CAPITAL INVESTMENT PROGRAM: IDENTIFYING RISK TO GSA FACILITIES

(117–53)

REMOTE HEARING

BEFORE THE

SUBCOMMITTEE ON
ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND
EMERGENCY MANAGEMENT

OF THE

COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES

ONE HUNDRED SEVENTEENTH CONGRESS

SECOND SESSION

JUNE 22, 2022

Printed for the use of the
Committee on Transportation and Infrastructure

Available online at: https://www.govinfo.gov/committee/house-transportation?path=/browsecommittee/chamber/house/committee/transportation

U.S. GOVERNMENT PUBLISHING OFFICE

49–422 PDF WASHINGTON : 2022

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JUNE 16, 2022

SUMMARY OF SUBJECT MATTER

TO:	Members, Subcommittee on Economic Development, Public Buildings, and Emergency Management
FROM:	Staff, Subcommittee on Economic Development, Public Buildings, and Emergency Management
RE:	Hearing on "Capital Investment Program: Identifying Risk to GSA Facilities"

PURPOSE

The Subcommittee on Economic Development, Public Buildings, and Emergency Management will meet on Wednesday, June 22, 2022, at 10:00 am EDT in 2167 Rayburn House Office Building and virtually via Zoom to hold a hearing titled, "Capital Investment Program: Identifying Risk to GSA Facilities." At the hearing, Members will receive testimony from the General Services Administration's Public Buildings Commissioner.

BACKGROUND

The General Services Administration (GSA) provides workspace for 1.2 million federal employees across more than 50 federal agencies.[1] GSA's Public Building Service (PBS) owns over 1,500 federal buildings.[2] Approximately 53 percent of PBS's portfolio is over 50 years old, and 28 percent is over 75 years old.[3] GSA's PBS leases approximately 8,100 office buildings, courthouses, land ports of entry, data processing centers, laboratories, and specialized space around the country for federal agencies.[4] During the period from fiscal year (FY) 2019 through FY 2023, 60 percent of PBS leases will expire.[5] GSA's PBS portfolio is projected to include 183.4 million square feet of owned space and 183.5 million square feet of leased space in FY 2021.[6]

According to GSA's 2022–2026 Strategic Plan,[7] its priorities include developing integrated and virtual workspace solutions for agency tenants, moving tenants from leased to federally owned GSA-controlled facilities, eliminating the backlog of repairs and alterations, disposing of underutilized facilities, investing in climate adap-

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[1] https://crsreports.congress.gov/product/pdf/R/R46410.
[2] https://www.gsa.gov/cdnstatic/GSA%20FY%202021%20Congressional%20Justification.pdf.
[3] https://www.gsa.gov/cdnstatic/GSA%20FY%202021%20Congressional%20Justification.pdf.
[4] https://www.gsa.gov/real-estate/gsa-properties.
[5] https://www.gsa.gov/cdnstatic/GSA%20FY%202021%20Congressional%20Justification.pdf.
[6] Id.
[7] https://www.gsa.gov/cdnstatic/GSA__Strategic__Plan__FY__2022__-__2026__FINAL__508.pdf.

tation tools, and securing the funding needed to maintain GSA-controlled facilities in a state of good repair.

GSA'S FEDERAL BUILDING PROCESS

The Administrator of General Services (Administrator) is authorized by 40 U.S.C. 585 to enter into lease agreements (of no more than 20 years) to secure space for federal agencies.[8] GSA also acquires space through new construction or purchase.[9]

The current prospectus threshold for leases and capital projects is $3.375 million.[10] If a lease or project cost is above the prospectus level, GSA develops a prospectus pursuant to 40 U.S.C. 3307 that includes details on the purpose, need, size, and scope of the leased space or project.[11] The prospectus is submitted to the House Committee on Transportation and Infrastructure and the Senate Committee on Environment and Public Works. Both committees must approve via resolution each prospectus prior to GSA executing the lease.[12]

GAO HIGH RISK REPORT

Federal real property management was first placed on GAO's High Risk List in 2003.[13] While GAO's 2021 High Risk report found that the "federal government could better manage its real property, or real estate, portfolio by effectively disposing of unneeded buildings, collecting reliable real property data, and improving the security of federal facilities," GAO noted that GSA has made progress in reducing the number and costs of leases. "GSA continued to demonstrate leadership commitment in reducing costly leasing. As noted in our 2019 High Risk Report, GSA initiated its Lease Cost Avoidance Plan in 2018 to reduce leasing costs by a projected $4.7 billion by fiscal year 2023. GSA continued to implement its plan through several initiatives including (1) negotiating more competitive leases with longer terms, (2) reducing the size of leases, (3) moving leased tenants to federally owned space, and (4) backfilling vacant leased space." [14]

UNDERFUNDING OF THE FEDERAL BUILDINGS FUND

GSA's PBS and its activities are funded through GSA's Federal Buildings Fund (FBF).[15] GSA enters into occupancy agreements with its federal agency tenants and charges commercially equivalent rent.[16] Those rents fund the FBF.[17] In turn, the FBF funds the operations of PBS, new construction, repairs and alterations, and payments for commercial leases. The availability of funds in the FBF are subject to annual appropriations.[18] GSA has raised concerns that since Congress has not made available in appropriations bills all rent collections over the last ten years, "GSA is collecting commercially equivalent rent from its occupant agencies but is precluded from reinvesting all of these funds in the aging federal facilities occupied by those rent-paying agencies." [19]

Since 2011, the amount of funds available in the FBF for new construction, repairs, and alternations has decreased below receipts received by GSA from its tenant agencies.[20] In addition, reductions, consolidations, and reconfigurations of space to improve efficiency and decrease real estate costs often require capital upfront.[21] Given this, a number of solutions have been proposed for alternative ways of funding projects, including public-private partnerships, discounted purchase options, and the creation of a new fund outside of GSA's FBF.

While GSA has the legal authorities to carry out public-private partnerships and discounted purchase options, the Office of Management and Budget's (OMB) interpretation of budget scoring rules effectively prohibits GSA from using these alter-

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[8] https://www.gsa.gov/cdnstatic/LDG-CHAPTER__INTRODUCTION-FINAL__9-30-11final__508C.pdf.
[9] 40 U.S.C. §§ 3304, 3305.
[10] https://www.gsa.gov/real-estate/design-and-construction/annual-prospectus-thresholds.
[11] 40 U.S.C. § 3307.
[12] Id.
[13] https://www.gao.gov/assets/gao-21-119sp.pdf.
[14] Id.
[15] 40 U.S.C. § 592.
[16] 40 U.S.C. § 586.
[17] 40 U.S.C. § 592.
[18] 40 U.S.C. § 3307.
[19] https://www.gsa.gov/cdnstatic/02__FY__2022__CJ__FBF__Narrative__Final__2.pdf FBF–11.
[20] *See* appropriations acts beginning in FY2011.
[21] *See e.g.*, GSA's Consolidations Activities Program, Prospectus No. PCA–0001–MU21.

natives.[22] Specifically, OMB's interpretation of the scoring rules effectively require GSA to have the full amount of budget authority for a project up front.[23]

FEDERAL OFFICE SPACE TRENDS POST-COVID

Early in 2020, because of the COVID–19 pandemic, GSA began consulting with key tenant agencies and the private sector to identify the impacts and trends on federal office space which GSA developed into its Workplace 2030 initiative.[24] The initiative examined the potential of increased teleworking beyond COVID–19, the opportunities it may present to improve efficiency and reduce space needs and costs, and the potential savings to the taxpayer.[25]

According to GSA's FY23 Congressional Budget Justification, "PBS will play a key role in the transformation of agency space requirements, and the facilitation of the Federal Government's transition to what is likely to be a smaller, less costly real estate footprint. As agencies are evaluating how they can most effectively deliver on their missions, GSA has an opportunity to partner with its Federal Government occupant agencies in the strategic planning of their future space needs.

Between FY 2023 and FY 2027, approximately 45 percent, or 82.9 million rentable square feet of leased space, will be expiring across the country. Much of this space is larger than necessary and prime for potential consolidation into a more agile workspace that will reduce the Government's reliance on more costly leased space."[26] In 2021, GSA awarded contracts to five coworking space companies, including WeWork, LiquidSpace Deskpass, Expansive, and The Yard.[27]

DEFERRED MAINTENANCE LIABILITIES

GSA's FY 2023 budget request "recognizes that GSA had a $7.6 billion unavailable fund balance at the end of FY 2020 and accumulated an additional $1.2 billion in FY 2021, for a total of $8.8 billion. This fund balance has grown as a result of $10.3 billion that could have been appropriated as New Obligational Authority (NOA) to the FBF, but instead was used to offset increases for other agencies over the last 10 years due to limitations in the Financial Services and General Government Appropriations Subcommittee's funding allocations. This represents a trend in which GSA is collecting commercially equivalent rent from its occupant agencies but is precluded from reinvesting all of these funds in its aging federal facilities occupied by those rent-paying agencies. This underfunding relative to revenue generation is almost entirely offset and absorbed through PBS's New Construction and Repairs and Alterations programs. As such, there are dramatic differences between what is needed and what is funded. Habitual underfunding of needed reinvestments is the driving factor behind PBS's growing deferred maintenance."[28]

GSA CLIMATE RESILIENCE STRATEGY

President Biden's Executive Order 14008, *Tackling the Climate Crisis at Home and Abroad*, directed federal agencies to develop a climate resilience strategy.[29] In response, GSA published a Climate Change Risk Management Plan which identifies GSA's vulnerabilities to climate change and priorities for action.[30]

GSA guidelines require that it only lease properties outside of floodplains to mitigate the risk posed to its property.[31] As floodplain maps are updated to account for climate change, GSA anticipates the availability of suitable leasing space will be restricted and rental costs more expensive as a result.[32] GSA will also incorporate updated floodplain data into its Building Assessment Tool Survey to ensure owned property has service life of thirty years at a minimum.[33]

Historic buildings within GSA's portfolio are vulnerable to disaster risks.[34] Historic buildings were constructed using flood maps that do not reflect updates to 100-

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[22] OMB Circular A–11, Appendix B.
[23] Id.
[24] Workplace 2030: Envisioning the Future of Federal Work, General Services Administration.
[25] Id.
[26] https://www.gsa.gov/cdnstatic/FY2023__CJ__FBF__Narrative__version2.pdf page 7.
[27] *See, GSA awards coworking space contract in bid to rethink federal office space*, Federal News Network, September 1, 2021.
[28] https://www.gsa.gov/cdnstatic/FY2023__CJ__FBF__Narrative__version2.pdf page 9.
[29] 86 FR 7619, pg. 7619–7633.
[30] GSA. Climate Change Risk Management Plan. September 2021. Available at: Climate Change Risk Management Plan (sustainability.gov).
[31] Id.
[32] Id.
[33] Id.
[34] Id.

year and 500-year flood risks.[35] The age and architecture of the buildings limit opportunities to make modifications that enhance resilience.[36] Additionally, GSA's repair backlog has left properties within the federal real estate portfolio at greater risk to extreme weather events.[37]

On June 15, 2022, the Committee approved authorization of $60 million from the FBF for GSA to undertake climate adaptation and natural disaster risk analyses and projects to mitigate against risks to federal buildings. While some other agencies with a large number of physical assets have done such analyses and generated tools that help identify natural disaster risks to its facilities and prioritize mitigation efforts, GSA has not yet done so.[38] In addition, agencies such as the Federal Emergency Management Agency, produce data through its National Risk Index for Natural Disasters that could assist GSA in identifying risks to its assets.[39]

REAL PROPERTY DISPOSAL

The Federal Assets Sale and Transfer Act of 2016 (P.L. 114–287) established a new process for disposing of unneeded federal space. FASTA created 6-year pilot authority to streamline the disposal of certain unneeded properties. A Public Buildings Reform Board (Board) was created to bring in outside real estate experts to make recommendations on the sale or redevelopment of federal real estate.[40] While separate from GSA, GSA provides a critical role in supporting the Board activities and carrying out recommendations approved by OMB.

WITNESS LIST

- Ms. Nina Albert, Commissioner, Public Buildings Service, General Services Administration

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[35] GSA. Climate Change Risk Management Plan. September 2021. Available at: Climate Change Risk Management Plan (sustainability.gov).
[36] Id.
[37] Id.
[38] *See*, for example, Department of Defense, Climate Assessment Tool.
[39] *See*, https://www.fema.gov/flood-maps/products-tools/national-risk-index.
[40] *See*, H. Rept. 114–578, Federal Assets Sale and Transfer Act of 2016.

CAPITAL INVESTMENT PROGRAM: IDENTIFYING RISK TO GSA FACILITIES

WEDNESDAY, JUNE 22, 2022

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 10:04 a.m. in room 2167 Rayburn House Office Building and via Zoom, Hon. Dina Titus (Chair of the subcommittee) presiding.

Members present in person: Ms. Titus and Mr. Webster of Florida.

Members present remotely: Ms. Norton, Ms. Davids of Kansas, Mrs. Napolitano, Ms. Van Duyne, and Mr. Gimenez.

Ms. TITUS. The subcommittee will come to order.

I ask unanimous consent that the chair be authorized to declare a recess at any time during this hearing.

Without objection, so ordered.

I also ask unanimous consent that Members not on the subcommittee be permitted to sit with the subcommittee at today's hearing and ask questions.

Without objection, so ordered.

As a reminder, please keep your microphones muted unless speaking. Should I hear any inadvertent background noise, I will request that the Member please mute their microphone.

To insert a document into the record, please have your staff email it to DocumentsT&I@mail.house.gov.

This morning I would like to welcome everyone here to our hearing and thank our witness, Ms. Nina Albert, for joining us to discuss risks to the General Services Administration's real estate portfolio.

We know the past 27 months have been overwhelming for families, businesses, schools, and workers. While adapting to remote work was challenging for many, its adaptation has been widely considered a success, and it is prompting workers and employers to reimagine how and where work gets done moving forward.

How much office space will Federal agencies need? This is a question particularly relevant to this subcommittee because we authorize the acquisition of space for the GSA.

The GSA provides workspaces for 1.2 million Federal employees in every State and Territory across more than 50 Federal agencies. Its Public Buildings Service owns over 1,500 Federal buildings and leases approximately 8,100 office buildings, courthouses, land ports of entry, data processing centers, laboratories, and other specialized space all around the country. With 60 percent of Public Buildings Service leases expiring in the next few years and agencies contemplating new ways to do work, the Government needs to rethink its real estate portfolio.

Currently, when agencies seek workspace, GSA considers the amount of space needed, the type of space, the location, the neighborhood amenities, disaster risks such as seismic safety and fire protection, and, most of all, the price. That last part, the price, is important because we need to be good stewards of taxpayer dollars. That is why I introduced the House companion to the BRIGHT Act, H.R. 7636, which would direct the GSA to install cost-effective and energy-efficient lighting in public buildings. This is a simple change that is estimated to save millions in taxpayer dollars while also making Federal buildings more sustainable.

As a result of the pandemic, GSA will also have to reconsider resilience, sanitation, airflow, spatial planning, and telework policies. This pivot will require GSA to consider how the built environment can help the Government provide better services, attract and retain employees, and protect workers' health.

The built environment also needs to account for the challenges and disasters we face as a result of climate change. Approximately 53 percent of PBS's portfolio is over 50 years old, and many of these buildings were constructed without considering the extreme weather risk which are present today. So, I am interested to learn more about how the GSA is managing climate change risk and how this factors into the repair backlog.

GSA also has other challenges which need to be addressed. Persistent underfunding of the Federal Buildings Fund, outdated and damaged facilities, underutilized buildings, frustrated tenants, expensive short-term lease renewals, insufficient funding for new construction, damage to buildings from extreme weather events, and a slow prospectus approval process make it extremely challenging for GSA to modernize and right-size its portfolio.

That is quite a list of things to address, and we are anxious to hear your response to them.

I am aware of GSA's frustrations with Congress preventing full access to the revenues collected in the Federal Buildings Fund. But let me point out that, since I became chair of this subcommittee—thank you for your help, Mr. Webster, ranking member—we have eliminated the multiyear backlog of prospectuses, and we have already passed the fiscal year 2023 climate and resilience, consolidation, energy and water conservation, fire protection and life safety, seismic mitigation, conveying systems, fire alarm systems, and judiciary capital security program prospectuses. Having passed these prospectuses prior to the passage of the fiscal year 2023 appropriations bills means that the authorizers can now return to regular order.

So, Commissioner Albert, I thank you for being with us and for participating in today's discussion. You see we have a lot of questions. We are grateful for your testimony, and we look forward to hearing more about the risks facing GSA's real estate portfolio, if I have left some out.

[Ms. Titus' prepared statement follows:]

Prepared Statement of Hon. Dina Titus, a Representative in Congress from the State of Nevada, and Chair, Subcommittee on Economic Development, Public Buildings, and Emergency Management

I'd like to welcome everyone to today's hearing and thank our witness, Ms. Nina Albert, for joining us to discuss risks to the General Services Administration's real estate portfolio.

The past 27 months have been overwhelming for families, businesses, schools, and workers. While adapting to remote work was challenging for many, its adaptation has been widely considered a success, and is prompting workers and employers to reimagine how and where work gets done moving forward.

How much office space will federal agencies need? This question is particularly relevant to this subcommittee because we authorize the acquisition of space for the General Services Administration also known as the GSA.

The GSA provides workspaces for 1.2 million federal employees, in every state and territory, across more than 50 federal agencies. GSA's Public Building Service owns over 1,500 federal buildings and leases approximately 8,100 office buildings, courthouses, land ports of entry, data processing centers, laboratories, and specialized space around the country.

With sixty percent of Public Building Service leases expiring in the next few years and agencies contemplating new ways of working, the government needs to rethink its real estate portfolio.

Currently, when agencies seek workspace, GSA considers the amount of space needed; the type of space; the location; the neighborhood amenities; disaster risks such as seismic safety and fire protection; and most of all, the price.

That last part is important because we need to be good stewards of taxpayer dollars. That's why I introduced the House companion to the BRIGHT Act (H.R. 7636) which would direct the GSA to install cost-effective and energy-efficient lighting in public buildings, a simple change that is estimated to save millions in taxpayer dollars and make federal buildings more sustainable.

As a result of the pandemic, GSA will also have to reconsider resilience, sanitation, air flow, spatial planning, and telework policies. This pivot will require GSA to consider how the built environment can help the government provide better services, attract and retain employees, and protect workers' health.

The built environment also needs to account for the challenges and disasters we face today as a result of climate change. Approximately 53 percent of PBS' portfolio is over 50 years old, and many of these buildings were constructed without considering the extreme weather risks which are present today. I am interested to learn more about how the GSA is managing climate risks and how this factors into the repair backlog.

GSA also has other challenges which need to be addressed. Persistent underfunding of the Federal Buildings Fund, outdated and damaged facilities, underutilized buildings, frustrated tenants, expensive short-term lease renewals, insufficient funding for new construction, damage to buildings from extreme weather events, and a slow prospectus approval process make it extremely challenging for GSA to modernize and right-size the portfolio.

I am aware of GSA's frustrations with Congress preventing full access to the revenues collected into the Federal Buildings Fund, but let me point out that since I became Chair of this subcommittee we have eliminated the multi-year backlog of prospectuses and have already passed the FY23 Climate and Resilience, Consolidation, Energy and Water Conservation, Fire Protection and Life Safety, Seismic Mitigation, Conveying systems, Fire Alarm Systems, and Judiciary Capital Security Program prospectuses. Having passed these prospectuses before the passage of the FY23 appropriations bills means that the authorizers have returned to regular order.

Commissioner Albert, I thank you for being with us and for participating in today's discussion. I am grateful for your testimony, and I look forward to learning more about the risks facing GSA's real estate portfolio.

Ms. TITUS. I would now open it to Mr. Webster, our ranking member, for his statement.

Mr. WEBSTER OF FLORIDA. Thank you, Chair. I want to thank the GSA Public Buildings Commissioner for being here today.

It is good to see you. As a matter of fact, it is good to see you in person.

Last week, the committee passed eight resolutions for special emphasis programs and alterations that address different risks for GSA's aging portfolio. As the committee that oversees FEMA and disaster programs, we have a particular interest in ensuring agencies like GSA understand the risks to its facilities and are working with agencies like FEMA that have robust risk data readily available.

FEMA has the National Risk Index, for example, which factors in 18 natural hazards and expected annual losses. This kind of data can help communities to make necessary hazardous mitigation plans.

GSA also faces risk by holding onto properties that no longer serve a need for the Federal Government. The Federal Assets Sale and Transfer Act, FASTA, was passed with the intent to not just simply streamline the disposal process, but to get agencies to look more strategically at their assets. The goal is to produce results that could include sales, redevelopments, outleases, and other activities that make the most sense financially and operationally.

To achieve significant changes, it takes the administration, including GSA and OMB, working together with Congress to get agencies to make better decisions about their space and to take new developments into account, like the increased telework posture and need for less space.

It also means alternative financial options should be on the table, as well. It makes no sense for the taxpayer to effectively pay for a building, sometimes many times over, through a lease, only to have to pay fair market value in order to own it.

GSA has the legal authorities to negotiate discounted purchase options and enter into public-private partnerships, but has not taken advantage of those authorities. GSA should use these authorities, where appropriate, to facilitate the right-sizing of the portfolio and reduce costs to the taxpayer.

I hope we can work together to address GSA's growing deferred maintenance costs and ultimately reduce costs for the taxpayer through strategic investment.

Thank you, Chair Titus, for the opportunity, and I look forward to the testimony.

[Mr. Webster of Florida's prepared statement follows:]

Prepared Statement of Hon. Daniel Webster, a Representative in Congress from the State of Florida, and Ranking Member, Subcommittee on Economic Development, Public Buildings, and Emergency Management

I want to thank the General Services Administration's (GSA) Public Buildings Commissioner for being here today.

Last week, the Committee passed eight resolutions for special emphasis programs and alterations that addressed different risks for GSA's aging portfolio. These resolutions tackled seismic mitigation, fire alarms and life safety, judiciary security, and assessments on building vulnerability to natural disasters.

As the committee that oversees FEMA and disaster programs, we have a particular interest in ensuring agencies like GSA understand the risks to its facilities and are working with agencies like FEMA that have robust risk data readily available. FEMA has the National Risk Index, for example, which factors in 18 natural hazards and expected annual loss. This kind of data can help communities to make necessary hazard mitigation plans.

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It also means alternative financing options should be on the table as well. It makes no sense for the taxpayer to effectively pay for a building, sometimes many times over, through a lease, only to then have to pay fair market value to own it. GSA has the legal authorities to negotiate discounted purchase options and enter into public private partnerships but has not taken advantage of those authorities. GSA should use these authorities where appropriate to facilitate the right-sizing of the portfolio and reduce costs to the taxpayer.

I hope we can work together to address GSA's growing deferred maintenance costs and ultimately reduce costs for the taxpayer through strategic investment. I look forward to hearing from our witness today on GSA's risk mitigation strategy and plans for the Capital Investment Program.

Ms. TITUS. Thank you, Mr. Webster.

I would now like to welcome our witness, Ms. Nina Albert, who is the Commissioner of the Public Buildings Service at the GSA.

Thank you so much for being here today. We are looking forward to hearing your testimony.

Without objection, our witness' full statement will be included in the record.

Ms. Albert, the floor is yours.

TESTIMONY OF NINA ALBERT, COMMISSIONER, PUBLIC BUILDINGS SERVICE, U.S. GENERAL SERVICES ADMINISTRATION

Ms. ALBERT. Good morning, Chairwoman Titus, Ranking Member Webster, and members of the subcommittee. My name is Nina Albert, and I am the Commissioner of the Public Buildings Service at the GSA.

I appreciate the committee's interest in GSA's Capital Investment Program, and I look forward to sharing our outlook on the opportunities and risks facing GSA's real estate portfolio. I will describe the importance of properly maintaining Federal facilities, the financial risk to the Government if we do not address mounting deferred maintenance, and the savings to taxpayers if we adequately fund GSA's Capital Improvement Program.

By putting the right tools in place, GSA can address deferred maintenance as well as modernize and optimize the real estate portfolio. This vision includes key national goals, such as providing accessible facilities to tens of millions of members of the visiting public, to delivering flexible workplace environments for Government employees, to ensuring physical security and cybersecurity in Federal buildings, and achieving a net-zero portfolio by 2045.

So, how do we advance all of these priorities? At the end of the day, the solutions are relatively straightforward.

GSA seeks to work with Congress to receive full access to the Federal Buildings Fund and to streamline the prospectus process.

Without Congress' support of GSA's full access to the Federal Buildings Fund, much of the real estate in GSA's control will continue to suffer the consequences of deferred maintenance, the liabilities for which now equals $2.6 billion per year. And that will compound if it is not addressed, and GSA will continue to lease space out of necessity, which is not the most cost-effective solution for the Government when we know that there is a long-term need.

There are a number of potential options that would help unlock the full value of rent and other collections in the FBF. When I appeared before this subcommittee last November, Chair DeFazio noted that the FBF funding issue was similar to funding challenges around the availability of moneys that were being deposited into the Harbor Maintenance Trust Fund, which Congress worked to resolve. I am eager to discuss potential solutions with you in this regard.

By having full access to the FBF, GSA can consolidate agencies into federally owned facilities to avoid lease costs, we can reduce facility vulnerabilities due to extreme weather events, and we can modernize federally owned buildings to meet the evolving needs of agencies.

We also seek to work with the committee on streamlining the prospectus process, because this would also improve efficiency within GSA's capital investment and leasing programs. A GAO report dated January 2022 recommended that GSA assess its prospectus processes and communicate its findings to our authorizing committees. I am pleased to be able to share our findings with you today.

We evaluated the impact of adjusting the prospectus threshold from the current $3.375 million to a $10 million threshold. Even at the new threshold amount, roughly 60 percent of current projects and 80 percent of major capital projects would still be subject to the prospectus process and Congress' review. Our preliminary estimate indicates, however, that we could save $50 million per year in avoided lease costs and costs in our capital repair program, as well as deliver our program 23 months sooner.

GSA will also better be able to respond to emergency circumstances, which is vital to enabling agencies to perform their missions with minimal disruptions.

Finally, I want to emphasize that there has never been a more important moment to make these improvements. On one hand, after 10 years of deferred maintenance, the condition of Federal buildings is of concern. On the other hand, based on what agencies have learned over the past couple of years, GSA needs to have more flexibility to respond to agencies as they seek to modernize their mission delivery, update their customer service models, and evolve workplace solutions. Gaining full access to the Federal Buildings Fund and streamlining the prospectus process are two primary means to providing the flexibility that is needed to modernize and optimize the Federal real estate portfolio.

Thank you again for the opportunity to share GSA's perspective, and I welcome your questions this morning.

[Ms. Albert's prepared statement follows:]

Prepared Statement of Nina Albert, Commissioner, Public Buildings Service, U.S. General Services Administration

Good morning, Chairwoman Titus, Ranking Member Webster, and Members of the Subcommittee. My name is Nina Albert, and I am the Commissioner of the Public Buildings Service (PBS) at the U.S. General Services Administration (GSA). I appreciate the Committee's interest in GSA's Capital Investment Program (CIP) and look forward to sharing our outlook on the opportunities and risks facing GSA's real estate portfolio. Today, I will describe the importance of constructing new and maintaining existing Federal facilities for the safety of the public and Federal employees; the financial risks to the government if we do not address mounting deferred maintenance and other liabilities; and the savings to taxpayers if we institute an adequately funded capital construction program. GSA looks forward to partnering with the Committee to develop and implement concrete solutions that mitigate risk and reflect responsible government.

GSA oversees federally owned and leased facilities in more than 2,200 communities across the country where we manage customer service centers, courthouses, offices, labs, land ports of entry, warehouses, and other facilities. These facilities are visited annually by tens of millions of members of the public, including veterans, Medicare and Social Security beneficiaries, small business owners, victims of disasters, plaintiffs and defendants, contractors, and others. That is one of the reasons it is so critically important for GSA to make sure these facilities are resilient, safe and accessible.

It is also critical because of the moment we find ourselves in. The COVID–19 pandemic has set in place a once in a generation opportunity for Federal agencies to rethink how they provide effective workplace environments. The pandemic spotlighted the need for operational resilience and ability to transform traditional offices into hybrid offices capable of supporting both in-person and remote workers. Using lessons learned through the pandemic and leveraging our experience with mobile and hybrid work, there are likely to be opportunities to reduce general office space—especially opportunities to consolidate from leased into owned space, resulting in significant savings for the taxpayers and increased use of the Federal portfolio.

Unfortunately, GSA's ability to seize this opportunity is hampered by persistent underinvestment. Much of the federally owned portfolio in GSA's control is suffering from the consequences of significant deferred maintenance, driven by inadequate investment that is putting the American people and government operations at risk. For example, many federally owned GSA facilities have had persistent water penetration from leaking roofs and windows, which if GSA could have repaired when the problems were manageable, would have avoided what have now become major liabilities. Other facilities, including many U.S. courthouses, have outdated fire, life-safety and elevator systems, which prevents or impedes the safe and reliable movement of judges, jurors, families, and visitors. The poor conditions of these facilities inhibit their tenant Federal agencies from performing their missions at the levels of excellence the American taxpayer expects.

As a result, GSA requires mechanisms to ensure that GSA is able to make the necessary investments into the federally owned portfolio both now and in the future. Only through adequate and predictable funding will GSA be able to both address existing problems and to modernize and optimize the Federal portfolio. By replacing outdated and inefficient systems with efficient, safe and modern technologies, and updating federally owned buildings to deliver modern workplaces and spaces, GSA can achieve taxpayer savings. The one-time infusion of $3.4 billion investment in land ports of entry through the Infrastructure Investment and Jobs Act (Public Law 117–58) is helping to significantly modernize those facilities, but they are only a fraction of the Federal portfolio that needs investment.

Financial Risks to the Government from Deferring CIP Investments

Delaying and deferring capital projects and investment needs only increases their overall cost, through project cost increases, scope changes, and the compounding expense of temporary repairs. Deferred repair projects eventually become full replacement projects. Current supply chain volatility and material cost increases only exacerbates this trend. The most significant hurdle to timely project execution has been lack of available and reliable funding to carry out the necessary and desperately needed work. However, other procedural delays can also slow progress. Together, both factors have added risks to the Federal government.

Over the past twelve years, GSA's annual appropriation from the Federal Buildings Fund (FBF) has averaged $980 million below annual collections from customers. As a result, GSA's Capital Investment Program (CIP), which supports repairs and renovations, acquisitions, and new construction projects, has been consistently underfunded, with most of those reductions occurring in the repair and alterations (R&A) programs. This level of sustained underinvestment in maintaining federally owned buildings has had a devastating effect on conditions in hundreds of buildings. Since FY 2011, GSA's immediate annual liabilities have doubled from $1.3 billion in FY 2011 to $2.6 billion in FY 2021. The total 10-year reinvestment requirements within the portfolio have also doubled from $4.7 billion in FY 2011 to $9.4 billion in FY 2021.

As an example of how delayed action increases costs, in GSA's FY 2023 budget request, eight projects that were included in the President's Budget were projects that had been requested in previous budgets. In fact, several of these have been submitted multiple times, with some being submitted as far back FY 2015. In FY 2023, the combined costs for these projects have increased by $122 million since they were first requested in prior fiscal years and are likely to further compound if they are unfunded this year and further delayed. Funding-related project delays have an especially negative impact on multi-phase, major modernizations. Funding delays for the Department of Commerce's (DOC) headquarters renovation, which was submitted in FY 2003 and is only on phase 4 of 8, has prevented DOC from releasing back to GSA approximately 200,000 usable square feet, and kept other agencies in leased space. As a result, an opportunity to avoid approximately $10 million in annual lease costs is currently being forfeited. There are additional opportunities to reduce lease costs through consolidation from private leases into federally owned space. However, this is only possible if existing Federal buildings are in satisfactory condition and are able to meet agency requirements.

Even when project funding becomes available, GSA often has to wait to begin a project. The prospectus process, as outlined in Title 40, adds significant time to routine repair projects and increases risk in several ways. First, the size and scope of a repair project can increase if a problem is not quickly addressed. Second, if a prospectus approval ends up lagging significantly behind the expected time frame, temporary or interim solutions may be needed while Committee action is pending.

In January 2022, a review by the Government Accountability Office (GAO) of GSA's prospectus process noted the many steps and considerable length of time required to develop and approve project prospectuses. GAO found that capital repair projects took an average of 23 months from prospectus draft to prospectus approval. This timeframe applied even for routine capital maintenance issues, such as roof repairs and window replacements. As mentioned before, when repairs are delayed, smaller repair projects can become full-scale replacements. Additionally, forced measures such as lease extensions, temporary repairs, or multiple tenant moves also add significant cost and disruption to the affected agency. Approximately $20 million a year can be saved in the Major Repairs and Alterations program by shortening the prospectus timeline and increasing the speed that GSA is able to go to the market with construction contracts.

Finally, I would like to call special attention to the risks posed to GSA facilities from extreme weather events and other natural disasters. Since 2017, 59 Federal facilities in the GSA portfolio have been damaged by floods, hurricanes, and other weather events. We expect the frequency of extreme weather events to only increase in the future. While Congress has generally provided emergency appropriations to repair many of these facilities, preventing damage in the first place is almost always the more cost-effective alternative. There are proactive measures that can be taken now to reduce facilities' vulnerability to these events, thereby reducing the risk of damage.

Opportunities to Reduce Risk in GSA's Capital Investment Program

GSA sees a number of opportunities to reduce risk and save money long-term. First and foremost, restoring full access to the revenues collected into the FBF each year will provide GSA the resources needed to address the maintenance backlog, to avoid lease costs through consolidations of agencies into federally owned space, and to improve the building inventory to meet the evolving needs of agencies and visitors alike; this is no more than what any private sector landlord would be able to do. With respect to the prospectus process, streamlining the current process could reduce risks and also yield significant savings. Finally, GSA can manage the financial and operational risks from climate change and extreme weather events through tailored adaptation measures which may include building-hardening, relocation, and other preparedness and resiliency measures.

(1) Gaining Access to Annual FBF Revenues

There are a number of potential solutions that would help unlock the full value of collections from the FBF. When I appeared before this subcommittee last November, Chair DeFazio noted that the FBF funding issue was similar to funding challenges around the availability of monies that were being deposited into the Harbor Maintenance Trust Fund (HMTF), which Congress worked to resolve. We are eager to further explore this idea with the Committee and others. One point worth noting is that adopting a solution for the FBF similar to what was done for the HMTF would preserve both the prospectus approval and annual appropriations processes. These processes are important mechanisms to allow Congress to provide input and oversight over investments into the Federal portfolio.

(2) Streamlining the Prospectus Process

The January 2022 GAO report recommended that GSA assess its prospectus processes and communicate its findings to its authorizing committees to address any risks posed by the current process. GSA has been conducting this assessment, and I am pleased to communicate some of our findings to you today.

GSA believes setting a higher prospectus threshold for both capital and leased projects would allow us to direct scarce resources to many of the routine maintenance and repair projects of greatest need. Most major projects would still be subject to the prospectus process. Simultaneously, GSA could carry out many urgent projects that fall between the current threshold of $3.375 million and a proposed threshold of $10 million. Overall, roughly 60% of current projects, and 80% of major capital projects, that currently require prospectus approval would still be subject to the prospectus process with a threshold of $10 million. This change continues to provide for Congressional oversight on major capital projects, while enhancing GSA's stewardship function. The current threshold of $3.375 million requires GSA to seek authority from Congress to execute low-cost repairs to existing facilities that should be considered a part of routine maintenance, such as window replacements and elevator repairs.

Additionally, GSA notes that the Department of Commerce index referenced in 40 U.S.C. 3307 to adjust the threshold for annual cost increases no longer exists. As such, GSA identified alternative data sources and has included reference to the utilized indices in recent Congressional notifications of prospectus threshold increases.

Overall, a streamlined prospectus process with a higher threshold for authorization could provide significant benefits for taxpayers. GSA's preliminary estimates for lease cost avoidance from a revised prospectus threshold suggest that such an update might produce upwards of $30 million in annual avoided costs. Similar levels of savings are potentially available for capital repair projects as well. By going to the market with construction proposals sooner, GSA's repair and alterations program could save approximately $21 million annually. Additionally, updating the prospectus statute would allow GSA to better respond to unforeseen and emergent circumstances more efficiently, which is vital to enabling agencies to perform their missions with minimal disruptions.

(3) Mitigating Financial and Operational Risks from Disasters

As previously mentioned, GSA and Federal tenant agencies have substantial financial exposure to associated risks from flooding, hurricanes, tornadoes, and other significant climate-related events. GSA would like to thank this Committee for its support of the budget request's $60 million Climate and Resilience Special Emphasis Program through the issuance of a prospectus resolution, allowing GSA to conduct formal agency-wide vulnerability assessments to align with the climate science from the latest National Climate Assessment; fortify agency risk management efforts; and identify and execute the highest priority projects across the country, such as critical building system relocations, flood mitigation and storm water management, and building filtration and ventilation projects. I deeply appreciate the Committee's quick action on this prospectus, and ask for your continued assistance in securing funding for this important work.

In conclusion, we are at an important inflection point in the management of GSA's Federal real estate portfolio, with a unique opportunity to modernize and optimize the Federal real estate footprint. GSA is committed to meeting this moment. With more flexible authorities, funding to improve resilience, and full access to the annual revenues we collect from partner agencies, we can provide safe, modern, and secure facilities for Federal customer agencies—while supporting local economic activity and saving taxpayers significant amounts of money over the long-term. I appreciate the opportunity to be here with you today, and I look forward to working with the Committee on these and other proposals to improve management of the Federal real estate portfolio.

Ms. TITUS. Thank you very much. We will now move on to Members' questions. Each Member will be recognized for 5 minutes, and I will start by recognizing myself.

Earlier this year I introduced the House companion to the BRIGHT Act. I mentioned that in my opening statement. That BRIGHT Act has passed the Senate. And if the Senate can pass anything, it is a miracle. So, that has been done. I wonder how you feel about that, GSA, if you would support changing out the light bulbs to be more cost effective and more energy efficient in our public buildings.

Ms. ALBERT. We absolutely support any reforms and improvements that provide us the flexibility to invest in existing facilities, to dispose faster of underutilized facilities, and to make the improvements needed to make sure that our buildings are ready for the modern era. That includes extreme weather events, unfortunately. That includes greater levels of physical security. It includes technology investments and improvements and access in our buildings, as well as, obviously, modernizing workspaces.

So, we always appreciate and support when Congress makes these investments and acknowledges that, while we take buildings for granted—because we don't think about it until there is an event that occurs that disrupts operations, that impacts people's lives—we are always trying to safeguard against those extraordinary events, and we do that by providing a reliable and dedicated amount of funding to go ahead and make those improvements on a day-to-day and year-to-year basis.

Ms. TITUS. Thank you very much. I am glad to hear that. So, maybe we can get that moving out of the House, as well.

You mentioned the weather conditions. That was going to be my next question. We said 53 percent of your portfolio is over 50 years old; 28 percent is over 75 years old. And when many of these buildings were constructed, it was during a time when the flood maps weren't very accurate and didn't reflect the kind of risk that we are facing today.

We have got 100-year floods and 500-year floods, and it is not just flooding. Other things occur, too. But you are vulnerable to a multitude of disasters. You are in great need of repair. You have got a backlog. Can you talk to us a little bit about how you address flood and sea level rise risks posed to some of our existing buildings?

And are you collecting data on the assets, about how old they are, what they need, what their problems are, that sort of information? That would be helpful.

Ms. ALBERT. Yes. Thank you so much for this question. This is of top concern for us.

Since 2017, we have had 59 buildings subject to some sort of extreme weather damage. That includes floods. But of course, it also includes tornadoes, hurricanes, other types of damage, as well. So, being able to address and repair those facilities so that workers and the visiting public can continue to have access to those buildings is of concern to us. So, there are a number of different things.

One is taking a proactive approach, making sure that we are studying FEMA's—Mr. Webster mentioned the National Risk Index, so, incorporating data that is being provided by other agencies, and making sure that, as we make capital plans, that we are anticipating and using that data so that those capital investments allow us to secure that building for a long-term future, irrespective of extreme weather events.

The other side of the coin, of course, is making sure that we have the flexibility to repair buildings so they can get back into service as quickly as possible, which is, again, why I proposed this morning discussing with the committee full access to the Federal Buildings Fund. And as I mentioned, even by accelerating the prospectus process, we could be saving $50 million and be able to address emergency repair as needed.

There is a big opportunity here, as I mentioned, to be proactive in our planning and looking at our portfolio across the board, making sure that we understand what investments need to be made when there is a risk presented to those facilities, and then going ahead and making the investments necessary to secure the safety of that facility over the long term.

Ms. TITUS. When we talk about infrastructure, we hear a lot about building back better. We don't want to just build back to a status quo ante; we want to build in resilience for what may come down the road. So, is that a part of your consideration as you look at the inventory and try to repair some of this damage?

Ms. ALBERT. Absolutely.

You mentioned the age of our buildings. There are two ways that that predominantly affects us. Number one is the age of the building system itself. It is at the end of its useful life. When we modernize and put in efficient buildings, we are now able to save, on average, 80 percent on the greenhouse gas emissions, just based on a systems upgrade alone.

As it pertains to protecting against flood and other types of damage like that, those are more significant capital investments, and that is what the Climate and Resilience Special Emphasis Program is for. And I want to thank the committee for approving and moving that special emphasis program forward.

Ms. TITUS. Well, thank you very much. I now recognize Mr. Webster for 5 minutes.

Mr. WEBSTER OF FLORIDA. Thank you, Chair.

Commissioner Albert, it looks like costs of items in every area of life are going up. Inflation is there. And I am sure in your arena, especially in infrastructure of buildings—plus, I guess, land also is being affected by those costs—what are you seeing? What are you doing? How are the costs impacting the general operation of GSA, especially in the construction of new projects?

Ms. ALBERT. Well, thank you for that question. Obviously, this is of utmost interest and concern to the construction industry and real estate industry at large.

From a building's operation perspective, we haven't seen significant cost increases from that side. That is where our buying power and the contracts that we have in place have set prices, and we have been able to manage those costs pretty well. Where we are seeing costs rise is around certain types of materials, labor shortages in many cases. And in those cases, we are looking at our portfolio of projects and having to make adjustments. They can be sometimes scope changes, they can be a different phasing plan to be able to deliver the project within budget. And then it can also include, in more challenging times, even removing certain projects off the plate, or waiting until we are able to deliver them.

So, these are the tools that are available when we face circumstances like this and are having to manage to a fixed budget in an environment where there may be escalating costs.

What is incredibly important for any manager of a major portfolio like ours is to have sustained and dedicated funding year after year, because we can then plan to manage around momentary cost changes. It is sort of a fundamental management axiom for people who are managing major capital investments is the longer we can have a 5-year or a 10-year capital improvement plan, we can manage to the immediate market circumstances. And that is, I think, a key part to this moment, where everyone is trying to manage the specific cost increases that we are seeing in the construction industry.

Mr. WEBSTER OF FLORIDA. So, let's say, last case scenario, you don't know exactly what to do. You are in the middle of something, they are building it, and all of a sudden the costs are going to be more. Do you have any ability to modify what is being done?

Ms. ALBERT. We do. It depends on what the circumstance is. As you know, GSA works very closely during the procurement process with the contractor. We often try and negotiate a firm, fixed price or a guaranteed maximum price. So, the projects that are already underway are being planned according to the budget that the contractors committed to.

When there are unusual circumstances, there are provisions within our contracts that allow us to negotiate around whatever that what we call force majeure event might be.

Mr. WEBSTER OF FLORIDA. Yes. So, also in the area of courthouses, there was a study 10 or 12 years ago about the cost—the actual courthouses being larger than what was approved. And that certainly costs more money than what we have. What are you doing to make sure that what is approved, what is talked about, what is voted on is what we are doing?

Ms. ALBERT. Well, we are working very closely with the Administrative Office of the U.S. Courts, and they have been a fantastic partner. They are seeing the opportunity to modernize their facilities as a result of what they have learned over the last 2 years during the pandemic and how they know their future workforce is going to use space.

So, the past 10 years have been a great collaboration. I believe that we have worked very closely with the courts to make sure that design standards are put in place and that the budgets that are developed are current and also communicated. There are changes that occur during the course of any project, and we work closely on those scope changes with the courts to make sure that they are being properly managed.

Mr. WEBSTER OF FLORIDA. Thank you very much.

I yield back.

Ms. TITUS. Thank you, Mr. Webster. We will now go to the other members of the committee, and I will recognize them for 5 minutes.

First, we have Ms. Van Duyne.

Ms. VAN DUYNE. Thank you very much. I appreciate everybody being here today.

Most Americans are getting back to work, and that includes getting back to work in the office. In his State of the Union, President Biden said it is time for Americans to get back to work and fill our great downtowns again. People working from home can feel safe to begin to return to the office. We are doing that here in the Federal Government. The vast majority of Federal workers will once again work in person.

But from what we have heard from constituents, from what I have seen—and it is constituents who are actually acting on, working with our Government agencies—that really does not appear to be the case.

I understand you can only speak on behalf of what the GSA is doing right now. But as the Government landlord, you should be leading by example. So, Ms. Albert, I am going to ask you. How many GSA employees are back in the office full-time right now?

Ms. ALBERT. I don't know the exact number to that.

GSA has always been a leader, and sort of on the leading edge of hybrid work. We have been practicing in a hybrid environment for over a decade. And so, as a result of the last couple of years, we have been reevaluating which positions qualify for remote work, which positions qualify for hybrid——

Ms. VAN DUYNE [interrupting]. So, of those positions, how many are back in the office 5 days a week?

Ms. ALBERT. I am not sure that any are back in the office 5 days a week, but we are also not aiming for that outcome.

What we are really looking to do—and I would say that this is true——

Ms. VAN DUYNE [interrupting]. So, how many days, on average, per week are they at the office?

Ms. ALBERT. I don't know that I can provide an average. I can tell you what I do, which is I am in the office between 3 and 4 days a week. And so is my supporting staff.

Ms. VAN DUYNE. What about other leadership in DC?

Ms. ALBERT. I would say that we are in a period of flux, and this is across the country in private sector, as well. There are very few organizations, private or public, that are in the office 5 days a week.

Ms. VAN DUYNE. I could tell you our office is in the office. Our staff is in the office, both in DC and in the district, because that is where constituents call, that is where constituents come for help.

But from a leadership perspective, this is your team. I would hope that you would know how often that they are in the office. This is a team that you are working directly with.

Ms. ALBERT. We are actually encouraging hybrid work so that we can fully understand it, so that we can serve agencies that are interested in engaging with hybrid, remote, or office-based work as effectively as possible. This is an opportunity to——

Ms. VAN DUYNE [interrupting]. But can you just give me—and I know that we use that term, but I don't know what hybrid means. I mean, I know it is a mixture, but is it mostly at home? Is it mostly in the office?

I know at HUD, I think it is like 1 day a pay period they have to come back in the office. What is GSA doing?

Ms. ALBERT. GSA——

Ms. VAN DUYNE [interrupting]. Certainly, you have a policy. It is not—it is just not a one-off, right?

Ms. ALBERT. No, it is not a one-off. We have actually been systematically working through each position.

This is what best practices are, are to look at what is the requirement of the position, and how should it be qualified.

Ms. VAN DUYNE. So, you are telling me at GSA right now you don't have a standard, that is, each position is different on how many days that they come to the office, each position? There is no standard?

Ms. ALBERT. We have a standard by position. That is correct.

Ms. VAN DUYNE. OK, and what does that range from?

Ms. ALBERT. It ranges from fully remote, hybrid, to onsite.

Ms. VAN DUYNE. OK, and then how many would you say are fully remote, what percentage?

Ms. ALBERT. Six percent, I believe.

Ms. VAN DUYNE. OK, and then what is the others?

Ms. ALBERT. Let's see. Onsite is about—and please don't quote me on these numbers, this is an estimate—onsite, fully onsite, 5 days a week—those are our building managers and people who provide onsite services, that is about 10 percent. And the vast majority is in a hybrid mode. Hybrid means anywhere from 1 day a week in the office to 4 days a week in the office.

So, that is what the spread is. This is, again, very typical. This is the norms of the private sector, as well as public sector. We are all competing for qualified talent in the future, and we know that the current generation, after experiencing working from home for the last 2 years, as well as future generations, are going to anticipate and need and want flexible work styles.

Ms. VAN DUYNE. Yes, and I think flexible is one thing, but going back to the office 1 day every 2 weeks is probably not exactly what makes the best team work together.

But if GSA is in charge of Government office space, wouldn't it be in your best interest to actually have the office buildings filled again? I mean, otherwise, are we looking at shrinking down that footprint? You are spending a lot of rent on empty office space right now.

Ms. ALBERT. Well, right now, what I think the opportunity is, is to have fewer buildings and better buildings. I think that there is an opportunity to reevaluate our portfolio and take those facilities that are underutilized, and put them to better use by either offering——

Ms. VAN DUYNE [interrupting]. I hope we can do that soon. I yield back my time. Thank you very much.

Ms. TITUS. Thank you. I now recognize Mrs. Napolitano.

[Pause.]

Ms. TITUS. Mrs. Napolitano?

Mrs. NAPOLITANO. Yes, ma'am. Thank you, Madam Chair.

Ms. TITUS. Thank you.

Mrs. NAPOLITANO. Commissioner Albert, two of GSA's strategic plan priorities are developing virtual workspace solutions and disposing of underutilized facilities. What actions has the Public Buildings Service taken to address this?

Ms. ALBERT. Sure. Thank you so much for your question. We are doing two things concurrently.

The first is, we are looking at our assets again. We are scrubbing them completely and trying to determine which ones are long-term strategic holds for the Federal Government that we should continue to invest in, that we should properly maintain, that we should upgrade and renovate to withstand future climate events——

Mrs. NAPOLITANO [interrupting]. Is there—pardon me. Is there a list of priorities that you can share with the committee so we know what you are working on and what has come up as a priority for you?

Ms. ALBERT. Sure. I mean, the priority for us is to make sure that we have a financially and environmentally sustainable portfolio. That work incorporates disposition of underutilized properties and reinvestment in assets that we know that we are going to hang on to.

And there is a tremendous opportunity, and this is where we are working with agencies to determine how they are going to be using space in the future and making sure that, when there is an opportunity to consolidate space, that we are doing that and, ideally, when we have a Federal building available, consolidating them into Federal space.

So, all of those activities take place concurrently. We are working very actively. And, as you saw in our——

Mrs. NAPOLITANO [interrupting]. Pardon me. Do you have a report that would show what your priorities are?

Ms. ALBERT. Yes, actually. Well, we have a report that is deliverable to Congress.

Mrs. NAPOLITANO. I would like to see it——

Ms. ALBERT [interrupting]. Let's see. I think it would be in September. And so, we look forward to sharing the results of that report with you here shortly this fall.

Mrs. NAPOLITANO. And the committee, would you please?

And then your testimony noted that delayed actions have increased several projects' costs by $122 million and how these delays to repair and maintenance impact your ability to make GSA's portfolio more climate resistant.

Ms. ALBERT. I am sorry. Could I ask you to repeat the question? Unfortunately, it was hard to hear.

Mrs. NAPOLITANO. Delayed action has increased project costs by $122 million. How do these delays in repairs and maintenance impact GSA's ability to make its portfolio more climate resistant?

Ms. ALBERT. OK. Thank you so much. What I think I understood was that delays in project delivery can impact our ability to make buildings more climate resistant. OK?

Mrs. NAPOLITANO. Yes.

Ms. ALBERT. Well, any time that there is limited flexibility in how we manage the portfolio, as well as delays due to burdensome process, all of those delays compound our ability to react quickly, whether or not there is an immediate event that we need to respond to so that we can recover, or whether or not we are planning in advance to make upgrades to a building.

These are the fundamentals of what I hope to work with the committee on in the near future. We need to have access to the Federal Buildings Fund so that we can plan in advance, as well as have the flexibility to invest when needed during times of emergency, or even times of basic repair.

The acceleration or the improvements to the prospectus process is also about addressing speed. The GAO report estimated that the prospectus process in its current form takes about 23 months. That is 2 years that a facility isn't repaired when it could have been. That is 2 years that an agency is delayed in getting into a leased space.

Mrs. NAPOLITANO. What can you do to cut the redtape?

Ms. ALBERT. Well, this is what we would love to talk to you about.

I think fundamentally, when GSA collects rent and other proceeds, that populates the Federal Buildings Fund. Twelve years ago, we used to have reliable access to the full amount of rent that we collect. That is estimated today between $10 billion to $11 billion. We have been shortchanged by about $1 billion per year. And unfortunately, where that money is coming from is from the Capital Improvement Program, almost exclusively. The leasing——

Mrs. NAPOLITANO [interrupting]. Why have you been shortchanged?

Ms. ALBERT. That is just the fix that we are looking to make in the Federal Buildings Fund, is to be able to get full access year after year. That is why the Harbor Maintenance Trust Fund example or model is of interest to us. That is how that fix was made, so that the Army Corps of Engineers could have access to the funds that it collected. We are seeking something very similar.

Mrs. NAPOLITANO. Thank you, Madam Chair.

Thank you, ma'am.

Ms. ALBERT. Thank you.

Ms. TITUS. Thank you. I don't see anybody else to ask any questions. Ms. Norton was going to try to come back, but she hasn't.

Just a followup with that, and then I will see if Mr. Webster wants to ask any more questions.

Where does that money go? How do the appropriators use that? Or does it depend on the year?

Ms. ALBERT. It depends on the year. I don't have the full history. In some cases it has been to make technology investments, in other cases it has been for other things. So, it has been a variable, depending on the past 10 to 12 years.

Ms. TITUS. You want to ask any more questions?

Mr. WEBSTER OF FLORIDA. I just want to say thank you for appearing today. It has been good. I look forward to working with you on many of these problems and also coming up with solutions that will work for all. Thank you.

Ms. TITUS. Thank you, Mr. Webster.

I think we can look again at these problems that you mentioned. I want to ask you a couple of questions.

I know that you don't directly oversee the VA, but that sometimes you work with the VA, and they do a terrible job of managing buildings. I think about the hospital that was near Denver that went over budget so much and took so much longer, and all that.

How is your working relationship with them?

Ms. ALBERT. Our relationship with the VA is good, and it gets better and better. We work pretty closely with them on both leasing actions that—we use our lease authority to acquire outpatient clinics, for example, and they have been talking to us about their interest in partnership around construction practices.

GSA deploys all of the tools available in terms of construction management. And so, we have a great depth of knowledge in this space. And the VA has been talking to us about that.

A lot of the different portfolios are fairly complex, and we are really stepping into a place of becoming a partner for different agencies, not only so that they can learn best practices, but in many cases where maybe we can augment their delivery of projects.

And so, that is the scope of what we are looking at right now: bringing industry best practices to all of Government.

Ms. TITUS. That is good. I am glad to hear that. I hope they will listen.

One other quick question. What is happening about the FBI building? We know that money is there. We know it is in terrible shape. We know it has been a controversial decision. Can you bring us up to date on that?

Ms. ALBERT. Sure. We recently briefed the committee on the viability of the three previous sites that were identified. Just to remind you, one was at Greenbelt Metro Station in Maryland. Another one was at Landover, also in Maryland. And then the third site is at the Franconia-Springfield Metro Station in Virginia. So, we assessed those sites because they were based on a significant consolidation previously, and they are still available. We talked to each of the landowners of those properties. All three sites continue to be viable.

What we are working on right now with the FBI, in accordance with the President's fiscal year 2023 budget request, is a consolidated suburban campus at 1 of those 3 sites where, at minimum, 7,500 employees would relocate to, but also working on a 750- to 1,000-person presence here in downtown Washington, DC, so that there can be proximity to the Department of Justice and the White House.

We have had a very cooperative and positive set of conversations. And what is going to happen next is looking at site selection. So, how will we choose, and what are going to be the criteria for choosing among those three sites?

Ms. TITUS. Thank you. Will you keep us posted on that?

Ms. ALBERT. Absolutely. It is of utmost importance. And as you may or may not know, my career was built as an economic development and real estate professional in this region. And I know how important this project is.

Ms. TITUS. Thank you.

Ms. Van Duyne, are you still there? Is she gone?

Is Mrs. Napolitano still there?

[To Mr. Webster of Florida:] Well, all right, you are set?

Mr. WEBSTER OF FLORIDA. Yes, ma'am.

Ms. TITUS. Well, thank you very much. It has been helpful. You have laid out two major things we need to work with you on, and we are happy to do that and willing to. It sounds like we can make some improvements there.

So, that will conclude our hearing. I would like to again thank you for your testimony. The comments were, as the script says, very informative and helpful. But even more than that, we appreciate your being here.

I ask unanimous consent that the record of today's hearing remain open until such time as our witness provides answers to any questions that may be submitted to her in writing.

I also ask unanimous consent that the record remain open for 15 days for any additional comments and information submitted by Members or the witness to be included in the record of today's hearing.

Without objection, so ordered.

The subcommittee now stands adjourned.

[Whereupon, at 10:46 a.m., the subcommittee was adjourned.]

Submissions for the Record

Prepared Statement of Hon. Sam Graves, a Representative in Congress from the State of Missouri, and Ranking Member, Committee on Transportation and Infrastructure

Thank you, Chair Titus, and thank you to our witness, Commissioner Albert, for being here today.

This Subcommittee has a long, bipartisan history of taking a leading role in reforming federal real estate.

From pressing agencies to reduce their space footprint, to changing how we dispose of unneeded real estate, we have saved the taxpayer billions of dollars.

Now we must address the growing deferred maintenance costs in the GSA portfolio, and the increased risk these buildings face.

The committee passed eight resolutions last week focused on mitigating risk and the effects of an aging real estate portfolio, such as addressing the fire safety system and establishing a system to look closer at mitigating against natural disasters.

I look forward to hearing from the GSA Public Buildings Commissioner today on GSA's efforts and plans to reduce risk to its portfolio and save taxpayer dollars.

Thank you, Chair Titus. I yield back.

APPENDIX

QUESTIONS FROM HON. DINA TITUS TO NINA ALBERT, COMMISSIONER, PUBLIC BUILDINGS SERVICE, U.S. GENERAL SERVICES ADMINISTRATION

Question 1. Earlier this year, I introduced the House companion to the BRIGHT Act which passed the Senate. My bill would direct the GSA to install the most life-cycle cost-effective and energy-efficient lighting in public buildings which is estimated to save millions in taxpayer dollars. Does the GSA support this bill as a means of saving taxpayer dollars and maximizing energy efficiency?

ANSWER. In accordance with the Energy Act of 2020, Pub. L. No. 116–260, 134 Stat. 1182, 2418, the U.S. General Services Administration (GSA) supports implementing all life-cycle cost-effective energy conservation measures, to the maximum extent practicable, using a combination of appropriated dollars and alternative financing, when and where appropriate. Lighting projects often have a high return on investment and can contribute to the viability of alternatively financed projects by supporting other energy conservation measures with longer payback periods. GSA supports efforts to install high-efficiency lighting, equipment and other energy and water conservation projects that reduce operating costs and have beneficial environmental impacts. Furthermore, GSA supports continued flexibility in the application of BRIGHT Act investments to allow use of energy savings performance contracts and utility energy service contracts in accordance with the Energy Act of 2020.

Question 2. GSA's repair backlog has left many older properties at risk to extreme weather events. How is GSA addressing flood and sea level rise risks posed to existing buildings? Is GSA collecting data on each asset's condition, age, maintenance costs, and susceptibility to damage from extreme weather events? Is the GSA utilizing this data to prioritize repairs or disposals? Does GSA use forward-looking climate information and climate adaptation analyses in its decision-making about potential investments, acquisitions, and disposals? What is GSA's approach for investing in the highest priority climate-resilience projects? Should the GSA build on this and update federal facility location policies to include additional climate risks when siting buildings and procuring leases? How is GSA addressing flood and sea level rise risks posed to existing buildings?

ANSWER. GSA's real estate portfolio faces a number of risks, including those from increasing extreme weather events. To address the need to evaluate existing assets for their vulnerability to climate events, GSA's fiscal year (FY) 2022 and FY 2023 budgets have requested appropriations for the Climate and Resilience Special Emphasis program to undertake the highest priority projects to mitigate unsafe building conditions and to maintain operational continuity. This includes appropriations for technical determinations of flood vulnerabilities for buildings and sites that were already identified in a prior FY 2020 report to Congress, the estimation of flood mitigation project costs and time frames for project execution. This Special Emphasis Program includes modernization of internal guidance, systems and tools to assist in location policies, as well as other measures for asset and project management. GSA includes safeguarding assets and risk management factors as part of its capital construction program reviews and prioritization.

GSA uses the best available government information, such as FEMA's Flood Insurance Rate Maps (FIRMs), which characterize flood risk due to past incidents. GSA will also consider other flood risk information that includes future flooding conditions that FEMA makes available. GSA will also consider other flood risk information that includes future flooding conditions that NOAA and other federal science agencies finalize in the Climate Science Informed Approach (CISA) of Executive Order 13690—Federal Flood Risk Management Standard (FFRMS). GSA also collects data on each asset's condition, age and maintenance needs, but it does not currently systematically collect data on an asset's susceptibility to damage from extreme weather events and incremental climate change. However, GSA does collect data on climate impacts already made to existing buildings and incorporates current and forward-looking climate information and analysis into new construction and major repair and alteration prospectus projects. For capital projects, climate adaptation measures are provided by GSA's licensed architects, engineers and subject matter expert consultants using forward-looking climate information from the latest National Climate Assessment, which is the most comprehensive and authoritative source on climate change and its impacts in the United States. Climate adaptation measures may include nature-based solutions as appropriate to the project.

Without full annual access to the revenues and collections deposited into the Federal Buildings Fund (FBF), though, GSA will remain unable to fully address these and other risks that face our public buildings.

Question 3. The current FBI building on Pennsylvania Avenue is obviously falling apart and no longer a modern headquarter consistent with the level of security and utility of the other members of the Intelligence Community. Given the pressing need, has GSA considered using alternative financing mechanisms like lease purchase agreements to complete the project in a timely fashion? Does GSA have enough funds to procure a site and build the infrastructure for a new campus?

ANSWER. The Administration is committed to delivering a modern, secure, and sustainable headquarters campus for the FBI that allows it to accomplish its mission effectively. GSA and FBI collectively have funding to acquire a site and complete a design but, at this time, full construction funding has not been appropriated to deliver a new campus.

Historically, GSA has considered a range of alternatives to address this pressing need, including lease purchase agreements. Given the unique specifications of this Headquarters facility, a lease purchase would require upfront funding for the full construction cost. We note, that infrastructure needs are dependent on the site selected and the design of the facility, neither of which has been completed. The Administration is committed to submitting a funding request for this project and looks forward to working with Congress to appropriate adequate funding for this urgent need.

Question 4. The Biden Administration has announced ambitious environmental and sustainability goals, including some that apply to its leased real estate portfolio. To effectuate those goals, will GSA give preference to greener buildings in its lease procurement process? If so, will buildings that go beyond the minimum requirements of the solicitation be given any advantages in procurement, financial or otherwise?

ANSWER. There is no regulatory or statutory price preference for greener buildings with lease procurements. In order for there to be a price preference for greener buildings, similar to how there is a price preference for *historic buildings*, the Federal Management Regulation (FMR) would need to be updated to include greener buildings as a criteria for a price preference with lease procurements.

In order for GSA to reach its sustainability goals when it comes to lease procurements, GSA Office of Leasing is currently evaluating using sustainability requirements as a possible award factor when conducting Best Value Tradeoff (BVTO) source selection lease procurements. Also, GSA is working closely with its stakeholders to fully implement Executive Order 14057, which includes sustainability requirements for lease procurements that will apply in FY2023 and net zero leasing standards that will take effect in FY2030.

GSA is committed to acquiring sustainable leased space through its application of statutory requirements, Federal mandates, and industry standards. Federal mandates refer to Executive Orders as well federal policies from agencies such as EPA and Dept of Energy. GSA's leasing requirements include many building industry standards, such as those related to HVAC (ASHRAE), lighting (Illuminating Engineering Society), plumbing, and fire-life-safety. The Energy Independence and Security Act of 2007 is the statute that requires, with limited exceptions, that Federal agencies must not award a lease contract to a lessor for space in a building that has not earned the ENERGY STAR® label in the most recent year. In addition, GSA has 60+ clauses in its lease contract that include green standards related to sustainable products and practices, as well as, site and environmental conditions that serve as minimum, mandatory requirements.

Recently, the new Executive Order (E.O.) 14057 on Federal Sustainability was issued on 12/8/21, with accompanying Implementing Instructions finalized on 8/31/22. The E.O. includes additional sustainability requirements for Leasing that apply in FY2023 and beyond. Currently, work is underway to roll out requirements FY2023. Next, The Administration will develop net zero leasing standards for full implementation by 2030.

This list of green requirements for GSA leases, including the Energy Star label, the 40+ clauses, and E.O. 14057 provisions, to include net zero leasing standards, serve as an effective way to achieve sustainability goals.

Question 5. For a decade, the Energy Independence and Security Act (EISA) provided agencies with specific annual energy and water efficiency goals. Unfortunately, these expired in FY2015. If revived, how would such goals help drive continual progress on sustainability throughout agencies including GSA? What are the risks of not having stable, long-term goals for energy and water efficiency? How is GSA working to help achieve the administration's net zero goals?

ANSWER. Energy and water goals, when coupled with: (i) consistent funding for GSA's capital improvement budget, (ii) focused appropriated funding, such as the Energy and Water Retrofit and Conservation Measures Special Emphasis Program included in GSA's FY 2023 budget request, and (iii) performance contracting, where appropriate, are keys to developing and maintaining a high performing, sustainable real estate portfolio.

The Energy Act of 2020 mandated that life-cycle cost-effective energy and water conservation measures be implemented, with 50% addressed using performance contracting. Executive Order 14057, *Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability* (December 8, 2021), mandates that GSA: (1) establish targets for FY 2030 energy use intensity and potable water use intensity and (2) propose annual progress targets (based on benchmarked performance analysis). These goals and milestones will be part of GSA's analysis and planning to meet Executive Order 14057's 65% scope 1 and 2 greenhouse gas emissions reduction (from 2008 levels) by 2030 and net-zero emissions building portfolio goals by 2045.

The combination of these statutory and executive order mandates is driving progress on our portfolio sustainability and stewardship. In the near term, GSA's lack of access to annual revenues and collections in the FBF for capital investments to reduce our backlog of deferred maintenance and make our buildings more energy efficient poses a significant challenge to maintaining and improving our buildings' sustainability performance.

Question 6. GSA has developed expertise in high performing buildings, such as building strategies affecting health and wellness. What is needed for GSA to apply this knowledge to enhance conditions for health and productivity of the Federal workforce? What lessons have you learned from Covid? What percentage of buildings in the portfolio stayed fully occupied during Covid?

ANSWER. COVID–19 highlighted the importance of effective communication and collaboration, especially in an environment where research and guidelines are rapidly changing. GSA has learned several lessons during this pandemic and, undoubtedly, there will be more lessons learned in the future.

- GSA quickly learned the value of constant communications in keeping individuals informed and ensuring team members were working together to keep facility occupants safe.
- Weekly national team communications were established, with additional meetings added when the Centers for Disease Control and Prevention (CDC) and the Safer Federal Workforce Task Force guidance changed, resulting in immediate calls to action for GSA and GSA facilities managers. These included establishing protocols for:
    - COVID–19 cleaning and disinfecting.
    - Notification of facility occupants when COVID–19 incidents are reported.
    - Communication templates to ensure consistency of messaging.
    - Employee COVID–19 contact tracing.
    - Modifying service contracts, as needed.
    - Implementing operational changes to heating, ventilation and air conditioning (HVAC) systems as recommended by CDC and looking for additional opportunities to improve those systems.
    - Enhancing collaboration with security partners, and ensuring all policy, guidance and directives are synchronized.
- This reinforced the importance of leveraging effective IT systems:
    - Several years of work on software (cloud) and hardware (all associates having laptops) enabled GSA to pivot almost overnight to remote work, where possible, to continue delivering on our mission.
    - Workspace business apps and collaboration tools to adapt to communication, tracking and reporting needs.
    - Continual review of effectiveness of the tools and enhancing or developing additional tools, as needed.
    - Use of Robotic Process Automation to communicate with hundreds of associates as CDC COVID–19 Community Levels change each week.

Many of these lessons were only able to be put into action effectively due to the support Congress provided through CARES Act resources to address enhanced cleaning standards, new contract requirements and improvements to HVAC systems. GSA continues to collaborate with government agencies, service providers and industry leaders on best practices and technologies to enhance the health and productivity of the Federal workforce. There may be more we can and should do in the future to make our buildings more resilient and to continue enhancing safety for all occupants.

Throughout the pandemic, most GSA-controlled facilities remained open for Federal employees and contractors to conduct business. However, the vast majority of occupant agencies allowed at least a portion of their employees and contractors to work remotely at various times and continue to do so as COVID–19 transmission rates remain at high and medium levels throughout the Nation.

Question 7. How will gaining full access to the Federal Buildings Fund reduce the backlog of repair and alteration projects? Would a fix like the one enacted for the Harbor Maintenance Trust Fund be beneficial to GSA?

ANSWER. For more than a decade, GSA's major repair and alterations budget within the Federal Buildings Fund (FBF) has been underfunded by approximately $1 billion annually, or half of the annual repair and alterations need, which is now increasing deferred maintenance across GSA's real estate portfolio. A fix for the FBF like the one enacted for the Harbor Maintenance Trust Fund would be transformative for GSA, the federal agencies we serve, and the public that relies on government services and the assets that we are charged with maintaining. With stable and consistent funding, we can make our public buildings more modern, flexible, and resilient, which will allow us to seize the opportunity presented by agencies rethinking their workspaces to: 1) reduce the real estate footprint; 2) consolidate agencies; and 3) rebalance from costly leases to federally owned space. Taken together, massive savings are possible—on the order of billions of dollars per year.

We can also make our facilities much more sustainable, turbocharging our efforts to make all of our public buildings carbon pollution-free by 2030, and net zero carbon by 2045. This will reduce the cost of operating buildings, as well as drive smart and sustainable improvements in the type of energy we buy off the grid.

Finally, gaining full access to the annual revenues and collections in the FBF will allow us to properly maintain the public assets we steward. Moreover, we would be able to address repairs in a much more fiscally responsible manner, taking care of smaller issues before they become bigger ones, and avoiding the consequences of continually escalating costs. In FY 2023, for example, eight of the 17 major repairs and alterations line item projects proposed in the President's Budget were included in a previous budget request. Since those projects were initially requested, costs have risen by $122 million.

GSA is deeply appreciative of the Committee's interest in ensuring we have a safe, efficient, sustainable, and properly maintained real estate portfolio to deliver effectively for the Federal workforce and the American public. A fix for the FBF would be a game-changer for the government and will save money for the American people.

Question 8. Where are the FY23 lease prospectuses? Is GSA going to revalidate the square footage of prospectuses that we've passed or that you have sent to us? With so many leases expiring, how will GSA make new leasing decisions before the agencies have determined their long-term leasing posture?

ANSWER. GSA typically submits lease prospectuses for each fiscal year in the late summer and early fall, following its budget submission. The FY 2023 lease prospectuses are currently being reviewed within the Executive Branch and will be transmitted to this Committee and the Senate Committee on Environment and Public Works later this summer and early fall.

As part of its lease review process, GSA confirms that its prospectus-level lease actions have an approved prospectus to support the award of a lease. If a revalidation of the space needs requires a new prospectus, GSA will work with the Committee to prepare amended lease prospectuses.

GSA must continue to consider how a particular lease transaction aligns with the portfolio strategies of the local market and the degree of financial risk GSA is prepared to assume when entering into leases on behalf of a customer agency. In some situations, GSA will make practical use of shorter-term leasing authorities, such as renewal options and strategic extensions, that will enable GSA to avoid long-term commitments while agencies engage in the planning necessary to understand their long-term needs. In other situations, GSA will make practical use of longer-term leasing authorities that are appropriate for those particular occupancies. In the near term, the Committee should expect GSA to propose more shorter-term leases; we are engaged with agencies now in planning for their long-term space needs and we want to ensure we do not overcommit the government on requirements that may change in the next few years. We hope to partner with the Committee on what will be a challenging moment of transition, but ultimately one that provides a huge opportunity to optimize the real estate footprint and save taxpayers money.

QUESTIONS FROM HON. DANIEL WEBSTER TO NINA ALBERT, COMMISSIONER, PUBLIC BUILDINGS SERVICE, U.S. GENERAL SERVICES ADMINISTRATION

Question 1. In your response to the Subcommittee on the current plan for the Federal Bureau of Investigation (FBI) headquarters, you specifically mentioned the goal is to have a consolidated headquarters at one of three potential sites in either Maryland or Virginia; but to also maintain a location in Washington, D.C., to ensure proximity to the Department of Justice and the White House. During your verbal response, you indicated, at a minimum, 7,500 employees would relocate to the consolidated suburban campus, but that there would be a continued 750 to 1,000-person presence in downtown Washington, D.C. Please indicate if there is any overlap in those staffing levels and, if so, how much (e.g., whether employees may be assigned to both locations).

ANSWER. The FBI is currently updating its requirements, and re-evaluating its lease inventory, staffing and mission needs for the National Capital Region to maximize consolidation opportunities. Although GSA has not received FBI's final consolidation analysis, minimal overlap of the urban and suburban staffing levels and mission activities is expected.

Question 2. The fiscal year (FY) 2023 Consolidation Activities Program submitted to the Committee highlights 87 previously-funded projects that will result in reducing space by 1.8 million square feet and save taxpayers $163 million in annual lease cost avoidance. The prospectus suggests these 87 projects are still underway, please provide a timeline for their completion and the Subcommittee with a list of those projects?

ANSWER. Previous appropriations to the FBF for the Consolidation Activities Special Emphasis Program have funded 89 consolidation projects. Of those 89 projects, 63 have been completed. The remaining 26 projects are still underway and have varying estimated completion dates between now and August 2023.

When the remaining projects are completed, the program is estimated to have reduced the federal footprint by approximately 1.8 million usable square feet and generated more than $163,000,000 in annual Government lease cost avoidance.

Active projects are included as an attachment ("*Active Consolidation Activities Program Projects 7–18–22*").

ATTACHMENT

Active Consolidation Activities Program Projects 7–18–2022

Region	Program Name	Project Name/Location	Public Law	Status
1	Consolidation Activities.	SSA O'Neil Federal Building Leased to Owned Consolidation Project / Boston, MA.	FY2021, FY18 Revised Expenditure Spend Plan #1—Spend plan Rev #3.	Active
2	Consolidation Activities.	Leo O'Brien Federal Building—Department of Labor's Occupational Safety and Health Administration (OSHA) Consolidation—Proj VNY00090 / Albany, NY.	FY2019, 116–6 Major R&A Spend Plan.	Active
2	Consolidation Activities.	201 Varick Street DHS/ICE Tenant Proj# VNY00070, VNY00071 / Manhattan, NY.	FY2015, FY 2015 PL 113–235	Active
2	Consolidation Activities.	Ted Weiss Federal Building—The U.S. Commodity Futures Trading Commission (CFTC) consolidation VNY00096 / New York, NY.	FY2019, 116–6 Major R&A Spend Plan.	Active
2	Consolidation Activities.	Jacob K. Javits Federal Building—DOE Consolidation / New York, NY.	FY2021, FY21 Major R&A Spend Plan PL 116–260.	Active

Active Consolidation Activities Program Projects 7–18–2022—Continued

Region	Program Name	Project Name/Location	Public Law	Status
3	Consolidation Activities.	HUD Richmond Federal Building Leased to Owned Consolidation Project / Richmond, VA.	FY2021, FY18 Revised Expenditure Spend Plan #1—Spend plan Rev #3.	Active
4	Consolidation Activities.	Claude Pepper Federal Building Proj# VFL00027 (FY15), VFL00051 (FY20)/Miami, FL.	FY2015, FY 2015 PL 113–235	Active
4	Consolidation Activities.	Claude Pepper Federal Building Proj# VFL00027 (FY15), VFL00051 (FY20)/Miami, FL.	FY2020, FY2020 Major R&A Spend Plan.	Active
4	Consolidation Activities.	Martin Luther King Federal Building / Atlanta, GA.	FY2018, 115–141	Active
5	Consolidation Activities.	536 S. Clark St. Federal Building (GAO consolidation) Proj# VIL00134 / Chicago, IL.	FY2018, 115–141	Active
5	Consolidation Activities.	Ralph H. Metcalfe Federal Building (CFTC) / Chicago, Illinois.	FY2019, FY14–FY17 Revision 2 Expenditure Plan.	Active
5	Consolidation Activities.	HHS—Chicago, IL, John C. Kluczynski and Ralph H. Metcalfe Federal Buildings Consolidation Project. / Chicago, Illinois.	FY2021, FY17–FY18 Revision Consolidation Spend Plan HHS Consolidation.	Active
5	Consolidation Activities.	John C. Kluczynski Federal Building (IRS) / Chicago, Illinois.	FY2019, FY14–FY17 Revision 2 Expenditure Plan.	Active
5	Consolidation Activities.	Kluczynski Federal Building (DOL ETA, OA, & JC) Proj# VIL00128 / Chicago, IL.	FY2019, FY 2014, 2015, and 2016 Revised Expenditure Plan.	Active
7	Consolidation Activities.	Employers CASU Bldg 1301 Young St Proj# VTX00278 (HHS Lease to Lease Consolidation) / Dallas, TX.	FY2015, FY 2015 PL 113–235	Active
8	Consolidation Activities.	Denver Federal Center Building 40—(DOI, BLM) Proj# VCO00088 / Lakewood, CO.	FY2019, FY 2014, 2015, and 2016 Revised Expenditure Plan.	Active
8	Consolidation Activities.	Denver Federal Center—(EPA) Project# VCO00079 / Denver, CO.	FY2016, 114–113	Active
8	Consolidation Activities.	Denver Federal Center, Building 41 (DOI, OSM) Proj# VCO00097 / Lakewood, CO.	FY2019, FY 2014, 2015, and 2016 Revised Expenditure Plan.	Active
9	Consolidation Activities.	DOL Consolidation 312 North Spring Street / Los Angeles, CA.	FY2020, PL 116–93 FY20 Major R&A Spend Plan.	Active
9	Consolidation Activities.	Ronald V. Dellums Federal Building and U.S. Courthouse (USDA) Proj # VCA00260 / Oakland, CA.	FY2019, FY14–FY17 Revision 2 Expenditure Plan.	Active
9	Consolidation Activities.	Ronald V. Dellums Federal Building and U.S. Courthouse—National Labor Relations Board (NLRB) consolidation proj # VCA00262; VCA00263 / Oakland, CA.	FY2019, 116–6 Major R&A Spend Plan.	Active
10	Consolidation Activities.	Anchorage Federal Building—Department of Homeland Security's Immigration and Customs Enforcement (ICE) consolidation Proj VAK00019 / Anchorage, AK.	FY2019, 116–6 Major R&A Spend Plan.	Active

Active Consolidation Activities Program Projects 7–18–2022—Continued

Region	Program Name	Project Name/Location	Public Law	Status
10	Consolidation Activities.	Historic Federal Office Building—DOL Proj# VWA00070 / Seattle, WA.	FY2019, FY 2014, 2015, and 2016 Revised Expenditure Plan.	Active
10	Consolidation Activities.	Historic Federal Office Building—HUD Proj# VWA00069 / Seattle, WA.	FY2019, FY 2014, 2015, and 2016 Revised Expenditure Plan.	Active
11	Consolidation Activities.	Mary E. Switzer Building, 330 C Street SW / Washington, DC.	FY2014, 113–76 Project ASIDs—VDC00125 and VDC00126.	Active
11	Consolidation Activities.	Mary E. Switzer Building, 330 C Street SW / Washington, DC.	FY2015, 113–235 Lower Levels Project ASIDs—VDC00160 and VDC00161.	Active
11	Consolidation Activities.	Lyndon Baines Johnson Federal Building Project# VDC00204 / Washington, DC.	FY2017, 115–31	Active
11	Consolidation Activities.	Theodore Roosevelt Federal Building (OPM/CIO) Project# VDC00205/Washington, DC.	FY2017, FY17 spend plan	Active

Question 3. Many private sector companies are turning to flexible office space providers to quickly reduce their footprint and lower costs. What can GSA do to help the government better utilize this tool and realize the value propositions for taxpayers and the federal workforce?

ANSWER. GSA's Flexible Coworking Services Indefinite Delivery, Indefinite Quantity (IDIQ) contract has been awarded to five national coworking vendors, four of which are small businesses. The vendors on this IDIQ contract are DeskPass, LiquidSpace, Novel, The Yard, and WeWork. This contract will allow federal agencies to occupy space on a short-term, on demand basis to better manage and respond to their changing workspace needs. Contracted coworking space is not intended to be a long-term space solution for agencies, as it is not cost effective over a long period of time, but can be used to address immediate or temporary needs, or both, and provide space in locations where federal space is not easily or readily available.

Question 4. Funding, as you pointed out in your testimony, has been a challenge for the Federal Buildings Fund (FBF). Public private partnerships (P3s) have effectively been used in the private sector and by State and local governments as an alternative way to finance new, updated and more efficient space. For example, P3s can be designed to not only address the hurdle of upfront capital, but also ensure buildings are managed, maintained and operated effectively. Do you commit to working with the Committee on ways GSA could leverage P3s to carry out its mission?

ANSWER. GSA is committed to working with the Committee to explore all available avenues to make sure its buildings are managed, maintained and operated as effectively as possible. In the past, GSA has leveraged P3s, where possible, partnering with industry to invest over $700 million in work to save energy, water and utility costs, and is happy to consider further opportunities. While the use of P3s can assist GSA in carrying out its mission, access to the full amount of revenues and collections deposited in the FBF is the single best way we can properly and effectively manage, maintain and operate our public assets.

Question 5. While funding challenges may impact GSA's ability to reconfigure and consolidate owned space, $5.67 billion is spent annually for leased space.[1] Improving space utilization and negotiating good lease deals as leases expire creates an opportunity for a significant amount of savings, yet in recent years we have seen lease costs increase. Please provide written examples of what GSA is doing to get ahead of lease expirations to reduce space and costs.

ANSWER. GSA continues to focus on improving space utilization, negotiating below-market leases and replacing leases in a timely manner. Between 2018 and 2021, GSA achieved more than $4 billion in lease cost avoidance by proactively managing expiring leases, consolidating leases into federally owned space, where available, and negotiating below-market rents.

[1] FY2022 Consolidated Appropriations Act, P.L. 117–103.

Congress could further facilitate GSA's ability to achieve this lease cost avoidance target by updating GSA's prospectus thresholds. As part of an internal review of the prospectus process in response to GAO recommendations, GSA analyzed the effects that a higher prospectus threshold would have on lease cost avoidance. From FY 2019 through FY 2022, for every dollar of rent we replaced, we generated about $2.38 of Lease Cost Avoidance over the lease term. By increasing the prospectus threshold to $10 million per year, GSA estimates that it could avoid approximately $40 million in Lease Costs.

To improve space utilization, GSA engages tenant agencies well in advance of lease expiration, gathers requirements through partnership with our tenants and develops solutions that look to reduce rentable square footage through innovative workplace solutions, consolidations and space optimization. GSA has significantly increased its lease replacement rate through improved business processes and incentivizing the timely replacement through a robust performance management program. In addition, GSA has provided its workforce with a number of tools, such as the Automated Advanced Acquisition Program and the Requirements Specific Acquisition Platform, which have expedited the lease procurement process and reduced costly lease extensions by replacing them in advance of their expiration date.

Reducing the Federal footprint continues to be a key strategy. GSA has initiated several programs focused on controlling lease costs and continues to deliver projects well below market. The Lease Cost Avoidance program examines and promotes agency space reduction and negotiating the best rates possible.

Question 5.a. Further, please denote how far in advance of lease expiration does GSA begin working with the relevant tenant agency to begin the process for replacing the lease.

ANSWER. GSA has a standard timeline to engage tenant agencies in advance of when their lease is expiring. For leases, GSA generally begins the process roughly 36 months prior to lease expiration. GSA first looks at vacant federal space and vacant leased space prior to posting an advertisement for new leased space to meet an agency's need for space.

Question 5.b. Additionally, please provide the Subcommittee with data on what percentage of GSA leases are expiring in the next 5 years.

ANSWER. As of 08/21/2022:

By count of leases:	48%
By rentable square feet expiring:	43%
By value:	42%

Question 6. Land Ports of Entry (LPOEs) are critical assets especially now given the crises at the ports and at the border. While we receive prospectuses requesting Committee action on specific projects or phases of projects, we generally do not receive information on context. You mention in your written testimony the one-time infusion of $3.4 billion in land ports of entry in the Infrastructure Investment and Jobs Act (IIJA). Please provide the Subcommittee with a list of current projects, phases completed and future phases of those funded by IIJA as well as regular appropriations. Additionally, please provide the Committee with its long-range plans for land ports of entry.

ANSWER. The IIJA Spend Plan, submitted to Congress on February 14, 2022, is attached ("*IIJA LPOE Spend Plan*").

A summary of LPOE projects funded by the FBF, separate from the IIJA or supplemented by it, is also attached ("*LPOE FBF List*").

The most recent long-range plan for LPOEs from U.S. Customs and Border Protection (CBP) is also attached ("*CBP Five-Year Plan*").

[Editor's note: The attachments are included at the end of the responses to the questions.]

Question 7. Recently, the judiciary updated its Courthouse Design Guide. The design guide drives the Courts' official space requirements. Was GSA included or consulted during this update? If so, please explain this process and the GSA's perspective on the matter. If not, please explain how the Subcommittee could assist to ensure GSA's role is considered in this development.

ANSWER. The Administrative Office of the U.S. Courts solicited feedback from GSA during the planning and development of the updated Design Guide. GSA was afforded the opportunity to review a draft revised Design Guide for comment. Ultimately, the Judicial Conference's Committee on Space and Facilities reviewed all proposed changes and prepared a revised and updated Design Guide for the Judicial Conference's consideration.

Question 8. The Committee has jurisdiction over the Federal Protective Service (FPS) in the Department of Homeland Security (DHS) and building security. Since FPS was transferred from GSA to DHS, there have been questions around whether there is adequate coordination to address security issues. From GSA's perspective, has there been improvements in coordination? Does GSA commit to working with the Committee to ensure there is good coordination between FPS and GSA on building security issues and identify areas that may need improvement moving forward?

ANSWER. GSA is committed to its partnership with DHS–FPS and working with both DHS–FPS the tenant agencies, and this Committee to enhance the safety and security of the facilities under GSA's jurisdiction, custody or control and the tenants occupying those facilities. Coordination has improved in the recent past, and GSA's goal is to make continued progress in mitigating security risks in federal facilities under GSA's jurisdiction, custody or control.

Question 9. According to GSA testimony at prior hearings, over 50 percent of GSA's building portfolio is over 50 years old. Even if many of these buildings are renovated, they are not designed to meet modern office space needs. If more funding is available from FBF, how do we ensure the funding is not simply going into renovating buildings that ought to be sold instead?

ANSWER. GSA is the steward of 514 buildings that are listed in or eligible for listing in the National Register of Historic Places and has expertise in modernizing older facilities for modern day use and has many examples of successful building modernization. GSA also evaluates the financial viability for every building renovation project that it proposes. As part of that evaluation, GSA compares the estimated present value cost of renovating and maintaining an existing building to the estimated present value cost of disposing of that building and leasing or constructing a new building. Full access to the annual revenues collected through rent and deposited in the FBF would facilitate investment in these buildings to meet federal agencies' space needs over the long term and pay for agencies to move out of underutilized buildings to make buildings without long-term strategic value to the government available for sale. GSA is committed to divesting of assets it no longer needs and has disposed of 84 properties in the past 5 years with total net sales proceeds of $243 million. Avoided repair and alteration liabilities as a result of those disposals totaled $122 million. We anticipate significant opportunities to divest of unneeded assets in the years ahead and look forward to partnering with Congress to complete those repositionings.

Question 10. Over the years, GSA and the Committee have used office space or overall utilization rates as metrics to determine how efficiently space is being used. However, these metrics rely heavily on self-reporting by tenant agencies on the number of people assigned to a building. In order for the Committee to best ensure scare taxpayer dollars are used most effectively, more helpful numbers would be how space is actually utilized. Has GSA taken any steps on methods of determining actual utilization rates? Are there ways, including legislation, that the Committee can assist GSA get this information from its tenant agencies? If so, please provide.

ANSWER. Starting in FY 2020, GSA began piloting occupancy data collection methodologies, initially starting with building badging, building sensor and customer provided data. Later, in FY 2021, GSA piloted cellular mobile data and, in FY 2022, initiated Wi-Fi network pilots. Each of these efforts support agencies in the right type and amount of space. Based on these efforts, GSA has direct access to daily building occupancy data in a portion of its federally owned portfolio where the tenant agency is in agreement, and works very closely with customers to collect this data in prioritized federally owned assets greater than 100,000 square feet in high cost markets, which has resulted in a snapshot of occupancy for 44.5 million square feet. Because this data proves so important to optimizing and modernizing federal space, GSA will continue to work with its customers to prioritize the collection of this information for agency use to inform data-driven solutions to the future of work.

Question 11. The Federal Assets Sale and Transfer Act (FASTA) codified the Federal Real Property Profile (FRPP) which is a comprehensive database on federal real estate assets managed by GSA. While GSA met the deadline on implementation, the data reported by agencies was uneven in terms of how certain exemptions, such as for national security, were applied. Is GSA working to ensure more consistency in how agencies report data? Is there data not included in the FRPP that GSA believes would help in terms of overall property management?

ANSWER. GSA has continued to work within the governance structure of the Federal Real Property Council to adjust the FRPP reporting requirements to improve the consistency and accuracy of data that agencies report to the system, as well as what data is released to the public as prescribed by FASTA.

ATTACHMENTS REFERENCED IN RESPONSE TO QUESTION 6 FROM HON. DANIEL WEBSTER

U.S. GENERAL SERVICES ADMINISTRATION—PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND
INFRASTRUCTURE INVESTMENT AND JOBS ACT SPENDING PLAN

This spending plan details how the U.S. General Services Administration (GSA) will invest the $3.418 billion enacted by the Infrastructure Investment and Jobs Act (the Act) on November 15, 2021, to construct and acquire, and repair and alter land ports of entry (LPOE) on both the northern and southern borders of the United States. The spending plan consists of four categories consistent with the provisions of the Act.[1] In coordination with the Department of Homeland Security, Customs and Border Protection and Federal Motor Carrier Safety Administration, GSA will be reviewing the scope and cost of each project included in the spending plan and provide additional details as part of the quarterly reporting requirements on obligations and expenditures, by project.

Investment in LPOE modernization will improve deferred maintenance and existing operating constraints, improve, and expand the throughput of commercial traffic and the traveling public, facilitate the economic development and sociodemographic growth in the border communities, and benefit the American economy on the border and beyond. Through human-centered and mission-focused design, targeted technology deployments, and enhanced space utilization, CBP will be appropriately positioned to respond to changing trends in international travel. This will result in modern, resilient, and sustainable port infrastructure that strengthens the Nation's supply chains, supports U.S. competitiveness by removing bottlenecks, expedites commerce, and reduces the environmental impact on neighboring communities.

Moreover, this investment in LPOEs will advance the climate resilience and sustainability of the Nation's infrastructure. At minimum, all of these projects will employ CEQ 2020 Guiding Principles for Sustainable Federal Buildings, will achieve LEED Gold for Buildings & SITES Silver certification for Sitework, and will achieve Net-Zero Ready[2] status. GSA's high-performance buildings result in industry-leading savings in energy and water use and related reductions in building operating expenses, as well as produce less waste and achieve higher overall tenant satisfaction.

GSA will undertake site acquisition (as required), design and construction of facilities to increase efficiency, improve safety and security for both commercial and non-commercial vehicular and pedestrian traffic, and meet the current and future operational requirements of the Federal inspection agencies. Many LPOEs are decades old and in poor condition with inadequate space configuration. All work will allow inspection agencies to better complete their missions and facilitate the efficient movement of travel and trade.

Infrastructure paving work will improve port operations, eliminate further degradation of traffic surfaces and minimize vehicle damage. Purchase of several leased LPOEs will result in annual lease cost avoidance and enable GSA to maintain the facilities more efficiently and more cost effectively. The Department of Transportation-Federal Motor Carrier Safety Administration (FMCSA) projects will allow FMCSA to better enforce safety regulations, conduct a sufficient number of meaningful vehicle safety inspections, reduce commercial motor vehicle-related fatalities and injuries, and ensure safety for all inspectors.

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[1] *Provided further*, That the Administrator of General Services shall notify the Committees on Appropriations of the House of Representatives and the Senate quarterly on the obligations and expenditures of the funds provided under this heading in this Act by account of the Federal Buildings Fund: *Provided further*, That funds made available under this heading in this Act for Federal Buildings Fund activities may be transferred to, and merged with, other accounts within the Federal Buildings Fund only to the extent necessary to meet program requirements for such activities: *Provided further*, That the General Services Administration will provide notice in advance to the Committees on Appropriations of the House of Representatives and the Senate of any proposed transfers.

[2] Section 1.9 of PBS Facility Standards (P100) establishes the baseline requirement for Net-Zero Ready. "Designs must be Energy Net-Zero ready on a source energy basis with onsite renewables that are designated on the plan for future installation including pathways, conduits, or other means of getting the power in the building."

	Infrastructure Investment and Jobs Act	Spending Plan / Capital Allocations
Projects on the U.S. Department of Homeland Security-Customs and Border Protection five-year plan	$2,527,808,000	$2,527,808,000
Additional projects with completed feasibility studies	$430,200,000	$430,200,000
LPOE Paving; LPOE Lease Purchases; Department of Transportation-Federal Motor Carrier Safety Administration Requirements	$210,000,000	$210,000,000
Program Contingency and Operational Support	$250,000,000	$250,000,000
Totals	**$3,418,008,000**	**$3,418,008,000**

GSA and Department of Homeland Security Five-Year Plan Projects

Calexico, CA .... **[$103,376,000[3]]**

The spending plan allocates funding for construction of Phase IIB of a two-phase project to reconfigure and expand the existing LPOE in downtown Calexico, CA. Phase II has been divided into two sub-phases: Phase IIA, funded in 2019, includes the remaining northbound non-commercial lanes; expansion of the secondary inspection canopy; new southbound non-commercial inspection islands, booths, canopies, and concrete paving; an administration building; an employee parking structure; and a vehicle seizure lot. Phase IIB includes a pedestrian processing building with expanded northbound pedestrian inspection stations, demolition of legacy facilities and significant earthwork.

San Luis I, AZ .... **[$115,875,000[2]]**

The spending plan allocates funding for construction of Phase II of a two-phase project to reconfigure and expand the existing LPOE in downtown San Luis, AZ. Phase I was funded in fiscal year 2020. Phase II includes construction of a new public facing building; a new pedestrian processing building; buildout of the existing North Annex for families and unaccompanied minors; the demolition and construction of a new main building, kennels and seizure vault; and all associated site development, infrastructure, support facilities, and parking.

International Falls, MN .... **[$249,629,000[2]]**

The spending plan allocates funding for site acquisition, design and construction of facilities to modernize and expand the LPOE in International Falls, MN. The project includes construction of a new state-of-the-art facility that will increase efficiency, improve safety and security for both commercial and non-commercial vehicular and pedestrian traffic and meet the current and future operational requirements of the Federal inspection agencies.

Alcan, AK .... **[$187,509,000[2]]**

The spending plan allocates funding for site acquisition, design and construction to modernize the existing LPOE in Alcan, AK. Alcan is the most isolated port of entry between the United States and Canada. The existing location must function 24/7 as a self-contained community. In addition to the inspection buildings, the complex includes residences, a power plant and a community center. All of these components are reaching the end of their functional use and will be replaced in a newly constructed complex.

Sumas, WA

The spending plan allocates funding that includes expansion of the site through land acquisition, new construction and major repairs and alterations to enhance the LPOE's space capacity and create efficient inbound and outbound operations.

Coburn Gore, ME

The spending plan allocates funding for a newly constructed facility on an expanded site providing outfitted configured canopies, inspection lanes and booths, a new outbound inspection lane, a modernized, mission-capable main port building, and a hotel-style facility to accommodate personnel and families at a remote LPOE.

[3] Funding identified in this spend plan is an estimate that aligns with the FY 2022 President's Budget construction request level. Final spending is subject to change due to time and market conditions. DHS Furniture, fixtures and equipment to be funded separately by the agency.

Douglas, AZ (New commercial)
The spending plan allocates funding for construction of commercial operations at a new LPOE west of the downtown area on a site to be donated by the City of Douglas. The existing Raul Hector Castro (RHC) facility serving the Douglas area, discussed in greater detail below, serves both commercial and non-commercial traffic and is located adjacent to downtown Douglas. The port processes large equipment and hazardous materials for the local mining industry. The new commercial-only crossing west of downtown will serve all commercial traffic that currently uses the RHC LPOE.

El Paso (Bridge of the Americas), TX
The spending plan allocates funding for site acquisition, design and construction of facilities to modernize and expand the Bridge of the Americas (BOTA) LPOE in El Paso, TX. BOTA is one of four crossings in El Paso. The port processes toll-free inbound and outbound commercial, non-commercial and pedestrian traffic. As a result, the volume of traffic is heavy with many travelers and commercial vehicles choosing to enter and exit through this facility in lieu of paying a toll.

Brownsville (Gateway), TX
The spending plan allocates funding for site acquisition, design and construction of a project that will expand processing capacity at Brownsville (Gateway), TX. The project will address major facility deficiencies, including site layout and building space capacity, and provide more efficient processing area.

Calais (Ferry Point), ME
The spending plan allocates funding for the construction of a new LPOE that will include reconfiguration of the historic main port building to accommodate current port functions and add an outbound inspection lane.

Douglas (Raul Hector Castro), AZ
The spending plan allocates funding to modernize and expand processing capacity at the Raul Hector Castro (RHC) LPOE. Commercial operations currently being processed at the RHC LPOE will be relocated to a new commercial LPOE west of downtown Douglas as described in greater detail above. Construction at the RHC LPOE will begin after the new commercial facility is completed.

Highgate Springs, VT
The spending plan allocates funding for the construction of a new LPOE at Highgate Springs, VT. The ongoing construction of the A–35 highway connecting to this crossing on the Canadian side adds urgency to expand and modernize this LPOE. The project includes improving security at secondary inspection, expanding bus processing and enclosing the secondary inspection garages.

Alburg Springs, VT
The spending plan allocates funding for the construction of a new LPOE that will include the replacement of the obsolete main port building and the addition of an outbound inspection lane.

Beebe Plain, VT
The spending plan allocates funding for the construction of a new LPOE that will include reconfiguration of the historic main port building to accommodate current port functions. A new U.S. access road will secure the movement of the occupants of 14 residences located on the American side of the border.

Porthill, ID
The spending plan allocates funding for site acquisition and construction of a new LPOE. This project will improve inbound and outbound operation by optimizing traffic flow.

Dunseith, ND
The spending plan allocates funding for site acquisition, design and construction of facilities to modernize and expand the LPOE in Dunseith, ND.

Additional Projects[4]

Fort Fairfield, ME
The spending plan allocates funding for the relocation of the roadway to provide secure entry/exit to and from the United States at Fort Fairfield, ME.

Grand Portage, MN
The spending plan allocates funding for the construction of a new LPOE that will include replacement of the obsolete main port building.

Limestone, ME
The spending plan allocates funding for the construction of a new LPOE that will include the replacement of the obsolete main port building and the addition of a non-commercial secondary inspection building adjacent to the new main building.

Lynden, WA
The spending plan allocates funding for the construction of a new LPOE that will include the replacement of the obsolete main port building.

Norton, VT
The spending plan allocates funding to renovate, reconfigure and expand the existing main port building.

Richford (Route 139), VT
The spending plan allocates funding to renovate and reconfigure the existing port main building and construct a new employee vehicle garage and non-commercial secondary inspection garage.

Rouses Point, NY
The spending plan allocates funding for the construction of a new LPOE in proximity to the border to support port operations, Trusted Traveler and rail inspections. The existing facility is located more than a half mile from the border.

Trout River, NY
The spending plan allocates funding for the construction of a new LPOE that will include the replacement of the obsolete main port building.

Blaine (Pacific Highway), WA
The spending plan allocates funding for the construction of additional inspection lanes and the modernization of the primary inspection booths.

Houlton, ME
The spending plan allocates funding to replace the aging building systems at the existing LPOE in Houlton, ME.

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[4] Projects with completed U.S. Customs and Border Protection/General Services Administration feasibility studies as prioritized in the "American Jobs Plan Project List" submitted to the House and Senate Committees on Appropriations on May 28, 2021.