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THREE PENDING PROPOSALS

GOVERNMENT

Storage

KANSAS STATE UNIVERSITY

HEARING

BEFORE THE

SUBCOMMITTEE ON BUILDINGS AND GROUNDS

OF THE

COMMITTEE ON PUBLIC WORKS

UNITED STATES SENATE

NINETY-THIRD CONGRESS

SECOND SESSION

ON

A PROSPECTUS PROPOSING THAT THE DEPARTMENT OF
TRANSPORTATION ENTER INTO A 20-YEAR LEASE FOR A
VEHICLE COMPLIANCE TEST CENTER IN THE STATE OF OHIO

A PROSPECTUS PROPOSING THAT THE ENVIRONMENTAL PRO-
TECTION AGENCY LEASE AN EXISTING LABORATORY BUILD-
ING AT RESEARCH TRIANGLE PARK, NORTH CAROLINA

AND

H.R. 10044

AN ACT TO INCREASE THE AMOUNT AUTHORIZED TO BE
EXPENDED TO PROVIDE FACILITIES ALONG THE BORDER
FOR THE ENFORCEMENT OF THE CUSTOMS AND IMMIGRATION
LAWS

MARCH 14, 1974

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INFORMATION



THREE PENDING PROPOSALS

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UNITED STATES SENATE

SUBCOMMITTEE ON BUILDINGS AND GROUNDS

OF THE

COMMITTEE ON PUBLIC WORKS

COMMITTEE ON PUBLIC WORKS

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THREE PENDING PROPOSALS

THURSDAY, MARCH 14, 1974

UNITED STATES SENATE,
COMMITTEE ON PUBLIC WORKS,
SUBCOMMITTEE ON BUILDINGS AND GROUNDS,
Washington, D.C.

The subcommittee met at 9:30 a.m., pursuant to call, in room 4200, Dirken Senate Office Building, Hon. Dick Clark (chairman of the subcommittee), presiding.

Present: Senator Clark.

Senator CLARK. The subcommittee will be in order.

These hearings are being conducted this morning for the purpose of discussing three important proposals now pending before the subcommittee.

The first is a prospectus proposing that the Department of Transportation enter into a 20-year lease for a Vehicle Compliance Test Center to be constructed by the State of Ohio.

This was originally approved as a Federal construction project in 1971, but DOT has now decided that renting the facility for \$790,000 annually will be in the Government's best interests. The prospectus also covers the equipment cost, and design, which is completed.

Next is a prospectus proposing that the Environmental Protection Agency lease an existing laboratory building and facilities at Research Triangle Park, N.C., for a period of about 5 years at an annual cost of approximately \$1 million.

Space presently occupied by their chemical laboratory operations is considered unsafe due to certain structural shortcomings and inadequate fire protection safeguards.

The move would enable them to have not only more suitable facilities but also consolidate their various functions now dispersed at 15 separate locations.

Finally, testimony will be heard in support of proposed legislation, H.R. 10044, that would amend a 1930 act, to provide better facilities for the enforcement of customs and immigration laws, by increasing the Bureau's funding limit for individual border station requirements from \$100,000 to \$200,000.

Let's begin with the Department of Transportation Test Facility. Congressman Bud Brown of Ohio is with us today, and would like to say a few words. Also, if there are any other colleagues here who would like to be heard, from either the House or Senate side, we would be interested in hearing from them.

Congressman Brown, will you please lead off?

**STATEMENT OF HON. CLARENCE J. BROWN, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF OHIO**

Mr. BROWN. Thank you, Mr. Chairman.

Perhaps it is the promptness with which your meeting gets started which indicates there are no other people here. I think there are others who are interested and who have either prepared testimony to submit or will appear.

Senator CLARK. I know we have received a statement from Senator Taft. (See p. 4.)

Mr. BROWN. Mr. Chairman, and distinguished members of the Senate Subcommittee on Buildings and Grounds, it is indeed a pleasure to appear before you today in support of the revised prospectus for construction of the Compliance Test Facility (CTF) adjacent to the site of the Transportation Research Center of Ohio at East Liberty, Ohio, in my district.

The original prospectus for the Compliance Test Facility was approved by Congress in July 1971, under provisions of Public Law 91-265, which amended the National Traffic and Motor Vehicle Safety Act of 1966.

That prospectus called for a federally constructed facility for which funds in the amount of \$9.6 million were appropriated for the facility's design, construction, and equipment.

Subsequently, it was proposed by the Ohio Transportation Research Board that the Board construct the facility and lease it back to the Federal Government. After thorough review by the U.S. Department of Transportation, and under provisions of OMB Circular A-104, DOT made the decision last year that the lease arrangement with the State of Ohio would provide the facility over the life of the contract at less cost to the taxpayers than under the original direct Federal construction proposal.

I will leave the details of that analysis to officials from DOT who will also testify before your subcommittee.

My purpose in appearing before your subcommittee—given the fact that a cost-saving to the public will be realized under the lease arrangement—is to encourage early congressional approval of the lease proposal so that the agreement between DOT and the Ohio Transportation Research Board can be executed and construction can begin before those costs rise further as a result of inflationary factors.

It is equally important, of course, that the construction be completed at the earliest possible date so the National Highway Traffic Safety Administration (NHTSA) can begin carrying out at its own facility the required testing of highway vehicles and parts to insure their compliance with Federal vehicle safety standards.

As the Department of Transportation points out in its revised prospectus, which you have before you, the present absence of Government facilities requires that Federal testing currently be conducted under contract by 16 different private testing laboratories scattered around the country.

As noted in the prospectus, DOT considers this complete dependence on private testing laboratories unsatisfactory because of the limits in testing capacities of the private facilities, delays and prob-

lems experienced in scheduling testing and the limitations on National Highway Traffic Safety Administration engineers in being directly involved in the testing.

In addition, the use of various private testing facilities scattered around the country often requires the transport of test items between the laboratories for tests of more than one standard.

All of these factors serve to increase costs of testing and often slow the process in this extremely important field of concern which ultimately involves the safety and lives of many millions of Americans.

Congress recognized these problems in its original decision to provide the Compliance Test Facility and its subsequent approval of locating the facility adjacent to the Transportation Research Center of Ohio where the most comprehensive and largest vehicle test facility in the world was also scheduled for construction by the State of Ohio.

The \$30 million Ohio complex is now more than 70-percent complete and has had some of its test facilities available for use for 16 months. All of the facilities to be funded under the project are now either committed to design or under construction.

The current target date for final completion of all State test facilities at the Ohio complex is June 1975.

Mr. Chairman, the adjacent location of the Ohio and the Federal facilities at East Liberty, Ohio, offers a number of unique factors advantageous to the Federal Government's highway vehicle testing program which I should like to summarize before closing.

First is the obvious cost savings that will accrue to the Federal Government and the taxpayers through the availability of the Ohio Transportation Research Center's facilities "next door."

The location will avoid duplicate facilities that might have been necessary elsewhere and/or the continued utilization of private profit-making testing laboratories.

Second, the adjacent locations will allow NHTSA engineers to directly conduct such testing, whether it is carried out at the Federal facility or the Ohio facility, and will also avoid delays and scheduling problems that are now normal under current procedures and conditions at scattered facilities.

And third, the location of the facilities in west-central Ohio places them at the hub of a three-State area—Ohio, Michigan, and Indiana—which accounts for approximately 60 percent of the Nation's manufactured motor vehicles and motor vehicle equipment. This will also cut down on transportation costs and delays in moving and scheduling items for testing.

Mr. Chairman, I will not take more of the subcommittee's limited time, because I know that other witnesses will appear before you to fully outline the reasons for the changes in the prospectus concerning the Compliance Test Facility and to answer any questions that the members of the subcommittee might have.

In closing, I want to stress once more, however, that it is important to finalize the decision at the earliest practical date so that construction can begin soon on this urgently needed facility and it can begin to make a contribution to our highway vehicle safety programs. I am confident that your subcommittee will help expedite the process.

Thank you for permitting me to testify.

Senator CLARK. Thank you very much, Congressman Brown. It is certainly the committee's intention to move ahead with it as quickly as we can. That is the purpose of this hearing.

Insofar as I know, there is no reason why we can't make a decision very soon.

Mr. BROWN. Thank you very much.

Senator CLARK. We appreciate your comments.

A statement by Senator Robert Taft, Jr., will be inserted into the record at this point.

[Senator Taft's statement follows:]

STATEMENT OF HON. ROBERT TAFT, JR., U.S. SENATOR FROM THE STATE OF OHIO

Mr. Chairman and members of the subcommittee, I am grateful for this opportunity to be before you today to comment in support of the revised prospectus for the National Compliance Test Facility which is pending before this subcommittee.

Congress has recognized the need for a Government compliance testing facility for many years, and approved of such a facility to conduct research, development, and testing in 1966 with the passage of the National Traffic and Motor Vehicle Safety Act. Since that time the Department of Transportation conducted a thorough study of the specific requirements needed to implement the Government's enforcement responsibilities. An exhaustive site selection procedure followed and on May 21, 1971, the Secretary of Transportation designated East Liberty, Ohio, as the site for the Compliance Test Facility. The House and Senate acted soon thereafter to give final authorization to the original prospectus and the necessary appropriation followed quickly for FY 1972. An early, and very optimistic, estimate for completion of the facility was given by the site selection team for the summer of 1973. The original prospectus, however, called for completion of construction by FY 1974. The revised prospectus before the subcommittee today is the result of further deliberations between the Department of Transportation and the Transportation Research Board of Ohio and represents several significant advantages over the original prospectus. I wish to emphasize the history of this authorization in order to persuade prompt approval necessary for construction to commence.

The need for a Government operated test facility is adequately detailed in the revised prospectus and is vividly demonstrated by the recall of 37,252,152 domestic vehicles between September 9, 1966, and January 31, 1974. These recalls resulted from significant operational defects in items such as brakes, tires, accelerator linkages, and steering and front end assemblies. As stated in the prospectus before you there are forty-three (43) Federal Motor Vehicle Safety Standards issued at the present time with approximately thirty-four (34) pending. The Compliance Test Facility will be able to establish vehicle capability, parts performance as well as develop test procedures for equipment and materials not presently covered by the Standards.

Arrangements for acquiring the Government test facility by lease were first proposed by the State of Ohio early in 1971. The concept has now been thoroughly developed and approved by the Transportation Research Board of Ohio, the Department of Transportation, and the Office of Management and Budget. The most recognized advantage of the lease arrangement is the cost-savings aspect which benefits the Federal government. Closely related to this initial savings is the facility's proximity to the Ohio Transportation Research Center: an arrangement which benefits the Federal government by the close availability of crash testing facilities, driver/vehicle performance roads, high speed operation loops, skid pads, and equipment for quick data analysis and film processing. The lease agreement details that the Federal government does not intend to duplicate facilities when adequately available at the Transportation Research Center. This arrangement insures that the Compliance Test Facility will have a comprehensive operation with minimal expenditures by the Federal government.

I hope that the subcommittee will recognize the merits of the lease agreement and recommend prompt and favorable action on the revised prospectus. Again, thank you for allowing me to appear and present these remarks for your consideration.

Senator CLARK. We will hear next from Mr. Angelo P. Picillo, Chief, Facilities Management Division, and Mr. Philip Rockmaker, Department of Transportation.

Also we have Mr. Joseph Clark, of the Compliance Test Facility, National Highway Traffic Safety Administration.

STATEMENT OF ANGELO PICILLO, CHIEF, FACILITIES MANAGEMENT DIVISION, ACCOMPANIED BY JOSEPH CLARK, COMPLIANCE TEST FACILITY, NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, AND PHILIP ROCKMAKER, DEPARTMENT OF TRANSPORTATION

Mr. PICILLO. Thank you, Mr. Chairman.

Mr. Chairman, I am Angelo Picillo, Chief of the Facilities Management Division in the Office of the Secretary of Transportation. The role of my office is to coordinate the facilities program of the Department. With me is Joseph Clark from the National Highway Traffic Safety Administration (NHTSA). Mr. Clark will be the Director of the Compliance Test Facility.

I appreciate this opportunity to appear before you in connection with the revised prospectus for the National Highway Traffic Safety Administration's Compliance Test Facility (CTF). This facility is planned for construction at East Liberty, Ohio, on the property of the Transportation Research Center of Ohio (TRCO). The Ohio center which is dedicated to transportation research is located within 150 miles of Detroit and has several unique motor vehicle test facilities which can be used by the National Highway Traffic Safety Administration to support its test operations.

The revised prospectus, which has been submitted to your committee, would change the method of acquisition of the buildings and the support facilities, from direct Federal construction to lease from the State of Ohio. The test equipment is not included in the lease proposal. This equipment would be purchased and installed by the Department of Transportation (DOT).

Public Law 91-265 amended the National Highway Traffic Safety Act of 1966 and required that four congressional committees approve planning, design and construction of research, development and compliance test facilities involving an expenditure in excess of \$100,000, before funds could be appropriated. The revised prospectus has also been submitted to the Committee on Commerce of the Senate and the Committee on Interstate and Foreign Commerce and on Public Works in the House of Representatives. Your committee and the other committees had approved the original prospectus in July 1971.

After the committees' approval of the original prospectus in 1971, \$9.6 million was appropriated for design, construction and test equipment. After the appropriation was made, the State of Ohio offered to construct the facility and lease it to the Department. We decided to give serious consideration to the Ohio offer because the lease approach would significantly reduce the required initial lump sum outlay of funds to acquire the facility. This would permit us either to return a large part of the appropriated funds to the Treasury or reprogram the funds with congressional approval.

The Ohio lease offer generally consists of the following key elements:

- The lease will be nonprofit arrangement.
- The costs to DOT for the first 20-year lease period will be based on the amortization of the construction costs at an interest rate not to exceed 6 percent.
- The lease cost after the first 20-year lease period will include only charges for insurance and structural maintenance.
- DOT can lease for a total of five 20-year lease periods.
- Construction will be financed by revenue bonds.

A lease-purchase arrangement could not be considered because Ohio law does not permit the TRCO to sell or convey its property to another entity. However, the arrangement Ohio has proposed is essentially equivalent to a lease-purchase agreement because it provides a long-term leasing option; it will not cost more than the purchase alternative in the long run; and the Government will have complete control of the facility.

The cost of lease versus purchase was analyzed using the procedures in OMB Circular A-104. These procedures consider the time value of money. This analysis indicates that leasing will cost \$386,000 less than direct Federal construction. OMB has reviewed and approved this analysis.

Besides eliminating the need for an initial lump sum outlay of funds to acquire the facility, there are other advantages to leasing:

- It will reduce the need for lump sum appropriations for future major modifications and alterations which can be incorporated into the lease. However, this would only be done after congressional approval.
- It will eliminate a potential problem associated with disposing of Government-owned capital improvements on land not owned by the Federal Government. The original prospectus called for direct Federal construction on leased land.

While the Ohio lease offer was being investigated, DOT completed the final plans and specifications for construction. If the lease approach is approved, these construction documents will be used by Ohio to construct the facility. The cost of the design work was \$582,000, leaving an unobligated balance of approximately \$9 million from the \$9.6 million appropriation.

Because of problems in gaining approval for additional personnel for the Compliance Test Facility, our schedule slipped and Congress last year transferred the unobligated \$9 million balance to fund expenditures under the Motor Vehicle Information and Cost Saving Act, Public Law 92-513. This act is concerned with bumper standards, consumer cost information related to vehicle damageability and crash characteristics, vehicle diagnostic techniques, and odometer requirements. Due to the importance of the Compliance Test Facility project, the Secretary of Transportation appealed the transfer of funds to the Senate Appropriations Committee. The committee was informed of the plan to lease the facility and was asked to retain \$3.5 million of the \$9 million balance in the project for test equipment and the first-year lease cost. The appeal was rejected. Consequently, we do not have the funds to purchase the test equipment.

However, \$3.5 million has been included in the President's fiscal year 1975 budget for this purpose. If the lease approach is not approved, a total appropriation of \$11,105,000 will be required to construct and equip the facility, \$8,395,000 for construction and \$2,710,000 for equipment.

It is our plan to execute the lease with Ohio as soon as the fiscal year 1975 \$3.5 million appropriation is received by DOT. The bonds for construction financing will then be issued by Ohio and construction should be initiated by December 1, 1974. This schedule will permit us to occupy the facility early in 1976.

Mr. Chairman, this concludes my statement. However, I would like to provide a copy of the revised prospectus for the record. I will be happy to answer any questions that you or members of your committee may have.

Senator CLARK. I would like to start by saying that Senator Scott, of Virginia, the ranking minority member of this committee, has submitted six questions that he would like answered for the record. They certainly appear to be very relevant questions.

We will give those to you and you can provide answers for the record.

Mr. PICILLO. Yes, sir.

[The questions referred to follow:]

QUESTIONS FROM SENATOR SCOTT ON THE PROPOSED DOT TEST FACILITY

1. *Secretary Brinegar's letter states that DOT deferred its own construction as previously authorized "because of a number of factors." Please cite the specific factors.*

Answer: The factors involved in deferral of construction include the time required to resolve the site location for the Compliance Test Facility on the Transportation Research Center of Ohio, cost benefit studies concerning lease vs direct acquisition, and studies related to the most efficient and cost effective mix of in-house and contract provided services at the Test Facility.

2. *What are the "unforeseen new facility and equipment requirements" mentioned in Secretary Brinegar's letter?*

Answer: There have been several significant unforeseen changes in the safety standards and compliance test procedures requirements which have caused changes in the design of the test facility and equipment.

Emphasis on Full Vehicle Testing—During the past several years, the test procedures have been changing from individual component tests to full vehicle tests. Instead of removing an individual component from the vehicle and testing it in a simulated full vehicle environment, the component is tested in the vehicle. This change has occurred for seating systems, windshield wipers, head restraints, door latches and hinges and will occur for photometrics testing.

In crash testing where full vehicles have been used, the tests have become more complicated. More vehicle systems are monitored during crash testing now than before and test dummies are being used to determine occupant injury. This has increased the amount of instrumentation that must be installed in the test vehicle.

The investigation of safety defects which also uses the full vehicles is another area where the workload has substantially increased since the original plan was developed for the test facility. Safety defects involve those systems not covered by the safety standards. These investigations are usually initiated by consumer complaints.

Because more full vehicles will be tested than originally planned, several areas in the test laboratory have had to be increased in size.

Extended Applicability of Standards to Truck and Bus—Many of the safety standards have been made applicable to trucks and buses as well as passenger cars since the original test facility plan was developed. To accommodate these

larger vehicles, the load test laboratory, photometrics laboratory and vehicle preparation area were expanded to test and maneuver these vehicles.

Brake Test Procedure—The test roadway for brake testing in the original facility plan was a short straight section of road. From experience, it has been determined that conducting vehicle braking tests by running the vehicle back and forth on a short straight test roadway does not provide accurate results. Continuous vehicle runs are required without extra braking for turnarounds. Consequently, the straight roadway has been replaced with the three mile oval. The three mile oval will also accommodate the current workload estimate which will require several vehicles to be operated simultaneously on the test roadway. The straight test roadway could not safely accommodate several vehicles at one time.

New Standards—New standards which have required significant changes in design involve air brake systems, accelerator control systems, truck-camper loading, anthropomorphic test dummies, and bus window retention and release.

3. *What is the estimated construction cost of the facility to be built by the State of Ohio, and what portion of the \$790,000 annual lease cost will go to pay of this cost?*

Answer. The estimated construction cost of the Compliance Test Facility to be built by the State of Ohio is \$8,395,000.

The estimated constant annual lease cost of \$790,000 consists of principal and interest based on amortization of the \$8,395,000 construction cost at 6% interest over twenty years, and the average estimated annual costs for insurance and structural maintenance. About 97% of the \$790,000 annual lease payment is principal and interest which is used to amortize the construction cost.

4. *Over the 20-year life of the lease, what is the anticipated cost of insurance and structural and exterior maintenance?*

Answer. The estimated total cost for insurance and structural and exterior maintenance over the initial 20 year lease period is \$500,000; \$100,000 for insurance and \$400,000 for structural and exterior maintenance.

5. *What changes were made to reduce the equipment cost at the project by \$2,000,000?*

Answer. The original \$4,700,000 cost estimate for test equipment was developed from a preliminary engineering study. This estimate was reduced to \$2,700,000 based on the results of the final design. The major reason for the difference is that the number of tire test machines has been significantly reduced.

Independent test laboratories will be relied upon for some of the tire testing and also for some testing to certain other safety standards, as needed to accomplish the total compliance testing program.

6. *How much will be saved by Federal use of this facility, rather than through the contracting of test work to outside companies? What is the expected annual cost of operating this facility?*

Answer. It is estimated that it would cost the Government 11% more to contract the test work to be conducted at the Compliance Test Facility (CTF) to outside laboratories. The expected annual cost of operating the Facility is \$7,125,000, including the annual lease cost and excluding the cost of vehicle and equipment test samples.

Advantages to the Government, in addition to reduced cost, include:

- Elimination of potential conflict of interest inherent in the present 100% contracted test program. The contractors conduct testing for both industry and NHTSA.

- Provision for quick reaction to unforeseen compliance testing needs.

- Opportunity for the acquisition of hands-on experience by NHTSA engineers and the complete and prompt validation of proposed testing procedures.

A ready testing capability for assistance in safety defect investigations. The Compliance Test Facility will have capability for the full spectrum of compliance testing. It will be expected to handle approximately 50% of the ultimate total volume of compliance testing, in addition to performing testing in support of standards development and in support of safety defect investigations.

Senator CLARK. What length of time will the State land be leased to the Government, or has it already been?

Mr. PICILLO. The lease has not been executed. We will only execute the lease after we receive congressional approval and actual apportionment of the \$3.5 million that we have included in the fiscal year 1975 budget.

The initial period for the lease is 20 years but we have the option to extend it for four additional 20-year periods or a total of 100 years.

Senator CLARK. Why doesn't the State convey this land to the Government or why doesn't the Government just condemn and buy it? Wouldn't that be a simpler process and cheaper?

Mr. PICILLO. Under the present Ohio State law, the Transportation Research Center does not have the authority to sell any of the land they have acquired for the Transportation Research Center.

You say why don't we condemn? If we condemn, this would actually cost the Government more money because we would have to pay for the land, whereas we have the land now at no cost.

Senator CLARK. Why wouldn't it be wiser to build a facility of this type closer to Detroit?

Mr. PICILLO. There is no real advantage to building the facility closer to Detroit. We did consider this in our site selection. The only possible reason would be if we were to have conferences as a result of some noncompliance.

There would be an advantage from a travel point of view to be close to Detroit. Other than that there is no real reason to be closer than we are.

As I mentioned, we are within 150 miles of Detroit and we are in an area which includes, I believe, 60 percent of the total motor vehicle industry production.

Senator CLARK. Do you think it is worthwhile to be fairly close?

Mr. PICILLO. As I said, Mr. Chairman, we did consider that as one of the criteria in the site selection.

Senator CLARK. If the leasing arrangement is approved, and I think you covered this in your statement, though I am not quite sure, when will the construction actually begin and when do you expect it will be in use?

Mr. PICILLO. If it is approved, we expect to initiate construction in December of this year. What we are saying is that because the fiscal year 1975 budget includes \$3.5 million for the equipment and the first year rental, we would wait for the apportionment of those funds before we execute the lease. Then Ohio is obligated under the terms of the agreement to initiate construction within 120 days of the lease execution.

Senator CLARK. I guess this next is an internal question, but why not make this a purchase contract arrangement so the Government will own the facility after 20 or 30 years instead of having nothing to show for their investment?

Mr. PICILLO. Mr. Chairman, as I said, the present Ohio law does not permit the Transportation Research Center to sell the land to us. We would have to do it through condemnation procedures and that is not economical.

Senator CLARK. Will this joint facility include any commercial operations?

Mr. PICILLO. You say joint facility, Mr. Chairman.

Senator CLARK. I mean the NHTSA and the TRCO.

Mr. PICILLO. Let me explain. These are two separate complexes. You ask would it have any commercial activity. At the Transportation Research Center, the only thing I can think of in the way of possible commercial activity is they are planning to have a cafeteria which is not to be open to the public but we will have access to it. The Department will have no commercial activities.

Senator CLARK. I think specifically we were interested in knowing whether any of the automobile manufacturers would be using that facility at all, or either of the facilities.

Mr. PICILLO. Neither the testing laboratories or the automobile manufacturers will be using our test facility. They will be using the Transportation Research Center facilities.

Senator CLARK. I notice that the estimated equipment cost has been reduced from \$4,700,000 to about \$2,700,000, which is welcomed.

I wondered if this is because less equipment is needed than originally thought or is it cheaper now or has some been purchased already.

Mr. PICILLO. Let me take the last question first. None of the equipment has been purchased yet. The reason we reduced the cost from \$4.7 to \$2.7 million is based on the final design. We were able to better define our equipment requirements.

The major factor for the reduction really is in the tire test area. We reduced the number of tire test machines from, I believe, 16 in the original prospectus down to 4.

Senator CLARK. How many contractors or test labs are now performing vehicle compliance tests for the NHTSA?

Mr. PICILLO. There are 16 contracts in fiscal year 1974.

Senator CLARK. Do you have any idea what this costs annually?

Mr. PICILLO. Yes, sir. It is approximately \$2 million. This includes the purchase of the motor vehicles that we furnish the testing labs.

Senator CLARK. And you would expect about the same volume in the future?

Mr. PICILLO. We expect at least that amount but we expect a considerable increase in compliance testing.

Senator CLARK. And this facility would provide for that?

Mr. PICILLO. We expect the facility would only accommodate approximately 50 percent of the test workload. We still intend to rely on the independent test labs for support or to augment this facility.

Senator CLARK. The prospectus refers to some danger regarding possible conflicts of interest since many test labs work for automotive manufacturers.

Compliance testing for the Government could overlap, as I understand. How is that worked out or how has it been worked out?

Mr. PICILLO. In the Compliance Test Facility, we will not be employing any independent test engineers. They will all be Government employees. As far as whether there is any question as to a conflict of interest, basically it is more of an appearance to outside parties rather than the Government.

We recognize the integrity of the independent test laboratories. However, to preclude any suggestion of possible conflict, we would perform particular testing in our Compliance Test Facility or, if necessary, we would confirm findings of the independent test labs in our facility.

Senator CLARK. Will they use the facility for any purpose other than making Government compliance tests? Will any work that they

might do for the auto industry also be performed here, or are there prohibitions against this?

Mr. PICILLO. Mr. Chairman, our facility will only be used for our programs, which include compliance tests, and also defect testing and quick reaction testing in connection with possible defects.

It will also be used by our test engineers to study some of the test procedures involved with establishing new motor vehicle safety standards but not used by outside organizations or the motor industry.

Senator CLARK. I think you have made that point now about three different times. We are particularly interested in that and we are particularly interested in your testimony. We appreciate your being so well prepared.

I have given you Senator Scott's questions. We are grateful to you for coming over. Thank you.

Mr. PICILLO. Thank you, Mr. Chairman.

[The prospectus for the Vehicle Compliance Test Center follows:]

PROSPECTUS FOR PROPOSED LEASE UNDER
THE NATIONAL TRAFFIC AND MOTOR VEHICLE
SAFETY ACT OF 1966

(REVISED PROSPECTUS)

PROJECT TITLE: COMPLIANCE TEST FACILITY (CTF)

PROJECT LOCATION: TRANSPORTATION RESEARCH CENTER OF OHIO
(TRCO), EAST LIBERTY, OHIO

PROJECT OBJECTIVE

To provide the National Highway Traffic Safety Administration (NHTSA) with a capability to perform a variety of tests on motor vehicles, tires and other motor vehicle equipment in order to: verify manufacturer's compliance with the Federal Motor Vehicle Safety Standards; evaluate the technical sufficiency of corrective actions specified by the manufacturers in their safety-related recall campaigns; investigate consumer reports or other indications of serious safety defects; and validate test procedures and requirements specified for proposed Federal Motor Vehicle Safety Standards.

PROPOSAL SUMMARY

It is proposed to acquire the Compliance Test Facility (exclusive of test equipment) by lease from the Transportation Research Center of Ohio, rather than by direct Federal construction as previously approved by Congress in P.L. 91-265.

LEASE SUMMARY

- a. Lease Term - 20 years firm with renewal options extending for four additional 20 year periods.
- b. Lease Agreement - Based on non-profit amortization of construction costs during initial 20 year term at an interest rate not to exceed 6 percent.
- c. Approximate Annual Rent

Initial 20 Year Term	\$790,000
Subsequent Years	Cost of Insurance and Structural and Exterior Maintenance

ESTIMATED MAXIMUM PROJECT COST

	<u>APPROVED PROSPECTUS</u>	<u>REVISED PROSPECTUS</u>	
LAND	-0-	-0-	(1)
DESIGN	400,000	582,000	(2)
CONSTRUCTION	4,500,000	-0-	(3)
EQUIPMENT	4,700,000	2,710,000	(4)
TOTAL ANNUAL LEASE PAYMENTS	-	15,800,000	(5)
TOTAL ESTIMATED MAXIMUM COST	9,600,000	19,092,000	

(1) To be leased at no cost to the Government.

(2) Design complete. Cost based on contract amount.

(3) Facilities to be leased. The estimate of direct costs for construction is revised to \$8,395,000. The increase includes \$500,000 for NHTSA's contribution to a \$1,500,000 joint Ohio/NHTSA project for an improved access roadway system, and \$1,600,000 for unforeseen new requirements and escalation of construction costs. Also reflected is a redistribution of construction and equipment funds based on the final design.

(4) Revised estimate based on final design. Not included in lease.

(5) Estimated amount required to amortize construction costs over 20 years at 6% interest plus costs for insurance and structural and exterior maintenance. Costs of operations, interior maintenance and services not included.

The Department of Transportation will be the primary user of the Compliance Test Facility; therefore, no other agency public or private will contribute to the cost.

PROJECT DESCRIPTION

The project will provide for the design, acquisition by lease and equipping of a new Government facility consisting of the following functional elements:

- o Testing laboratory of 72,000 gross S.F. including areas for inspecting, preparing and instrumenting vehicles; routine and specialized testing of vehicles and equipment including environmental, photometric, static and dynamic load and materials testing; and tire testing.
- o Administrative area of 35,000 gross S.F.
- o Warehouse of approximately 12,000 gross S.F.
- o Oval test roadway 5 kilometers (3.1 miles) long.
- o Crash Barrier Facility.
- o Utilities, support services, roadways and parking.
- o Access roadway improvements to the Compliance Test Facility and the Transportation Research Center of Ohio.

DISCUSSION OF REVISIONS TO THE PROSPECTUS

A prospectus for design, construction, and equipping of the Compliance Test Facility was approved by Congress in July 1971, in the amount of \$9,600,000. The funds were subsequently appropriated and \$582,000 has been expended for design. The approved prospectus proposed that the Compliance Test Facility be acquired by direct Federal construction on a site leased from the Transportation Research Center of Ohio. It is now proposed that both the facility (exclusive of test equipment) and the site be acquired through a lease with the Transportation Research Center of Ohio. The revised prospectus also reflects an increase in construction costs to permit NHTSA participation with Ohio in developing improved access to the NHTSA and the Transportation Research Center of Ohio sites, to cover unforeseen new requirements and escalation of construction costs.

The Appropriations Committee, in considering the FY 74 Department of Transportation Budget transferred the unobligated \$9.0 million balance of project funds, for construction and test equipment, to another NHTSA program. As a result a new appropriation will be required for the purchase and installation of test equipment. Construction funds are not required under the lease approach.

. Lease Proposal - After the prospectus was approved by Congress, the State of Ohio officials offered to construct and lease the facility to DOT. The Ohio lease proposal is based on a non-profit arrangement with an initial lease period of 20 years during which the capital costs will be fully amortized. Ohio has agreed that the interest charge to DOT will not exceed six percent even if the actual interest rate for financing construction should exceed six percent.

Lease costs will include principal, interest, insurance, structural and exterior maintenance, and bond administration. After the initial lease period the Government can continue to lease for four more 20 year periods at a reduced lease cost which will include only insurance and structural and exterior maintenance. The lease approach is advantageous to the Government for the following reasons:

- a. It will permit NHTSA to acquire the CTF without having to make a large lump sum outlay since Ohio will finance the construction. The annual lease costs will be included in the Department's annual budget request for operating funds. However, as indicated above, funds will be required for the purchase and installation of test equipment. Since funds are no longer available for the project, the funds for test equipment will be requested together with the rent for the first year through the normal appropriation process.
- b. It will relieve NHTSA of the responsibility for design, construction, maintenance and repair of service roads, utilities and support services, and structural and exterior building maintenance. This will reduce the need for NHTSA facilities engineering and plant maintenance personnel.
- c. It will reduce the need for lump sum appropriations for future major modifications and alterations. The lease can be revised to include the cost of major modifications and alterations; this would only be done after Congressional approval, as required by P.L. 91-265.
- d. Leasing the facility and the land will eliminate the potential problems associated with disposing of Government owned capital improvements on land not owned by the Federal Government.

An analysis of the comparative costs of leasing versus direct Federal construction, using the present value method outlined in OMB Circular A-104, indicates that under the Ohio proposal leasing will cost \$386,000 less than direct Federal construction. A summary of the comparative cost analysis is attached.

Joint NHTSA/Ohio Project for Improved Access - Ohio has developed a plan for constructing an integrated roadway system which will improve access to the TRCO and the NHTSA site. The access system will directly benefit the CTF in that it will provide a more safe and efficient ingress and egress between the CTF and U.S. Highway 33. It will also provide a direct, restricted use link between the CTF and the TRCO which will facilitate NHTSA's use of the TRCO facilities. The link will reduce the travel distance

between the two facilities from eight miles to just under two miles and will eliminate the need to transport NHTSA test vehicles over the heavily traveled U.S. Highway 33. The total cost of the project to improve the access to the CTF and TRCO sites is \$1,500,000. NHTSA will contribute \$500,000 toward this cost. The NHTSA contribution will be included in the lease cost for the CTF; therefore, no additional appropriation is required.

Increased Construction Costs - The project construction cost increases (\$1.6 million) are attributed to two causes. One cause is that certain facility elements have been designed with more capability than was originally planned in order to accommodate recent changes in the Federal Motor Vehicle Safety Standards and the NHTSA test procedures. For instance, when the project budget was developed the test track roadway was a one mile straightaway, and now because of a revised standard for motor vehicle braking systems (FMVSS 105) and more stringent NHTSA test procedures a 3.1 mile oval test roadway is required. The other cause is that costs for construction materials, labor and equipment have escalated since the project budget was developed. The approved prospectus has also been revised to reflect current data for the project description and justification, estimated total annual costs, and personnel requirements.

PROJECT JUSTIFICATION

The Compliance Test Facility is needed to support compliance and other testing related to motor vehicle safety. The compliance testing will provide the capability for determining whether vehicles and equipment sold in the U.S. do in fact conform with the Standards and thereby contain the necessary safety protection. The CTF will function as a testing facility of last resort in cases of apparent non-compliance. Other tests will be performed in support of safety defect investigations and evaluations of actions taken by manufacturers to correct safety defects. Testing associated with the development and validation of test procedures for proposed Standards will also be conducted at this facility. The effectiveness of the motor vehicle safety programs as a regulatory function depends in major measure on this corroborative and investigative testing of motor vehicles and equipment.

In the absence of Government facilities, the required testing is currently being conducted under contract by sixteen (16) private testing laboratories. Continued complete dependence on private laboratories is not satisfactory. Even for the current limited program which is within the capacity of these laboratories, delays and problems are experienced in scheduling

tests and in carrying out a timely program. These private laboratories are not equipped to conduct the full range of compliance tests required by NHTSA and cannot provide the opportunity for NHTSA engineers to be directly involved in the testing. In some cases test items must be transported between laboratories in order for the items to be tested to more than one Standard. Inherent in a competitive contract program are the long lead times associated with selecting qualified laboratories to conduct particular tests. This means that there is a serious degree of inflexibility when the need arises to respond to special testing which must be conducted quickly to investigate a possible safety defect or to confirm an apparent non-compliance problem. The private laboratories also do business with segments of the automotive industry, with resultant potential conflicts of interest. Private laboratories will continue to be used to augment the capacity of the Government facility.

The magnitude of the compliance test problem is immense, considering the number of Federal Motor Vehicle Safety Standards together with the universe of vehicles and replacement parts that must be brought under surveillance for compliance with these standards. Currently there are forty-three Federal Motor Vehicle Safety Standards issued, and approximately thirty-four rulemaking actions in process which will result in new standards and amendments that extend the scope or upgrade existing standards. The standards detail performance requirements in the form of various tests which must be conducted to determine whether the standard is met. The types of tests for vehicles and equipment include: visual inspection, physical measurement, environmental exposure, laboratory destructive tests, laboratory non-destructive tests, and performance tests under highway conditions, including rollover and crash. The need for this program is illustrated by the test results gathered since the program was initiated in 1968. These results indicate a cumulative failure rate of 13 percent for vehicle testing and six percent for equipment testing.

Safety defects analysis involves the systematic engineering analysis of information from various sources, including laboratory testing of suspect components and systems. As a result of activities in this area, NHTSA has since September 1966 influenced the initiation of 197 safety defect recall campaigns. These campaigns have involved the recall of 23 million vehicles by manufacturers.

The development and validation of test procedures for proposed Standards must be accomplished by means of actual testing. The Compliance Test Facility will provide the capability to perform validation testing as needed on a few hours notice. This in-house test capability will contribute to effective and timely rule-making.

ESTIMATED TOTAL ANNUAL COSTS AND PERSONNEL REQUIREMENTS

COSTS: (\$000)	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78	FY 79
Design	582	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Equipment	-	-	-	2,710	-	-	-	-
Annual Lease Payments	-	-	-	790	790	790	790	790
Operating & Maintenance	-	53	125	1,155	3,395	4,995	6,085	6,335
TOTAL	582	53	125	4,655	4,185	5,785	6,875	7,125
PERSONNEL:	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78	FY 79
Civil Service	2	2	24	65	125	158	201	201
Contractor	-	-	-	5	31	37	53	53
TOTAL	2	2	24	70	156	195	254	254

PRESENT VALUE COST SUMMARIES FOR
ALTERNATE METHODS OF ACQUISITION

COMPLIANCE TEST FACILITY, EAST LIBERTY, OHIO

(In thousands of dollars)

Item	40 Years; 7%
<u>PURCHASE:*</u>	
Improvements.....	\$8,395
Less Residual Value.....	282
Total.....	<u>\$8,113</u>
<u>LEASE:*</u>	
Total Annual Payments**.....	<u>\$7,727</u>
<u>LEASE-PURCHASE (OR PURCHASE CONTRACT)</u>	
Not Applicable	

*The following costs are borne by the Government and are assumed to be identical for both acquisition methods: design, repair and improvement, operation and maintenance, and insurance. Therefore, the costs are omitted from the comparison.

*Site - In both acquisition methods the land is to be leased from the State of Ohio at no cost to the Government. Therefore this cost is omitted from the comparison.

*Property Tax - The land is exempt from State and local taxes in both methods of acquisition. Therefore this cost is omitted from the comparison.

**Annual lease payments in constant dollars are calculated. Then, each constant dollar lease payment is discounted at 7 percent. Annual lease payments are based on amount required to amortize construction costs.

Attachment

Senator CLARK. We are going to hear now from Mr. John A. Hurley, who will testify on H.R. 10044, a bill to increase the limitation on funds that may be expended to provide improved facilities for the enforcement of the customs and immigration laws along our international borders.

[The bill, H.R. 10044, follows:]

93^d CONGRESS
1st SESSION

H. R. 10044

IN THE SENATE OF THE UNITED STATES

DECEMBER 19, 1973

Read twice and referred to the Committee on Public Works

AN ACT

To increase the amount authorized to be expended to provide facilities along the border for the enforcement of the customs and immigration laws.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Act entitled "An Act to provide better facilities for
4 the enforcement of the customs and immigration laws", ap-
5 proved June 26, 1930, as amended (19 U.S.C. 68), is
6 further amended by striking out "\$100,000" and inserting
7 in lieu thereof "\$200,000".

Passed the House of Representatives December 18, 1973.

Attest:

W. PAT JENNINGS,

Clerk.

II

Senator CLARK. Mr. John A. Hurley is Assistant Commissioner, U.S. Customs Service, Department of the Treasury.

Would you be kind enough to introduce the other gentlemen at the table?

STATEMENT OF JOHN A. HURLEY, ASSISTANT COMMISSIONER, U.S. CUSTOMS SERVICE, DEPARTMENT OF THE TREASURY, ACCOMPANIED BY RICHARD H. ABBEY, OFFICE OF THE CHIEF COUNSEL; ALBERT F. BAZEMORE, DIRECTOR, INSPECTION AND CONTROL DIVISION; HARRY GRITZ, CHIEF, ARCHITECTURAL AND ENGINEERING BRANCH, OFFICE OF ADMINISTRATION, U.S. CUSTOMS SERVICE; AND JOHN R. WADDEN, ASSISTANT CHIEF, ENGINEERING BRANCH, IMMIGRATION AND NATURALIZATION SERVICE, DEPARTMENT OF JUSTICE

Mr. HURLEY. Good morning, sir. It is an honor for us to be here. The colleagues of the Immigration and Naturalization Service of the Department of Justice and of the U.S. Customs Service of the Department of the Treasury, from my right, are Mr. John R. Wadden, Assistant Chief, Engineering Branch, Immigration and Naturalization Service of the Department of Justice.

To my immediate right, Mr. Richard H. Abbey, Office of the Chief Counsel, U.S. Customs Service.

To my immediate left, Albert F. Bazemore, Director of Inspection and Control Division; Office of Operations, U.S. Customs Service.

To my far left, Mr. Harry Gritz, Chief of the Architectural and Engineering Branch, Office of Administration, U.S. Customs Service.

We appreciate the opportunity to appear before your committee in support of H.R. 10044.

The purpose of H.R. 10044 is to increase from \$100,000 to \$200,000 the limitation on the amount of funds that may be expended to provide certain facilities for the enforcement of the customs and immigration.

Under existing law (19 U.S.C. 68), the Secretary of the Treasury and the Attorney General are authorized to expend from the general appropriations of the Customs Service and the Immigration and Naturalization Service such amounts as may be necessary to acquire land and erect buildings, sheds, office quarters and living facilities, which are otherwise unavailable, at certain points along the Canadian and Mexican borders and in the Virgin Islands and Guam for the enforcement of the customs and immigration laws, provided that the amount expended on any one project, including the site, does not exceed \$100,000.

The proposed bill would increase the maximum costs that may be incurred under existing laws to \$200,000.

We believe the proposed new ceiling of \$200,000 is needed to meet the increased costs of site acquisition and construction since 1962 when Congress last amended the original act of June 20, 1930.

Border inspection facilities are usually erected in remote areas immediately adjacent to the Mexican and Canadian international

boundaries. Quite often they are in full view of very impressive facilities erected by our neighbors both to the north and to the south.

Costs are influenced by the unusually great distances that men, materials, and resources must be transported to the job site. Often, the land on which these facilities must be built is unsuitable for the intended purpose without extensive grading or other work, but, because of the pattern of roads and trails, the Customs Service and the Immigration and Naturalization Service have no choice but to have the work done and erect the facilities at that location.

Often, the contractor is forced, because of the location, to provide either per diem or room and board to his employees, and plumbing, heating, electrical, bricklaying, and carpentry subcontractors are reluctant to bid on the project because of the cost factors caused by the great distances that projects are removed from towns and cities.

Extreme weather conditions, particularly along the Canadian border where temperatures reach as low as 40 degrees below zero, combined with the long winter season, increase construction time and, consequently, the overall cost of the project.

In addition to these factors which increase construction costs, there has, of course, been a major increase in the cost of labor and materials since the limitation of \$100,000 was authorized in 1962.

In addition, new requirements, such as secondary inspection areas, search rooms, and public facilities, have operated to make the \$100,000 limitation unrealistic.

If the Customs Service and the Immigration and Naturalization Service are to continue operating efficiently and effectively, while at the same time expediting the flow of border traffic, including cargo as well as persons, and facilitating trade and tourism, they must have the flexibility to construct adequate facilities for their personnel at these out-of-the-way yet vital enforcement locations.

Since 1962, traffic crossing into the United States at the Mexican and Canadian borders has increased by 43 percent. In addition, the priority antinarcotic and other antismuggling programs and the intensified enforcement efforts with respect to the many consumer protection laws and environmental protection laws which have been enacted in the past decade have required new facilities to meet the demands of these efforts; when facilities are inadequate, enforcement of customs and revenue laws are prejudiced.

We are very cognizant of the need to project a favorable and efficient image to visitors from abroad and, indeed, to our returning U.S. citizens.

In view of these factors, sir, we strongly urge the enactment of H.R. 10044, and we are available for any questions you may have.

Senator CLARK. I think you make a very strong case when you say there has been a 43-percent increase in traffic during the 11 years since 1963, and obviously the increased cost of construction.

We took some of the border station questions up regarding a facility in Alaska. We met head-on with the whole problem of trying to get materials to remote areas.

Senator Scott, of Virginia, as the ranking minority member of this subcommittee has a series of five questions. He would like to have you answer those for the record, if you would.

Mr. HURLEY. We would be pleased to do so.

[The questions referred to follow:]

DEPARTMENT OF THE TREASURY,
U.S. CUSTOMS SERVICE,
Washington, D.C., March 21, 1974.

HON. DICK CLARK,
Chairman, Subcommittee on Buildings and Grounds, Committee on Public Works,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: On behalf of the United States Customs Service, I want to thank you for the opportunity of appearing before your Committee in support of H.R. 10044, "An act to provide better facilities for the enforcement of the Customs and Immigration laws." At that time, you asked us to prepare for the record written answers to questions submitted by Senator William Scott. The questions and answers follows:

(1) *What facilities have been constructed under the existing authority (19 U.S.C. 68) for small Customs and Immigration facilities since the beginning of fiscal year 1972?*

Answer. The United States Customs Service and Immigration and Naturalization Service have constructed a new border inspection station at Hamlin, Maine, three residences at Portal, North Dakota, and have under construction a border inspection station at Whitlash, Montana.

(2) *Where are the next several projects that would come under this proposed ceiling scheduled to be located?*

Answer. Projects scheduled for fiscal year 1974:

Dunseith, North Dakota—employee residence;
Richford, Vermont (Pinnacle Road)—inspection station;
Monticello, Maine—inspection station.

Projects scheduled for fiscal year 1975:

Noonan, North Dakota—inspection station;
Sherwood, North Dakota—inspection station;
Westhope, North Dakota—inspection station;
Cannons Corners, New York—inspection station.

(3) *What size facility can be normally constructed for \$200,000? What can be constructed under the existing limitation?*

Answer. Under authority to expend \$200,000 for the acquisition of land and the erection of the inspection facility, we estimate that we would be able to construct a facility of approximately 1,500 square feet, plus a canopy over one primary inspection lane, a covered secondary inspection area, installation of an emergency generator set, facility identification sign, a fallout shelter, a complete sewage disposal system, and a potable water system.

Under our existing \$100,000 limitation, we were able to award a construction contract in fiscal year 1974 for the construction of a facility at Whitlash, Montana, which was approximately 900 square feet, plus a canopy over one primary inspection lane, at a cost of \$98,940. The contract award was for only one of five items requested in the invitation for bids. The total bid for all five items was approximately \$110,000. One other bid was received on this project which far exceeded the \$100,000. The border station alone was bid in at \$107,000; the total project at \$120,000.

(4) *Does this authority extend to authority for new components or replacement at major border crossings, or does it extend only to authority for complete facilities?*

Answer. We interpret our authority as extending only to the complete facility. 19 U.S.C. 68 provides that the Customs Service and the Immigration and Naturalization Service may expend "the necessary amounts for the acquisition of land and the erection of buildings, sheds, and official quarters, including living quarters for officers where none are otherwise available: provided, that the total amount which may be so expended for any one project, including the site, shall not exceed \$100,000. . . ." We have never interpreted this language as authorizing the expenditure of money for the construction of new facilities at an existing inspection station or for the replacement of obsolete facilities.

(5) *On page 3 of your statement, Mr. Hurley, you state that there has been "intensified enforcement efforts with respect to the many consumer protection laws and environmental protection laws." Could you tell us what present environmental and consumer protection laws require of the Customs and Immigration Services?*

Answer. The United States Customs Service enforces approximately 200 laws for 40 different agencies. Consumer and environmental protection laws generally contain provisions which restrict the importation of certain products unless they comply with the requirements prescribed by the regulating agency. The Secretary of the Treasury is authorized under these laws to prescribe regulations necessary to enforce import restrictions. Customs officers inspect the imported product and examine the accompanying documentation to determine if there has been compliance with the applicable regulations.

Sincerely yours,

JOHN A. HURLEY,
Assistant Commissioner (Administration).

Senator CLARK. Would you say that the principal reason for requesting the increase is inflation, which occurred during that 11-year period?

Mr. HURLEY. I would say that is certainly a major factor, sir, and also the increased emphasis on enforcement of all types.

The immigration laws are the responsibility principally of the Immigration and Naturalization Service and, as you know, there is a tremendous emphasis on antismuggling measures of all types.

Now we are particularly involved in antinarcotics activities, border and port of entry interdiction throughout the United States.

We are also very, very concerned with smuggling of all other types of contraband, for example, guns and firearms, munitions, pornography, smuggled objects of all types—gems, art artifacts from other countries.

Now with the increased economic pressures, we are into other areas that have major impact, such as the smuggling of gold, gold coins and the like, which has shown a marked increase.

I did allude briefly to certain other laws which we do enforce on behalf of other agencies. We enforce approximately 200 laws for over 40 other Federal agencies.

As an example, recently the Customs Service was successful in breaking a major case of parrot smuggling along the southern border. This had major implications not only from the point of view of the obvious violation of the customs laws, but also public health and agricultural implications, both for the Federal Government and State and local governments.

As pointed out, inflation is a factor and the remote location is a factor. Numerous locations which in the past have had relatively minor passenger and cargo flow, now due to new modes of tourism, travel, containerized cargo, truck cargo and the like from both Mexico and Canada are just plain busier.

Senator CLARK. I have two or three rather basic questions.

Will this increased authorization to \$200,000 be per year, per project or per facility? Does it include alteration as well as new construction?

Mr. HURLEY. Basically that would be per project.

Senator CLARK. By per project it wouldn't necessarily mean per station? Would it be a project within a station?

Mr. HURLEY. Per station, sir. In other words, we are not attempting to build on or do things in increments. Typically, let's say, if a new road were built crossing into or from Canada or Mexico, there would be a need, if it had been validated, for both a Customs and Immigration facility there and we would then have to acquire the land and develop and design a facility to meet the needs of both INS and Customs.

Senator CLARK. I guess more specifically is it for construction only or would it also be for repairs?

Mr. HURLEY. Not for the latter. For the acquisition of the land and the construction of the appropriate facility.

Senator CLARK. Another question is not clear in my mind.

Do you handle your own contract matters or does GSA do that? It seemed to me when we approved the Alaska border station the prospectus came from GSA.

Mr. HURLEY. Basically, this particular law which was first enacted in 1930 is, you might say, an exception. The exception in these cases is that both Customs Service and INS do not operate through GSA on these projects, that is up to the limitation of \$100,000 or hopefully in the future up to a limitation of \$200,000.

The major facilities, such as the major inspectional activity at San Ysidro, Calif., would be, as you indicated, a GSA type project because it is far in excess of either the \$100,000 or proposed \$200,000 limitation.

Typically, we do operate through GSA on the major activities.

Senator CLARK. I think they increased their contract authority in 1972 to \$250,000 or was it \$500,000.

Mr. ABBEY. I believe it is \$500,000, Mr. Chairman.

Senator CLARK. Why would there need to be a difference between the two?

Mr. HURLEY. I think in our own judgment, sir, leaving them to speak for their needs, the type of facilities that both INS and Customs are interested in are important to us but they are not major stations such as the type at San Ysidro or El Paso. They are typically at somewhat out of the way locations.

Senator CLARK. I thought you were being more frugal than GSA but I guess you have a different reason.

Mr. HURLEY. Yes, sir, we have a different need. We do have pictures with us of some of the typical stations.

Senator CLARK. If you were planning to build a new border station or a new building that would cost more than \$200,000, what would be the authorization and funding process? Would you just go to GSA?

Mr. HURLEY. This would be typically something we would have to go to GSA on. It would also take a significant amount of time.

Senator CLARK. Thank you very much.

Mr. HURLEY. Thank you.

Senator CLARK. We will now hear from the Environmental Protection Agency on Research Triangle Park, N.C., Mr. Alvin L. Alm, who is the Assistant Administrator, Planning and Management, Environmental Protection Agency, will testify.

STATEMENT OF ALVIN L. ALM, ASSISTANT ADMINISTRATOR, PLANNING AND MANAGEMENT, ENVIRONMENTAL PROTECTION AGENCY, ACCOMPANIED BY HOWARD M. MESSNER, DEPUTY ASSISTANT ADMINISTRATOR FOR ADMINISTRATION; ARTHUR H. NIES, DIRECTOR, FACILITIES AND SUPPORT SERVICES DIVISION; MEL MEYERS, NATIONAL ENVIRONMENTAL RESEARCH CENTER, RESEARCH TRIANGLE PARK; PAUL JARVIS, DIRECTOR OF FACILITIES BRANCH, AND TRENTON CROW, DIRECTOR OF SAFETY BRANCH, ENVIRONMENTAL PROTECTION AGENCY

Senator CLARK. Would you please introduce the people who are with you and proceed in any way you think appropriate?

Mr. ALM. I would like to introduce on my left, Paul Jarvis, Director of the Facilities Branch for the Office of Administration; Howard Messner, Deputy Assistant Administrator for Administration; Arthur Nies, Director of Facilities and Support Services Division, and Dr. Mel Meyers, of the National Environmental Research Center at Research Triangle Park.

I would like to make a short opening statement.

It is a pleasure for me to appear before this committee today to stress the proposal of EPA to acquire adequate laboratory and other facilities in Research Triangle Park, N.C.

At the present time we are located at 15 different facilities in the Research Triangle Park area. Eight of these were inherited when EPA was created and the others were acquired as various needs arose.

The major facility, the Research Center, houses most of our personnel, 616, and most of our laboratory research efforts. That facility has been found to be unsafe for essential high hazard operations.

Much of our research requires the use of substances which cause toxic fumes and involve highly combustible materials and chemicals. The facility in which such materials are used must achieve an adequate safety rating. The Research Center does not have this rating and cannot economically be upgraded to the standards.

As soon as we were aware of the safety problems we took three immediate steps. First, we acquired more space in the Chemstrand building, also located in the Research Triangle Park for our most hazardous activities.

Second, we severely limited the amount of combustibles that could be used in the Research Center.

Third, we discontinued some activities.

These were only short term actions and obviously other solutions are necessary. Thus we began a search for safer and more adequate facilities in the area.

After it was determined that no federally owned space was available, we explored the lease possibilities. This led to the Beaunit building, which is the subject of the prospectus furnished to the committee.

The Beaunit building contains about 154,000 net square feet of space, 113,000 of that is for research and development activities, and 41,000 for office space. Preliminary discussions with the Beaunit Corp.

indicate an annual rental of approximately \$1 million annually, excluding utilities, for a 5-year lease.

Our plan calls for the Beaunit R. & D. and Chemstrand buildings to be used for high-hazard laboratory operations. The Beaunit Administration Building will house office personnel currently scattered throughout the area.

The Research Center will be used for lower hazard activities and office space. Our current 15 locations would be reduced to 5, with 85 percent of our 1,300 personnel located within one-half mile of each other. It is our intent to proceed to develop a proposal for a permanent facility on a 44-acre site currently owned by the Government in the Research Triangle Park.

However, the time required to do so makes the Beaunit proposal an essential interim solution. We have been advised by Mr. Frank Zarb, Associate Director, Office of Management and Budget, that there is no objection to the submittal of the proposal to the Public Works Committees of the Congress.

Also, the Deputy Administrator of the General Services Administration in a letter of November 14, 1973, indicated to Senator Randolph that GSA had reviewed the prospectus and did not object to EPA undertaking this project on its own, pursuant to the delegated authority.

The GSA will review the lease, however, before final EPA signatory action.

We received a large number of questions from the committee and we have provided answers. You may wish to make those part of the record.

I will be pleased to answer any questions you may have.

Senator CLARK. Senator Scott, of Virginia, the ranking minority member of this subcommittee, has a series of 14 questions that he would like to submit for you to answer for the record.

[The questions and answers appear at p. 31.]

Senator CLARK. The EPA has four National Environmental Research Centers and several support labs. What units will be in the Beaunit complex?

Mr. ALM. In the Beaunit Laboratory we will deal with our health effects research. The research in the Research Triangle Park area is the national center for health effects research. I might add, Senator, that it will greatly increase the energy program in EPA carried out in the next year, including about \$68 million worth of health effects and other effects research.

A great deal of that will be carried out in that Research Triangle complex.

Senator CLARK. I know this is an area that the Public Works Committee is very interested in. Senator Muskie's subcommittee, especially in the health effects.

What redelegation of leasing authority was made by GSA and to whom? Why was this necessary or desirable?

Mr. ALM. Senator, as I understand, the General Services Administration must redelegate leasing authority to a particular agency. We asked for this authority and received it from GSA because of the very special purpose type of operation.

I have for the record all the documentation from the Administrator of the General Services Administration, if you desire it.

Senator CLARK. I notice that several GSA people are here. Do you have any particular comment on this redelegation? Feel free to participate with us on this, and any of the other matters we are discussing here.

Would you identify yourselves?

STATEMENT OF LOY M. SHIPP, JR., ASSISTANT COMMISSIONER FOR SPACE MANAGEMENT, PUBLIC BUILDINGS SERVICE, GENERAL SERVICES ADMINISTRATION

Mr. SHIPP. I am Loy M. Shipp, Jr., Assistant Commissioner for Space Management of the Public Buildings Service, GSA. Perhaps I can help with the redelegation authority.

Under the Code of Federal Regulations, certain agencies are authorized to perform for themselves all functions with respect to acquisition of space of land and buildings and land incidental thereto when the space is found by the Administrator of the General Services to be wholly or predominately used or utilized for special purposes of the Agency and is not generally suitable for use by other agencies.

In this particular instance, the Administrator has issued, in effect, a blanket delegation of authority to several agencies, one of which was HEW, to procure special purpose laboratory space under its own authority. EPA, as successor to those functions, derived certain authority to enter into these kinds of leases.

However, this authority is limited to their authority to make commitments for long-term leases. In this case it is limited to a 1-year term. They have come to us, EPA has, and asked us to delegate to them our long-term leasing authority. GSA has authority to enter into leases for terms of up to 20 years firm.

They have asked us to delegate to them authority to enter into a 5-year firm term lease. We have informed EPA that we were willing to delegate this authority to them after we have had an opportunity to review this proposed transaction and assured ourselves that it is favorable to the Government.

Senator CLARK. Who entered into the contract with Piracci Construction Co. to build a research center?

Mr. ALM. The Department of HEW originally entered into that agreement. When EPA was created by Reorganization Plan 3, we assumed those obligations and the facility.

Senator CLARK. What was the build-lease arrangement made at that time as far as you know?

Mr. ALM. Senator, the arrangement was a 20-year build-lease. I will turn to Art Nies to give more details.

Mr. NIES. I think the decision to go build-lease was based primarily on the fact that direct Federal funds were not currently available to construct the facility. The lack of Federal funds to construct the facility led to the decision to go build-lease.

Senator CLARK. Would you specify what EPA means when referring to it's presentation to Congress of problems involving the Piracci Co., in their capacity as construction contractors of the Research Center?

Mr. ALM. Senator, the Department of Health, Education, and Welfare has an outstanding claim with the Piracci Co. I think maybe Art would like to amplify on that.

Mr. NIES. At the time the HEW contracting officer accepted the building, deficiencies were noted to the extent of \$577,000 which are currently in dispute between HEW and the contractor.

The contractor also has a claim against the Government, a purported claim against the Government, for topographical error, which he said cost him additional money. So the entire matter is in dispute at the present time.

Senator CLARK. EPA's submission states that Piracci, "Refuses in general to perform any alterations including those judged necessary to meet his basic construction contract obligations until his outstanding claims against the Government are resolved." Would you explain that in some detail?

Mr. NIES. Basically, the Piracci Construction Co., as it relates to minor modifications to the facility, has been very cooperative and has done so. But as to major modifications related to safety requirements, such as sprinkling the entire facility and so forth, they have refused to undertake these until such times as claims against the Government were settled.

In addition, they preferred that the existing lease be modified to relieve them of some maintenance responsibilities and so forth. These were actions which the Government was in no position to take.

Senator CLARK. Is the Government still obligated by that contract? Is there any cancellation clause?

Mr. NIES. No, sir. It is a 20-year lease, noncancellable by either party.

Senator CLARK. Do you think it would be fair to say that the Piracci Construction Co. has been successful in ripping off the Federal Government?

Mr. NIES. No.

Senator CLARK. Is this the same Piracci Construction Co. that is building the Hirschorn Museum?

Mr. NIES. Yes.

Senator CLARK. You are in general not in disagreement with the way in which EPA is being treated by the Piracci Construction Co.?

Mr. NIES. In general it has been satisfactory, yes.

Senator CLARK. What prompted the EPA safety officer to conduct a unilateral survey in June 1971 during which it concluded the present building was structurally inadequate and hazardous and does not comply with North Carolina or national building codes? Who inspected and accepted the building upon completion?

Mr. NIES. When EPA was created by Reorganization Plan No. 3, we undertook as a priority project inspecting all the facilities which we inherited. Since the Research Center was one of the largest, it was one of the first that we went in and did the safety survey on.

It was on our own initiative as part of an effective safety program to evaluate the facilities.

Senator CLARK. Who inspected and accepted the building upon completion?

Mr. NIES. HEW.

Senator CLARK. What prompted EPA to commission an analysis by an engineering firm to determine fire protection needs?

Mr. NIES. We did not have on our staff a qualified fire protection engineer and we felt that it was important that this aspect of the building be evaluated.

Senator CLARK. Did anyone else participate in the safety officer's survey of the engineering study, such as GSA, HEW or the State of North Carolina?

Mr. NIES. No, sir.

Senator CLARK. What are the high-hazard operations that the EPA Director has had to prohibit? Are these normal, routine functions, and are they performed now?

Mr. NIES. A great many of our research activities relate to fuel research. They also relate to pesticides chemistry. They involve the use of toxic substances. These are normally in a sophisticated research environment but not necessarily in normal laboratory operations.

Senator CLARK. Where are they performed now?

Mr. NIES. They are either being performed in the Chemstran building, or being performed on a very limited basis in the Research Center, itself.

Senator CLARK. Briefly, why can't the present space be modernized or adapted for this kind of lab use?

Mr. NIES. We have just had completed by the Insurance Co. of North America comprehensive OSHA survey of the Research Center.

Based on their findings, our agency engineers stipulate that it will require approximately \$5 million to bring the Research Center up to OSHA standards to conduct the high-hazard activities in that building.

Senator CLARK. How does the Beaunit facility best lend itself to chemical operations and more nearly meet EPA requirements, than any other space?

Mr. NIES. As compared to the Research Center, for example, where the finding is that if there should be a fire the structural members would collapse within 15 to 20 minutes, Beaunit building is what is referred to as protected noncombustible construction.

Those floors would last for a 2-hour period of time. In addition, the Beaunit facility is partially sprinkled and can be completely sprinkled and can be completely sprinkled rather easily and inexpensively. Also, where there are exposed structural members they are easily accessible and can be economically covered to meet the fire protection standards.

Senator CLARK. What will become of the lab space being vacated at Research Triangle Park?

Mr. NIES. The proposal calls for us to use part of it for low-hazardous activities and, in addition, we would use it for office space.

Senator CLARK. So you are going to continue to use it?

Mr. NIES. Yes.

Senator CLARK. Will more than one lease be involved? Will separate leases be necessary for lab and office space in the Beaunit complex?

Mr. NIES. No. Only one lease will be involved.

Senator CLARK. The exact term of the required lease isn't altogether clear. How long might it run?

Mr. NIES. We intend 5 years.

Senator CLARK. Assuming EPA made a tentative 5-year arrangement with Beaunit but GSA declined to redelegate after only a year, what would happen to the lab then?

Mr. NIES. I believe the delegation we would receive from GSA is a delegation to enter into a 5-year lease so that, in fact, we would have authority in that specific instance for a 5-year lease.

Senator CLARK. When will the lease negotiations begin?

Mr. NIES. As soon as approval is received, hopefully.

Senator CLARK. And will GSA conduct these, or advise EPA, or in some way participate?

Mr. NIES. EPA will conduct the negotiations. GSA has offered us any technical assistance we may desire. At the end of negotiations, GSA will review the lease proposal.

Senator CLARK. Have all the agreements and full coordination with GSA been worked out?

Mr. NIES. Yes.

Senator CLARK. What happens at the end of 5 years? What happens to the laboratory?

Mr. ALM. At that point in time, Senator, we would like to start plans for a permanent facility in the Research Triangle area. In other words, we would like to use the Beaunit building as a 5-year interim measure.

Senator CLARK. A question has been raised as to whether you come back to the committee for that authorization and when would you do that, and under what circumstances?

Mr. ALM. Yes, sir, we would definitely come back to the committee. I am not entirely sure at this point in time when we would. Let us review that situation and get back to you, if we may.

Senator CLARK. You can provide that for the record.

[The information requested follows:]

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY,
Washington, D.C., April 3, 1974.

Hon. DICK CLARK,
Chairman, Subcommittee on Public Buildings and Grounds, Committee on Public Works, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: During the Beaunit Facility hearings on March 14, 1974, you had asked when EPA would bring before the Subcommittee its intentions to proceed with a permanent facility in the Research Triangle Park area. I had indicated I was not prepared to respond to that question, but would reply in writing.

EPA is presently in the process of preparing a program of requirements which would define the activities to be housed in the new space and the size and nature of the facility. Once this is done and after OMB approval, EPA plans to present its needs to the Subcommittee to request approval to proceed with a purchase-contract. We would be prepared to do this in approximately two months.

I would be pleased to provide you with any additional information if you require.

Sincerely yours,

ALVIN L. ALM,
Assistant Administrator for Planning & Management.

Senator CLARK. Does the General Services Administration have any additional information to offer?

Mr. SHIPP. No, sir.

Senator CLARK. If not, we appreciate your attendance, Mr. Alm.

[Questions posed by Senator Scott and the prospectus for the facility at Research Triangle Park follow:]

RESPONSE TO SENATOR, SCOTT'S QUESTIONS IN REFERENCE TO THE ACQUISITION OF THE BEAUNIT FACILITY, RESEARCH TRIANGLE PARK, N.C.

Question 1. EPA's justification states that the existing Research Center building "is now considered substantially hazardous in many respects." Is that true because of new standards under the Occupational Safety and Health Act, because the building was poorly designed constructed, or because of other factors? Please explain.

Answer. The projected use and the scope of operations changed from the time the building was designed by DHEW in 1968 to its present use under the expanded operations of the Environmental Protection Agency. Increased uses of toxic materials, organic solvents and other types of combustible materials have led the agency to impose greater safeguards than those required by the regulating building code, which was the industrial classification of the North Carolina Building Code.

The Occupational Safety and Health Act of 1970 has the primary effect, through Executive Order 11612, of changing consensus standards, which were optional, into mandated requirements. Many of those codes were updated between 1968 and the development of standards now published as Volume 37, No. 202, Federal Register of October 18, 1972.

Question 2. What is the nature of the research work at the Research Center that makes facility so dangerous? Will that laboratory work be transferred to the Beaunit facility, if Congress approves the leasing of the Beaunit facility? Why would the Beaunit facility be safer?

Answer. The research work done by EPA in the Research Triangle Park that is categorized as "high hazard" operations are primarily fuels analysis, pesticides chemistry, chemical measurement techniques development, and air sample chemical analysis. These functions all require quantities of highly volatile, explosive, or corrosive chemicals. If the requested leasing action is approved, the high hazard operations will be primarily conducted in the Beaunit building. The Beaunit building is safer for this type of operation because it is substantially of protected non-combustible construction. The research Center is of unprotected non-combustible construction. This means that in case of a fire the Beaunit building structural members have a minimum rating of one hour for fire resistance. In contrast, within 15 to 20 minutes after outbreak of fire in the Research Center, the steel structural members would have reached such a temperature that they would lose their tensile strength, and become incapable of supporting the deck above. In addition the Beaunit building is partially sprinklered, and the system can be easily extended. The Research Center is not sprinklered. In general, Beaunit provides a marked improvement in safety, with structural conditions such that further safety is relatively easy to accomplish.

Question 3. Would you specify what EPA means when it refers, in its presentation to Congress, to "problems involving the Piracci Company, in its capacity as construction contractors" of the Research Center?

Answer. The builder and owner of the Research Center (Piracci Construction Company, Baltimore, Maryland) is claiming damages for purportedly incorrect topographical data furnished by the Government during the pre-bid phase, and for the costs of certain change orders submitted by the Government during the construction phase. The Government Contracting Officer (Mr. Gerrit Fremouw, DHEW) has submitted a Contracting Officer's final decision letter to the Piracci Construction Company, which has been appealed. Final decision will rest in the courts and in all probability will require years to resolve, since the owner intends to pursue any unfavorable decisions through the civil courts.

Question 4. EPA's submission states that Piracci "refuses, in general, to perform any alterations, including those judged necessary to meet his basic construction-contract obligations, until his outstanding claims against the Government are resolved." Please explain in detail.

Answer. The owner has complied with this Agency's request to perform certain minor alterations, but has refused to consider performing such major alterations as installing sprinkler system, structural modifications, gas cylinder storage area construction, certain node modifications, and computer area improvements without the Government's agreeing to modifying the lease terms to delete some of his maintenance obligations, without the resolution of his claims against the Government, and without the Government's furnishing an "open-end" contract for the accomplishment of future modification requirements. It was neither economic or legally possible for the Government to agree to this type of proposal.

The basic construction contract obligations that have not been met are the correction of certain items of omission and deficiency recognized during the Government's final inspections. The contracting officer has withheld payments due the contractor until these items are corrected.

Question 5. EPA's submission to Congress cites an independent analysis showing that the Present Research Center building lacks adequate fire protection. Whose fault is this?

Answer. We do not feel that the inadequate fire protection in the Research Center was the fault of any individual or agency but is a result of the basic change in classification of the building use from industrial to high hazard, which was not envisioned at the time the building was designed. Our mission resulted in new and unusual requirements as compared with the usual and traditional definition of "laboratory."

Question 6. What costs will be incurred in converting the Research Center from a laboratory facility to an office building?

Answer. There will be only minor costs incurred in converting laboratory to office for the movement of laboratory furniture out, and moving office furniture in. The room configurations need not be changed, and the heating, lighting, air conditioning and ventilating systems will not require modification. The basic design of the laboratory areas provided for "convertibility" from laboratory to office and vice-versa so that if at some future date, a reconversion from office to law-hazard laboratory is required, it can be accomplished at minimum cost.

Question 7. How much does EPA expect to save annually in less travel time, etc., through consolidation?

Answer. Although EPA anticipates that consolidation of its facilities will accomplish administrative economies, the precise dollar value is difficult to determine in advance. We would require less xerox equipment and fewer government vehicles resulting in an estimated \$28,000.00 savings annually. Aside from such identifiable items, we are confident that savings will also result from more efficient employment of staff time than is presently possible.

Question 8. The Special Purpose Building apparently will no longer be needed by EPA. What would have been its cost of construction? What work would have been undertaken there? Is there capacity to absorb this work without leasing the Beaunit facility?

Answer. If we are permitted to lease the Beaunit building we will not need the proposed special purpose building. The special purpose building, as proposed, would have furnished approximately 119,000 square feet of net usable space at an estimated annual rental cost of approximately \$320,000.00. Our tentative use plan for this facility included consolidation of warehousing from 6 other locations and providing space for program activities involving large pieces of equipment, such as wind tunnels. This work can be placed into currently leased structures, augmented by other leases, if the Beaunit building is not leased, but only at the cost of a continued proliferation of locations, and the attendant loss of efficiency and economy of operation.

Question 9. Are any of the 11 or so buildings to be vacated by EPA Government-owned buildings? If so, what agencies will take them over?

Answer. None of the buildings to be vacated, if the Beaunit building is leased, are Government-owned. They are all leased, and all leases will be terminated without penalty, or without the necessity of use by the Government until lease term expiration.

Question 10. The \$1,200,000 annual cost for the proposed facilities will be partially offset by the savings of \$568,000 in direct lease costs, plus \$526,000 in costs foregone. If the Committee did not approve the prospectus, what would EPA need to do to meet its space needs, and what would be the estimated annual cost?

Answer. If EPA is not permitted to lease the Beaunit building, our space requirements for conducting high hazard chemical operations could not be satisfied in a reasonably safe laboratory environment. We would be required to either curtail these types of operations, or perform them in facilities that would offer a less than acceptable safety level. We would be required to retain all the facilities currently occupied in the Research Triangle Park area, and in addition lease space for the wind tunnel. This cost will exceed \$3,000,000 per annum, assuming that new leases for space currently occupied may be negotiated at the approximate rental rates of the existing leases.

Question 11. If you do not obtain the Beaunit facility, how would you house the work that took place at the Perrine Primate Lab, the Chamblee Toxicology Lab, and the Special Purpose building, which together would cost \$526,000 a year?

Answer. The programs previously housed at Perrine and Chamblee have been accommodated at the Research Triangle Park. The laboratory requirements of those programs were provided in the Chemstrand Building while others of the staff were housed at the Technical Center. Although they are apparently permanently situated, this act could require some other revisions in the housing plan if we do not obtain the Beaunit facility. The Special Purpose building would be needed and its originally conceived cost of \$314,160.00 might be increased.

Question 12. The proposed Beaunit lease would cover a period of five years. What does EPA expect to do when that five year period expires? Does the proposal carry an option to renew? If so, at what rental rate?

Answer. A 509-acre tract in the Research Triangle Park was donated to DHEW by the Research Triangle Park Institute, and a tentative agreement has been reached with DHEW that approximately 44 acres of the tract will be assigned to the Environmental Protection Agency for construction of a laboratory for our use after expiration of the 5-year lease for the Beaunit building. We will seek authority for a "purchase-contract" structure, and are currently preparing a program of requirements as the planning basis for this structure. Although our planning is predicated on completion of this structure prior to the Beaunit lease expiration, we will make every effort to obtain a renewal option for the Beaunit building at a rate equivalent to the basic lease rate as is possible.

Question 13. Of the facilities that EPA will vacate at Research Triangle Park, most appear to carry 60 to 90 days cancellation notices. Do any of these leases carry cancellation penalties? If so, what is the penalty?

Answer. None of these leases contain a cancellation penalty.

Question 14. The lease for the Yorktown Building in Durham carries a commitment through February 28, 1975. Does EPA intend to use this facility through next February? Will there be any unused space at the Beaunit facility as a result?

Answer. Our housing plan calls for the occupants of the Yorktowne Building to be among the last to move. Space in the Beaunit Complex would be prepared to accommodate units now in the Research Center, and then space vacated there would be made available for the Yorktowne people. Therefore the Yorktowne offices would actually be moving into the Research Center, not into the Beaunit Building. This plan precludes any lost utilization of space in the Beaunit building.

PROSPECTUS FOR LEASING AN ENVIRONMENTAL RESEARCH FACILITY AT RESEARCH TRIANGLE PARK, N.C. (REVISED FEBRUARY 1, 1974)

The Environmental Protection Agency, under its delegated leasing authority, proposes to acquire a facility at Research Triangle Park, North Carolina.

I. DESCRIPTION

1. A research and development complex owned by the Beaunit Corporation.
 - a. Initial Occupancy by Beaunit: Administration Bldg.—July 1966; Research & Development Bldg.—March 1967.
 - b. Buildings:

	Gross square feet	Net square feet
Total.....	206,230	158,473
R. & D. Building.....	153,660	113,072
Basement.....	43,600	21,578
1st floor.....	44,665	38,954
2d floor.....	44,665	36,286
3d floor.....	11,515	8,127
4th floor.....	9,215	8,127
Administration building.....	48,370	41,746
Basement.....	12,600	12,024
1st floor.....	35,770	29,452
Separate buildings.....	1,750	1,475
3-bay garage.....	1,100	1,100
Chemical building.....	275	275
Pump house.....	275	0
Lime house.....	100	100
R. & D. docks.....	2,450	2,450

c. Property (100 acres): $8\frac{1}{2}$ Acres—Landscaped; 33 Acres—Outlying grass area & settling ponds; $6\frac{1}{2}$ Acres—Buildings & pavement; 19 Acres—Fields; 30 Acres—Woods; 3 Acres—Ponds (Natural, incl. 1 wet and 1 drained).

d. Parking: 256 Paved & Marked Spaces.

e. Utilities: Electricity—Duke Power Company; Water & Sewer—City of Durham; Fuel Gas—Public Service Company.

f. Mechanical Equipment and Service:

Sprinkler: R & D Bldg. & Data Processing area in Admn. Bldg., Wet Pipe, 100 PSIG Pressurized System, Automatic Signal System to Fire Department, 200,000 gallon storage tank 1000 GPM electric driven, 100 H.P. emergency pump.

Steam: Supplied at 250 lbs., 90 lbs., 45 lbs., 10 lbs. for heat, humidity, & process.

Plant Compressed Air: Supplied at 100 PSIG.

Instrument Compressed Air: Supplied at 20 PSIG.

Refrigeration: Supplied as chilled water—2200 lbs.

Vacuum: Supplied at 25" Hg.

Elevators: four—hydraulic piston type.

Distilled Water: Supplied to R & D labs & utilities room.

2. The complex is located within the Research Triangle Park and is approximately $\frac{1}{4}$ to $\frac{1}{2}$ mile from the existing Research Center.

II. PURPOSE OF PROPOSAL AND AVAILABILITY OF GOVERNMENT-OWNED SPACE

1. The purpose of the acquisition is to provide safer and more adequate laboratory space and to consolidate EPA operations in the RTP area from 15 locations to five.

2. It has been determined that space to accomplish these objectives is not available in any Government-owned facility in the area of the Research Triangle Park.

III. PRESENT EPA HOUSING IN THE RESEARCH TRIANGLE PARK AREA

1. See Figure 1 for the present facilities configuration.

2. See Table 1 for cost, type of space, employee accommodation, and other related data.

3. It should be noted in Table 1 that the Perrine, Florida and Chamblee, Georgia facilities have been vacated as a result of necessary program transfers. The programs involved have been housed in the present facilities configuration. These actions, shown as being in progress at the time of the original prospectus, have now been completed.

4. The Special Purpose Building also noted in Table 1 has been previously planned and designed, and the expected FY 74 lease cost shown has been budgeted. This structure will not be required if the Beaunit facility is leased.

IV. PROPOSED EPA HOUSING PLAN IN THE RESEARCH TRIANGLE PARK AREA

1. The plan centers around leasing the Beaunit Complex. The Lease Agreement would be based on a five-year period and would include terms for certain structural modifications and phased occupancy, as well as standard Government provisions.

2. Estimated maximum lease costs for the facility are \$1,000,000 in FY 75 and in subsequent years, excluding metered utilities, estimated at \$200,000 per year.

3. See Figure 2 for the proposed facilities configuration.

4. See Table 2 for costs, employee accommodation, and other data relevant to the plan.

5. Comparing Tables 1 and 2, it can be seen that leasing the Beaunit Complex will allow for vacating eleven presently occupied facilities. These are:

National Center for Health Statistics Bldg. (NCHS)

Bethesda Warehouse.

Mobile Lab Bldg.

Highway 70 Warehouse.

Highway 98 Warehouse.

IGA Warehouse.

Imperial Research Lab.

CAMIO Station.

Mutual Bldg.

Mutual Annex.

Yorktowne Bldg.

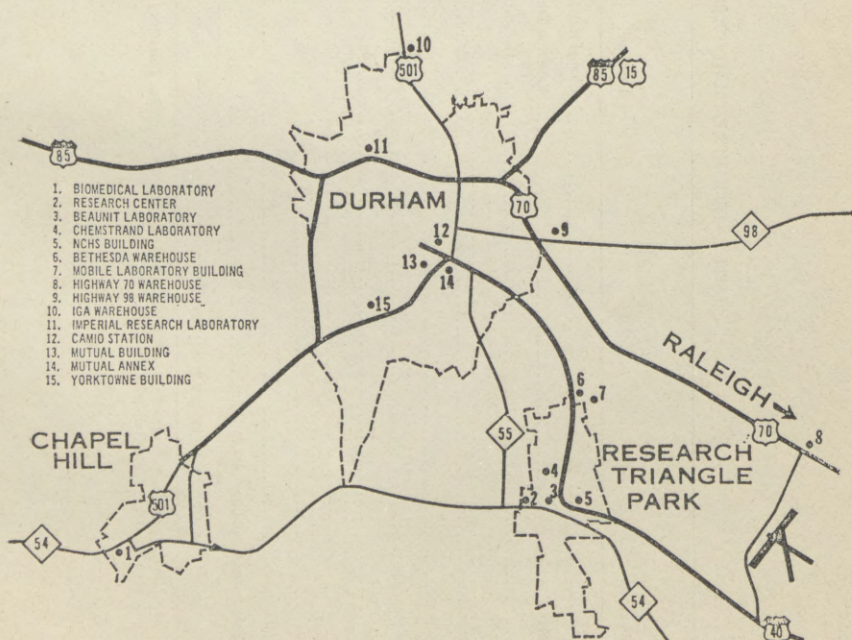


FIGURE 1. PRESENT CONFIGURATION OF FACILITY LOCATIONS AT RTP.

TABLE 1.—FACILITIES PRESENTLY OCCUPIED BY EPA IN THE RTP AREA

Building name	Location	Type of space	Number people housed	Net space, square feet	Budgeted lease cost, fiscal year 1974	Minimum lease commitment
Biomedical Lab	Chapel Hill	Lab-Office	17	7,393	\$33,573	Oct. 3, 1979, then 120-day notice.
Research Center	Research Triangle Park	do	616	209,755	1,175,000	Sept. 21, 1990.
Beaunit Lab	do	do	9	9,372	56,232	90-day notice.
Clemstrand Lab	do	do	103	30,330	484,000	Jan. 31, 1976.
RCHS Building	do	Office	55	13,600	85,000	None.
Bethesda Warehouse	do	Storage	0	11,500	9,200	June 3, 1973, then 90-day notice.
Mobile Lab Building	do	do	0	20,000	26,000	Oct. 31, 1974.
Highway 70 Warehouse	do	do	8	17,500	22,203	60-day notice.
Highway 98 Warehouse	Durham	do	0	14,606	18,532	Mar. 30, 1975, then 120-day notice.
IGA Warehouse	do	do	0	10,000	21,823	60-day notice.
Imperial Research Lab	do	Lab-Office	10	5,766	21,500	90-day notice.
CAMIO Station	do	Lab	1	1,624	1	60-day notice.
Mutual Building	do	Office	225	38,892	197,377	90-day notice.
Mutual Annex	do	do	56	6,980	35,458	Oct. 18, 1973, then 60-day notice.
Yorktowne Building	do	do	154	31,346	131,083	Feb. 28, 1975, then 60-day notice.
Transferees from Perrine and Chamblee facilities			54			
Total			1,308	428,664	2,843,142	

¹ Also includes FY 74 budgeted costs for the Perrine Primate Lab (\$100,000), the Chamblee Toxicology Lab (\$112,000), and the Special Purpose Building (\$134,160).

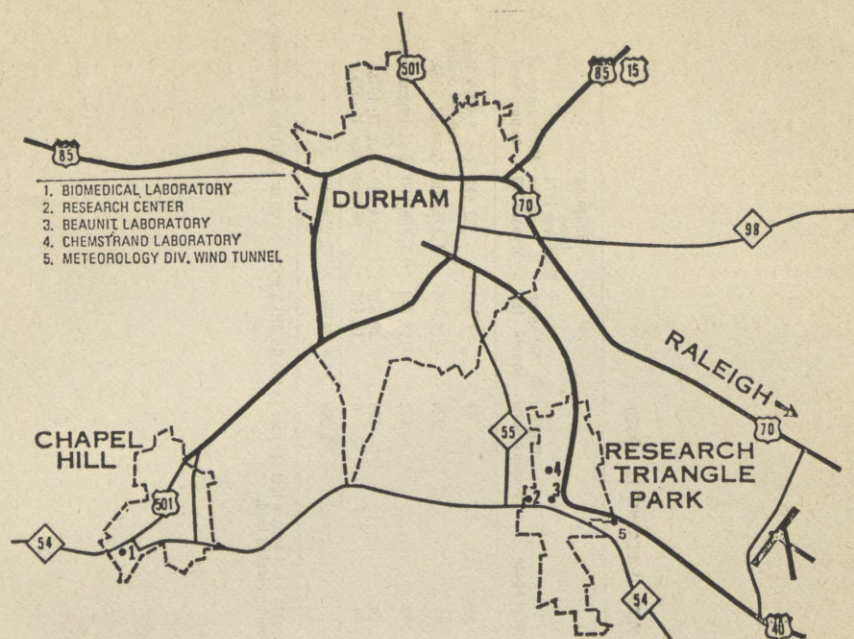


FIGURE 2. CONFIGURATION OF FACILITY LOCATIONS AT RTP WITH THE LEASING OF BEAUNIT LABORATORY.

TABLE 2—FACILITIES OCCUPIED BY EPA IN THE RTP AREA IF BEAUNIT IS LEASED

Building name	Location	Type of space	Number people housed	Net space square feet	Budgeted lease cost, fiscal year 1974 and/or fiscal year 1975	Minimum lease commitment
Biomedical Lab	Chapel Hill	Lab-office	17	7,393	\$33,573	Oct. 3, 1979, then 120-day notice.
Research Center	Research Triangle Park	do	726	209,755	1,175,000	Sept. 21, 1990.
Beaunit Lab	do	do	402	158,473	1,200,000	5-year from lease date.
Chemstrand Lab	do	do	103	30,330	484,000	Jan. 31, 1976.
Wind tunnel	do	do	6	219,400	66,000	Mar. 1, 1979. ²
Total			1,308	426,975	2,958,573	

¹ Includes \$200,000 for metered utilities not covered in the lease.² Estimated.³ Includes transferees from Perrine and Chamblee, totaling 54.

† Also includes 1,624 square feet of space in the CAMIO Station, which is a portable Government-owned building on leased land.

Senator CLARK. That will conclude the hearing.
[Whereupon, at 10:40 a.m., the subcommittee recessed, to reconvene
subject to the call of the Chair.]



