

OVERSIGHT OF GSA'S PUBLIC BUILDINGS SERVICE

HEARING

BEFORE THE

SUBCOMMITTEE ON TRANSPORTATION
AND INFRASTRUCTURE

OF THE

COMMITTEE ON
ENVIRONMENT AND PUBLIC WORKS

UNITED STATES SENATE

ONE HUNDRED EIGHTEENTH CONGRESS

SECOND SESSION

JULY 9, 2024

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COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

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OVERSIGHT OF GSA'S PUBLIC BUILDINGS SERVICE

TUESDAY, JULY 9, 2024

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
SUBCOMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
Washington, DC.

The subcommittee met, pursuant to notice, at 10 a.m. in room 406, Dirksen Senate Office Building, Hon. Mark Kelly (chairman of the subcommittee) presiding.

Present: Senators Kelly, Cramer, Cardin, Merkley, Markey, Ricketts.

OPENING STATEMENT OF HON. MARK KELLY, U.S. SENATOR FROM THE STATE OF ARIZONA

Senator KELLY. I want to welcome everyone to today's Transportation and Infrastructure Subcommittee hearing to conduct oversight of GSA's (General Service Administration) Public Buildings Service. I apologize for the lighting situation in this committee hearing room. Well, lights are starting to come on. Look at that. Fixed.

I want to thank my colleague, Senator Cramer, and his staff for their partnership leading up to this hearing and his continuing partnership in leading the subcommittee. I also want to thank Chairman Carper, Ranking Member Capito, and their staffs for their help and support leading up to this hearing, as well.

I want to thank the Commissioner of the Public Buildings Service, Elliot Doomes, for joining us today. Commissioner Doomes has been in this role since October of last year, and this is his first appearance before this subcommittee. We appreciate you joining us today, because there is a lot happening within the Public Buildings Service right now, and the goal of today's hearing is to get an update on GSA's work and understand what more needs to be done to better manage the Federal Buildings Portfolio.

Through the Public Buildings Service, GSA maintains office space for more than 100 Federal agencies, housing more than 1 million Federal employees, and approximately 410 million total square feet of office space. Managing this portfolio requires GSA to be dynamic and flexible, including being prepared to repurpose or dispose of properties which have outlived their purpose.

This is an increasingly difficult task, but the challenge of effectively managing Federal buildings has been an issue for years. Since 2003, the Government Accountability Office has included Federal real property management on its high risk list, and a num-

ber of GAO reviews, both before and after the pandemic, had found that GSA and their tenant agencies do not have effective mechanisms to determine how much office space is needed to fulfill their missions.

We should be clear about why this matters. It costs about \$7 billion a year to operate and maintain Federal office space for both leased and owned buildings. Better managing this portfolio can mean real savings for Federal agencies and, ultimately, for the taxpayers. This is a serious challenge, but I think we can also look at it as a huge opportunity for GSA.

Commissioner Doomes, I know that GSA has put forward a number of proposals which, if implemented by this Congress, can give you more of the tools and resources that you need to redesign the Federal building portfolio for the 21st century. I look forward to being able to discuss those proposals at today's hearing.

A number of members of this committee on both sides of the aisle are looking for solutions to help us advance these efforts, as well. For example, in 2016, Congress passed the Federal Assets Sale and Transfer Act, or FASTA, to create an independent body to evaluate and make recommendations for which Federal buildings should be disposed.

This process has shown a lot of promise, but it needs reform. I want to give credit to Senator Cramer, my subcommittee co-chair here, the Ranking Member, for introducing the FASTA Reform Act earlier this year, which will improve the FASTA process to better help manage the Federal building portfolio.

I was proud to cosponsor this bipartisan legislation, which was reported out of this committee unanimously in May. At the same committee markup, we reported out another GSA reform bill introduced by our colleagues, Senators Padilla and Lankford, which would update the GSA building disposal process to allow tribal governments to partner with GSA in the same way that State and local governments do.

I hope we can discuss these bipartisan proposals for reform and identify other ways that this committee and subcommittee can work in concert with GSA to better manage our Federal building portfolio. For example, one of my top priorities from the Bipartisan Infrastructure Law was making sure that we made sure that GSA had the resources to modernize 20 land ports of entry across the Country, including three priority projects in Arizona. Thanks to our work, GSA now has the resources to get to work on all 20 of these projects.

But we didn't stop there. Thanks to the leadership of many of my colleagues on this committee, the Inflation Reduction Act provided \$3.4 billion for GSA to reduce the carbon footprint of Federal buildings and promote energy efficiency.

In Arizona, we are already seeing these resources at work firsthand. Last June, I had the opportunity to attend the groundbreaking of the San Luis Port of Entry project in southern Arizona. This is the first land port of entry project to break ground thanks to the Bipartisan Infrastructure Law, and it is going to invest \$308 million to upgrade one of the busiest ports in Arizona.

This project is great news for Arizona and for the economy, Arizona's economy, and our Country's economy, but also for border se-

curity. The project was designed in close partnership with Customs and Border Protection (CBP) to double the number of vehicle inspection lanes to allow for the installation of state-of-the-art border security technologies, and provide CBP agents with a port facility that meets modern security requirements.

These are the types of investments that make our southern border more secure and improve our ability to stop fentanyl and other illegal trafficking across the southern border. It is also good for trade and tourism in Arizona. Once complete, this modernized port of entry will supercharge economic growth in the Yuma region and throughout the State.

What is also notable about the San Luis port of entry project, thanks to the Inflation Reduction Act, is that this project will include a number of energy efficient features, meaning that once complete, the San Luis port of entry will be the most energy efficient port in the Country.

Commissioner Doomes, I look forward to getting an update on the San Luis Port project and to confirm that it is on track and will be finished on schedule in 2028. I also look forward to discussing the other priority port projects in the State of Arizona, including the new commercial port in Douglas and the modernization of the Raul Castro Port of Entry in Douglas, and the Dennis Deconcini Port of Entry in Nogales.

I also hope that we can reflect on the lessons learned from these projects and understand what other steps GSA and this committee can take to make sure that our Federal facilities meet the needs of the local communities and provide the best value to taxpayers.

I am going to pause now and recognize my partner on this subcommittee, Senator Cramer, for his opening remarks.

**OPENING STATEMENT OF HON. KEVIN CRAMER,
U.S. SENATOR FROM THE STATE OF NORTH DAKOTA**

Senator CRAMER. Thank you, Chairman Kelly, for holding this very important hearing, and for your thoughtful statements, and your leadership. This really provides the committee the opportunity to conduct its responsibility of oversight in providing the transparency and safeguarding the public interest, which the public is hungry for. They like to see transparency. Frankly, Commissioner, I appreciate your being here and your willingness to participate in this transparency. I think it is an important step, and you give us great confidence.

Unfortunately, properties across all of our Federal agencies are underutilized. The Chairman referenced the hundreds of square feet, the hundreds of millions of square feet, and the thousands of buildings, but they are underutilized, amounting to a substantial waste of resources and operational inefficiencies.

Last year, the Government Accountability Office released a report which found that a majority of Federal agencies reviewed were using only 25 percent or less of their headquarters building's space. Additionally, in 2023 alone, Federal agencies themselves reported over 5,000 buildings as either underutilized or unutilized altogether.

While these recent numbers are shocking, it is not a new problem. In 2003, the GAO placed the management of Federal buildings

on its high risk list due to the high financial cost of underutilized space and the complex, seemingly unworkable process of actually disposing of these properties. Put more simply, like most things, the Federal footprint is too big, and it is nearly impossible to shrink.

Recognizing the issues surrounding disposal, Congress, as the Chairman said, passed the Federal Assets Sale and Transfer Act, which was signed into law in 2016. To save taxpayer money, it aimed to streamline the disposal of unneeded Federal buildings, land, and structures. After completing the first two rounds of disposals, the Public Buildings Reform Board, the PBRB, identified numerous challenges impacting FASTA's overall effectiveness. We have an overall ineffective way to dispose of ineffective buildings.

I partnered with Chairman Kelly, as he said, and introduced legislation to address these outstanding issues and help facilitate a successful final round. This legislation recently advanced out of the committee, and I, too, want to thank Chairman Kelly and his staff for their incredible efforts on this critical issue, and many of our colleagues on the committee and elsewhere.

The Inflation Reduction Act, as the Chairman mentioned, which I did not support, provided over \$3 billion for the GSA to carry out various climate initiatives. The idea of spending taxpayer money greenifying empty Federal buildings comes across as a headscratcher, to say the least. An empty building is already a waste. Adding new windows and a heat pump doesn't make the equation better. We need to be very targeted with those dollars.

As the PBRB stated in its interim report to Congress earlier this year, the per-person carbon emissions from heating and cooling nearly empty buildings are indefensible. Forcing agencies back into the office to utilize its space or alternatively disposing of this unused space could provide significant emissions reductions. Yet, this Administration seems more interested in pressuring small businesses in the private sector to make changes while they themselves fail to take any meaningful action.

The current practice of spending billions of taxpayer dollars each year to operate Federal buildings, regardless of their utilization, must come to an end. I remain committed to working in a bipartisan way on this committee to find solutions, because this problem cannot go unaddressed.

I understand more than 50 percent of GSA's managed leases are set to expire by 2027. I encourage the agency to take full advantage of this opportunity to right-size the Federal real estate portfolio. In fact, I just think it would be derelict not to. I think we all need to do that, I think, as Congress and as agencies. In fact, with the several recent Supreme Court decisions on Major Questions doctrine and Chevron doctrine, realizing that the bureaucracy has gotten way beyond its constitutional and legal authorities, maybe this is a good time to find lots of ways to reduce the need for those buildings even further.

I thank you, Commissioner Doomes. I really mean it when I say I appreciate your being here. I appreciate your openness to all of this, and I very much appreciate your background in the Congress of the United States in working on these issues long before getting

to where you are today. I think it makes you uniquely suited for this job.

I look forward to today's discussion.

Senator KELLY. Thank you, Senator Cramer.

I now want to introduce our witness at today's hearing, Mr. Elliot Doomes, the Commissioner of the Public Buildings Service. In this role, Commissioner Doomes manages the design, construction, leasing, building management, and disposal of approximately 360 million square feet of owned and leased space across the United States and our territories. Mr. Doomes has served in this role since October, and prior to that, served as Regional Administrator for the National Capital Region at GSA.

Before joining GSA, Commissioner Doomes worked for the House of Representatives, where he began his career working for Congresswoman Eleanor Holmes Norton from the District of Columbia. He has since served as a committee staffer on both the Authorizing and Appropriations Committees, which oversee the GSA.

Commissioner Doomes received his bachelor's degree from Morehouse College and his J.D. (Juris Doctor) from Georgetown University.

Commissioner Doomes, thank you for being here today. I want to recognize you for 5 minutes for your opening statement.

STATEMENT OF ELLIOT DOOMES, COMMISSIONER, PUBLIC BUILDINGS SERVICE, U.S. GENERAL SERVICE ADMINISTRATION

Mr. DOOMES. Thank you. Good morning, Chairman Kelly, Ranking Member Cramer, and distinguished members of the committee. My name is Elliot Doomes, and I am the Commissioner of the Public Buildings Service at the U.S. General Services Administration. Thank you for the opportunity to appear before the subcommittee today to discuss GSA's public buildings.

Today, I want to discuss two of our agency's signature initiatives: GSA's work to maximize the impact of the Bipartisan Infrastructure Law and the Inflation Reduction Act, and the opportunity to save taxpayer money through the government's real estate portfolio.

The passage of the Bipartisan Infrastructure Law on November 15th, 2021 created a historic investment in our Nation's infrastructure. GSA received \$3.4 billion to modernize dozens of land ports of entry. As many of our real estate projects do, BIL (Bipartisan Infrastructure Law) investments serve as the catalyst for economic growth in communities and enable the government to better carry out its mission to serve the American people.

Land ports of entry have additional benefits, as these modernizations improve our national security, facilitate commerce and trade, and better secure our borders. For example, in Arizona, GSA is building a new commercial land port of entry in Douglas while modernizing the existing Raul Hector Castro Land Port of Entry. The new commercial port will assume inspection operations from the Castro facility and facilitate the improved transport of goods and products. The new port will also improve safety by directing all pedestrian traffic onto improved sidewalks and expand security measures.

Additional investments from the Inflation Reduction Act resulted in the single largest investment in the Nation's history to tackle the climate crisis. GSA received over \$3 billion from this Act to make our Federal buildings more sustainable, higher performing, and more cost efficient.

For example, in Dunseith, North Dakota, GSA just announced a \$98 million investment at a Dunseith land port of entry inspection facility to provide a new port building and inspection areas built with low embodied carbon materials. In total, GSA's IRA projects are expected to avoid \$720 million in operating costs over 20 years. Using funds from the BIL and IRA will allow GSA to modernize the land port of entry in San Luis, Arizona, and replace fossil fuel equipment, making it our first net-zero land port of entry.

While GSA is working to responsibly execute BIL and IRA, we also remain focused on optimizing our real estate portfolio. Our legislative proposals, like increasing the prospectus threshold and the Federal Buildings Fund fix, combined with GSA's Fiscal Year 2025 budget request, are designed to help us get that done.

Unfortunately, since Fiscal Year 2011, more than \$10 billion in rental payments paid into the Federal buildings fund have been diverted for purposes unrelated to Federal buildings. As a result, necessary repairs have been unfunded and have had to be resubmitted again. In Fiscal Year 2024, 13 out of 17 major repairs and alteration projects in the budget were submissions from prior fiscal years because they went unfunded when submitted previously. Delays in carrying out these projects have driven the cost up by \$300 million above the aggregate projects costs when they were first submitted.

With access to the full value of our rent collections through the Federal Buildings Fund fix, legislative proposal, and the Fiscal Year 2025 budget, GSA could address necessary capital improvements like these in a timely manner, resulting in increased taxpayer savings and safer building conditions.

Additionally, the Fiscal Year 2025 budget request includes a new program designed to allow for space consolidations. The requested \$425 million investment is designed to support more space efficient tenant relocations to enable the disposal of underperforming assets. This, in turn, allows us to obtain savings through right size consolidations that drive agency rent cost savings in our owned assets.

Underfunding of previous consolidation program requests has meant at least 120 missed consolidation opportunities and hundreds of millions in missed annual savings. The Fiscal Year 2025 initiative supports space optimization and performance while delivering the best value in real estate to our customer agencies. At the same time, it will allow GSA to accelerate property disposal timelines.

One example of how this fund could create a significant impact is a project planned in Boston, Massachusetts. The project aims to move the majority of the building's occupants from the Captain John F. Williams Coast Guard Building into the nearby John F. Kennedy Federal Building. GSA estimates that this \$20 million consolidation project will avoid \$30 million in repair liabilities and over \$1 million in annual operation and maintenance costs.

Full enactment of the President's Fiscal Year 2025 proposals would enable GSA to continue improving building utilization rates and provide better services to Federal agencies and the community they serve. It would also give us the funding needed to address the elevator replacement at the Kennedy Federal Building and other outstanding projects.

To conclude, through BIL and IRA, GSA has been able to modernize critical land ports of entry and other Federal buildings. We have shown what we can do when we have access to the resources we need. Congressional support for our Fiscal Year 2025 budget and legislative proposals, and especially our request for full access to our rent collections, will allow GSA to continue to meet the mission and needs of the Federal Government.

Thank you for the opportunity to testify before you today, and I look forward to answering any questions that the committee may have.

[The prepared statement of Mr. Doomes follows:]

**Written Statement of Elliot Doomes,
Commissioner of the Public Buildings Service
of the U.S. General Services Administration
before the
Senate Committee on Environment and Public Works
Subcommittee on Transportation and Infrastructure
“Oversight of the Public Buildings Service, General Services Administration”
Tuesday, July 9, 2024, 10:00 AM EDT
Dirksen Senate Office Building Room 406**

Introduction:

Good morning Chair Kelly, Ranking Member Cramer, and distinguished Members of the Committee. My name is Elliot Doomes, and I am the Commissioner of the Public Buildings Service (PBS) at the U.S. General Services Administration (GSA). Thank you for allowing me the opportunity to appear before the Subcommittee today to discuss oversight of GSA's public buildings.

I have spent my career working to drive efficient government solutions in the public buildings sector—including many years as a congressional staffer. I now have the privilege of serving in the executive branch, and in my role as PBS Commissioner, I continue to look for ways to drive efficiency in the government's real estate portfolio—including by partnering with this Committee.

Today, I want to share updates on two of our agency's signature initiatives: 1) how GSA is working to maximize the impact of the resources GSA received in the Bipartisan Infrastructure Law (BIL) and the Inflation Reduction Act, and 2) the significant opportunity to save taxpayer money through the optimization of the government's real estate portfolio.

Transformational Investments through BIL and IRA

Bipartisan Infrastructure Law

The passage of the BIL on November 15, 2021, created a historic investment in our Nation's infrastructure. GSA received \$3.4 billion to modernize dozens of land ports of entry (LPOEs) along the northern and southern borders. Just like many of our real estate projects do, GSA's BIL investments are serving as a catalyst for economic growth

in communities, maintaining and modernizing key infrastructure, and enabling our agency partners to better carry out their missions in service of the American people. With LPOEs, there are additional benefits, as these modernizations improve our national security, facilitate commerce and trade, and better secure our borders.

For instance, in Douglas, Arizona, GSA is building a new commercial LPOE while modernizing the existing Raul Hector Castro LPOE to accommodate increasing traffic access between Douglas, Arizona, and Agua Prieta, Mexico. The dedicated new commercial port will assume commercial inspection operations from the Castro facility and facilitate the improved transport of goods and products. About 70% of the City of Douglas' retail tax revenue is derived from the millions of people who cross through the Castro port annually and collectively spend about \$740 million. Nearly 4,000 of them are Agua Prieta residents who cross the port on their commute to work in Douglas and patronize local restaurants, stores, and other businesses. The new port will improve driver and pedestrian safety, directing all pedestrian traffic onto improved sidewalks while updating local conditions to avail additional streets downtown for commercial development. The new commercial port will have expanded security measures, including a pre-primary inspection area and lane segmentation to expand commercial vehicle inspection capacity and allow the processing of oversized mining equipment too large to use the Castro LPOE.

Inflation Reduction Act

The investments in the Inflation Reduction Act encompass the single largest investment in the Nation's history to tackle the climate crisis. As part of that legislation, GSA received over \$3 billion to make our Federal buildings more sustainable, higher performing, and more cost efficient through next generation technologies and low-embodied carbon materials — accelerating efforts to achieve a net-zero Federal footprint, catalyzing American innovation and saving taxpayers millions in energy costs.

More than \$2 billion of GSA's IRA funding was provided to purchase low-carbon construction materials. Last year, GSA announced that we would be investing these funds in more than 150 construction projects across 39 states, the District of Columbia, and the Commonwealth of Puerto Rico. These investments are expanding America's

industrial capacity for manufacturing sustainable and lower polluting goods and materials, creating good-paying jobs for American workers in communities across the country, and tackling the climate crisis. For example, in Topeka, Kansas, GSA is investing \$25 million at the Frank Carlson Federal Building and Courthouse to replace the windows and doors at the facility with blast resistant aluminum frames and insulated low-embodied carbon glass that will reduce the building's energy use, improve safety, and extend the building's useful life. And in Dunseith, North Dakota, GSA just announced it is investing \$98 million at the Dunseith LPOE Inspection Facility to provide a new main port building and inspection areas built with low-embodied carbon materials.

GSA is also using funding from the IRA to replace fossil fuel powered equipment with all-electric mechanical systems. By making Federal buildings more energy-efficient, these projects will reduce operating costs and save money for taxpayers over time. In total, GSA's IRA projects are expected to avoid \$720 million in operating costs over the next 20 years. For example, using funds from BIL and IRA, GSA will be able to modernize the LPOE in San Luis, AZ and replace fossil fuel equipment, making it our first net-zero land port.

The Administration and GSA are committed to maximizing the impact of the generational investments Congress provided to the country through BIL and IRA. GSA continues to prudently make investments and is committed to effectively delivering on our projects.

Portfolio Optimization and the FY 2025 Budget Request:

While GSA is working to responsibly execute BIL and IRA, we also remain focused on optimizing the real estate portfolio: consolidating agencies out of costly leased space, modernizing workspaces to be more efficient and effective, and disposing of buildings we no longer need. The projects and legislative proposals in GSA's FY 2025 budget request are designed to help us get that done.

The Federal Buildings Fund was created by Congress to serve as a dedicated source of revenue to invest in the Nation's real estate portfolio. Unfortunately, since FY 2011, more than \$13 billion in rental payments paid into the fund have been diverted for

purposes unrelated to Federal buildings. As a result, necessary repairs have been unfunded and have had to be resubmitted again. In FY 2024, 13 out of 17 Major Repairs and Alterations projects proposed were projects that had been resubmittals which had gone unfunded in previous budget cycles; collectively, the total costs for these projects in FY 2024 was \$300 million higher than the aggregate projects cost when first submitted in prior fiscal years.

Resource constraints have also limited GSA's ability to consolidate agencies and achieve better asset utilization. Despite GSA's record of successfully reducing costs through consolidations, only 40 percent of the funding requested for the Consolidations Special Emphasis Program has been provided over the past 10 years. If GSA had received the full appropriation requested, we estimate that as many as 120 additional consolidation projects would have been completed, saving hundreds of millions of dollars for taxpayers.

GSA needs access to the full annual collections so that GSA may address necessary capital improvements in its portfolio of federally owned facilities. GSA's FY 2025 budget request addresses the growing backlog of critical building life-safety and infrastructure needs, enhances Federal facilities' climate posture and resiliency, while reducing costs to taxpayers. These investments allow for routine maintenance, facilitate the disposal of underperforming buildings, and reduce the Government's reliance on leased space.

The budget request also includes several legislative proposals that are key to right-sizing our Federal footprint faster while saving taxpayer dollars and supporting local economies with good paying jobs. The most important of these would help ensure that GSA has full access to the annual revenues and collections to the FBF. As mentioned earlier, the more than \$13 billion diverted away from GSA investments in Federal buildings to fund activities has resulted in immediate deferred maintenance costs now exceeding \$4.6 billion.

The President's FY 2025 budget request also includes a new Optimization Special Emphasis program designed specifically to allow for space consolidations. The requested \$425 million investment is designed to support more space efficient tenant relocations to enable the disposal of underperforming and underutilized assets, while

obtaining cost savings through right-sized consolidations that drive agency rent cost savings in our owned assets. This initiative supports efforts to optimize space configuration and performance while delivering best value in real estate to our customer agencies across Government. At the same time it will allow GSA to accelerate our property disposition timelines. Projects for this funding request will be prioritized based on the following factors:

- The project should reduce agency costs, and avoid existing or future liabilities.
- The project can be completed in one phase without major sub-components or ancillary facility modifications.
- Occupant agencies able and willing to provide some of their own funding to effect these moves.
- The project requirements are well-defined, cost estimates are completed, and GSA is positioned to start design and construction activities.

One example of how this program could quickly create a significant impact is a consolidation project planned in Boston, Massachusetts. The project aims to reduce the real estate costs for taxpayers by disposing of the Captain John F. Williams Coast Guard Building and moving the majority of the building's occupants into the nearby John F. Kennedy Federal Building. GSA estimates that this \$21 million consolidation project will avoid \$29 million in repair liabilities and over \$1 million in annual operation and maintenance costs. Additionally, this one project would yield over \$10 million in avoided rent costs over a 20 year period. With full enactment of the President's FY 2025 proposal, these investments, including the conveyance systems replacements at the Kennedy Building, could be completed to reduce costs for taxpayers in order to ensure occupant agencies are housed in modernized, safe and optimized federally owned GSA buildings. There are many other opportunities for similar savings and avoided costs across GSA's building portfolio which we can share with the Committee, but we will only realize these if GSA has access to the necessary resources to make them a reality.

Taken together, these proposals, along with our proposal to increase the prospectus threshold, work to expedite project delivery, support improved building utilization rates, and provide better services to Federal agencies and the communities

they serve. These are the tools we need to deliver the best value in real estate to our partners across the Federal Government.

Conclusion:

GSA is fully committed to modernizing and optimizing the Federal real estate footprint. Through the investments made by BIL and IRA, GSA has been able to modernize many of our critical Land Ports of Entry and other Federal buildings. However, over the long term, ensuring that GSA has full access to its revenues and collections is essential to ensuring that the Federal Government's real property needs are met in the most cost-effective way. Congressional support for these proposals will allow GSA to continue to meet the mission needs of the Federal agencies we support and avoid billions in unnecessary real estate expenditures. Thank you for the opportunity to testify before you today, and I look forward to answering any questions the Committee may have at this time.

**Senate Committee on Environment and Public Works
Subcommittee on Transportation and Infrastructure
Hearing Entitled “Oversight of GSA’s Public Buildings Service”
July 9, 2024
Questions for the Record for Commissioner Elliot Doomes**

Chairman Kelly:

1. Commissioner Doomes, we’ve discussed the need to carry out more property disposals. What are the costs associated with preparing a building for disposal?

The cost and resources required to prepare properties for disposal can be an impediment for agencies to pursue reporting properties as excess. Since each asset is unique, the costs to prepare properties for disposal can vary significantly by size and complexity. These costs are typically associated with developing agency space requirements and relocating tenants, and defining a marketable title, including characterizing environmental conditions and cultural resources.

To provide relief to agencies and unlock more assets for disposal, GSA has requested the expansion of the disposal fund in the President’s FY 2025 budget proposal. This expansion would unlock resources and enable landholding agencies to identify and prepare assets for disposition. Additionally, the President’s FY 2025 Budget includes a new \$425 million Building Optimization Program that would provide the capital funding essential to consolidate agencies into modernized buildings, and dispose of those that are not needed.

- a. How do the limits imposed on the Federal Building Fund impact GSA’s ability to make investments in preparing facilities for disposal?

The Federal Buildings Fund (FBF) is primarily financed through rent payments from Federal agencies occupying GSA-managed properties. These funds are designated for the operation, maintenance, and repair of existing properties. Since FY 2011, more than \$13 billion in rental payments paid into the fund have been diverted for purposes unrelated to Federal buildings, leaving even less available for the preparation of facilities for disposal. Effective asset management requires both maintaining current assets appropriately and disposing of underutilized or surplus properties. Limits on the FBF hamper GSA’s ability to dispose of properties in a timely manner, which is both costly to the federal government and denies communities the opportunity to repurpose these assets in ways that better serve their needs.

- b. Are there ways Congress – and in particular this committee – could help GSA better access Federal Buildings Fund resources to support disposals?

The legislative proposals contained in the President’s FY 2025 Budget Request are key to maximizing the efficiency and efficacy of the FBF. First and foremost, GSA needs full access to the annual revenues and collections deposited in the FBF. The Budget Request includes a budgetary scoring provision, similar to a recently enacted provision modifying the scoring treatment of the Harbor Maintenance Trust Fund,

which would alleviate pressure to divert FBF revenues away from GSA buildings.

Second, as previously mentioned, the President's FY 2025 Budget includes a new \$425 million Building Optimization Program that would provide the capital funding essential to consolidate agencies into modernized buildings, and dispose of those that are not needed.

Additionally, the FY 2025 Budget includes legislative proposals that would allow for more efficient building portfolio operations, including a proposal to raise the prospectus threshold to \$10 million and expanding authorized uses of GSA's property disposal fund to support the preparation of other agencies' underutilized properties for disposition. Raising the prospectus threshold to \$10 million could save the federal taxpayer more than \$40 million annually in project delivery costs, and better support the missions of agencies that we house in communities across the country.

2. I appreciate how forward leaning GSA has been in trying to find ways to right-size the federal building portfolio. I understand that many times, GSA cannot act unless the tenant federal agency is on board with a consolidation or disposal of a facility. What challenges do you face when working with other federal agencies to encourage them to look for more efficient space solutions?

GSA has found that agencies are generally open to the idea of optimizing space. However, the biggest impediment to space optimization is the lack of available funding, either for GSA, the tenant agency, or both. Information Technology investments, relocation activities, space reconfigurations and other optimization activities require agency dollars. Timing is another factor that can impact agencies. Funding delays on either side can prevent the optimization project from moving forward.

3. In July 2022, OMB issued a memorandum requiring each federal agency to evaluate their real property needs for the current size and posture of their workforce. Have all agencies submitted these required plans?

Yes, it is GSA's understanding that all 24 CFO Act Agencies submitted plans.

- a. Has this planning process led to any agencies beginning to work with GSA to rethink their office space requirements?

Yes. OMB Memorandum M-20-03, Implementation of Agency-wide Real Property Capital Planning, helped agencies focus on identifying consolidations and reduction opportunities for which they could partner with GSA to execute. Since this memorandum was issued, agencies now come to GSA with clearer understandings of their long-term housing needs, allowing GSA to leverage our expertise to help them consolidate into existing available space, terminate unneeded leases, and explore innovative housing solutions such as Federal coworking.

4. FASTA required GSA to develop a Federal Real Property Profile Management System – basically a database to track how each federal building was being utilized. This was launched in 2017, but multiple GAO reviews have found the database still lacks reliable and up to date data. Why is that?

GSA and OMB, working through the governance structure of the Federal Real Property Council, annually review the reporting requirements to determine what changes need to be made to further improve the timeliness, accuracy, and completeness of the data collected in the system. Those changes are reflected in the Federal Real Property Profile (FRPP) data dictionary which is distributed to agencies and serves as the guide to ensure an accurate, timely, and complete submission based on the reporting requirements contained in the document.

OMB issued policy 18-21, Designation and Responsibilities of Agency Senior Real Property Officers. Among the various requirements in the policy was one that requires agencies to develop and update a data quality improvement plan. The FRPC just issued updated implementing guidance this summer for agencies to improve and submit their data quality improvement plans by March 31, 2025.

GSA collaborated with OMB and the FRPC to establish a real property scorecard to assess agency performance against a series of statutory and other policy requirements, several of which relate to real property data. The scorecard is updated annually and can be found at <https://www.performance.gov/real-property/>.

- a. What steps are you taking to make sure we have an accurate, and up to date database, of how our federal buildings are being used?

There are three data elements in the Federal Real Property Profile Data Dictionary that address the use of an asset:

1. **Predominant Use:** The Public Buildings Service (PBS) determines the predominant use of the building based on the activities of its largest occupying tenants.
2. **Utilization:** Agencies report utilization based on the programmatic purpose for which the asset is used and not based on the number of tenants occupying space (i.e. “unutilized”, “underutilized”, or “utilized”). However it is important to note that, as required by the McKinney –Vento Homeless Assistance Act of 1987, federal agencies are to report to the U.S. Department of Housing and Urban Development (HUD) information concerning their unutilized, underutilized, excess, and surplus properties. PBS reports an asset as unutilized or underutilized if it has been formally decommissioned or declared excess in accordance with the requirement to report the asset to HUD for McKinney-Vento screening. All assets with a current mission need are reported as utilized regardless of whether the asset contains vacant space.
3. **Number of Federal and contract employees housed at the property:** PBS relies on a data call to its tenant agencies to provide this information to be used in its submission.

GSA, through the FRPP Management System, is engaging with the agency's Robotic Process Automation team to further flag erroneous data to direct agencies to fix those errors during the submission process. GSA collaborated with OMB and the FRPC to develop a real property scorecard to assess agency performance, with several of the component assessments related to data-quality improvement.

5. For years, the cost of long-term leases has been identified as a significant cost-risk to the Federal Buildings Fund. What steps is GSA taking to move away from using leased space?

GSA is maximizing the utilization of core, long-term-owned assets by focusing on better utilizing existing federally owned buildings to ensure that these spaces are used to their full capacity before the government considers leased space. This includes efforts to consolidate operations and optimize space usage within these buildings using initiatives like the proposed FY 2025 Optimization Fund Budget request, the Total Workplace program to promote space optimization and flexible workplace solutions, and incorporating sustainability and energy-efficiency measures that lower operating costs, making federally owned buildings more cost-effective compared to leased spaces. Continued progress in this area is contingent on Congress's support for GSA's annual Capital Investment Programs, including those identified in the President's FY 2025 Budget Request and the legislative proposals contained in GSA's FY 2025 Budget Request.

In addition, since 2015, GSA has reduced the leased inventory by over 14 million rentable square feet. When leases are set to expire, GSA partners with agencies to define the most effective approach to meet space needs, which has led to square footage reductions, space consolidation and backfilling agencies from costly leases into federally owned space. When GSA leverages a lease strategy, we are negotiating more favorable lease terms and utilizing market conditions to reduce lease costs. This can involve renegotiating existing leases, securing lower rates for new leases, and leveraging bulk lease agreements to achieve cost savings.

- a. What challenges prevent GSA from further moving agencies from leased space into underutilized federal facilities?

Optimizing and modernizing the Federal inventory requires adequate and predictable funding for relocation and renovation. GSA's real estate portfolio averages 50 years of age, and in many instances facilities have outdated and obsolete building systems and configurations. Lack of available funding to address these needs is the primary impediment to consolidation out of leases and into owned space. The Federal Buildings Fund has been significantly underfunded for more than a decade, with a heavy impact on the Major Repairs and Alterations program. Improvements needed in Federally owned facilities to consolidate agencies from costly leased space are difficult or impossible without proper funding. It takes money to save money, and the President's 2025

Budget proposes a \$425 million Optimization Fund within the Special Emphasis Programs to consolidate agencies into modernized buildings and release leased space or dispose of unneeded properties to address this issue. This funding is essential to support the optimization of our Federal inventory.

6. The past four years have seen a consistent rise in commercial construction costs in the Washington, D.C. metropolitan area. As of July 2024, the average rate for construction loans in Washington D.C. can be as high as 13%, compared to 5.5% in July of 2020. For a project the size and scale of the planned, yet unfunded, renovation of the Regional Office Space at 7th and D, this can result in hundreds of millions of dollars in additional financing costs. Over the same time period, the average Class A commercial lease rates have decreased, upwards of 20%. In the Prospectus PDC-06-WA21, approved by this Committee prior to the increases in construction costs, GSA stated “FEMA’s space requirements are more easily housed in leased space and at a significantly lower cost when taking into account all costs.” Given the changes in market dynamics, can you explain why you believe it is more cost effective to move the Federal Emergency Management Agency out of leased space and into an owned building that needs more than \$900 million in construction and renovations, in direct contravention of the Prospectus submitted to and approved by this Committee?

As required by OMB Circular A-94, GSA performed a 30-year present value life cycle cost comparison of project alternatives for housing FEMA in Washington, DC. In support of the FY 2025 Budget Request for funds to alter the 7th and D Street Federal Office Building for housing the U.S. Department of Homeland Security (DHS)—including the Undersecretary for Management, Office of Biometric Identity Management, Immigration & Customs Enforcement-Office of Professional Responsibility, and Federal Emergency Management Agency), GSA compared the proposed repairs and alterations to new construction and lease alternatives. At the time of the budget submission, using the known requirements, the analysis showed that pursuing repairs and alterations funding was the most cost effective alternative for housing the various DHS components.

However, DHS recently notified GSA of a change in their requirements. This change necessitates additional time to consider and plan accordingly. On Friday, July 19, 2024, GSA, in partnership with DHS, canceled the construction procurement for the modernization of the Regional Office Building. GSA and DHS are in the process of developing an updated strategy.

- a. Is GSA confident in its financial projections, which historically have come under criticism from the Government Accountability Office, that it would be willing to submit those assumptions and assessments to review by the GAO as an independent arbitrator?

GSA’s financial projections for all prospectus-level projects are taken at a single point in time using the best information available to the agency at that time. The majority of those assumptions, including the estimated project schedule, cost, and building square footage are also shared with Congress via the prospectus documents submitted to GSA’s authorizing committees. Other assumptions, such

as the assumed discount and inflation rates used to complete these analyses, are updated annually by the Office of Management and Budget and can be found in OMB Circular A-94 appendix C.

GSA has shared these assumptions with GAO on past projects that GAO has reviewed and GSA remains willing to do so again.

Ex-Officio Chairman Carper:

1. The inability of agencies to dispose of unneeded space in a timely manner is one of the primary reasons the Government Accountability Office (GAO) has included real property management on its list of “high-risk” management issues since 2003. What are the key challenges associated with disposing of excess federal real property?

Very few owned properties are completely vacant and ready for divestiture. Most underutilized properties house agencies that will require replacement space (i.e., relocation/consolidation) before conveyance out of Federal ownership.

Key challenges include:

- Time required to define a program of requirements and relocate Federal tenants to new space, either owned or leased;
- Costs to prepare assets for disposal (see #1 above for Chairman); and
- Compliance with environmental and cultural resources laws and regulations.

- a. How long, on average, does it take to dispose of a federal building once an agency reports a property as “excess” to its needs?

Each asset has unique challenges that may require more time to comply with environmental and/or cultural resource requirements or to relocate existing tenants from the space; however, a typical disposal will take approximately one year from GSA’s acceptance of a report of excess.

- b. What factors usually cause delays when the Public Buildings Service is working to dispose of excess federal real property?

Factors such as development of tenant relocation requirements and compliance with environmental and cultural resource laws and regulations are the key challenges that impact disposal schedules.

- c. How does the regular disposal process work in tandem with the process created under the Federal Asset Sales and Transfer Act to reduce our federal footprint?

Since the FASTA board (i.e., the Public Buildings Reform Board) was empaneled in 2019, GSA has successfully disposed of over 500 excess Federal assets through the Property Act of 1949 disposal process or through reimbursable agreements, resulting in \$1.6 billion in proceeds. This is

compared to the 11 properties that entered the disposal pipeline through the process outlined under the Federal Asset Sales and Transfer Act over this same time period, as outlined in a recent GAO report.

The disposal process authorized by FASTA waives only Property Act screening steps for the First and Second Rounds (FASTA also waived McKinney-Vento during the High Value Round), which is expected to shorten disposition timeframes by 30-120 days. Generally speaking, these screenings only contribute slightly to the disposition timeline, since these reviews often take place concurrently with other requirements such as tenant relocation and compliance with environmental and cultural resource laws and regulations.

2. The President's Fiscal Year 2025 budget includes a new \$425 million optimization program to help renovate GSA's core assets and advance consolidation and disposal projects. How would GSA prioritize projects under that program?

The President's 2025 Budget requests an investment of \$425 million; however, GSA has identified projects that exceed this budget allocation. To ensure effective use of resources, projects will be selected based on factors such as risk, readiness, and return. GSA will prioritize projects that demonstrate compelling taxpayer savings, can be implemented quickly, have tenant buy-in, and show strong requirements development. The President's 2025 Budget asks for a \$425 million investment, given our proposed projects. Key prioritization criteria will include project complexity, taxpayer savings through cost avoidance, rent reductions, and timely execution. Specifically, these funds will be allocated toward:

- Tenant relocations to enable the disposal of underutilized assets,
- Space consolidations that drive agency rent cost savings, and
- Modernization of existing buildings that will have improved utilization resulting from consolidations.

a. How much money would that \$425 million investment save taxpayers in the long run?

The President's FY 2025 Budget includes a \$425 million request for an Optimization Fund. The FY 2025 Optimization Fund has the potential to yield \$1 billion in long term federal taxpayer savings, if invested as proposed.

GSA continues to identify projects that represent strong investment opportunities for the federal taxpayer.

b. What lessons has the Public Buildings Service learned from prior efforts to dispose of and consolidate federal buildings, and how can those lessons help inform future projects?

GSA has learned that successful disposal and consolidation of Federal buildings requires financial contributions from both GSA and tenant

agencies. Additionally, these agencies must collaborate on project prioritization and funding allocation to expedite the disposal process. The Optimization Program addresses these challenges by providing upfront funding to GSA for both sources, ensuring aligned resources and accelerating disposals.

3. How does the Public Buildings Service collaborate with agencies to help ensure that GSA's data on federal real property is up-to-date and accurate?

OMB issued policy M-18-21, Designation and Responsibilities of Agency Senior Real Property Officers. Among the various requirements in the policy was one that requires agencies to develop and update a data quality improvement plan. The Federal Real Property Council (FRPC) just issued updated implementing guidance this summer for agencies to improve and submit their data quality improvement plans by March 31, 2025.

GSA collaborated with OMB and the FRPC established a real property scorecard to assess agency performance against a series of statutory and other policy requirements, several of which relate to real property data. The scorecard is updated annually and can be found at <https://www.performance.gov/real-property/>.

GSA, through the governance structure of the FRPC, significantly strengthened its reporting requirements, which should drastically reduce the number of erroneous geographic data elements. Specifically, starting with FY 2024, GSA eliminated the ability of agencies to submit a street address, which, as noted previously, is an open text data field that does not allow for as robust validation checks as the numeric latitude/longitude data field does.

In addition, GSA has reached out to agencies concerning issues with the geographic data fields reported to the Federal Real Property Profile system. As a result of these efforts, the percentage of mappable assets—a GSA strategic plan measure—increased to 95 percent in FY 2023, an increase of 13 percent when compared to FY 2022 data.

4. President Biden has directed agencies to take steps to achieve net-zero emissions across their building portfolios by 2045 through his Federal Sustainability Plan. How is the Public Buildings Service working with agencies to meet that goal?

GSA is responding to the requirements of Executive Order (EO) 14057 net-zero emissions building portfolio in several ways. We continue to modernize assets that are intended to be long-term holds within the portfolio to High Performance Federal Sustainable Buildings designed to meet customer mission requirements and provide healthy, efficient, and sustainable workplaces. These conversions are being carried out using a combination of funds from annual appropriations, the Bipartisan Infrastructure Law, and the Inflation Reduction Act.

Per the Energy Act of 2020, we are using audits to identify opportunities and pursue energy savings performance contracts and appropriated funds to implement life-cycle cost-effective, deep-energy retrofits (<25-year simple payback period per statute). We

are also replacing old and inefficient heating ventilation and air conditioning equipment with new, highly efficient, electric equipment that meets requirements of American Innovation and Manufacturing Act of 2020 and new EPA regulations. Per EO 14057, GSA is engaging industry and purchasing carbon pollution free electricity (CFE) for federally owned buildings under GSA's jurisdiction, custody and control and for our Federal customers.

Aside from purchasing CFE for customers, GSA is sharing our lessons learned and best practices on sustainable buildings, performance contracting, deep energy retrofits, building electrification, life-cycle cost analysis, and net zero leases with customer and landholding agencies via the Department of Energy's Federal Energy Management Program, interagency forums, and Federal Real Property Council briefings. GSA has also directly shared our expertise, programs, and tools with customer and landholding agencies upon request and via our Sustainable Facilities Tool (SFtool.gov). For example, GSA and DHS continue sharing information on high performance sustainable buildings, performance contracting, etc. and [signed a memorandum of agreement in April 2023](#) to reinforce the sharing of best practices.

- a. How is the \$3.4 billion that Congress provided in the Inflation Reduction Act accelerating efforts to decarbonize federal buildings?

GSA is leveraging the \$975 million in Emerging and Sustainable Technology (E&ST) funds, in conjunction with Energy Savings Performance Contracts, to accelerate efforts to convert buildings to high performance sustainable buildings, implement deep energy retrofits, and move long-term hold, owned buildings toward all-electric and/or net-zero operational emissions. Our investments of E&ST funding are targeted to realize the addition of 100 all-electric buildings, 28 of which will also be net-zero energy buildings within our existing portfolio. By leveraging private sector funds through Energy Saving Performance Contracts with Inflation Reduction Act funds, we expect to more than double the impact of the \$975 million investment in sustainable technologies by deploying a total of \$1.9 billion in private and public funding to support sustainable technologies. This investment is estimated to avoid 2.3 million metric tons of greenhouse gas emissions over the equipment's lifetime and save enough energy to power over 300,000 American homes.

The \$2.15 billion in low-embodied carbon material funding is being deployed to address building envelope (window replacement) and infrastructure improvements in our assets (i.e., paving, facade, structural repairs), and supporting the land ports of entry program to encourage market development for more sustainable asphalt, concrete, glass, and steel materials.

5. How is the Public Buildings Service working with agencies to ensure the real property portfolio is resilient to the impacts of climate change?

GSA's [2024 Climate Change Risk Management Plan](#) lays out the detailed timeframes and steps the agency is taking to manage fiscal and physical risks, secure Federal real property assets, and inform resilience investments. GSA partners with customer agencies to discuss where they have mission critical requirements so above-standard requirements and resilience capabilities are part of the respective customer agencies' organizational agreement.

GSA is responsible for managing property under our jurisdiction, custody, or control and has adopted a two-pronged approach to understanding and mitigating risks to GSA-controlled property. First, the guidance issued by the Capital Investment and Leasing Program (CILP) within GSA's Public Buildings Service (PBS) includes a requirement to assess climate risk to support best value decisions and leverage current climate science and projections for long-term climatic change. GSA has applied this assessment to more than 100 GSA-controlled buildings and projects. For example, GSA developed climate profiles to incorporate into the project risk registers for the design and delivery of all 26 of its Bipartisan Infrastructure Law - Land Port of Entry (BIL-LPOE) projects. GSA is similarly reviewing prospectus-level projects supported by Inflation Reduction Act funding.

Second, GSA plans to leverage recent funding from the Inflation Reduction Act to apply site specific technical engineering analyses on a subset of assets through the Public Buildings Service (PBS) Inventory Risk Mitigation and Resilience Program (as outlined in GSA's Climate Change Risk Management Plan). GSA is developing capabilities to identify hazard exposures across our long-term hold, owned real property portfolio. These resources are expected to include observed and expected hazards due to extreme temperatures, water stress, wildfires, flooding, and extreme storm events that can further inform customer requirements and asset risk and resilience discussions.

Ex-Officio Ranking Member Capito:

1. Did the General Services Administration (GSA) request the occupancy rates for the properties that have pending prospectuses for fiscal year 2024 from the individual federal agencies that will occupy those federally owned and leased spaces in order to determine whether the proposed capital investments and leasing projects are financially justified?

Yes, GSA has requested the relevant data (i.e. average daily attendance rates), as applicable, from the subject agencies for outstanding FY 2024 prospectuses.

2. If the response to question number one is no, please provide an explanation for why GSA did not request the occupancy rates.

GSA has requested the relevant data, as applicable, from the subject agencies for outstanding FY 2024 prospectuses.

3. If the response to question number one is yes, for each prospectus please provide the date on which GSA requested the occupancy rate, the response from the relevant federal agency, and any information on the occupancy rates that was provided by that federal agency.

The responses and additional relevant information provided to GSA are included as an attachment [Utilization & Capacity - Amended.pdf](#)

GSA notes that for the new construction projects in Seattle, Washington for the National Archives and Records Administration and the new headquarters facility for the FBI in Greenbelt, Maryland, part of the prospectus includes funding for design activities that will ultimately inform space utilization rates.

4. According to a response provided by then-Commissioner Nina Albert to one of Chairman Carper's questions that was submitted as part of the Questions for the Record from the Senate Committee on Environment and Public Works hearing entitled "*Oversight of the General Services Administration: Examining the Federal Real Estate Portfolio*" on September 27, 2023¹, "GSA is collaborating with OMB and the Federal Real Property Council (FRPC) to develop a methodology to support utilization planning that includes a mobility factor, based on an agency's level of telework. Additionally, OMB has been tasked with developing space utilization standardization metrics in response to the recent GAO report on federal occupancy. GSA has assisted OMB in developing these standards as part of a FRPC work group charged with re-establishing utilization standards."

- a. Please provide an update on the status of these efforts.

On August 16, 2024, OMB issued Management Procedures Memorandum (MPM) 2024-01, Implementation of Occupancy Metrics for Office Space. This memorandum provides agencies with requirements for design standards and measuring and reporting occupancy for their owned and leased office space based on authority under the Federal Property Management Reform Act of 2016. These new requirements represent a significant shift in how agencies will manage their real property portfolios, will dramatically increase agencies' ability to identify poorly utilized office space, and facilitate the collection of government-wide utilization statistics to compare performance across agencies.

Among the requirements contained in the policy are:

- No later than nine months after issuance of this memorandum, agencies must submit to OMB an implementation plan related to calculating occupancy.
- Beginning eighteen months after issuance of this memorandum, agencies must implement the monitoring and reporting requirements for defined office space 50,000 USF or greater within the National Capital Region (NCR).
- Beginning twenty-four months after issuance of this memorandum, agencies

must implement the monitoring and reporting requirements for all defined office space outside the NCR that is 50,000 USF or greater.

- Agencies must update their office space design standard for USF per person, as required in Management Procedures Memorandum (MPM) 2015-01, no later than 12 months after this memorandum is issued. Agencies must provide their updated design standard to OMB and the Federal Real Property Council.
- Agencies must report their annual average occupancy on an annual basis for each individual defined office space that meets the policy threshold.

b. Please provide an estimated timeline for finalizing the space utilization standardization metrics.

GSA is working with its occupant agencies to assist them in meeting the requirements contained in OMB MPM 2024-01.

~~<<Original response: GSA continues to be an active participant in a sub-group under the FRPC tasked to shape a governmentwide Space Occupancy metric with OMB. OMB is responsible for setting the timeline of publishing the memorandum.>>~~

5. On May 3, 2024, the Office of Inspector General (OIG) of GSA released a report detailing the findings of an audit they performed in response to complaints that GSA was not conducting sufficient oversight of operations and maintenance (O&M) contractors in certain federally owned buildings. In the report, the OIG stated that “O&M contractors did not consistently comply with the terms and conditions of their GSA contracts. We found that O&M contractors did not complete all work orders for service requests and preventive maintenance. In some cases, O&M contractors marked work orders as complete even though the work was not actually completed. O&M contractors also did not complete work orders timely.”

a. Following the release of that report, what actions has GSA taken to ensure robust oversight over the agency’s O&M contractors?

GSA has created a corrective action plan to address the findings in the OIG’s report, which includes the issuance of additional guidance regarding:

- Emphasis on contractor source selection as a multi-disciplined team effort with representatives from appropriate functional areas, such as contracting, small business, technical (including on-site staff), cost/price, legal, and program management;
- Acquisition planning activities for performance-based service contracts including:
 - key personnel determinations, emphasizing qualifications,
 - availability, and
 - the change submission process and obtaining written approval from the contracting officer;
- Changes to the contractor Performance Work Statement;
- Development of Acceptable Quality Levels (AQLs);
- Revisions to Quality Assurance Surveillance Plans (QASPs);

- Monitoring and enforcement of QASPs and AQLs during contract administration to ensure compliance and improve performance outcomes; and
- Management oversight, including how to obtain feedback on contracting officer representative performance.

b. For the work orders that the OIG determined were marked as complete, but found the work was not completed, did GSA conduct an internal review to determine whether any funds were inappropriately disbursed to O&M contractors? If so, please detail how much was inappropriately disbursed and whether any funds were recouped.

GSA has created a corrective action plan to address the findings in the OIG's report. In addition to the steps outlined in the corrective action plan, GSA is also reviewing each remark and recommendation made by the OIG relating to specific work orders, and is taking separate corrective actions as appropriate, including cure letters, contract deductions, and removal of the contractor, as warranted.

c. The OIG's audit sampled 23 service request work orders and 26 preventive maintenance work orders in six federally-owned buildings. Did GSA conduct reviews of O&M contractors for federally-owned buildings not included in the audit to determine the extent of non-compliance with GSA contracts across GSA's portfolio? If so, please provide summaries of the results of those reviews.

GSA uses a national computerized maintenance management system (NCMMS) to manage service requests and preventive maintenance at all federally owned facilities under GSA's jurisdiction, custody, and control (GSA-controlled facilities). NCMMS assists Contracting Officer's Representatives (CORs) in monitoring contractor performance. CORs are responsible for inspecting work performed by service contractors to ensure timely completion, and documenting their inspections. GSA is working to increase its oversight of contractors through more consistent use of tools and additional automation of processes, where possible. The actions outlined in the corrective action plan in response to the OIG will improve both contractor compliance and GSA oversight of contractors in all GSA-controlled facilities.

6. Through the Federal Assets Sale and Transfer Act of 2016 (FASTA)³, Congress created the Public Building Reform Board (PBRB) to support efforts to optimize and reduce the costs of the federal real property portfolio. In accordance with FASTA, the PBRB was directed to analyze the inventory of certain real property and submit recommendations on reducing the federal real property to the Director of the Office of Management and Budget (OMB). The PBRB is expected to submit a second round of recommendations to OMB later this year.

a. Please describe GSA's efforts to support the PBRB's statutorily authorized activities, including the extent to which GSA responds to PBRB's requests

for data.

GSA has supported the PBRB in implementing FASTA, including for the Second Round submission by providing requested asset information since January 2022. As of May 21, 2024, when PBRB's interim report was published, GSA had presented PBRB with a number of options for consideration for Second Round recommendations.

Once PBRB regained its quorum in November 2022, GSA's supporting activities continued by providing detailed information for dozens of assets, as it had previously done during both the High Value and First Rounds of FASTA. GSA has met on a biweekly basis with PBRB officials since February 2023, and senior officials have a standing monthly meeting with the PBRB Executive Director.

Last fall, after GSA announced plans to move forward with dispositions of 23 GSA properties, GSA initiated discussions with the PBRB leadership to consider these properties for inclusion in the Second Round. However, successful disposition of more federal properties will require funding to support the relocation of existing tenants and other requirements. Potentially, some of the funds may need to be made available through subsequent congressional appropriations.

Senator KELLY. Thank you, Commissioner Doomes.

I am going to start with 5 minutes of questions, and I want to followup on what you discussed in your opening statement about land ports of entry. I know you mentioned the Douglas port of entry projects, so let's start with these projects, which includes constructing the new commercial land port of entry, but also modernizing the existing port facility, the Raul Castro Land Port of Entry.

I understand that GSA recently completed the NEPA process for the Douglas Port Projects. What additional steps need to be completed before GSA can begin the process of soliciting the bids on these projects, and then starting construction?

Mr. DOOMES. Thank you for that question, Senator. GSA conducted the NEPA process concurrently with the project development process. We issued a design build solicitation for the Douglas Commercial Land Port of Entry project on January 19th, 2024. This procurement is moving through the process, and the award is slated for later this year in September.

Senator KELLY. Thank you. Anything else once you submit the award? Can they then just immediately begin construction?

Mr. DOOMES. Yes. We expect that the construction schedule for the project will be about 3 years, so we expect a notice to proceed to happen shortly thereafter the award in September.

Senator KELLY. You think it will take 3 years? That includes the new commercial port and the modernization of the existing port.

Mr. DOOMES. Well, to be clear, Senator, the Douglas commercial construction start is estimated for September 2025, but the Raul Hector Castro estimated construction start date is January 2027.

Senator KELLY. Then, the expectation is within 3 years of 2025 or 2027, the whole thing will be complete?

Mr. DOOMES. The Douglas will be done 3 years from September 2025, and the Raul Hector Castro will be done by January 2030.

Senator KELLY. Thank you.

I understand that you are working with both the city of Douglas and the State of Arizona to make sure that the new commercial port has the needed roadway and utility connections. I will note that my office has been working closely with the city and State as well to make sure that we are able to provide these connections. In fact, one of my top priorities for this year's appropriations process and securing the roadway funding for the new port of entry.

Will you commit to keeping my office up to date on discussions that GSA is having with the city and State on any additional infrastructure needs for the Douglas Port?

Mr. DOOMES. Absolutely, Mr. Chairman. Region 9 is in regular communication with the Arizona Department of Transportation, county officials, and the city of Douglas. In June 2024, GSA received confirmation that the Arizona State Transportation Board approved the revised 5-year transportation facilities construction program that included funding requests for the James Ranch Road connector and other improvements along SR 80.

This commitment to seek funds is a positive step toward the Arizona Department of Transportation providing the necessary support infrastructure to make that port operational. GSA will continue to followup on these infrastructure commitments, and I am

committing that our Region 9 office will stay in constant communication with you as we move along the process.

Senator KELLY. Well, thank you. This is important because it allows us to try to stay and get ahead of any additional need to make sure these are completed on time.

I understand that one of the processes that has not been completed for the Douglas project is the National Historic Preservation Act review. Can you talk a little bit about how this review is going and what challenges do you face when building a modern port facility alongside historic buildings that may not meet the security needs for Custom and Border protection?

I think it is important to note that for this facility, I hear from CBP a lot. I have visited this historic building. They have a lot of concerns with how this could possibly fit into a modern port. It doesn't seem that that is a suitable part of the design.

Mr. DOOMES. Sure. Senator, GSA and CBP have agreed to a master plan concept expanding the ports of the west. This expansion of the west allows a project to start approximately 1 year earlier, and this concept allows greater flexibility in addressing the historic main building and garage.

Consultation with the State Historic Preservation Office is ongoing, but the challenges include the security requirements of CBP, which, as a result of GSA's developing two sub-concepts meeting CBP security, which will be presented and discussed with CBP next week. Those concepts include adaptive reuse of the historic building and potential demolitions subject to the National Historic Preservation Act, Section 106 consultation process that we do in concert with the State Historic Officer.

But what I will tell you is that our Region 9 leadership, they have provided your office with status hearings, and we will continue to do so regarding the project and the future of the historic customs house. We continue to refine alternatives to avoid, minimize, and mitigate potential effects to the historic properties through this Section 106 process.

Any final decision on the management of the historic structures will be made during the continued consultation with the Arizona State Historic Preservation Office and other consulting parties as required under Section 106.

Senator KELLY. We may come back to that, but for now, I recognize Senator Cramer for 5 minutes.

Senator CRAMER. Thank you, Mr. Chairman. Again, thank you, Commissioner, for being here.

I want to drill down a little bit on the GAO report from last year that I mentioned in my opening statement, which studied space utilization of Federal agencies and their headquarters buildings. To me, at least, and I think arguably, the most concerning finding of this report was the revelation that a majority of Federal agencies were using 25 percent or less of their headquarter building's space.

But equally concerning to me is that the highest average of utilization was still less than 50 percent. That paints a pretty troubling picture of mismanagement, and maybe some of it is historical trends that have changed the way we utilize work space.

Following the release of the report, can you give me some GSA actions that you have taken within this capacity to ensure the bet-

ter usage of Federal office space where possible, and obviously, trying to find ways to limit the waste of taxpayer dollars, and then where it is not possible, what actions or what suggestions do you have going forward?

Mr. DOOMES. Thank you for that question, Senator Cramer.

I agree. The report is concerning, and our goal is to optimize the portfolio. What I will say is that, we, in our Fiscal Year 2025 budget, we have two legislative proposals that I think will go a long way toward addressing that. One is, we are asking for full access to the Federal Buildings Fund. All the rent that the agencies pay to us, if we get full access to that, we think we can accelerate this consolidation process. Specifically, we have a Portfolio Optimization Fund of \$425 million.

One of the problems in the past has been that agencies have to pay for furniture, fixtures, and equipment, and the moving costs, and they have not had that money. They have their own separate appropriation process to request those funds, and if an agency doesn't have those funds, we can not move them out and help them consolidate. For the first time ever, we are proposing that we are going to ask for the money, and then we are going to come to the table, and then we will be able to go to the agencies and say, you can amortize the cost that it is going to take to move and get new furniture. We are going to move you out of this space, and we are going to move you into additional spaces.

I think, second of all, one of the things I would like to talk about is we have had some success in the past. We have had about 89 consolidation projects over the last eight fiscal years where we have requested money from Congress to reconfigure space and pull people either out of leased space, in their own space, or to reconfigure their own space and get more people in.

We continue to put tools on the table. We have a workplace innovation lab where we bring agencies in and we show them six different neighborhoods, six different types of furniture, six different types of working styles to say, you can better utilize your space. We keep offering these tools to agencies, and a lot of agencies, once they see the opportunity to shrink their footprint, they look at this as operational savings. We are providing that tool.

We have six Federal coworking spaces across the Nation, so for some agencies to say, if you are in a telework posture and you do not need this office space all the time, we will offer you a place where you can go and you can have your employees meet, work on projects, and not be permanent space. We are trying out these new things to tell agencies, you can shrink your footprint.

I would also point out that in 2020, GSA has about 371 million square feet. As of the end of 2023, we have about 363 million square feet. We have shed eight million square feet over the last 4 years, and it is progress, but we can do more. That is why these legislative proposals are so important. We are going to have to spend some money in order to save some money.

Senator CRAMER. You make a really compelling case, and I appreciate that. I appreciate your creativity and viewing all of this real estate, while it is government, through more of a business lens. If I understand you correctly, if you had this legislative authority and you actually had access, almost like if you were the

landlord, to the dollars, you would have more flexibility to view the savings versus the cost.

Earlier, in your opening statement, you talked about what it "costs" to consolidate. I am thinking to myself, consolidation should be its own reward, but it is not always in the bureaucratic system that is somewhat necessary in government. In my understanding, if you had that flexibility and access to that money, you could use that money and make a case for the long-term savings rather than the annual appropriation?

Mr. DOOMES. Yes. I will give you an example. In the city of Chicago, the Lipinski Building, the Railroad Retirement Board is there. That space is underutilized. We are requesting funds so we can move those workers out of that space into the Metcalfe Building in Chicago, and then possibly dispose of the Lipinski Building.

That building is underutilized. We want to fortify, work on the HVAC, work on the building infrastructure in the Metcalfe Building, pull those people out of that building, and then possibly sell the Lipinski building.

In November of last year, we announced 23 properties that we planned to dispose of, and those are all in various levels of, there are some Federal employees or the building is vacant, and we want to get people out of that space and move them into existing space. Sometimes, we are moving them into owned space, because often-times, that is the most cost effective.

There are some opportunities, we are saying, well, the lease rates are so low, we want to move you out of this space and move you into a much smaller space, and then there is also the savings of the deferred maintenance that we will not be doing in that building. That is something, as a part of our national portfolio plan, that we have been working on, to identify buildings that have a significant amount of deferred maintenance, underutilized, and looking at other Federal space there to say, where can we do this consolidation?

Once again, it is going to take spending some money to save money, and why we are asking for this legislative proposal to give us full access to the Federal Buildings Fund as well as the Space Optimization Fund, because we really think the footprint has shrunk over the last 10 years. I think in 2013, we had 378 million square feet, and now, as I mentioned before, we are now down to 363.

We can do more; we just need the full funding. We managed to do that missing almost \$1 billion a year in our annual appropriations, but if we had gotten more funding, the footprint would be smaller today.

Senator CRAMER. I like your business-like approach to it. My time is up, so I will get to some more things later, keep making that case. I think the more data you can provide in the out years, the savings side of the formula, the more compelling your case is to appropriators. Thank you.

Thank you, Mr. Chairman.

Senator KELLY. Senator Cardin?

Senator CARDIN. Thank you very much, Mr. Chairman. Thank you very much for your service. We appreciate it very much.

I want to talk first about the Federal courthouse in Baltimore. About 20, 25 years ago, it was first on the list for replacement. It was poorly designed from its inception. It has had numerous problems over its years. It is, in my view, not up to the standards that we want to see in a Federal courthouse.

Now, the standards for building new courthouses have changed over the last 20 or 30 years, and therefore the Baltimore courthouse has been overlooked because its size does not reflect, or the security issues, it has been different standards used.

It does present some security challenges. Its construction is similar to the Oklahoma building, so it does have security issues, as well. The heating has never been right. Last year, we placed \$1.5 million in the budget for the GSA to review the options of either replacing or substantially changing the building.

Can you tell us the status of how that is proceeding, and whether you are personally aware of the challenges in the Baltimore courthouse?

Mr. DOOMES. Thank you for that question, Senator.

I am aware of the issues related to that, as well as the \$1.5 million we received in the previous appropriations bill to do a feasibility study to study the issues associated with that building.

GSA is currently in the process of developing a scope to complete this study, which includes evaluating the existing Garmatz facility to meet the long-term needs of the court and evaluate first cost and life cycle cost of Garmatz compared to new construction. Whenever we do these feasibility studies, we look at the opportunity to either alter the facility, build an annex, or do new construction.

We work very closely with the courts. The judiciary is our biggest customer. They put together a priority list based on the needs of their portfolio, and GSA is there to execute that. The judiciary is our partner, and I meet regularly with the chair of the Judicial Space and Facilities Committee on what the courts' priorities are.

Senator CARDIN. I hope you have a chance to meet with Judge Russell and Judge Padar. Judge Padar is the retiring chief judge, and Judge Russell is coming in as the new chief.

Senator Van Hollen and I had an opportunity to tour the facilities a few months back, and it is shocking to see some of the challenges they have. For example, the jurors in a trial have to walk past the defendants in the trial when they deliberate, which is not something you want to see in our judicial system. That is just one of the major challenges they have in that courthouse.

I would just ask that you personally, at some time, have a chance to meet with our judicial leadership in Baltimore and see firsthand the challenges we have in that courthouse.

Mr. DOOMES. Senator Cardin, I will absolutely commit to meeting with the Chief Judge, both the outgoing and the incoming Chief Judge to hear about what their issues are. As I mentioned, the judiciary is one of our biggest customers. We work with them all the time about their priorities and dealing with the circulation issues associated with, as you probably know, most courts have three separate circulation patterns: one for the public, one for prisoners, and one for the judicial officials. That is necessary to provide a safe courthouse. I will absolutely be engaged on this topic.

Senator CARDIN. Thank you. I appreciate that.

The second issue I just really want to reinforce is the consolidation of the FBI. The GSA has been very clear about the need to do that, and moving forward, Congress has appropriated significant funds for the consolidation efforts. They have selected the Greenbelt location for consolidations.

I just want to reinforce the need that that move is as prompt as possible. The current facilities in D.C. are totally inadequate. Any comments that you have in regards to that progress?

Mr. DOOMES. I agree. We believe that Greenbelt is the best answer for the FBI. We are moving forward. We appreciate the funding that we have received from Congress, and we are waiting for the Senate Environment and Public Works Committee and the House Transportation and Infrastructure Committee to approve resolutions authorizing that project, and we will move forward.

As it stands now, we are doing some of the due diligence associated with acquiring the Greenbelt site, but we will not acquire the site until Congress definitively authorizes the project.

Senator CARDIN. Thank you. Thank you, Mr. Chairman.

Senator KELLY. Thank you, Senator Cardin.

Commissioner Doomes, how are conversations going with the State Department and the government of Mexico on all these updates, but specifically for the Douglas Port? I imagine you are routinely having negotiations and conversations with the government of Mexico, and in general, what challenges does GSA face when you are working with Mexico on aligning the port infrastructure on each side of the border?

Mr. DOOMES. Thank you for that question, Senator. What I will tell you is that we do have, within Region 9 and along the border, GSA officials that are dedicated to meeting with government officials from Mexico. Right now, I would say that the progress has been good, and they have been partners on this land port of entry and several others around the Country. We have no reason to believe that we are going to have any problems moving forward.

Senator KELLY. I mentioned in my opening statement that we are excited that GSA was able to use some of the funding from the Inflation Reduction Act to complete the San Luis Port of Entry. Are there any plans right now to utilize additional IRA funding for the Douglas projects? If that is the case, can you explain what that money is going to be used for?

Mr. DOOMES. With the Douglas Land Port of Entry, we anticipate using both funds from the Bipartisan Infrastructure Law as well as the Inflation Reduction Act. As you know, there are several buckets of money within the IRA. Some of the money is dedicated for low embodied carbon materials, some of it for emerging and sustainable technology, and then some to convert buildings into high performance green buildings. I believe the Douglas project has money from all three buckets.

When we are talking about low embodied carbon materials, we are talking about the concrete, asphalt, steel, and glass, so that funding will go there. Then, some of the things that help us achieve our goal of a net-zero emissions facility come from the Emerging and Sustainable Technology Funds, funding for things like photovoltaics and other energy-saving technologies that we are now standardized to use in building buildings.

Senator KELLY. Thank you. I know we have been bouncing around here between Douglas and San Luis. I want to go back to San Luis for a second. Have there been any lessons learned when working on the San Luis project that you will be able to apply to other land ports of entry and other projects that are going to get IRA funding?

Mr. DOOMES. Thank you for that question, Senator. As you know, San Luis is currently under construction, but a recurring challenge we have faced in remote areas, along the southern border in particular, is the availability of low embodied concrete. In the case of San Luis, the contractor was able to source materials from Yuma, Arizona. Additional market outreach and responsiveness is showing improvements in the El Paso area, where we are building another land port of entry.

Because GSA is leveraging Inflation Reduction Act dollars to support the BIL program, it is essential that we have material availability of low embodied carbon materials. That has been a challenge, but we have been working through that, because the IRA money essentially acts as a glue for the Bipartisan Infrastructure Law money to build these 26 land ports of entry along the southern and northern border.

Senator KELLY. Again, on the San Luis Port of Entry, earlier, we talked about the completion dates for Douglas and Raul. Is San Luis still on track for 2028 completion?

Mr. DOOMES. Right now, Senator, the plan completion date for this project remains April 2029. The contractor broke ground earlier than originally planned, and we will continue to work closely with them and our Federal customers to finish the project sooner, if at all possible.

Senator KELLY. Thank you. Senator Cramer?

Senator CRAMER. Thank you. I wanted to followup and maybe pick up where I left off, referring to the GAO report. I also want to refer to, the Office of the Inspector General, I think, in GSA did a report relating to contractors and some of them that are not living up to the contracts, the GSA contracts, and lax oversight over some of that that is costing money.

Could you address that a little bit and tell me what you are doing to address those specific reports? Because they were pretty scathing in several areas. It almost looked like some of these contractors were just skating past the rules of the contract with GSA. I am wondering if there is some discipline being implemented that could bring that closer to in line.

Mr. DOOMES. Thank you for that question, Senator Cramer. I agree. I am familiar with that Inspector General report about how GSA is managing their repair and maintenance contractors. There was lax oversight, as they identified, and we have taken some remedial measures to ensure that the contractors are executing what GSA has contracted to do.

We are also moving nationwide to a new model of oversight of our contractors. We call it the Facilities Engineering Model that we have fully implemented here in the National Capital region, which is our largest region, as well as Region 3, in order to increase the amount of oversight and essentially make sure that people are

doing what they say they are going to do and maintain these buildings.

Senator CRAMER. I appreciate that.

Another report I want to get into is the, actually it gets back to underutilized buildings, but in the Public Buildings Reform Board, they concluded that billions of dollars are being spent on buildings we should be disposing of, in the new normal of low occupancy.

But we do have an opportunity. I mentioned in my opening statement that over 50 percent of the leases are going to expire in 2027. Taking that, just presuming it is a high number anyway, that are coming up due, and then you have underutilization. You are on a trajectory for more consolidation, and disposal sounds like a great idea.

But I have a rather basic market question. Is there a market? In other words, if you have all of this wonderful, I should not even call it wonderful, all of this space, obviously various degrees of utilization appropriate for modern business, obviously some limitations. What can you tell me about the market for buildings that might be able to be disposed of if there was just a buyer?

Mr. DOOMES. That is a great question, Senator Cramer. What I will tell you is that it depends. These projects and these buildings run the spectrum. In November 2023, as I mentioned before, we announced that we had a plan to dispose of 23 properties. One of them was the Nebraska Avenue Complex here in Washington, DC, where the Department of Homeland Security used to be located before their relocation over to the West Campus of Saint Elizabeth's.

There is one last component building on the Nebraska Avenue Complex, the Intelligence and Analysis Unit of the Department of Homeland Security. We are requesting funding in Fiscal Year 2025 to build a new, smaller facility on the Saint Elizabeth's Campus. When we dispose of that, when we get that funding and build that building, we can sell that piece of property, which is located next to American University in a residential neighborhood in Washington, DC. There is going to be a great market for that piece of property.

We also just recently announced that we are going to be selling the Liberty Loan Building here in Washington, DC, right along the Tidal Basin. There were about 200 U.S. Mint employees there, and we worked with the U.S. Mint to move them to their headquarters in downtown D.C. Once that building is vacant, we have a plan to sell that, as well as the Webster School here in Washington, DC. There is a robust residential market here in Washington, DC, so we are going to be able to more easily dispose of those properties.

But as a part of our national portfolio plan, we have looked at all of our assets, and we have looked at the vacancy rate. We have looked at how much rent the agencies are paying versus how much it costs to operate the building, and we are trying to make decisions with our IRA dollars to only invest in core assets, buildings that we intend and think will be a long-term hold, and then to dispose of those assets. We do not come into it with a presupposition about what the value of that building is, because we have the authority to sometimes dispose of these buildings at no cost, depending on the use for public benefit conveyances.

A great example is, there was a piece of property next to the San Francisco Courthouse. We disposed of that, and it went to a homeless service provider, and they were able to throw up 250 units of affordable housing that was badly needed in the city of San Francisco.

Now, it is not our mission to be in affordable housing, but it is our mission to dispose of things we do not need, because we want to lower our operational costs. That is what we have been able to do with those 89 consolidations I talked about. With the \$330 million worth of funding we have gotten over the last 8 years, we were able to not only dispose of things that we do not need, but we were able to do avoidance and operational costs, and then sometimes, generate money.

Right now, we are selling a piece of property in Laguna Niguel, California. It is an open bid with 3 weeks left, and our great disposal team has gotten a bid of \$125 million in Laguna Niguel, California. We are excited about that, and selling that property and others.

Senator CRAMER. For sure, not all real estate is created equal, and so I think we all understand that, but it is a good reminder. Frankly, I appreciate your San Francisco example, because while you are not in the business of providing shelters, you are in the business of the public good. Using an asset for a public good adds value, whether you get a penny for it or not, as well as disposing of it.

Well, good luck to you. Continue with some of the recommendations where we can be helpful. I think we are in the mood to be very helpful. We are in the mood to be very specific, if it is useful. We will encourage you and authorize you to a certain degree, but to the degree that we can be even more specific to give you even more juice, if you will, toward your goals. Please know we are open to that.

Mr. DOOMES. I really appreciate that, Senator Cramer, because getting full access to the Federal Buildings Fund and all the rent that agencies are paying to us provides a real bang for the buck for taxpayers. We are going to have to spend a little money, but we have already been on a great trajectory over the last 10 years in disposing of space.

You mentioned earlier that over 50 percent of our leases are coming up in the next 5 years, and although it is agency by agency, I will tell you the trend is agencies are giving up space. They understand we are bringing our workplace workspace experts to work with these agencies to say, how often are people in? What kind of work do you do? Maybe you do not need all that space. Let's come back and let's give some of that space back.

Senator CRAMER. What would happen if we just brought all of the people that are working at home back to work? Another question, I know I am well past my time, Mr. Chairman.

[Laughter.]

Senator KELLY. Thank you, Senator. Earlier, we talked about Douglas and Raul and San Luis Port of Entry. I do not want to leave out another in Arizona, which is the Deconcini Land Port of Entry that is in Nogales. This project was not included in the list of projects funded in the Infrastructure Law, but candidly, I hope

this can be the first port project that is funded after the IIJA projects are completed.

So, in 2022, that is why Senator Sinema and I secured dedicated funding for a feasibility study for the modernization of the Deconcini Port of Entry. The last update that we received is that the feasibility study for Deconcini will be completed by the end of this fiscal year. Commissioner, do you have any information on that? Is that still accurate?

Mr. DOOMES. Thank you for that question, Senator. What I will tell you is that GSA has been working with the Customs Border and Protection and key regional stakeholders on this feasibility study. In order to address the complexity of phasing, we do not anticipate that the final document will be completed, unfortunately, until the first quarter of Fiscal Year 2025. We are moving forward with that, and we understand that our partners at CBP place a high priority on this project.

Senator KELLY. Yes, about 3 months, so that is fine. I am looking forward to seeing the study. I understand that last year's Appropriations bill directed GSA and CBP to work together to develop a new 5-year port of entry capital infrastructure plan. Once the feasibility study is completed in Q1 of next year, do you believe that the Deconcini Port of Entry project will be included on that list?

Mr. DOOMES. Well, GSA and CBP, we have a well-established collaborative planning process to ensure that CBP's mission needs are reflected in the priorities of the plan. We are going to work with them, but I am going to defer to the Customs Border and Protection about the status of issuing that plan and what priority list that they are on. We stand at the ready to help them execute that and to build more land ports of entry in Arizona.

Senator KELLY. You probably do not have any information on when you expect that plan to be finalized, then, either?

Mr. DOOMES. Unfortunately, I have not been able to get an update from CBP on the status of issuing the plan, but we will followup with your staff to get you a better date.

Senator KELLY. Okay, I appreciate that.

I also want to get an update on how the IIJA port funding and IRA funding is going, more broadly, so not just for Arizona. Of the 20 land port of entry projects funded in the Infrastructure Law, how many of these projects, of these 20, have been initiated?

Mr. DOOMES. Well, actually, I have some great information on that. There are 26 land ports of entry that were funded in the Bipartisan Infrastructure Bill. All 26 were required to go through the National Environmental Policy Act (NEPA) process. Ten of those NEPAs are complete; eight will be complete in 2024, and the remaining eight will be finished in 2025. Twenty-four of those 26 land ports of entry required site acquisition of adjacent properties, and all of those are in various stages per project.

Just to speak a little bit more broadly about it, 23 of these land ports of entry are planned for full electrification. Two, including the one on San Luis, are planned for net-zero emissions, and San Luis and Dunseith will be first and second net-zero, all electric land ports of entry using low embodied carbon materials.

Senator KELLY. It sounds like sometime around after 2028, I think, then all of the port projects will be under construction. Does that sound right?

Mr. DOOMES. Yes, sir, I think that is a reasonable assumption moving forward, since we will be done with the NEPA on the 25, and then we will start the solicitation process, and then moving forward from there.

But I will caution, they are all of various different sizes. The one in El Paso versus Brownsville versus Madawaska, they all present different challenges, especially considering the one in Alaska. Some of these are in remote areas. Some of them will have problems getting low embodied carbon materials. We continue to market and work with members of the private sector to make sure that we have a robust market for these Land Port of Entries (LPOEs).

Senator KELLY. Okay, I have some more questions, then I do know we do have Senator Markey and Merkley on their way here.

Have we been able to get any benefits or efficiencies that you can point to because we have invested in multiple port projects at the same time?

Mr. DOOMES. Thank you for that question, Senator. GSA is looking at all the opportunities to realize efficiencies and economies of scale when delivering the land ports of entry. Each port has its own unique requirements and characteristics, which requires a careful balance between meeting well-established GSA and CBP standards while adjusting for unique conditions on the ground.

With that said, we have been working closely with CBP to apply consistent design standards across the program. GSA and CBP leadership have established a shared governance structure to facilitate timely decisionmaking across the program, and we have a community of practice to ensure personnel are actively collaborating on efficient and effective design solutions.

Senator KELLY. Thank you.

If Senator Markey is ready, I can recognize him for 5 minutes. I will give you six.

Senator MARKEY. I should get the extra minute.

[Laughter.]

Senator MARKEY. Commissioner Doomes, in Massachusetts, we have buildings that are under the GSA's control, but are not getting the attention and investment they need to keep workers safe. The JFK Federal Building in Boston, which houses members of both my and Senator Warren's staff, is in dire need of repairs. In addition to our teams, more than 2,000 thousand other people work in the JFK building, including the GSA staff itself.

I appreciate that GSA has proposed the repair and alteration project for "emergent need and life safety concerns with the elevators in the buildings." We have seen more than 100 elevator entrapments in the past 3 years alone, and that is every staff member on Senator Warren's staff, my staff, all the other 2,000 people that work in the building. That is 100 times when someone is coming to work or coming for Federal aid that has been put in danger. Immigration is in the building, just so many Federal agencies are there.

Commissioner Doomes, if this funding is appropriated, how fast would it take for that work to be completed? It has been going on for a long, long time.

Mr. DOOMES. Thank you for that question, Senator Markey, and I share your concern.

In our Fiscal Year 2025 budget, as you mentioned, we proposed spending \$25 million to address these problems. If the prospectus was authorized and appropriated in Fiscal Year 2025, anticipated construction completion is projected to be Fiscal Year 2027. We will move as expeditiously as possible to get this done, and once we receive authorization and approval.

Senator MARKEY. It would take two to 3 years from now to fix the elevators in that building?

Mr. DOOMES. Yes, Senator. What I will tell you is that in Fiscal Year 2022, we requested funding to address this. You are absolutely right; the elevator controls and equipment are past their serviceable life, and proprietary replacement parts are no longer manufactured. There is a real problem there, and as soon as we have the funding, we will move forward and address this issue.

Senator MARKEY. What can we do here in Congress to make sure that Federal buildings like the JFK building are maintained so that workers are safe and visitors are protected?

Mr. DOOMES. I share your concern. As I have shared with the Chairman and Ranking Member, GSA has not gotten full access to the Federal Buildings Fund for well over a decade. We have been missing about \$1 billion of spending that we would normally invest in our portfolio that we have not been able to get access to.

Which is why, in our Fiscal Year 2025 budget proposal, we have asked for, essentially, a budgetary fix to give us full access so that we can address emerging problems like the one you just identified.

Senator MARKEY. Let me move on to the GSA's portfolio optimization strategy, which has proposed to dispose of the Hastings Keith Federal Building in New Bedford, a deeply concerning and unnecessary proposal. This decision was made without any consultation with Senator Warren or with any members of our congressional delegation, with the New Bedford Mayor, their leaders, or the current tenants of the building.

It would also potentially put convenient Social Security services and other Federal services at risk for the tens of thousands of people in New Bedford and the broader metropolitan area.

So, Commissioner Doomes, can you commit to me that you will not move forward with this decision to jeopardize government services in New Bedford, especially without getting a better understanding of what the tenants want, and what GSA intends for the new Federal footprint in New Bedford?

Mr. DOOMES. Senator Markey, I can make a commitment that we will continue to work with your office on this issue. I think we just recently responded to a letter from both you and Senator Warren outlining your concerns there, and we will continue to work with you to try to see if we can assuage your concerns to make sure that there is no disruption of services to your constituents.

Senator MARKEY. Again, New Bedford just doesn't deserve to get railroaded by GSA's process. I wrote to GSA regarding this issue in February, so I hope GSA will respond by taking Hastings Keith

off the disposition list, at least until a more robust assessment takes place.

Finally, food waste generates 8 percent of human-caused greenhouse gas emissions every year. Here in the United States, the Environmental Protection Agency estimated in 2021 that food waste contributed as many climate-warming emissions as 42 coal-burning power plants do in a year.

We have the solution to tackle that problem right now. Keeping food waste from the landfill and instead putting nutrients back into soil not only curbs methane emissions, but also promotes healthy harvest practices. We have an opportunity to model and lead on sustainable building operations with our Federal building stock.

Commissioner Doomes, with 8,397 Federal buildings that have cafeterias or food providers, what support would you need from Congress to stand up a pilot effectively composting programs?

Mr. DOOMES. Senator, what I can do is I can commit to working with your staff on seeing what the possibilities are of exploring, having a pilot program related to compost.

Senator MARKEY. Do you support the concept of moving to composting?

Mr. DOOMES. Senator, I think it sounds like a great idea, but I would like to sit down with the staff and work through and see about how we might actually be able to facilitate having that happen.

Senator MARKEY. Well, again, the President has committed to fighting unnecessary greenhouse gases, and I think starting with Federal Government buildings is a big part of it. I look forward to working with you on that, because we do need to put a program in place.

Mr. DOOMES. Absolutely. I can promise you that there will be a partnership here.

Senator MARKEY. Okay, great. Thank you. Thank you, Mr. Chairman.

Senator KELLY. Thank you, Senator Markey.

Senator Merkley?

Senator MERKLEY. Thank you very much, Mr. Chairman. Commissioner, good to have you with us today.

I am the lead sponsor of a bill called Work to Save Lives Act, which encourages the Occupational Safety and Health Commission to issue guidance regarding opioid overdose reversal medication being present and available to utilize. I was very pleased when, in December 2023, Health and Human Services (HHS) and the General Service Administration (GSA) announced updated guidance suggesting that opioid overdose reversal agents, like naloxone, be included onsite at Federal facilities.

Can you give us an update on whether this has been thoroughly implemented, or if not thoroughly implemented, where we stand in that process?

Mr. DOOMES. Sure. Thank you for that question, Senator Merkley.

In response to the directives contained in the Fiscal Year 2023 House report language, HHS and GSA issued an update notification for safety station guidelines for Federal facilities through the Federal management regulations.

The essential elements of a safety station program in Federal facilities now include opioid reversal agents. However, the cost and expenses to establish and operate the safety station program are the responsibility of the occupant agency or agency sponsoring the program. We continue to work with them to facilitate that happening.

Senator MERKLEY. What percent of Federal facilities now have such reversal agents onsite?

Mr. DOOMES. Senator, I do not have that information right now, but I will make sure that we followup with your staff to provide that information.

Senator MERKLEY. Do you have any sense of what agencies have implemented it and kind of are the guiding star to other agencies?

Mr. DOOMES. No, I do not know that, outside of our issuance of the Federal Management Regulation (FMR) regulation related to this. I do not know how many agencies have actually adapted that, but we will work to find out, because I am sure that we are hoping to provide that on the other side of the House, the Federal Acquisition Service, on that. We will get back to you, sir.

Senator MERKLEY. Okay, great, because from what you are saying, you are not giving me any information that anyone has actually acted.

Mr. DOOMES. This is pretty recently that it has been implemented, but we will get back to you and provide that information.

Senator MERKLEY. Okay, no, I take your point. We are just 6 months into the process, and I would appreciate that. I think that by drawing attention to it, we will be addressing a significant factor.

We found out a few years ago with a survey that the National Safety Council did that three-quarters of employers reported that opioid use was impacting their worksite, meaning that it was impacting a significant share of their employees. Given the overdoses we have been experiencing, it seems like, for us to set a good example for the Nation and to have these reversal agents available.

I would like to see us do the same thing here. I initially, I asked my staff to look into it here in the Senate, I just shared this with my colleagues, and the answer is, there is an obstacle here, as well. I am pursuing that separately, and I will followup with you all.

I want to turn to the use of mass timber. Mass timber has been a particularly interesting technology. There is a whole set of different types, cross laminated timber, mass plywood, and so forth, that enable us to build very tall buildings with timber instead of concrete and steel.

This certainly has climate implications because of the amount of energy that concrete and steel takes, but it also involves the fact that you can do some very beautiful buildings in wood, that they are very fire resistant, that they are more flexible in earthquakes. There is a whole series of advantages, and they store carbon and can be built faster than a concrete and steel building.

We included language which said, in part, the GSA should evaluate the use of wood products as green building materials and their potential aid in carbon storage, which can deliver a cost effective and sustainable path to excessive hazardous fuel loads. This is a reference to our forests. We are pulling out and thinning forests,

taking out the overgrowth, the second growth, forests that are too close together, that really increases the risk of fire, which we see in the west all the time.

So there is a win both in terms of how you build buildings, but also in creating a market for small diameter products, which encourages thinning, which makes our forests more fire resilient. It is a win on both ends.

What we did was allocate \$2 billion for these better construction materials, but we are getting the report that the agency is prioritizing concrete and glass and asphalt and steel, and has not included mass timber or other innovative wood products in utilizing these funds.

I want to know why not.

Mr. DOOMES. Thank you for that question, Senator Merkley. I know that my team here at the Public Buildings Service has been actively working with your staff on these and other potential benefits of mass timber construction projects. I would point out that the Seattle Federal Center South project used salvaged timber and innovative wood products. We think mass timber should be considered for design proposals and can be implemented when its use aligns with design performance requirements and life cycle costs analysis.

We are looking at the possibility of including it in our P100 facility standards, which establishes mandatory design standards and performance criteria for federally owned buildings under GSA's jurisdiction custody and control. It is under consideration, and we will continue to work with your staff on this.

Senator MERKLEY. Okay, well I am not satisfied that it is simply under consideration. I want to see some real action in terms of utilizing mass timber for all of these advantages.

Proceeding to use the funds that we set for more efficient materials and then using it for concrete is exactly not the way. Concrete and steel are not effective in terms of energy, and when we set aside, when Congress gives specific instructions to, say, utilize and explore this possibility, it needs to actually be actively pursued rather than just reporting back that you are thinking about it someday, somehow, somewhere, or in the distant future.

Mr. DOOMES. Understood, sir. We will followup.

Senator MERKLEY. Thank you. I appreciate that.

Thank you, Mr. Chairman.

Senator KELLY. Senator Cramer?

Senator CRAMER. Thank you. Just a couple of things. Commissioner, you talked about the legislation, you just mentioned it with Senator Merkley as well, that would authorize you to have access to all of the rent, basically, the Building Funds. What about the sale of buildings? Does the agency get to keep that revenue?

Mr. DOOMES. Unfortunately, no, Senator. Thank you for that question. We do not have the ability to use sale proceeds without coming back to Congress for another appropriation.

Senator CRAMER. Okay. I mean, if you have a thought on that or a recommendation, and it may not be as simple as just letting you have all of it, because you all might go out and have a fire sale tomorrow, and you know, we wouldn't have any buildings, but I do not think you would.

I do like the idea of, there is a little more incentive, while it is not necessarily a personal incentive, it certainly is an agency incentive that would be added if you were able to keep that money as well and put it toward use in the entire portfolio and not just a particular agency.

Mr. DOOMES. Senator Cramer, I agree with you that retention of proceeds can be a powerful motivator to get agencies. Oftentimes, as I have worked on these issues over the years, an agency has to decide between their mission need and then this idea that they are going to use money to prepare a property to be sold, and then they do not have access to the proceeds. You have misaligned incentives.

Senator CRAMER. Right.

Mr. DOOMES. We are doing some innovative things. One of the projects we are most proud of is the Volpe project in Massachusetts, where the Department of Transportation controlled 14 acres of land, and they had a building there. This building was right between Harvard and MIT.

A developer came and said, you know what, I would like to be on this piece of property. We worked out a first-of-its-kind agreement where we exchanged, and they built GSA a brand new building on 4 of those 14 acres, and we turned over the other 10 acres in payment, and we got a brand new building. There, we were able to do an exchange and get a brand new building, and everybody was really excited about that, because we took that value from that site and used it to provide a new building.

I think, if we had more access to these funds, if there was retention of proceeds, obviously, subject to congressional oversight, it might go a long way, but we are still moving fast ahead. In November, we announced 23 properties we would like to sell that we are currently preparing because it is the right thing to do.

As I mentioned before, we get the savings of reduced operational costs. If we were able to get the funding to fund the Intelligence and Analysis Unit and move that over to Saint Elizabeth's campus, Department of Homeland Security (DHS) is going to get savings from no longer having to provide the same level of security around the Nebraska Avenue Complex.

It is going to be good for the taxpayers when we sell that site to either residential developers or a local university. This is all-around value, but we could increase the incentives by giving us retention of proceeds.

Senator CRAMER. I like, as I said right up front, I like your business-like approach. I would like to be helpful.

Mr. Chairman, with that, we would be remiss at this point, I think, if we didn't take the opportunity, while we have been sitting here, the news has broken that the former Chairman of the Environment and Public Works Committee, Senator Jim Inhofe, passed away overnight. Senator Inhofe sat right here for most of my time on this committee when he was here. Both Senator Kelly and I served with him as well on the Armed Services Committee.

Jim, just a giant of a guy, of course, who was responsible for a lot of very good policy that came out of this committee and our other committees. A true patriot in so many, many ways. I loved him; he was a real mentor, and a father-like figure when I got to this committee and I got on the Armed Services Committee, he was

always, he was kind of a member's chairman. I always appreciated that about Jim.

But more than anything, what I appreciate about Jim had nothing to do with legislating. It had to do with his incredible diplomacy, particularly in the continent of Africa, where he took full advantage of his influence and persuasive skills, as well as his position, to do good diplomatic work in Africa, particularly in the name of Jesus. Jim was a man of tremendous faith and never missed a prayer breakfast, and very involved in the national prayer breakfast movement, as well.

We mourn his loss tonight. We are grateful today, grateful for his incredible testimony and witness to all of us who had the great honor of serving with him and for many, many people who didn't have that honor. He was a person of tremendous influence and leaves a great legacy. We will miss him dearly.

Senator KELLY. I would like to second that. I served with Senator Inhofe on the Armed Services Committee, and we had a mutual interest in aviation. I enjoyed talking to him about his exploits in airplanes. Even up to the age of 85, he was still, when he left the U.S. Senate, was still flying. He will be missed.

In closing, I want to thank you, Commissioner, for being here today, for appearing here before this committee, and your service at GSA.

Before we adjourn, I just want to explain that Senators can submit written questions for the record by 4 p.m. on Tuesday, July 23d, which is 2 weeks from today. We are going to compile those questions. We are going to send them over to your office. We ask for a reply by Tuesday, August 6th.

With that, this hearing is adjourned. Thank you, everybody.

[Whereupon, at 11:19 a.m., the hearing was adjourned.]

