning. I can assure you that we will do better next year. We have to do better next year, because we do understand that a June submission does not give you enough time.

Mr. CAO. And of the $5.5 billion that you received under the stimulus bill, how much of that was or would go to Louisiana and how much would go to the Second Congressional District?

Mr. COSTA. I will have to follow up with that specific information.

Mr. CAO. Okay. That is all the questions I have, Madam Chair. Thank you very much.

Ms. NORTON. Thank you, Mr. Cao. I took note in my opening statement of the President's decision to purchase the Columbia Plaza Building. As you know, regardless of whether it is purchasing or leasing or construction, it has long been my view that a down economy is the GSA economy. And I would like to know if there are any other such opportunities, whether in purchase, leasing, construction, that you could use to the advantage of the taxpayers.

Mr. COSTA. Madam Chair, you have been very vocal about our ability and our initiative related to the market. And it makes perfect sense. We are looking at every major lease across the country, looking at terms in the leases to understand better where we might have the ability to extend those leases and take advantage of market conditions to extend those leases at better rates. We are also looking at the possibility of another building acquisition program, which we haven't had for a decade. And we are looking at those possibilities for fiscal year 2011. So we are doing both things, and we think they make very good sense.

Ms. NORTON. So in light of our request in our recent letter for a 45-day response on early leasing and lease holdovers, where are you? What is the status of that, please?

Mr. COSTA. Well, we are in the middle of that process, and we owe you a response by July 27th.

Ms. NORTON. And you will be on time?

Mr. COSTA. We will be on time.

Ms. NORTON. I hate to think of this economy as something that we want to quick, hurry, take advantage of, because we don't want it to linger. It is bad for everybody I can think of except a big developer and real estate operator like the GSA. Now, I recognize the President probably doesn't have $100 million to throw around on lots of buildings. That is why we sent our correspondence to you on early leasing and the holdovers. The notion of going to an owner now seems to me to put you in the position of an offer he can't refuse. He doesn't want holdover status. And when he sees you are into early leasing, he may get an offer he cannot possibly refuse. He doesn't want to lose you. He doesn't want to be in holdover. And we would be dismayed if at least for that, because again $100 million opportunities may not be what the budget will allow. But this is ongoing business of the agency. That, it seems to me, has to be scrutinized very, very carefully to see what is appropriate and what is not. We are not implying that it is always appropriate. We think it is always appropriate, bad or good economy, to try to do some

leasing that you think you are going to need as early as possible. We also are aware of what we regard as almost criminally reduced staffing so that you have had to borrow people even to do the stimulus correctly. We understand that. But there are some things worth bringing in people to help you do. And taking advantage of this market I would place high on the list.

I am very pleased that you are going to have that report back to us on time. Now, would you describe what 412 authority is and why the agency has not used this authority? Describe 412 authority as you understand it as authorized and approved by this Committee and the appropriators.

Mr. COSTA. Section 412 is a section of an appropriation bill, I think 2005 if memory serves me. One thing it provided, which is fairly straightforward, is the ability for the General Services Administration to retain proceeds of property that we dispose of. And we have taken advantage of that to the tune of about $200 million over the last few years. But in addition——

Ms. NORTON. What was that in relation to, please?

Mr. COSTA. Excuse me?

Ms. NORTON. You said you had taken advantage of it.

Mr. COSTA. Just from the standpoint of when we dispose of properties. Prior to 2005, those proceeds went into the Treasury.

Ms. NORTON. Now, have any of those—any disposals where funds have gone to the Federal Building Fund?

Mr. COSTA. Yes, they have, $200 million.

Ms. NORTON. And what were those? What were those?

Mr. COSTA. Just the disposal, our normal disposal kinds of——

Ms. NORTON. Would you get the Subcommittee a list of those disposals?

Mr. COSTA. Sure. I can do that.

Ms. NORTON. Thank you.

Mr. COSTA. But in addition to the retention of proceeds, the language contained in section 412 we think arguably gives us more authority than we had prior to 2005.

Ms. NORTON. Arguably? Is there an argument on the other side that the Subcommittee and the Appropriations Committee should be aware of? In other words, you think you already had this authority?

Mr. COSTA. No, we think section 412 gave us additional authority, and we appreciate it. And there are no arguments on the Subcommittee's end as to what authorities those are. Within the Federal Government there had been and continue to be discussions about what that authority looks like. These are ongoing discussions, though. And we are looking at a couple of specific proposals——

Ms. NORTON. I have got to understand. Because if the Subcommittee and the Appropriations Committee could clarify what we are talking about, that is why I asked you to describe your understanding of 412 authority. Because the failure to use it suggests that there is some lack of clarity that the Subcommittee and the Appropriations Committee needs to rectify.

Mr. COSTA. Well, the clarity that would be most useful, because many of the arguments are associated with budget scorekeeping, not with the authority.

Ms. NORTON. Say that again.

Mr. COSTA. Budget scorekeeping. Frankly, the same issue that we are dealing with across the board. Section 412 provides authorities, but using those authorities, they are scored. And it mostly has to do with who is accepting the risk of these real estate transactions. And so as we proposed——

Ms. NORTON. So OMB's reason for refusing to allow you to use this authority is that it scores, although the appropriators and the authorizers thought it did not? Have we gone to CBO?

Mr. COSTA. We have not. But one avenue might be to propose specific transactions and do that kind of scoring analysis.

Ms. NORTON. In other words, sometimes it scores and sometimes it doesn't? I mean if CBO had a different view, it would be important to know that.

Mr. COSTA. I think that makes perfect sense to talk with CBO.

Ms. NORTON. Yeah, I know they are reluctant to give, quote, advisory, forgive my legalese here, opinions, but when you consider that we were trying to avoid a scoring problem that has kept the government from in fact doing what is in its own best interests, the notion that OMB says it scores, end of argument, you know, next time you see OMB tell them this for us. The people who just informed President Obama a couple of weeks ago that his health care bill only covered 16 million of at least 50 million people who would need to be covered are in no position to offer a final opinion on what scores. There is only one authority on scoring, and all branches, all three branches agree that the final authority rests with CBO. So I think at the very least we should be trying it. And if we are pushed back by CBO, we will understand. But it is the failure to use it, especially if it is because OMB says so. You know, for OMB to throw up, even if they had a record, scoring would still be to deal with a nonobjective source. So we are very concerned that after going through a whole lot to get appropriators to understand what we meant and in order to get it done, we have been stuck on stupid, it looks like, in two administrations.

Are you telling me that the Obama OMB is saying the same thing that the Bush OMB said with respect to scoring?

Mr. COSTA. Up to this point we have not had direct and comprehensive discussions with OMB leadership about budget scorekeeping of real estate.

Ms. NORTON. Now, I am going to ask you to do this within 30 days and report back to this Committee. You will be handicapped, as I pose this question to you, by the fact that OMB is handicapped by having almost no staff that understands real estate. Remember we had to overcome the notion that the Old Post Office scored even though it was replicated on the Tariff Building. And they told you all it scored. So, you know, OMB has no credibility on the scoring matter with us. But your testimony indicates that you have not gone before this OMB to say, look, we have this authority, I am going to have to go before the authorizing Committee. They felt strongly about it, so strongly that they were able to get the authorizers. And this is how it saves the government money. You have to take them to dumb school. You have got to say, okay, follow me.

Is it your view that it would in fact be to the benefit of the government in cost savings or any other respect to in fact use 412 authority? Is that your view or not?

Mr. COSTA. I think we start——

Ms. NORTON. If it did not score.

Mr. COSTA. We will begin to have that opportunity with OMB leadership starting tomorrow, because we have a Federal Real Property Council leadership meeting.

Ms. NORTON. Who is that?

Mr. COSTA. It is an executive branch, basically, committee of Federal real property holders.

Ms. NORTON. How come these things don't score for the VA, don't score for DOD, don't score for DOE, but everything scores for GSA?

Mr. COSTA. To some extent it has been unclear to us why that is the case.

Ms. NORTON. You have got to put that to OMB. GSA has got to get somebody who knows how to advocate for the agency. I believe that this administration is trying to bring some fresh eyes to all of this, and I will do my best to help. But you are all the people with the grounded expertise. And the notion of going to this OMB and saying this is how we can save some money, let's try a project and see what CBO says, what is there to lose? Even if there were let's say a pilot project.

Mr. COSTA. We agree, and I will start that discussion tomorrow.

Ms. NORTON. Oh, I so appreciate that. Would you let us know in 30 days how that is coming? I understand internal discussions, but we could be having discussions, too. For example, our staff director, Susan Brita, had to take—it was CBO, wasn't it? Now, you know, we do depend upon CBO to be objective. But she had to take CBO to the cleaners, keep them there for a long time before she was able to convince them that the Old Post Office did not score. It was very, very troubling. So I guess we should say that real estate is not of much concern at CBO either. But we can avoid the fact that similar projects in other agencies do not get scored.

What is the status, since I mentioned the name, of the Old Post Office project?

Mr. COSTA. We are about to host an Urban Land Institute forum to talk to the private sector about the current capital markets and the ability to finance a project for the Old Post Office so that can help——

Ms. NORTON. See, that is what we lost from—here, we needed to take a bill through the House and the Senate to do something that you did administratively with the Tariff Building. Not your fault. OMB made you do it again or made you not do it. So we had that terrific market, and now you have got to find somebody who can go to the capital markets and get the money to renovate that building there, which is going to be harder than it would have been had you been able to proceed administratively as you had intended.

When you are sitting at this real estate forum that you mentioned, you have got to make OMB understand that you are one of them, not an agency like other agencies over here. You are classified as far as OMB. And it looks as if even CBO will classify you as an agency that is not in the market the way most agencies are not. You are in the market. You are a big player in the market.

And they have you playing by rules that nobody in the market worldwide plays by, because nobody over there understands that you are not just another Federal agency. You are like the VA, you are like the DOD. None of those agencies are held to that standard. There is no excuse. The only excuse is OMB has not had—I am sorry, GSA has never had the leadership that—because this has happened through Democratic and Republican administrations—who could take the case and keep pressing the case, in writing if necessary, showing them exactly how you save money so that at least when handed the authorities—was it 4 years ago—you could come back and say, well, CBO now says it. So we find it entirely unsatisfactory that we are keeping to ask this. And if you tell me you are going to bring it up tomorrow, you should explain to them the insistence of this Subcommittee and this Full Committee that GSA be treated as similar agencies engaged in the real estate market.

And I am going to ask my Ranking Member if he has additional questions. He was kind enough to yield to the other Members.

Mr. DIAZ-BALART. Thank you, Madam Chairwoman. I think this was a very good discussion you were just having. I was voting, but I understand again that you talked about the building purchase program that you are going to be—I apologize, I wasn't here for that. I am going to ask you to repeat what you talked about that.

Mr. COSTA. Madam Chair suggested that GSA should take advantage of the market both from the standpoint of potential acquisitions and looking at our leases also, not just acquisitions. And we agree fully. We are going to look both at all of our major leases to understand both the terms and the market conditions to prioritize, frankly, where to aggressively push and maybe lease extensions and other kinds of things. But in addition, we are going to look at the market for building purchase opportunities. We had a fairly ambitious building purchase program probably, I am losing track of time and I apologize, 10-plus years ago.

Mr. DIAZ-BALART. The 80s I think it was. We are getting old. I don't mean to scare you on that one, Mr. Costa, but it was a little longer than that.

Mr. COSTA. It was longer than that. My God. And that was very effective. Our issue of course will be finding money to do that also.

Mr. DIAZ-BALART. Sure.

Mr. COSTA. So we think it is worth looking at and possibly requesting funding to do that. But from our perspective, obviously, we are not going to be able to fund too many potential acquisitions, but we can at least look for targeted acquisitions to take advantage of the markets.

Mr. DIAZ-BALART. Good. I am glad to hear that, because it is obviously something that we have been talking about. And as much as it can be done, it makes a lot of sense to do it right now, obviously.

Let me just talk very briefly, I mentioned a little while ago the FBI consolidation in Miami-Dade County. Can you elaborate a little bit on the project and what offices will be consolidated? What is the timeline? What are we looking at there?

Mr. COSTA. FBI was part of a request we made a while ago, frankly, for a DOJ lease consolidation. This Subcommittee ap-

proved that project. That was approved in 2006. Since that time, a couple of those agencies, I am sure this is not the technical term, bailed out of that consolidation, and we found other lease locations for them. We had been working with the FBI to look at a consolidation of their field office function in a lease. But for the same reasons, frankly, that we had talked about those small courthouses, when we looked at the costs of that, it made a lot more sense to propose the construction of a new building. We are using the same delineated area that we were using for the lease project to look for sites. And that is exactly what we have started right now. And we are in the process over the next basically two-and-a-half months to choose a site for the new field office.

Mr. DIAZ-BALART. And that would be construction?

Mr. COSTA. It will be construction. And that is what we requested, authority to go ahead and build a new field office.

Mr. DIAZ-BALART. And you are looking at consolidating the 12 locations into one?

Mr. COSTA. All 12 locations. The FBI mission has grown dramatically in south Florida. There are a number of task forces that have been established related to FBI functions that will be part of that consolidation.

Mr. DIAZ-BALART. Great.

Mr. COSTA. It is one of the most important and critical FBI needs in the country.

Mr. DIAZ-BALART. Great. I am glad to hear that. Again, you said you think in the next couple months you will have——

Mr. COSTA. Yes, we will keep you informed of how that is going.

Mr. DIAZ-BALART. Please. Great. Thank you.

Madam Chairwoman, one more question if that is all right. Going to a totally different part of the country, the new land port entry in Maine. Now, I understand that it is about $743 per square foot. Can you explain that apparent high cost associated with the project and the need for this new port of entry?

Mr. COSTA. Madawaska, Maine, is the third busiest port in New England. And the facilities just aren't adequate for the mission. The total cost of the project will be close to $70 million, including design. The unit cost for land ports of entry are really, really difficult to both describe and calculate, because a lot of the costs of land ports of entry are really the infrastructure, the roadways. And in addition, there are many smaller buildings that make up ports. And frankly, you don't get the efficiencies that you do in a bigger building. So the unit costs are higher. There is no question about it.

The cost of Madawaska is almost $500 a square foot. And we can go into more detail about why land ports of entry, at least on a unit cost basis, are more expensive. But it is really difficult to compare them to general purpose office space because it is just not general purpose office space. You just don't get the efficiencies. And the infrastructure surrounding land ports are very expensive.

Mr. DIAZ-BALART. If I may, Madam Chairman, just to finalize, again, thank you, sir, for again, for being here today. I do want to just thank you for pursuing the building purchase program. But I hope that you get encouragement from this Subcommittee that that is something that, again, I don't know what can be done that has

better bang for the buck for the taxpayer than that. And particularly in the market like this, which hopefully will not last long, and it is an opportunity that I hope you do pursue as aggressively as possible. So anyways, thank you.

Mr. COSTA. We will, and we appreciate the support.

Ms. NORTON. Thank you, Mr. Diaz-Balart.

We were briefed yesterday, and apparently the hearing has been held in the Senate already concerning a GSA report that showed that GSA was able to penetrate at a virtual 100 percent rate Federal office space with various bomb making materials, able to get through in various parts of the country. What is your response to these tests and the reason for the failures to detect the bomb making materials that we understand could amount to the makings for three sticks of dynamite?

Mr. COSTA. We were extremely concerned to hear about GAO's activities and report on those activities. We learned of them a couple of weeks ago. I met with the director of the Federal Protective Service last week to both express our concerns and understand better how the Federal Protective Service was going to respond to what the GAO found in their review. I do know the Federal Protective Service has issued guidance both to their folks and to customer agencies related to the Contract Guard Program.

Ms. NORTON. Since these tests were performed by GAO?

Mr. COSTA. My understanding is that the FPS did get briefed early on because of the severity, frankly, of what GAO had been able to do, and had provided FPS a little bit of information a number of weeks ago, and the FPS did respond to that with additional guidance. But we continue to be concerned. Clearly, we have worked extensively with the Federal Protective Service to protect and secure our facilities and the people in them. But they have a ton of work to do and we have a ton of work to do with them to ensure that this doesn't happen again and is corrected.

Ms. NORTON. I understand that, Mr. Costa. Of course I come to this with some experience because I am a Member of the Homeland Security Committee and a Member of the Aviation Subcommittee. So after 9/11, GAO did a number of these, various agencies did a number of these. And even with the very tight security at the airports, you could get through materials then with people who are highly trained.

Let me tell you what my concern is. See, I am not going to sensationalize this issue. I am very concerned of course. This is the National Capital Region. We don't know where these were—we do, but the public doesn't, and it is better kept that way. Because there is not a lot of alternatives to people entering these buildings. We have got to do better. But this is not a hundred percent, and nothing is a hundred percent since 9/11. I hope people understand there is some risk. My concern is that the risk analysis is not a part of the way Federal Protective Service operates, risk consequences. But I am equally concerned because we are all amateurs at security. We have never had to do the kind of security we now do until after 9/11. Well, yes, some after Oklahoma City. But 9/11 was a wakeup call. And so people who were not security experts, basically very good police officers, are called upon to make decisions that they clearly haven't been trained to make. If anything, they over-

compensate more often than not, without being able to show that the overcompensation results in better security.

We are going to have a hearing, but we are not going to have a hearing just on the ability to get explosives in. I have been there, done that for 7 or 8 years in Homeland Security and GAO, Aviation. I am far more concerned, Mr. Costa, about how each building does security and the huge disparities without regard to the security risks in a particular facility.

For example, today in the Department of Transportation my staff on the Congress, your staff, you could not get into the building unless somebody comes down from the Department of Transportation on their staff to escort you into the building. We learned that last year. We were astonished, since we know for sure of buildings that are higher security where this is not the case.

Could you explain how such disparities in security, without regard to risk and consequences, could result across the various agencies of the Federal Government? Who is responsible for deciding what security is appropriate for each of your facilities?

Mr. COSTA. Well, there is both bad news and good news. The bad news, and I agree with you fully that the system isn't working—the bad news is that right now when you look at Federal facilities across the board, not just GSA buildings, but building security committees that are made up of customer agencies, the occupants of buildings, and the Federal Protective Service and GSA, if it is a GSA building——

Ms. NORTON. Excuse me, who are these people that you just named?

Mr. COSTA. It is a committee called the Building Security Committee.

Ms. NORTON. Who would be on such a committee?

Mr. COSTA. Customer agencies, the tenants of the building, with the——

Ms. NORTON. What is their role?

Mr. COSTA. Well, their role is to actually take in information from the Federal Protective Service, security assessments, and ultimately make decisions, with Federal Protective Service input, as to ultimately both the physical and operational security measures that will be implemented in buildings. That system——

Ms. NORTON. I have to understand this. So, you know, I am a clerk at HHS. What is my role with respect to the Federal Protective Service? I am on this committee. I am very concerned about security after 9/11, I am very concerned.

Mr. COSTA. What is supposed to happen is the agency, the designated agency official, every building has a designated agency official.

Ms. NORTON. Is that a person with any security expertise?

Mr. COSTA. No, it is a relatively high level management person with responsibility for the building and the occupants of the building, but not necessarily security expertise. What he or she is supposed to do is help guide the formation of a building security committee, which would include one or two or three tenant representatives, the Federal Protective Service, and a GSA building manager, because of course GSA has——

Ms. NORTON. You have got to help me, Mr. Costa. I can understand how there should be—it is like a tenant advisory committee. I don't understand the role of nonexperts in deciding—sitting at the table. Do they have a vote?

Mr. COSTA. I don't know how they operate on a day-to-day basis. And frankly——

Ms. NORTON. They are your buildings, Mr. Costa. I am talking about your buildings. I am trying to find out who is responsible for establishing, for example, in the Department of Transportation——

Mr. COSTA. The Federal Protective Service——

Ms. NORTON. —somebody has to come down and get you. And let me go further. If you are a taxpayer visiting the District of Columbia and you have a kid who needs to go to the, excuse me, lavatory, says mommy, I have got to go, cannot get into that building he paid for. Who is responsible, Mr. Costa?

Mr. COSTA. Tenant agencies ultimately, with Federal Protective Service input, describe the countermeasures, both operating and physical, that are incorporated into the building.

Ms. NORTON. So who is the decision-maker or, as President Bush would say, the decider?

Mr. COSTA. The head of the BSC.

Ms. NORTON. What?

Mr. COSTA. The head of the building security committee. But there is good news. I was hoping to get to the good news.

Ms. NORTON. Please get to the good news.

Mr. COSTA. The good news is the Interagency Security Committee has developed draft revisions to how those security committees will work. I have been very concerned about the fact that there are people without technical expertise——

Ms. NORTON. Here is another committee. Tell me about that committee.

Mr. COSTA. That committee is a committee that is run by the Department of Homeland Security, and it is supposed to rationalize security issues across all Federal agencies.

Ms. NORTON. What is the point of having—look, I am accustomed to people who have expertise not knowing what they are doing. Namely, I know there is nobody in the security business in these agencies that strikes me as yet of the expertise I have seen on CODELs where I visited. Instead, the amateurish quality of it is overwhelming to see.

So you got to make me understand. I can understand that tenants would complain about this, you know, I can't get in or these people can't get in. Make me understand why nonexperts should be sitting at the table with FPS, supposedly expert, in deciding what the security arrangements in a building will be.

Mr. COSTA. FPS brings the technical expertise to the committee. They are responsible for doing building security assessments on a periodic basis.

Ms. NORTON. And they alone have the technical expertise, don't they?

Mr. COSTA. The Federal Protective Service.

Ms. NORTON. What is the role of somebody who doesn't have any expertise when it comes to security except to do what I do, complain about too much security or I have seen people get in who

shouldn't? What is the role? I can understand, I like the fact that we hear from Federal employees. What I am trying to understand, how come they are sitting at the table in a decision-making capacity with the Federal police, who alone have the expertise at that table?

Mr. COSTA. I think the basic issue is that the expertise comes in from the Federal Protective Service, but the ultimate bill for that security is paid by those customer agencies.

Ms. NORTON. Excuse me, it is certainly not being paid by the Federal employees who have no expertise. Are you saying because they pay to lease buildings they get to decide security in Federal buildings rather than GSA and the FPS?

Mr. COSTA. Ultimately, the Federal Protective Service provides technical expertise. The designated agency official is ultimately responsible for making decisions about things like post orders with information and expertise provided by the Federal Protective Service, because ultimately those agencies are paying for those security measures.

Ms. NORTON. Now I understand how the bombs got in. It seems to me people are all over the map. That is to say you can have people like me who have seen the overregulation, the ″shut the place down″ kind of approach of your security officials after 9/11. And there were a lot of very nervous people. Who is to know who is going to be on one of these committees? What bothers me most of all is that they would have anything but the kind of role that it seems to me they should have. Tell me what your concerns are. Tell me what those concerns are based on. We will take those into account when we decide what security is appropriate for this building. Is that not the way to proceed?

Mr. COSTA. Just to be clear, from GSA's perspective we have asked the Federal Protective Service to take on that leadership role. We think it is the appropriate place.

Ms. NORTON. Why are they not taking on that role now?

Mr. COSTA. I think with the revisions in the drafting in the ISC guidelines——

Ms. NORTON. When will those guidelines be done?

Mr. COSTA. This summer.

Ms. NORTON. Can you give us any assurance that those guidelines will in fact not leave customer agency personnel, expert in agency matters, as decision makers for the security of Federal assets?

Mr. COSTA. I can assure you that as a member of the Interagency Security Committee, first of all, we will bring those issues to light. I can also provide specific information on how the DHS and the schedule for the ISC promulgating the draft guidelines, and we would be happy to both attend, facilitate, and help get this to, frankly——

Ms. NORTON. All these agencies before us, not just you. We are going to expose what these agencies are doing. Essentially, Mr. Costa, and I say this for the record, just like GSA has given over much of its functions to the agency, as Ms. Edwards brought out when it decided that HHS should be able to live wherever it wants to be, whatever the expense, essentially you have given over security to these people who, as you say, pay the bill, which they are

required to do as a matter of law, as if they had any alternative unless they happened to be the USDA. The notion, particularly after this hearing, that we are leaving, you know, civil servants at the table as decision makers for security in Federal buildings is shocking and totally unacceptable. Ultimately, their advice, just like the advice should have been received for the HHS building, is important. You can't know whether the security is too much, too little unless you talk to the people who live there. But they will have to be overridden sometimes. And if they are at the table, that is going to be very hard to do.

Mr. COSTA. Madam Chair, I am not doing a very good job of explaining what is essentially not within GSA's direct purview. So I think it would be most appropriate——

Ms. NORTON. It isn't in the—these are GSA buildings but it is not in GSA's purview?

Mr. COSTA. Not the policy and guidelines.

Ms. NORTON. Whose purview it is that?

Mr. COSTA. Federal Protective Service. So it would be better——

Ms. NORTON. You know, just a moment, Federal Protective Service was a GSA agency.

Mr. COSTA. Yes.

Ms. NORTON. Now, there is some shared responsibilities. All right, it is structurally in Homeland Security. So here we have the people that were over Federal Protective Service, who had to fund them, add to their funding every year because it wasn't enough funds, from the agency saying, well, you know, we, the parent agency, at least until last year, and still they shared a responsibility, it is not us, it is these people beneath us.

Mr. COSTA. I am sorry if it sounds like I am shirking——

Ms. NORTON. It sure does.

Mr. COSTA. —our responsibility, but that is not what I am saying. I am just saying it is unfair for me to talk in detail and represent——

Ms. NORTON. I am just trying to find out who the decider is. And you say Federal Protective Service, that reports presumably to you on matters of security.

Mr. COSTA. Federal Protective Service does not report to GSA as it relates to security. GSA participates with FPS to conclude on requirements when it comes to the design of buildings and the day-to-day operations. But FPS doesn't report to us.

Ms. NORTON. But over the design and day-to-day operations of buildings it certainly does. You just said so.

Mr. COSTA. They do not report to us.

Ms. NORTON. The day-to-day operations of buildings.

Mr. COSTA. For instance, the Contract Guard Program, contract guards are in our buildings, but we are not responsible for those contracts or those programs.

Ms. NORTON. Who are now?

Mr. COSTA. Federal Protective Service.

Ms. NORTON. Does that mean the Department of Homeland Security?

Mr. COSTA. Yes, I am sorry, DHS.

Ms. NORTON. Although it was in this Committee that we reformed the FPS wholesalely with respect to contracts, when felons

received contracts, straightened out I must say entirely satisfactorily. Although they were located in Homeland Security, when contracts weren't being paid, reformed it, just through a series of hearings. This is the Committee which has jurisdiction over you. What were we doing in that if you don't have anything to do with the Federal Protective Service?

Mr. COSTA. We have a role to work with them to protect and secure our facilities. But ultimately, security has been moved to the Department of Homeland Security.

Ms. NORTON. We need to see a draft of this guidance as soon as possible. It is very disturbing to think that there would be people at the table who had no expertise deciding something. And it almost entirely explains why the differences are there. You know, those same differences, Mr. Costa, apply when you say you know what, you can live in Prince Georges County or you can live in Montgomery County. You choose. Handing off that responsibility, not claiming responsibility Congress expects you to have, and I would certainly hope the Homeland Security agency would expect you to have, is very, very disturbing to us. We understand some of this may come from the bifurcation that we weren't able to do a great deal about. But the fact is that these committees have been in operation long before that bifurcation. Isn't that true? That is to say, you were operating with these same kinds of customer committees for a long time now, have you not?

Mr. COSTA. We have been. And we have been talking with the Interagency Security Committee about clarifications of roles and responsibilities and ultimate responsibilities for risk management decisions because we share some of the concerns that you have raised.

Ms. NORTON. You know, Mr. Costa, we are going to reauthorize your statute, which hasn't been basically touched since President Truman first created the Public Buildings Service. Sometimes when I listen to testimony from GSA I wonder whether or not more law matters. You have very significant authority in most of the areas that concern us. We are just going to have to see more in the way of GSA asserting its leadership. You read that statute, and it is pretty clear you are given a great leadership role. Congress understood in 1959, I think it was, these people are not going to be able to manage buildings across the spectrum of the Federal Government if you don't give them broad authority. The statute is nicely worded. We are going to have to fill in the blanks, which we didn't believe or Congress didn't believe at the time were there.

But for example, there are extra security escort costs associated with I think it is the U.S. Secret Service. Oh, excuse me, it is OMB. Oh, my, where guards have to take people through the building. See, you can get anything you want unless you have to pay for it yourself like the American people. What are the security costs associated with the fact that OMB, just because it is the OMB, has been able to get special treatment so that guards take people through the building? Have to bring down a whole trained guard to take people, apparently regardless of what their credentials show?

Mr. COSTA. I think the escorting services as it relates to this particular project aren't necessarily by a guard. They are just people

who have clearances. I mean, that is the biggest difficulty with projects in buildings that house a high security mission.

Ms. NORTON. Don't all the people in OMB have security clearance?

Mr. COSTA. Well, they do, but our intention wouldn't be to have folks who are doing OMB work also escort construction workers. We have some added cost to make sure——

Ms. NORTON. No, this goes to whoever pays for guards, as we understand.

Mr. COSTA. In this case, yes.

Ms. NORTON. What is the purpose of the guards if a Federal employee, for example, comes, having to get escorted by a guard?

Mr. COSTA. The Federal employees would not be.

Ms. NORTON. Who would be? Who would be then?

Mr. COSTA. Construction workers, contractors who hire folks who do work for the General Services Administration.

Ms. NORTON. No matter how often they come into the building? How about making sure that all of them have some kind of clearance?

Mr. COSTA. That is really—that is what we have to do. I mean that is one of the issues we have had——

Ms. NORTON. When will that be done? I mean we can't offload this. These guys show up every day and they still have to be escorted. Can't you get clearance for these people for the limited kind of work they do? And if so, when is the earliest you can do that?

Mr. COSTA. We do that now for a lot of our projects. We get temporary clearances.

Ms. NORTON. What about for OMB?

Mr. COSTA. I would have to get you the details as to what those——

Ms. NORTON. 30 days, sir. 30 days, please. Charged directly to you, security escort costs. Amended prospectus. You know, if OMB wants this, pay for it themselves. They have got the money. You don't.

Mr. COSTA. Part of the issue with this project is that when——

Ms. NORTON. Not originally contemplated for the new Executive Office Building.

Mr. COSTA. The issue is that we thought the renovation project was much more limited, and when we started doing the renovation work realized it was much more extensive. So frankly, part of this is that we are actually asking them to move so we can do that work that had not been contemplated.

Ms. NORTON. This was a request of OMB, though.

Mr. COSTA. On security.

Ms. NORTON. Yeah. Couldn't you have sought security clearance for these workers, even belatedly? Why didn't anybody think to save the government money? Because it is not your money, that is why. Why not say, okay, we'll do this until we see if these people can get security clearance?

Mr. COSTA. Madam Chair, we have a continuing issue, really, finding people to do work with clearances. It is a huge issue nationally.

Ms. NORTON. What kind of clearance do you need?

Mr. COSTA. To do work in Federal facilities you need extensive clearances, the same kind of clearances that Federal workers working in buildings require.

Ms. NORTON. That is difficult to get for legal workers in this country? You know, Joe Lunch Box?

Mr. COSTA. Yes, it is. It is difficult and takes a long time and so often we are in a bind because work needs to be done, and so part of the escorting that we sometimes pay for is associated with the fact that we can't get clearances for workers.

Ms. NORTON. I really have only one more question. The Ranking Member asked about what seemed to be a very high cost for construction. Now, this is one that I think will surprise him as much as it did us. Apparently, for storage space, the Secret Service is costing us a thousand dollars per square foot. What are we trying to protect? Why in the world? $10 million for 10,000 square feet. Where? Why?

Mr. COSTA. You are talking about the Secret Service facility on the White House complex. When EOB wasrenovated——

Ms. NORTON. Where is it located precisely?

Mr. COSTA. Right now that function is spread across a number of buildings on the complex, and that is actually the problem.

Ms. NORTON. This is a storage room.

Mr. COSTA. No, no, it is not. I am sorry if the information we provided was not clear. It is office space, meeting rooms, locker rooms, IT security requirements for the Secret Service on the White House complex. It is basically where they will be stationed.

Ms. NORTON. So it is within the walls of the White House grounds?

Mr. COSTA. Yes.

Ms. NORTON. Within the gates of the White House?

Mr. COSTA. Yes, it is. Our proposal is——

Ms. NORTON. What costs a thousand dollars? You can't even get in those gates. First you can't get in the gates. Okay. You can't get in in the first place. Now, once you get in, you have got a more secure space than the White House itself. Explain to us a thousand dollars per square foot. To make what the Secret Service, what looks to be the most secure space within the White House complex. And that is not even for major meetings. So make us understand that.

Mr. COSTA. This cost issue is not really related to security and the project. This cost is really related to our proposal to build a modular structure in the courtyard of the Eisenhower Executive Office Building. We did not contemplate putting a modular structure in the courtyard. We built extensive structures within the courtyard, below the surface of the courtyard.

Ms. NORTON. It is below the surface?

Mr. COSTA. No. We did a lot of renovation work, added building systems underneath the surface of the courtyard. Part of the cost is to actually go back, now put a modular structure in the courtyard and build the piering and everything else.

Ms. NORTON. I always thought modular structures were less costly. Forgive me.

Mr. COSTA. Well, if you saw the alternative we looked at, you would say this was relatively inexpensive because some of the alternatives were just——

Ms. NORTON. This was competitively bid?

Mr. COSTA. No, no, we haven't gone out to bid with this at all. We are requesting authorization funding. Some of the alternatives that we looked at to house the Secret Service on the White House complex——

Ms. NORTON. That were not modular, you mean?

Mr. COSTA. Were not modular were extremely expensive.

Ms. NORTON. I can't imagine what those must have been.

Mr. COSTA. They were extremely expensive.

Ms. NORTON. Now that we are up to $1,000 per square foot, I won't ask you what the others would have been. In other words, you are telling me, be happy we got it down to a thousand dollars a square foot.

Mr. COSTA. I am not sure I am going to shoot for happiness, but this is less costly. The construction itself, because it is in a courtyard, will require cranes, so the complexity of material going over the wing of EOB will add costs. Frankly, we have to do work on off hours also because of the operation of the White House complex. So there are many complexities related to this construction, not only how we are going to do the construction, but where we are going to do it that drives up the cost.

Ms. NORTON. I sure hope that when you get to the point, you know, people are dying for work, Mr. Costa, in relationship to our earlier discussion of buyer's market, I certainly hope when you bid this that you understand who is in a position to negotiate the best price. You know, when they see deep pockets and they wonder whether they are dealing with people who understand what everybody else in the market understands, I don't have any assurance that, about this $1,000 per square foot, how to judge it, except that I certainly hope you try to get it down after there is the appropriate competition.

Mr. COSTA. We will.

Ms. NORTON. Appreciate it. Now, before I—I have one more question and I am going to ask the Ranking Member. I just thought both of us would like to hear an update on the recovery projects, where we are, whether the obligation will be in time for that due date. Was it 2010? They all must be obligated. Not built, but obligated? How will you know, let us say, today, for that matter, that you are on pace to obligate everything and won't have to give back to the Treasury, God forbid, any of the funds?

Mr. COSTA. We are doing extremely well with our obligations.

Ms. NORTON. How do you know that? I would be pleased to see the amount. And I indicated, but I didn't know how to judge that against, I don't know, 5.5 billion, and what it would mean. For example, do you know how much you have to obligate every 3 months, every quarter?

Mr. COSTA. Yes, we have month-by-month obligation plans for the next 18 months. Our basic plan is to obligate a billion dollars by the end of July, a second billion dollars by the end of December, 2 million additional dollars by the end of March, 2010, and one last billion dollars through the end of fiscal year 2010.

Ms. NORTON. And you are on track to meet that schedule?

Mr. COSTA. We are on track. We have obligated $320 million worth of projects. We are on track to obligate at least a billion dollars by the end of July. We actually think we will be obligating more than a billion dollars. That, in addition, some of the bids are coming in lower, so we are actually doing more work, more work on the ground than we had actually planned. And we are being aggressive as I have ever seen us in 25 years in GSA.

Ms. NORTON. Excellent. And congratulations, particularly if you are able to get people to understand who you are and they are coming in below what you thought the job may cost.

Could you please give me the status of the Southeast Federal Center and the St. Elizabeth's project? Let's start with Southeast Federal Center. I was very pleased to go over and see that they are beginning to do the park. I am not sure who is responsible, I think that may be the District's responsibility.

Mr. COSTA. It is a joint responsibility, but we helped negotiate that with Forest City and the District a number of years ago.

Ms. NORTON. It was so important to see that there was some work proceeding. Almost all the work proceeding in this town is Federal work. But we do understand that for Forest City, that there are, in fact, various entities that want to move into Forest City. They had had difficulty, of course, with the housing. They were able to get some help with that and that may be proceeding. But I would like to know where they are on housing, where they are on entities that have indicated, even in this economy, that they would like to be located in that riverfront project.

Mr. COSTA. I think I will have to follow up with the detailed briefing on where that is. The information I am getting is that they were slowed by the market, but that is what I assumed, frankly. They were slowed by the market.

Ms. NORTON. Well, of course. We understand that, unlike some projects, there are folks looking to locate there. It is very difficult because even if there are the banks have to be willing to move. But I would like to have, from your perspective, where we are.

Look, your staff found that the two courthouses were not funded. I asked them to go look because the appropriation came out last night. So I also ask that they look at the budget figure for Federal Protective Service, for USDA and fiscal year 2010, now that it is a matter of public record.

Mr. COSTA. I do have the information for USDA.

Ms. NORTON. And what does that say?

Mr. COSTA. The request was close to $238 million. And the House appropriations bill, the mark was 224, which is 14, close to $14 million less. And I am getting information that the Senate bill is far below that, less than $170 million. So it is not good news.

Ms. NORTON. Well, first of all, I am going to have to personally thank Mr. Serrano. I mean, you asked for 238. They gave you 224?

Mr. COSTA. Yes.

Ms. NORTON. And that 238 represented what, please?

Mr. COSTA. Represented the full rent bill, national rent bill for USDA.

Ms. NORTON. Including the delinquent USDA?

Mr. COSTA. Yes.

Ms. NORTON. How much of that is the delinquent USDA facility? Is it 20 million you thought?

Mr. COSTA. No, I think the gap——

Ms. NORTON. Because we thought it was 40 million that they were——

Mr. COSTA. The gap. And that is, that was the gap in fiscal year 2009.

Ms. NORTON. Oh, so all they are doing is funding what they usually fund?

Mr. COSTA. Yes.

Ms. NORTON. Plus the gap?

Mr. COSTA. No, it looks like it is based, the gap, the $40 million gap is not——

Ms. NORTON. So no part of the $40 million gap——

Mr. COSTA. It does not look like that is the case.

Ms. NORTON. Very disturbing. We are going to have a go-round at it. And indeed, that means that you are funded below what was necessary just to keep even; 224?

Mr. COSTA. Yes.

Ms. NORTON. Had the Subcommittee agreed to try to fund, so that would have been what figure? This 238, did that represent——

Mr. COSTA. That did not include the full gap.

Ms. NORTON. Well, that is what you—well, they are not going to give you any more than you asked for, Mr. Costa.

Mr. COSTA. I understand what you are saying.

Ms. NORTON. Did you ask for the money for the gap as well?

Mr. COSTA. The President's request was 238, which did not include the gap.

Ms. NORTON. And yet how could they possibly have given it to you if you don't ask for it?

Federal Building Fund, do you think that anybody at OMB knows anything about that, the Federal Building Fund? I don't. Not unless GSA takes it on itself to apprise them of what in the world they are doing to you and to your very valuable inventory.

Mr. COSTA. We are going to have those discussions with the Office of Management and Budget.

Ms. NORTON. Beginning tomorrow, right?

Mr. COSTA. Yep.

Ms. NORTON. Status, please, of St. Elizabeth's? Excuse me. Status, please, of the new DHS headquarters?

Mr. COSTA. We just awarded a demolition contract for the warehouse site which we are very excited about. It went to a small business in the Washington Metropolitan Area.

Ms. NORTON. I appreciate that you have set aside particularly that contract for small businesses and then had them compete for this small business contract in keeping with Federal regulations, so that is good.

Mr. COSTA. We are trying our best to maximize small business. But thank you. The ongoing issue with Shepherd Parkway, which you have been very supportive of, is actually going very well. The draft, what is called the 4-F determination, has been issued; and we have been assured by Federal Highways and working with them closely that that will be closed by the end of the month.

Ms. NORTON. What will be closed?

Mr. COSTA. The 4-F definition that will allow us to proceed with Shepherd Parkway.

Ms. NORTON. That is very important for us.

Mr. COSTA. And you have been terrific helping us out with that.

Ms. NORTON. What about Bolling Interchange? Malcolm X?

Mr. COSTA. We have been able to negotiate with the District and conclude on an agreement to start work. They provided us a right of entry last week.

Ms. NORTON. Who?

Mr. COSTA. The District government. And so we are able to start work.

Ms. NORTON. On what?

Mr. COSTA. On surveys and site work on that.

Ms. NORTON. On Malcolm X exchange?

Mr. COSTA. Yes.

Ms. NORTON. Now, we have a new conglomerate of Federal agencies that now will be at Bolling. They are getting additional employees, DHS. And Martin Luther King Avenue is prominently implicated here. Is the work proceeding so that the Martin Luther King Avenue part of this project will also be funded through the Federal Transportation Agency, or whoever you are getting to do Shepherds Parkway and the rest?

Mr. COSTA. Well, from our perspective, it needs to. What we are doing right now is working, continuing our environmental impact work. The District, of course, is looking at the East Campus. Both those planning activities include transportation impact analyses and——

Ms. NORTON. Now, the District hopes to get what would amount to a Federal facility, so what the District, which hasn't moved on anything, frankly, is hoping that the Federal facility that would face Martin Luther King Avenue will give it a jump start. So I don't see how this makes this the District's. I know what they are going to say. They are going to say both sides are Federal projects. So I need to know about Martin Luther King Avenue, since one thing we assured the community is that that fairly narrow main strip would be taken care of by the Federal agency, first by having Shepherds Parkway, and then by making sure that Martin Luther King Avenue was equipped to accept the Federal traffic that it inevitably will have to accept.

Mr. COSTA. Well, it looks like, based on the information I have in front of me, both an index card that was just placed in front of my nose and my notebook, we are actually looking at acquisition to allow widening of MLK as soon as a year from today, July of 2010, and the actual RUG proceeding the following year. So things are moving along faster than——

Ms. NORTON. Would Federal Transportation pay for that or GSA have to pay for that?

Mr. COSTA. A blend. We do have some responsibility, no question about it.

Ms. NORTON. Excellent. If—we have had in the office Federal Transportation people, they have been very cooperative as far as they can go. Your people have been very good. We have also, of course, staff has spoken with the GSA. But the one thing that could make this project collapse at the get-go would be any dif-

ficulty people had in getting there. We haven't even gotten to the point where the DHS people are going to understand that they are the first to go across the Anacostia. The last thing we need is them to throw in our transportation planning as the reason for ″I told you so.″ I used to be able to get work, you know, when it was ABC, at 60 different locations, wherever they are now. So we need the transportation, for us it is first on the radar because we trust your work, your experience with respect to the building and the construction that will be going on.

I have to ask about—our office continues to get questions about jobs, and we did put something in our newsletter to let them know, oh, you know, the contractor chooses and so forth. But we also put in, based on information from your office, that the jobs will be advertised on-line. That is going to be very important. Is that true?

Mr. COSTA. We are asking contractors to advertise jobs on-line, yes.

Ms. NORTON. Okay. And is that line going to come through the GSA or through the—we need to be able to respond to people from the region. When they hear of contracts, even small ones, they want to know how do you get the jobs? And especially those are the ones they are most likely to be interested in because they are small business contracts. How do they find out about the jobs, the ones you just listed?

Mr. COSTA. We will give your office the specific information.

Ms. NORTON. I would like to have that one within 7 days, because we keep getting these inquiries.

Mr. COSTA. We will do that.

Ms. NORTON. I just want to say that we have been very pleased with the way in which GSA has proceeded with the DHS headquarters, with involving the community, with involving small businesses, with proceeding on time. Will we break ground this year?

Mr. COSTA. Yes, we will. We will break ground in September. We are looking at dates and we are working with your office to figure out when everyone can be together for that great event.

Ms. NORTON. What a positive note to end this hearing on. Thank you very much, Mr. Costa. And we will expect, as we always do, to receive the responses to our questions. Please be in touch with staff if we can be useful to you so that we don't have to rake you across the coals when we didn't know what we might do before the Appropriation Committee and the like. People who go to the appropriators do get responses.

Mr. COSTA. Thank you for the continued support.

Ms. NORTON. Thank you, Mr. Costa. The hearing is adjourned.

[Whereupon, at 6:10 p.m., the Subcommittee was adjourned.]

OPENING STATEMENT OF
THE HONORABLE RUSS CARNAHAN (MO-03)
HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT

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

Wednesday, July 8, 2009
2167 Rayburn House Office Building

Madam Chairwoman Norton and Ranking Member Diaz-Balart, thank you for holding this hearing about the General Services Administration's (GSA) Capital Investment and Leasing Program.

GSA is responsible for overseeing, maintaining, and developing over 1,500 federal buildings, including courthouses, the executive office buildings, and the White House. In addition, GSA provides federal space for child care and telecommuting. Previously, GSA has not been appropriated the full amount it has requested, but as we attempt to tackle issues such as global warming, we need to recognize the importance of maintaining federal buildings and work toward making these buildings less damaging for the environment.

As co-chair of the High Performance Building Caucus, I believe that the potentially valuable tools that GSA could provide are not worth overlooking. Our country continues to struggle with energy and environment issues, and it is imperative that we seek out solutions to these problems. In order to continue to be world leaders in energy, we need to take advantage of opportunities to make our own workplaces more energy efficient and environmentally friendly in addition to encouraging others to do the same. GSA has demonstrated an interest in transitioning federal buildings into high performance green buildings, and we must work closely with GSA to make progress in this arena.

In closing, I would like to thank Mr. Costa for joining us today. I look forward to hearing your testimony and working with you and GSA on high performance green building issues.

Eleanor Holmes Norton

STATEMENT OF
THE HONORABLE ELEANOR HOLMES NORTON
CHAIR, SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS AND EMERGENCY MANAGEMENT
HOUSE TRANSPORTATION AND INFRASTRUCTURE COMMITTEE

GSA Construction and Leasing: Stimulus Spending, Energy Goals and Making a Down Market Work for Taxpayers

Fiscal Year 2010 Capital Investment and Leasing Program (CILP)

July 8, 2009

Welcome to today's hearing entitled "GSA Construction and Leasing: Stimulus Spending, Energy Goals and Making a Down Market Work for Taxpayers" on the General Service Administration (GSA) Capital Investment and Leasing Fiscal Year 2010 program. The FY 2010 program represents an important variety of real estate projects that should also benefit the economy and taxpayers, if managed well. There are nine construction projects, five alteration projects, and four leases for a total of 18 prospectuses before the subcommittee with additional leases to come at a later date. The GSA FY 2010 Capital Investment and Leasing program is national in scope, including a variety of projects across the United States. The submission also includes reports known as fact sheets on the status of ongoing authorized projects for the Food and Drug Administration at White Oak, Maryland, and site remediation at Lakewood CO., and almost 50 acres of construction underway at Capitol Riverfront near Nationals Park in Washington, D.C., known as "The Yards" was authorized by our bill the "Southeast Federal Center Public-Private Development Act of 2000." Major projects include two alteration projects for the Eisenhower Executive Office Building and an infrastructure systems replacement for the White House East and West Wings in Washington, DC. The GSA FY 2010 package also includes funds for land ports of entry in Madawaska, Maine and El Paso, Texas.

We were surprised and disappointed with the submission of two courthouse construction projects, in Yuma, Arizona and Lancaster, Pennsylvania. These projects were not on the five year plan submitted to this subcommittee by the Administration Office of the United States Courts (AOC) and seem to have come from virtually "nowhere." Even more troubling, these two small below prospectus courthouse projects were originally lease construct projects, typically the most expensive way to house

federal tenants, and GSA had planned to go forward with these construction programs without notifying this subcommittee. Although these projects technically fall below prospectus level that requires congressional approval, GSA would be ill advised to proceed on any such project in the future without notifying the subcommittee, especially given our consistent and active oversight of the federal courthouse program. We are working on statutory changes to restore fiscal and management professionalism to this very troubled and wasteful program. GSA is again on notice that this subcommittee expects GSA to report consistently and with regularity on all aspects of its construction program. Failure to disclose information on construction projects going forward will not be tolerated.

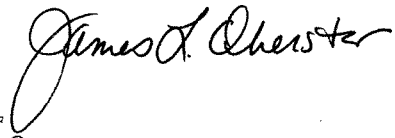
The Administration's Fiscal Year 2010 budget request includes $100 million for the GSA to exercise its purchase option for the Columbia Plaza building located at 2401 E Street, N.W., Washington, D.C. Because I represent this city, I understand that any loss of leased space, even for a single building, is a loss for the tax rolls. However, the administration has simply adopted the consistent policy of the federal government and the committee in favor of ownership where possible, particularly considering that the vital Federal Building Fund depends on payments from federal agencies occupying government-owned space. This funding, in turn, provides the resources that enable GSA to construct, maintain, and repair buildings in the federal inventory. However, recent trends have tipped so that the government now leases more space than it owns. The alarming shrinking of available funds has severely reduced the federal government's ability to maintain its valuable inventory of buildings and facilities as well as to generate funds for federal construction and rehabilitation. This skewed "leased-to-owned" ratio trend, which seems likely to continue, resulted in the need for almost $6 billion in stimulus funding for vastly overdue energy conservation and other repairs that have left a distressing portrait of the condition of federal asset management, an essential government function.

The current federal lease on the Columbia Plaza building dates back to 1992. Moreover, because of the buildings' critical location the government does not have the alternative of vacating and moving on. Considering the millions of dollars poured into space that the government does not own for upgrades, rehabilitation as well as lease payments, the government has more than paid the equivalent cost of the premises. When the current lease was signed in 1992, however, GSA negotiated a purchase option at $100 million and in 2006, GSA appraised the Columbia Plaza building at $190 million. The Administration would not easily propose a lump sum $100 million payment for real estate today unless, as here, there was an opportunity whose avoidance would be difficult to explain to taxpayers in light of the nearly 2-to-1 return on the initial federal investment and the substantial return to the Federal Building Fund.

Related to the FY 2010 budget request is the American Recovery and Reinvestment Act of 2009 (P.L. 111-5) which became public law on February 17, 2009. The GSA FY 2010 Capital Investment and Leasing package before the subcommittee today must be viewed in light of the largest single infusion of funding for construction, repair and alternation in years, appropriated by the American Recovery and Reinvestment

Act. According to GSA's latest activity report, it has obligated over $10 million dollars of this stimulus funding in the past few weeks. These awards include funding for federal buildings and courthouses, land ports of entry, and high performance green building modernizations. The stimulus projects range from energy and water studies and land acquisitions to the design of energy efficient construction projects and HVAC optimization and improvement projects. The projects are being carried out in at least a dozen states. GSA has also indicated that it plans to award several larger contracts in excess of $400 million before July 31, 2009. These projects include the Washington Herbert Hoover Building (Phase II and III) - $136,446,000; the Andover, Massachusetts IRS Service Center - $115,000,00; the Austin, Texas U.S. Courthouse - $116,041,000 and the San Antonio, Texas Hippolito Garcia U.S. Courthouse - $61,331,000. GSA stimulus funds must be obligated by September 2010.

This Subcommittee has a unique oversight responsibility for stimulus funding because the GSA funding is administered by the federal government, unlike other stimulus funds administered by the states. Therefore, the subcommittee will need to decide how to measure the pace at which the GSA is obligating the funds. This Committee already has begun vigorous oversight over the American Recovery and Reinvestment Act. We held oversight hearings on stimulus spending on April 29, 2009 and on June 25, 2009, and we are planning another hearing for the end of this month. Today I look forward to hearing from GSA about the execution of several of the projects expected to be awarded this summer. We thank each of you for your preparations for today's hearing.



STATEMENT OF
THE HONORABLE JAMES L. OBERSTAR
SUBCOMMITTEE ON PUBLIC BUILDINGS, ECONOMIC DEVELOPMENT, AND EMERGENCY MANAGEMENT
HEARING ON GENERAL SERVICES ADMINISTRATION'S FISCAL YEAR 2010 CAPITAL INVESTMENT AND LEASING PROGRAM
JULY 8, 2009

Thank you Chairwoman Norton for scheduling this hearing on the General Services Administration's (GSA) Capital Investment and Leasing Program (CILP) for fiscal year 2010, which represents the Administration's priorities related to housing the Federal work force. The 2010 CILP program builds on projects funded in the American Recovery and Investment Act of 2009 (Recovery Act), and further focuses on border stations, a substantial construction project for the Federal Bureau of Investigation in Florida, and the environmental remediation of Federal land.

The President's FY 2010 budget request for GSA's Public Building Service (PBS) was augmented by the Recovery Act, which provided $5.5 billion for construction and alteration projects for GSA. The President's FY 2010 budget request for the PBS includes $610 million for new construction and alteration. 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.

The alteration program includes approximately $115.3 million worth of work to be conducted on seven projects. These projects include a roof replacement at the Eisenhower Executive Office Building and the East and West Wing Infrastructure Systems Replacement. No design funds are requested in the FY 2010 CILP.

As the GSA portfolio continues to move from mostly Federally-owned space to mostly leased space, I have long been concerned that GSA is losing its ability to effectively manage the Federal real estate portfolio. An essential element of the Federal Building Fund is rent paid by Federal agencies for Federally-owned space. Lease payments, on the other hand, are a pass through and do not support the Fund. The GSA trend to house Federal agencies in leased space has significantly reduced the amount of payment into the Federal Building Fund, which is used as a funding source for new construction and funds for maintenance of the Federal estate portfolio. By not maintaining a higher owned to leased ratio, GSA is crippling its ability to maintain its assets.

It is important for GSA to take a long-term view of its role of asset manager for the Federal government's real estate portfolio by reversing this leasing trend and moving towards ownership. Moreover, GSA should take great care to ensure that any long-term leases entered into are in the public interest. To that end, for FY 2010, I

am pleased that GSA has submitted only four leases for Committee authorization, for space located in the District of Columbia, Oregon, and Pennsylvania.

In addition, I support the Administration's request for funds that would allow GSA to exercise its purchase options for Columbia Plaza. This transaction not only will help consolidate the Department of State, but will also help replenish the Federal Building Fund over time.

Thank you and I look forward to GSA's testimony.

STATEMENT OF

ANTHONY E. COSTA

ACTING COMMISSIONER

PUBLIC BUILDINGS SERVICE

U.S. GENERAL SERVICES ADMINISTRATION

BEFORE THE

SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

U.S. HOUSE OF REPRESENTATIVES

JULY 8, 2009

1800 F Street, N.W.
Washington, DC 20405
(202) 501-1100

Good morning, Madam Chair, Ranking Member Diaz-Balart, and Members of the Subcommittee. My name is Tony Costa and I am the Acting Commissioner of Public Buildings at the U.S. General Services Administration (GSA). Thank you for inviting me here today to discuss GSA's fiscal year 2010 Capital Investment and Leasing Program.

GSA's Public Buildings Service (PBS) is one of the largest and most diversified public real estate organizations in the world. Our inventory consists of over 8,600 assets with almost 354 million square feet of rentable space across all 50 states, 6 U.S. territories, and the District of Columbia. The majority of our space is concentrated in large commercial markets such as Washington, DC, New York City, Chicago, Atlanta and Los Angeles. Our portfolio of public buildings includes primarily office buildings, courthouses, land ports of entry, and warehouses. It is the PBS mission to provide superior workplaces for federal customer agencies at an economical cost to the American taxpayer.

In support of our mission, PBS is charged with the responsibility of managing the Federal Buildings Fund (FBF) that was created by Congress in 1972 to finance PBS' real property activities. Using a market-based user-fee and cost reimbursement approach, the FBF funds the space needs of more than 500 executive branch organizations as well as the space needs of the Judiciary and Members of Congress. Congress appropriates funds to our customer agencies who, in turn, pay into the FBF the equivalent of commercial rent for the space they occupy. Customer payments into the FBF are used to rent space from the private sector; operate, repair and modernize government-owned facilities; and fund new federal construction in support of our customers' agency missions. PBS continues to demonstrate strong operational performance. As of the second quarter of 2009, 87% of our government-owned assets are achieving a positive flow of rent revenue less expenses (excluding depreciation) and the percentage of vacant space in our inventory is below current private sector experience. Our

cleaning and maintenance costs also continue to outperform private sector benchmarks.

I am pleased to be here today to request your authorization of the individual projects that make up our fiscal year (FY) 2010 capital program. We believe these projects are the ones that will best meet the needs of our customer agencies.

We have analyzed these projects and determined that they are consistent with our overall portfolio objectives:

- Optimizing the value of our portfolio of owned assets ;
- Directing capital resources primarily toward performing assets and developing workout or disposal strategies for under- and non-performing assets;
- Maintaining the continued functionality of our buildings and safeguarding the health and life-safety of their occupants;
- Providing quality workspace in support of the mission-related goals of tenant federal agencies;
- Achieving the energy efficiency and environmental goals of the Energy Policy Act of 2005 and the Energy Independence and Security Act of 2007; and
- Fulfilling our responsibilities under the National Historic Preservation Act to protect and preserve our historically significant public buildings.

REPAIRS AND ALTERATIONS

GSA is the steward of 1,523 federal buildings, which have a replacement value of about $41 billion. We are requesting a Repairs and Alterations program of $496 million to maintain and improve those properties that are in GSA's inventory for which there is a continuing federal need and that are capable of being

economically self-sufficient.

Though significant Recovery Act funding for repairs and alterations has enabled us to reduce our Repairs and Alterations request below that of recent years, reducing our backlog in this area is still our top priority. The highlights of GSA's FY 2010 Repairs and Alterations Program include:

- $260 million for the Basic Program;
- $176 million for the Major and Limited Scope Programs;
- $20 million for the Fire and Life Safety Program;
- $20 million for Energy and Water Conservation Measures; and
- $20 million for Federal High-Performance Green Buildings.

The Energy and High-Performance Green Buildings Programs are a small but crucial part of our Repairs and Alterations request. Through these programs, we will make improvements similar to those included in our Recovery Act spending plan, but in different buildings. The Energy Independence and Security Act of 2007 ("EISA") sets challenging goals for the Federal Government and for GSA. Beginning in FY 2010, it requires GSA to reduce consumption of fossil fuel-generated energy in new buildings, major renovations, and lease construction and by 2030, it requires GSA to totally eliminate fossil-fuel consumption in our new buildings, major renovations and lease construction projects. EISA also accelerates the rate at which we must reduce energy consumption in our inventory as a whole to 3% per year and specifically requires more energy and water retrofits in our existing buildings.

GSA has identified energy and water retrofit projects required by EISA through surveys and studies in federal buildings throughout the country. These projects will have positive savings-to-investment ratios, will provide reasonable payback periods, and may generate rebates and savings from utility companies and incentives from grid operators. Projects will vary in size, location, and delivery method. They will include installation of high-efficiency HVAC systems, efficient lighting and controls, variable air-flow systems, building automation control

systems, and other energy saving technologies. Based on previous experience, we estimate annual energy savings at 366 billion BTUs and $6 million resulting from projects funded with this request in FY 2010.

Through the High-Performance Green Buildings program, GSA will incorporate green technologies into ongoing projects, both for new construction and major renovation. These technologies might include geothermal (ground source heat pumps), photovoltaics, intelligent lighting, and improved envelopes. It is often more effective to incorporate these rapidly-evolving technologies after designs are complete - rather than during the design process - to take advantage of the latest developments.

We are requesting $40 million for the implementation of energy and water retrofit projects and high-performance green building features in government-owned buildings during FY2010.

NEW CONSTRUCTION

We are requesting a Construction and Acquisition of Facilities Program of $658 million. Our request includes funding for site acquisition, design, infrastructure, construction, and the management and inspection costs of ten federal facilities. PBS traditionally pursues a construction and ownership solution for special purpose and unique facilities that are not readily available in the real estate market. In addition, we recommend new construction where there is a long-term need in a given locality.

GSA's fiscal year 2010 New Construction Program is focused on urgent customer priorities ranging from laboratories for protecting the public health to land ports of entry for securing our borders. It includes:

- $138 million for the Food and Drug Administration Consolidation at White Oak, MD;

- $100 million for the purchase of the Columbia Plaza building in Washington, DC;
- $25 million for remediation activities at the Denver Federal Center and the Southeast Federal Center in Washington, DC;
- $190 million for a new FBI facility in Miami, FL;
- $151 million for the design and/or construction of three land ports of entry; and
- $53 million for two U.S. Courthouses in Yuma, AZ and Lancaster, PA.

Several of these projects were originally planned as lease construction but will now be built and owned by the Federal government, saving the taxpayer millions of dollars over the long term.

LEASING PROGRAM

To meet the space requirements of our clients, GSA has entered into more than 8,500 private sector leases in 7,100 locations nationwide. At 177.5 million square feet, leased space comprises more than half of our total portfolio square footage. We are pleased that the vacant space within our leased inventory has been at or below 1.5 percent for the last six years, well below the national industry average of 13.5 percent. We strive to keep leasing costs at or below market levels and have developed comprehensive strategies to do so, including the standard use of industry benchmarks and market surveys to comparison shop for the best value for our customers. Due to the volume and complexity of our customers' lease requirements, we will submit at least one more set of lease prospectuses for your consideration.

CONCLUSION

GSA continues to work with our customer agencies to meet their mission requirements within their financial constraints by consolidating requirements, reducing underutilized space, and minimizing tenant improvement costs in expiring space assignments. At the same time, we continue to work with stakeholders such as this Subcommittee to capitalize the requirements of our aging inventory and the growing and increasingly specialized needs of our customers. Finally, GSA continues to reduce our asset liabilities by concentrating reinvestment in core assets and disposing of underutilized assets.

Madam Chair, Ranking Member Diaz-Balart, this concludes my prepared statement. I will be pleased to answer any questions that you or any other Members of the Subcommittee may have about our proposed fiscal year 2010 Capital Investment and Leasing Program, or any other aspects of the Public Buildings Service.

Response to Congresswoman Norton's Questions at the CILP Hearing held on Wednesday, July 8, 2009

Question: Please provide draft Interagency Security Committee guidelines ASAP.

Response:

The Interagency Security Committee (ISC) chaired by the Assistant Secretary for Infrastructure Protection, Department of Homeland Security has undertaken a major initiative to update several ISC standards. The General Services Administration's (GSA) Public Buildings Service has been an active participant in the development of these new standards. The ISC has released or is developing three standards: The Facility Security Level Standard, Physical Security Criteria for Federal Facilities and Facility Security Committee Standard.

The Facility Security Level Standard was released in March 2008 and is used to determine the security level of a federal facility. This level serves as the basis for implementing protective measures under other ISC standards.

The Physical Security Criteria for Federal Facilities final draft is scheduled for release this August. This ISC standard establishes a baseline set of physical security measures to be applied to all Federal facilities based on the facility security level.

The Facility Security Committee Standard initial draft was completed in June 2009 and establishes policy and procedure for Federal tenants in the establishment and conduct of these committees.

GSA has reached out to the ISC about Congressional interest in these standards. The ISC would like to give an information briefing/review of all three ISC standards. GSA would also attend these sessions. The Executive Director of the ISC is Austin Smith, Austin.smith@dhs.gov, (703) 235-3972 (O) or (202) 253-3047 (M), and your staff should coordinate a mutually convenient time for the sessions with him.

Question: How do they found out about the jobs (at St Elizabeths) ?

Response:

GSA anticipates numerous construction projects at this site that will necessitate job fairs, apprenticeship programs, subcontracting opportunities, and job advertising. In addition to these activities, GSA's outreach efforts will include:

Creating an onsite stand alone Job Assistance/Security Screening Building to house training rooms and a Computer Lab that will be accessible to individuals seeking jobs;

Placing community flyers at local libraries;

Providing Workforce Development Centers (DOES) and Ward 8 Business Council an updated list of employment opportunities;

Sponsoring job fairs by general contractors;

Maintaining our project website – www.stelizabethswestcampus.com – where there will be a link directing individuals to job opportunities and applications; and

Speaking at Representative Norton's Annual Job Fair on July 16 regarding upcoming job opportunities.

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

James L. Oberstar
Chairman

David Heymsfeld, Chief of Staff
Ward W. McCarragher, Chief Counsel

John L. Mica
Ranking Republican Member

James W. Coon II, Republican Chief of Staff

July 29, 2009

Mr. Anthony Costa
Acting Public Buildings Service Commissioner
General Services Administration
1800 F Street, NW.
Washington, DC. 20405

Dear Acting Commissioner Costa:

I remain deeply concerned with the General Services Administration's (GSA) recent approach to managing real estate and protecting the U.S. taxpayer. As Chairman of the Committee on Transportation and Infrastructure, I have repeatedly expressed my serious concerns with GSA's increasing reliance on expensive leases and the growing leased-to-owned ratio. *See Committee on Transportation and Infrastructure markup, January 16, 2008, and September 24, 2008.*

During the past administration, GSA increasingly relied on long-term leases without due consideration of whether Federal agencies should be housed in government-owned space. In 2002, the percentage of government-owned space was 54.1 percent and the percentage of leased space was 45.9 percent. Today, the percentage of government-owned space is less than 50 percent. During the past administration, all of the gains of the 1990s in the ratio of government-owned space to leased space were wiped out and GSA owns six million square feet less than it did in 2002. In addition, this increased reliance on housing Federal agencies in leased space has significantly reduced payments to the Federal Building Fund, which is used to finance new construction and maintenance of the Federal real estate portfolio.

On September 24, 2008, the Committee approved GSA's Fiscal Year 2009 Capital Investment and Leasing Program (CILP). However, the Committee deferred action on 11 lease prospectuses submitted by GSA, authorizing $112 million annually and $1.6 billion over the life of the lease terms.

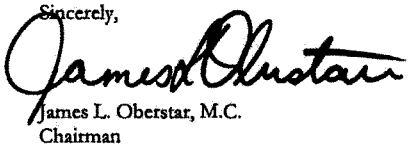
I am encouraged by President Barack Obama's commitment to infrastructure investment and am hopeful that the current administration will work with me to better protect the taxpayer from this wasteful spending.

Mr. Anthony Costa
July 29, 2009
Page 2

On July 8, 2009, the Subcommittee on Economic Development, Public Buildings, and Emergency Management held a hearing on "General Services Administration's Fiscal Year 2010 Capital Investment and Leasing Program (CILP)".

Attached are questions to answer for the record regarding GSA's proposed FY 2009 and FY 2010 lease prospectuses. I would appreciate receiving your written response to these questions within 14 days so that they may be made a part of the hearing record.

Sincerely,



James L. Oberstar, M.C.
Chairman

JULY 29, 2009

SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT
HEARING ON
GENERAL SERVICES ADMINISTRATION'S FISCAL YEAR 2010 CAPITAL INVESTMENT AND LEASING PROGRAM (CILP)

QUESTIONS FOR THE RECORD
TO:

THE HONORABLE ANTHONY COSTA
ACTING PUBLIC BUILDINGS SERVICE COMMISSIONER
GENERAL SERVICES ADMINISTRATION

1. In 2008, the General Services Administration (GSA) submitted numerous lease prospectuses to the Committee on Transportation and Infrastructure as part of GSA's FY 2009 Capital Investment and Leasing Program (CILP). To date, the Committee has not considered 11 lease prospectuses submitted to the Committee. *See attached list of lease prospectuses.* With regard to each pending FY 2009 lease prospectus, please provide the Committee with the following specific information:
   a. the current administration's position on the prospectus;
   b. the specific alternatives considered for procurement of the office space (e.g., construction, leasing, lease-purchase);
   c. the specific justification for the proposed lease alternative, including an analysis comparing the 30-year present value cost of construction versus lease;
   d. whether the lease will include a purchase option during the term of the lease; and
   e. if the administration supports the prospectus, please explain why it is in the best long-term interest of the Federal Government to lease the space as opposed to constructing or procuring government-owned space to house the Federal agency in question.

2. In 2009, GSA submitted four lease prospectuses to the Committee on Transportation and Infrastructure as part of GSA's FY 2010 CILP. With regard to each pending FY 2010 lease prospectus, please provide the Committee with the following specific information:
   a. the specific alternatives considered for procurement of the office space (e.g., construction, leasing, lease-purchase);
   b. the specific justification for the proposed lease alternative, including an analysis comparing the 30-year present value cost of construction versus lease;
   c. whether the lease will include a purchase option during the term of the lease; and
   d. please explain why it is in the best long-term interest of the Federal Government to lease the space as opposed to constructing or procuring government-owned space to house the Federal agency in question.

3. Please provide a table of GSA's real estate portfolio that compares government-owned space and leased space by square footage and percentage of space for each of the past 20 years.

4. Please provide a table of all GSA lease prospectus requests, including the rentable square feet, maximum lease term, prospectus annual cost, and total cost of the lease over the prospectus period, for each of the past 10 years. Please include annual totals for the square footage, annual cost, and total cost of the lease prospectuses.

FY 2009 GSA Capital Investment and Leasing Program
Lease Prospectuses
pending before the Committee on Transportation and Infrastructure

July 29, 2009

Location	Prospectus Number	Agency	Rentable Square Feet	Maximum Leasing Authority	Authorization (Annual Cost)	Total Cost of Lease Over Authorized Period
Washington, DC	PDC-07-WA09	Internal Revenue Service	100,500	10	$4,924,500	$49,245,000
Washington, DC	PDC-04-WA09	Small Business Administration	254,267	10	$12,459,083	$124,590,830
Suburban Maryland	PMD-01-WA09	National Institute of Allergy and Infectious Disease	169,731	5	$5,430,854	$27,154,270
Arlington, VA	PVA-01-WA09	Federal Emergency Management Agency	102,238	10	$3,885,044	$38,850,440
Northern Virginia	PVA-03-WA09	Department of Defense	312,976	5	$10,641,184	$53,205,920
Northern Virginia	PVA-04-WA09	Department of Defense	204,783	5	$6,962,622	$34,813,110
Fort Worth, TX	PTX-02-FW09	Federal Aviatiton Administration	530,039	20	$18,551,365	$371,027,300
Renton Area, WA	PWA-01-RE09	Federal Aviation Administration	518,865	20	$24,386,655	$487,733,100
Washington, DC	PDC-03-WA09	U.S. Department of Agriculture	136,787	10	$6,702,563	$67,025,630
Seattle, WA	PWA-03-SE-09	Department of Labor	85,608	15	$4,109,184	$61,637,760
Kansas City, MO	PMO-03-KC09	Multiple	428,949	20	$13,726,368	$274,527,360
					$111,779,422	$1,589,810,720

GSA Public Buildings Service

September 22, 2009

The Honorable James L. Oberstar
Chairman
Committee on Transportation and Infrastructure
House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Enclosed is the General Services Administration's Public Buildings Service's response to your July 29, 2009, questions for the record for a hearing before the House Committee on Transportation and Infrastructure, Subcommittee on Economic Development, Public Buildings and Emergency Management, on the "General Services Administration Fiscal Year 2010 Capital Investment and Leasing Program."

Should you have any additional questions or concerns, please do not hesitate to contact me at (202) 501-1100.

Sincerely,

Robert A. Peck

Robert A. Peck
Commissioner

U.S. General Services Administration
1800 F Street, NW
Washington, DC 20405-0002
www.gsa.gov

Additional Questions for the Record from Chairman Oberstar
submitted to GSA on July 29, 2009
for

A HEARING BEFORE:
THE U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS AND EMERGENCY MANAGEMENT

General Services Administration Fiscal Year 2010
Capital Investment and Leasing Program
July 8, 2009

1) In 2008, GSA submitted numerous lease prospectuses to the Committee on Transportation and Infrastructure as part of GSA's FY 2009 Capital Investment and Leasing Program (CILP). To date, the Committee has not considered 11 FY2009 lease prospectuses submitted to the committee. With regard to each pending lease prospectus, please provide the Committee with the following specific information:

a) the current administration's position on the prospectus;

b) the specific alternatives considered for procurement of the office space (e.g., construction, leasing, lease-purchase);

c) the specific justification for the proposed lease alternative, including an analysis comparing the 30-year present value cost of construction versus lease;

d) whether the lease will include a purchase option during the term of the lease; and

e) if the administration supports the prospectus, please explain why it is in the best long-term interest of the Federal Government to lease the space as opposed to constructing or procuring government-owned space to house the Federal agency in question.

GSA is committed to ownership solutions.

Many of the leases pending authorization by the committee (whether remaining from the FY09 program or submitted for the FY10 program) reflect requirements for which an ownership solution is not the most viable solution. A limited number of the prospectuses involve interim leasing solutions pending future occupancy of government-owned assets or situations in which requirements are smaller in size allowing for partial occupancies in commercially-available leased buildings. The exigency of one current lease demands speedy action to avert a costly holdover situation. In still another lease, we are recommending a superseding lease with alterations

GSA notes that some of the projects proposed would indeed be good candidates for Federal construction, if resources were available. In the absence of resources, and in the presence of mission-driven tenant agency requirements, we have sought to proceed with leasing actions that can meet the Government's needs.

a) For the prospectuses listed below, the Administration's position has not changed.

b) As discussed generally above, and in detail below, GSA would not consider alternatives to lease agreements if leasing is proposed to meet interim requirements, if the customer agency has an identified very short-term need, or if leasing results in partial building occupancy. For customer agency requirements that *would* merit an ownership solution, Federal construction, though desirable, is often not

possible, given limited resources. It is important to note that if ownership is pursued through lease-purchase, the proposed lease would be deemed a capital lease under the scoring rules, requiring budget authority up front in an amount roughly equivalent to the cost of a Federal construction project.

c) Project-specific information is provided on the following pages. We do not perform present value cost analyses for agency-identified short-term requirements because in those instances there is no need for a long-term (construction) solution. GSA may pursue leasing when the customer agency has a mission-critical requirement but resources are not immediately available for an ownership solution. In most cases, present value cost analysis will show Federal construction is more cost effective than leasing. However, GSA consistently employs the mandatory and more relevant scoring analysis for all proposed leases. The scoring analysis compares the present value cost of the rent stream over the term of the lease (excluding operating expenses and other costs borne by the lessor and passed to the lessee).

d) Purchase options are discussed in relation to each prospectus proposal in the material that follows.

e) The following pages provide project-specific discussions of why GSA has proposed a leasing solution.

FISCAL YEAR 2009 – LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	LEASE TERM
Federal Aviation Administration Fort Worth, TX PTX-02-FW09	530,039	$35.00	$18,551,365	$371,027,300	20

This prospectus proposes a lease consolidation of the FAA Air Traffic Organization Central Service Area, part of a national realignment from nine regions into three service areas. The Central Service Area includes the legacy Southwest, Central, and Great Lakes Regions and serves a 17-state geographical area. Personnel are already relocating from these regional offices to Fort Worth. The current FAA facility cannot meet current requirements or accommodate future growth. To enable FAA to carry out its mission, the proposed consolidation must occur in a relatively short time frame.

Although the results of a present value cost analysis would most likely favor Federal construction over leasing, resources are not available for an owned solution and there is an exigent need. GSA has performed a lease scoring analysis of this proposal and has estimated, based on the cost of Federal construction, that a direct path to ownership for this project would cost approximately $202 million. The limited availability of resources for new construction from the Federal Buildings Fund resulted in the determination to lease. Leasing is often an effective means to leverage limited resources to meet Government needs, and is preferable to not meeting those needs at all.

FAA's consolidation requirement can be effectively and expeditiously satisfied in leased space acquired in accordance with operating lease criteria. GSA may include a purchase option in the lease agreement, which will require additional authorization and funding for its exercise at a later date.

Department of Labor Seattle, WA PWA-03-SE09	85,608	$48.00	$4,109,184	$61,637,760	15

This action proposes the consolidation of two DOL leased locations. This prospectus entails smaller requirements that are readily satisfied as a partial building occupancy for the proposed 15-year lease term. The current leases expire in March 2010 and the agency must continue to be housed. Due to the relative size of this requirement, the lease may not result in full government occupancy of a building; for this reason including a purchase option would not be considered.

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	LEASE TERM
Federal Aviation Administration Renton Area, WA PWA-01-RE09	518,865	$47.00	$24,386,655	$487,733,100	20

This prospectus proposes a lease consolidation of the FAA Air Traffic Organization Western Service Center, part of a national realignment from nine regions into three service areas. The Western Service Center consists of the current FAA offices in Renton, WA and surrounding communities as well as those in California and Alaska. This reorganization is expected to spur growth in personnel as reflected in the prospectus housing plan. Current FAA facilities are incapable of accommodating the increase in personnel

resulting from FAA's national reorganization and consolidation plans. To enable FAA to carry out its mission, the proposed consolidation must occur in a relatively short time frame.

Although the results of a present value cost analysis would most likely favor Federal construction, resources are not available for an owned solution. GSA has performed a lease scoring analysis of this proposal and has estimated, based on the cost of Federal construction, that a direct path to ownership for this project would cost approximately $253 million. The limited availability of resources for new construction from the Federal Buildings Fund has resulted in the determination to lease. Leasing is often an effective means to leverage limited resources to meet Government needs, and is preferable to not meeting those needs at all.

FAA's consolidation requirement can be effectively and expeditiously satisfied in leased space acquired in accordance with operating lease criteria. GSA may include a purchase option in the lease agreement, which will require additional authorization and funding for its exercise at a later date.

Small Business Administration Washington, DC PDC-04-WA09	254,267	$49.00	$12,459,083	$124,590,830	10

SBA's current lease expires in November 2010, and the agency has identified a continuing 10-year need for the current space. At this time, SBA is uncertain about its long-term housing needs.

This proposal is intended to satisfy the requirements as currently defined by SBA, and the SBA housing plan shows no anticipated growth. GSA leases a total of 366,016 rentable square feet under seven leases at 409 3rd Street, SW. SBA shares the building with other Federal agencies as private sector tenants. If a competitive procurement results in SBA remaining at its current location, GSA would not consider a purchase option in the lease agreement due to partial building occupancy. Because SBA has not defined its long-term needs, GSA did not consider Federal construction.

Internal Revenue Service Washington, DC PDC-07-WA09	100,500	$49.00	$4,924,500	$49,245,000	10

IRS's current lease expires in July 2010, and the agency has requested 10 years of leasing to meet continuing needs. IRS has advised GSA that it does not anticipate growth and might even downsize. This proposal is intended to satisfy the requirements as currently defined by the customer agency. GSA leases 181,393 rsf at 1750 Pennsylvania Ave., NW, under 5 leases which, in addition to IRS, also house elements of the Department of the Treasury, Office of the Secretary. Other tenants in the building include Newsweek, an architectural firm, U.S. Postal Service, Export Bank of India, and other private sector organizations. Because IRS has partial building occupancy and has not defined its long-term needs, GSA did not consider Federal construction and would not include a purchase option in the lease agreement.

U.S. Department of Agriculture Washington, DC PDC-03-WA09	136,787	$49.00	$6,702,563	$67,025,630	10

USDA's lease expires in January 2010, and the agency has requested 10 years of leasing to meet continuing needs. This proposal is intended to satisfy the requirements as currently defined by the customer agency. USDA's Cooperative State Research, Education, and Extension Services (CSREES) is the sole tenant in the building, and USDA has requested neither expansion space nor a longer term lease commitment. GSA did not consider Federal construction and would not include a purchase option in the lease agreement.

National Institute of Health National Institute of Allergy & Infectious Diseases Suburban Maryland PMD-01-WA09	159,731	$34.00	$5,430,854	$27,154,270	5

The prospectus proposes a 5-year succeeding lease with termination rights at NIAID's current location, 6700 Rockledge Drive, Bethesda, MD, to prepare for a future consolidation of NIAID requirements. The GSA lease at this location expires 5/31/2010. NIH, using delegated authority from GSA, directly acquired space in two neighboring buildings under leases that expire 9/30/2011 and 3/31/2012. GSA plans to include the requirements for 6700 Rockledge Drive and the two NIH leased locations in a future fiscal year prospectus to consolidate NIAID.

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	LEASE TERM
Department of Defense Hoffman I Northern Virginia PVA-03-WA09	312,976	$34.00	$10,641,184	$53,205,920	5

This short-term lease is a required interim solution (5 years) until the occupants relocate to Department of Defense-owned space as a result of the Base Realignment and Closure Act (BRAC). DoD had required all leases entered into after September 30, 2009 to be compliant with DoD Antiterrorism/Force Protection Requirements, which cannot be met at the current location. However, a new DoD directive extends that deadline to September 30, 2011 for BRAC-related space actions. The current lease expires September 30, 2010.

Department of Defense Hoffman II Northern Virginia PVA-04-WA09	204,783	$34.00	$6,962,622	$34,813,110	5

This short-term lease serves as an interim solution (5 years) until the occupants relocate to Department of Defense-owned space as a result of the Base Realignment and Closure Act (BRAC). DoD had required all leases entered into after September 30, 2009 to be compliant with DoD Antiterrorism/Force Protection Requirements, which cannot be met at the current location. However, a new DoD directive extends that deadline to September 30, 2011 for BRAC-related space actions. The current lease expires March 2, 2010.

Department of Homeland Security Federal Emergency Management Agency Arlington, VA PVA-01-WA09	102,238	$38.00	$3,885,044	$38,850,440	10

Interim leasing is sought pending the Federal Emergency Management Agency's future relocation to the consolidated Department of Homeland Security Headquarters. This lease is intended as a short-term solution to meet the immediate needs of the customer agency. FEMA will relocate to government-owned space to be constructed at the St. Elizabeths campus. The lease will contain cancellation rights to align its term with the relocation schedule.

2) In 2009, GSA submitted four lease prospectuses to the Committee on Transportation and Infrastructure as part of GSA's FY 2010 CILP. With regard to each pending FY 2010 lease prospectus, please provide the Committee with the following specific information:

a) the specific alternatives considered for procurement of the office space (e.g., construction, leasing, lease-purchase);

b) the specific justification for the proposed lease alternative, including an analysis comparing the 30-year present value cost of construction versus lease; and

c) whether the lease will include a purchase option during the term of the lease; and

d) please explain why it is in the best long-term interest of the Federal Government to lease the space as opposed to constructing or procuring government-owned space to house the Federal agency in question.

a) As discussed in the general response for question 1, and in detail below, GSA would not consider alternatives to lease agreements if leasing is proposed to meet interim requirements, if the customer agency has an identified short-term need, or if leasing results in partial building occupancy. For customer agency requirements that *would* merit an ownership solution, Federal construction, though desirable, is often not possible, given limited resources. It is important to note that ownership through lease-purchase, under scoring rules, the proposed lease would be deemed a capital lease, requiring budget authority up front in an amount roughly equivalent to the cost of a Federal construction project.

b) Project-specific information is provided on the following pages for each pending FY 2010 lease prospectus.

c) Purchase options are discussed in relation to each prospectus proposal in the material that follows.

d) The following pages provide project specific discussions of why GSA has proposed leasing solution.

FISCAL YEAR 2010 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	LEASE TERM
National Archives & Records Administration Philadelphia, PA PPA-01-PH10	345,000	$11.00	3,795,000	75,900,000	20

GSA proposes a superseding lease with alterations in the current NARA records center to continue occupancy at this facility. The alterations will convert 40,000 usable square feet of soon-to-be vacant space to meet anticipated 2010 archival standards. This conversion will allow sensitive records, currently stored in two existing Federal facilities incapable of meeting the 2010 standards, to be moved to this leased NARA records center. A present value cost analysis was performed for this project, because the proposed rent payments include the amortized cost of $4.5 million for space alterations to meet NARA's archival requirements. The analysis shows that the low rental rate of the proposed superseding lease including alterations for currently occupied space, coupled with the cost avoidance associated with maintaining operations in place, is significantly more cost-effective than pursuing a new lease at another location or new construction.

U.S. Army Corps of Engineers Portland, OR POR-02-PO10	126,500	$40.00	5,060,000	75,900,000	15

This prospectus proposes a replacement lease to provide continued housing for USACE. The current lease expires 9/17/2011. This USACE prospectus entails smaller requirements that are readily satisfied with a partial building occupancy for the proposed 15-year lease term. This project would not be proposed as Federal construction, because USACE can be readily housed in leased space available in the market. USACE is a partial occupant at its current leased location, and if the replacement lease results in continued partial building occupancy, a purchase option would not be considered.

Department of Homeland Security Federal Emergency Management Agency Washington, DC PDC-05-WA10	71,914	$49.00	3,523,786	17,618,930	5

Interim leasing is sought pending the Federal Emergency Management Agency's future relocation to the consolidated Department of Homeland Security Headquarters. This lease is intended as a short-term solution to meet the immediate needs of the customer agency. FEMA will relocate to government-owned space to be constructed at the St. Elizabeths campus. The lease will contain cancellation rights to align its term with the relocation schedule.

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	LEASE TERM
National Transportation Safety Board Washington, DC PDC-08-WA10	183,157	$49.00	8,974,693	134,620,395	15

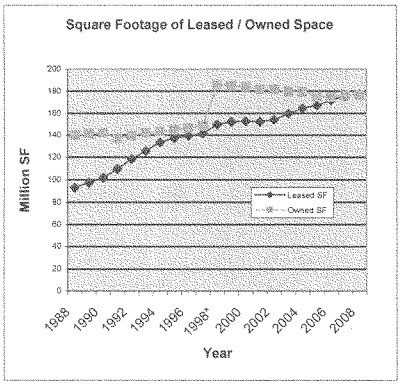
A 15-year lease term is sought to replace the leases that NTSB previously executed using their agency's lease authority. NTSB asked GSA to execute a replacement lease for them prior to the current lease expiration dates of 6/30/2010 and 10/22/2010 in order for NTSB to avoid a costly holdover penalty which includes double rent. If, as a result of the lease procurement, NTSB remains at the current locations, a purchase option would not be desirable due to partial building occupancy. However, if NTSB were to relocate and became the sole tenant of another leased building, GSA might then consider including a purchase option in the lease agreement, which would require additional authorization and funding for its exercise at a later date.

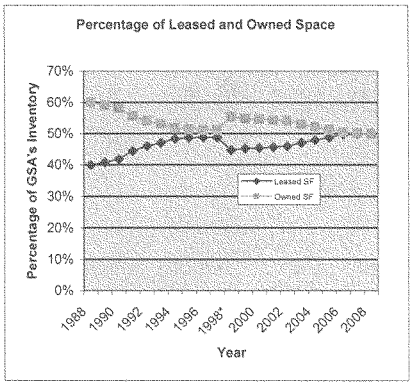
3) Please provide a table of GSA's real estate portfolio that compares government-owned space and leased space by square footage and percentage of space for each of the past 20 years.

GSA's Real Estate Portfolio, 1988-2008

Fiscal Year	Leased Square Footage (in millions)	Owned Square Footage (in millions)	Total Square Footage (in millions)	Leased Square Footage % of Inventory	Owned Square Footage % of Inventory
1988	93.0	140.0	233.0	39.9%	60.1%
1989	97.4	141.2	238.6	40.8%	59.2%
1990	101.7	141.9	243.6	41.7%	58.3%
1991	109.5	137.1	246.6	44.4%	55.6%
1992	118.4	139.4	257.8	45.9%	54.1%
1993	125.7	142.1	267.8	46.9%	53.1%
1994	133.5	143.1	276.6	48.3%	51.7%
1995	137.0	144.8	281.8	48.6%	51.4%
1996	139.5	146.4	285.9	48.8%	51.2%
1997	141.5	148.6	290.1	48.8%	51.2%
1998*	149.8	185.8	335.6	44.6%	55.4%
1999	152.3	184.9	337.2	45.2%	54.8%
2000	152.8	183.9	336.7	45.4%	54.6%
2001	152.6	181.7	334.2	45.6%	54.4%
2002	154.2	181.5	335.7	45.9%	54.1%
2003	159.7	179.7	339.4	47.1%	52.9%
2004	164.6	179.3	343.9	47.9%	52.1%
2005	167.1	175.4	342.5	48.8%	51.2%
2006	172.0	174.4	346.5	49.7%	50.3%
2007	175.5	176.4	351.9	49.9%	50.1%
2008	177.5	176.5	353.9	50.1%	49.9%

*GSA changed space measurement from occupiable to rentable square feet in 1997, which explains the large increase in owned space





4) Please provide a table of all GSA lease prospectus requests, including the rentable square feet, maximum lease term, prospectus annual cost, and total cost of the lease over the prospectus period, for each of the past 10 years. Please include annual totals for the square footage, annual cost, and total cost of the lease prospectuses.

Please see attached Excel file "Oberstar question 4 - lease prospectus details for past 10 years", which provides the requested information for Fiscal Years 2000 through 2010.

FISCAL YEAR 2000 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RANGE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
IRS New York, NY PNY-00000	91,000 - 92,500	$27 - $34.50	3,191,250	31,912,500	10 years
IRS Philadelphia, PA PPA-6520	452,262	$9.31 - $14.87	6,726,312	33,631,560	5 years
SOUTHCOM Miami, FL PFL-20002	142,308	n/a	3,783,000		8 years
Dept. of Education San Francisco, CA PCA-2000-L06	69,400	$45.00	3,123,000	31,230,000	10 years
HHS San Francisco, CA PCA-2000-L07	117,700	$45.00	5,296,500	52,965,000	10 years
IRS San Francisco or Oakland, CA PCA-2000-L08	93,000	$45.00	4,185,000	41,850,000	10 years
National Park Service San Francisco, CA PCA-2000-L10	58,300	$45.00	2,623,500	26,235,000	10 years
IRS Las Vegas, NV PNV-2000-L02	77,789 - 81,324	$29 - $33	2,683,692	26,836,920	10 years
INS Seattle, WA PWA-00000	105,000 - 125,000	$28 - $35	4,375,000	43,750,000	10 years
U.S. Attorney Seattle, WA PWA-00001	59,400 - 67,500	$35.00 - $48.000	2,835,000	28,350,000	10 years
DoEd Washington, DC PDC-00W07	228,743	$29 - $40	9,149,720	91,497,200	10 years
DOJ National Place Washington, DC PDC-00W01	85,176 - 91,260	$29 - $40	3,650,400	36,504,000	10 years

FISCAL YEAR 2000 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RANGE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
DOT Nassif Building Washington, DC PDC-00W04	1,315,984	$28.15	37,044,950	222,269,700	6 years
SBA Washington, DC PDC-00W05	238,807 - 262,906	$29 - $40	10,516,240	105,162,400	10 years
National Institutes of Health Montgomery County, Maryland PMD-00W01	82,777 - 88,690	$16.00 - $27.00	2,394,630	23,946,300	10 years
HHS Metro III Suburban MD PMD-00W02	166,870 - 178,789	$16.00 - $27.00	4,827,303	48,273,030	10 years
DoD Ballston Center Tower 2 Arlington, VA PVA-00W02	131,012 - 140,370	$18.00 - $29.00	4,070,730	40,707,300	10 years
DoD Hoffman Building I Alexandria, VA PVA-00W03	281,016 - 309,376	$18.00 - $29.00	8,971,904	89,719,040	10 years
State Department Pomponio Plaza E Bldg. Arlington, VA PVA-00W01	144,646 - 154,978	$18.00 - $29.00	4,494,362	44,943,620	10 years
TOTAL			**123,942,493**	**1,019,783,570**	

FISCAL YEAR 2001 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
INS Garden City, NY PNY-01007	86,250	$41.00	3,536,250	35,362,500	10 years
Multiple Agency City Crescent Building Baltimore, MD PMD00011	311,713	$27.00	8,416,251	126,243,765	15 years
FBI Woodlawn, MD PMD00010	131,169	$38.84	5,094,604	50,946,040	10 years
Social Security West Bldg. Woodlawn, MD PMD-01002	824,563	$17.40	14,347,396	215,210,940	15 years
IRS Philadelphia, PA PPA-6520A	452,262	$12.75	5,766,341	57,663,410	10 years
GSA Philadelphia, PA PPA-01001	160,200	$30.00	4,806,000	48,060,000	10 years
FBI Cleveland, OH POH-97001A	126,912	$40.00	5,076,480	50,764,800	10 year
US Secret Service Chicago, IL PIL-0001	76,200	$56.00	4,267,200	42,672,000	10 years
IRS Fresno, CA PCA-2001-L1	531,976	$18.50	9,841,556	98,415,560	10 years
National Park Service San Francisco or Oakland, CA PCA-2000-L10-A	65,000	$60.00	3,900,000	39,000,000	10 years
GSA Rough and Ready Island Stockton, CA PCA-2001-L11	1,439,694	$1.92	2,764,212	13,821,060	5 years
FBI Las Vegas, NV PNV-2001-L1	106,955	$24.50	2,620,398	39,305,970	15 years

FISCAL YEAR 2001 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
Multiple Agency 1000 2nd Avenue Seattle, WA PWA-01001	56,210	$45.00	2,529,450	25,294,500	10 years
FEMA 500 C Street Washington, DC PDC-01W05	339,247	$42.00	14,248,374	142,483,740	10 Years
DOJ 901 E Street Washington, DC PDC-01W09	113,525	$42.00	4,768,050	47,680,500	10 years
Multiple Agency 1120 Vermont Ave. Washington, DC PDC-01W06	151,367	$42.00	6,357,414	63,574,140	10 years
HUD 470/490 L'Enfant Plz Washington, DC PDC-01W10	95,569	$42.00	4,013,898	40,138,980	10 years
Dept. of Interior (Red Cross) Washington, DC PDC-01W03	176,503	$31.50	5,559,845	55,598,450	10 years
Federal Trade Commission 601 Pennsylvania Ave Washington, DC PDC-01W12	220,000	$42.00	9,240,000	92,400,000	10 years
HHS Rockville, MD PMD-01W02	143,494	$29.00	4,161,326	41,613,260	10 years
DOD Ballston Ctr. Tw. 1 Arlington, VA PVA-01W02	170,459	$32.00	5,454,688	54,546,880	10 years
DOL Ballston Ctr Tw. 3 Arlington, VA PVA-01W01	81,313	$32.00	2,602,016	26,020,160	10 years
TOTAL	**5,860,581**		**129,371,749**	**1,406,816,655**	

FISCAL YEAR 2002 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
U.S. Attorneys New York, NY PNY-02010	67,316	$51.90	$3,493,700	$34,937,000	10 years
US Corps of Engineers Philadelphia, PA PPA-01002	114,000	$30.00	$3,420,000	$34,200,000	10 years
Corps of Engineers Jacksonville, FL PFL-02004	167,000	$25.00	$4,175,000	$41,750,000	10 years
INS Miami, FL PFL-02003	226,000	$27.00	$6,102,000	$91,530,000	15 years
FBI Tampa, FL PFL-020022	112,700	$32.50	$3,662,750	$54,941,250	15 years
FBI Chicago, IL PIL-0201	393,674	$52.50	$20,667,885	$289,350,390	14 years
Minerals Management Service Metarie, LA PLA-02001	203,624	$29.00	$5,905,096	$59,050,960	10 years
Department of Veterans Affairs Phoenix, AZ PLAZ-5197-1	105,675	$33.00	$3,487,275	$52,309,125	15 years
INS Phoenix, AZ PLAZ-20022	127,577	$33.00	$4,210,041	$42,100,410	10 years
IRS 2867 S East St/2898 S Orange Fresno, CA PLCA-93443-1	122,000 107,200	$35.00 (ofc location) $24.00 (warehouse loc)	$4,270,000 $2,572,800	$64,050,000 $38,592,000	15 years
IRS Butler Avenue (Relocation) Fresno, CA PLCA-93443-2	178,000	$35.00	$6,230,000	$93,450,000	15 years
DEA Alameda/San Francisco, CA PLCA-20021	52,119	$62.00	$3,231,378	$45,239,292	14 years
US Bankruptcy San Francisco, CA PLCA-2001-2	45,175	$85.00	$3,839,875	$11,519,625	3 years

FISCAL YEAR 2002 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
71 Stevenson Street DOL & DOD San Francisco, CA PLCA-2002-2	148,305	$85.00	$12,605,925	$63,029,625	5 years
Multiple Agencies San Francisco, CA PLCA-2002-2	69,677	$85.00	$5,922,545	$41,457,815	7 years
EOIR & INS 550 Kearny Street San Francisco PLCA-2002-3	46,712	$85.00	$3,970,520	$7,941,040	2 years
Dept. of Health & Human Services Seattle, WA PWA-20021	120,265	$45.00	$5,411,925	$54,119,250	10 years
Department of State Washington, DC PDC-02W04	392,648	$45.00	$17,669,160	$176,691,600	10 years
EPA Washington, DC PDC-02W02	97,000	$45.00	$4,365,000	$43,650,000	10 years
EOP 750 17th Street Washington, DC PDC-02W06	58,665	$45.00	$2,639,925	$26,399,250	10 years
800 North Capitol Street Washington, DC PDC-02W01	218,720	$45.00	$9,842,400	$98,424,000	10 years
National Labor Relations Washington, DC PDC-02W03	272,408	$45.00	$12,258,360	$122,583,600	10 years
Department of Transportation Prince George's County, MD PMD-02W01	130,000	$24.00	$3,120,000	$31,200,000	10 years
Department of Defense Alexandria, VA PVA-02W01	565,128	$34.00	$19,214,352	$192,143,520	10 years
EOP Northern VA PVA-01W03	257,400	$38.60	$9,935,640	$149,034,600	15 years

FISCAL YEAR 2002 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
EPA Arlington, VA PVA-02W03	322,379	$34.00	$10,960,886	$109,608,860	10 years
TOTAL	**4,721,367**		**$193,184,438**	**$2,069,303,212**	

FISCAL YEAR 2003 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
FBI One Center Plaza Boston, MA PMA-1B03	113,711	$46.00	$5,230,706	$26,153,530	5 years
Multiple Agencies 380 Westminster Mall Providence, RI PRI-1P03	148,777	$26.00	$3,868,202	$38,682,020	10 years
FBI Park on the Bayou 1 Houston, TX PTX-2H03	158,485	$22.00	$3,486,670	$17,433,350	5 years
Department of Housing and Urban Development 633 17th Street Denver, CO PCO-1D03	134,660	$31.00	$4,174,460	$41,744,600	10 years
EPA Multiple Agencies 999 18th Street Denver, CO PCO-2003-L2	231,981	$31.00	$7,191,411	$71,914,110	10 years
Coast Guard/ DOT/ DOD 2100 2nd Street, SW Washington, DC PDC-5W03	529,954	$23.00	$12,188,942	$60,944,710	5 years
Department of Justice 1401 H Street Washington, DC PDC-03W01	116,064	$45.00	$5,222,880	$52,228,800	10 years
Department of Justice 1425 New York Avenue Washington, DC PDC-2W03	251,093	$45.00	$11,299,185	$112,991,850	10 years
Department of Justice 600 E Street, NW Washington, DC PDC-03W03	347,020	$45.00	$15,615,900	$156,159,000	10 years
Department of Justice 1331 Pennsylvania, Ave. Washington, DC PDC-4W03	100,541	$45.00	$4,524,345	$45,243,450	10 years

FISCAL YEAR 2003 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
Multiple Agencies 1441 L Street, NW Washington, DC PDC-7W03	182,752	$45.00	$8,223,840	$82,238,400	10 years
Department of Treasury Washington, DC PDC-9W03	61,650	$45.00	$2,774,250	$27,742,500	10 years
Dept of Health Human Services 370 L'Enfant Promenade Washington, DC PDC-03W10	165,824	$45.00	$7,462,080	$74,620,800	10 years
Department of State 1111 19th Street, NW Washington, DC PDC-03W11	68,636	$45.00	$3,088,620	$30,886,200	10 years
Department of Veterans Affairs Washington, DC PDC-12W03	161,288	$45.00	$7,257,960	$72,579,600	10 years
Dept. Housing & Urban Development Washington, DC PDC-20W03	118,284	$45.00	$5,322,780	$53,227,800	10 years
Office of Gov't Ethics & Corp for National Service 1201 New York Avenue Washington, DC PDC-03W14	118,754	$45.00	$5,343,930	$53,439,300	10 years
Internal Revenue Service 6710 Oxon Hill Road Suburban, MD PMD-4W03	124,246	$24.00	$2,981,904	$29,819,040	10 years
Consumer Product Safety Commission 4340 East West Highway Suburban, MD PMD-5W03	120,886	$31.00	$3,747,466	$37,474,660	10 years
Dept. Health & Human Services Health Resources & Service Suburban, MD PMD-03W06	118,448	$31.00	$3,671,888	$18,359,440	5 years
Dept. Health & Human Services Substance Abuse & Mental Health Services Suburban, MD PMD-03W11	251,527	$34.00	$8,551,918	$85,519,180	10 years

FISCAL YEAR 2003 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
GSA, Federal Supply Services 1941 Jefferson Davis Hwy. & Crystal Park 1 Northern, VA PVA-03W09	278,700	$34.00	$9,475,800	$94,758,000	10 years
Department of Defense/ Department of the Interior 4040 North Fairfax Drive Northern, VA PVA-2W03	132,113	$34.00	$4,491,842	$44,918,420	10 years
Department of Treasury (FinCen) Financial Crime Enforcement Northern, VA PVA-03W01	149,040	$34.00	$5,067,360	$50,673,600	10 years
Department of Defense/ Crystal Plaza V Northern, VA PVA-6W03	153,560	$34.00	$5,221,040	$52,210,400	10 years
Department of Defense/ 5600 Columbia Pike Northern, VA PVA-4W03	162,696	$34.00	$5,531,664	$55,316,640	10 years
Department of Defense/ Hoffman Building 2 Northern, VA PVA-5W03	403,734	$34.00	$13,726,956	$137,269,560	10 years
Department of the Interior/ Department of Commerce Northern, VA PVA-7W03	134,237	$34.00	$4,564,058	$45,640,580	10 years
Department of State Northern, VA PVA-8W03	281,558	$34.00	$9,572,972	$95,729,720	10 years
Department of Defense Secretary of the Army Northern, VA PVA-10W03	524,867	$34.00	$17,845,478	$178,454,780	10 years
Department of Defense Missile Defense Agency Northern, VA PVA-11W03	144,552	$34.00	$4,914,768	$49,147,680	10 years

FISCAL YEAR 2003 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE		PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
Department of Homeland Security Washington, DC Metro Area PDC-08W03	575,000	$45.00	DC	$25,875,000	$258,750,000	10 years
		$34.00	VA	$19,550,000	$195,500,000	
		$31.00	MD	$17,825,000	$178,250,000	
TOTALS	**6,564,638**			**$274,891,275**	**$2,626,021,720.00**	

FISCAL YEAR 2004 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
Social Security Administration 12th Avenue and 19th St. Birmingham, AL PAL-1B04	587,528	$28.00	$16,450,784	$329,015,680	20 years
Department of Justice-DEA Columbus Building 5205 NW 84th Avenue Miami, FL PFL-02-MI04	58,811	$53.00	$3,116,983	$46,754,745	15
Internal Revenue Service Kansas City, MO PMO-1KC04	1,140,000	$30.00	$34,200,000	$513,000,000	15 years
FBI San Antonio, TX PTX-01SA04	145,000	$31.50	$4,567,500	$63,945,000	14 years
FBI Las Vegas, NV PNV-ILV04	106,955	$32.00	$3,422,560	$51,338,400	15 years
Department of Energy 950 L'Enfant Plaza, SW Washington, DC PDC-03W04	107,376	$45.00	$4,831,920	$48,319,200	10 years
Department of Transportation Federal Railroad Admin. 1120 Vermont Avenue Washington, DC PDC-01W04	86,479	$45.00	$3,891,555	$19,457,775	5 years
Department of State Foggy Bottom Washington, DC PDC-05W04	297,697	$45.00	$14,116,365 (includes $720,000 parking cost)	$141,163,650	10 years
Department of Justice Patrick Henry Building 601 D Street, NW Washington, DC PDC-02W04	584,400	$45.00	$26,298,000	$262,980,000	10 years
Department of Health & Human Services. Administration for Children & Families Washington, DC PDC-10W04	252,670	$45.00	$11,370,150	$113,701,500	10 years

FISCAL YEAR 2004 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
NOAA (Dept. of Commerce) National Oceanic and Atmospheric Adm. Prince George's County, MD PMD-10W04	268,762	$33.00	$8,869,146	$115,298,898	13 years
Department of Justice 1151 Seven Locks Road Suburban, MD PMD-02W04	108,000	$31.00	$3,348,000	$33,480,000	10 years
Food and Drug Administration 9200 Corporate Blvd. Suburban, MD PMD-06W04	115,507	$31.00	$3,580,717	$35,807,170	10 years
Food and Drug Administration 9201 Corporate Blvd. Suburban, MD PMD-08W04	107,886	$31.00	$3,344,466	$10,033,398	3 years
Food and Drug Administration 1451 Rockville Pike Suburban, MD PMD-05W04	110,035	$31.00	$3,411,085	$10,233,255	3 years
Food and Drug Administration 7500 Standish Place Suburban, MD PMD-03W04	113,993	$31.00	$3,533,783	$35,337,830	10 years
Food and Drug Administration 1350 Piccard Drive Suburban, MD PMD-01W04	108,136	$31.00	$3,352,216	$33,522,160	10 years
National Institutes of Health 6700 Rockledge Drive Suburban, MD PMD-09W04	159,773	$31.00	$4,952,963	$49,529,630	10 years
Department of Agriculture 4700 River Road Suburban, MD PMD-04W04	306,890	$25.00	$7,672,250	$76,722,500	10 years
National Institutes of Health National Heart Lung & Blood Center Scientific Review Suburban, MD PMD-07W04	258,558	$31.00	$8,015,298	$80,152,980	10 years

FISCAL YEAR 2004 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
Department of Defense Park Center Office Bldg 4501 Ford Avenue Northern Virginia PVA-02W04	99,168	$34.00	$3,371,712	$33,717,120	10 years
Department of Defense Skyline VI 5109 Leesburg Pike Northern, VA PVA-01W04	149,087	$34.00	$5,068,958	$50,689,580	10 years
EPA 2800 Crystal Drive Northern, VA PVA-03W04	103,068	$34.00	$3,504,312	$35,043,120	10 years
U.S. Marshals Service 1735 Jefferson Davis Hwy Northern, VA PVA-04W04	173,898	$34.00	$5,912,532	$59,125,320	10 years
FBI 7799 Leesburg Pike Northern, VA PVA-06-W04	199,110	$34.00	$6,919,740 (includes $150,000 for parking)	$103,796,100	15 years
TOTALS	**5,748,787**		**$197,122,995**	**$2,352,165,011**	

FISCAL YEAR 2005 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
U.S. Courts 40 Foley Square New York, NY PNY-1NY05	205,500	$53.50	$2,530,539 (operating cost only gov't owned)	$109,942,500	10 years
FBI 85 Tenth Avenue New York, NY PNY-05-LS05	169,461	$48.00	$8,134,128	$81,341,280	10 years
Bureau of Public Debt Parkersburg, WV PWV-01-PA05	182,499	$27.00	$4,927,473	$73,912,095	15 years
Department of Homeland Security Frederick County, VA PVA-01-W104	155,864	$24.00	$3,740,736	$56,111,040	15 years
IRS Multiple Locations Philadelphia, PA PPA-01-PH05	205,789	$35.75	$7,356,957	$110,354,355	15 years
Executive Ofc of Immigration Review Department of Homeland Security 155 S. Miami Avenue 78880 Biscayne Blvd Miami, FL PFL-01-MI05	127,211	$29.89	$3,802,211 (rent changes in year 11 to $28.93)	$57,033,165	15 years
FBI Tampa, FL PFL-01-TA05	137,023	$32.50	$4,453,248	$66,798,713	15 years
Department of Education 111 North Canal Street Chicago, IL PIL-01-CH05	91,141	$39.00	$3,554,499	$35,544,990	10 years
U.S. Courts Saipan Commonwealth of the Northern Mariana Islands PMP-01-SN05	68,380	$55.50	$3,795,090	$56,926,350	15 years
Department of Justice 1100 L Street, NW Washington, DC PDC-16WA05	182,264	$45.00	$8,201,880	$82,018,800	10 years
Department of Justice 1400 New York Avenue, NW Washington, DC PDC-15WA05	163,664	$45.00	$7,364,880	$73,648,800	10 years

FISCAL YEAR 2005 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
General Services Administration 1800 F Street, NW Washington, DC PDC-09W04	492,000	$45.00	$22,140,000	$221,400,000	10 years
Department of Education 555 New Jersey Avenue Washington, DC PDC-04-WA05	82,191	$45.00	$3,698,595	$18,492,975	5 years
Bureau of Land Management 1620 L Street, NW Washington, DC PDC-09-WA05	74,698	$45.00	$3,361,410	$33,614,100	10 years
Department of Homeland Security 425 Eye Street, NW Washington, DC PDC-05WA05	403,847	$45.00	$18,173,115	$181,731,150	10 years
Internal Revenue Service 950 L'Enfant Plaza, SW Washington, DC PDC-06-WA05	110,570	$45.00	$4,975,650	$49,756,500	10 years
Department of Justice Various Locations Washington, DC PDC-02WA05	496,571	$45.00	$22,345,695	$335,185,425	15 years
Surface Transportation Board Mercury Building 1925 K Street, NW Washington, DC PDC-11WA05	74,870	$45.00	$3,369,150	$33,691,500	10 years
Department of Justice/ Bureau of Prisons 500 1st Street, NW Washington, DC PDC-08-WA05	112,970	$45.00	$5,383,650 (includes 300,000 parking cost)	$53,836,500	10 years
Department of Veterans Affairs Lafayette Building 811 Vermont Avenue, NW Washington, DC PDC-07WA05	207,943	$45.00	$9,357,435	$93,574,350	10 years
Department of Defense Crystal Mall 3 Building 1931 Jefferson Davis Hwy Arlington, VA PVA-01WA05	372,826	$34.00	$12,676,084	$126,760,840	10 years

FISCAL YEAR 2005 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
Department of the Navy Nebraska Avenue Complex Northern VA PVA-07WA05	133,665	$37.50	$5,012,438	$50,124,375	10 years
Department of Defense Presidential Tower 2511 Jefferson Dr. Highway Northern, VA PVA-3WA05	377,882	$34.00	$12,847,988	$128,479,880	10 years
Executive Ofc of President Multiple Locations Northern, VA PVA-09WA05	375,000	$37.00	$13,875,000	$208,125,000	15 years
TOTALS	**5,003,829**		**$195,077,850**	**$2,338,404,683**	

FISCAL YEAR 2006 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
Environmental Protection Agency One Congress Street Boston, MA PMA-01NE06	232,388	$39.70	$11,049,042 (includes 1,823,238 parking cost)	$55,245,210	5
FBI Frederick County, VA PVA-01-FR06	947,000	$35.00	$33,145,000	$497,175,000 $662,900,000 (reauthorized in FY07 with new lease term)	15 20
IRS Multiple Locations Philadelphia, PA PPA-01-PH06	862,692	$33.85	$29,202,124	$584,042,484	20
Department of Justice FBI 710 Locust Street Knoxville, TN PTN-01-KX06	99,130	$31.25	$3,097,813	$46,467,188	15
FBI 7820 Arlington Expressway Jacksonville, FL PFL-01-JA06	129,672	$36.00	$4,668,192	$70,022,880	15
FBI Louisville, KY PKY-01-LO06	120,197	$36.00	$4,327,092	$64,906,380	15
FBI Multiple Locations Jackson, MS PMS-01-JA06	109,819	$34.00	$3,733,846	$56,007,690	15
FBI Wachovia Center Building 400 South Tryon Street Charlotte, NC PNC-01-CH06	171,460	$35.00	$6,001,100	$90,016,500	15
FBI Detroit, MI PMI-00-DC06	266,200	$41.00	$10,914,200	$163,713,000	15
FBI Multiple Locations Indianapolis, IN PIN-01-IN06	110,531	$38.00	$4,200,178	$63,002,670	15
FBI Various Locations Omaha, NE PNE-01-OM06	112,337	$36.00	$4,044,132	$60,661,980	15

FISCAL YEAR 2006 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
National Nuclear Security Admin. Albuquerque, NM PNM-01-AQ06	306,949	$28.00	$8,594,572	$171,891,440	20
U.S. Army Corps of Engineers 333 Market Street San Francisco, CA PCA-01-SF06	111,227	$38.00	$4,341,826 (includes 115,200 parking cost)	$43,418,260	10
Environmental Protection Agency 1200 Sixth Avenue Seattle, WA PWA-01-SE06	172,322	$38.00	$6,548,236	$65,482,360	10
U. S. Dept of Agriculture 1800 M St., NW Washington, DC PDC-02WA06	205,388	$46.00	$9,447,848	$94,478,480	10
Department of Commerce Washington, DC PDC-04WA06	311,000	$46.00	$14,306,000	$143,060,000	10
Department of State 515 22nd St., NW Washington, DC PDC-13WA06	122,496	$46.00	$5,634,816	$56,348,160	10
Department of State 2121 Virginia Ave., NW Washington, DC PDC-06WA06	165,302	$46.00	$7,603,892	$76,038,920	10
Federal Election Commission 999 E Street, NW Washington, DC PDC-10WA06	149,526	$46.00	$6,878,196	$68,781,960	10
Department of Justice DEA-Techworld 801 Eye Street, NW Washington, DC PDC-09WA06	84,000	$46.00	$3,864,000	$38,640,000	10
Department of Homeland Security Bureau of Immigration & Customs Enforcement (ICE) 801 Eye Street, NW Washington, DC PDC-08WA06	115,870	$46.00	$5,330,020	$53,300,200	10

FISCAL YEAR 2006 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
Department of Justice (OJP) 810 7th Street, NW Washington, DC PDC-03WA06	98,096	$46.00	$4,512,416	$45,124,160	10
Department of Veterans Affairs 801 Eye Street, NW Washington, DC PDC-12WA06	98,096	$46.00	$4,512,416	$45,124,160	10
Department of Homeland Security U.S. Coast Guard/Transpoint 2100 2nd Street, SW Washington, DC PDC-11WA06	577,000	$30.00	$17,310,000	$86,550,000	5
Food & Drug Administration 1401 Rockville Pike Rockville, MD PMD-01RO06	104,892	$32.00	$3,356,544	$16,782,720	5
Department of Agriculture Park Center One Building 3101 Park Center Drive Alexandria, VA PVA-05NO06	186,599	$28.00	$5,224,772	$52,247,720	10
Department of Defense 1500 Wilson Blvd Arlington, VA PVA-03NO06	526,397	$35.00	$18,423,895	$184,238,950	10
Department of Defense 400 Army Navy Drive Arlington, VA PVA-01NO06	240,872	$35.00	$8,430,520	$84,305,200	10
DOD - Multiple Agencies Ballston Metro Center Arlington, VA PVA-02NO06	135,282	$35.00	$4,734,870	$47,348,700	10
Drug Enforcement Administration 600-700 Army Navy Drive Arlington, VA PVA-06NO06	593,100	$35.00	$21,401,700 (includes 643,200 parking cost)	$214,017,000	10
Patent & Trademark Office 2809 Jefferson Davis Hwy Arlington, VA PVA-04NO06	168,468	$35.00	$5,896,380	$58,963,800	10

FISCAL YEAR 2006 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
FBI Terrorist Screening Center Northern, VA PVA-08NO06	165,000	$35.00	$5,775,000	$57,750,000	10
FBI - Factsheet Special Technologies & Applications Section Northern, VA	144,042	$35.00	$5,041,470		10
TOTALS	**7,943,350**		**$291,552,108**	**$4,118,053,172**	

FISCAL YEAR 2007 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
FBI One Center Plaza Boston, MA PMA-01-BO05	268,452	$46.00	$12,348,792	$246,975,840	20
SSA 300 N. Greene St. Baltimore, MD PMD-01-BA07	538,000	$35.00	$18,830,000	$376,600,000	20
Department of Defense (JFCOM) Suffolk, VA PVA-01-SU07	154,428	$23.89	$3,689,285	$73,785,698	20
IRS - Amended Philadelphia Campus Philadelphia, PA PPA-01-PH08	862,692	$36.00	$32,256,912 (includes 1,200,000 parking cost)	$645,138,240	20
SOUTHCOM US Army Southern Command Miami, FL PFL-01-MI07	708,597	$32.00	$22,675,104	$453,502,080	20
Department of Justice Miami/Miramar, FL PFL-01-MI06	723,780	$35.00	$25,332,300	$506,646,000	20
FBI Cincinnati, OH POH-01-CI07	108,874	$35.00	$3,810,590	$76,211,800	20
FBI Minneapolis, MN PMN-05-MI07	162,530	$38.00	$6,176,140	$123,522,800	20
Department of Agriculture Winchester Center 6501 Beacon Drive Kansas City, MO PMO-01-KC07	342,865	$19.62	$6,727,011	$64,327,113	10
Department of Interior Minerals Management Service 1201 Elmwood Park Metairie, LA PLA-01-JP07	197,084	$24.00	$4,730,016	$70,950,240	15
Internal Revenue Service 600 17th Street Denver, CO PCO-02-DE07	170,704	$35.00	$5,974,640	$59,746,400	10

FISCAL YEAR 2007 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
FBI Denver, CO PCO-01-DE07	175,155	$35.00	$6,130,425	$122,608,500	20
Drug Enforcement Administration Roybal Federal Bldg-CT Los Angeles, CA PCA-01-LA07	167,754	$40.00	$6,710,160	$134,203,200	20
FBI 2551 North Dragoon and 3285 South Hemisphere Loop Tucson, AZ PAZ-01-TU07	84,353	$36.00	$3,036,708	$60,734,160	20
FBI Sacramento, CA PCA-01-SA07	148,184	$40.00	$5,927,360	$118,547,200	20
Department of Labor San Francisco, CA PCA-09-SF07	151,716	$38.00	$5,765,208	$11,530,416	2
FBI Portland, OR POR-01-PO07	134,159	$35.00	$4,695,565	$93,911,300	20
U.S. Equal Employment Opportunity Commission 1801 L Street, NW Washington, DC PDC-02-WA07	144,000	$47.00	$6,768,000	$67,680,000	10
Department of Justice 555 4th Street, NW Washington, DC PDC-01-WA07	376,219	$47.00	$17,682,293	$176,822,930	10
FBI Washington, DC Metro Area PDC-13-WA07	180,000	$47.00 $35.00 $32.00	$8,460,000 $6,300,000 $5,760,000	$84,600,000 $63,000,000 $57,600,000	10
Department. of Agriculture Consolidation Washington, DC PDC-05-WA07	330,000	$47.00	$15,510,000	$232,650,000	15
FEMA 500 C Street, SW Washington, DC PDC-09-WA07	325,000	$47.00	$15,275,000	$152,750,000	10

FISCAL YEAR 2007 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
Peace Corps - Consolidation Washington, DC PDC-03-WA07	238,708	$47.00	$11,219,276	$112,192,760	10
Department of Justice Various Locations Washington, DC PDC-06-WA07	521,000	$47.00	$24,487,000	$367,305,000	15
Presidential Transition Team Presidential Inaugural Comm Washington, DC PDC-07-WA07	320,000	$47.00	$15,040,000	$19,552,000	15 months
Department of Health and Human Services - Parklawn Various Locations Rockville, MD PMD-01-WA07	935,401	$32.00	$29,932,832	$448,992,480	15
National Institute of Health Executive Boulevard Rockville, MD PMD-02-WA07	574,614	$32.00	$18,387,648	$183,876,480	10
Department of Defense Jefferson Plaza 1&2 Northern, VA PVA-02-WA07	347,947	$30.00	$10,438,410	$52,192,050	5
Department of Defense 3100 Clarendon Blvd Northern, VA PVA-01-NO07	221,084	$35.00	$7,737,940	$77,379,400	10
Dept. of Interior Fish & Wildlife 4401 Fairfax Avenue Arlington, VA PVA-03-NO07	143,572	$35.00	$5,025,020	$50,250,200	10
Patent and Trademark Office Northern, VA PVA-04-NV07	325,000	$35.00	$11,375,000	$113,750,000	10
FBI (Factsheet) STAS Northern, VA	144,042	$35.00	$5,041,470	$50,414,700	10
FBI Info Tech Facility Northern, VA PVA-05-NO07	136,800	$35.00	$4,788,000	$47,880,000	10

FISCAL YEAR 2007 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
SSA Northern Virginia PVA-05-WA07	334,103	$35.00	$11,693,605	$116,936,050	10
TOTALS	**10,696,817**		**$405,737,710**	**$5,714,765,037**	

FISCAL YEAR 2008 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
Federal Aviation Administration Burlington, MA PMA-01-BU08	92,000	$43.00	$3,956,000	$39,560,000	10
FBI Tidewater Virginia PVA-01-N008	131,463	$39.00	$5,127,057	$102,541,140	20
FBI Frederick County, VA and Berkeley County, WV PVA-01-FR08	626,488	$44.00	$27,565	$551,300	20
Nuclear Regulatory Comm. Atlanta, GA PGA-01-AT08	101,528	$39.00	$42,074,785	$631,121,775	15
Drug Enforcement Administration Miami, FL PFL-02-MI07	58,811	$66.00	$3,881,527	$77,630,540	20
National Archive & Record Admin. St. Louis, MO PMO-01-SL08	524,737 (fixed shelving) 470,462 (mobile shelving)	$22.00 $24.54	$11,545,137	$230,902,740	20
National Nuclear Security Admin. Kansas City, MO PMO-02-KC08	1,552,500	$38.00	$58,995	$1,179,900	20
Dept. of Interior Minerals Mgmt Metairie, LA PLA-01-JP08	197,084	$27.00	$5,321,268	$79,819,020	15
National Nuclear Security Albuquerque, NM PNM-01-AQ08	311,246	$30.00	$9,337,380	$186,747,600	20
IRS 1821 Director's Boulevard Austin, TX PTX-01-AU08	225,054	$21.00	$4,726,134	$94,522,680	10
FBI Salt Lake City, UT PUT-01-SL08	163,040	$38.00	$6,195,520	$123,910,400	20
U.S. District Court-9th Circuit Billings, MT PMT-01-BI08	71,560	$46.00	$3,291,760	$65,835,200	20

FISCAL YEAR 2008 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
FBI Phoenix, AZ PAZ-01-PH08	210,202	$36.00	$7,567,272	$151,345,440	20
FBI San Diego, CA PCA-01-SD08	254,382	$45.00	$11,447,000	$228,940,000	20
FBI Santa Ana, CA PCA-02-SA08	102,065	$44.00	$4,490,860	$89,817,200	20
FBI Honolulu, HI PHI-01-HO08	150,365	$55.00	$8,270,075	$165,401,500	20
Department of the Treasury Financial Management Service Emeryville, CA PCA-01-EM08	82,274	$35.00	$2,879,590	$57,591,800	10
IRS San Jose, CA PCA-01-SJ08	122,000	$35.00	$4,270,000	$85,400,000	10
FBI San Francisco, CA PCA-03-SF08	215,459	$61.00	$13,142,999	$262,859,980	20
EPA San Francisco, CA PCA-02-SF08	275,135	$50.00	$13,756,750	$206,351,250	15
Nuclear Regulatory Commission Suburban Maryland PMD-01-WA08	120,000	$32.00	$3,840,000	$38,400,000	10
Department of Education 1990 K Street, NW Washington, DC PDC-04-WA08	115,024	$42.00	$4,831,008	$14,493,024	3
Department of Homeland Security U.S. Citizenship & Immigration 111 Massachusetts Avenue Washington, DC PDC-03-WA08	97,049	$47.00	$4,561,303	$45,613,030	10
IRS 500 North Capital Street, NW Washington, DC PDC-05-WA08	170,130	$47.00	$7,996,110	$79,961,100	10

FISCAL YEAR 2008 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
Court Services and Offender Supervision Agency 300 Indiana Avenue, NW Washington, DC PDC-02-WA08	79,105	$47.00	$3,717,935	$37,179,350	10
Court Services and Offender Supervision Agency 633 Indiana Avenue Washington, DC PDC-01-WA08	151,300	$47.00	$7,111,100	$71,111,000	10
Department of the Interior Bureau of Land Management Washington, DC PDC-07-WA08	94,435	$47.00	$4,438,445	$44,384,450	10
Department of Defense Crystal Gateway North Northern, VA PVA-02-WA08	133,292	$35.00	$4,665,220	$13,995,660	3
Department of Defense (DARPA) Defense Advanced Research Projects Agency Northern, VA PVA-01-WA08	362,671	$40.00	$14,506,840	$217,602,600	15
TOTALS	**7,260,861**		**$217,035,635**	**$3,444,769,679**	

FISCAL YEAR 2009 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
General Services Administration Federal Acquisition Service Burlington County, NJ PNJ-01-BU09	1,100,000	$8.00	$8,800,000	$88,000,000	10
Department of Defense Missile Defense Agency Huntsville, AL PAL-01-HU09	386,821	$20.00	$7,736,420	$30,945,680	4
Department of the Treasury Plantation, FL PFL-01-FL09	140,853	$34.00	$4,789,002	$71,835,030	15
Department of Justice Drug Enforcement Admin. Miami/Dade & Brow County, FL PFL-02-MI08	150,273	$35.00	$5,259,555	$78,893,325	15
Department of Health & Human Serv Chicago, IL PIL-05-CH09	192,970	$55.00	$10,613,350	$106,133,500	10
Multiple Agencies Kansas City, MO PMO-03-KC09	428,949	$32.00	$13,726,368	$274,527,360	20
Environmental Protection Agency Kansas City, KS PKS-01-KC09	203,475	$30.50	$6,205,987	$124,119,740	20
Federal Aviation Administration Kansas City, MO PMO-02-KA09	204,607	$29.00	$5,933,603	$59,336,030	10
U.S. Attorneys Houston, TX PTX-01-HO09	132,539	$35.00	$4,638,865	$46,388,650	10
Federal Aviation Administration Fort Worth, TX PTX-02-FW09	530,039	$35.00	$18,551,365	$371,027,300	20
National Park Service Lakewood, CO PCO-01-LA09	176,542	$34.00	$6,002,428	$60,024,280	10
U.S. Army Corps of Engineers Sacramento, CA PCA-01-SA09	227,490	$30.00	$6,824,700	$68,247,000	10

FISCAL YEAR 2009 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
Environmental Protection Agency - Amended San Francisco, CA PCA-09-SF09	290,950	$60.00	$17,457,000	$261,855,000	15
Department of Labor Seattle, WA PWA-03-SE09	85,608	$48.00	$4,109,184	$61,637,760	15
Social Security Administration Seattle, WA PWA-01-SE09	104,841	$48.00	$5,032,368	$75,485,520	15
FBI Seattle, WA PWA-02-SE09	130,876	$35.07	$4,589,821	$45,898,210	10
Federal Aviation Administration Renton Area, WA PWA-01-RE09	518,865	$47.00	$24,386,655	$487,733,100	20
Department of Homeland Security Office of Inspector General Washington, DC PDC-05-WA09	121,700	$49.00	$5,963,300	$59,633,000	10
Small Business Administration Washington, DC PDC-04-WA09	254,267	$49.00	$12,459,083	$124,590,830	10
Federal Emergency Management Arlington, VA PVA-01-WA09	102,238	$38.00	$3,885,044	$38,850,440	10
General Services Administration Northern, VA PVA-09-WA09	92,992	$38.00	$3,533,696	$10,601,088	3
U.S. Equal Employment Commission Washington, DC PDC-15-WA09	161,000	$47.00	$6,960,895	$69,608,950	10
Department of Homeland Security U.S. Immigration & Customs Enforcement (ICE) Washington, DC PDC-14-WA09	136,500	$49.00	$6,688,500	$66,885,000	10
IRS Washington, DC PDC-07-WA09	100,500	$49.00	$4,924,500	$49,245,000	10

FISCAL YEAR 2009 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
US Department of Agriculture Washington, DC PDC-03-WA09	136,787	$49.00	$6,702,563	$67,025,630	10
National Institute of Health National Institute of Allergy & Infectious Diseases Suburban, MD PMD-01-WA09	159,731	$34.00	$5,430,854	$27,154,270	5
Department of Defense Defense Intelligence Agency Northern, VA PVA-06-VA09	523,482	$40.00	$20,939,280	$418,785,600	20
Department of Defense Missile Defense Agency Northern, VA PVA-07-WA09	132,516	$34.00	$4,505,544	$18,022,176	4
Department of Defense Hoffman I Northern, VA PVA-03-WA09	312,976	$34.00	$10,641,184	$53,205,920	5
Department of Defense Hoffman II Northern, VA PVA-04-WA09	204,783	$34.00	$6,962,622	$34,813,110	5
Department of State 2025 E St. NW Washington, DC PDC-17-WA09	288,000	$46.00	$13,248,000	$198,720,000	15
Department of Defense Defense Intelligence Agency Prince Georges County, MD PMD-03-WA09	266,000	$18.00	$4,788,000	$47,880,000	10
Federal Emergency Mgmt Agency Techworld Plaza I Washington, DC PDC-01-WA09	101,111	$49.00	$4,954,439	$49,544,390	10
Department of Justice 1301 New York Avenue, NW Washington, DC PDC-06-WA09	214,398	$49.00	$10,505,502	$52,527,510	5
Department of Justice 1400 New York Avenue, NW Washington, DC PDC-10-WA09	176,822	$49.00	$8,664,278	$43,321,390	5

FISCAL YEAR 2009 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
Department of Homeland Security U.S. Coast Guard Washington, DC PDC-19-WA09	577,000	$37.00	$21,917,986	$219,179,860	10
TOTALS	**9,068,501**		**$318,331,941**	**$3,961,681,649**	

FISCAL YEAR 2010 - LEASE PROSPECTUSES

LOCATION	RENTABLE SQ. FEET	RENTAL RATE	PROSPECTUS ANNUAL COST	COST AT FULL TERM	MAX. LEASE TERM
National Archives & Records Adm Philadelphia, PA PPA-01-PH10	345,000	$11.00	3,795,000	75,900,000	20
U.S. Army Corp of Engineers Portland, OR POR-02-PO10	126,500	$40.00	5,060,000	75,900,000	15
Dept. of Homeland Security Federal Emergency Mgmt Agency Washington, DC PDC-05-WA10	71,914	$49.00	3,523,786	17,618,930	5
National Transportation Safety Board Washington, DC PDC-08-WA10	183,157	$49.00	8,974,693	134,620,395	15
TOTALS	**726,571**		**$21,353,479**	**$304,039,325**	

March 10, 2008

MEMORANDUM FOR: All Executive Departments and Agencies

FROM: Robert B. Stephan RBS
Chair, Interagency Security Committee
Assistant Secretary for Infrastructure Protection

SUBJECT: Facility Security Level Determinations for Federal Facilities

As Chair of the Interagency Security Committee, it is a pleasure to announce the issuance of the new Interagency Security Committee (ISC) Standard titled "Facility Security Level Determinations for Federal Facilities—An Interagency Security Committee Standard" (the Standard). The Standard defines the criteria and process to use to determine the facility security level (FSL) of a Federal facility, a categorization that serves as the basis for implementing protective measures under other ISC standards.

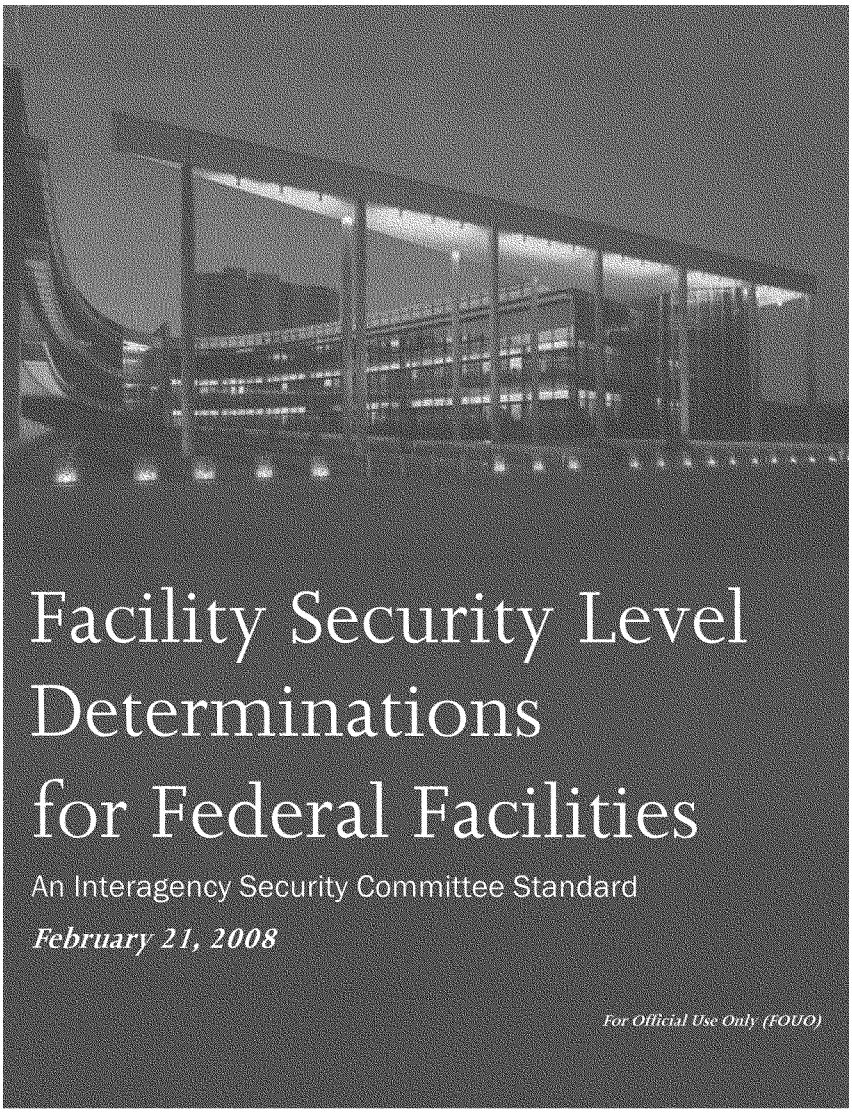
This Standard supersedes all previous guidance on establishing FSLs contained in other ISC Standards and in the June 28, 1995 Department of Justice report entitled "Vulnerability Assessment of Federal Facilities." Consistent with the authority contained in Executive Order 12977, "Interagency Security Committee," dated October 19, 1995, this Standard is applicable to all buildings and facilities in the United States occupied by Federal employees for nonmilitary activities. These include existing buildings, new construction, or major modernizations; facilities owned, to be purchased, or leased; stand-alone facilities, Federal campuses, and, where appropriate, individual facilities on Federal campuses; and special-use facilities.

Any facility entering the inventory on or after the date of issuance shall have an FSL designation made in accordance with this Standard. Although an FSL determination would normally be made as part of a comprehensive security assessment, FSL determinations themselves do not require the conduct of a comprehensive facility security risk assessment. Accordingly, all facilities in the federal inventory prior to the date of issuance of this Standard must have a new FSL determination completed by September 30, 2009 as either part of or independent from a full security assessment.

The Facility Security Level Determination is a collaborative effort of both the working group and the full membership of the Interagency Security Committee and was accepted with full concurrence. The Interagency Security Committee will continue its mission to enhance the security in, and protection of, nonmilitary buildings and establish physical security policies and standards, promote key management practices, and engage in other activities that facilitate the mitigation of threats to the workplace, employees and the visiting public.

Attachments:
Facility Security Level Determinations for Federal Facilities, Title and Cover Page[1]

[1] The full document, which is "For Official Use Only", should be administered and distributed by the Department or Agency's Security Official. More information can be obtained at the ISC website www.dhs.gov/isc .


Facility Security Level
Determinations
for Federal Facilities
An Interagency Security Committee Standard
February 21, 2008
For Official Use Only (FOUO)

Cover Photo: This photo of the Oklahoma City Federal Building was selected in tribute to the people of Oklahoma City, whose tragedy precipitated the establishment of the Interagency Security Committee in 1995, and to the unparalleled effort of the team that developed the 1995 "Vulnerability Assessment of Federal Facilities" report, establishing the first uniform set of security standards for Federal facilities. The facility symbolizes the rebirth of the Federal presence in Oklahoma City and the unyielding spirit of America, the cherished openness of our society, and the need to be ever vigilant.

Photo courtesy of the U.S. General Services Administration

Photographer: Timothy Hursley

WARNING: This document is FOR OFFICIAL USE ONLY (FOUO). It contains information that may be exempt from public release under the Freedom of Information Act (5 U.S.C. 552). It is to be controlled, stored, handled, transmitted, distributed, and disposed of in accordance with DHS policy relating to FOUO information and is not to be released to the public or personnel who do not have a valid "need-to-know" without prior approval of the authorized DHS official.

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1. Background

On April 20, 1995, the day after the bombing of the Alfred P. Murrah Building in Oklahoma City, Oklahoma, the President directed the U.S. Department of Justice (DOJ) to assess the vulnerability of Federal office facilities to terrorism and other acts of violence. On June 28, 1995, DOJ issued the "Vulnerability Assessment of Federal Facilities" report (1995 Report) establishing Governmentwide facility security standards. The 1995 Report laid the foundation for all subsequent Interagency Security Committee (ISC) security standards documents. It also contained criteria for categorizing Federal office facilities into five security levels, with the number of Federal employees housed and the size of the facility being prominent criteria. The ISC relied on those same criteria for designating security levels in all subsequent documents.

In 2006, the ISC members agreed to update and coordinate all ISC standards published to date and consolidate them into one compendium. Since this issue had not been addressed since 1995, the first step was to review and update the standards for existing facilities as set forth in the 1995 Report. The ISC established the Existing Facilities Security Standards Working Group to accomplish that task. The working group determined that the process for designating a facility's security level needed updating, particularly in light of the increased threat made apparent by the terrorist attacks of September 11, 2001.

2. Applicability and Scope

"Facility Security Level Determinations for Federal Facilities—An Interagency Security Committee Standard" (the Standard) defines the criteria and process to be used in determining the facility security level (FSL) of a Federal facility, a categorization which then serves as the basis for implementing protective measures under other ISC standards. Consistent with the authority contained in Executive Order 12977, "Interagency Security Committee," dated October 19, 1995, this Standard is applicable to all buildings and facilities in the United States occupied by Federal employees for nonmilitary activities. These include existing buildings, new construction, or major modernizations; facilities owned, to be purchased, or leased; stand-alone facilities, Federal campuses, and, where appropriate, individual facilities on Federal campuses; and special-use facilities.

Critical infrastructure such as dams, tunnels, bridges, national monuments, or similar structures are not normally considered to be Federal facilities as defined in this document; they are generally identified as "high-risk symbolic or critical infrastructure" or by other designations as determined by the departments or agencies responsible for their protection, in accordance with guidance provided under the National Infrastructure Protection Plan. While this Standard was not written with application to these structures in mind, the methodology upon which it is based is applicable.

This Standard supersedes all previous guidance on establishing FSLs contained in the 1995 Report or other ISC Standards. To keep pace with the dynamic nature of the threat to Federal facilities, the ISC will review this document on a recurring basis and update it as necessary.

3. Definitions

Building Security Committee: A committee consisting of representatives of all Federal tenants in the facility, generally responsible for identifying building-specific security issues and approving the implementation of security measures and practices. In the case of new construction or pending lease actions, the Building Security Committee may consist of the design team and planned tenants.

Campus: Two or more Federal facilities located contiguous to one another and typically sharing some aspects of the environment, such as parking, courtyards, private vehicle access roads, or gates and entrances to connected facilities. A campus may also be referred to as a "Federal center" or "complex."

Designated Official: The highest ranking official of the primary tenant agency of a Federal facility or, alternatively, a designee selected by mutual agreement of tenant agency officials. For facilities owned and leased by the U.S. General Services Administration (GSA), the definition appears in Title 41, Section 102-71.20, of the *Code of Federal Regulations* (41 CFR 102-71.20).

Essential Functions: Government functions that enable Federal Executive Branch agencies to provide vital services, exercise civil authority, maintain the safety and well-being of the general populace, and sustain the industrial/economic base in an emergency.

Facility Security Level: A categorization based on the analysis of several security-related facility factors, which then serves as the basis for the implementation of certain protective security measures specified in other ISC standards.

Federal Departments and Agencies: Those executive departments enumerated in 5 U.S.C. 101, and the U.S. Department of Homeland Security (DHS); independent establishments as defined by 5 U.S.C. 104(1); Government corporations as defined by 5 U.S.C. 103(1); and the United States Postal Service.

Federal Facilities: Leased and owned buildings and facilities in the United States (inclusive of its territories) occupied by Federal Executive Branch employees for nonmilitary activities.

Mixed-Tenant Facility: A facility that includes one Federal tenant as well as non-Federal tenants, including commercial and State/local government tenants.

Mixed-Multi-Tenant Facility: A facility that includes tenants from multiple Federal departments and agencies as well as one or more non-Federal tenants.

Multi-Tenant Facility: A facility that includes tenants from multiple Federal departments and agencies but no non-Federal tenants.

National Essential Functions (NEFs): That subset of essential functions that are necessary to lead and sustain the Nation during a catastrophic emergency and that, therefore, must be supported through the Continuity of Operations (COOP) and the Continuity of Government (COG) capabilities.

Primary Mission Essential Functions: Those essential functions that must be performed to support or implement the performance of NEFs before, during, and in the aftermath of an emergency.

Security Organization: The Government agency or an internal agency component responsible for physical security at the specific facility (e.g., the DHS Federal Protective Service, the United States Marshals Service, the U.S. Environmental Protection Agency's Security Management Division).

Single-Tenant Facility: A facility that only includes one Federal tenant, or multiple components of the same Federal department or agency that fall under one "umbrella" for security purposes.

Special-Use Facilities: An entire facility or space within a facility itself that contains environments, equipment, or data normally not housed in typical office, storage, or public access facilities. Examples of special-use facilities include, but are not limited to, high-security laboratories, hospitals, aircraft and spacecraft hangers, or unique storage facilities designed specifically for such things as chemicals and explosives.

4. Making the Facility Security Level Determination

The initial FSL determination for new leased or owned space will be made as soon as practical after the identification of a space requirement (including succeeding leases). The determination should be made early enough in the space acquisition process to allow for the implementation of required countermeasures (or reconsideration of the acquisition caused by an inability to meet minimum physical security requirements).

Risk assessments will be conducted at least every 5 years for Level I and II facilities and at least every 3 years for Level III, IV, and V facilities. The FSL will be reviewed and adjusted, if necessary, as part of each initial and recurring risk assessment.

The responsibility for making the final FSL determination rests with the tenant(s), who must either accept the risk or fund security measures to reduce the risk:

- For single-tenant Government-owned or -leased facilities, a representative of the tenant agency[1] will make the FSL determination, in consultation with the owning or leasing department or agency and the security organization(s) responsible for the facility.

- In multi-tenant Government-owned or -leased facilities, the Designated Official (in coordination with a representative of each Federal tenant (i.e., the Building Security Committee)) will make the FSL determination, in consultation with the owning or leasing department or agency and the security organization(s) responsible for the facility.

When the security organization(s) <u>and</u> the owner/leasing authority do not agree with the tenant agency representative or Designated Official with regard to the FSL determination, the ISC, as the representative of the Secretary of Homeland Security, will facilitate the final determination.

The FSL determination should be documented, signed, and retained by all parties to the decision.

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[1] The representative of the tenant agency may be the Designated Official or another official approved by the department or agency to make such determinations (e.g., the Director of Security might make all determinations to ensure consistency).

5. Basis for the Factors and Criteria

To establish the FSL, it is important to consider factors that make the facility a target for adversarial acts (threats), as well as those that characterize the value or criticality of the facility (consequences). The 1995 Report identified a number of factors to consider in determining a facility's security level. However, size and population were the only two clearly defined criteria attributable to establishing a security level; accordingly, their impact in many cases was disproportionate. The 1995 Report identified other factors, including the degree of public contact, the type of activities carried out (mission), and the type of agencies located in the facility, but it provided only limited guidance for applying those factors. In many cases, a single facility had features that met criteria of multiple security levels outlined in the 1995 Report, making it difficult to categorize. This Standard takes into account size and population, as well as several other factors that determine the "value" of the facility to the Government and to potential adversaries.

Just as the criteria established in the 1995 Report were largely based on terrorist targeting as it was understood in 1995, the criteria incorporated in this new methodology are based upon an analysis of terrorist targeting as it is understood today and the assessed objectives of terrorists as stated in Homeland Security Presidential Directive 7 (HSPD-7)[2]:

> Terrorists seek to destroy, incapacitate, or exploit critical infrastructure and key resources across the United States to threaten national security, cause mass casualties, weaken our economy, and damage public morale and confidence.

HSPD-7 went on to establish national policy identifying the specific consequences against which the Nation's key resources (including Government facilities) must be protected.

In 2007, HSPD-20[3] identified eight NEFs—fundamental activities that the Federal Government should be able to carry out at any point, including during a major disaster. The continuity of these fundamental activities, as well as primary mission essential functions and other essential functions, are a part of determining the "value" of a facility to the Government.

Finally, the threat to our facilities from criminal elements must also be evaluated in determining the FSL. Consideration must be given to the risk from more common criminal acts, such as theft, assault, unlawful demonstrations, workplace violence, and vandalism—acts which historically occur more frequently at Federal facilities than acts of terrorism.

These concepts have been incorporated into determining the factors and criteria established in this Standard.

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2 Homeland Security Presidential Directive 7, "Critical Infrastructure Identification, Prioritization, and Protection," dated December 17, 2003

3 Homeland Security Presidential Directive 20, "National Continuity Policy," dated May 9, 2007

6. Facility Security Level Matrix

The FSL matrix uses five equally weighted security factors to be evaluated, with corresponding points of 1, 2, 3, or 4 allocated for each factor. The sections that follow provide the criteria to be used in evaluating each factor and assigning points. However, the criteria cannot capture all of the circumstances that could be encountered. Thus, the Standard includes a sixth factor—intangibles—to allow the assessor to consider other factors unique to the department/agency needs or to the facility.

Additionally, although the requirement for assessment-specific judgment has been reduced to the extent possible, it may still be necessary. To that end, this document includes an explanation of why each factor was included, a description of its intended impact on the score, and examples to allow security professionals encountering conditions that do not clearly match those anticipated here to make an informed decision based on the same rationale used in the development of this process.

To use the FSL matrix, each of the factors will be examined and a point value assigned based on the scoring criteria provided. The points for all factors will then be added together and a preliminary FSL identified, based on the sum. The assessor may then consider any intangibles that may be associated with the facility. An adjustment to the FSL may be made (and documented) accordingly, and a final FSL determined.

ISC Facility Security Level Determination Matrix

Factor	Points 1	2	3	4	Score
Mission Criticality	LOW	MEDIUM	HIGH	VERY HIGH	
Symbolism	LOW	MEDIUM	HIGH	VERY HIGH	
Facility Population	< 100	101–250	251–750	> 750	
Facility Size	< 10,000 sq. ft.	10,001–100,000 sq. ft.	100,001–250,000 sq. ft.	> 250,000 sq. ft.	
Threat to Tenant Agencies	LOW	MEDIUM	HIGH	VERY HIGH	
					Sum of above
Facility Security Level	**I** 5–7 Points	**II** 8–12 Points	**III** 13–17 Points	**IV** 18–20 Points	Preliminary FSL
Intangible Adjustment	Justification				+ / - 1 FSL
					Final FSL

7. Facility Security Level Scoring Criteria

7.1. Mission Criticality

The value of a facility to the Government is based largely on the mission of the facility, particularly as it may relate to NEFs and other important business of the Government. As vital as it is for the Government to perform these activities, it is equally attractive to adversaries to disrupt important Government missions. The mission criticality score is based on the criticality of the missions carried out by tenants in the facility (not by the tenant agencies overall). In a multi-tenant or mixed-multi-tenant facility, the highest rating for any tenant in the facility should be used for this factor. COG and COOP documents are good sources of information regarding the performance of essential functions.

Table 1 - Mission Criticality

Value	Points	Criteria	Examples
Very High	**4**	National leadership, seats of constitutional branches. Houses chief officials for a branch of Government.	White House
		Communications centers that support national essential Government functions.	White House Communications Agency facilities
		Houses essential communications equipment necessary for defense or intelligence activities.	Intelligence community facilities, including communications and weapons/munitions storage
		Houses individuals necessary to advance American interests with foreign governments.	U.S. Department of State headquarters
		Houses government officials of foreign nations.	Foreign embassies and consulates in the United States
		Houses individuals or specialized equipment necessary to identify and analyze threats to homeland security.	U.S. Coast Guard, ports of entry, agencies engaged in counterterrorism or countemarcotics
		Houses personnel or specialized equipment necessary to identify or respond to large-scale or unique incidents.	Emergency operations centers, national response assets (e.g., Nuclear Emergency Support Teams)
		Houses personnel or specialized equipment essential to regulating national fiscal or monetary policy, financial markets, or other economic functions.	U.S. Department of Commerce building
		Contains currency, precious metals, or other material necessary to maintain economic stability.	U.S. Mint facilities, Federal Reserve buildings
		Houses specialized equipment necessary to process or monitor financial transactions necessary for the Nation's economy.	National financial centers
		Houses personnel or specialized equipment necessary to detect or respond to unique public health incidents.	Centers for Disease Control and Prevention
		Houses material or information that, if compromised, could cause a significant loss of life., including production quantities of chemicals, biohazards, explosives, weapons, etc	U.S. Department of Energy research reactor facilities, explosives storage facilities
		COG facilities.	FEMA Emergency Operations Center

Table 1 – Mission Criticality (Continued)

Value	Points	Criteria	Examples
High	**3**	Original, irreplaceable material or information central to the daily conduct of Government.	National Archives
		Designated as a shelter in the event of an emergency incident.	Smithsonian museums
		Regional or headquarters policy and management oversight.	GSA National Capitol Region Headquarters, Social Security Administration Headquarters
		Biological/chemical/radiological/medical research or storage of research and development (de minimis) quantities of chemicals, biohazards, explosives, and similar items.	Plum Island Animal Disease Research Center
		COOP facilities for department and agency headquarters.	GSA Central Office COOP facility
		General criminal investigative work.	Fraud, financial, non-terrorism-related crime
		Judicial processes.	Federal courts
Medium	**2**	District or State-wide service or regulatory operations.	Agriculture Food Safety and Inspection Services District Office
		COOP facilities for other than national headquarters.	GSA Regional Office COOP site
Low	**1**	Administrative, direct service, or regulatory activities at a local level.	Agricultural County Extension Office

7.2. Symbolism

The symbolism of the facility is based on both its attractiveness as a target and the consequences of an event. The symbolic value is first based on external appearances or well-known/publicized operations within the facility that indicate it is a U.S. Government facility. Transnational terrorists often seek to strike at symbols of the United States, democracy, and capitalism. Domestic radicals may seek to make a statement against Government control, taxation, or regulation.

Symbolism is also important because of the potential negative psychological impact of an undesirable event occurring at a prominent Federal facility. Attacks at certain Government facilities, particularly those that are perceived to be well-protected and central to the safety and well-being of the United States, could result in a loss of confidence in the U.S. Government domestically or internationally.

It is also necessary to recognize that even if there are no external appearances or well-known operations of the U.S. Government, a mixed-tenant or mixed-multi-tenant facility may be symbolic to terrorists with other motivations. For example, facilities such as financial institutions, communications centers, transportation hubs, and controversial testing laboratories may be symbolic in the eyes of single-interest radicals and international terrorist organizations, whose leaders have stated that strikes against the American economy are a high priority. The symbolism of non-U.S. Department of Defense (DOD) Federal facilities on a DOD campus should be assessed similarly.

Table 2 - Symbolism

Value	Points	Criteria	Examples
Very High	**4**	Popular destination for tourists.	Smithsonian museums
		A nationally significant historical event has occurred at the facility.	Independence Hall
		Widely recognized to represent the Nation's heritage, tradition, or values.	White House, U.S. Capitol, Supreme Court building
		Contains significant original historical records or unique artifacts that could not be replaced in the event of their damage or destruction.	National Archives, Smithsonian museums
		Executive department headquarters building.	DOJ, U.S. Department of Transportation Headquarters
		Other prominent symbols of U.S. power or authority.	U.S. Circuit, District, or Bankruptcy Courthouses, Central Intelligence Agency Headquarters
High	**3**	Well-known, regional U.S. Government facility.	Oklahoma City Federal Building
		Agency/bureau headquarters.	GSA Central Office, Environmental Protection Agency Headquarters, Social Security Administration Headquarters
		Located in a symbolic commercial financial building.	International trade centers
		Co-located with other nongovernmental but highly symbolic facilities.	Transportation hubs
Medium	**2**	Readily identified as a U.S. Government facility based on external features.	Signage stating "Federal Office Building," Great Seal of the United States, seals of departments and agencies on exterior
		Readily identified as a U.S. Government facility based on the nature of public contact or other operations (even without external features).	Social Security Administration field office
		Dominant, single Federal facility in a community or rural area.	U.S. Department of Veterans Affairs clinic
		Nongovernmental commercial laboratory or research facility that may be symbolic to single-interest radicals.	Animal testing facility
Low	**1**	No external features or public contact readily identifying it as a U.S. Government facility.	Classified locations, small offices in leased commercial buildings

7.3. Facility Population

The infliction of mass casualties is an acknowledged goal of many terrorist organizations. Recovered terrorist preoperational surveillance reports include considerable details on the times of day that the target population is at its highest and do not distinguish between tenants and visitors. From a consequence perspective, the potential for mass casualties should be a major consideration.

Thus, the facility population factor is based on the peak total number of personnel in Government space, including employees, onsite contract employees, and visitors. This number should not include such transient influxes in population as an occasional conference (or similar event), unless the facility is intended for use in such a manner (such as a conference center) and the population is part of normal business. Transient shifts in population such as the occasional conference should be addressed by contingency security measures.

The number of daily visitors should be determined using the best metrics available to ensure the most accurate population. Ideally, this would be achieved through a review of visitor logs or access control lists; however, it may necessitate an estimate or a short-term sampling of visitor throughput.

Facilities such as stand-alone parking garages should be considered to have a "population" of less than 100.

The sensitive nature of childcare centers located in Federal facilities requires every Federal childcare center or facility with a childcare center to receive a facility population score of "very high" and a point value of 4.

If the non-Federal population of a mixed-tenant or mixed-multi-tenant facility contributes to the target attractiveness (e.g., creates a substantial population over and above the Federal population), document the rationale and add 1 point, not to exceed the maximum of 4 points.

Table 3 - Facility Population

Value	Points	Criteria
Very High	**4**	Greater than 750 or facilities with childcare centers
High	**3**	251 to 750
Medium	**2**	101 to 250
Low	**1**	Less than 100

7.4. Facility Size

The facility size factor is based on the square footage of all Federally-occupied space in the facility, including cases where an agency with real property authority controls some other amount of space in the facility. If the entire facility or entire floors are occupied, gross square footage should be used (length x width); if only portions of floors are occupied in a multi-tenant facility, assignable or rentable square footage should be used.

Size may be directly or indirectly proportional to the facility population. An office facility with a large population will generally have a correspondingly large amount of floor space; however, a large warehouse may have a very small population.

For a terrorist, an attack on a large, recognizable facility results in more extensive press (video) coverage. However, it should also be understood that large facilities require a more substantial attack to create catastrophic damage, entailing more planning and preparation by adversaries, which could be a deterrent.

From a consequence perspective, the cost to replace or repair a large facility is a major consideration. The National Infrastructure Protection Plan considers the cost to rebuild a facility in determining the potential economic impact of a successful attack.

If the total size of a mixed-tenant or mixed-multi-tenant facility beyond that occupied by the Federal population contributes to the target attractiveness (e.g., creates a highly recognizable structure based on size alone), document the rationale and add 1 point, not to exceed the maximum of 4 points.

Table 4 - Facility Size

Value	Points	Criteria
Very High	**4**	Greater than 250,000 square feet
High	**3**	100,000 to 250,000 square feet
Medium	**2**	10,000 to 100,000 square feet
Low	**1**	Up to 10,000 square feet

7.5. Threat to Tenant Agencies

Unlike the criticality of mission criterion, which is considered in terms of consequences, the threat to tenant agencies criterion is considered from a perspective of target attractiveness. The facility should be viewed in terms of whether the nature of public contact required in or resulting from the conduct of business is adversarial, or whether there is a history of adversarial acts committed at the facility, against facility tenants, or against the tenant agencies elsewhere.

The highest score applicable to any tenant in a multi-tenant facility will be considered when determining the FSL, even though it may be possible to limit the implementation of countermeasures for that threat to a specific tenant's space or part of the facility.

As with the impact of commercial tenants on the facility's symbolism score, the potential threat to non-Federal tenants in a mixed-tenant or mixed-multi-tenant facility could result in a collateral risk to Federal tenants. Thus, in considering the criteria, the threat to all tenants in a facility—including non-Federal tenants—should be considered and the highest score used for the rating.

Table 5 - Threat to Tenant Agencies

Value	Points	Criteria	Examples
Very High	**4**	Tenant mission and interaction with certain segments of the public is adversarial in nature.	Criminal and bankruptcy courts, high-risk law enforcement, including those who routinely contact or attract the attention of dangerous groups (FBI, DEA, ATF)
		Tenant mission is controversial in nature and routinely draws the attention of organized protest groups.	Environmental Protection Agency, Department of Energy, courthouses World Banks
		Located in a high-crime area.	As determined by a characterization established by local law enforcement
		Significant history of violence directed at or occurring in the facility. More than 10 incidents per year requiring law enforcement/security response for unruly or threatening persons on site.	As determined by security organization or tenant incident records
High	**3**	Public contact is occasionally adversarial based on the nature of business conducted at the facility.	Non-criminal/administrative courts where privileges or benefits may be suspended or revoked, general law enforcement operations, National Labor Relations Board offices
		History of demonstrations at the facility.	U.S. State Department headquarters
		Located in a moderate-crime area.	As determined by a characterization established by local law enforcement
		History of violence directed at the facility or the occupants; 5-10 incidents per year requiring law enforcement/security response for unruly or threatening persons on site.	As determined by security organization or tenant incident records

Table 5 – Threat to Tenant Agencies (Continued)

Value	Points	Criteria	Examples
Medium	**2**	Generally non-adversarial public contact based on the nature of business conducted at the facility.	General/internal Investigations, inspection services for the U.S. Department of Agriculture, Department of State passport office
		History of demonstrations against the tenant agency (not at the facility).	U.S. Nuclear Regulatory Commission, U.S. Citizenship and Immigration Services
		Located in a low-crime area.	As determined by a characterization established by local law enforcement
		History of violence directed at tenant agencies/companies (not at the facility).	Internal Revenue Service, Social Security Administration offices
Low	**1**	Generally little-to-no public contact.	Government warehouses or storage facilities, Federal Trade Commission
		No history of demonstrations at the facility.	As determined by security organization or tenant incident records
		No history of violence directed at the facility or the occupants.	As determined by security organization or tenant incident records

7.6. Intangible factors

It is not possible for this document to take into account all the conditions that may affect the FSL decision for all the different Federal departments and agencies. Certain factors, such as a short duration of occupancy, may reduce the value of the facility in terms of investment or mission, which could justify a reduction of the FSL. Such factors are in essence indicative of a reduced value of the facility itself and a corresponding reduction in the consequences of its loss.

Other factors may suggest an increase in the FSL, such as the potential for cascading effects or downstream impacts on interdependent infrastructure, or costs associated with the reconstitution of the facility.

Accordingly, the FSL may be raised or lowered one level at the discretion of the deciding authority based on intangible factors. However, the intangible factor should not be used to raise or lower the FSL in response to a particular threat act. The FSL characterizes the entire facility; concerns about specific threats should be addressed with specific countermeasures, even if they are over and above those required as the baseline for a particular security level.

Short-term events could also temporarily affect the factors evaluated here. Unless these events happen on a recurring basis, they should not affect the FSL determination. Instead, contingency plans should be developed to implement temporary measures until the event has passed. For example, a weeklong conference may increase the population of a facility substantially during the conference, but it should not be considered in the FSL determination. On the other hand, if the

facility is a conference center that normally holds such gatherings, the population during those conferences should be factored into the FSL.

Like all risk-management decisions, it is important to document these intangible factors and the resulting adjustments made to the FSL score. The decision-making authority should document any intangible factors and the associated adjustment and retain this information as part of the official facility security records.

8. Level V Facilities

While the incorporation of additional factors and criteria makes this Standard more useful to determine the FSL for special-use and other unique facilities, such as high-security laboratories, hospitals, or unique storage facilities for chemicals or munitions, some facilities may still not fit neatly into the criteria defined here. The criticality of the mission or the symbolic nature of the facility could be such that it merits a degree of protection above that specified for a FSL Level IV facility, even though the other contributing factors, such as population or square footage, might be scored lower.

For example, a research laboratory might receive lower score values for symbolism, square footage, and population size. However, the laboratory may be responsible for critical research and diagnostic activities that are vital to protecting the Nation's citizenry or animal and food products from disease agents accidentally or deliberately introduced into the United States. This mission, combined with the fact that it may be the only such laboratory in the country, would suggest that the criticality factor would far outweigh lower score values in symbolism, population, and/or facility size, and thus the facility should be considered for a Level V designation. As a result, the criteria and decision-making authority for identifying Level V facilities are within the purview of the individual agency. As general guidance, agencies should consider a facility as potentially suitable for a Level V designation if it receives a "very high" score value for criticality or symbolism and is a one-of-a-kind facility (or nearly so).

9. Campuses, Complexes, and Federal Centers

A campus consists of two or more Federal facilities located contiguous to one another and sharing some aspects of the environment (e.g., parking, courtyards, vehicle access roads, or gates) or security features (e.g., a perimeter fence, guard force, or onsite central alarm/closed circuit television monitoring station). It may also be referred to as a "complex" or "Federal center."

In the case of a campus that houses a single tenant, such as the DHS Headquarters campus or the Social Security Administration's headquarters campus, an overall FSL may be established. In multi-tenant campuses, all individual facilities in the campus will either be assigned an FSL in accordance with this Standard, or all tenants may agree to determine an overall FSL for the entire campus, treating the entire campus as though it were a multi-tenant facility (using the highest rating of any tenant in the facility for each factor).

10. Changes in the Facility Security Level

Changes in the environment at the facility, particularly when tenants move in or out, could result in changes in the scoring for the various factors. Under the standards set forth in the 1995 Report, a small change to the population (such as an increase from 150 to 151 employees) could result in the change in security level. The use of multiple factors in making the FSL determination somewhat dilutes the effect of any one factor and all but prevents a small change from causing a change in security level. However, the nature of the tenant (i.e., the criticality of the mission or risk associated with the agency itself) moving in or out may also affect the FSL.

It may be impractical to adjust the FSL every time a tenant moves in or out of a multi-tenant facility; instead, the FSL will be reviewed at least as part of the regularly recurring risk assessment and adjusted as necessary. Major changes in the nature of the tenants should merit consideration of whether to review and potentially adjust the FSL between the regularly scheduled assessments.

The requirement for recurring risk assessments may in some cases make the argument for a Federal facility to install or retain temporary perimeter security measures rather than permanent installations, given that the risk may decrease later, particularly if the facility tenant mix is likely to change.

11. Co-Location of Tenants with Similar Security Needs

Establishing a FSL that is agreeable to all the tenants in a multi-tenant facility is especially challenging when tenants do not have similar security requirements, such as when a high-risk law enforcement entity is located in the same facility as a low-risk administrative entity.

The 1995 Report stated that the co-location of agencies with varying security needs was a contributing factor to inadequate security in Federal facilities. The report recommended that "GSA should...ensure that functionally similar agencies are housed in the same location." Furthermore, "[t]o make effective and efficient security arrangements for a given facility, there needs to be greater grouping of agencies with similar risk assessments...."

This remains a significant issue today, and the ISC reaffirms this recommendation: compatible tenants—those with similar security concerns and requirements—should be co-located whenever possible, and incompatible tenants should not. This principle should be applied by all agencies with real property authority, not just GSA.

The factors of mission criticality and threat to tenant agencies should be primary considerations in determining compatible tenants. Additionally, although it is not explicitly considered above, the volume of public contact for various tenants is also a concern, especially where the screening of visitors may become a requirement.

This has traditionally been a difficult issue in smaller communities where there is only one Federal facility. Generally, this results in the co-location of tenants with differing security requirements, which leads agencies with higher security requirements to request separate space where they can be the sole tenants. Although this may come at greater cost, it is a risk-management decision. Locating a high-risk tenant in a separate facility reduces the threat to the other tenants, reduces the cost of security to all but the tenant that requires it, and ensures that the high-risk tenant can achieve the higher security posture it merits.

A tenant requiring a higher level of security should not be moved into a facility with a low security level. Such a move would result in either the higher-risk tenant accepting less security than it requires, or the lower-risk tenants having to accept and share the cost of a higher level of security than they require. Even if an alternative is to allow the higher-risk tenant to pay for any increased security measures required, based on its move into the facility, the operational impacts upon the other agencies have to be considered (e.g., the implementation of extensive visitor screening procedures may adversely affect a tenant with a high volume of public contact).

The onus is not just on the agency with real property authority that facilitates the relocation; it is shared by agencies seeking to relocate. By agreeing to occupy a space, the agency is agreeing to the level of security established for that facility and any operational or cost impacts associated with maintaining it.

12. References

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