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PENDING LEGISLATION AND PROPOSED FEDERAL
BUILDING CONSTRUCTION PROSPECTUSES

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GOVERNMENT

Storage

HEARINGS

BEFORE THE

SUBCOMMITTEE ON BUILDINGS AND GROUNDS

OF THE

COMMITTEE ON PUBLIC WORKS

UNITED STATES SENATE

NINETY-FOURTH CONGRESS

FIRST SESSION

ON

S. 971

DOCU
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THE
KANSAS ST.
UNIVERSITY

A11600 754337

A BILL AUTHORIZING FURTHER APPROPRIATIONS TO THE SECRETARY OF THE INTERIOR FOR SERVICES NECESSARY TO THE NONPERFORMING ARTS FUNCTIONS OF THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS, AND FOR OTHER PURPOSES

H.R. 12

AN ACT TO AMEND TITLE 3, UNITED STATES CODE, TO PROVIDE FOR THE PROTECTION OF FOREIGN DIPLOMATIC MISSIONS, TO INCREASE THE SIZE OF THE EXECUTIVE PROTECTIVE SERVICE, AND FOR OTHER PURPOSES

COMPLETION OF THE NEW U.S. TAX COURT BUILDING,
WASHINGTON, D.C.

CONSTRUCTION OF A NEW GOVERNMENT PRINTING
OFFICE BUILDING

AND

CONSTRUCTION OF THE RICHARD B. RUSSELL FEDERAL
BUILDING, ATLANTA, GA.

JUNE 9 AND 11, 1975

SERIAL NO. 94-H19

Printed for the use of the Committee on Public Works



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PENDING LEGISLATION AND PROPOSED FEDERAL BUILDING PROSPECTUSES

MONDAY, JUNE 9, 1975

U.S. SENATE,
COMMITTEE ON PUBLIC WORKS,
SUBCOMMITTEE ON BUILDINGS AND GROUNDS,
Washington, D.C.

The subcommittee met at 10:05 a.m., pursuant to call, in room 4200, Dirksen Senate Office Building, Hon. James L. Buckley presiding.
Present: Senator Buckley.

OPENING STATEMENT OF HON. JAMES L. BUCKLEY, U.S. SENATOR FROM THE STATE OF NEW YORK

Senator BUCKLEY. Good morning, ladies and gentlemen. We are here today to discuss two pieces of legislation and the building prospectus currently pending before the subcommittee.

The first is S. 971, which authorizes continued financing to the Interior Department for the maintenance and work performed at the John F. Kennedy Center. The history of the Center has been unfortunate. Thousands of words have been written and spoken both of criticism and defense.

During the years since its completion in 1971, a series of lawsuits and damage claims have been filed which are still unresolved and have been continuously. They are in debt and trying to get out. But no one knows for certain when or even if they can.

By legislation the Center is now a national memorial, second only to the Capitol as a visitor attraction. It is visited by 3 million persons annually.

It is hoped one day the auditors and accountants and directors can get all the difficulties straightened out so the Center can stand on its own. But it is not that which we are here to discuss primarily today.

Instead we came to consider S. 971 and a companion bill, H.R. 6151, which would authorize the Park Service to continue to perform its maintenance duties. Their present authorization runs out on June 30 of this year. The time element is critical.

[The bill S. 971 follows:]

S. 971

IN THE SENATE OF THE UNITED STATES

MARCH 5, 1975

Mr. BAKER introduced the following bill; which was read twice and referred to the Committee on Public Works

A BILL

Authorizing further appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes.

- 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 second sentence of subsection (e) of section 6 of
4 the John F. Kennedy Center Act (72 Stat. 1698), as
5 amended, is amended to read as follows: "There are hereby
6 authorized to be appropriated such sums as may be neces-
7 sary for carrying out this subsection."

II

JOHN F. KENNEDY CENTER

Senator BUCKLEY. Would the people from the Interior Department please come forward and identify themselves?

STATEMENT OF DR. RICHARD C. CURRY, ASSOCIATE DIRECTOR FOR LEGISLATION, NATIONAL PARK SERVICE, ACCOMPANIED BY MANUS J. FISH, DIRECTOR, NATIONAL CAPITAL PARKS

Senator BUCKLEY. Good morning.

Mr. CURRY. Good morning, Senator Buckley. I am Richard Curry, Associate Director for Legislation, National Park Service. To my right

is Mr. Jack Fish, who is Director of National Capitol Parks, division of the Park Service, within whose jurisdiction the Kennedy Center rests.

I have a very brief statement. With your permission, I would like to read it for the record.

Senator BUCKLEY. Certainly, please do.

Mr. CURRY. Mr. Chairman, I appreciate the opportunity to appear before you to testify on S. 971, a bill to authorize appropriations for services necessary to the nonperforming arts functions of the John F. Kennedy Center.

Section 10 of the Public Building Amendments of 1972, approved June 16, 1972, added a new subsection (e) to section 6 of the John F. Kennedy Center Act, as amended.

The new subsection directed the Secretary of the Interior, acting through the National Park Service, to provide maintenance, security, information, interpretation, janitorial, and all other services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts. It authorized such sums as may be necessary to carry out these functions, but only for the fiscal year ending June 30, 1973.

Section 6 was further amended on July 10, 1973, by Public Law 93-67 which authorized not to exceed \$2.4 million for fiscal year 1974 and \$2.5 million for fiscal year 1975. Further legislation, such as the Department of the Interior submitted to the Congress on February 13, 1975, is therefore necessary to authorize appropriations beyond June 30, 1975.

S. 971 would authorize such sums as necessary to carry out these nonperforming arts functions. However, the President's 1976 budget request for this activity included an amount of \$2,575,000. We would therefore recommend an appropriation authorization consistent with that request.

In addition, we recognize that there may be salary increases, related employee benefits, and other mandatory items which may be authorized after S. 971 is enacted. Accordingly, we recommend that the bill be amended to authorize appropriations for such additional amounts as necessary to provide for these items for the 1976 fiscal year and for the transition period ending September 30, 1976.

Mr. Chairman, I would be pleased to answer any questions you or the other members of the committee may have.

Senator BUCKLEY. Thank you very much.

First of all, could you advise me what the present status is of the agreement drawn up in 1972, by the Center's Board of Directors and the Interior Department?

Mr. FISH. That was amended, Mr. Chairman, in July 16, 1973. That has run out right now. That amended the agreement. The reason is that we were waiting for the filing of the GAO report, done at the request, I believe, of the Senate Public Works Committee.

Senator BUCKLEY. The report is now filed?

Mr. FISH. Yes, sir; I think so, I think about a month ago.

Senator BUCKLEY. Do you contemplate a new agreement to be drafted shortly?

Mr. FISH. Yes, sir; we do.

Senator BUCKLEY. Do you have an agreement in existence before the pending bill is enacted into law?

Mr. FISH. No, sir. We would extend the existing agreement which we have done before.

Senator BUCKLEY. Have any of the provisions in the agreement proven to be invalid or unenforceable?

Mr. FISH. No, sir. We have looked at it initially. There were some changes that we wanted to make. That is why we amended it in July of 1973. I think it basically is a very workable agreement right now.

Senator BUCKLEY. I believe one portion of the agreement establishes the formula for distinguishing between nonperforming arts and performing arts responsibilities, so far as maintenance and protection are concerned. Could you tell me a little bit about these arrangements?

Mr. FISH. Yes, sir. That formula was devised by an accounting firm. It was based on the number of hours that performing arts were occurring at the Center. It broke down as to 2 dark days per week, then 5 hours of a 15-hour day were allocated to performing arts. So, on the basis of those figures, it figures out about 23 percent allocated to the performing arts and the remainder, 76 percent, a little more, is allocated to the nonperforming arts function. That is the basis that we distribute the costs at the Center. The Park Service is responsible for the nonperforming arts costs.

Senator BUCKLEY. Are separate records for payrolls kept for those that are engaged in cleaning up in the theater area as opposed to outside maintenance?

Mr. FISH. Yes. The custodial rate is done under a contract that we have the records for. The distribution is made according to the formula.

Senator BUCKLEY. In other words, the distribution of those custodial costs, cleaning and maintenance, is done not with respect to the area cleaned and maintained, but rather on the 5-day-a-week formula?

Mr. FISH. Yes, sir.

Senator BUCKLEY. It seems sort of arbitrary. Are separate records kept for security employees, electricians, carpenters and others?

Mr. FISH. The security employees are the 100 percent responsibility of the National Park Service. All the costs are kept for the electricians and other trades there. Then it is distributed, however, it would be on the basis of that formula. But the security is 100 percent the responsibility of the National Park Service.

Senator BUCKLEY. Would you by chance know the number of Park Service employees now working at the Center?

Mr. FISH. Yes, sir; 82 Park Service employees. Twenty-five of those are security personnel.

Senator BUCKLEY. I assume a breakdown of maintenance, manpower hours worked and so on, would be available?

Mr. FISH. Yes, sir.

Senator BUCKLEY. Is the formula you referred to, what the GAO was referring to when it suggested that if another method of allocating maintenance costs was used that between half a million and \$750,000 would be saved?

Mr. FISH. I believe they made that comment in the report. As I recall in reading that report, they indicated they felt what we were doing now was the best method of distribution of costs.

If I may, on page, I believe it is "i" or something of the GAO report, it says "allocations are based on the estimated hours the center is used for nonperforming arts and performing arts. GAO believes this allocation is acceptable." That is a summary of this report.

Senator BUCKLEY. Does the Park Service itself have any views regarding the budget allocation?

Mr. FISH. No, sir. It seems to be a fair distribution. If there were any differences in hours or something like that, I think that we would look at that in accordance with the agreement between us and the board of trustees at the Kennedy Center.

Basically, I think that approach is a valid one as GAO has indicated.

Senator BUCKLEY. As I understand, the philosophy of this thing is to segregate the sightseeing from the performing. Is that more or less it?

Mr. FISH. Yes, sir. It is a memorial to a former President. It is treated much like the Lincoln, Washington, and Jefferson Memorials. It is that memorial aspect that the Park Service is responsible for.

Senator BUCKLEY. On the 2 days per week in which under the existing formula, the performing arts part is not in effect, made responsible for the maintenance of the space, is the public admitted to the theaters on those 2 days?

Mr. FISH. Oh, yes; the public wouldn't be admitted when there is a performance. Sometimes there are rehearsals and things like that.

Senator BUCKLEY. Do the maintenance funds appropriated since the fiscal year 1973, also go for repairs?

Mr. FISH. No; they go for normal wear and tear repairs, but no major construction items. That is the responsibility of the Board of Trustees.

Senator BUCKLEY. No capital—

Mr. FISH. No capital investment, that is correct, Mr. Chairman.

Senator BUCKLEY. Have the Park Service maintenance expenses ever exceeded the appropriated funds during any fiscal year to date?

Mr. FISH. No, sir.

Senator BUCKLEY. If we could move on to the underground parking garage, what is the situation with respect to its maintenance?

Mr. FISH. That is under a concessions contract with the Kennedy Center Board of Trustees. So, we are not really basically involved in that.

Senator BUCKLEY. What about the lighting?

Mr. FISH. The lighting?

Senator BUCKLEY. Yes, in the garage.

Mr. FISH. The amount of light at the Center?

Senator BUCKLEY. Who pays for the lighting?

Mr. FISH. That is distributed, too, in accordance with the formula.

Senator BUCKLEY. Is there any reason why the garage and the restaurants ought not to be independently metered?

Mr. FISH. There was a question about the independent metering. I think that if that were necessary, that frankly could be done without spending, I think it is about \$100,000 or more to place those meters in there. I believe the amount of energy could be estimated very closely without the need for the meters. There is the contract between the Board of Trustees and the concessionaire that stipulates that metering would be necessary. However I would think, and in discus-

sions with the Board of Trustees they have agreed that they could do that on an estimated basis.

Senator BUCKLEY. Will that subject be covered in the forthcoming renewal of the contract so that the Federal Government is not paying for any portion of that electricity?

Mr. FISH. Yes, sir; we will cover that in our discussions.

Senator BUCKLEY. Does the Park Service see a necessity as GAO has recommended for auditing the Center's records periodically to achieve a more accurate record of allocations based on cost experience?

Mr. FISH. We commented on that aspect of the record. We didn't really have the authority to do that. However, the books are open to us at any time that we would want to do that. Our situation is that it is not authorized and therefore, we wouldn't formally take the manpower to do that.

Senator BUCKLEY. Wouldn't you recommend that you be authorized to do it?

Mr. FISH. Well, I am not really too sure of that.

Senator BUCKLEY. Do you think that the audit is not necessary?

Mr. FISH. I think in any business venture that an audit is necessary. I think that the books are audited.

Senator BUCKLEY. We are talking about the Park Service auditing them for the purpose of determining whether or not the allocation cost is accurate.

Mr. FISH. Oh, yes, sir; for the distribution of the cost, yes, sir.

Senator BUCKLEY. You would like to have the authority to audit the books; if you had the authority, would you?

Mr. FISH. Yes, sir.

Senator BUCKLEY. What would be the advantages if the Park Service did not have to come before the subcommittee for authorization? Is there any long-range program contemplated that would eventually include this?

Mr. CURRY. I can address that in a general way. This is the only operating area within the National Park Service where we have to come up for an annual authorization. What we would suggest is that the Kennedy Center be treated just like any other unit of the park system. That is obviously what we would ultimately prefer. We would justify our position before our appropriate budget committees each year through a line item for the Kennedy Center.

This is a part of our general, overall system of operating costs.

Senator BUCKLEY. When do you think the time might arrive for the transfer of that system?

Mr. CURRY. When the Congress is ready.

Senator BUCKLEY. As far as the Park Service is concerned, you are ready to go forth?

Mr. CURRY. It really facilitates planning for the system. It is very difficult to operate a single unit on an annual basis projecting some of these costs. A good example is this year at the Kennedy Center where we anticipated our costs, but we were unable to anticipate what would happen to us on utilities.

We had almost a 50-percent increase on utilities. While we were still exercising good conservation, reducing our electrical output by some 40 percent, we nevertheless, had an increase in costs.

Mr. Fish can supply the precise details of those figures. But they are very impressive. It really hurts us. If it were put in as part of the

system we have greater flexibility to put resources in where they are needed rather than adjusting a specific line authorization.

Senator BUCKLEY. Do you feel that you now have enough experience with the particular situation at the Kennedy Center to be able to move it from its assessment period into the permanent status?

Mr. CURRY. Yes, sir.

Senator BUCKLEY. One item you referred to in your statement was the request for an open ended authorization. I was wondering why this request was made since H.R. 6151 and S. 971 for these unspecified amounts to salaries for employees. What do you anticipate, was this an afterthought or what?

Mr. CURRY. Yes, sir. Our original request that was cleared through the administration was for an open ended authorization that would permit us to make this as the rest of the system. There was then a decision to come back and request for specific line items that was more in conformance with the present immediate budget needs. That is why we adjusted that. But in our adjustment we overlooked this flexibility that we subsequently asked for.

Senator BUCKLEY. Do you have any idea what figures you are speaking of?

Mr. FISH. Yes, sir. That could run anywhere from \$60,000 to maybe \$100,000. Already there is one wage increase that would amount to about \$30,000 which would begin in October of 1975. Then if there is a police increase, that could be another \$30,000. So it could run from \$60,000 to \$100,000.

Mr. CURRY. Our needs obviously for the area are quite substantial. But to be in conformance with the President's request, this is just an effort on our part as an agency. That is what this figure represents.

Senator BUCKLEY. I understand the GAO report has the following: "It is doubtful that sufficient revenue can be generated to enable the Center to pay the bond interest in 1978 out of distribution and sources of funds." Do you happen to know what the Center is doing to rectify this situation?

Mr. FISH. That is a Board of Trustees matter. Other than a member of the Park Service sitting on the board, I guess we are really not too deeply involved in that. That again, is not a Park Service cost.

Senator BUCKLEY. Here is one that I suppose is a Center concern, except it must inevitably have an impact on the Park Service. It says, "The Center is now about \$150,000 behind in its payments for utilities and janitorial service." Obviously, this can't go on indefinitely. If you are picking up the balance of the janitorial and utilities services, I assume you are concerned over what the Center is doing. Would you advise me how they intend to catch up with this?

Mr. FISH. Yes. That does happen periodically. We notify the Center. Usually they come forth with a payment.

Senator BUCKLEY. Do you happen to know what the impact has been on the Center's profits and costs from this takeover of the National Theater?

Mr. FISH. No, sir. I really don't know. Again, that is a Board of Trustees matter.

Senator BUCKLEY. You are on the board of trustees?

Mr. FISH. I sit as an alternate occasionally. I personally have not seen any financial report on the National Theater. That was just a few months ago, I think, that that was taken over.

Mr. Chairman, if I may correct that, it was not a take over, I used the wrong word. The Board of Trustees at the Kennedy Center provides certain managerial services to the National Theater and are reimbursed for those services.

Senator BUCKLEY. I believe there have been some complaints about leaks in the roadways and the terraces. These fall within the Interior Department to repair. Have they been cared for?

Mr. FISH. No, sir, they have not been cared for. This matter is rather involved right now. There are claims that the contractor has made against the Board of Trustees under the original construction contract.

There are counterclaims that the Justice Department put in that amount to about \$2 million. Included in those counterclaims are some of those leaks. The repair of those leaks would be very expensive as the two major ones are around the roof terraces. These are not Park Service costs as we see it.

Senator BUCKLEY. In a recent letter from the Interior Department it mentions a pending payment. Have you any estimate?

Mr. FISH. It was about \$60,000.

Senator BUCKLEY. Right. I think it would be useful to provide the committee the breakdown of the number of personnel assigned on each operation where costs shared together, with the annual costs of each group.

Mr. FISH. Yes, sir.

Senator BUCKLEY. In connection with shared costs, my understanding is that the Interior Department pays 100 percent of all security costs; is that correct?

Mr. FISH. That is correct, yes, sir.

Senator BUCKLEY. What is the rationale behind that decision?

Mr. FISH. I assume it is the fact that the building itself is the memorial and that the security of that building would be the responsibility of the National Park Service because it is a memorial to a former President.

Senator BUCKLEY. Is there sort of an inner layer security that affects the theaters in contrast to the building itself?

Mr. FISH. No, sir; other than what you might consider security given by the ushers, if I understand you properly. You mean, are there additional people?

Senator BUCKLEY. Are there people outside the theater doors at night?

Mr. FISH. We have people within the building, U.S. Park Police.

Senator BUCKLEY. But the theater operation doesn't pay any part of that?

Mr. FISH. No, sir.

Senator BUCKLEY. I think that covers most of the matters I have before me. I want to thank you for your presence.

A letter addressed to Senator Randolph and dated June 4, 1975, from the Assistant Secretary of the Interior together with the annual cost estimates of the John F. Kennedy Center through fiscal year 1985 will be made a part of the record at this point.

[The letter and attachment follow:]

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 4, 1975.

HON. JENNINGS RANDOLPH,
Chairman, Committee on Public Works,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: On April 21, 1975 this Department transmitted to you its views on S. 971, a bill "Authorizing further appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes." In our letter of that date we recommended that S. 971 be enacted without amendment.

While we continue to recommend that S. 971 be enacted, we would prefer that a specific dollar amount be substituted for the phrase "such sums as may be necessary" in the authorization. In addition, we have been advised by the Office of Management and Budget that provision should be made in this bill for wage increases and other mandatory items which may be authorized after its enactment. Accordingly, we recommend that S. 971 be amended by deleting all after the word "follows" in line 5 and inserting in lieu thereof the following language:

"There is authorized to be appropriated not to exceed \$2,575,000 for the fiscal year ending June 30, 1976, and not to exceed \$741,000 for the transition period ending September 30, 1976; *Provided*, that for the fiscal year ending June 30, 1976, and for the transition period ending September 30, 1976, there are authorized to be appropriated such additional amounts as may be necessary for increases in salary, pay, retirement, and employee benefits authorized by law and other mandatory items which arise subsequent to the date of enactment of this Act."

This amendment would make S. 971 consistent with the President's FY 1976 budget request for the nonperforming arts functions of the Kennedy Center.

The Office of Management and Budget has advised that there is no objection to the presentation of this supplemental report from the standpoint of the Administration's program.

Sincerely yours,

NATHANIEL REED,
Assistant Secretary of the Interior.

NATIONAL PARK SERVICE
JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS—ESTIMATED OPERATING NEEDS 1

	Fiscal year 1976	Transition period July 1 to Sept. 30, 1976	Fiscal year—												
			1977	1978	1979	1980	1981	1982	1983	1984	1985				
Maintenance and operation:															
Electricity.....	\$900,000	\$225,000	\$980,000	\$1,058,000	\$1,121,000	\$1,177,000	\$1,236,000	\$1,298,000	\$1,363,000	\$1,431,000	\$1,503,000				
Janitorial contract.....	280,000	70,000	308,000	338,000	355,000	373,000	381,000	400,000	420,000	441,000	463,000				
Air-conditioning contract.....	17,000	6,000	20,000	22,000	23,000	24,000	25,000	26,000	27,000	28,000	30,000				
Elevator and escalator contract.....	58,000	15,000	65,000	72,000	76,000	80,000	84,000	88,000	92,000	97,000	102,000				
Maintenance, operation and repair.....	946,000	245,000	1,065,000	1,170,000	1,359,000	1,441,000	1,529,000	1,600,000	1,666,000	1,749,000	1,874,000				
Interpretation.....	179,000	60,000	200,000	220,000	231,000	243,000	255,000	268,000	281,000	295,000	310,000				
Protection.....	420,000	120,000	462,000	510,000	535,000	562,000	590,000	620,000	651,000	684,000	718,000				
Total.....	2,800,000	741,000	3,100,000	3,400,000	3,700,000	3,900,000	4,100,000	4,300,000	4,500,000	4,725,000	5,000,000				

1. Projected needs are based on increased cost of about 10 percent per year for the last 3 yr and 5 percent per year for remaining 7 yr just to keep present level of operation. In addition \$100,000 has been included in fiscal year 1979 to cover a program of needed replacements each year of mechanical

equipment and furnishings resulting from normal wear and tear. The building will be about 7 yr old at that time. No increase in staffing is proposed.

Senator BUCKLEY. The next matter is H.R. 12, the bill that would amend title 3, United States Code authorizing an increase in the Executive Protective Service personnel. Those who are testifying in favor, please come up and identify yourselves for the record.

Before you identify yourselves, I might say I would like to make a statement of my own. As I have introduced S. 1798, the companion bill to H.R. 12, which I believe represents a matter of fairness and justice, I would like to just summarize some of the facts.

A decade ago, American cities would gladly assume the financial responsibility of providing police protection to diplomats. I think the record in New York City has been excellent. But then the social ferment of the 1960's made mass demonstrations common and brought to our national scene the threat of violence. The situation has changed.

I think it is a sad commentary that an entire generation of young Americans reaching maturity without remembering the time when political passions could be expressed without the need for armed and vigilant police. It is not only law enforcement officers that bear the brunt of political protests. The taxpayers of those large cities which contain numerous diplomatic missions must pay for the very expensive protection of diplomatic property and personnel. This is a serious inequity. The safety of foreign visitors is a national obligation and not a local one.

H.R. 12 recognizes that fact and acts upon it. To give the benefit of the record, the size of this impact on the city of New York alone was estimated in 1974 to be \$3 million, as the cost of providing police protection to the diplomats that have been attracted to the U.N.; \$700,000 of extra cost was provided for the security at the time the head of the Palestine Liberation Organization visited the U.N.

As the members of this committee know, I am usually reluctant to approve new Federal expenditures, especially during a period of economic recession. But I believe the Congress does have the obligation to act with fairness. We must help pay the costs that are imposed on cities by the Federal Government.

If this committee agrees that the United States has a need to impose on New York, Los Angeles, Houston, New Orleans, Chicago, Boston, and San Francisco, then H.R. 12 offers the opportunity to do equity by helping to compensate these cities or extending to them the services of the Federal Government.

[The Act, H.R. 12, follows:]

94TH CONGRESS
1ST SESSION

H. R. 12

IN THE SENATE OF THE UNITED STATES

MAY 20, 1975

Read twice and referred to the Committee on Public Works

AN ACT

To amend title 3, United States Code, to provide for the protection of foreign diplomatic missions, to increase the size of the Executive Protective Service, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) the second sentence of section 202 of title 3,
4 United States Code, is amended by striking out "and (7)"
5 and inserting in lieu thereof the following: "(7) foreign dip-
6 lomatic missions located in metropolitan areas (other than
7 the District of Columbia) in the United States, and in its ter-
8 ritories and possessions, where there are located twenty or
9 more such missions headed by full-time career officers, except
10 that such protection shall be provided only on the basis of

1 extraordinary protective needs required and then only upon
2 request of the affected metropolitan areas and (8)".

3 (b) Section 202 (8) of title 3, United States Code,
4 as renumbered by subsection (a) of this section, is amended
5 by striking out "other".

6 (c) Subsection (a) of section 203 of title 3, United
7 States Code, is amended by striking out "eight hundred
8 and fifty" and inserting in lieu thereof "twelve hundred".

9 (d) (1) Section 208 of title 3, United States Code, is
10 amended by redesignating section 208 as section 209, and
11 by inserting the following new section 208:

12 **"§ 208. Reimbursement of State and local governments**

13 "In carrying out its functions pursuant to section 202
14 (7) and (8), the Secretary of the Treasury may utilize,
15 with their consent, on a reimbursable basis, the services,
16 personnel, equipment, and facilities of State and local gov-
17 ernments, and is authorized to transfer funds made available
18 pursuant to this chapter to such State and local governments
19 as reimbursement in full for the utilization of such services,
20 personnel, equipment, and facilities."

21 (2) The table of sections for chapter 3 of title 3 of the
22 United States Code is amended by striking out

"208. Appropriation to carry out provisions."

23 and inserting in lieu thereof the following:

"208. Reimbursement of State and local governments,
"209. Appropriation to carry out provisions."

1 (e) The amendments made by subsections (a), (b),
2 and (d) of this section shall take effect as of July 1, 1974.

3 SEC. 2. (a) Section 5315 of title 5, United States
4 Code, is amended by adding at the end thereof the following
5 new paragraph:

6 “(107) Director, United States Secret Service,
7 Treasury Department.”

8 (b) Section 5316 of title 5, United States Code, is
9 amended by adding at the end thereof the following new
10 paragraph:

11 “(139) Deputy Director, United States Secret
12 Service, Treasury Department.”

13 SEC. 3. Section 5108 (c) of title 5, United States Code,
14 is amended—

15 (1) by striking out “and” at the end of paragraph
16 (13);

17 (2) by striking out the period at the end of para-
18 graph (14) and inserting in lieu thereof “; and”; and

19 (3) by adding at the end thereof the following new
20 paragraph:

1 “(15) the Secretary of the Treasury, subject to the
2 standards and procedures prescribed by this chapter,
3 may place an additional ten positions in the United
4 States Secret Service in GS-16, GS-17, and GS-18.”

Passed the House of Representatives May 19, 1975.

Attest:

W. PAT JENNINGS,

Clerk.

EXECUTIVE PROTECTIVE SERVICE

Senator BUCKLEY. Gentlemen, if you will proceed.

STATEMENT OF JAMES J. FEATHERSTONE, DEPUTY ASSISTANT SECRETARY OF THE TREASURY, ENFORCEMENT, ACCOMPANIED BY PAUL S. RUNDLE, DEPUTY ASSISTANT DIRECTOR, SECRET SERVICE, AND EARL L. DRESCHER, CHIEF, EXECUTIVE PROTECTION SERVICE

Mr. FEATHERSTONE. My name is James Featherstone. I am Deputy Assistant Secretary of the Treasury for Enforcement. Representing the Treasury Department with me are Paul Rundle, the Deputy Assistant Director of the Secret Service and Earl Drescher, Chief of the Executive Protective Service.

I have a statement, Senator. May I read it?

Senator BUCKLEY. Yes, please.

Mr. FEATHERSTONE. I am pleased to appear before this subcommittee to discuss the further review by the Treasury Department of the need to raise the statutory ceiling on the number of uniformed officers in the Executive Protective Service from 850 to 1,200. My testimony today is directed specifically to certain proposals which are presently embodied in H.R. 12.

As you are aware, on March 17, the Treasury Department testified before the House Subcommittee on Public Buildings and Grounds concerning the urgent need of the Executive Protective Service to raise its manpower ceiling in order to assign more officers to foreign mission duty in Washington, D.C. Most of the descriptive part of that testimony is also reflected in the report accompanying H.R. 12, and I shall not repeat it today.

Since that time, we have carefully reviewed our position and consulted with the Office of Management and Budget regarding the cost aspects of H.R. 12. As a result, we have concluded that the reimbursement provisions contained in section 1(d)(1) of H.R. 12 are not acceptable since they would require substantial outlays at a time when we are making strong efforts to reduce Federal spending and assist the recovery of our economy. We must also realize that the cost expansions through such a program are likely to prove to be far beyond current annual expectations.

Instituting reimbursements for State and local governments for the assistance which is an historic part of their duty under our Federal system of government is contrary to the cooperative nature of law enforcement in the United States and would augur a shift in the balance of law enforcement responsibility from the State and local authorities to the Federal Government.

Furthermore, the use of reimbursements in this area of principally State and local responsibility will act as a precedent for similar procedures in other areas. This is not in the best interests of either the Federal Government or the State and local entities which comprise our Federal system of government. We, therefore, must oppose the reimbursement provisions of H.R. 12.

The same general considerations of budgetary restraint on Federal programs, particularly in a time of economic difficulty, also call for our opposition to the creation of additional supergrade positions in the Secret Service.

We also believe it is important to note that our concurrence in section 1(a) of H.R. 12, which provides for assignment of EPS officers in metropolitan areas with 20 or more foreign missions, is based upon the construction of section 202, as amended by H.R. 12, that the determination of "extraordinary protective needs required" is to be made by the Secretary of the Treasury. The request of the "affected metropolitan area" is nothing more than a request; and, presumably, some demonstration of "extraordinary protective needs" will be presented for the Secretary's consideration.

Of course, the Secretary is not bound by the request or the evidence of local authorities in support of their request; and he may make his determination based upon information presented only from sources other than the requesters. This authority of the Secretary is embodied in his authority to supervise the Executive Protective Service.

With the elimination of the reimbursement provisions of H.R. 12, the retroactive effective date of July 1, 1974, is superfluous and should be stricken. If some form of reimbursement were to be entertained by the subcommittee despite our objections, we believe that the effective date must not be retroactive but instead concurrent or prospective.

The bill as drafted is not consistent with administration objectives. However, with amendments deleting both the reimbursement provisions and the additional supergrade positions which are contrary to the budgetary program of the administration, and with the understanding that the legislative history and report on the bill will reflect the exclusive authority of the Secretary to determine extraordinary protective needs, we will support this legislation to increase the manpower ceiling of the Executive Protective Service.

I shall be glad to answer any questions you may have.

Senator BUCKLEY. Thank you very much.

First of all, I say that I am wholeheartedly in favor of the administration's efforts to cut back expenses. But as I suggested in my own statement on behalf of the bill, there has been a burden imposed on the cities, certainly New York City. But I know from personal experience it certainly goes far beyond any historic burden before we had such a thing as an obligation imposed by the Federal Government on the city. One that the equity does need some kind of reimbursement.

You oppose the retroactive feature in H.R. 12. Could you tell me what would be the estimated cost of this bill if enacted for the period since July 1 of last year?

Mr. FEATHERSTONE. I don't think I can answer that accurately. I think it is \$3.2 million.

Senator BUCKLEY. I believe the figure was about \$3 million a year.

Mr. FEATHERSTONE. To New York City; \$3 million a year, is that just for New York?

Senator BUCKLEY. No, the cost of the bill.

Mr. FEATHERSTONE. I think it would be very difficult really to estimate what the cost would be in the future.

Senator BUCKLEY. You have made no attempt to assess this. You have had many years of experience, certainly.

Mr. FEATHERSTONE. I don't think the Secret Service made any estimates because of the time and the lack of basic data. We have no experience in making reimbursements.

Senator BUCKLEY. Your statement made reference to substantial outlays. I am just trying to figure how substantial were these outlays.

Mr. FEATHERSTONE. I think it would be very difficult to estimate how substantial they will be, especially with the Bicentennial coming up.

Senator BUCKLEY. Would you dispute the estimate of \$3 million made by the House?

Mr. FEATHERSTONE. I have no basis on which to dispute it or to support it. I don't know just how that \$3 million was arrived at.

Senator BUCKLEY. Unless you can come up with other information, this committee will proceed on the assumption that we were talking about \$3 million.

Mr. FEATHERSTONE. We will look into it further and see if we can supply something for the record at a later date. [See the response to question 2 of the second submission of questions and answers, p. 31.]

Senator BUCKLEY. What evidence has there been since the summer of 1973, that threats and dangers exist to the diplomatic community in Washington, D.C., that cannot be met effectively by the EPS in its present size and thus, justifies an increase to 1,200 officers?

Mr. FEATHERSTONE. Mr. Drescher will answer that question.

Mr. DRESCHER. Mr. Chairman, since 1973, as the Executive Protective Service has become better known to the diplomatic community, the increase in requests for services of the EPS by the diplomatic community in Washington, D.C., has been substantial.

Fixed posts, the assignment of officers to particular locations, have increased from 72 to 171. Blair House details have just about doubled, from 8 to 15. Special protective attention has more than doubled, from 92 to 198.

The number of receptions that take place in the diplomatic community in Washington, D.C., and which have been used as vehicles for terrorist activities in other parts of the world, have increased from 132 to 334. There is every indication that these requests will continue as a result of the terrorist situation throughout the world from domestic crime in this area. [See also the response to question 3 of the second submission of questions and answers, p. 32.]

Senator BUCKLEY. Would it be fair to suggest that the same estimation that has been presented will make the need for police protection existent wherever you have a large diplomatic community?

Mr. DRESCHER. Yes. I would have to say so.

Senator BUCKLEY. Therefore, Los Angeles, New Orleans, New York City and others—

Mr. DRESCHER. Well, maybe not to the same extent that the threat is prevalent and protection is sought after here in the Nation's Capital, where the Ambassadors are. Of course, the consulates are extensions of the Ambassadors' authority, which is situated here in Washington.

Senator BUCKLEY. In New York City we have some high grade Ambassadors to the U.N.

Mr. DRESCHER. Yes.

Senator BUCKLEY. Section 1 of H.R. 12 refers to the increasing size of the Executive Protective Service. Yet section 3 authorizes 10 additional GS-16,-17,-18 supergrades. Who will those be assigned to and for what purpose?

Mr. RUNDLE. Mr. Chairman, at the time H.R. 12 was submitted, the submission for supergrades was made to cover supergrades within the Secret Service, which supervises the Executive Protective Service. There have not been any supergrade additions to the Secret Service since our reorganization in 1965, following the Warren Commission report.

Senator BUCKLEY. What does the phrase, "extraordinary protective service" mean? Does it include any continuing protective services for certain consulates for a certain period?

Mr. RUNDLE. The term as used in the statute has only been used for New York City, to date. That is our only history.

It has been used at the United Nations in New York on previous occasions and for the police strike in New York. That is the only time the term has been applied.

Senator BUCKLEY. I gather from your answer that these are really short-term assignments?

Mr. RUNDLE. Yes, sir. As the legislative history of the original EPS bill revealed during the time that the bill was originally considered, the intent was that the assignments would be made under extraordinary circumstances for a brief period of time. [See also the response to question 4 of the second submission of questions and answers, p. 33.]

Senator BUCKLEY. I believe in your statement that you, while rejecting H.R. 12, would propose an alternative to utilize your own personnel as needed. Wouldn't this be more costly?

Mr. RUNDLE. The present law as it exists, sir, will allow the President on a case-by-case basis, to send the Executive Protective Service to protect any foreign diplomatic mission in the United States.

We have not attempted a comparative cost basis as to the operation of the Executive Protective Service versus local police, because we feel the two are not comparable. The Executive Protective Service would be sent from Washington, for a very short period of time on a limited basis and then return to Washington. Whereas, the police would be engaged in a 24-hour day, month-by-month operation.

Senator BUCKLEY. Before the enactment of the Executive Protective Service, do you happen to recall what the Federal Government paid the District of Columbia annually for providing the protection to the diplomats?

Mr. RUNDLE. I do not know, sir.

Senator BUCKLEY. Is my information correct that there was a payment for the protection of diplomats?

Mr. RUNDLE. I would have no knowledge of that, sir.

Mr. FEATHERSTONE. I don't know either, sir.

Senator BUCKLEY. I would appreciate it if you could provide for the record an answer to this question. Before the enactment of the Executive Protective Service legislation, did the Federal Government make annual payments to the District of Columbia, for the protection provided to diplomats and if so, over the period of say 5 years, how much per year?

Mr. RUNDLE. Yes, sir. We can look into that. We will request those figures from the Department of State. [See the response to question 9 of the submission of questions and answers, p. 27.]

Senator BUCKLEY. I am sure the thrust of the question is self-evident to determine whether or not the Federal Government recognizes a specific responsibility for this type of protection.

If diplomatic property is destroyed in New York, Chicago, or New Orleans, is reimbursement made to a foreign government, and if so, is it made by the Federal Government in the name of the American people or is it made by the local government?

Mr. RUNDLE. Again, sir, I would have to refer that to the Department of State. We are operating police personnel. We don't get involved in the international situation.

Senator BUCKLEY. I would appreciate it if you can ferret out the information as to whether or not foreign government is compensated for damage to its diplomatic property. If so, who makes the payment.

Mr. RUNDLE. I wonder if it would be proper for me to suggest for the committee to go directly to the Department of State rather than asking us.

Senator BUCKLEY. Your position is well taken. We shall make that necessary request.

How would the EPS have considered the visit of the head of the PLO to the United Nations to be in and of itself in a position of extraordinary protection needs?

Mr. RUNDLE. That would be a little bit difficult for me to answer in that the U.S. Secret Service was directed to protect the leader of the Palestine Liberation Organization during that period. We were directed to provide that protection by the President of the United States.

Senator BUCKLEY. Was the judicial effort by the New York Police Department superfluous or required?

Mr. RUNDLE. I could not comment on that, sir.

Senator BUCKLEY. I have a feeling that I have a whole series of questions here that you probably are not in a position to answer off the bat. What I would like to do is to submit to you the questions that have been prepared.

If you could then provide for the record that information that you think you are in a position to answer, that is what we want.

Mr. RUNDLE. We will be glad to, sir.

Senator BUCKLEY. I will therefore, on this matter say that the record will be held up for a period of 5 days. The questions are not that complicated.

Thank you very much.

Mr. FEATHERSTONE. Thank you.

[The questions and responses follow:]



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

DEPUTY ASSISTANT SECRETARY

June 27, 1975

Dear Senator Buckley:

Reference is made to your letter of June 17, 1975, enclosing a list of questions relating to your consideration of H. R. 12, a bill to increase the size of the Executive Protective Service. Enclosed are the answers to the questions.

We have attempted to answer the questions as fully as possible although our knowledge in some areas is limited. Where appropriate, we have suggested that the Committee direct its questions to the Department of State. Also enclosed is the edited transcript of our testimony on June 9. I hope that our responses to your questions and our clarifications in the transcript will aid you in consideration of H. R. 12.

Sincerely yours,

James J. Featherstone
James J. Featherstone
Deputy Assistant Secretary
(Enforcement)

The Honorable
James L. Buckley
United States Senate
Washington, D. C. 20510

Enclosures

H.R. 12 (Executive Protective Service)Questions & Answers

1. Q. Last year a Senate Bill (S.3124) was introduced and passed, at the request of Executive Protective Service, which authorized an increase in uniformed officers from 850 to 1200. The Director said it was urgent. Is this still desired, and if so, why isn't it included in the present bill?
 - A. Language providing for an increase in the legislative ceiling of the EPS from 850 to 1200 officers is included in the present bill. The Secret Service considers this ceiling increase to be an urgent matter, and essential to provide adequate protection to the approximately 300 foreign diplomatic missions located in the Washington Metropolitan Area. Treasury has requested that the ceiling be raised to 1200 to allow for possible future expansion. However, at this time we have requested from our appropriations committee authorization to hire an additional 166 officers, which would bring the total EPS strength to 1016 officers, and which would be adequate for the present based upon the intelligence information available. The 1200 ceiling is needed to allow for reasonably anticipated expansion without further statutory amendment.
2. Q. What is the present personnel strength of Executive Protective Service, and what increase is anticipated during the next five years?
 - A. Present strength: 850 ----- 1976 budget amendment request is pending for 166 additional officers. If approved, total strength would be 1016. Future increases during the next five years would depend upon the international situation,

acts of international terrorism and incidents of local crime in the Washington Metropolitan Area.

3. Q. Section 1 of H.R. 12 refers to increasing the size of the Executive Protective Service, yet section 3 authorizes ten (10) additional GS-16, 17, and 18 super-grade employees for the Secret Service. Who will these be assigned to, and for what purpose?

A. Since the reorganization of the Secret Service in 1965, significant additional responsibilities have been assigned without a concomitant increase in supergrade positions. Included in these additional duties are the creation of the EPS to provide protection to foreign missions, the protection of visiting chiefs of state and heads of government, and, at the direction of the President, other distinguished foreign visitors and Americans on official missions abroad; the protection of major Presidential and Vice Presidential candidates and nominees, former Presidents and their wives, the widows and minor children of former Presidents, the immediate family of the Vice President and temporary official residence of the Vice President.

During this time, the number of positions in the Service has increased from less than 900 in 1965 to over 3,100 in 1975 without an increase in higher level positions. Accordingly, the 10 additional supergrades will be

assigned to the senior operational and management personnel within the Service, so as to bring their grades in line with the additional responsibilities assumed and to more closely equate the positions with those of other law enforcement agencies.

The Treasury Department believes, however, that we must conform the needs of the Secret Service for more supergrade positions to the overall request for Executive Branch supergrade positions which is submitted by the Civil Service Commission each fiscal year. This comports with the Administration's program for overall management of costs and resources.

4. Q. Why isn't the existing law satisfactory, which authorizes assignment of officers to the protection of foreign missions outside the D.C. area on a case-by-case basis? Why is blanket authority desired and necessary?
 - A. Basically, the existing law is satisfactory, with the exception of the 850 ceiling. The alteration of the existing law to allow the Secretary of the Treasury to authorize EPS coverage of foreign diplomatic missions outside of the metropolitan D.C. area for "extraordinary protective needs" would seem to be less cumbersome than the present law which states "as the President, on a case-by-case basis, may direct".

5. Q. Who all are the Secret Service authorized to protect? Can't they provide protection for foreign missions without additional authority?
- A. The Secret Service is authorized to protect the President of the United States and members of the immediate family, The President-Elect, the Vice President and members of the immediate family or other officer next in the order of succession to the Office of President, and the Vice President-Elect; the protection of the person of a visiting head of a foreign state or foreign government and, at the direction of the President, other distinguished foreign visitors to the United States and official representatives of the United States performing special missions abroad; the protection of persons who are determined to be major Presidential or Vice Presidential candidates, unless such protection is declined; the protection of a former President and his wife during his lifetime; the protection of the person of the widow of a former President until her death or remarriage, and minor children of a former President until they reach sixteen years of age, unless such protection is declined. The Executive Protective Service is a uniformed division of the U.S. Secret Service which is authorized by Title 3, Sections 202 & 203, to protect: (1) executive mansion

and grounds in the District of Columbia (2) any building in which Presidential offices are located (3) the President and members of his immediate family (4) foreign diplomatic missions located in the metropolitan area of the District of Columbia (5) the temporary official residence of the Vice President and grounds in the District of Columbia (6) the Vice President and members of his immediate family (7) foreign diplomatic missions located in such other areas of the United States, its territories and possessions, as the President on a case-by-case basis may direct. No additional authority is deemed necessary.

6. Q. Why are only those cities having 20 or more foreign consular offices singled out as requiring protection? Who would furnish protection in those having 18 or 16 or less? And does this include protection of trade missions or other semi-official contingent groups?
- A. Secret Service has no knowledge in this area. This criterion was established by the House Public Works Committee. Proposed H.R. 12 would not appear to include protection for trade missions or other semi-official establishments.
7. Q. Will extended authorization eventually be requested, to include protection of all such missions, regardless of number or size?

- A. It is not the intention of the Treasury Department to request such additional authorization. It is reasonable to assume that various localities will make requests for protection.
8. Q. On what basis is it determined that the need for protection is increasing, and how can we know when the ultimate has been achieved? Is the answer more money, more manpower, or what?
- A. The need for additional protection in the Washington, D.C. area is based upon the following Department of State requests for security.

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>
<u>Fixed Posts</u>	72	127	168	171
<u>Blair House *</u>	8	11	14	15
<u>Short Beats</u>	9	17	24	33
<u>Special Attention</u>	92	162	171	198
<u>Receptions</u>	132	362	427	334

* Each detail assigned to the Blair House requires a minimum of Ten officers and One sergeant.

Additionally, the present world situation shows an increase in acts of world-wide terrorism directed toward diplomatic officials and diplomatic missions. Increased intelligence information shows more and more attacks can be expected against foreign diplomatic installations in

the United States. The Executive Protective Service presently has a great need for an additional 166 officers to fulfill its present responsibilities for protecting the 300 diplomatic missions in the Washington metropolitan area.

9. Q. To what extent have local communities been called upon to bear the responsibility for and expense of protecting foreign missions? Pursuant to what authority has this been done, and how have they been compensated?
- A. Treasury has no knowledge in this area and suggests that this question be directed to the Department of State --- Deputy Assistant Secretary Victor Dikeos.
10. Q. What is considered an extraordinary protection need, referred to in the House Committee Report on H.R. 12? Who determines this? Under what circumstances would affected metropolitan areas request reinforced protection, as the report indicated they would?
- A. The phrase "extraordinary protective need" referred to in the House Committee Report is not used by the Secret Service. Hence, we can only surmise its definition. The Secret Service interprets this phrase to indicate temporary situations which present more serious protective needs than those routinely handled on a day-to-day basis. Under H.R. 12 the Secretary of the Treasury would make a final determination as to whether such a situation exists in cases where requests for assistance are made by local authorities. The President would retain his authority to assign EPS personnel on a case-by-case basis in accordance with Section 202 of Title 3, United States Code. The Secret Service is not able to determine under what circumstances affected metropolitan areas would request assistance.

11. Q. What is meant by "Confrontations between Nationalistic Groups" referred to under "need for legislation" in the report? What if the need for protection occurred as a result of local confrontation or demonstrations not having foreign implication? Under whose jurisdiction would this be, and at what point would decisions be made?
- A. It is assumed that "Confrontations between Nationalistic Groups" refers to incidents such as Arab demonstrators vs. Israeli demonstrators and vice versa, Jewish Defense League demonstrations against foreign missions, etc. If the need for protection occurred as a result of a local confrontation or demonstration not having foreign implications, under present law, the President of the United States would have to determine the protective need and subsequent utilization of Executive Protective Service Officers. Under H.R. 12, the Secretary of the Treasury could make that determination if the local authorities sought help.
12. Q. Would local police be used only in the case of large public gatherings or drastic emergencies, or would this be on a routine procedural basis?
- A. The Treasury Department has no knowledge in this area, and defers to the Department of State --- Deputy Assistant Secretary Victor Dikeos.

13. Q. How would compensation or reimbursement be determined in these cases? Would these transactions be subject to GAO audit, and by virtue of what authority?
- A. We have no knowledge in this area.
14. Q. Would local police departments tend to set aside a certain percentage of their facilities for this purpose, as a permanent arrangement?
- A. We have no knowledge in this area.
15. Q. Wouldn't jurisdictional conflict be involved, if local police were delegated responsibility for protecting foreign missions under Federal control? Whose orders would be followed, and what laws or regulations would govern?
- A. Apparently yes, but we do not believe this is appropriate for speculative comment by the U.S. Secret Service or the Treasury Department.
16. Q. Would local police be stationed in front of these places, as Executive Protective Service Officers now are? Would mobile units ever be used? Are protective training techniques similar, or would additional training of local police be necessary?
- A. We have no knowledge in this area.
17. Q. Why should local government officially be given the option to decide who would provide protection and when, as the report on H.R. 12 suggests? Won't the President still have authority to act on a case-by-case without local consent?
- A. Upon requests by local officials for protective assistance, the Secretary of the Treasury would exercise final authority relative to the assignment of EPS personnel. We cannot support H.R. 12 unless the exclusivity of the Secretary's authority is clear. The President's authority to assign EPS personnel on a case-by-case basis where he deems appropriate is not affected by H.R. 12.

18. Q. How were the estimated costs of reimbursements to local governments computed for protective services that might be rendered during fiscal years 1976 thru 1980? What accounts for the substantially higher cost for FY-1976, in the H.R. 12 report, than the ensuing years?

A. We have no knowledge in this area.

Q. Would it be possible to have a study of local police departments to determine what services are provided and what law enforcement would be required, and what law enforcement would be required for protective services for police officers?

A. Apparently yes, but we do not believe that is appropriate.

Q. The legislative committee on the U.S. House of Representatives has requested that the Treasury Department

conduct a study to determine if there are any local police departments that are providing protective services for police officers. Are there any local police departments that are providing protective services for police officers?

A. We have no knowledge in this area.

Q. Why should local governments ultimately be given the option to provide protective services for police officers, as they are now? Is it not the responsibility of the Treasury to provide protective services for police officers?

A. That request by local officials for protective services

is the responsibility of the Treasury to provide protective services for police officers.

Q. Is it not the responsibility of the Treasury to provide protective services for police officers?

A. It is not the responsibility of the Treasury to provide protective services for police officers.

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A. It is not the responsibility of the Treasury to provide protective services for police officers.

Second Submission ofQUESTIONS & ANSWERS ON H.R. 12

1. Q. The Bill, as written, would be retroactive to July 1, 1974, covering a number of events on which the costs can be estimated. Could you tell us the estimated cost of this Bill for the period since July?
 - A. No. We have no way of determining the type of coverage provided by the various agencies involved.
2. Q. The House Report places the estimated cost of the reimbursement feature of the Bill at \$3,000,000 yearly. Do you agree? What is the basis for that estimate?
 - A. Since the regulatory procedures of the reimbursement portion of this Bill are not defined, we have no way of estimating the actual cost. We are not aware of how the House Public Works Committee arrived at this figure. It would be impossible for the U.S. Secret Service to estimate the annual cost of this legislation. We are not aware of the numbers or depth of Department of State requests to local police to provide security for foreign missions outside the Washington, D.C. area. We are also not aware of whether the police departments respond to these request partially, fully, or with what equipment and manpower. Additionally, we have no way of auditing local police quality of response.

3. Q. What evidence has there been since the summer of 1973 that threats and dangers exist to the diplomatic community in Washington, D.C. that cannot be met effectively by the EPS in its present size and thus justify an increase to 1,200 officers?
- A. The authorized number of EPS officers has remained constant since the inception of EPS in 1970. However, the multitude of world-wide terrorist incidents has markedly increased the demands for EPS services by foreign governments. These requests continue to grow. There have been instances where coverage had to be reduced at a particular location and diverted elsewhere, even though intelligence indicated that coverage should have been continued on the original assignment. The outlook for the future is that the trend in the number of politically motivated acts of terrorism has not yet reached its peak.
- The present force of officers is having difficulty responding to the number of requests for services generated by the current level of terrorist activities. The Treasury Department feels that it is an urgent matter to increase the legislative ceiling of the EPS from 850 officers to 1200. The urgency of this matter is to

provide adequate protection to the approximately 300 Foreign Diplomatic Missions located in the Washington Metropolitan area. The Treasury has requested that the ceiling be raised to 1200 to allow for possible future expansion. However, at this time we have requested from our Appropriations Committee authorization for an increase of only 166 officers which would bring the total EPS strength to 1016 officers and which would be adequate with the intelligence information available to date. Please see also the answers to Questions 1 and 2 of the first set.

4. Q. What does the phrase "extraordinary protective need" mean? Does it include any continuing protective services at certain consulates for indefinite periods?
- A. Please see the response to Question Number 10 in the first set. Since this phrase is not one used by the Secret Service, we can only surmise its definition. The Secret Service interprets this phrase to mean situations which are more serious than the day-to-day protective needs which are routinely handled. Furthermore, we believe it refers to protection on a temporary basis to be terminated at the conclusion of the extreme threat, or when local police forces are able to satisfy the protective need.

5. Q. Is it correct that the Executive Protective Service protects the missions, and that any extraordinary assistance would go only to guarding actual mission buildings?
- A. The EPS mandate in 3 USC 202 reads in part " (5) Foreign Diplomatic Missions located in such other areas in the United States, its territories and possessions, as the President, on a case-by-case basis, may direct." With respect to Foreign Diplomatic Missions the EPS is strictly enjoined to protect only actual mission buildings.
6. Q. Does the Administration support the additional 10 supergrade positions in the Bill? Are they necessary?
- A. Please see the response to Question Number 3 of the first set.

Senator BUCKLEY. Our final matter today is the amended prospectus, U.S. Tax Court, District of Columbia. As far as the completion of the U.S. Tax Court Building, which was authorized in 1963, unforeseen design changes and spiraling inflation have increased costs since then that an additional \$2 million is needed to complete the work which is planned.

Will those who are going to testify please come forward and identify themselves for the record?

If I may insert into the record for the last bill, H.R. 12, statements of Senator Jacob Javits and also Mr. Edward Kiernan, president of the International Conference of Police.

[The statements follow:]

STATEMENT OF HON. JACOB K. JAVITS, U.S. SENATOR FROM THE STATE OF NEW YORK

Mr. Chairman and Members of the Subcommittee:

I am here to express my strong support for H.R. 12 which amends the legislation establishing the Executive Protective Service.

In 1970, P.L. 92-217 was enacted which established the Executive Protective Service, changing the name of the White House Police and adding the responsibilities of protecting foreign diplomatic missions in the Washington D.C. area and in other areas as the President directs on a case-by-case basis. Protection in other areas would only be authorized when local authorities are not capable of providing it at the desired level. The Executive Protective Service has served its purpose well in Washington D.C. and has lessened the burden on the local police force concerning protection of foreign missions.

However, since 1970 it is become apparent that adequate protection of foreign missions should be extended to areas other than Washington D.C. Over the last several years because of the continuing crisis in the Middle East Executive Protective Service officers have been assigned to protect the missions of various Arab countries and of Israel in New York City.

This situation is certain to continue for the foreseeable future. Protection of a large number of foreign diplomatic missions often involves large numbers of local police and high expenditures of local money. This is especially true in the case of New York City in which is located approximately eighty-four different diplomatic missions. In 1974, Mayor Beame of New York indicated that the city was incurring a cost of \$3.1 million to protect diplomatic missions including \$700,000 spent during the visit of Yasir Arafat to the United Nations. These types of expenses are clearly national in character and should not be left to cities such as New York to pay on its own.

H.R. 12 would authorize an increased level of Executive Protective Service personnel up to 1,200 officers. This would be an increase of 350 over the present level. In addition the bill provides the Secretary of the Treasury with authority in cases of extraordinary need to provide protection for foreign diplomatic missions located in metropolitan areas, other than Washington D.C., where there are twenty or more such diplomatic missions headed by fulltime career officers. Presently this would cover missions in New York City, Chicago, Los Angeles, Houston, New Orleans and San Francisco. A request would be required from the particular metropolitan area for Executive Protective Service personnel or as an alternative reimbursement would be provided for use of local or state personnel, equipment and facilities.

I believe that H.R. 12 is a responsible solution to an evergrowing problem. It is important that foreign diplomatic missions be protected particularly when international terrorism has become commonplace. At the same time it is unfair to have local governments shoulder the entire burden of protection of these missions. I urge the Subcommittee to approve this bill so that the Senate may act on it as quickly as possible.

STATEMENT OF EDWARD J. KIERNAN, PRESIDENT INTERNATIONAL CONFERENCE OF POLICE ASSOCIATIONS

Mr. Chairman, and members of the Subcommittee, my name is Edward J. Kiernan and I am President of the International Conference of Police Associations.

On behalf of our more than 150,000 members, I wish to go on record as supporting H.R. 12.

This bill would authorize an increase of 350 officers in the Executive Protective Service bringing the total force to 1200 men. There is no doubt that the need for these additional men exists and that conditions throughout the world have created an atmosphere of political terrorism and tension. As the most prestigious country in the world, we should realize that our responsibility to protect and safeguard our foreign visitors and dignitaries should be one of our main concerns.

In addition, H.R. 12 authorizes the Secretary of the Treasury to compensate State and local jurisdictions for the use of personnel, equipment, and facilities when members of the Executive Protective Service are unavailable. In the City of New York especially, with the routine policing of the United Nations complex plus all of the Embassies, Missions and offices of its member nations, the Police Department is called upon on a daily basis to provide services. Most of the demonstrations are of a highly emotional type and it is not unusual to have factions from both sides of the issue demonstrating at the same time. This entails having available a sufficiently mobile force to adjust to these various locations, all of which require a great deal of expense on the part of the Police Department. The same holds true to a lesser degree to cities such as Chicago, Los Angeles, Houston, New Orleans, Boston, and San Francisco.

In light of the fears expressed by some members of Congress that the use of Executive Protective Service Officers in places other than Washington, D.C. would be equivalent to the creation of a national police force, I feel that the Federal Government should assume its rightful responsibility of reimbursing these cities for police expenditures.

I sincerely urge you to report favorably on this bill and make it possible for the above mentioned cities to continue to provide efficient, courteous and effective protection to the foreign guests of our government.

Thank you.

TAX COURT

Senator BUCKLEY. Gentlemen, you may proceed.

STATEMENT OF HON. H. DAWSON, JR., CHIEF JUDGE, U.S. TAX COURT, WASHINGTON, D.C., ACCOMPANIED BY LOY SHIPP, ASSISTANT COMMISSIONER FOR SPACE MANAGEMENT AND PLANNING, GENERAL SERVICES ADMINISTRATION; FRANK MATZKE, ACTING ASSISTANT COMMISSIONER FOR CONSTRUCTION MANAGEMENT; AND MR. CREWE, COURT EXECUTIVE

Mr. DAWSON. Mr. Chairman, I am Howard A. Dawson, Jr., chief judge, U.S. Tax Court. With your permission, I will make my statement first.

Senator BUCKLEY, Please.

Mr. DAWSON. The amended prospectus now before this subcommittee requests a \$2 million increase to the original prospectus for the completion of the plaza in front of the U.S. Tax Court Building.

We previously provided some pictures to the committee, photostats which depict the condition of the partially completed plaza. I don't know whether you have those or not, Mr. Chairman.

Senator BUCKLEY. The committee has them. But I don't have them right in front of me now.

Mr. DAWSON. Mr. Crewe, our court executive, will hand them to you.

Senator BUCKLEY. We have a set here, Mr. Crewe.

Mr. DAWSON. The plaza was included in the original prospectus. However, there were certain delays in the approval of permits by the District of Columbia government that prohibited letting the bid for the plaza. The ramps and sidewalks were completed so that the Tax Court Building could be occupied and the beams were placed across the center leg of Interstate 95, as shown in the photographs.

The money remaining from the original appropriation is not adequate to complete the plaza. The Tax Court feels very strongly that the plaza should be completed. It is unsightly with the rusty beams protruding across I-95 immediately in front of the entrance to the building.

We urge that this subcommittee act favorably upon the amended prospectus submitted by the General Services Administration. It contains the details of the request. I would be glad to answer any questions that you may have.

I believe Mr. Shipp has a statement on behalf of General Services Administration.

Senator BUCKLEY. Thank you very much. This is one of the many items around. It has been about 12 years since the authorization.

Mr. DAWSON. Yes. It was in 1963.

Senator BUCKLEY. At that time the estimated cost was about \$10 million or \$37 per square foot. Even though the building was redesigned and approved in 1971, even though it was then 18 percent smaller, the cost has gone up to \$88 per square foot. Is this more than doubling of the cost in a 9-year period and an 11-year period comparable to general experience?

Mr. SHIPP. Mr. Chairman, my name is Loy Shipp. I am Assistant Commissioner for Space Management and Planning, Public Buildings Service. With me is Mr. Frank Matzke, who is the Assistant Commissioner for Construction Management. Mr. Matzke will answer that question.

Mr. MATZKE. Mr. Chairman, comparing the original cost established in 1963 to our current costs, which we incidentally have computed at \$87 per square foot with the plaza construction estimate included in that, the cost escalation since that time have been in this order. We have been experiencing throughout the country, escalation in cost that range from 8 to 12 percent a year. But you have to remember that this cost escalation is compounded over that period. So, it goes up on this ratio.

Senator BUCKLEY. The original building as originally authorized had a ratio of a sizable space of 61 percent with a redesign building as one of 59 percent.

Isn't this rather a low efficiency rating and if so, does it make sense to ask for more nonproductive space?

Mr. MATZKE. Well, the ratio is based on the ratio of net usable square footage to the actual gross area of the building. This particular type of facility has a high ratio because of the spaces. In fact, there are actually two circulation systems, public and private circulation systems, the private being for the judges and others.

It is also the type of building that has a higher amount of space in the gross area because of the large areas required for circulation of large groups of people in a court type facility. The adding of the plaza, which is a feature outside of the building, could be considered. But normally, we don't consider that type of an area in the computation of square foot costs.

Senator BUCKLEY. It is rather an extensive area, \$62.50 per square foot. What are the benefits to be derived from this rather large expenditure?

Mr. MATZKE. The principal benefit to be derived from the construction of the plaza is to provide an open space which will ultimately

connect up two Federal buildings. The site opposite the Tax Court is now occupied by the Federal City College. But this has been reserved as a site for a future Federal building. The open space between the two buildings actually was mandated by the National Capital Planning Commission at the time they approved the original plans for the facility.

Senator BUCKLEY. What about the cost of \$62.50 per square foot?

Mr. MATZKE. This is a cost of what amounts to a supported plaza or structure to actually support a landscaped area which would have walkways, a reflecting pool and extensive landscaping. Considering the normal cost of landscaping and finishing a plaza of this type, then adding to it the fact that it has to be a supported structure over an expressway, brings it up to that order of magnitude.

Senator BUCKLEY. Would you have any way of estimating what percentage of that cost is estimated by the need to support that?

Mr. MATZKE. I don't have the actual figures. I have some people with me who might have that.

I think, if it is possible, we will compute that and provide it for the record.

Senator BUCKLEY. Yes.

[The information requested follows:]

The cost of the plaza being a raised structure over an active freeway is approximately \$1,175,000.

Senator BUCKLEY. Why was there a delay in the approval for the permits for constructing the plaza?

Mr. MATZKE. There was delay brought about by the District of Columbia Highway Department, related to this because of the factors involved in putting this structure over I-95. It meant actual demolition of some of the walls along the side and putting a supporting structure in the median strip in the middle of the roadway. The District of Columbia Highway Department had some reservations about this construction and how it would impose on the highway system itself.

Mr. DAWSON. Mr. Chairman, it wasn't until January 1974 that the District of Columbia Highway Department actually approved the plaza construction over the freeway.

Senator BUCKLEY. My understanding is that the invitation to bid on the Tax Court building did not include the plaza. Is that correct?

Mr. MATZKE. That is correct.

Senator BUCKLEY. How come the existing heavy steel substructure was built across I-95 to support the plaza?

Mr. SHIPP. The plaza area steel construction was separated out of the project because at the time we were having some uncertainty with the District with regard to a permit. Once that preliminary approval was given, they gave their first approval back in late 1973, it was determined that we would then proceed with the award of a contract for the construction of that steel because we were still within what we estimated to be a maximum limitation of costs for the project.

At that time, the cost of steel and construction was still escalating at a very rapid rate. We wanted to take advantage of the situation and try to bring the project within our estimated maximum limit of costs. That is why the award was made at that point.

Mr. DAWSON. I believe it was split into phases 1 and 2 at that time. Phase 2 included the completion of the sidewalks and the ramps as

well as the installation of the steel beams. Then later that was divided into phases A and B. Some savings were effected by the purchase of the steel beams. At that time they cost around \$564,000. The price of steel has gone up since then.

Senator BUCKLEY. Of course, this platform has been left unfinished in this interim period. Has that created hazards for motorists and others?

Mr. SHIPP. We don't feel it has created a hazard. The main problem is the unsightliness in front of a very beautiful building.

Senator BUCKLEY. My understanding is that the original plan in 1963, was considered to visage a different site. The change of sites resulted in delays and the delays have resulted in a tripling of costs. I am not sure whether it is a direct relationship, but in retrospect, was the decision to change the site a good one and how has the Tax Court benefited?

Mr. SHIPP. The original site that was selected for this building is the site that is occupied by a temporary building that was at that time occupied by the Securities and Exchange Commission. Subsequently, we were able to lease space with SEC, relocating them out of the building, so as to free up the site for possible use by the Tax Court.

But in the interim, the Federal City College came into existence. They came to GSA and asked for those buildings on an interim basis, pending a selection of a permanent location for the college. To this date, the college has not moved. It is uncertain as to when it will move. Had we stayed with that particular site, we would still be without a Tax Court building. The cost would continue to escalate. We feel that by selecting an alternate site, we were able to proceed with a much needed project at an earlier date than would be otherwise possible.

To that extent, even though costs have gone up, they would be no higher than if we were delayed at this time to start on the project.

Mr. DAWSON. Once the construction was started by the George Hyman Construction Co., in the summer of 1973, it was completed in a little less than 2½ years, pretty much on schedule.

Senator BUCKLEY. To get back to the plaza, you say it doesn't present a real hazard at the present time. Are you under obligation to place a structure there? You do not have the option of just doing away with the plaza and lifting up those beams?

Mr. SHIPP. We don't feel that we do, Mr. Chairman. The original approval by NCPC of the siting of the Tax Court building on the new site was conditioned upon the construction of this plaza to connect across the freeway.

Senator BUCKLEY. Was this committee fully apprised of that fact at that time?

Mr. SHIPP. Not at that particular time. In our revised prospectus, the second one that was submitted, I believe this was brought out. The plaza was included in that total project cost.

Senator BUCKLEY. In other words, at the time the appropriations were approved to get us to where we are now, the Congress was fully apprised that this was a package deal?

Mr. SHIPP. Yes, sir.

Mr. DAWSON. Mr. Chairman, Public Law 92-607, dated October 31, 1972, provided for the additional funds. It reads as follows: "For

necessary expenses to complete the construction of the U.S. Tax Court building project including a plaza, the bridge Interstate Highway 95 between the Tax Court building and 2d street, Northwest, in the District of Columbia," and so on.

Senator BUCKLEY. In any event, we have then a commitment to a plaza and we have got a price tag of \$2 million, a large square footage of space of which a substantial amount is directly related to the fact that we are bridging a highway. Are there ways we can cut back on the cost of this item? For example, is a reflecting pool necessary? Do we need two large stainless steel storage cans? Are there any cheaper alternatives, not to be considered eyesores?

Mr. MATZKE. The present design is the design that was developed by the architect for the facility, recognizing that this would serve as a central plaza and a connector between two Federal buildings.

The reflecting pool is a design feature. It is incorporated in the development of the plaza. It serves a purpose of the same as the trees and the other aspects of the landscaping. We do have an alternative plan which would be the substitution of concrete in lieu of granite.

But this is not a desired plan because of the fact that the granite has a much better record for lower maintenance. It has a higher first cost, but a lower maintenance cost.

The reflecting pool itself would be lined with stainless steel, to insure it being waterproof so it could not cause a problem with the highway below. At the same time it is lined with granite so that at certain times of the year when it is inappropriate to keep the pool filled with water, it still is a pleasant thing to see. It is not an eyesore during certain months of the year.

Senator BUCKLEY. Do you happen to know what might be the saving if that architecture feature were eliminated?

Mr. MATZKE. You mean the pool itself?

I do not have the figures on that. If the pool itself were taken it would probably be replaced by some other form of landscaping. But we could get those figures for the record.

Senator BUCKLEY. Thank you.

[The information requested follows:]

The present estimated construction cost of the plaza including the pool is \$1,825,000. In order to remove the pool it would be necessary to remove certain portions of the granite now in place, and delete from the design the pool's stainless steel pan and its associated appurtenances. Removal of these items would reduce the construction cost by about \$285,000. In addition it would be necessary to modify the present structural steel in place as well as replace the pool with some sort of planter or appropriate walkway which would result in increasing construction costs about \$200,000. However, the revised construction costs are dependent on the redesign and are therefore difficult to pinpoint at this time. It must be pointed out that care must be taken in redesign to insure that the plaza will not lose the design continuity desired for the project. In addition, due to the time required for redesign and the need to obtain reapproval from the District of Columbia Government and the National Capital Planning Commission cost escalation in the amount of \$160,000 is anticipated. As a result of redesign to eliminate the pool, the additional cost resulting from structural steel changes and reapprovals, it is estimated that it would cost \$1,900,000 to construct the plaza without the pool.

Senator BUCKLEY. I am advised that the tunnel underneath would be lined with ceramic tile and have fluorescent lights. Would this create a serious continuing maintenance problem?

Mr. MATZKE. I might respond to that by first saying, in effect, it really isn't quite the same as a tunnel underneath because the form

of the plaza has an opening in the center and has two landscaped, what really amounts to bridges across the highway.

But the space under that has been lined with ceramic tile, the walls with ceramic tile and fluorescent lighting to be used is the lowest form of maintenance to be used. It is consistent with the construction that is being used in all of the areas through the District, where we have highways passing under either buildings or plaza surfaces above.

It is consistent with the work that was done under the Department of Labor building.

Senator BUCKLEY. I drive on that one every day. I have been struck by what seems to me an excessive amount of light.

Mr. MATZKE. I am not sure about the levels of light. But they are, I assume, consistent with whatever the requirements are for an underground roadway.

Senator BUCKLEY. When the appropriation was sought, I think it is about \$1,900,000 for the tax building in 1972. I am informed that nothing was said about the cost of finishing the plaza. If this is correct information, why was this not brought to the committee's attention at that time?

Mr. SHIPP. Mr. Chairman, at the time of that appropriation we had a prospectus that authorized the project in the amount of approximately \$19.16 million. Under the Public Buildings Act, we are authorized to escalate the projects up to a maximum of 10 percent. So, at the time that appropriation was sought by the Tax Court and made by the Congress, there was no requirement for GSA to submit an amendment to the prospectus because at that time we were within the maximum authorized limit of costs as escalated.

Mr. DAWSON. In appearances before the Appropriations Committees of the House and Senate for the Tax Court, we did alert them to the fact that we might not have sufficient funds to complete the plaza. This was in last year's budget request.

Senator BUCKLEY. You said that you might not have enough. You certainly knew you wouldn't have enough?

Mr. DAWSON. Not being an engineer and having to rely on General Services Administration, I wasn't sure. But at least we mentioned it to the committees.

Senator BUCKLEY. I just wondered if it wouldn't be a more appropriate procedure in the future when an obvious expense can be anticipated, irrespective of 10-percent limits, whether it wouldn't be a better practice to bring the total package as estimated at the time to the attention at least to the appropriate committees.

Mr. SHIPP. We worked out a number of arrangements along this line with the subcommittee staff. I am sure as time goes by we will be bringing these things to the attention of the staff and the committee. We are not going to be able to make an award or the award to be made would cause us to exceed the maximum limit of costs. But it might cost us anyway. We are going to be working very closely with the committee staff to inform them about this.

Senator BUCKLEY. I think that is very important. I think this committee needs to have a firmer grasp as to what is in effect. There would be fewer surprises, anyway.

Is there any other unfinished work relating to the Tax Court building that will require more funds than we don't know about at this time?

Mr. MATZKE. The funds presently being sought, it is my understanding, that that will clean up all the present items including an allowance for anticipated claims and matters not yet been settled with the contractor. We foresee no additional funds being required at this time.

Senator BUCKLEY. I understand this matter was brought to the Appropriations Committee before it was brought to the Public Works Committee.

Mr. SHIPP. Yes, sir. That is correct.

Senator BUCKLEY. Is that the appropriate procedure?

Mr. SHIPP. Considering this is a transfer project, this building is not in GSA's inventory. The funds have been appropriated to the Tax Court. At the same time, the more appropriate procedure probably would have been to have the prospectus here at about the same time the request for appropriations was made or better still have it here before that time. This is not a situation where GSA is requesting an appropriation of funds. That Tax Court is requesting it. So it has gotten a little bit close in coordination. Ordinarily, we would have had the prospectus out sometime before.

Senator BUCKLEY. Are there any other equivalent situations that are lurking on the shelf somewhere?

Mr. SHIPP. Well, they lurk from time to time. Right now, I am not aware of any.

Senator BUCKLEY. I have one final question; What construction claims are outstanding against the Government, if any?

Mr. MATZKE. Apparently, there is a pending delay claim for time extension on the project of 600 and some days, a pending claim relating to the area of the cables that were used in post-tensioning the structure itself. But these claims have not as yet been submitted by the contractor. It is 270 days, excuse me.

Senator BUCKLEY. Do you have any estimate of the possible liability?

Mr. MATZKE. We have set aside some funds for this.

Mr. SHIPP. We have about \$965,000 that has been set aside, are being held for potential claims of that type. So, it would be adequately covered.

Senator BUCKLEY. Thank you very much.

[A statement from the General Services Administration responses to additional questions from Senator Buckley, and the prospectus follow:]

STATEMENT OF WALTER A. MEISEN

The construction of the United States Tax Court building was authorized by the Committees on Public Works of the Congress in June of 1963, at a total cost of \$9,848,000. Subsequently, a change in site location required redesigning of the structure. In addition, increases in construction costs due to the passage of time from the original estimate in January 1963 to a revised construction contract award estimated date in April 1972, resulted in the reauthorization of the project at a total cost of \$19,162,000 in June of 1971. Additional financing was provided to the Tax Court on October 31, 1972, by Public Law 92-607 to complete the project. The amount provided to complete the project at that time has not been sufficient. This is due to cost increases resulting in part from the D.C. Highway Department's refusal to issue permits for plaza construction. The prospectus amendment now before the subcommittee requests an increase in the project's authorization of \$3,916,000 above the prospectus amendment authorized in 1971 to a total of \$23,078,000. Of this amount an additional appropriation in the amount of \$2,000,000 is required.

Prospectus Number: PDC-75043

PROSPECTUS TO AMEND A PUBLIC BUILDING PROJECT
 AUTHORIZED UNDER THE PUBLIC BUILDINGS ACT OF 1959,
 AS AMENDED

1. DESCRIPTION OF PROPOSED AMENDMENT:

This amendment is submitted to increase the authorized maximum limit of cost for the public building project listed below. The justification for the project, as described in the approved prospectus, has not lessened; however, as a result of construction delays caused by the District of Columbia's refusal to issue permits for Plaza construction and unanticipated additional costs resulting from implementation of requirements of the Occupational Safety and Health Administration, the project cannot be completed within the previously authorized limit of cost and the appropriations, which exceed the limit made directly to the U.S. Tax Court. Approval of this prospectus would authorize an appropriation of \$2,000,000 to complete the project.

2. PROPOSED AMENDMENT:

<u>Location</u>	<u>Project</u>	<u>Total Estimated Maximum Cost</u>
Washington, D.C.	U.S. Tax Court Building	\$23,078,000

3. STATEMENT OF NEED:

The building providing 127,599 occupiable square feet of space including onsite and offsite improvements has been completed except for the Plaza and minor items such as entrance ramp, roll up doors, and driveway gratings. The building was occupied by the Tax Court on January 20, 1975, and the Court is now functioning. The Plaza has not been completed because the District of Columbia refused to grant construction permits until January 15, 1974. An attempt was made to negotiate a construction contract to complete the Plaza with funds remaining. Because of escalating construction costs, however, it was not possible to negotiate a bid within the limit of funds available. A financial summary, including detailed supporting information, and an estimate of costs to complete the Plaza work are included with and attached to this amended prospectus.

Prospectus Number: PDC-75043

Upon approval of this amended prospectus and the appropriation of funds, GSA is prepared to move forward expeditiously with this project so that it will be completed in time for the 1976 Bicentennial.

Submitted at Washington, D.C. on APR 14 1975

Recommended: *Wallace*
Acting Commissioner, Public Buildings Service

Approved: *Dwight A. Ink*
Acting Administrator of General Services

U.S. Tax Court
Washington, D.C.

DESCRIPTION OF
U.S. TAX COURT PLAZA

The Plaza consists of a 200 foot by 160 foot structural steel and concrete bridge spanning Interstate highway 95. The top of the Plaza will have a central 30 foot wide raised granite covered reflecting pool surrounded by a 15 foot granite walk. The remainder of the Plaza top will be earth covered and planted with grass, shrubbery, and sixty honey locust trees.

The freeway or bottom side of the Plaza will be treated similarly to the Labor Department Building Tunnel to the South. The walls of the freeway will be covered with ceramic tile and the ceiling will consist of concrete filled ceramic coated metal pans. Vapor-proof fluorescent lights will be over each of the eight traffic lanes and a system of eight ventilating fans will be activated by a carbon monoxide sensor.

U.S. Tax Court
Washington, D.C.

PROPOSED AMENDMENT TO:

U.S. Tax Court Building Washington, D.C.

Prospectus Number: PDC-75043
(Formerly - Project Number 49925)

Date Submitted to Congress:

Original Prospectus - January 31, 1963
Amended Prospectus - May 19, 1971

Date of Approvals by Committees on Public Works:

	<u>Original Prospectus</u>	<u>Amended Prospectus</u>
House of Representatives	April 4, 1963	June 23, 1971
Senate	June 13, 1963	June 22, 1971

Estimated Cost:

	<u>Original Prospectus</u>	<u>Amended Prospectus</u>	<u>Proposed Increased Authorization</u>	<u>Revised Estimated Maximum Cost</u>
Site, Design Management & Inspection	\$2,022,000	\$ 4,162,000	\$ 88,000	\$ 4,250,000
Construction	\$7,826,000	\$15,000,000	\$3,828,000	\$18,828,000
Total Cost	\$9,848,000	\$19,162,000	\$3,916,000*	\$23,078,000

* This includes \$1,916,000 (See Exhibit B) appropriated directly to the Tax Court per Public Law 92-607 on October 31, 1972. This prospectus provides for an additional increase of \$2,000,000 (Exhibit C) to complete the facility.

An agreement between the U.S. Tax Court, GSA, The National Capital Planning Commission and the Commission on Fine Arts culminated in a building design for a U.S. Tax Court Building. The design included a 200 foot by 160 foot structural steel and concrete plaza spanning Interstate highway 95. (See attached description.) A construction contract was awarded on June 30, 1972.

Exhibit B

U.S. Tax Court
Washington, D.C.

ANALYSIS OF INCREASED CONSTRUCTION COSTS

1. Breakdown of \$1,916,000 supplemental funding appropriated in October 1972.

a. Plaza Construction	\$2,407,700
b. Dining Room & Kitchen Finishes & Equipment, Health Suite, Suites 106, 107, and 108	208,300
c. Heating & Chilled Water Lines to Labor Building	<u>150,000</u>
Subtotal	2,766,000
Contingencies	133,000
Air Rights Payment	50,000
Bids, Duplication & Material Testing	20,000
Management & Inspection Cost	<u>135,000</u>
Total Estimated Cost - Phase I Changes & Phase II Construction	3,104,000
Less Balance Available from Original Appropriation (October 1972)	<u>1,188,000</u>
Total - Supplemental Funding	\$1,916,000

U.S. Tax Court
Washington, D.C.

2. Cost Increase since October 1972.

Escalation from October 1972 to present on value of plaza due to delays caused by D.C. Highway Department's refusal to issue permits for plaza construction 27% of \$2,700,000	\$ 735,000
Escalation to April 1975 on balance of plaza work to be contracted. 9% of \$1,825,000	165,000
Additional cost for phasing plaza construction due to D.C. Highways refusal to issue permits. 20% of \$2.5 million	500,000
Additional cost to complete plaza construction over active highway due to D.C. Highway's imposed delays.	400,000
Additional costs due to more stringent OSHA requirements effected since 1972.	<u>200,000</u>
TOTAL	\$2,000,000

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Washington, D.C.

Exhibit D

COST SUMMARY

	<u>6/13/63 Original Prospectus</u>	<u>6/23/71 Amended Prospectus</u>	<u>March 1975 Revised Estimated Maximum Cost</u>	<u>Remarks</u>	<u>Remarks</u>
Site, Design, Management & Inspection					
	\$2,022,000	\$ 4,162,000	\$ 4,250,000		
Site	1,500,000	3,041,800	2,640,905	Change of site necessitated land acquisition.	Site cost less than 1971 estimate.
Design	346,000	515,200	800,030	Design completed for building on original site. Redesign re- quired when site changed.	Design revised for D.C. requirements & additional phasing of construction.
Management & Inspection	176,000	605,000	809,065	Time delay resulted in increased salary costs for inspection due to inflation & cost of living addi- tionally increased scope of project, i.e. plaza & major structural changes, etc.	Cost increase since proje extended beyond envisione project completion date. This is magnified by in- creased salary costs at t time.
Construction	7,826,000	15,000,000	18,828,000	Escalation from January 1963 to April 1972.	See Analysis of Increased Construction Cost from June 1972 to June 1975.
TOTAL COST:	\$9,848,000	\$19,162,000	\$23,078,000		

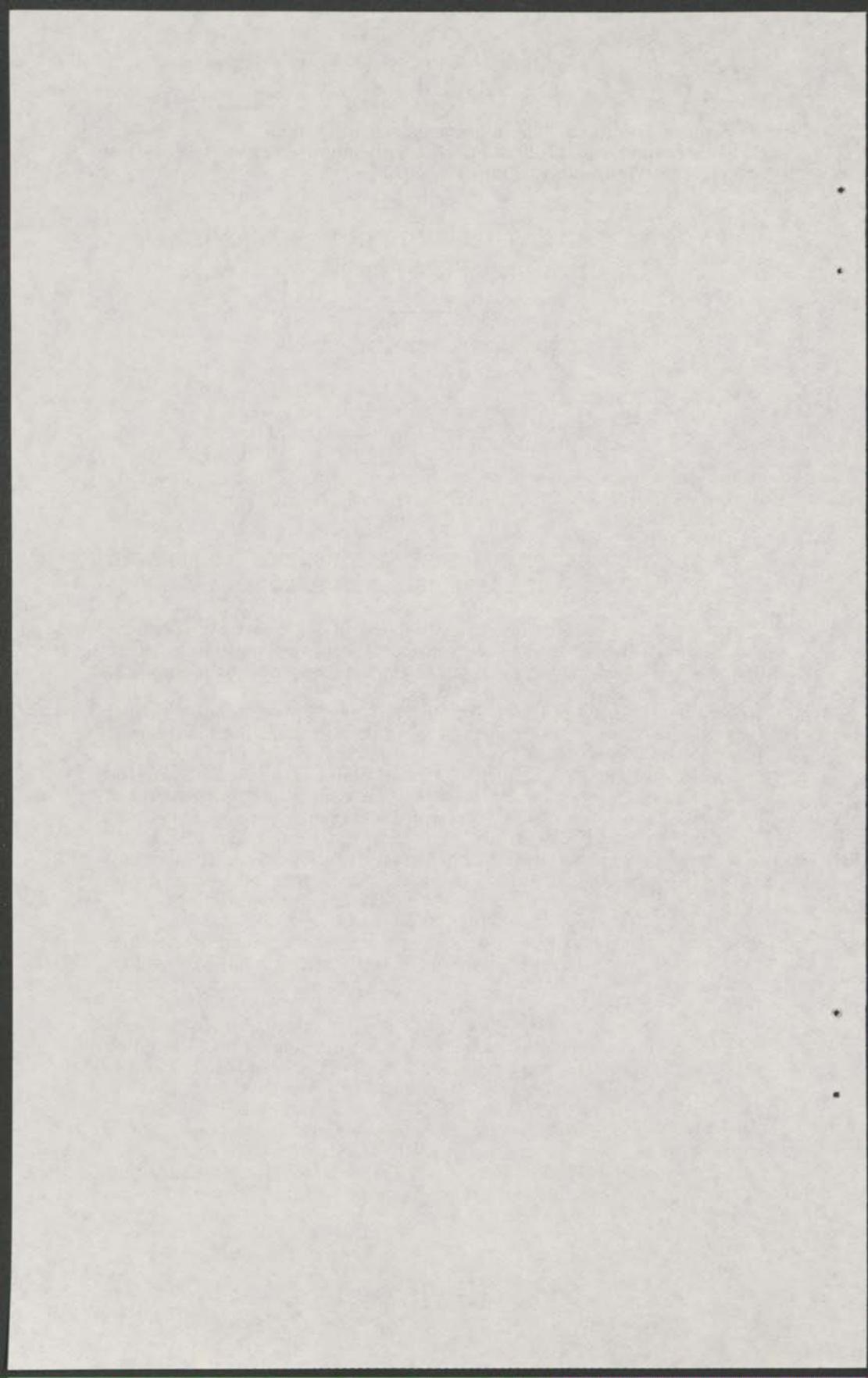
Senator BUCKLEY. These hearings are adjourned.
[Whereupon, at 11:20 a.m., the subcommittee was recessed, to
reconvene Wednesday June 11, 1975.]

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PENDING LEGISLATION AND PROPOSED FEDERAL BUILDING PROSPECTUSES

WEDNESDAY, JUNE 11, 1975

U.S. SENATE,
COMMITTEE ON PUBLIC WORKS,
SUBCOMMITTEE ON BUILDINGS AND GROUNDS,
Washington, D.C.

The subcommittee met at 9:40 a.m., pursuant to call, in room 4200, Dirksen Senate Office Building, Hon. Quentin Burdick presiding.
Present: Senators Morgan and Burdick.

OPENING STATEMENT OF HON. QUENTIN N. BURDICK, U.S. SENATOR FROM THE STATE OF NORTH DAKOTA

Senator BURDICK. Good morning, ladies and gentlemen. We are here this morning to discuss two very important projects pending before the subcommittee, which involve not only a great deal of money but some basic issues as well.

The first is a proposal to construct a new Government Printing Office in Washington, which has been under consideration for the past several years because the existing downtown facilities are inadequate and obsolete. The Government Printing Office is responsible for the reproduction and dissemination of all published material generated by the Congress, including legislative documents, reports and other compilations of various kinds, including the Congressional Record. This amounts to literally tons of paperwork each year, and the demand has been increasing steadily, to such extent that an ever-growing backlog now exists, resulting in delays and impaired efficiency.

The need for modern facilities and adequate space has long been recognized, but plans have been deferred for one reason or another. Funds were recently authorized for an environmental impact study, and it is now hoped that preliminary planning, at least, can get underway.

The other matter to be considered is a prospectus which requests additional funds to construct a courthouse and Federal office building in Atlanta, Ga. This was originally authorized in 1966, but a subsequent site change, design revisions, and escalation have increased the cost to such extent that committee approval is required before construction can be undertaken. Consolidation of several agencies is desired, at one location, to increase efficiency and reduce costs.

An unforeseen demand for additional courtroom space is another factor contributing to the need for this new building.

GOVERNMENT PRINTING OFFICE

Would those who wish to testify in support of the Government Printing Office please come forward first, and identify yourselves for the record?

STATEMENT OF THOMAS F. McCORMICK, PUBLIC PRINTER OF THE UNITED STATES, ACCOMPANIED BY THOMAS L. PEYTON, ACTING DEPUTY COMMISSIONER, PUBLIC BUILDINGS SERVICE, GENERAL SERVICES ADMINISTRATION; CHARLES H. CONRAD, EXECUTIVE DIRECTOR, NATIONAL PLANNING COMMISSION; JOHN LOXLEY, PROJECT MANAGER FOR GPO PROJECT, GENERAL SERVICES ADMINISTRATION; AND JOSEPH PALANK, DIRECTOR OF ENGINEERING, GOVERNMENT PRINTING OFFICE

Mr. McCORMICK. Mr. Chairman, I am Thomas F. McCormick Public Printer of the United States.

I appreciate the opportunity to appear before this committee to provide such data as you may deem appropriate in connection with our request to relocate the Government Printing Office.

As you may know, the need to improve the present Government Printing Office facilities has been recognized and generally accepted for nearly 20 years. It was in 1956 that the Joint Committee on Printing first ordered an investigation into the possibility of expanding the Government Printing Office's facilities.

The result of that investigation and subsequent reviews has consistently been a resounding "yes." The only questions over the years, and the only questions in my opinion today, are "where" the facility should be located and "what" type of facility it should be.

At least two efforts have been directed toward expanding the present facility. On each of these occasions, both legislative authorization and appropriated funds were present but, in the final analyses, the Public Printers involved, including myself, could not, in good conscience, authorize the expenditure of Government funds to enlarge an inherently inefficient eight-story printing plant.

It became increasingly clear that the taxpayer would not get his money's worth unless the Government Printing Office relocated into a facility designed to improve the efficiency of the printing, binding, and distribution operations involved.

The location of a suitable site was more difficult than expected. First, the site had to meet the criteria of being near a railroad siding and truck routes and still be no further than one half hour's drive from Capitol Hill, the source of the majority of work to be produced in the new facility. Next, the site had to be suitable for our needs and our presence acceptable to the community involved.

The last qualification proved to be a major obstacle. Sites located within the District of Columbia, which met the other criteria were deemed to be needed more for public housing than for a printing plant and a site along the beltway in Maryland was opposed by the District because of the loss of a valuable employment base and also by the Maryland community involved.

Moreover, the idea that the Government Printing Office was going to expand and thus reduce the amount of Government printing

procured from private industry also brought objections from the business community.

It is with great pleasure, therefore, that I can now state that we have found a site which fully meets our criteria and is devoid of the obstacles which hampered past attempts to relocate.

First, the site is located about 10 to 15 minutes from the Capitol; it is located next to a railroad siding and adequate truck routes are available;

The site seems unsuitable for housing;

The relocation of the Government Printing Office to this site is endorsed by the District of Columbia government because it takes otherwise low value land and turns it into an anchor for a light industrial complex which will provide a needed economic base for the District;

The relocation to this site is also endorsed by the National Capital Planning Commission for a number of reasons, including the fact that the present facilities are not compatible with its proposed visitor center concepts.

The proposed site is located next to a Metro station and will also provide for adequate parking.

Last, but far from least, the proposed relocation is not opposed by the business community because it is now clear that the Government Printing Office is not expanding its size or capacity to produce work other than that presently produced in-house. Rather we are primarily increasing GPO's efficiency, cost effectiveness and ability to serve.

I cannot emphasize this last point too much. We expect that the new facility will have fewer square feet than our present facilities and will not affect the Federal printing procurement program. We will continue to purchase printing services from commercial sources whenever feasible. We intend to continue to follow our present policies in this regard.

The payoff comes from increased efficiency and cost effectiveness. We estimate annual savings of about \$11 million per year primarily through improved materials handling. Additional savings, not in the \$11 million, include the following:

1. About \$3 million of one-time cost required to bring the present facilities into compliance with the Occupational Safety and Health Act, and

2. The annual savings associated with the availability of high ceilings and unbroken space which will allow greater use of the systems approach involving more modern in-line production equipment. The annual savings from the expanded systems approach and other technology improvements that would be available in a new facility should at a minimum equal the already documented savings.

Thus, Mr. Chairman, I am in that happy situation of presenting for your consideration a project which will:

1. Increase the efficiency of our service to the Congress and our other customer agencies;

2. Provide the community with an improved economic base;

3. Provide a major public building project at a time when the construction industry needs a boost;

4. Assist in accomplishing the objective of the National Capital Planning Commission comprehensive plan for the National Capital; and

5. Give our employees a better and healthier working environment with improved transportation facilities.

All of this and an annual savings well in excess of \$11 million.

It may sound too good to be true but I have brought along the men who have the facts and figures which I believe will convince you. Mr. Thomas Peyton, Acting Deputy Commissioner, Public Buildings Service, General Services Administration, and Mr. Charles Conrad, the Executive Director of the National Capital Planning Commission, are here to give testimony on this project and my associates and I are available for any questions you may have.

Thank you.

**STATEMENT OF T. L. PEYTON, ACTING DEPUTY COMMISSIONER,
PUBLIC BUILDINGS SERVICE, GSA**

Mr. PEYTON. Mr. Chairman, I am Thomas Peyton, Acting Deputy Commissioner for the General Services Administration. With me this morning is Mr. John Loxley, seated to your extreme left at the table, who is the Acting GSA Project Manager for this project.

The General Services Administration indeed endorses this project and welcomes the opportunity to support the Government Printing Office with our knowledge and background in planning, design, and construction of large scale public buildings. For some months now we have worked closely with GPO management in developing a scope for the proposed project.

This prospectus contemplates the construction of an industrial type building to house the consolidated operations of the Government Printing Office. The facility will contain approximately 2,100,000 gross square feet of space, with parking for 1,160 vehicles to be provided in a separate facility adjacent to the new building. The total estimated project cost for this facility is estimated at \$158,034,000.

The major cost breakdowns are as follows:

Site acquisition and relocation, \$10,153,000; design and review, \$5,639,000; construction costs as of July 1976, \$139,546,000; management and inspection, \$2,696,000.

A draft environmental impact statement is presently being developed and is scheduled to be completed by mid-August. It will provide an honest appraisal of not only the impact of the present operation but also the impact of future operations, utilizing new technologies, at the new location.

The organizational relationships contained under this prospectus envision the Government Printing Office as the owners of the building and the agency through which funding for the project will be accomplished. The General Services Administration will act as the agent for the Government Printing Office by providing technical support during the planning for the facility and during the administration of the design and construction.

We are prepared to continue to work with the Government Printing Office to assist them in realizing their goal of relocating to a new facility to make it possible for that organization to fully meet their mission responsibilities.

STATEMENT OF CHARLES H. CONRAD, EXECUTIVE DIRECTOR.
NATIONAL CAPITAL PLANNING COMMISSION

Mr. CONRAD. Mr. Chairman, my name is Charles Conrad. I am the Executive Director of the National Capital Planning Commission.

I am pleased to appear before you today in support of the proposed relocation of the Government Printing Office to a site in the northeast section of the District of Columbia.

The staff of the Planning Commission has been working with the Government Printing Office for many years to assist it in any way we could to meet its requirements for a new modern efficient operation. We have investigated possible development sites, both within and outside the city.

We feel that it is desirable, both from the standpoint of the long-range planning for Federal functions and the development of the National Capital, to retain the 7,500 jobs at the Government Printing Office within the District of Columbia, within a planned industrial area, and in close proximity to the Congress and to other agencies which GPO serves.

Sites large enough to accommodate GPO requirements with adequate truck and rail access are difficult to find in the District of Columbia. However, the site proposed on Brentwood Road meets these conditions and would provide excellent access for employees via Metro, which is constructing a station in the immediate vicinity at Rhode Island Avenue.

The "General Land Use Objectives" element of the Comprehensive Plan for the National Capital identifies the Brentwood Road site as part of an "independent employment center." Located here, the GPO could provide a much-needed stimulus for attracting light industrial development and employment to the adjoining area.

The comprehensive plan also anticipates the development of an "Uptown Center" around the Metro station at Rhode Island Avenue. This center is envisioned as a concentration of retail office and high density residential uses. GPO employees could patronize this center.

The existing location of the GPO is within an area that is undergoing a transition or change in land uses. With the opening of the National Visitor Center at Union Station for the Bicentennial and the completion of urban renewal efforts, this area offers potential for commercial development in which industrial type operations such as GPO are not desirable.

As commercial development intensifies in the area, the materials handling operation of GPO will become increasingly difficult. The GPO relocation would make available sites for development with uses more related to downtown activities.

However, the historic original GPO Building, a designated landmark of the National Capital, should be retained and used, in part, for the convenience of the public as a bookstore by the Superintendent of Documents.

In conclusion, Mr. Chairman, I believe that the proposed site is consistent with the comprehensive plan for the National Capital and is in the best interest of the Federal Government and the Nation's Capital.

Senator BURDICK. Thank you, gentlemen.
 The first question is: If we didn't need it for so many years, why do we need it now?

Mr. McCORMICK. It has been needed for a long time. Had we relocated several years ago, we would now have the facility in place to accomplish the efficiency that we are talking about, at a far lower capital cost.

The significant justifications, in my mind, are the improved efficiency and cost effectiveness. We can document approximately \$11 million of annual cost savings. We feel there are even more savings available to us in a new facility in that we will be able to take greater advantage of new technology than we can in our present older facility.

In addition, we fit in more with the locale of the proposed location than we do in our present location which is going to be built around the Visitor Center. I think those are the principal reasons.

Senator BURDICK. Is there an urgency at this particular time? Couldn't you operate for several years yet?

Mr. McCORMICK. Yes, sir, we could. But eventually, I think that we must take a look at the efficiency of the operation. The longer we wait, the more costly that structure is going to be.

Senator BURDICK. Why do you say that?

Mr. McCORMICK. Primarily because of inflation.

Senator BURDICK. Are we going to cure it; are we going to stop this inflation?

Mr. McCORMICK. I hope so, Senator. But I think that it will be with us for a while at any rate.

Another reason for acting now is that we must eventually bring our buildings in to compliance with OSHA regulations as they will exist some 4 to 5 years from now.

We are in compliance at this point in time, but we estimate it will cost between \$3 and \$5 million to bring our existing facilities into compliance with the OSHA standards over the next several years.

Senator BURDICK. Does the current occupied space belong to GPO?

Mr. McCORMICK. Yes, sir.

Senator BURDICK. Will GPO be able to trade or dispose of it independently, or must this be through GSA?

Mr. McCORMICK. It would seem to me that GSA would be involved in the ultimate disposition of the building. We, at GPO would not take it upon ourselves to dispose of it. I would assume that analyses would be made of which disposition is in the best interest of the Government.

We are part of the legislative branch. We look to a remodeling of the buildings for offices as one possibility. The disposition recommendation would probably be a joint effort on the part of the Architect of the Capitol, General Services Administration, and the National Capital Planning Commission.

Senator BURDICK. Are you saying it is too old for printing but not too old for Congress?

Mr. McCORMICK. No, sir. I certainly wouldn't say that. I say it is not well designed for a modern printing facility, but could possibly be used as an office building. It is a good sturdy structure.

Senator BURDICK. That is not selling your case very well if it is a good sturdy building. Why can't we remodel it for printing?

Mr. McCORMICK. I don't think it could be economically remodeled for an efficient, cost effective printing plant. I would like to emphasize that the ceilings are too low for the type of printing equipment that is generally used today.

Moreover each floor is broken up with air shafts, ventilation shafts, elevators such that there is very little opportunity to use in-line production methods. In addition, it is an eight-story structure which is the primary feature of inefficiency. We spend a significant amount of money moving materials. Generally, you would like to have heavy production activities on a single floor in-line production.

I have with me Joseph Palank, director of engineering at GPO who is on your far right. He is better qualified than I to speak to that particular point. If I may, I would like to call upon Mr. Palank now.

Mr. PALANK. To amplify Mr. McCormick's statement, we have a 32-scale drawing here of the GPO. This area is our building 3. This area is our building 1, and this area, over here, is our building 2.

Mr. McCormick alluded to the concept of straight-line production. I have indicated in red the areas that constitute stairways, fan rooms, elevators, light courts, et cetera.

In the design of any new modern building, I think you would find most of these utility areas on the perimeter of the building, leaving a wide open expanse in the center. This then would afford us an opportunity to run in-line printing equipment down this way and then come back this way and run in that direction until we finish our process. That is basically the point he was making before.

Senator BURDICK. I assume the answer is that you want to relocate those services that this would be very costly?

Mr. PALANK. Yes, sir. In fact, as it now stands our bay sizes are very limited. In other words, we have been precluded from purchasing larger and faster presses because of our low ceilings and small bays. In the new building we anticipate to have high ceilings, in the area of say, 30 feet. Bay sizes currently run 15 by 25 feet. We would run in the area of 25 to 40 feet, which would accommodate the new equipment we are talking about.

Senator BURDICK. How many floors would be in the proposed new building?

Mr. PALANK. That would essentially be determined by the study that we are asking to have done. But it could range anywhere from two to three stories.

Senator BURDICK. How can you determine the cost when you don't know how many floors you are going to have? I have a figure in front of me now. How did you arrive at that?

Mr. McCORMICK. GSA made that estimate based on some standards we proposed. At that time we were talking about a three-story facility.

Senator BURDICK. This price tag here is just a horseback estimate?

Mr. McCORMICK. I wouldn't say a horseback estimate at all. It is based on the criteria which we gave to GSA, based on our in-house studies. The ultimate design will be dependent upon the results of studies which will have to be accomplished with outside consultants. Although we have established criteria, we are saying we want to get study money to make sure our criteria are the appropriate ones for the most effective facility.

Senator BURDICK. Then these figures aren't firm?

Mr. McCORMICK. No, sir, they are not. They may change.

Senator BURDICK. Is there any chance of their changing downward?

Mr. McCORMICK. Yes, sir, there is a good possibility, because we have made the assumption that the space requirements are going to be approximately, the same, 2.1 million square feet, as our existing facility.

As we get into the detailed analyses of the pieces of equipment that will be housed therein; we may very well find that the space requirements will be less. But at this point in time can't guarantee that.

I would like to amplify also the discussion of the nature of our building. We have looked at the contiguous expansion as one of the basic alternatives, that is, what can we do with our existing facility. The last estimate we had in order to do the type of thing we would like to do to make it more effective; that is, to put another eight-story addition on to our existing facilities, was approximately \$110 million and that estimate is now 2 years old and we would still not be able to achieve the types of cost reductions that we could in a new facility. With about \$110 million of improvements to our present facility, we would be able to achieve some savings but I believe we can double those cost savings in a new facility.

Mr. PEYTON. I would like to respond further to the question about the cost. The principal means of arriving at projected construction costs at this particular point in the project development, is related to the square footage needs of the organization or agency that would occupy the space. In the prospectus in exhibit A there is an analysis of the Government Printing Office's space requirements.

Based on these requirements, which incidentally reflect the downward adjustment from their present space utilization, it is on this basis that we arrive at a construction cost.

We believe it is a reasonable cost for a light industrial facility of the general nature that is characteristic of the Government Printing Office operation.

Senator BURDICK. That raises another question. In this project cost estimate you have here, land acquisition and relocation totals \$10,153,000. Design and review will cost \$5,639,000. What is that; architectural work?

Mr. PEYTON. This is the cost of engaging architects and engineers as well as any consultants they may need to develop the design of the facility as well as GSA costs for administering the contract for the architect-engineer.

Senator BURDICK. Engineer's contracts and GSA work? What else?

Mr. PEYTON. That is the major component of that.

Senator BURDICK. Construction costs total \$139,546,000 and management and inspection \$2,696,000. What in the world is that for?

Mr. PEYTON. This would be additional cost incurred in connection with engaging an architect-engineer to assist in supervising the construction.

Senator BURDICK. What are we paying the \$5,639,000 for?

Mr. PEYTON. This would be for the development of the design of the project and preparation of specifications leading to placing the job on the market for construction bids.

Senator BURDICK. Do you mean they don't supervise it after they draw up the plans?

Mr. PEYTON. They do, for an additional fee, sir. That is included in the last item that you asked about.

Senator BURDICK. This is architectural supervision then?

Mr. PEYTON. Under the category of management and inspection we have the architect-engineer's fees for work during the construction phase, which includes supervision as well as GSA costs that relate to administration contracts and some GSA supervision.

Senator BURDICK. In other words, you've got almost \$10 million tied up in architect drawings and supervision?

Mr. PEYTON. Plus GSA costs, yes, sir; that is correct.

Senator BURDICK. Isn't that high?

Mr. PEYTON. For this size project we believe that it is within the allowable limits.

Senator BURDICK. Allowable? You must have some pretty high limits. It seems to be a very high cost. But maybe I don't understand building here in Washington.

Mr. PEYTON. We believe that this cost could be applicable regardless of the location of the building.

Senator BURDICK. I am sure of that.

Mr. McCORMICK. Mr. Chairman, to that point, this is an industrial complex unlike many of the Federal buildings which are primarily office in nature. A part of that design cost is the design of the materials handling activities that are involved that will be necessary to do the job properly. The layout of machinery and equipment are also included in that design cost.

Senator BURDICK. For \$10 million I would hope so.

Does GSA have any plans as to disposal or retention of the old buildings?

Mr. PEYTON. We don't at this time, sir. But if the building were turned over to GSA in the course of the normal disposal action, we would recognize the historic value of the building and current trends toward recycling and reutilization of suitable buildings. Initial indications are that it could be successfully remodeled for office use. The location of the principal buildings are also very valuable.

Senator BURDICK. You are not inferring that we aren't going to extend the Senate Office Building now because of this?

Mr. PEYTON. I am not familiar with that, sir. I don't think I could respond.

Senator BURDICK. I don't think so.

Does the District of Columbia government own any of the construction site now proposed for the new GPO buildings, and who are the owners of the 34 acres you need, and who owns the remaining 50 or 60 acres?

Mr. LOXLEY. I am John Loxley. I think I can answer that for you. The present contemplated site, none of which is owned by the District of Columbia, we are presently looking at approximately 34 acres of a site somewhat south of the District portion. There are presently four owners on the site, one of which is Corson and Gruman, second, George and Sadie Hyman. Their property is held in trust by National Bank of Washington; Chessie System, the B. & O.-C. & O. Railway system and Trailways Bus system.

On the site there are some nine structures, some of which are owned by the owners and some of course, are leased by the owners.

Senator BURDICK. The ground is actually privately owned?

Mr. LOXLEY. Yes, it is, sir.

Senator BURDICK. What relocation cost might be involved?

Mr. McCORMICK. I think I can answer that.

Senator BURDICK. Wouldn't this be in addition to the estimated total cost?

Mr. McCORMICK. No, it is not in addition to the estimated total project cost. The total project cost as we developed before, is \$158,034,000. Within that we have set out approximately \$9 million for the cost of the site with approximately \$1,100,000 set out for relocation of the nine different tenants of the site.

Senator BURDICK. Gentlemen, why couldn't the old Fort Lincoln site be used, which is further out on New York Avenue? And couldn't something be worked out in the way of a trade with the District of Columbia government?

Mr. CONRAD. I believe that site has had more study, possibly, than any other Federal building site in the District of Columbia. Several years ago related agencies did a study of the National Training School for Boys site. As a result of these studies, it was felt that that site could be better utilized for the housing needs of the District of Columbia, which were acute at that time and which are also acute at the present time.

In view of this, the site at Fort Lincoln was set aside and there are approved plans now for that site, for a balanced residential community. In view of that studies were furthered to find another suitable site for the Government Printing Office.

As a result this site, which was one of those studies back at that time, was selected. Another thing about the Fort Lincoln site is that it is rather hilly. It was found difficult to get the necessary highway access, truck access, plus the railroad access into that site. The railroads granted are near the site and a siting could be made available to the Fort Lincoln area.

Because of the topography conditions and particularly being adjacent to where the traffic comes into the District, it was very costly as well as physically difficult to get this kind of access into the site.

In trying to provide an orderly development for our Nation's Capital, Fort Lincoln was set aside as a residential community. New York Avenue's corridor, with all of its railroads and its truck access and the obvious use of industrials, is an ideal location for the Government Printing Office.

The Government Printing Office would have railroad sidings adjacent to the facility itself. There will be no topography conditions whatsoever to deal with. The good truck access along New York Avenue, cannot be met any other place in the District of Columbia.

It was felt that with the GPO in the industrial New York Avenue corridor, it would be a better location for the Government Printing Office by far than the naturalist Fort Lincoln site. It would also further the plan for the Nation's Capital which has the New York Avenue corridor as an industrial area which the GPO would definitely enhance and actually we believe, start the renewal and the redevelopment of that whole corridor for service industries related to the printing industry.

Another reason for the selection of this New York Avenue corridor site over the Lincoln site, which is by no means a small criteria, was the access through Metro. Immediately adjacent to this site is the Rhode Island Avenue station. As a part of the design of this facility, the access of the Government Printing Office can have a direct relationship to a Metro stop. The employees of GPO would have good access throughout the metropolitan area to this facility.

Fort Lincoln's site does not have a Metro station, sir.

Senator BURDICK. Are the views you are expressing now those of the National Capital Planning Commission?

Mr. CONRAD. I believe I am expressing the views of the National Capital Planning Commission.

Senator MORGAN. Thank you, Senator Burdick. Do you gentlemen have anything you want to add for the record on this project, in addition to what you have told Senator Burdick?

Mr. McCORMICK. No, sir. I don't believe so.

Senator MORGAN. Thank you very much.

[Questions from Senator Morgan and Senator Buckley to GSA relative to the Government Printing Office and a report of building project survey follow:]

ANSWERS TO SENATOR MORGAN'S QUESTIONS

1. *Question.* Please describe the functions of the Government Printing Office, and their relationship to Congress.

Answer. Paramount functions of the Government Printing Office (GPO) are to the printing, binding and distribution needs of the Government in a manner which is cost effective and timely. Highest in-plant priorities are directed to the printing of Congressional work since most of the printing for the other branches of the Government can be produced commercially.

2. *Question.* Approximately what is the volume of work turned out? Do they work on a 24-hour basis?

Answer. Projecting FY-75 printing and binding revenues, we anticipate the following billing volume:

Inhouse production	-----	\$138,000,000
Commercial (outside) procurement	-----	302,000,000
Total billing	-----	440,000,000

Yes. We work on a standard 24 hour per day basis, 5 days per week.

3. *Question.* Is there any comparable printing or publishing facility in the country? Does the Government maintain any other similar facility?

Answer. No, there is no comparable facility in the country and the Government does not maintain similar facilities.

4. *Question.* Please describe the facilities that GPO now occupies.

Answer. The GPO consists of four buildings which constitute ages of 70, 50 and two at 37 years of age. Three of these buildings (No. 1, 2 & 3) are located on the west side of North Capitol Street, while Building No. 4 is located on the east side of this street. Buildings 1, 2 and 3 consist of eight stories and house all printing functions (except postal card production) of GPO and a majority of administrative areas

Building 4 is utilized primarily for storage and postal card production. An underground tunnel connects Building 4 to the other buildings.

5. *Question.* What will become of these if a new plant is constructed?

Answer. There is no firm decision at the present time as to the future use of the existing GPO buildings. However, the plans for the Northwest Urban Renewal Project #1 indicated continued use of the area for Government purposes.

6. *Question.* What is the urgency for a new plant at this time? How much longer could GPO continue to operate effectively without it?

Answer. The urgency for a new plant has been with us for sometime now. Specifically, the core of the need is the requirement to provide Congress with more cost effective printing products. We can reduce Federal printing at least \$11 million annually in a new facility.

7. *Question.* How would this benefit the Government, from the standpoint of efficiency and economy? The project report refers to an \$11 million annual savings. Can this be substantiated?

Answer. The building would be designed and constructed to meet the current and future needs of GPO. As a result, the utilization of men and materials would be such that nearly maximum efficiency and effectiveness would be realized. We cannot only substantiate the \$11 million annual savings but we would be happy to explore with your staff, and at their convenience, other areas of cost reduction which we believe will double our projected annual savings of \$11 million.

8. *Question.* Are GPO operations audited on a regular basis by GAO? Have they expressed an official opinion regarding the current proposal, and is a copy available?

Answer. GAO has a permanent staff assigned to GPO to perform financial audits. GAO has not, however, offered an opinion on the proposal and, consequently, no copy is available.

9. *Question.* Does the current occupied space belong to GPO? Will GPO be able to sell or trade it independently or must this be through GSA?

Answer. The main facilities (GPO office and plant) are owned independently of GSA, and while we are under no obligation to GSA, it would seem prudent to seek the benefit of their expertise in this regard.

10. *Question.* Does GSA have any firm plans as to its disposal, or retention, as the case may be? Couldn't it be converted to office space for other agencies, particularly in accordance with the concept of S. 865 now pending before the Committee, which would authorize the rehabilitation and continued use of old and architecturally significant buildings as Government office space?

Answer. (a) No, we do not have any plans. (b) Yes, it could be converted to office space for other agencies use. In this regard, a feasibility study was made by GSA in August 1964 that assumed the availability of the building upon the construction of new facilities for GPO. The study indicated that although the buildings were constructed at different periods over the past 60 years, their specialized uses are of sound construction and in reasonably good condition. The report further stated that they could economically be renovated to office type use.

11. *Question.* Has the D.C. Government expressed any interest in acquiring this property? They have recommended the project, unconditionally.

Answer. To date, the D.C. Government has expressed no interest in acquiring any of the present GPO space or property.

12. *Question.* (a) Does the D.C. Government own any of the construction site now proposed for the new GPO Building? (b) Who are the owners of the 34 acres that will be required initially? (c) Who owns the remaining 50 or 60 acres?

Answer. (a) The D.C. Government does not own any portion of the proposed site. (b) There are 4 owners of the approximately 34 acres: (1) Corson & Gruman, 4.4 acres; (2) George & Sadie Hyman, 11 acres; (3) Chessie System (B&O/C&O Railroads), 18 acres; and (4) Trailways Bus System 1.3 acres. (c) The remaining undeveloped area (Harmony Cemetery tract) comprises only about 22 acres, and is owned by the D.C. Government.

13. *Question.* (a) What is on this property now? (b) Especially the 34 acres?

Answer (a) On the 22 acre property owned by the D.C. Government, the D.C. Department of Highways and Traffic utilizes a portion to store equipment, gravel and salt. The D.C. Environmental Services maintains a truck alert service center, which provides for truck parking, and storage.

(b) The following businesses are on the 34 acre property now: (1) "Super Concrete", Concrete Manufacture; (2) "Martin-Marietta", Cement Manufacture; (3) "United Broadcasting", Broadcasting Tower; (4) "Corson & Gruman", Asphalt Construction; (5) "Hudson" Supply/Equipment, Building Supply; (6) "Consolidated Fibers Inc.", Recycling Broker; (7) "Asphalt Construction Co.", Asphalt Manufacture; (8) "Trailways Bus System", Maintenance Garage/Purchasing Department; and (9) "James Parreco & Sons", Excavating Contractor.

14. *Question.* (a) What will the property cost? (b) Are appraisal or purchase negotiations already underway?

Answer (a) The property cost is estimated at \$9,000,000. (b) Neither appraisal nor purchase negotiations are underway. They will be initiated when funds become available.

15. *Question.* (a) What relocation costs might be involved? (b) Are these firm? (c) Could we have a breakdown of the estimate for this?

Answer: (a) Funds have not been appropriated to permit letting a contract with the D.C. Government to handle relocation of the tenants on the proposed site

so that actual relocation costs have not been obtained. At this time GSA does not feel it would be in the best interest of either the Government or the tenants, to request of the tenants that they provide a total inventory of their property as well as requesting that they obtain bids for moving prior to this project being authorized.

(b) Our estimate of \$1,100,000 for relocation is not firm.

(e) GSA has only been able to estimate the cost of relocation as a percentage of the purchase price; therefore, a cost breakdown is not available.

16. *Question.* (a) Why can't the old Fort Lincoln site be used, which is further out New York Avenue? (b) Couldn't something be worked out in the way of a trade with the D.C. Government, eliminating the \$9 million site cost?

Answer. (a) It is our understanding that Fort Lincoln has been set aside for residential housing and the presence of a large-scale industrial plant there would not conform to the planning objectives of either the D.C. Government or National Capital Planning Commission. Additionally, Fort Lincoln topography is a problem since it is contemplated that the proposed building will cover a much larger ground area than would be the case were an office building of similar occupiable area located here. Another complication arises in that the Fort Lincoln site does not complement industrial usage as does the Brentwood site. On the other hand, the use of the Brentwood site for the proposed building would be complimentary to the basically industrial character of the area and would tend to concentrate industrial uses so as to minimize any adverse impact on the NE area of the city.

(b) The D.C. Government has expressed no interest in effecting a trade for the Fort Lincoln site. A second alternative to the Fort Lincoln site was the 22 acre Harmony Cemetery tract which is immediately adjacent to the proposed location for the GPO. The use of this tract was explored with the D.C. Government and they do not favor the use of this land for the GPO. The District Government is presently engaged in preparing Metro Impact area plans considering GPO being located on the proposed 34 acre tract with medium to high density housing and commercial proposed for the Harmony Cemetery portion. It is possible, that because placement of the proposed GPO on either the Fort Lincoln or the Harmony tracts would not be consistent with NPCS or D.C. Government planned uses for those sites, that GSA/GPO could be in conflict with the Intergovernmental Act of 1968.

17. *Question.* (a) Although the project is estimated to cost \$140,000,000 only \$15.5 million are being requested now. (b) What, precisely, will this cover? (c) If a land trade could be effected, eliminating the property cost, how much would then be needed to get the project underway?

Answer. (a) A note of clarification is in order for 17(a). The construction is estimated to cost \$139,546,000, the total project cost, not including new equipment or moving the present GPO operation, is estimated to cost \$158,034,000.

(b) The requested \$15.5 million will permit the project to proceed up to the first construction contract package. It will include the acquisition of the site and relocation of present tenants, estimated to cost \$10,153,000; an architect-engineering firm will be engaged to prepare concept, diagramatic; and tentative drawings up to the working drawing stage at an estimated cost of \$3,099,000. An industrial engineering firm and a printing consultant will be employed to prepare the program of requirements, and planning of the facility at an estimated cost of \$1,253,000; a construction manager firm will be engaged during this period to value engineer the design and plan the future construction activities at a cost of \$350,000; surveys, soil tests, printing and duplication are estimated to cost \$160,000; the GSA Project Management Office is estimated to cost \$274,000 and the review and administration costs are estimated at \$211,000.

(c) The property and relocation costs are estimated at \$10,153,000. If these costs were eliminated, it would require \$5,347,000 for the project to reach the stage described above.

18. *Question.* (a) How much of the building design work would this cover? (b) What percentage would be allocated to industrial engineering or materials handling studies, and is this considered a part of design? (c) How long would this take?

Answer. (a) The \$5,347,000 will allow design work up to but not including the preparation of working drawings for construction contract packages.

(b) We have estimated that the industrial engineering would comprise about 23% of the design effort. The industrial engineering is considered a part of the design.

(c) The industrial engineering studies are expected to take 10 months.

19. *Question.* (a) How would the architect or consultant for this design work be selected? (b) Would this represent complete design of the building or only part?

(c) At which point would construction authorization be requested? (d) What is the projected time frame for both design and construction?

Answer. (a) GSA will follow the standard selection process as prescribed by the Arch-Eng Selection Act, PL92-582, that is:

1. Place a notice in Commerce Business Daily to solicit for firms to make their interest known for this project.
2. Evaluate, by a panel, made up of architects and engineers from private industry, the qualifications of all interested firms or joint ventures.
3. Identify 5 to 8 of the most qualified firms or joint ventures.
4. Request of each that they submit information setting out their methods for approaching the design of this project.
5. Interview each of the prospective teams on their capabilities and management approach.

6. Provide, to the Administrator, GSA, a documented ranking of the top 3 design teams in order of preference for his selection.

(b) The above selection process will provide a design team to design the complete project. We will also utilize the services of a construction management firm to interface with the design team and to supervise construction. The procurement for C.M. Services will be a separate, but concurrent process.

(c) Construction authorization would be requested within 1 year after design is started to permit the initiation of construction as soon as design documents are approved.

(d) The projected time frame for design and construction is as follows: Initiate design (concepts and master plan) January 1976, Initiate site purchase/relocation January 1976, Design approved thru concepts and master plan January 1977, Site purchased and all tenants relocated January 1977, Design started on separate bid packages January 1977, Construction started April 1977, Design completed for separate bid packages September 1978, and Construction completed April 1981.

20. Question. Has any objection been raised for any reason by anyone to the proposed project?

Answer. As part of the development of the Environmental Impact Statement our consultants are required to solicit comments, questions, and any objections from all interested parties. To date there have been no objections raised from any of the Federal or D.C. Government Agencies polled.

Our consultants have had several meetings with the Executive Board of Upper Northeast Coordinating Council. The Northwest Community has voiced objections, although not against the project per se. Their major concerns are those that any community might have when they want to maintain the relative stability of their environment. The major concerns voiced to date are:

1. The community wants to maintain a stable residential area (the site for the proposed project is on the periphery of the northeast communities rather than being surrounded residential development).

2. Concerns that the Government is being "honest" with the community in that the justification for relocation is real. That our requirements will remain relatively stable, that, as an example, the GPO will not stop all outside contract work and suddenly expand the facility to satisfy additional work load.

3. Concerns over air quality, noise, traffic patterns, and parking (the possibility of employees using neighborhood streets to park).

4. The lack of design documents (drawings) on which to formulate a total evaluation.

5. The lack of a detailed comprehensive plan, by the D.C. Government for the whole northeast area (allowing for uncoordinated development).

ANSWERS TO SENATOR BUCKLEY'S QUESTIONS

1. Question. What plans does GPO have to improve its production efficiency at the new facility through installation and use of more modern printing technologies?

Answer. As part of the contemplated Industrial Engineering Study, the consultant will be directed to study each area of new printing technology and determine its applicability to the GPO type of operation. Any applicable technology would be further studied to determine its cost effectiveness before any implementation would be suggested for use in the new building.

2. Question. Do you believe that the present GPO buildings, if vacated by GPO, could reasonably be renovated for use as Federal office space?

Answer. Yes, we believe that the present GPO buildings could be reasonably renovated for use as Federal office space.

3. Question. (a) What was the basis of the estimated cost of construction of the proposed facility? (b) How does it compare on a per square foot basis with other printing facilities?

Answer. (a) The estimate of costs was developed, based on information provided by the Government Printing Office, such as floor loads, number of floors, bay sizes, site location, and square footage requirements.

(b) The cost for building construction estimated at \$48.37 per square foot compares favorably with that of other recent printing plants.

40,000 square feet is presently being added to the Hartford Courant at \$70 per square foot, and a construction contract was recently awarded in April 1975 for a 250,000 square foot printing plant in Chuster, Illinois at a cost of \$15,000,000 or \$60 per square foot.

Developing comparative costs with other new printing facilities is difficult. The fact that 80 percent of all printing plants in this country employ 20 people or less indicates that not many large facilities are being built.

4. Question. Does GPO's proposal, at this time, call only for Committee approval of \$15,500,000 for land and planning, with the Committee to consider a proposal for the construction at a later date?

Answer. The approval of this prospectus will authorize the GPO total project at a maximum cost of \$158,034,000. At this time we are requesting \$15,500,000 for land acquisition and planning purposes. A further request for funds needed to proceed with construction will be made when the site has been acquired and the planning completed. So long as the estimated cost is within the authorized limit as escalated, a revised prospectus would not be submitted to the Committees. We will notify the Committees when the request for construction funding is submitted to the Appropriations Committees.

PROJECT NUMBER: NDC-08200

REPORT OF BUILDING PROJECT SURVEY
ON THE REQUIREMENT FOR
A NEW GOVERNMENT PRINTING OFFICE

GOVERNMENT PRINTING OFFICEWASHINGTON, DC1. DESCRIPTION OF PROPOSED PROJECT

This project contemplates the construction of an industrial type Federal building to house the Government Printing Office (GPO) on a site to be acquired within the District of Columbia. The facility will contain approximately 2,100,000 square feet of space, and will permit the consolidation of all GPO operations into a single, modern, functionally efficient facility. It will replace the present outdated GPO buildings on North Capitol Street and supporting warehouse buildings, several of which are located in the nearby suburbs. A space comparison between the GPO building requirements projected to June 1976 and the proposed facility is contained in Exhibit A.

This will be a GPO project with GSA acting as the design and construction agency utilizing GPO transfer funds.

2. COMPREHENSIVE PLAN:a. PROJECT NEED:

- (1) GPO

The requirement for improved operational facilities for the GPO has been recognized by the Congress and the Public Printer since 1954. The basic deficiencies in the existing plant include: a materials handling system that relies wholly on freight elevators and industrial trucks for product distribution; lack of a straight line arrangement of production equipment; limited floor capacities; low ceilings; inability to utilize large, faster and more efficient press equipment; and lack of area required to utilize the efficiencies of mechanization, automation, and the latest advances in printing technology.

Facility and operations studies by the GPO have indicated that a new plant utilizing most of the existing equipment would produce an estimated savings of at least \$11.6 million per year in operating costs over the present location. (See attached Exhibit B). In addition, the facility will be constructed to incorporate the concepts, designs and atmosphere which will allow the introduction of modern printing technology. If planned studies justify the introduction of new equipment and such equipment is approved further substantive savings in operating costs will be realized.

Several studies have been conducted since 1954 for both contiguous expansion and relocation of the GPO. The latest study supports relocation and has sanction from the National Capital Planning Commission (NCPC), District of Columbia Government, and the Joint Government/Industry Advisory Board.

PROJECT NUMBER: NDC-08200

(2) DC GOVERNMENT

The DC City Council Special Advisory Commission on Industrial and Commercial Development has recommended under report of January 1974 a feasibility analysis of a light industrial park complex in the Northeast Corridor (New York Avenue), to include relocating the GPO into the park. The GPO would serve as an anchor for further development in the area. The industrial park complex is designed to improve the District's economic base by attracting light industry (electronics, printing, etc.) and to stem the flow of jobs from the District to the neighboring suburbs.

At a meeting on July 8, 1974, the full DC Council reviewed the proposed relocation and supported the concept. By letter of July 12, 1974, to the Committees on Public Works, Mayor Walter E. Washington confirmed the DC Government support of the relocation concept.

The proposed site is well served by the New York, Rhode Island and Brentwood Avenue road nets. It will be immediately adjacent to the proposed Metro Rhode Island Avenue Station, and also has excellent rail facilities. There are public bus lines on both New York and Rhode Island Avenues. Staff studies by NCPD also recommend the selection of the proposed site.

b. DISCUSSION OF ALTERNATIVES:

(1) Modernization of Existing GPO

Modernization and contiguous expansion of the present site on North Capitol Street has been considered and rejected as being uneconomical and operationally impractical. Aside from the negative aspects previously indicated the GPO would still be saddled with buildings of 72, 52 and 37 years of age; little production department relief; OSHA compliance costs; permanent obstructions (stairs, elevators, fan rooms, utility shafts) in premium production workflow areas; only a fair transportation system; and continued high building maintenance costs. This alternative would provide GPO with more square feet than relocation; however, the bulk of this space would be marginal to their need.

Aside from contiguous expansion GPO has investigated alternatives such as: decentralization, relocation of administrative functions, moving Documents out of the complex, elimination of GPO and even doing nothing. All of these considerations result in counter productive elements which in one way or another adversely affect the GPO mission in support of the Congress and other Federal agencies.

(2) Acquisition of Existing Leased Space

Existing rental space is not available in sufficient quantity in one location to permit consolidation, and fails to meet Federal quality standards and the special industrial type facility needed by the GPO.

PROJECT NUMBER: NDC-08200

DISCUSSION OF ALTERNATIVES: cont.

(3) Acquisition of Leased Space in a Building to be Constructed.

In lease construction for a project the size of the proposed GPO facility the site selection becomes a critical matter. Considering the relatively large site area required, GSA would lose significant control of the site selection and acquisition process since neither a lessor nor the Government could exercise condemnation authority. In view of the extreme complexity of this project, its cost, the requirement to conform to NCPC and DC Government plans for the Northeast Corridor, as well as the long term requirement for the facility, it has been determined that lease construction as a means for meeting the GPO requirement is not in the best interest of the Government.

3. DISPOSITION OF OLD GPO:

Studies will be undertaken to determine economic feasibility of renovating buildings 1, 2, 3 and 4 on North Capitol Street between G and H Streets into office space for other Federal agency use. Additionally, the Postal Service has requested right of first refusal on Building #4 adjacent to the city Post Office. The Architect of the Capitol has also indicated a possible requirement for part or all of the old GPO for use as storage and overflow area for Congressional support facilities.

4. SPACE PLAN (see attached Exhibit A)5. ESTIMATED PROJECT COST

Site acquisition and relocation	\$ 10,153,000
Design and review	5,639,000
Construction costs as of July 1976	139,546,000
Management and inspection	<u>2,696,000</u>
TOTAL	\$158,034,000

6. STATEMENT OF NEED:

It has been determined that (1) the need for space of the Federal Government in this area cannot be satisfied by utilization of existing suitable property now owned by the Government, and (2) suitable rental space is not available at a price commensurate with that to be afforded through the proposed action.

FEB 10 1975

Submitted at Washington, DC on _____

Recommended: W. Aquino
Commissioner, Public Buildings ServiceApproved: S. S. S.
Administrator of General Services

RICHARD RUSSELL BUILDING

Senator MORGAN. We will go on now to the Richard Russell Building in Atlanta, Ga. Will you gentlemen please identify yourselves for the record?

STATEMENT OF THOMAS PEYTON, ACTING DEPUTY COMMISSIONER, PUBLIC BUILDINGS SERVICE, GSA, ACCOMPANIED BY LOY SHIPP, ASSISTANT COMMISSIONER FOR SPACE MANAGEMENT AND PLANNING, GSA, AND JAMES SORG, ACTING DIRECTOR, PROGRAM MANAGEMENT DIVISION, GSA

Mr. PEYTON. Mr. Chairman, I am Thomas Peyton, Acting Deputy Commissioner—

Senator MORGAN. Of the General Services Administration?

Mr. PEYTON. Yes, sir. With me this morning is Mr. Loy Shipp, Jr., Assistant Commissioner for Space Management of the Public Buildings Service and Mr. James Sorg, Acting Director of the Program Management Division.

Senator MORGAN. Tell us about this building. When was it first authorized? What is the cost and what do you propose to do now, please?

Mr. PEYTON. A prospectus recommending construction of a courthouse—

Senator MORGAN. Are you reading a statement, sir?

Mr. PEYTON. Yes, sir.

Senator MORGAN. Would you please submit your statement for the record, and just tell me about it?

Mr. PEYTON. All right, sir.

[The statement appears at p. 76.]

Mr. PEYTON. The prospectus for this project was originally approved by the Public Works Committee in 1966. Subsequent to that time, the General Services Administration proceeded with site selection in Atlanta. The identification of this particular site was bounded by Mitchell Street, Central Avenue, Trinity Avenue, and Prior Street.

However, subsequently Federal court action invalidated the method which we were utilizing to acquire this site, which involved an exchange of Federal property. Accordingly, it was necessary for GSA to search for another site.

In 1971, GSA received a proposal from the Southern Railway offering a site it owned. This particular site is bounded by the Hunter Street viaduct, Mitchell Street, and the Spring Street viaduct, which is approximately three blocks from the original site. This site has been acquired.

Meanwhile, during this period following the selection of the initial site, design had proceeded and the design had developed to approximately 25 percent of the normal work that an architect-engineer does, leading up to the award of construction contracts.

Senator MORGAN. How much did that cost?

Mr. PEYTON. At that particular point in time?

Senator MORGAN. Yes.

Mr. PEYTON. \$723,000.

Senator MORGAN. All that has gone down the drain?

Mr. PEYTON. That is correct, sir. With the acquisition of the new site it was then necessary to redesign the building so that the new

building could be accommodated for at the new location. The design of this building then proceeded at that point in time until approximately 2 years ago, at which time GSA took note of significant development of new criteria and high rise fire safety as well as increase in requirement for court space by the U.S. courts.

There was a requirement for seven new courtrooms in the building. Therefore, it was necessary to effect additional design changes. These factors led to an inability on our part to proceed from the approved prospectus in 1966, to an early initiation of construction. We are now up to the present time where the design work has been completed on the building.

The working drawings are complete as well as specifications.

Senator MORGAN. What are the costs?

Mr. PEYTON. We are prepared to put them on the construction market. It is \$2,319,000.

Senator MORGAN. In other words, we spent \$3 million on design and still haven't started the building?

Mr. PEYTON. That is correct, sir.

Senator MORGAN. I don't understand how you can continue to do it. I reckon that is the policy of the Federal Government and maybe we aren't ever going to change it. What prompted you to go from 10 to 24 stories? Just solely the increased demand for courts?

Mr. PEYTON. The original conceptual estimate in 1966 envisioned a 14 story structure, however this concept was preliminary in nature and subsequent design studies prepared by the AE resulted in a 24 story structure considering the configuration of the site.

Senator MORGAN. What caused a 10-year delay? I know you had to change sites, but for goodness sake, was 10 years necessary to do it, or was it that you just didn't really need the building?

Mr. SHIPP. Senator, my name is Loy Shipp. This project was authorized in 1966. It wasn't until 1970, that we were able to fund the site acquisition and a design of the project. We could not start design until that time.

We were also working on the acquisition of the site by exchange, but we did not have money to buy the site. Ordinarily, if we had proceeded earlier, assuming the money was available for design in 1970, we would have funded the construction about 1972.

However, it would appear from just looking at dates there was a 10-year delay. But actually the delay was much shorter as a practical matter because we didn't have the funds and couldn't proceed with any real design until at least 4 years after the project was authorized.

Senator MORGAN. Have you explored the possibility of using already existing Federal buildings in Atlanta for courtroom and judges' offices, or utilizing other space available there?

Mr. SHIPP. Sir, the existing Post Office-Courthouse building contains about 120,000 square feet of space. We need, in order to house the total requirements of the courts in Atlanta, in excess of 160,000 square feet. It is not possible to utilize that particular building to house the courts exclusively.

Senator MORGAN. Who designs courtrooms, judges' offices, and so on? The most palatial and luxurious offices I have ever seen anywhere have been judges' offices. Do you do this or does the court do it? How do you arrive at it? It seems an extravagant waste of the taxpayers' money to me.

Mr. SHIPP. The GSA supervises the architect in his work of designing the courtroom facilities. These courtroom facilities are designed in accordance with standards that have been agreed to by the Administrative Office of Courts and the Judicial Conference. It is all set forth in a handbook that establishes these standards.

Senator MORGAN. Is GSA bound by them?

Mr. SHIPP. Yes, sir; we are.

Senator MORGAN. Why?

Mr. SHIPP. First of all, we have to satisfy the needs of our clients. We may have some difficulties with them as to how these should be satisfied. But eventually we have to arrive at an accommodation with them as to exactly what will be provided. The guidelines that we have today are the result of a dialogue between GSA and the Judicial Conference and the Administrative Office of Courts, arriving at standards that both of us could agree to.

Senator MORGAN. In other words, then, you really have no choice? You have got to satisfy the clients you are building for?

Mr. SHIPP. Yes, sir. We have to satisfy them. But the only way to satisfy them is do not take carte blanche. If we are taking carte blanche of the requirements, we would really see some very elaborate court facilities.

Senator MORGAN. I can show you some that are anyway.

And I see you are asking for over \$8 million in parking. Is this right?

Mr. SORG. On the parking, the new facility provides 129,000 square feet of parking space in the basement. The \$8 million that apparently you are speaking of is applying the average cost of the building, which is \$63, against that. In reality, the parking space, since it does not have heat, air conditioning and other finishes, that would be associated with office and court space, in reality costs \$20 a square foot. So, the parking costs \$2.4 million in the building.

Senator MORGAN. GSA would occupy the space in this?

Mr. SORG. I am sorry?

Senator MORGAN. Will GSA be assigned space in this building too?

Mr. SHIPP. Yes, sir; GSA will occupy space.

Senator MORGAN. Why has this been increased by 132 percent in the new building?

Mr. SHIPP. There are several factors that contribute to this increase. First of all, GSA in Atlanta, will move into this building. Between 1966 and today, that particular office will be expanded from about 88,000 square feet to 120,000 square feet.

In addition to that the method of presenting the statistical data with respect to agency assignments have changed. Back in 1966, the service areas, custodial areas, cafeterias and this type of thing were not logged against GSA assignments.

Today they are. So, in effect we have expansion of the GSA requirements in terms of offices we have in Atlanta, plus the change in the manner in which the statistics regarding the space in the building are handled.

Senator MORGAN. Would your moving into this building free up any other Federal space for the agencies?

Mr. SHIPP. It will free up some other Federal space. Under the prospectus that was submitted in 1966, the US. Post Office-Courthouse

was to be vacated by U.S. courts who were to be relocated into the new building. If we continue with that plan, that space would be freed up and it would be utilized for backfill by other Federal agencies.

Senator MORGAN. How much space is being rented in Atlanta now? Does anybody know?

Mr. SHIPP. Yes, sir; we do know. Right now we have under lease in Atlanta about 1,800,000 square feet of space.

Senator MORGAN. What is the average cost of rental space there?

Mr. SHIPP. The average cost is around \$5 a square foot.

Senator MORGAN. Does that include janitorial services and utilities?

Mr. SHIPP. Yes, sir.

Senator MORGAN. What is going to be the construction cost per square foot of this new facility?

Mr. SORG. The total cost of the new facility will average out to \$63.50. This is not an approved operating expense which has not been calculated as yet.

Senator MORGAN. You mean operation of the building?

Mr. SORG. Yes, sir.

Senator MORGAN. The actual construction cost is what?

Mr. SORG. \$63.50 per square foot.

Senator MORGAN. Is there any way you can reduce that cost?

Mr. SORG. There are always possibilities for reducing the cost. However, to the design which has been completed, to reduce the cost would reduce quality and possibly the effectiveness of the building. However, the building could be value engineered to reduce areas of cost possibly to make it a little more effective.

Senator MORGAN. You have got more than \$1 million in the estimate for a cafeteria, have you not?

Mr. SORG. Yes, sir.

Senator MORGAN. Who is that going to serve? Just Federal employees?

Mr. SHIPP. Yes, sir, it will serve the employees. There will be about 2,700 people in this building. We have examined the availability of other facilities in proximity to the building, within a three- or four-block radius. We identified restaurants having a seating capacity of around 900 persons. At least one or possibly more of these restaurants will be lost due to the subway construction that will be taking place in Atlanta.

Our buildings management people feel that for this size building population, a cafeteria is needed.

Senator MORGAN. Only about 60 percent of this building is going to be used for office space, isn't it?

Mr. SHIPP. That is about right.

Senator MORGAN. Where does the rest of it go? For parking and courtrooms?

Mr. SHIPP. It goes into courtrooms, parking, custodial areas, service areas.

Senator MORGAN. Have you actually looked into the need for increasing the number of courtrooms from 7 to 14, or are you just taking the Judicial Conference's word for it?

Mr. SHIPP. We are taking the Administrative Office's and the Judicial Conference's word for their need for this space.

Senator MORGAN. What did you say you are going to do with the old post office space?

Mr. SHIPP. The old U.S. post office-courthouse space will be, when it is vacated—again, I say, if we proceed with our present plan to vacate that space, it will be renovated and assigned to other Federal agencies.

Senator MORGAN. Do you have anything else you want to offer for the record?

Mr. PEYTON. No, sir; we do not.

Senator MORGAN. We have a list of questions here, and some may be redundant. But I would like to leave them with you and ask that you submit answers for the record.

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

[A statement from GSA, the prospectus, responses to additional questions, material submitted by the Building Owners and Managers of Atlanta, Inc. and responses from GSA to questions from Senator Buckley relating to the FBI parking facility, West Los Angeles, Calif., and the Federal Office building in East St. Louis, Ill. follows:]

RICHARD B. RUSSELL FEDERAL BUILDING
ATLANTA, GEORGIABEFORE THE SENATE SUBCOMMITTEE ON BUILDINGS AND GROUNDS,
COMMITTEE ON PUBLIC WORKS

STATEMENT BY LOY M. SHIPP, JR. ON THE AMENDED PROSPECTUS

A prospectus recommending construction of a Courthouse and Federal Office Building in Atlanta, Georgia, was approved by the Public Works Committees of the Congress in October 1966. This authorization provided for construction of a building with a gross area of 1,125,000 square feet of space, at an estimated total cost of \$27,353,000. The cost estimate assumed a 14 story building with sub-basement and basement and contemplated the inclusion of seven courtrooms, an auditorium, and interior parking for 230 vehicles; the balance of the building was devoted to standard office and other general purpose space. In addition to accommodating the United States Courts, it was planned to relocate other Federal agencies from about 420,000 square feet of leased space, carrying an annual rental of about \$1.4 million. A site investigation was conducted in June 1968, and a site bounded by Mitchell Street, Central Avenue, Trinity Avenue, and Prior Street was selected. To conserve appropriated funds, an agreement to acquire the site by an exchange of Government-owned real property was executed in July 1970. However, in June 1971 the U.S. District Court for the Southern District of Florida invalidated our exchange agreement. In September 1971, a proposal was received from Southern Railway offering a site bounded by Hunter Street viaduct, Mitchell Street, and the Spring Street viaduct, about three blocks from the original site.

A feasibility study, completed in October 1971, revealed that the Southern Railway site was superior in many important respects and it was subsequently purchased at a cost of about \$2.9 million.

The current estimated cost of this project, assuming that we can award the construction contract prior to the end of this month, is \$77,066,000. Several factors contribute to this increase. The inclusion of seven additional courtrooms, extensive high rise firesafety features, and environmental improvements account for approximately \$7 million of the increase. The inflationary forces that have prevailed since the original estimate in 1966 is much more significant, however, accounting for about \$36 million. The remainder of the increase is attributable to increased site, design, and management and inspection costs, totalling about \$6.7 million.

The site for this project has been acquired, the design is complete, purchase contract financing is available and, most importantly, completion of this building will enable us to vacate approximately 342,000 square feet of leased space which now accounts for rentals approaching (or in excess of) \$1.6 million annually. Your approval of the revised prospectus is respectfully requested so that we can proceed with this project without further costly delay.

PROSPECTUS NUMBER: PGA-75015

PROSPECTUS TO AMEND A PUBLIC BUILDING PROJECT
 AUTHORIZED UNDER THE PUBLIC BUILDINGS ACT OF 1959, AS AMENDED

1. DESCRIPTION OF PROPOSED AMENDMENT:

This amendment is submitted to increase the authorized maximum limit of cost for the public building project listed below. The gross area of the new building project has not increased beyond authorized limits and its justification, as described in the approved Prospectus for Proposed Construction, has not lessened; however, the maximum limit of cost has increased above the amounts authorized by Section 5(e) of Public Law 92-313. There is attached a detailed explanation of the increased cost.

2. PROPOSED AMENDMENT:

<u>Location</u>	<u>Project</u>	<u>Total Estimated Maximum Cost</u>
Atlanta, Georgia	Richard B. Russell Federal Building (Formerly Courthouse and Federal Office Building)	\$77,066,000

3. STATEMENT OF NEED:

It has been determined that (1) the needs for space of the Federal Government in this community cannot be completely satisfied by utilization of existing suitable property owned by the Government; and (2) suitable rental space is not available at a price commensurate with that to be afforded through the action proposed herein.

Submitted at Washington, D.C. on APR 19 1975

Recommended: W. H. W. W.
 Commissioner, Public Buildings Service

Approved: Dwight A. Ink
 Acting Administrator of General Services

PROPOSED AMENDMENT TO:

RICHARD B. RUSSELL FEDERAL BUILDING
(Formerly Courthouse and Federal Office Building)

ATLANTA, GEORGIA

PROSPECTUS NUMBER: PGA-75015
(Formerly numbered - 10-0121)

DATE SUBMITTED TO CONGRESS: August 30, 1966

DATE OF APPROVAL BY COMMITTEES ON PUBLIC WORKS:

Senate - September 20, 1966
House of Representatives - October 6, 1966

Because of the expanded requirements of the United States Courts, which has resulted in an increase in the number of proposed courtrooms from 7 to 14, the inclusion of high-rise fire safety standards, special acoustical engineering requirements due to a nearby railroad, and the addition of a cafeteria not originally contemplated, construction costs have been greatly increased. As a result of these design changes and delays in site acquisition the project has not proceeded as scheduled. Based on actual and projected increases in site and design costs and in construction indices from August 1966 to June 1975, the estimated date of construction contract award, the project cannot be accomplished within the approved limit of cost. Although the occupiable area of the proposed building has increased about 13%, or 91,150 square feet, the gross area has increased only 8% over the original authorization. The higher ratio of occupiable to gross area is the result of a more efficient design than anticipated. This amendment is submitted to increase the limit of cost to complete the project. The proposed amendment does not affect the conversion and alteration project of the existing Post Office and Courthouse authorized in the original prospectus. A detailed analysis of the cost increases is attached as Exhibit A.

<u>ESTIMATED COST:</u>	<u>Approved Estimated Maximum Cost</u>	<u>Revised Estimated Maximum Cost</u>	<u>Difference and %</u>
Site	\$ 1,652,000	\$ 2,900,000	\$ 1,248,000 - 76%
Design & Review .	1,029,000	3,511,000	2,482,000 - 241%
Management and Inspection ...	460,000	3,321,000	2,861,000 - 621%
Construction ...	24,212,000	67,334,000	43,122,000 - 178%
TOTAL COST	\$27,353,000	\$77,066,000 *	\$49,713,000 - 182%

APPROXIMATE AREAS:

Gross Square Feet	1,125,000	1,213,200	88,200 - 8%
Occupiable Square Feet	703,450	794,600	91,150 - 13%

* Exclusive of financing and other costs attributable to the purchase contract method of acquisition.

EXHIBIT A

RICHARD B. RUSSELL FEDERAL BUILDING
 (Formerly Courthouse and Federal
 Office Building)
 ATLANTA, GEORGIA
 PROSPECTUS NUMBER: PGA-75015

PROPOSED HOUSING PLAN

<u>Agency</u>	<u>Area (Sq. Ft.)</u>	<u>Personnel</u>
U.S. Courts	157,823	221
Tax Court	4,300	4
U.S. Atty/Mar.	21,149	85
ACTION	11,000	45
Agriculture	30,900	302
Civil Service	40,000	158
Commission on Civil Rights	2,750	12
Defense	20,600	123
Equal Employment Opportunity	20,900	77
Executive Office of the President	500	2
General Services Admin.	347,575	725
Government Printing Office	2,500	12
Health, Education, & Welfare	18,000	125
Housing & Urban Development	43,400	430
Justice (excl. U.S. Atty/Mar.)	37,600	140
Railroad Retirement Bd.	2,700	15
Selective Service System	10,000	67
Transportation	7,000	45
Treasury	<u>7,300</u>	<u>35</u>
Total Assigned Space	785,997	2,623
Reserve for Expansion	<u>8,603</u>	<u>57</u>
TOTAL OCCUPIABLE SPACE	794,600	2,680

EXHIBIT A (Cont'd)
 RICHARD B. RUSSELL FEDERAL BUILDING
 ATLANTA, GEORGIA

ANALYSIS OF PROPOSED PROJECT

<u>Item</u>	<u>Area (Sq. Ft.)</u>	<u>Personnel</u>
Agency Space	560,622	2,538
Parking Garage	129,166	-
Service Areas	66,209	55
Auditorium	4,074	
Blind Stand	329	
Cafeteria	17,727	
Communications	7,612	
Conference Rooms	7,000	
Credit Union	1,017	
Federal Information Center	1,017	
Federal Protective Service	144	
Federal Supply Store	5,614	
Health Unit	3,205	
Loading Platform	6,834	
Mail Room	555	
Motor Pool Office	1,472	
Printing Plant	8,700	
Shredding Room	144	
Telephone Frame Room	765	
Custodial	<u>30,000</u>	<u>30</u>
Total Assigned Space	785,997	2,623
Government-owned to be reassigned	67,242	
Leased Space to be replaced	341,364	
Agency Expansion	377,391	
Reserve for Expansion	<u>8,603</u>	<u>57</u>
Total Occupiable Space	794,600	2,680

EXHIBIT B

RICHARD B. RUSSELL FEDERAL BUILDING
 (Formerly Courthouse and Federal Office Building)
 ATLANTA, GEORGIA

A. Analysis of Increased Construction Costs Since 1966.

- | | |
|---|---------------|
| 1. <u>Estimated Construction Costs -</u>
<u>Prospectus submitted 8/30/66.</u> | \$24,212,000 |
| 2. <u>Increased scope reflected in final working drawings (1966 prices).</u> | |
| a. Added 88,000 to gross area incl.
7 courtrooms | 1,643,000 |
| b. Added Fire Safety Criteria
and sprinklers | 2,540,000 |
| c. Added misc. items: trash chute,
mail equip., sound isol. | 552,000 |
| d. Additional elevators | 244,000 |
| e. Furniture for 7 added courtrooms | 260,000 |
| f. Cafeteria equip. due to increased
size | 399,000 |
| g. 24 story bldg. vs. 10 stories -
addition to structure | 778,000 |
| h. New access to highway | 750,000 |
| | 7,166,000 |
| 3. <u>Historical Cost Increases to Date:</u> | |
| Cost increase from 7/66 to 1/75 =
86.6% based on actual cost indices
for the period (\$31,378,000 x 86.6%) | 27,173,000 |
| 4. <u>Projections for Future Escalation:</u> | |
| Estimated cost increase from 1/75 to 6/75
@ .6%/mo. = 3%, plus increase to 50%
of construction time = 20 mo. @ .6%/mo. =
12.0% to the estimated escalation =
15% (58,551,000 x 15%)** | 8,783,000 * |
| 5. <u>Estimated Construction Cost (6/75)</u> | \$67,334,000* |

* The final construction cost estimate is based on 1974 costs for materials, labor, productivity, equipment and allowances for contractors' overhead and profit. Escalation (at the rate of 0.6% per month) has been added up to the mid-point of construction in order to forecast anticipated increases during the construction period in material costs; unknown factors faced by bidders in the

EXHIBIT B (Cont'd)
RICHARD B. RUSSELL FEDERAL BUILDING
ATLANTA, GEORIGIA

obtaining of firm subcontractors' quotes and delayed delivery dates; higher costs for quotations on heavy equipment and long-lead times; anticipated increases in labor contracts for work which will be performed in 1975, 1976, and 1977; and associated increases in contractors' overhead for higher interest rates, higher insurance costs, critical fuel supply shortages, increased safety requirements and anti-pollution controls.

**The rate of escalation is 0.6% per month. According to the American Appraisal Co. (Boeckh's Index) the Atlanta, Georgia, area has increased 11.3% in the period 1/74 to 1/75. We are assuming that the long range rate of escalation for this project will be 0.6% per month, which is less than the historical average.

RICHARD B. RUSSELL FEDERAL BUILDING, ATLANTA, GEORGIA
(Formerly Courthouse and Federal Office Building)

B. Analysis of Increased Sites and Expenses Costs Since 1966

<u>ITEM</u>	<u>PROSPECTUS</u> 8/30/66	<u>OMB APPROVED</u> <u>AMENDMENT</u> 2/11/75	<u>REASONS FOR INCREASES</u>
<u>Site Costs</u>			
1. Site	\$1,600,000	\$2,800,000	1. Increased site cost based on actual costs.
2. Acquisition expenses	52,000	100,000	
	(80,000 square feet)	(176,000 square feet)	
	<u>\$1,652,000</u>	<u>\$2,900,000</u>	
<u>Design Costs</u>			
1. Architect-Engineer (A-E)		\$2,319,509	1. Increased A-E fees due to added courts, redesign for new site, changes in criteria and standards and other modifications.
a. Design Fee	\$ 723,200	327,000	
b. Post Contract Services	98,618	236,007	2. GSA salary increases since 1966 and added review costs for redesign.
2. GSA Salaries	165,619	137,484	3. Estimated costs for duplication, etc. at 1975 prices.
3. Duplicating, Advertising, etc.	25,000	382,000	4. Estimated costs for more soil tests plus allowances for special consultants.
4. Soil Test & Materials Tests	11,000	109,000	5. Added cost for CPM and added expenses for larger project. Note: 1a, 2, and 5 -- These items are nearly complete.
5. Travel and Misc.	5,563	<u>\$3,511,000</u>	
<u>Management & Inspection Costs</u>			
1. Architect-Engineer (A-E)	\$ 230,000	\$ 908,200	1.2.3. GSA's Construction Program Study Team report adopted in 1967 by GSA Administrator required a greater level of inspection and project management support than anticipated in 1966 prospectus estimate.
2. GSA Salaries	230,000	908,200	
3. Testing	-----	100,600	4. Construction Manager now required for GSA's projects in excess of \$5,000,000. (not required in 1966). Note: The construction cost estimate has been reduced to reflect those services performed by CM in lieu of the general contractor.
4. Construction Manager Fees	-----	1,353,000	5. CPM's now required for GSA's projects in excess of \$1,000,000 (not required in 1966)
5. Critical Path Scheduling (CPH)	-----	<u>51,000</u>	
Total Site, Design, Management and Inspection	<u>\$ 460,000</u>	<u>\$3,321,000</u>	
	\$3,141,000	\$9,732,000	

EXHIBIT B (Cont'd)
 RICHARD B. RUSSELL FEDERAL BUILDING
 ATLANTA, GEORGIA

Obligations as of February 28, 1975

	<u>Purchase Contract Financing</u>	<u>Direct Appropriated Funds</u>	<u>Total</u>	<u>Remarks</u>
Site Acquisition (complete)	\$2,850,000	\$ 6,832	\$2,856,832	
Land	\$2,850,000		\$2,850,000	
Appraisal, title evidence	-	\$ 6,832	\$ 6,832	
Design	-	\$1,745,380	\$1,745,380	Final working drawing complete.
A E Contract	-	\$1,556,647	\$1,556,647	Post construction services
GSA expenses, soil tests, miscellaneous printing and other	-	\$ 188,733	\$ 188,733	option has not been exercised. Advertising and printing of bidding documents have not been accomplished.
TOTAL	<u>\$2,850,000</u>	<u>\$1,752,212</u>	<u>\$4,602,212</u>	

Richard B. Russell Federal Building
Atlanta, Georgia

QUESTION 1: Why was the proposed site changed after this building was authorized in 1966? Who owned the site originally proposed and what is on it now? Why were unfavorable subsoil conditions, since reported, not known previously?

ANSWER: A feasibility study of the present site was undertaken after the site was offered by Southern Railway. The study revealed that certain benefits would accrue to the Government if the Southern Railway site were selected in lieu of the original site. These benefits include the following:

- (a) The present site is much larger than the one previously considered.
- (b) Many construction difficulties would be alleviated due to more compatible subsurface conditions.
- (c) Relocation expenses would not be necessary.
- (d) Unlike the original site, no major utility lines are known to cross the present site.
- (e) Additional parking spaces (approximately 80) can be provided.
- (f) Vehicle ingress and egress as well as surrounding traffic patterns can be simplified more easily than at the original site.
- (g) The present site can accommodate the building design requiring only modifications to the sub-structure.

The original site was composed of a variety of parcels owned by nine individuals or groups. These owners, as of May 22, 1970, were:

- (a) Harrison Company
- (b) Yonan Codex Foundation, Inc.
- (c) Daily Report Company
- (d) Jacob Gordon, Robert Gordon, and Charles Gordon
- (e) Allright Parking of Georgia, Inc.
- (f) Eva Bell Wilson
- (g) Morton Realty Company
- (h) John M. Rittlemeyer
- (i) Hugh Pendleton Nunnally, Charles T. Nunnally, and Mrs. Catherine N. Rawson

ANSWER 1: (cont'd)

The site today is essentially unchanged. The site is still a mixture of parking lots and small mixed uses.

All GSA site acquisition agreements are subject to the results of soil borings to assure subsoil suitability for construction. Therefore, GSA cannot in any way be committed to a site with soil conditions unfavorable for construction.

In this case, the subsoil conditions on the present site were more suitable for construction of this building.

QUESTION 2: Who previously owned the presently proposed site? How much did or will it cost the Government? Is any additional land needed? What is on the site now? Will any relocation costs be involved?

ANSWER: Prior to Federal purchase, the site belonged to Southern Railway. The site was purchased for approximately \$2.9 million. No additional land purchase is contemplated. The appraised fair market value of the site is \$4.0 million. The site is presently vacant. No relocation costs will be involved.

QUESTION 3: In addition to real estate costs, the need to build a new access road, and the inconvenience of a 10-year delay in constructing a building already authorized, all this playing around with sites and re-design has increased the cost of this project by 182 percent in 10 years. Does this represent foresight, good planning, and economy? Who will have benefited from this?

ANSWER: As a practical matter, the delay in construction was shorter than it appears to be in terms of calendar dates. Although the project was authorized in 1966, four years elapsed before funds became available in 1970 for site acquisition and building design. In an effort to conserve appropriated funds, an agreement to acquire a site by an exchange of Government-owned real property was executed in July, 1970. However, the U.S. District Court for the Southern District of Florida invalidated the exchange agreement. Subsequent to this invalidation, another site became available. A feasibility study, completed in October of 1971, showed this site to be more suitable than the previous one and it was purchased.

ANSWER 3: (cont'd)

It was then necessary to undergo time-consuming redesign to adapt the building to this site.

While no one can use this project as an example of foresight and good planning, there have been some latent benefits to the Government. A more suitable site was acquired during the interim. Beneficial features, such as high-rise safety systems, energy conservation, and facilities for the handicapped, which would not have been included in an earlier design, have been incorporated into present building plans.

QUESTION 4: What building changes are proposed? Did it have to be re-designed from scratch? Isn't a change from a 10 to a 24 floor building rather drastic?

ANSWER: Design changes in the building can be categorized as (1) the basic design solution of a 24-story facility by the Architect/Engineer in 1970 which differed from the 14-story building which was assumed in the development of the original prospectus in 1966 and (2) design changes and added scope items which were necessitated by the acquisition of a second site in 1972.

An example of the first type of design change, listed in Exhibit B of the prospectus, would be item g). Examples of the second type of design change, required because of resiting the project and added scope items, are items a) through f) and item h.)

The re-design required for the new site consisted of complete re-design of the plaza and below grade levels of the building. The upper 24 stories were not materially changed in 1972 except for the additional courts and elevators.

We do not consider a change from 14 stories to 24 stories a drastic change since the Architect/Engineer was not retained until 1970 and the conceptual estimate (without benefit of any design sketches or studies) was prepared in 1966.

QUESTION 5: The prospectus emphasizes that the gross square footage has been increased by only 8 percent. How, then, can the 182 percent increase in cost be accounted for? Was this due mainly to inflation?

ANSWER: As shown on Exhibit B with the amended prospectus, the \$44,122,000 construction cost increases were due to \$7,166,000 (17%) in scope changes and \$35,966,000 (83%) in added costs due to slippage of time.

QUESTION 6: It is noted that design and review costs increased from \$1,029,000 to \$3,511,000 or by 241 percent. Why? And why have Management costs increased by 621 percent? Would GSA agree to an audit of these estimated figures?

ANSWER: The design and review costs have increased from \$1,029,000 estimated in 1966 to \$3,511,000 as of 1975. A large part of the increase was in Architect/Engineer fees, which had to be renegotiated upon the change in site. These fees increased due to higher construction costs resulting from escalation and scope changes. Other design and review costs, such as GSA salaries, duplicating and advertising, soil tests and materials tests, and travel also increased due to site change, escalation, and scope changes.

Similarly, the estimated management and inspection costs have increased 621 percent due to the larger construction costs. These costs have also increased due to more realistic estimates prepared to reflect the use of improved inspection techniques and the use of Critical Path Method (CPM) for scheduling. These costs are discussed further in Exhibit B of the amended prospectus.

Since we now do not plan to use a construction manager (fee - \$1,353,000) as shown on Exhibit B, the increase in Management and Inspection Costs is now 428 percent. The basic construction cost would increase \$1,353,000 since a general contractor will now perform the same duties as the previously proposed construction manager.

GSA will cooperate in any audit the Committee may wish to conduct.

QUESTION 7: It is noted that 17 percent of assignable space in the proposed building will be allocated to parking and motor pool facilities. At \$63.50 per square foot, the average cost of construction, this would total \$8,295,513. Isn't this rather expensive parking? Where is the motor pool located now?

ANSWER: While 129,166 square feet of parking and a 1,472 square foot motor pool are provided in the building, the cost of this space is approximately \$2,583,320 or \$20.00 per square foot. Inasmuch as garage space does not require heating, air conditioning, or architectural finishes which are found in the office and court spaces, application of the average \$63.50 cost is erroneous. A motor pool office is provided to house personnel responsible for administering and controlling the Government vehicles.

The motor pool is currently in leased space at 6th and Cypress Streets. The cost of this space is \$33,200 annually.

QUESTION 8: 17,727 square feet are proposed as cafeteria space, which will cost well over \$1 million. Actually, only 560,600 square feet will be allocated as agency or office space, which amounts to only 60 percent of the total space to be assigned. Wouldn't a smaller building be adequate?

ANSWER: Our figures indicate that agency space (560,000 square feet) comprises 71% of occupiable space (794,000 square feet). A smaller building would not be adequate. The difference in space between 560,000 square feet assigned as agency space and 794,000 square feet of occupiable space represents garage, building service, and support areas.

This building will house about 2,700 employees. A study of eating facilities within a three-block radius of the project indicates that only 920 seats will be available during the lunch period for employees of this building. These accommodations are in ten establishments, at least one of which will be forced to close in two or three years because of subway construction.

QUESTION 9: Why has the space for GSA been increased by 132 percent?

ANSWER: The statistical data used in 1966 with respect to GSA space differs from the present method of presenting this information in that non-office type space such as garage, custodial, and service areas were not charged to the General Services Administration as they are today. In addition, there has been an increase in the GSA space requirements for its Regional Office from 86,500 square feet to 122,200 square feet.

QUESTION 10: Why have court room furnishings and cafeteria equipment been included in the cost estimate for the building? Is there anything else?

ANSWER: It is standard practice to include these items where required. Only Courtroom furnishing and cafeteria equipment are segregated as cost elements in quantifying the cost increase from scope changes. The court-furnishing costs shown cover the cost for the special millwork (judge's bench, witness stand, juror box, etc.) normal to courtrooms. This cost does not include portable furniture such as tables and chairs.

The cafeteria-equipment costs represent the costs of a serving line, refrigerators, food preparation equipment, and condiment stands, but exclude portable furnishings and equipment such as tables, chairs, trays, dishes, etc.

There are no similar costs that are not included in all construction projects of this nature. These items would be structural, electrical, or mechanical fixtures necessary for the operation of the agencies. Examples are plumbing and ventilation fixtures for labs, increased electrical fixtures for print shops, conduits to roof top communication facilities, and seats for the auditorium.

QUESTION 11: Why are 14 courtrooms being provided in lieu of the 7 originally proposed?

ANSWER: The extremely heavy case load on the U.S. Courts necessitated the increase.

QUESTION 12: Were alterations completed on the old Post Office and Courthouse which were authorized in 1966?

ANSWER: The conversion and alteration work included in the prospectus approved in 1966 has been deferred pending relocation of the U.S. Postal Service. The only work that has been done to the building was replacement of the roof at a cost of \$167,474.

QUESTION 13: What courtroom space exists there now? Is this more or less than they had before alterations?

ANSWER: There are five courtrooms for the District Court and one courtroom for the Court of Appeals. This is the same number of courtrooms as in 1966.

QUESTION 14: Is any space leased for the courts?

ANSWER: No.

QUESTION 15: Did the Postal Service get their new building, which was authorized in 1966? Do they still occupy the Federal Annex, which provides 242,000 square feet, and which is structurally sound and in a good downtown location? What other Federal Buildings are there in Atlanta?

ANSWER: (1) No. A site is under consideration. (2) Yes. They still occupy the Federal Annex. (3) A Federal Office Building.

QUESTION 16: Would the proposed new building permit consolidation of all Federal activities there, other than the courts?

ANSWER: No. General purpose space demands exceed 2.5 million square feet. The proposed building in addition to the existing Federal Office Building would not provide sufficient space to house these demands.

QUESTION 17: Why can't the courts all be put into the old Post Office Building and leased space utilized for remaining needs? Isn't there a surplus of such space now, in Atlanta, even though the prospectus indicates differently?

ANSWER: The old Post Office and Courthouse Building, containing about 120,000 square feet, is not large enough to accommodate all the Court activities in Atlanta (158,000 square feet needed for District and Appeals Courts, and 4,400 square feet for Tax Court). An attempt to house all present court space in the converted Post Office and Courthouse would require that the U.S. Attorney and Marshal be located in a separate building.

Although there are indications of oversupply in the private sector at this time, GSA leases about 1.8 million square feet of space. Delivery of the Russell Building and subsequent alterations to the Old Post Office and Courthouse will release 380,000 square feet of space. This action will not adversely affect the Atlanta rental market.

QUESTION 18: How might this project be modified to provide only what is actually needed, and substantially reduce the cost?

ANSWER: Design of this building has been completed and any modification of design would be costly. Any potential benefits would be offset by the delay. Purchase contract financing, which is available, requires that all disbursements be made by May 31, 1977. Also, failure to proceed with construction at this time will result in further cost escalation and will jeopardize our performance under the Public Building Purchase Contract and Trust Indenture dated August 1, 1973.

The regional office evaluated the project to reduce construction costs by eliminating certain features. The result of this study was that reductions in costs could only be attained by making the building less liveable or by eliminating facilities that would result in increased operating and maintenance costs in the future. Examples of possible cost reductions were (a) the reduction of electrical fixtures, (b) an elimination of landscaping, (c) a revised trash removal system, and (d) a revised ventilation system in the garage.

June 23, 1975

GENERAL SERVICES ADMINISTRATION

Senate Public Works Committee

Questions and Answers on Richard B. Russell Federal Building, Atlanta, Georgia

QUESTION 1: Where will the building be located?

ANSWER: The building will be located on a site bounded by the Hunter Street viaduct, Mitchell Street, and the Spring Street viaduct.

QUESTION 2: Has any money been appropriated to date for this project? If so, how much?

ANSWER: Funds were appropriated under the Sites and Expenses, Public Buildings Projects, appropriation:

<u>Fiscal Year</u>	<u>Public Law</u>	<u>Amount</u>
1970	91-126	\$1,152,000.00
1972	92-49	2,037,000.00
1973	92-351	<u>800,000.00</u>
	Total Appropriation	\$3,989,000.00

As a result of PL 93-381, GSA's FY 75 Appropriation Act, only \$700,000 of the unobligated balance of funds previously appropriated may be used in FY 1975.

QUESTION 3: How much has been obligated to date for this building?

ANSWER: Total obligations as of March 31, 1975 are \$1,752,287.84 computed as follows:

Sites and Expenses, PBP	6-30-74	\$1,746,928.84
Federal Buildings Fund	3-31-75	<u>5,359.00</u>
	TOTAL	\$1,752,287.84

The amount obligated was for design of the project, except for miscellaneous site costs, including appraisals. The site was purchased with purchase contract financing at a cost of \$2,850,000.

QUESTION 4: How will this building be financed?

ANSWER: The building is being financed with Purchase Contract funds under the dual system with the exception of GSA and miscellaneous expenses which the Federal Buildings Fund will finance.

QUESTION 5: When does this prospectus anticipate a start on construction? Completion?

ANSWER: June 1975 -- we are now projecting September 1975 with beneficial occupancy in November 1977 (26 months construction time).

QUESTION 6: How does the proposed housing plan compare with the one approved in 1966?

Atlanta, Georgia
Courthouse and Federal Office Building
Proposed Housing Plan

ANSWER:

Agency	Square Feet	
	Approved 1966	Prospectus 1975 Amendment
U.S. Courts	79,815	157,823
Tax Court	--	4,300
U.S. Attorney/Marshal	26,000	21,149
ACTION	--	11,000
Agriculture	200	30,900
Civil Service	25,000	40,000
Commerce	26,500	--
Commission on Civil Rights	--	2,750
Defense	--	20,600
Equal Employment Opportunity	--	20,900
Executive Office of the President	300	500
Federal Communications Commission	1,500	--
Federal Deposit Insurance Corporation	5,000	--
General Accounting Office	5,000	--
General Services Administration	86,500	122,200 ^{1/}
Government Printing Office	--	2,500
Health, Education & Welfare	98,300	18,000
Housing & Urban Development	111,600	43,400
Interstate Commerce Commission	4,800	--
Justice (excl. U.S. Atty./Mar.)	4,500	37,600
Labor	37,900	--
Office of Economic Opportunity	17,000	--
Railroad Retirement Board	3,100	2,700
Securities & Exchange Commission	4,000	--

^{1/} Total GSA Space - 347,575

QUESTION 6: (cont.d)

<u>Agency</u>	<u>Square Feet</u>	
	<u>Approved Prospectus</u> 1966	<u>Amendment</u> 1975
Selective Service System	3,400	10,000
Small Business Administration	20,000	--
State	200	--
Transportation	--	7,000
Treasury	<u>16,500</u>	<u>7,300</u>
Subtotal--Agency Space	577,115	560,622
Garage	81,300	129,166 <u>1/</u>
Service Areas	35,725	66,209 <u>1/</u>
Custodial	<u>9,310</u>	<u>30,000</u> <u>1/</u>
Subtotal--Assigned Space	703,450	785,997
Reserved for Expansion	--	<u>8,603</u>
Total Occupiable Space	703,450	794,600

QUESTION 7: The largest agency in the project will be GSA with 725 employees and 347,000 square feet of space. Please provide details on the nature of this work and space.

ANSWER:

<u>Function</u>	<u>Square Feet</u>	<u>Personnel</u>
Parking Garage:	129,166	0
Service Areas:		
Auditorium	4,074	--
Blind stand	329	1
Cafeteria	17,727	10
Communications	7,612	--
Conference Rooms	7,000	--
Credit Union	1,017	2
Federal Information Center	1,017	3
Federal Protective Service	144	6
Federal Supply Store	5,614	3

1/ Total GSA Space - 347,575

QUESTION 7: (cont.d)

<u>Function</u>	<u>Square Feet</u>	<u>Personnel</u>
Health Unit	3,205	2
Loading Platform	6,834	--
Mail Room	555	5
Motor Pool Office	1,472	3
Printing Plant	8,700	20
Shredding Room	144	--
Telephone Frame	<u>765</u>	--
Subtotal	66,209	50
Custodial	30,000	30
GSA Regional Office:		
Office of Regional Administrator	2,255	4
Business Service Center	1,616	6
Office of Administration	16,957	94
Federal Supply Service	7,594	4
Regional Counsel	1,091	8
Regional OOP	943	13
Office of Civil Rights	2,553	16
Regional Office of Audits	890	6
Regional Federal Supply Service	21,018	240
Regional NARS	1,362	8
Regional PBS	32,281	222
Regional Telecommunications	7,286	55
Regional ADTS	6,122	4
Internal Conference Room	3,266	--
Expansion	<u>17,006</u>	--
Subtotal	<u>122,200</u>	<u>650</u>
Total GSA	<u><u>347,575</u></u>	<u><u>735</u></u>

QUESTION 8: How many persons will the auditorium seat? Why is it needed?

ANSWER: The auditorium will seat 350 persons. It will be used for audiovisual presentations, training sessions, conferences, speaking engagements, and formal and informal addresses to large groups.

QUESTION 9: What existing restaurant facilities exist near the site of the proposed building? Why is an enlarged cafeteria needed?

ANSWER: A survey of the area indicates that there are ten eating establishments within a three block area of the proposed building; they have a total capacity for feeding a maximum of 920 additional customers. However, at least one and perhaps more will be forced to close when the rapid transit system is built within the next two to three years.

QUESTION 10: What is a "telephone frame room"?

ANSWER: A "telephone frame room" is the central location of incoming trunk lines, cables, terminals, etc., for the building's entire telephone system.

QUESTION 11: What items were dropped from the earlier prospectus to make room for the additional courtrooms, the larger cafeteria, etc.?

ANSWER: Approximately 90,000 fewer square feet of non-court agency space are included in the current prospectus, as compared with the 1966 prospectus. This reduction reflects the changed space requirements of the courts and the cafeteria. For instance, the HUD regional office was originally to be located in over 100,000 square feet of space. However, HUD decentralized and now an area office of only about 43,000 square feet is planned. Also, the space requirements for HEW have almost tripled. To accommodate this agency entirely in the proposed office building would restrict space flexibility.

QUESTION 12: Why was the design changed from a 10-story building to a 24-story building?

ANSWER: Design changes in the building can be categorized as (1) the basic design solution of a 24-story facility by the Architect/Engineer in 1970 which differed from the 14-story building which was assumed in the development of the original prospectus in 1966 and (2) design changes and added scope items which were necessitated by the acquisition of a second site in 1972.

QUESTION 12: (cont.d)

An example of a category (1) design change listed in Exhibit B of the prospectus would be item g). Twenty-four-story building versus fourteen stories and the remainder of the scope item, a) thru f) plus h), would be examples of category (2) design changes required due to resiting the project and added scope items.

The re-design required for the new site consisted of complete re-design of the plaza and below grade levels of the building. The upper 24 stories were not materially changed in 1972 except for the additional courts and elevators.

We do not consider a change from 14 stories to 24 stories a drastic change since the Architect/Engineer was not retained until 1970 and the conceptual estimate (without benefit of any design sketches or studies) was prepared in 1966.

QUESTION 13: What has been done to improve energy efficiency of the building?

ANSWER: GSA issued the Energy Conservation Guidelines for Office Buildings in 1974. The design of this Atlanta facility was substantially complete at that time but energy conservation efforts have resulted in the use of double glazed windows, reduced lighting requirements (task lighting), use of outside air for ventilation when feasible plus planned operation procedures which will reduce energy consumption on a yearly basis.

QUESTION 14: Please identify the specific savings anticipated under "construction" to offset the \$1,353,000 cost of the construction managers' fee.

ANSWER: The estimated savings in construction costs, due to the inclusion of a construction manager in this project, consisted of the following:

Reduction in 10/72 estimate by A/E for bid bond and overhead items required for conventional project of this size and scope	\$ 569,000
Reduction of a portion of the profit since General Contractor will not be required with use of construction manager.	428,000
	<hr/>
Subtotal (10/72)	\$ 997,000

QUESTION 14: (cont.d)

Subtotal (10/72)	\$ 997,000
Historical Cost Increases from 10/72 to 10/74. (18.3%)	183,000
Subtotal	<u>\$1,180,000</u>
Escalation from 10/74 to mid- point of construction (23 months at .6% per month = 13.8%)	173,000
Total Estimated Savings in Construction Costs	<u>\$1,353,000</u>

The above analysis was prepared in January of 1975. We have since determined that a construction manager's input would not be cost-effective since plans and specifications are now completed on the basis of a single lump sum bid. The maximum limit of cost of \$77,066,000 would still remain the same regardless of whether we used the Construction Manager for this project or not.

BUILDING OWNERS AND MANAGERS OF ATLANTA, INC.,
Atlanta, Ga., June 10, 1975.

HON. ROBERT MORGAN,
*Chairman, Senate Subcommittee of Buildings and Grounds,
 Russell Senate Office Building, Washington, D.C.*

DEAR SENATOR MORGAN: At the suggestion of Congressman Elliott Levitas of Georgia's Fourth District, we are pleased to enclose copies of a recently prepared May Office Space Occupancy Survey. This information is for the use of the members of your Subcommittee on Buildings and Grounds, Public Works Committee, in their deliberations on the proposed Russell Federal Office Building in Atlanta.

As indicated by the attached correspondence with Congressman Levitas, the Board of Directors of our Association will meet with representatives of the General Services Administration in Atlanta. This meeting could not be scheduled prior to the meeting of your Subcommittee.

Without the information we hope to gain from the General Services Administration, our Board cannot reach a determination on this project. We will be pleased to be responsive to any request for additional information which your Subcommittee members might wish to make of our Association.

Cordially,

STEWART M. HUEY, CAE,
Executive Vice President.

[Enclosures.]

BUILDING OWNERS AND MANAGERS OF ATLANTA, INC.,
Atlanta, Ga., June 10, 1975.

HON. ELLIOTT H. LEVITAS,
*Congress of the United States,
 Cannon House Office Building, Washington, D.C.*

DEAR CONGRESSMAN LEVITAS: Enclosed with this letter are several copies of the May Office Space Occupancy Survey. This information is transmitted to you in response to your letter of June 6th concerning the proposed Russell Federal Office Building.

Duplicate information has been forwarded to the Honorable Robert Morgan, Chairman of the Subcommittee on Buildings and Grounds, for his meeting on Wednesday. Due to the short interval of time for preparation, BOMA will not submit a position statement before his Committee, but forwards our survey for the information of the Committee members.

We met on Monday with Mr. Robert McCollum, Director of Space Management for General Services Administration in Atlanta and have scheduled a meeting between our Board of Directors and GSA representatives.

We anticipate that this meeting will resolve the major questions we have on this project and will allow our Board to reach a decision well in advance of the scheduled House Subcommittee hearings in Atlanta this fall.

We sincerely thank you for your continued assistance in this matter. We believe the statistics in the report will explain our deep concern to you.

Cordially,

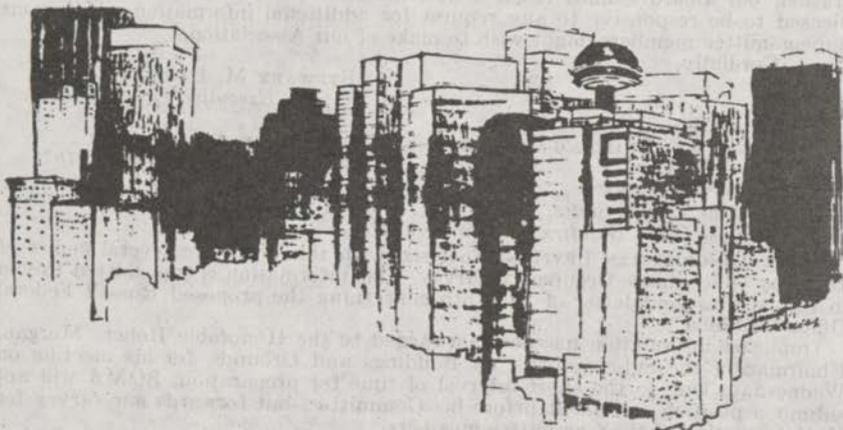
STEWART M. HUEY, CAE,
Executive Vice President.

[Enclosures.]

BUILDING OWNERS AND MANAGERS OF ATLANTA, INC.



2200 Parklake Drive - Suite 150
 Atlanta, Georgia 30345
 404/939-5480



OFFICE SPACE OCCUPANCY SURVEY

AS OF MAY 1, 1975

"Over sixty years of service to Atlanta's office building industry."

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OFFICE SPACE OCCUPANCY SURVEY

May, 1975

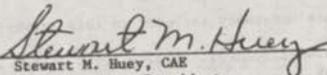
Our Spring biannual Survey of Occupancy/Vacancy in commercial office buildings and office parks in Metropolitan Atlanta is complete. This report shows the double-edged effect of new space being brought into the market and the slow absorption generally attributed to the economy.

For example, the occupancy rate in competitive buildings in the Urban area dropped from 91.0 percent in October to 84.8 percent as of this report. In Suburban Atlanta the occupancy rate declined from 86.0 percent in October to 74.3 percent. In both cases a larger amount of competitive space is included in this Survey, which might effect the results.

The Urban report includes only two of seven major projects. We anticipate that over 1.6 million square feet of additional competitive square feet will be added to the Urban Inventory by the end of 1975.

In the Suburban market report a combination of new construction and additions to existing office parks account for most of the decline in the occupancy rate. It is interesting to note that the removal of our arbitrarily defined "unabsorbed space" from the vacant competitive space, would decrease the vacancy rate to less than 10 percent in both the Urban and Suburban reports.

BOMA expresses its appreciation to the owners and managers of the 272 office parks and office buildings who cooperated with the BOMA Staff and Researcher Michael E. Paris, through the submission of data on which these reports are based. As always, requests for additional information or questions concerning this report or other activities of Building Owners and Managers of Atlanta should be referred to this office.


 Stewart M. Huey, CAE
 Executive Vice President

"Over sixty years of service to Atlanta's office building industry."

BUILDING OWNERS AND MANAGERS OF ATLANTA, INC.



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OFFICE SPACE OCCUPANCY SURVEY

May 1, 1975

METROPOLITAN ATLANTA

1. Total Number of Office Buildings and Parks included in this Survey:

1A. Competitive Parks and Buildings.....	197
1B. Totally Non-Competitive Parks and Buildings.....	<u>75</u>
Total Parks and Buildings Reporting..... 272	
 2. Competitive Office Rentable Area:

Occupied.....	20,004,612 sq. ft. or 80.3%
Vacant.....	4,893,328 sq. ft. or 19.7%
Total.....	24,897,940 sq. ft. or 100%
 - 2A. Unabsorbed Space*in 59 Parks and Buildings..... 3,229,530 sq. ft.
 3. Non-Competitive Space Reported in 1A..... 2,256,759 sq. ft. in 41 buildings
 Non-Competitive Space Reported in 1B..... 5,766,903 sq. ft. in 75 buildings
 4. Total Space included in this Survey..... 32,921,602 sq. ft.
 5. Office Space included in 1A and 1B occupied by Governmental Agencies:

Federal.....	1,875,736 sq. ft. in 43 buildings
State and Local.....	2,896,808 sq. ft. in 41 buildings
 6. Retail Store Occupancy included in this Survey:

Occupied.....	502,620 sq. ft. or 83.5%
Vacant.....	99,319 sq. ft. or 16.5%
Total.....	601,939 sq. ft. or 100%
- * NOTE: If "New Space", built within 24 months and never occupied, in 59 buildings of 3,229,530 sq. ft. were removed from the "vacant competitive" category, the occupancy rate would be 92.3%.

BUILDING OWNERS AND MANAGERS OF ATLANTA, INC.



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OFFICE SPACE OCCUPANCY SURVEY

May 1, 1975

URBAN ATLANTA

1. Urban Buildings included in this Survey:

1A. Competitive Buildings.....	111
1B. Totally Non-Competitive Buildings.....	60
Total Urban Buildings Reporting.....	171

2. Competitive Office Rentable Area:

Occupied.....	12,157,549 sq. ft. or 84.8%
Vacant.....	2,181,561 sq. ft. or 15.2%
Total.....	14,339,110 sq. ft. or 100%

2A. Unabsorbed Space* in 8 Buildings..... 1,081,110 sq. ft.

3. Non-Competitive Space Reported in 1A.....	2,039,477 sq. ft. in 31 buildings
Non-Competitive Space Reported in 1B.....	4,539,387 sq. ft. in 60 buildings

4. Total Urban Office Space in this Survey..... 20,917,974 sq. ft.

5. Office Space included in 1A and 1B occupied by Governmental Agencies:

Federal.....	1,360,028 sq. ft. in 31 buildings
State and Local.....	2,824,347 sq. ft. in 32 buildings

6. Retail Store Occupancy included in this Survey:

Occupied.....	502,620 sq. ft. or 83.5%
Vacant.....	99,319 sq. ft. or 16.5%
Total.....	601,939 sq. ft. or 100%

* NOTE: If "New Space", built within 24 months and never occupied, in 8 buildings of 1,081,110 sq. ft. were removed from the "vacant competitive" category, the occupancy rate would be 91.7%.

BUILDING OWNERS AND MANAGERS OF ATLANTA, INC.



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OFFICE SPACE OCCUPANCY SURVEY

May 1, 1975

URBAN ATLANTA
Competitive Buildings

<u>RENTAL COST CLASSIFICATIONS</u>	<u>Under \$4.50</u>	<u>\$4.51/6.00</u>	<u>\$6.01 and up</u>
1. Number of Buildings	21	54	41
2. Competitive Office Rentable Area			
Occupied	652,762 (79.5)	4,219,388 (91.2)	7,285,399 (81.8)
Vacant	167,520 (20.5)	402,708 (8.8)	1,611,333 (18.2)
Total	820,282 (100)	4,622,096 (100)	8,896,732 (100)
3. Non-Competitive Office Rentable Area Reported	186,034 [6]	1,020,659 [14]	1,063,793 [11]
4. Total Office Space Reported in this Survey	1,006,316	5,642,755	9,960,525
5. Office Space Occupied by Governmental Agencies			
Federal	465,773 [6]	798,966 [20]	95,289 [5]
State and Local	2,443 [1]	50,523 [5]	76,444 [3]
6. Retail Store Occupancy within Surveyed Bldgs.			
Occupied	48,756 (90.1)	159,209 (86.0)	294,655 (81.0)
Vacant	5,350 (9.9)	25,127 (14.0)	68,842 (19.0)
Total	54,106 (100)	184,336 (100)	363,497 (100)

NOTE: Figures in parentheses denote percentages.
Figures in brackets denote number of buildings reporting.

BUILDING OWNERS AND MANAGERS OF ATLANTA, INC.



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OFFICE SPACE OCCUPANCY SURVEY

May 1, 1975

SUBURBAN ATLANTA

1. Suburban Parks and Buildings included in this Survey:
- | | |
|--|-----------|
| IA. Competitive Parks and Buildings..... | 86 |
| IB. Totally Non-Competitive Parks and Buildings..... | <u>15</u> |
| Total Suburban Parks and Buildings Reporting..... | 101 |
2. Competitive Office Rentable Area:
- | | |
|---------------|----------------------------|
| Occupied..... | 7,847,063 sq. ft. or 74.3% |
| Vacant..... | 2,711,767 sq. ft. or 25.7% |
| Total..... | 10,558,830 sq. ft. or 100% |
- 2A. Unabsorbed Space*in 51 Parks and Buildings..... 2,148,420 sq. ft.
3. Non-Competitive Space Reported in IA..... 217,282 sq. ft. in 10 buildings
Non-Competitive Space Reported in IB..... 1,227,516 sq. ft. in 15 buildings
4. Total Suburban Office Space in this Survey..... 12,003,628 sq. ft.
5. Office Space included in IA and IB occupied by Governmental Agencies:
- | | |
|----------------------|---------------------------------|
| Federal..... | 515,708 sq. ft. in 12 buildings |
| State and Local..... | 72,461 sq. ft. in 9 buildings |
6. Retail Store Occupancy: Insufficient information reported.

* NOTE: If "New Space", built within 24 months and never occupied, in 51 buildings of 2,148,420 sq. ft. were removed from the "vacant competitive" category, the occupancy rate would be 93.3%.

BUILDING OWNERS AND MANAGERS OF ATLANTA, INC.



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OFFICE SPACE OCCUPANCY SURVEY

May 1, 1975

SUBURBAN ATLANTA
Competitive Parks and Buildings

<u>RENTAL COST CLASSIFICATIONS</u>	<u>\$4.50/6.00</u>	<u>\$6.01 and up</u>
1. Number of Office Parks and Buildings Reporting	25	61
2. Competitive Office Rentable Area		
Occupied	1,278,908 (73.9)	6,568,155 (74.3)
Vacant	451,478 (26.1)	2,260,289 (25.7)
Total	<u>1,730,386 (100)</u>	<u>8,828,444 (100)</u>
3. Non-Competitive Office Rentable Area Reported	72,066 [4]	177,016 [6]
4. Total Office Space Reported in this Survey	1,802,452	9,005,460
5. Office Space Occupied by Governmental Agencies		
Federal	31,762 [3]	34,080 [6]
State and Local	42,434 [3]	30,027 [6]

NOTE: Figures in parentheses denote percentages.
Figures in brackets denote number of parks and buildings reporting.

BUILDING OWNERS AND MANAGERS OF ATLANTA, INC.



2200 Parklake Drive - Suite 150
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TEN YEAR SUMMARY OF COMPETITIVE OFFICE SPACE OCCUPANCY SURVEY RESULTS

Date	No. of Participating Buildings	Total Competitive Space Reported	Occupancy	Vacancy
5-1-75	272	24,897,940	80.3	19.7
10-1-74	148	21,380,959	89.1	10.9
5-1-74	130	19,011,330	86.23	13.77
10-1-73	121	17,269,815	86.12	13.88
5-1-73	131	17,586,491	86.97	13.03
10-1-72	113	13,190,294	86.30	13.70
5-1-72	91	10,506,877	86.10	13.90
10-1-71	78	8,428,775	83.00	17.00 (1)
5-1-71	60	6,013,615	84.83	15.17
10-1-70	61	5,901,256	85.08	14.92
5-1-70	25	3,463,710	77.04	22.96 (2)
10-1-69	78	6,248,331	82.87	17.13
5-1-69	76	6,471,100	88.02	11.98
10-1-68	71	6,393,241	87.83	12.17
5-1-68	80	6,926,915	86.22	13.78
10-1-67	52	5,659,638	84.82	15.18
5-1-67	50	5,336,973	82.14	17.86
10-1-66	53	4,388,710	92.39	7.61
5-1-66	50	4,190,488	90.83	9.17
10-1-65	55	4,377,926	90.81	9.19

- (1) Incorporates substantial suburban reports for the first time.
(2) Note limited number of reports.

Senate Public Works Committee
Questions Relating to the FBI Parking Facility, West Los Angeles, California

Senator Buckley

QUESTION 1: If the present FBI parking facility is only protected by a fence, with no incidents of vandalism occurring, why is the new fortress-like parking lot necessary?

ANSWER: The present FBI parking facility is not only completely surrounded by a cyclone and barbed wire fence; all doors and windows are alarmed and the area is covered by closed circuit television. The alarm and television system is monitored 24 hours a day, seven days a week by the duty agent. In addition, the facility is manned by FBI personnel from 6:00 a.m. to 11:00 p.m. daily. The complete perimeter is illuminated during the dark hours. These security measures discourage vandalism. Any new parking facility would necessarily have to have the ground level completely enclosed for security of FBI operations and to safeguard the areas where radio and automotive maintenance equipment would be maintained.

QUESTION 2: In response to a previous question, GSA said that the radio repair area--nearly as large as a football field--is needed based on FBI servicing needs in 1982. Please explain. How many cars will be under service at one time? How will 25,000 square feet--enough space to park at least 70 cars--be used for radio repair work?

ANSWER: The present radio repair facility has the capacity for performing radio repair and/or installation and removal service to 25 vehicles at any one time. On numerous occasions this many vehicles are being worked on simultaneously when the removal of radio equipment is performed on vehicles being surveyed out of the fleet and when radio equipment is being installed in new vehicles. The proposed 25,000 square feet for the radio maintenance will not only be used to park vehicles for auto repair service, but will provide space for repair work benches for the nine radio maintenance technicians and an office for the chief radio technician to perform necessary administrative and clerical functions. The Los Angeles FBI Office has some fifteen radio repeater stations throughout Southern California giving two-way radio coverage from San Luis Obispo to San Diego. The equipment at these locations is large and bulky and space is needed to house backup equipment for these sites and to perform necessary repair and maintenance on this equipment. In addition, adequate space is needed to accommodate the vehicles used to transport this equipment.

QUESTION 3: How often does the FBI provide maintenance work on the radio equipment in its cars? How long does it take to service a radio in a typical car?

ANSWER: Preventive maintenance and alignment services are performed on all mobile radio units on at least a semi-annual basis. In addition, the average car radio needs repair work twice annually and it has been determined that it takes approximately four hours to service a mobile unit. With the large number of vehicles in the fleet in Los Angeles, there is radio repair and maintenance work being performed daily.

QUESTION 4: Please provide more detail on the use of the proposed 35,000 square feet of storage space. What will be stored there? Will it be just equipment related to the garage, or will it be general FBI equipment?

ANSWER: The storage space will be used to house evidentiary material that has been seized through official investigations. This material, must be maintained in a secure area as it has been seized by court order, is irreplaceable, and requires a court order for its disposal. It should be noted that in the present facility at Los Angeles there are 58,000 cubic feet of space being used to store evidentiary material.

Storage space is needed for firearms, ammunition, training and related equipment. This area will house spare tires and will serve as storage space for oil, grease, antifreeze, and automotive parts.

QUESTION 5: In response to a previous question GSA estimated that it would cost \$1,189,000 to buy a lot for 600 FBI cars and build a concrete protective wall around the lot. Please provide a breakdown on this cost estimate, as well as an assessment of why this would or would not meet FBI needs.

ANSWER: The initial estimate of \$1,189,000 for such a parking facility did not include the cost of a site. The breakdown of this estimate is as follows:

210,000 square feet of paving	\$630,000
1,840 linear feet of concrete wall	150,000
Gates	7,000
Guardhouse	20,000
Miscellaneous	25,000
	<u>\$832,000</u>

Escalate to 10/75	67,000
	<u>\$899,000</u>

(Continued)

Landscaping & related expenditures	45,000
Contingencies (5% of \$899,000)	45,000
	<u>989,000</u>
Expenses (20% of \$989,000)	\$200,000
Estimated Total Project Cost	\$1,189,000

A facility of this type would not be suited to the needs of the FBI because of environmental considerations. The problems of storm water drainage from such a large paved area would have adverse consequences on the environment as well as on FBI operations.

QUESTION 6: I note that the annual cost for this facility--maintenance, operations, plus interest and principal on the capital cost--totals \$1,091,000, yet the FBI will pay only \$586,250 in SLUC fees to GSA. Would the FBI agree to paying the full cost of the facility?

ANSWER: The FBI would not agree to paying the full amount for the building because they are not acquiring an equity interest in the property. The GSA will own the property after all payments are made.

The SLUC fees, since they are based on the cost of comparable facilities on the private market, are subject to change in subsequent fiscal years.

The SLUC fee quoted in our response to a previous question (\$586,250) was based upon charges for standard parking and repair facilities in the Los Angeles area. However, GSA will take into consideration the added project costs attributable to the installation of security equipment and the FBI will be billed on a reimbursable basis for any costs found to be above Standard Level as defined in FPMR 101-21-606, Amendment D-47, June 1974.

Senate Public Works Committee
Questions Relating to the East St. Louis Prospectus

Senator Buckley

QUESTION 1: I am told that the existing building can be refurbished, rather than disposed of. In view of the Administration's recent strong support of S. 865, and the labor intensity of projects to refurbish older buildings, why hasn't GSA considered reconditioning? Will GSA reconsider reconditioning before bids on this building?

ANSWER: GSA did consider reconditioning the existing Post Office and U.S. Courthouse and concluded that it would not be in the best interest of the Government for GSA to acquire and convert the existing building. Refurbishing costs would amount to approximately 85% of the cost of new construction but would provide a facility with only a 20 year life compared to a 50 year life from new construction. See also Question 3.

QUESTION 2: What is the estimated value of the existing building site, if disposed of?

ANSWER: An estimate of value was made in 1974, which indicated a value of \$180,000 for the property.

QUESTION 3: In response to an earlier question, GSA stated that "Renovated space would not, however, be equivalent to space in a new building." Why not? Also GSA estimated the cost of renovation at \$4,224,749. Would you please document that estimate?

ANSWER: As stated in the prospectus, the building is over 63 years old and has many functional and structural inadequacies. Because of the excessive costs involved, the type of conversion project that we would consider would not correct all of the problems resulting from such deficiencies as interior load bearing walls and irregular column spacings that exist in the building. Also, because of the high visitor rate and the type of clientele serviced by the Social Security Administration Office that would be located in the building, the eight step walk-up, or even the addition of a ramp to the front entrance, would be unsatisfactory. These and other built-in deficiencies

ANSWER 3: (cont'd)

that could not be corrected in the old building within a reasonable cost would be eliminated in a new building.

Due to an error in addition, the total estimated amount is \$4,603,724 instead of \$4,224,749. A copy of the GSA estimate is attached.

QUESTION 4: In answer to a previous question, GSA noted several problems with the existing facility: inadequate access for the handicapped, poor air conditioning, worn heating and electrical systems, deteriorated window frames, need for roof repairs. What would be the cost of bringing each of those inadequacies up to standard?

ANSWER: Following are estimates for bringing each of the listed inadequacies up to standard:

<u>Inadequacy</u>	<u>Estimated Correction Cost</u>
1. Access for handicapped	\$ 12,062
2. Air conditioning system	824,840
3. Heating system	100,684
4. Electrical system	298,192
5. Window replacement	113,176
6. Roof repairs	<u>230,621</u>
TOTAL	\$ 1,579,575

The above estimates have been proportioned from the total construction cost. If each job were to be done separately, the costs would be higher.

QUESTION 5: The present building is served by six public transit bus routes. Would the potential sites have comparable access to public transit?

ANSWER: The potential sites would have comparable access to public transportation.

ATTACHMENT

Preliminary Cost Estimate for Conversion
and Remodeling

U.S. Post Office and Courthouse

East St. Louis, Illinois

<u>Work to be Performed</u>	<u>Material</u>	<u>Labor</u>
EXTERIOR PAINTING	\$ 986	\$ 2,440
INTERIOR PAINTING	8,612	22,810
POINT CAULK & CLEAN		
EXTERIOR MASONRY	6,178	47,534
REPLACE WOOD WINDOWS		
WITH METAL & INSTALL	15,048	30,680
WINDOW SAFETY HOOKS	1,900	4,920
REPLACE TERRAZZO		
& MARBLE FLOOR	500	4,217
LEVEL FLOOR @ 2nd FL		
& REPLACE FLOOR COVERING	500	1,500
REPLACE EXISTING GUTTERS		
& DOWN SPOUTS INTERIOR		
& EXTERIOR	8,830	16,181
PROVIDE NEW HEATING		
SYSTEM (EXCEPT NEW BOILER)	23,769	23,769
REBUILD PLUMBING SYSTEM	45,000	45,000
CONVERT P.O. SPACE TO		
CURRENT NEW OFFICE STANDARDS	164,350	150,555
PROVIDE 3 NEW CELLS		
FOR US. MARSHALL LOCKUP	12,900	10,300
RESET & REBUILD ENTRANCE		
STAIR WAY	800	4,620
REPLACE BUILT UP ROOF		
& FLASHINGS	26,062	56,038
REMOVE & REPLACE		
COOLING TOWER	8,000	4,000
ENCLOSE EXISTING STAIR	3,424	5,992
INSTALL NEW STAIR @ EAST		
END OF BUILDING	\$ 9,800	\$ 9,800

ATTACHMENT

COST ESTIMATE: (cont'd)

INSTALL NEW FIRE ALARM SYSTEM	1,881	3,819
INSTALL EXIT LIGHTING SYSTEM	1,881	3,819
REPLACE WOOD DOORS & FRAMES W/2HR RATED DOORS & FRAMES (3)	1,080	900
INSTALL HANDRAILS @ BASEMENT STAIR	300	150
REMOVE & REPLACE WOOD LOADING DOCK W/MASONRY WALL & WINDOWS	3,000	6,000
REPLACE RETAINING WALL	4,205	9,232
PAVE PARKING LOT	980	1,400
INSTALL SPRINKLERS IN BSMT.	2,200	900
HANDICAPPED FACILITIES	10,000	15,000
BLIND STAND	2,900	2,800
NEW A.C. SYSTEM	3,000	2,000
INSTALL CAPTURE FEATURE ON ELEVATOR	182,000	182,000
WORKING - FOREMAN (10% LBR)	1,500	2,000
REWORK COURT SPACES	149,400	114,862
UPGRADE REMAINING 2ND & 3RD FLOOR OFFICE SPACE	201,600	149,400
TEST & BALANCE A.C.		201,600
POWER MODIFICATIONS	10,000	10,000
PARKING REQUIREMENT (EXCLUDING LAND COST)	66,250	10,000
REWORK EXISTING LOT	10,000	61,250
BUILDING LIFE SAFETY	30,000	11,000
		<u>35,000</u>
TOTAL	\$1,018,836	\$1,263,488

ATTACHMENT

COST ESTIMATE: (cont'd)

SUMMARY

MATERIAL	1,018,836
LABOR	1,263,488
6% S. TAX (MATL)	61,130
16% INS. & WELF (LBR)	202,158
	<u>2,545,612</u>
21% OH & PR	534,578
	<u>3,080,190</u>
7% CONTRACT COMMISSION ON SUBS	215,613
	<u>3,295,803</u>
6.4% FICA & FOTA (LBR)	80,863
	<u>3,376,666</u>
ESCALATION TO AUGUST 1976 @ 15%	506,499
ECCA	3,883,165
CONTINGENCY	271,821
EST. CONTRACT COST	4,154,986
DESIGN & REVIEW	303,314
MANAGEMENT & INSP.	145,424
TOTAL EST. PROJECT COST	<u>4,603,724</u>
	180,000
	<u>\$4,783,724</u>

ESCALATION TO OCT. 1977 (20.75%)	700,658
	4,077,324
	<u>285,412</u>
	4,362,736
	318,479
	<u>152,695</u>
	<u>4,833,910</u>

SITE & BLDG. FROM POSTAL SERVICE

Senator MORGAN. Thank you.

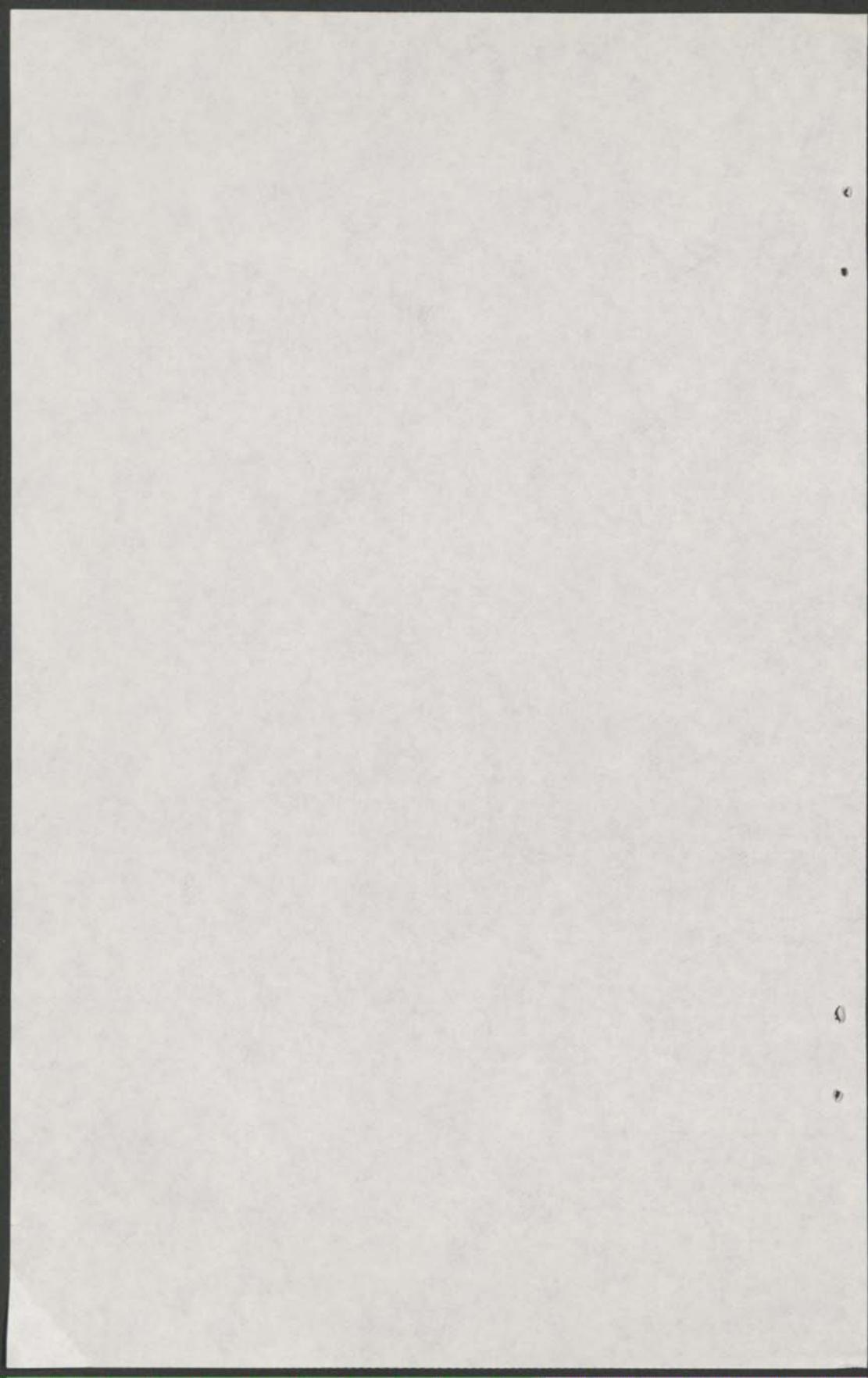
[Whereupon, at 10:30, the subcommittee recessed, to reconvene subject to the call of the Chair.]

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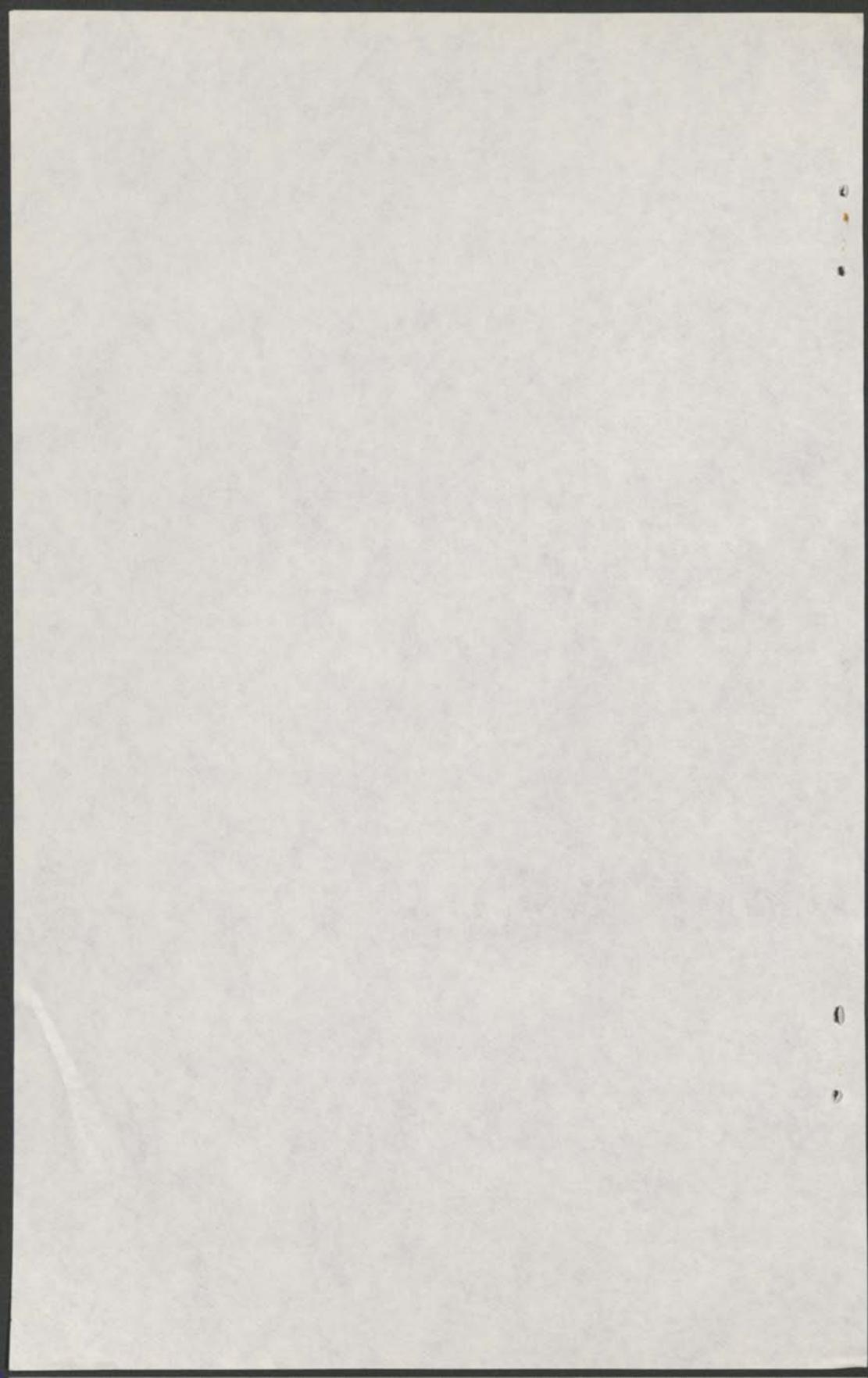


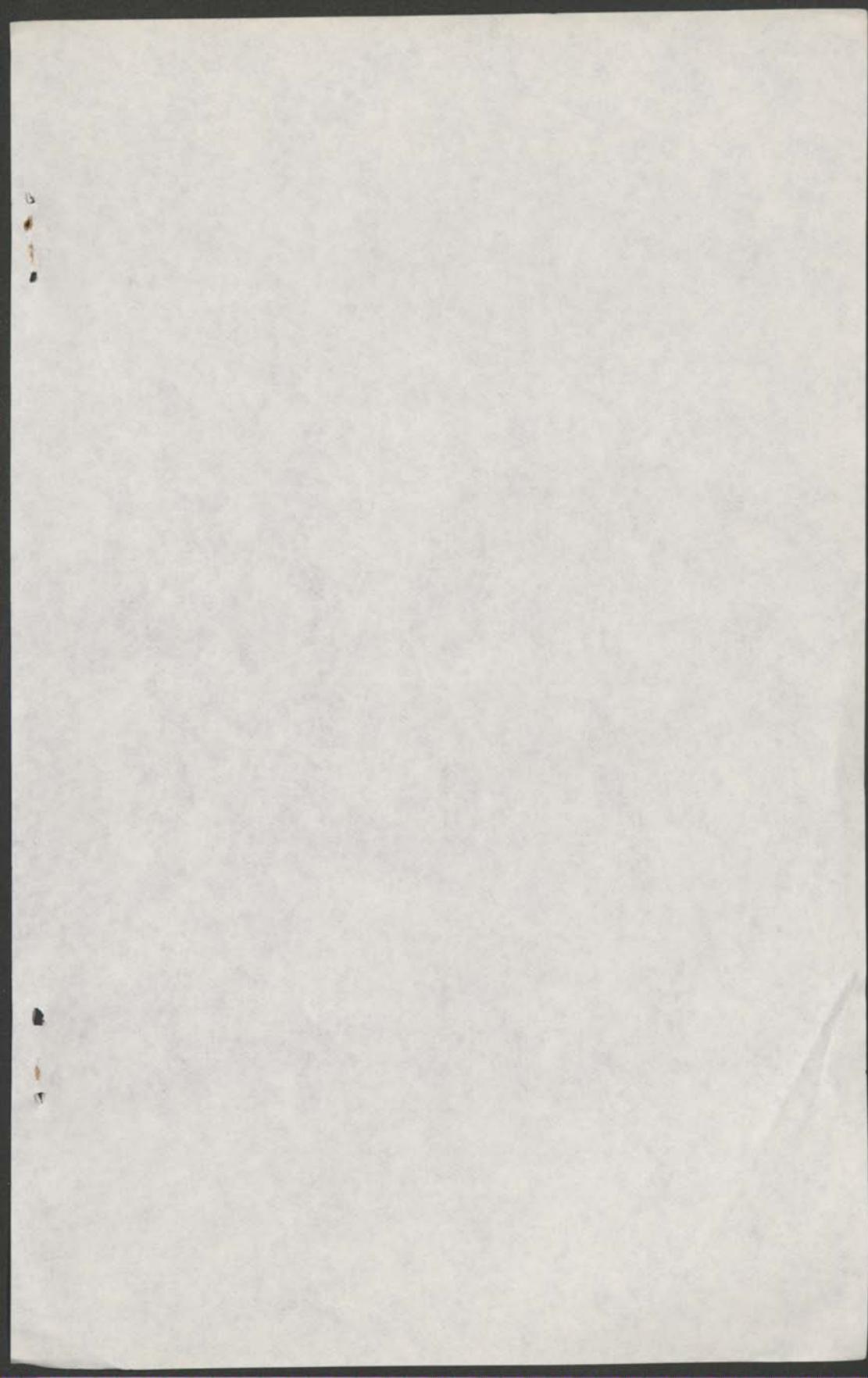
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