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PUBLIC BUILDINGS ACT OF 1979

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HEARINGS

BEFORE THE

COMMITTEE ON

ENVIRONMENT AND PUBLIC WORKS

UNITED STATES SENATE

NINETY-SIXTH CONGRESS

SECOND SESSION

ON

S. 2080

A BILL TO ESTABLISH PUBLIC BUILDINGS POLICIES FOR THE
FEDERAL GOVERNMENT, TO ESTABLISH THE PUBLIC BUILD-
INGS SERVICE IN THE GENERAL SERVICES ADMINISTRATION,
AND FOR OTHER PURPOSES

JANUARY 29 AND FEBRUARY 1, 1980

SERIAL NO. 96-H38

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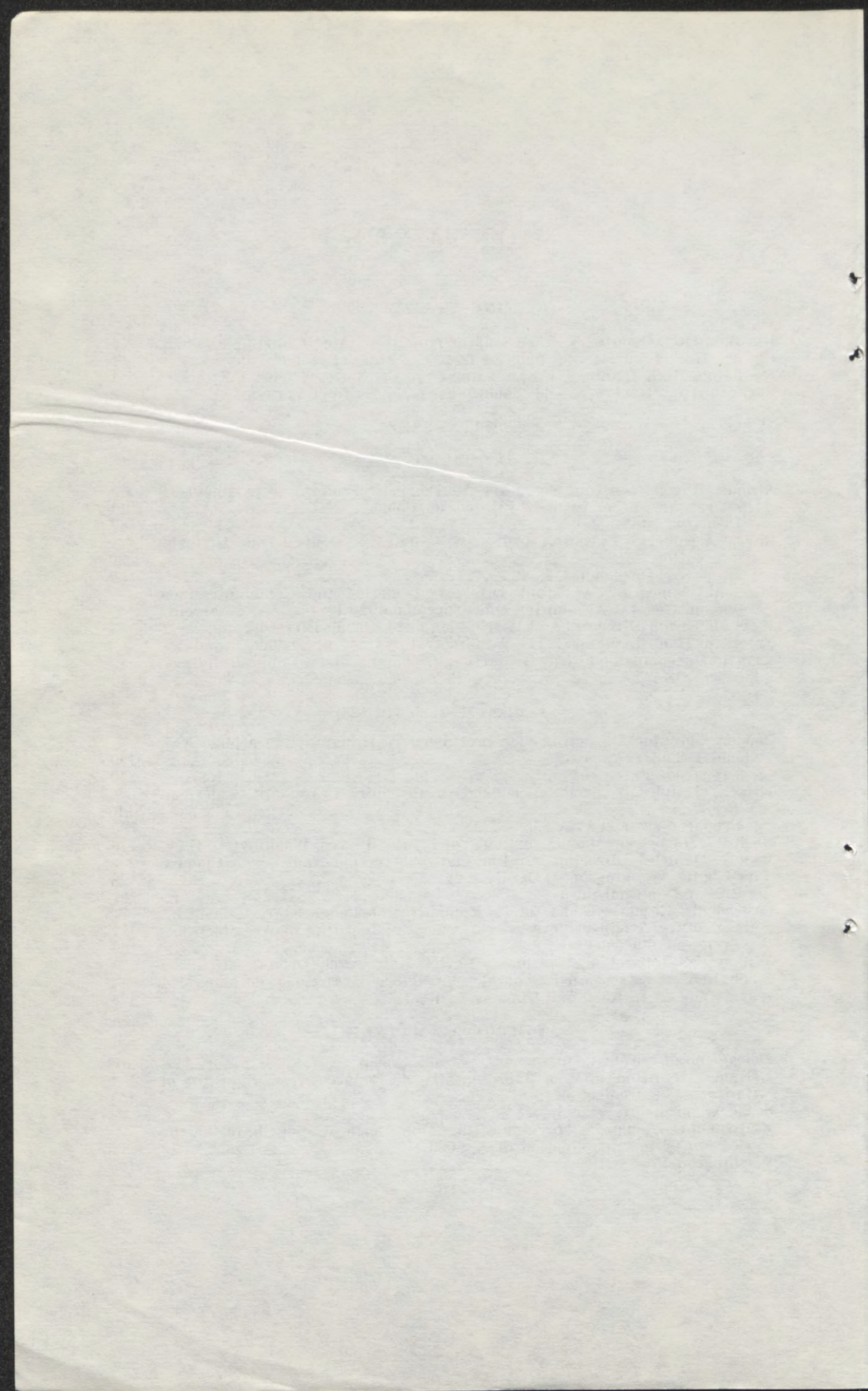
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PUBLIC BUILDINGS ACT OF 1979

TUESDAY, JANUARY 29, 1980

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, D.C.

The committee met, pursuant to notice, at 10:05 a.m., in room 4200, Dirksen Senate Office Building, Hon. Jennings Randolph (chairman of the full committee) presiding.

Present: Senators Randolph, Stafford, and Chafee.

OPENING STATEMENT OF HON. JENNINGS RANDOLPH, U.S. SENATOR FROM THE STATE OF WEST VIRGINIA

Senator RANDOLPH. Good morning to our witnesses and to guests who are interested in the subject matter being discussed. We again say to our witnesses that we are appreciative of their cooperation and desire to share with us their thinking on the matter of the revision of the programs that fall within the jurisdiction of this committee.

The able Senator from New York, Mr. Moynihan, will be with us a little later. I will ask him to chair the hearing when he arrives. He has been most active, as have other members of the panel who have been looking into these subjects which are somewhat controversial, but we would want our witnesses today to realize that it is our desire to work with them and not necessarily against them. We are not thinking of polarization or an adversary position, we are trying only, with their help, to make changes that are constructive.

I do want to step back a moment to March 1979 and remind us that the Committee on Environment and Public Works declared a moratorium on all nonemergency building projects proposed by the General Services Administration. The ranking minority member of the committee has been very conscious of the situation and at that time expressed himself, as did others of our committee, on the advisability, at least for a period of time, for a moratorium. Whether it has worked out as we had hoped it would is a subject of discussion, hopefully with not too much disagreement.

Our purpose was to give the members of this committee an opportunity to study management problems. Subsequently, all the members of the committee—and very seldom have we had all the members concur on an issue—joined in the introduction of S. 2080. That took place on December 5 last year. We hope to report that legislation from our committee very soon. We shall take into consideration the comments that are made today by our witnesses and those that will appear at the hearing on Friday.

Senator Chafee has a continuing intense interest in this subject matter, as well as all the members of our committee. We feel that there are constructive effects that can come from this legislation. The major objective which we had was to reduce the leasing costs to the Federal Government by building more federally owned space. Someone might ask whether the tremendous construction costs today make that not as feasible as it was 20 years ago. But by the same reasoning the leasing costs pyramid, as we know from testimony which has been given before this committee. There will be the high initial cost, but I believe that it is less expensive than leasing on the long term.

When the matter of leasing came before us at a time when I was not the chairman, but was a member of the committee, we had some objections, and I was very cautious about the leasing program. I do realize that with the burgeoning Federal Government, with new agencies being born and enlarging their scope of jurisdiction, and the complexity of questions, an agency that is brought into being by the Congress has to have space in which to work. So I am conscious of that problem.

The bill would set forth architectural policy to govern new construction, and it sets forth a policy to locate Federal facilities where both urban revitalization and agency efficiency should be improved. Further, we would, by redefining the congressional approval procedure, we think we could help review proposed projects in a more efficient manner.

We will hear today from those agencies that are most affected by the measure S. 2080. This is a major bill. It has a very real impact on GSA and its entire public buildings program. I hope and expect that the agency, GSA, and other witnesses will bring to us their deep-down feelings about these matters, that we will discuss. What will be the impact on our committee can, in great degree, be because you can document what you are saying.

So we begin the hearings with the witnesses, but prior to that, I would like to have you, Senator Stafford, make such comments as you would care to, and also Senator Chafee.

OPENING STATEMENT OF HON. ROBERT T. STAFFORD, U.S. SENATOR FROM THE STATE OF VERMONT

Senator STAFFORD. Thank you very much, Mr. Chairman.

I am pleased to join with my colleagues on the Committee on Environment and Public Works to hear testimony on our proposal to reform the legislation which has such an impact on the manner in which the Federal Government carries out its responsibilities as a landlord. In particular, I am pleased to once again welcome Admiral Freeman, who heads the General Services Administration, and once again make every effort to impress upon him it is my concern the agency carries out its responsibilities. Admiral Freeman and other individuals of integrity have been trying to reform GSA. I know also that the agency has many individuals of dedication and honesty. However, the simple fact remains that a cloud continues to hang over GSA and the entire Federal Government.

It has been nearly 2 years since reports of fraud, corruption, and mismanagement thrust the GSA into its current situation. We have been told GSA is investigating itself and that the Justice Department is

conducting investigations. The headlines are fading, but their memory lingers on.

Like some other members of this committee, I have been disappointed in the response of GSA to our concerns for the integrity and reputation of the agency. Simply stated, GSA gives too often the impression that it is still doing business as usual, despite highly unusual circumstances in several instances.

The legislation before us is designed to reform the system used by GSA and to provide safeguards within that system against continuation of abuses already made public. S. 2080 is comprehensive legislation. I am glad to be a cosponsor of the bill, and I want to once again commend Senator Moynihan for his leadership in bringing the legislation to this point.

I am pleased also to note for the record that Senator Moynihan has been an unshakable partner, as has the chairman, Senator Randolph, and Senator Chafee in the moratorium that this committee has imposed on approval of all nonemergency building projects GSA is required to present. In my view, swift passage of this bill would not justify lifting that moratorium, although it would go a long way in providing safeguards.

It is imperative we reform the Government's overall public buildings service, but it is even more important we generate a change of attitude in those who run the General Services Administration. And I think here, Mr. Chairman, I am addressing that remark more to the middle- and upper-echelons of the GSA bureaucracy rather than the two admirals who are witnesses in front of us this morning.

Congress and GSA together have the task of convincing the American people that the GSA is indeed able to clean up its act. We on this committee have to be convinced that GSA is telling us the whole truth about its proposal. This legislation will provide us the blueprint for procedural changes that are necessary. As we work together with the administration to make it a clear blueprint, perhaps we can also work out the necessary changes in the attitude amongst those who run GSA. It is a difficult task, but, Mr. Chairman, it is a necessary one. By the time we conclude these hearings, I trust that my message will have found its chart.

Thank you, Mr. Chairman.

Senator RANDOLPH. Thank you, Senator Stafford.

One of the members of our committee who has been diligent in these matters and worked with Senator Moynihan is Senator Chafee. I believe you were absent the other day.

Senator CHAFEE. I am sorry I was, Mr. Chairman.

Senator RANDOLPH. Someone might say we "worked over" GSA, but we didn't mean to do that. But we did discuss, with Admiral Marshall, some of these problems.

I would call attention to the fact, I think it should be noted, that on December 5, 1979, when this bill was introduced with the major sponsor, Senator Moynihan, and all members of the committee, that we looked upon it as just not the introduction of a routine bill, but we consumed 19 pages of the Congressional Record of the Senate that day with members discussing this introduction. I think it is important for our witnesses to know we didn't, as we say, drop a bill in the hopper, but we took the time of introduction to explain what we were

doing. This isn't often done, but we feel it is an important subject and we don't want to lessen it by moving in these directions of not documenting what we think might be done.

[Statements of Senators Moynihan, Randolph, Stafford, and Chafee made on the occasion of the introduction of S. 2080 may be found at p. 55.]

Senator RANDOLPH. Senator Chafee.

OPENING STATEMENT OF HON. JOHN H. CHAFEE, U.S. SENATOR FROM THE STATE OF RHODE ISLAND

Senator CHAFEE. Thank you, Mr. Chairman.

First, I would like to welcome this new team that we have here, Admiral Freeman and Admiral Marschall, who both have had very distinguished records in the Navy and I am confident will do a superb job at GSA. We are lucky to have them.

Mr. Chairman, I would like to say that I view, as you do and Senator Stafford and the other members of this committee, S. 2080 as a very important piece of legislation. To me, it is a framework within which we are working. I don't subscribe to everything in the bill, but I think it gives us a good start for trying to determine where we are going.

I am delighted we have people here from the Treasury Department and also the Preservation Council as well. I know it is customary for us to take a very dim view of leasing, and certainly that is the committee's view, but I think we ought to hear the other side, because obviously there is something to leasing, in that industry, which is pretty vigilant as to how they spend their money, does a lot of leasing as well.

I noted in the 1981 budget as far as construction, there is only \$37.5 million requested by the administration. Under present conditions that would get us about half a building. So we are not going to go very far unless we can turn the administration around, as well as the Budget Office. Leasing is \$680 million, that is a \$106 million increase from this year.

These hearings, I believe, are going to be very valuable. Certainly this committee, and I know we all subscribe to this, feels that we have to increase our oversight and not do it on a one-shot basis, the way we do with specific projects that come forward. We have to have an overall program in which GSA comes forward and we can look at it, just like we look at the capital budget in the Navy or in other departments of the government.

I think it is also well to bear in mind, in all fairness to GSA, sometimes it is the political side of Congress that takes over. I have seen GSA come up here very lukewarm to various building projects, but because some community very much wants a building—and there is nothing like a building to make somebody feel good—

Senator RANDOLPH. Well, it makes a community feel good, not just one person.

Senator CHAFEE. That is right, it makes the community feel very good, and it certainly makes a Representative or Senator who is running the next year feel very good.

Senator RANDOLPH. Nothing wrong with that.

Senator CHAFEE. Nothing wrong with that. I have gotten so that I am stronger for candidates to be reelected than I once was.

Senator RANDOLPH. Well, I have no building named after me, that is, a Federal building.

Senator CHAFEE. Well, you give a little time and we will take care of that. I want to work an even swap on that.

So we look forward to hearing the testimony of these gentlemen and from Treasury as well. Frankly, we start with a bias against leasing, but there must be some arguments on the other side obviously. I would certainly like to hear those so we can make a considered judgment. As I mentioned, if the decision is not to lease, we have a lot of running around to do with the budget to get up this \$37.5 million—that is the request, that isn't the appropriation—if we are going to get anywhere in the building program.

Thank you very much, Mr. Chairman.

Senator RANDOLPH. Thank you, Senator Chafee. Of course, you are very thorough, and I say that again, in going into a matter of this kind. We want to be cautious and careful in what we are going to do.

I do want to make one comment. As far as I know, and I am not sure about the House, we have a prohibition against naming any Federal building for a Senator who is serving in this body. What is the practice in the House?

Senator CHAFEE. Well, it has to go through us to get there, and we have never named one after a sitting Congressman. The seat is still warm when we name it after him.

Senator RANDOLPH. I think we have maintained to the House our prohibition.

Senator CHAFEE. That is right. We did have a rule they had to be out of office a certain number of years, I think.

Senator RANDOLPH. They had to be over 70.

Senator CHAFEE. And out of office 5 years, wasn't it?

Senator RANDOLPH. No, just 70.

Senator CHAFEE. Sort of like the hall of fame, but there is a delay mechanism. I think we have abused that. I think we have had some 66-year olds get a building named after them.

Senator STAFFORD. Be careful, Senator, I am 66.

Senator RANDOLPH. I only wanted to call attention to the Senate's good judgment in this.

I would like to take this opportunity to mention that Senator Burdick had planned to attend the hearing today but a prior commitment prevented that. I will, without objection, place his statement in the record at this point.

[Senator Burdick's statement follows:]

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

Senator BURDICK. Good morning, I am delighted to be here and have the opportunity to express my support for Senator Moynihan and legislation to revise our Nation's public buildings policies. Everyone who has served on this committee appreciates how necessary this has become, and how effectively Senator Moynihan has pursued creative solutions to our current difficulties.

At this point, I would like to address briefly one immediate reason that convinces me of the need for this legislation. The Federal Government has been leasing more and more office space within the District in recent years. This practice, and the expectation by investors that it will continue has fostered an approach, or lack of approach, to office building within the District that, unless controlled and integrated within a balanced long-range view of the diversified fabric necessary for a lively urban core, threatens to undo all current attempts to revive the downtown area of the city.

On one hand, Congress pours an immense investment into projects like Metro, the Pennsylvania Avenue Development Corporation, and the convention center, and on the other encourages, by indifferent leasing policies, a shortsighted and one-sided response by developers that could undermine the success of other ventures.

Some sobering facts:

A loss of 13 percent of its population over the last 9 years.

The destruction of residential areas by office buildings and now by hotels, that find the competition from office construction in the downtown encourages them to look to residential areas for their land.

Permit applications in the old downtown area, for the next 5 years, that show a frightening preponderance of unregulated office construction.

A lack of adequate zoning incentives to encourage balanced growth in the downtown.

All derive in some measure from the belief that an omnivorous customer, the Federal Government, wants ever more space and cares not for the consequences.

Action on this legislation, accompanied perhaps with closer oversight from this committee on GSA's leasing activities within the District, will demonstrate that Congress intends to insure that both the direct and indirect involvement of the Federal Government can and shall be a positive element in the revitalization of the city.

Senator RANDOLPH. Admiral Freeman, we expected you at a prior hearing, but that is in good humor when I say that. We had a good hearing with Admiral Marschall.

Admiral Freeman, would you begin.

STATEMENT OF HON. ROWLAND G. FREEMAN III, ADMINISTRATOR, GENERAL SERVICES ADMINISTRATION, ACCOMPANIED BY A. R. MARSCHALL, COMMISSIONER, PUBLIC BUILDINGS SERVICE, GSA

Mr. FREEMAN. Mr. Chairman and members of the committee, it is a pleasure to be here with you today to discuss S. 2080, the Public Buildings Act of 1979.

It has now been some 20 years since the passage of the Public Buildings Act of 1959, and I believe the time has now come to review past policies, and to propose new and innovative solutions to the problem of how to provide space for Federal agencies in the most efficient and effective manner. However, before we begin to look to the future, I would like today to review with you the current status of our public buildings program, and some of the actions which GSA has taken to improve our management practices in this area.

A key concern, which has already been mentioned by members of the committee, is the considerable expansion of the leasing program. Expenditures for leased space have increased from \$364 million in 1975 to a level of \$574.4 million in 1980, and leased square footage has increased from 86 to 96 million square feet. If the existing trends continue, the space requirements of agencies housed by the General Services Administration will continue to expand. At the end of fiscal year 1979, GSA provided approximately 231 million square feet of space to client agencies. About 137 million square feet is in Government-owned space and about 93 million in leased space, a ratio of about 60/40. While total space has increased nearly 10 percent from fiscal year 1969, the amount of Government-owned space has decreased 14 percent, and leased space has increased by 92 percent. If these trends continue, space needs would increase to 252 million square feet by 1983, an additional 16 million square feet over the 1980 requirement.

It is also time for us to take a close look at the resources of the Federal Buildings Fund, which was established in 1972 to provide and promote a business-like approach to the management of real property programs, to insure the economic use of space by tenant agencies, and to facilitate an orderly and economical approach to meeting long-range facility requirements. We support these objectives, and believe that the fund has been an important first step toward their achievement. However, we must take a close look at what can be accomplished through the use of resources projected to be available through this mechanism. If an additional 19 million square feet were needed in 1983 over the 1980 requirements, and the current ratio of 60/40 Government-owned space were to be maintained, an additional 9 million square feet of Government-owned space would be needed. This requirement would, however, exceed the funds expected to be available for the 1981-85 time frame. It may therefore be necessary to consider additional funding for new construction, which would have to compete with other Government-wide budget requirements. These projections become critical since it takes about 5 years for the approval, funding, design, and construction required to bring a new Federal building on line. In sum, reaching a 60-percent goal in 5 years as proposed in the bill may be difficult.

Let us look, however, at the way we build. A comparative study of the costs of Federal and private building construction completed in 1979 indicated that Federal building costs were considerably higher per square foot than comparative commercial buildings. The Federal buildings are constructed to specifications which provide longer useful life and have special facilities and requirements not found in private construction. We are now making efforts to bring Federal construction costs more in line with private construction costs. If we are to be accountable to the taxpayer—and we must—we must assure that the cost of Federal construction is carefully constrained to acceptable limits.

I recognize quite clearly that in addition to whatever new legislation initiatives we see, it is vitally important that as a first step, GSA's Public Buildings Service puts its own house in order. Since I arrived at GSA, I have worked very closely with Mike Marschall to identify weaknesses in the procedures for the delivery of space and related services, and to put into place improved management practices which will correct these deficiencies.

In the past, our record for satisfying space requests has been dismal. There has been no comprehensive facilities acquisition plan. Limited rental of space resources over a period of years had resulted in a backlog of client agency requests for expansion space in the amount of 10 million square feet. These conditions and the anticipation of future years of restricted growth of the lease inventory created an understandably high level of customer agency dissatisfaction with GSA's performances.

We have taken steps to alleviate this problem through:

(a) the development of a standardized and improved space requirements forecasting system; (b) a balanced facilities acquisition plan which includes a cost-effective mix of construction, leasing, and purchase alternatives; (c) the delegation of leasing authority for military recruiting activities to the Department of Defense; and (d) the delegation of unrestricted operating authority to GSA regional officials to streamline the space acquisition process.

Moreover, I am pleased to report that the 1981 budget proposes to alleviate the immediate problem of the backlog of agency requests for expansion space.

We have also taken steps to provide more effective management of programs through the implementation of a long-range management planning and evaluation system. This system, not fully in effect, will establish multiyear program objectives; identify and relate planned work loads to resource requirements; develop and implement a performance measurement system; provide the basis for budget development and justification; and form the basis for managing by mission program. It will also provide for the periodic review of the progress against specified targets.

New cost control programs will include: (a) standard procedures for identification and analysis of alternatives, particularly in such areas as in-house versus contractor-provided services, and selection of space acquisition methods; (b) greater use of standardized and computerized design in construction; (c) a vitally important energy management program as a part of the 5-year plan to summarize, analyze, and measure progress in all conservation categories; and (d) analysis of the expected income-producing potential of space acquisition actions and its relationship to investment and operating cost requirements.

Another major concern is the prompt delivery of reimbursable alteration services to our client agencies. We have been experiencing large backlogs of reimbursable space alteration requests, and time frames for accomplishing this work have been excessive in many cases. The following actions have been taken to help us better manage our tenant alteration programs and improve service delivery:

(a) Delegation of authority allowing tenant agencies to place space alteration orders, up to \$1,000, against GSA established term contracts and unit price agreements.

(b) Establishment of a reporting system to monitor and control the time it takes GSA to accomplish alteration requests.

(c) Establishment of performance criteria based on the size of an alteration project and the time from initial receipt of the request to completion of the work.

Now, having considered where we are, it is time to evaluate where we wish to go. First, let me congratulate your committee on the tremendous effort which has gone into this new legislation. The wide acceptance this bill has achieved from the committee members is a significant justification of the long months of study which preceded its introduction.

At this time I would like to comment briefly on several major aspects of the legislation. I will then ask Mr. Marshall to provide somewhat more extensive remarks on the more technical aspects and to suggest where we feel that our respective staffs can work closely in seeking new language which will most effectively implement the desired solutions.

1. Congressional Authorization.—I believe that probably the single most important effect of this legislation will be the provision for the submission of a 5-year plan for accommodating the public buildings needs of the Government. Such an approach will enable the Public Works Committees of Congress to assess our program at one time, rather than being forced to consider an unrelated and never ending series of prospectuses. The key to the development of this long-term program will be adequate planning. A major factor in the planning process must be the consideration of the alternative costs of providing space to Federal agencies. Given the scarcity of resources and our accountability to the taxpayer, we must be sure that our criteria for space decisions reflect a rigorous assessment of both agency needs and the costs required to satisfy those needs. I admit that, while we have made some progress in this area, much remains to be done. We realize that there will be difficulties in adjusting to a new way of operation, but I am personally committed to seeing that such a planning process is instituted, and that it will be made to work effectively.

2. Leasing.—The bill mandates that a significantly greater proportion of the officers and employees of the Government be located in federally-owned space. I agree that we need to focus on the issue of leasing versus Federal construction, but I think we must be careful not to legislatively impose targets which are perhaps not realistic within the time frame specified. I would prefer that the policy stated be a general one, and that we work together to develop criteria which consider program needs, esthetic standards, and the cost impacts to be used in satisfying Federal space requirements. Your committee would then review this program each year as we present our plan for the coming 5 years.

3. Public Buildings Financing.—The legislation contains what appears to be a drastic change in the current GSA method of assessing rents and charges (standard level user charges) for space assigned to our tenant agencies. I would suggest that our staffs work together to modify this language in order to insure that we achieve the most cost effective system possible, which will reflect the business-like concept of the Federal Building Fund and not be disruptive as we move into a new system.

Senator CHAFEE. Mr. Chairman, might I ask a question?

Senator STAFFORD [presiding]. Certainly.

Senator CHAFEE. Admiral, I wonder if you could briefly delineate some differences for me. I am not clear what the differences are. In the bill we have, by certain years, a specific percentage must be Government-owned versus leased. Isn't that so?

Mr. FREEMAN. Yes, sir.

Senator CHAFEE. You are saying, let's not have these hard and fast percentages, such as in 10 years, 80 percent of the Federal offices have to be in public buildings, in 5 years 60 percent of Federal offices have to be in public not leased buildings. I don't think we ought to be in those percentages. I agree with you there. That is in No. 2.

Now let's get into three. Could you briefly point out the differences there?

Mr. FREEMAN. Might I have Mr. Marschall respond?

Senator CHAFEE. Go ahead.

Mr. MARSCHALL. We understand the intent of this legislation is to increase SLUC income. However, the reverse would be the case. Now we have taken this up with the committee staff and have come to an agreement with them. I don't think this is a great problem if we can correct it. The way the bill was written, it would reduce our income as opposed to increasing it. That certainly was not the intent.

Senator CHAFEE. This is the standard level user charge?

Mr. MARSCHALL. The standard level user charge is what we charge tenant agencies for the space which they occupy. It is established on the basis of a fair annual rental which is done in the normal real estate practice by making appraisals and deciding what space in that particular area is going for at the time. We modify the SLUC rate every 3 years. This has left us in a bad position at times because sometimes the fair annual rental prices have exceeded what we were charging at the time.

So we are thinking of going to a new formula which is based on the Consumer Price Index, thus our rates could be adjusted annually. But the whole point of the SLUC charge is the money goes into a revolving fund from which we pay our lease obligations and with which we pay for some of our construction. It is a revolving fund, not quite like the naval industrial fund which you remember, Senator, but close to it. It has more restrictions on it by the Congress than the NIF did.

Senator CHAFEE. Let me ask you another question. Admiral Freeman, you talk about Federal building costs were considerably higher per square foot than comparative commercial buildings. You say that because we have construction providing longer use life and special facilities. I suppose what you are talking about is the handicapped business.

Mr. FREEMAN. There are a number of regulations which affect the construction of Federal buildings, such as OSHA standards. I am not indicating they are punitive. We have, in my opinion, quite a higher standard of construction put upon us both by legislation and by the standards we use.

Senator CHAFEE. Of course, then you have to use union labor, too.

Mr. MARSCHALL. Not necessarily union labor, but we do have to pay Davis-Bacon wages.

Senator CHAFEE. Take a building in New York City or any eastern city, Davis-Bacon can't cost you any more there because all the private builders are using union help.

Mr. FREEMAN. I would like to clarify; the procedures involved in building a public building, just in time alone, are costly. The procedures we have to go through to get from the time we say we would like to build a building until we get budget approval, congressional

approvals, the A. & E. work, investigation, back for design work on into the construction, plus compliance with the various statutes and laws, all add up to more expense per square foot than if a company decided to locate a new office building. The private sector enjoys a lot simpler procedure with regard to what they have to comply with than we do.

Senator STAFFORD. If the Senator would yield.

Senator CHAFEE. Yes.

Senator STAFFORD. Isn't a major difference in the cost the fact that the Federal buildings are constructed to a higher degree of construction and intended for a longer useful life generally than those that industry might construct?

Mr. MARSCHALL. Very definitely.

Mr. FREEMAN. Yes, sir.

Senator STAFFORD. That would be the largest single item of that cost?

Mr. FREEMAN. I haven't seen myself really good life-cycle comparisons between the two. I believe we should take a look at the life-cycle cost of a building, which may show a different picture as you go down the building life.

Senator CHAFEE. Fine, thank you.

Mr. FREEMAN. The next item I would like to mention is:

4. *Architectural Services*.—While I support the need for a greater in-house design capability, I feel that the 25-percent requirement for in-house design is overly restrictive and would require resources not currently available within GSA today. Mr. Marschall and I are working now to gradually expand our capability in that area, but I believe the language of the bill should be amended to give somewhat more flexibility as to what we would have to do in-house.

5. *Mixed Use and Adaptive Use in Public Buildings*.—I fully support the intent of the proposed Cooperative Use Act Amendments of 1979. I think this program is an important one, and one which will help us to develop better relationships with the communities we serve. I do believe, however, that GSA already has authority to revise mixed use requirements, and that legislation is not necessary to achieve these goals.

6. *Locations for Federal Agency Offices*.—We generally support the policy guidance and priorities concerning locations for Federal agency offices. They will assist us and our client agencies in the critical decisions required in identifying locations for Federal properties. However, we believe there are some overly restrictive requirements (such as headquarters locations), and that the language of the bill should reflect agency program needs and the assessment of the alternative costs of relocating Federal offices.

7. *Design and Management of Public Buildings*.—While we recognize the importance of appropriate housing or Federal offices as proposed in the bill, we urge that the committee consider appropriate cost parameters in setting design standards, as we believe that cost constraints are a significant factor in housing decisions on the scope and character of Federal construction projects.

I am well aware of the chairman's special commitment to insuring that all our Federal buildings are fully accessible to handicapped persons. We will work with the committee to see that this program is

efficiently and effectively implemented. We would like to suggest, however, that the language of the bill specifically reference both the Architectural Barriers Act and the Rehabilitation Act of 1973 in order to provide uniformity with respect to all Federal buildings.

Senator CHAFEE. Could you just go back. I am not sure I understand what you are saying where you say, "While we recognize the importance of appropriate housing for Federal offices as proposed in the bill, we urge that the committee consider appropriate cost parameters in setting design standards." What does that mean?

Mr. FREEMAN. Well, cost is a factor in how much esthetics you want in a building or how you construct the building, and we are suggesting that we want to be careful we don't legislate into the bill certain things that might provide for costly construction versus utility. This is a fine compromise. I think the wording of this is important, and that we should discuss it with the staff of the committee and our own staff.

Senator CHAFEE. Is there something in the bill that says what the design standards have to be?

Mr. MARSCHALL. Yes, Senator, I have it here. It is in section 302(a), and it reads, "With respect to the local area, one of the public buildings in a locality shall be of such design and construction as to have an expected life of at least 100 years." I submit that, as an engineer, I would be hard put to design a 100-year functional building without a great deal of expense. Again, this is another item we have discussed with the staff, and I think we are going to develop language which is acceptable to the committee.

Senator CHAFEE. I see. OK. I must say in passing that I think that Federal buildings—and the chairman was mentioning this—Federal buildings do add a lot of class to a place. I was up in Littleton, N.H. Their grandest building in town is the Federal courthouse. It is a magnificent building. Somebody, when they built it, gave some thought to esthetics. When I looked at it I said thank goodness they did, compared to some of the faceless buildings you see. But you are right, if we are going to have it, we are going to have to pay for it.

Mr. FREEMAN. There is a trade-off. I don't think we want to constrain ourselves too much so we don't have a trade-off in our design. I think that is what this is intended to address.

Senator CHAFEE. Thank you.

Mr. FREEMAN. The next item is:

8. *Superintendent of Public Buildings*.—The bill proposes that the head of the Public Buildings Service be appointed by the President, by and with the advice and consent of the Senate. Additionally, the bill requires that the PBS Commissioner be referred to as the "Superintendent of Public Buildings" and that the present Assistant Commissioner for Construction Management be referred to as "Supervising Architect." I, personally, would prefer to seek other titles for these positions, and my staff will be happy to work with the committee in considering alternatives.

The same title of the bill also calls for congressional review of proposed delegations of authority by the Administrator. On this issue, I defer to a report that the Department of Justice will be sending you on this section, since it appears to raise constitutional issues.

9. *Information Requirements.*—I propose that the bill's language be reworded to reflect that GSA will respond to the committee's information requirements on an "as requested" basis. I believe this would insure that, as requirements change, we can be fully responsive to the needs of the Congress. I pledge that, as long as I am Administrator, you will receive all information requested, as I recognize that this information is essential if the Congress is to be able to effectively exercise its oversight responsibilities. I would request that, where feasible, any major reporting requirements would be in consonance with existing GSA information systems, so that the expense of the reporting may be kept to a minimum.

10. *Purchase Contract Authority.*—While we recognize the usefulness of purchase contract authority as a means of providing large amounts of space in a relatively short time, the policy of the administration is to support a fully funded construction program as being most advantageous to the public, since it clearly reveals the total cost of a construction project when program and budgetary decisions must be made by the administration and the Congress.

In closing, I would like to take this opportunity to thank the Committee for its aggressive oversight of GSA's public buildings program. I believe that your efforts have done much to make us aware of our own shortcomings. I agree also that we must not be simply reactive, but that we must develop new initiatives to help us meet our program responsibilities. I believe that your committee's legislation represents an essential tool in that process, and my staff and I will do everything possible to assist you in your consideration of these comprehensive changes.

Thank you. We will be happy to answer any questions. I have with me Mike Marschall, Mr. Galuardi, Deputy Commissioner, and Mr. Mulligan, Assistant General Counsel for the Public Buildings Service.

Senator STAFFORD. Thank you very much, Admiral. Did you wish Admiral Marschall to make a statement before we go to questions?

Mr. FREEMAN. I would prefer that.

STATEMENT OF A. R. MARSCHALL

Mr. MARSCHALL. Mr. Chairman, we have been working with the committee staff on the subject of this bill, and I think we have come up with a great area of agreement, and I am very happy. I am also pleased that the staffs are getting together. I think this Committee had the impression that it was dealing with the KGB at some time or another, and we have attempted in the recent past to provide a free flow of information, which I think is so necessary, as the Administrator pointed out in his statement.

The key item in this bill, to me, is that we go from a scattered collection of prospectuses to a program. I can't overemphasize the need for that. Without a program, I think we are all at a complete loss. It is unthinkable to me that we are going up to the Appropriations Committees in the not too distant future with a supplemental bill without having the approval on certain items from those committees that authorize them. How this has gone on for so many years is beyond me, but I think it has happened. I applaud this effort to put things on track and to develop a program.

Now we have a few concerns about that bill in the sense that we hope you won't thrust upon us a program which we can't handle. In my previous incarnation, back when I was running the military construction program of the Navy, I had a fair idea each year of the size of my program, both military construction and maintenance and operation, and I was able to gear up a staff to take care of this size program. It might have varied \$100 million, \$200 million a year, but I was still able to keep a rather even flow of personnel going. I submit to you with the miniscule building program that GSA has had in the recent past, that it is going to take us a while to gear up, and I think that it is vital to us that we not try to take everything in one big gulp. We have to go at a measured pace and be sure we know what we are doing before we get deeper in the soup than we are now.

The other thing is that in this planning process which we are trying to develop, we are not going to come up with any magic for you within the next few months. It is going to take time to develop the requirements which will form the basis for our plan. Again, I sincerely request that the committee be a little patient with us.

The last item I would like to bring up is that in reviewing this bill, which I generally applaud, I see too many numbers. I think that continuing legislation should, in many ways, try to avoid numbers and try to effect policies and principles, so that the annual section of the law, which is reviewed every year by the committees, can contain all these numbers and apply any restrictions that may be necessary on our activities.

With that, Mr. Chairman, I think I have said enough, and we are all ready to attempt to answer your questions.

Senator STAFFORD. Thank you, Admiral, for the statement.

I think it might be worth commenting, on the part of this Senator at least, that the reason for these hearings is our appreciation that our bill is far from a perfect instrument. It is a point of departure as far as we are concerned. Otherwise we wouldn't bother to have the hearings. We hope between GSA's staff and our own staff that there can be a rather intimate working relationship so that we will be aware of the realities of your position and you will have ours in what I think we are mutually trying to do here as far as the GSA building program is concerned.

I am going to, if my colleague is agreeable, limit myself to 5 minutes, then yield to you, John, then pass it back and forth. We also should have in mind we have three more witnesses this morning, and if we being to unduly encroach on time, we might want to consider submitting some questions for written responses so our other witnesses can be heard.

I am going to start, if I may, gentlemen, by referring back to the comments, Admiral Freeman, on the handicapped, since I share that concern with Chairman Randolph as the ranking minority member of the Subcommittee on the Handicapped of the Committee on Labor and Human Resources. Let me say that "program" and "buildings," words which appear in your statement, mean two quite different things under the 1968 act and certain sections of the 1973 act. Are you suggesting that the language here to establish uniformity of access be to buildings or to programs or to both, because buildings and programs are two different things?

Mr. FREEMAN. Both, sir.

Senator STAFFORD. So it would be my concern and that of Chairman Randolph that we basically be talking about buildings, because it doesn't make much sense to make a program "accessible" if those who are handicapped can't get into the building to start with. We often run into that old comment, no matter what you provide in a schoolroom for handicapped children, if they can't get past the curb in the sidewalk, they are not going to benefit from it. But you intend buildings here.

Mr. FREEMAN. Yes, sir.

Senator STAFFORD. Let me ask you, Admiral Freeman, and your colleagues a few questions. What would be your thought about whether the supervising architect be appointed by the President for a fixed term?

Mr. FREEMAN. Let me comment on that one myself, and then I will turn it over to Mike.

That position, as I understand it, disappeared from the scene in the sixties, if I remember correctly. Since that time I believe that we have built a professional group within GSA from a technical standpoint. I believe that we are capable within the agency of providing that kind of outstanding capability, and I, personally, believe that we have it and we don't need to have another title within the agency. If we were solely a technical organization, then a technical director or something like that would be appropriate. However, because of the close inter-relationship between the program head, Mike Marschall, and the technical staff, that person has got to be able to professionally relate to him. I would prefer to have that a position which is within the control of the Public Buildings Commissioner.

Senator STAFFORD. Thank you.

On the matter of delegation, does GSA presently know just what authorities have been delegated to the heads of other Federal agencies, and if you do, can the committee have a list of such delegations for its record?

Mr. MARSCHALL. Mr. Chairman, we will provide that for the record.

Senator STAFFORD. Thank you very much.

Mr. MARSCHALL. I think we know. We will do our best to make a collection.

Senator STAFFORD. That would be a matter of interest to the committee.

Mr. MARSCHALL. Yes, sir, we shall provide it to the committee. (See p. 108.)

Senator STAFFORD. Are the agencies presently holding such delegation conforming, as far as you know, with the provisions of the present Public Buildings Act, and if all the delegations of authority were brought back to GSA, do you feel you could handle them?

Mr. FREEMAN. I will respond in general. Since I have been there, there have been two delegations. One is for the recruiting stations for the military, which I think was an overdue thing. They had a mobility requirement. They also have a very fine construction capability. These are under the supervision of the Corps of Engineers, and I believe

that they are quite capable of supervising that. We intend in the future to add oversight of this to our Inspector General to be sure they are complying with all regulations, which they have to by law.

The second delegation has to do with agricultural stations. Here again, it was required in the delegation that they would have to comply with the various statutes. Again, I seek oversight through my Public Buildings Commissioner and Inspector General, as necessary, to insure compliance.

If there are further delegations, they would be such that I would require oversight on a routine basis to be sure of compliance with Federal laws and regulations.

Senator STAFFORD. Having used 5 minutes, I will recognize the Senator from Rhode Island.

Senator CHAFEE. Thank you very much.

Mr. Chairman, in listening to this and thinking of the legislation, I recall the words of Admiral Moore when all of us were over in the Navy Department. Admiral Moore said:

When something goes wrong, it doesn't necessarily mean a law has to be changed or the regulations have to be changed. Quite frequently it means the people running the operation should be changed.

I firmly believe that we can go too far and hamstringing these people from doing a good job. These specific percentages were set forth in the bill, for example. I think the best tool we ought to keep in our hands is the tool to fire the person if they are not doing the job and not following the general principles set forth by this committee and the legislation.

I agree with the point you were making, Mr. Chairman, certainly the witnesses were, that there are percentages all through here. I think we have to be careful. For example, the bill provides if GSA is going to rent 25 percent or more of a building that you cannot enter the contract for space prior to 90 days before the building is completed. Now I don't quite know why we have that in the legislation. How would that affect you? It seems to me that is putting on a hamstring. For instance, what was the demand for the space?

Mr. MARSCHALL. It prevents lease construction.

Senator CHAFEE. That is to prohibit lease construction?

Mr. MARSCHALL. That, to me, is much in the nature of throwing the baby out with the bath water, because in many cases it behooves us to lease. You brought out the same point yourself, and I think that sometimes it behooves us to provide space by lease construction. I think we agree with the committee wholeheartedly—I certainly do philosophically—that it makes sense to build Federal buildings. I think I am a biased witness because this has been my life's work, to build. But I have said before and say again, it doesn't make economic sense to me to go willy-nilly leasing, nor does it make economic sense to say you can't lease or lease construct. I think we should have flexibility. Every year we must come before this committee and other committees for our annual program, or in the present case our continuing prospectuses. The committee can certainly tell us yes or no. And I think that when we write in a law something that restricts a good procedure we are not writing a good law.

Mr. FREEMAN. Here again, Senator, I think what we are looking for is the maximum flexibility to insure we pursue all cost-effective alter-

natives. The legislation which writes out one of those alternatives doesn't do the job I think you are asking us to do, and that is to look at every facet to decide what is the most cost-effective way of housing Federal employees.

Senator CHAFEE. Following that, you want a program in advance and you want to know what you are doing. Do you think we can do that in the Federal Government. For example, if you came before us last year with a program, and then suddenly half way through the session we create a Department of Education, now although people hope that when you separate a section out of a department you haven't multiplied the people. We all know Government doesn't work that way. The Department of Education is going to be much bigger than the segment that was the "E" in HEW. That imposes a new burden on you. Percentagewise is it small enough in the total so you can adjust to that under the programs you are espousing?

Mr. FREEMAN. That kind of thinking is a good example of where we feel enabling legislation ought to talk to the housing of the agency created under the bill. In other words such a situation would be an aberration within a 5-year plan. It should logically take its place within that plan, but it can't because the Congress has already dicated a priority by the fact it created a department. Therefore, we have to house it. The first way you look is for leasing space to satisfy that requirement to put the department together. There again, we would have to pursue with you what your intent was as far as housing that agency. Again, there is some restrictive language in the bill which requires housing it here at the site of the Government, which is one of the things we talked about in the statement.

Senator CHAFEE. Who is keeping time?

Senator STAFFORD. I am. You have 1 minute.

Senator CHAFEE. When GSA builds a building or leases a building in a local community, how much is the local community involved? Do you consult with them?

Mr. FREEMAN. Yes, sir. We have—and this took place before I came to the agency—a number of agreements with mayors in urban areas, both small and large, to consult with them on our Federal construction programs or leasing programs or anything which is going to affect the community, as for example when we are moving from outside the city to the central business area. In addition, there are groups sponsored by the Secretary of Labor which are made up of representatives of most of the Federal agencies within major urban areas—we have them in Boston, Chicago, New York and I believe Detroit—which meet regularly with the community and with the construction industry as well to talk about the Federal building program and the Federal leasing program. So we try and involve those key people in whatever we are doing within a community.

Senator CHAFEE. Thank you.

Thank you, Mr. Chairman.

Senator STAFFORD. Thank you, Senator Chafee.

The Chair at this point wants to ask unanimous consent that a statement earlier entered in the Senate by Senator Moynihan, the chairman of the ad hoc subcommittee, and papers associated therewith be made a part of the hearing record this morning. (See p. 55.)

The chairman, without objection, will reserve the right of all Senators on the committee to submit questions in writing, which we would

ask your cooperation, gentlemen, in responding to as quickly as possible so they may be a timely part of our hearing record this morning.

That having been done, the Chair would ask this question. In a purchase contract program, is it, in your view, gentlemen, the most cost efficient for GSA to obtain the financing for the construction of public buildings through the Secretary of the Treasury, as proposed in our bill? Are the interest rates competitive with alternative methods of financing?

Mr. MULLIGAN. The two proposals I have seen on purchase contract are, one, to borrow the money through the Federal Finance Bank, and the other is to borrow it directly from the Treasury. As I understand, if you go through the Federal Finance Bank, you pay an additional surcharge. I think now it is one-eighth of 1 percent of the financing, and that money is used to finance the activities of the bank. If you go through the Treasury, there is no such surcharge, but the Treasury gets appropriations to finance their activities. So from the point of view of the total Federal budget, I don't think it makes much difference. I understand you are going to be receiving some testimony from Rowland Cook of the Treasury Department. I think we would probably defer to his view as to what is the most appropriate method, should the committee decide to report the bill with the purchase contract provision in it.

Senator STAFFORD. Thank you very much.

Can GSA assure this committee, if this legislation passes, that every effort will be made to reduce the amount of leased space that is not advantageous to the Government?

Mr. FREEMAN. Yes, sir, consistent with the amount of funding we get for any other type programs to substitute for leases.

Senator STAFFORD. Thank you.

The Public Buildings Service's primary goal is to house Federal agencies efficiently. A large part of that efficiency involves open communication between GSA and their tenants. Can GSA make themselves adequately available to fulfill the needs of your tenants?

Mr. FREEMAN. I am not satisfied with our customer relations program at the present time. Both Mike Marschall and I are working for means by which we can insure better tenant satisfaction. I think one of the most difficult areas we have in leasing is where we have had long-term leases at a low rent, and lessors now are a little careless about the services they provide. That is one area.

The other is that we have sort of played dog in the manger with small alterations, and we have now delegated the small alteration authority which I think will enable the agencies to do their work. We recently pulled together the assistant secretaries of most of the civil agencies to talk about space and alterations, and I think as a result of that meeting there is a clearer understanding of our mutual problems in attaining customer satisfaction. We have a long way to go on this matter.

Senator STAFFORD. One major type of acquisition the committee would like to avoid is the lease construction agreement, where the final product tends to be of lesser quality. How can this committee be assured when leasing is the only alternative the Government gets the highest quality possible in a leased building?

Mr. MARSCHALL. We just have to try, Mr. Chairman. I don't think anybody can guarantee we are going to get the very best any time we enter a deal. It all gets back to people and things, people inspecting things and making sure they get a good deal. And I don't know how you can legislate it. I don't know how you can direct it or anything else. It is one of those things, we just have to work as hard as we can. But you must remember that we are bound by certain laws and regulations when it comes to leasing or contracting for anything. And all too frequently, we have all seen that just because a guy is able to post a bond and has a low bid he gets a job for which he may not be as eminently qualified as he should be. That is a long way around. But I don't know how to answer the question otherwise.

Senator STAFFORD. I think your answer would satisfy me if you would tell us that you will direct your very best efforts to getting the best possible buildings you can for our money.

Senator Chafee, do you have further questions?

Senator CHAFEE. Just a couple, Mr. Chairman.

I would be very interested for the GSA to not solely work over this legislation and try to modify it to the best they would like to have it, but also there may be major steps forward that you would like included in the legislation. In other words, you may be laboring under certain restrictions that are now archaic and shouldn't be there, and you have suggestions for change. For instance, maybe there is something wrong with just going with the lowest qualified bidder. I know that is difficult territory to get into, but if you have some constructive suggestions on that, certainly I, for one, and I suspect the committee, would be glad to hear them. I am not saying we would necessarily agree, but we certainly want to hear what you want in order to make your job the easiest possible. So I hope you will come forward with suggestions and not restrict yourself to, we are going to change this and let's change this. I hope you would look at it in a broader perspective than that.

Mr. MARSCHALL. Senator Chafee, I certainly appreciate the opportunity to submit just this type of thing, suggestions only.

Senator CHAFEE. That is right.

Mr. MARSCHALL. I must admit we have had no great problem in dealing with the staff as far as getting our ideas heard. Eventually between what we and the staff agree to, maybe the committee itself will agree to change some of the language of this bill as now written.

Senator CHAFEE. My point is I want you to go beyond just the narrow point of modifying solely the points in here. There may be something that is not even touched in here that is restrictive on your agency, your efforts to produce the best for the public and the U.S. Government, and I think you ought to feel free to advance those ideas as well.

Mr. MARSCHALL. You have never found us bashful in the past, and we have not changed.

Senator CHAFEE. Second, I would like to point out to Administrator Freeman, in his testimony he didn't touch on title V which deals with the arts enhancement legislation. That is a measure which I introduced previously dealing with the art in architecture program in our buildings, and we will probably have a separate hearing on that. But I would call your attention to title V and solicit your views, not now, but we will be having a separate hearing.

Mr. FREEMAN. I will be delighted to appear.

Senator CHAFEE. Thank you, Mr. Chairman.

Senator STAFFORD. Thank you, Senator Chafee.

I would say to our witnesses we thank you very much for being here this morning. I will conclude my remarks without a question and simply say again the freer and more immediate the flow of dialog between your staff and ours, the better chance we will come out with a bill that both your agency leadership and we can support and pass through this Congress. We will appreciate your cooperation and we are very grateful to you both for being here this morning.

Mr. FREEMAN. Thank you, Mr. Chairman.

Senator STAFFORD. Thank you.

The Chair would invite Mr. Roger Altman, Assistant Secretary for Domestic Finance, Department of the Treasury, to come to the witness table.

Mr. Altman, we welcome you, and would you introduce your colleague, please.

**STATEMENT OF ROGER ALTMAN, ASSISTANT SECRETARY FOR
DOMESTIC FINANCE, DEPARTMENT OF THE TREASURY, ACCOMPANIED BY ROWLAND COOK**

Mr. ALTMAN. Mr. Chairman, I am accompanied by Rowland Cook, who is the Director of the Office of Market Analysis and Agency Finance in the Treasury Department.

Senator STAFFORD. The Chair will be glad on behalf of the committee to hear your statement and any remarks Mr. Cook cares to make before we go to questions.

Mr. ALTMAN. I have a brief statement which I would like inserted in the record (see p. 47), and I will summarize.

Mr. Chairman, it is a pleasure to be here this morning to present the Treasury's views on the Public Buildings Act of 1979, S. 2080. You have specifically requested that I address my remarks to title IX regarding public building financing, and I will do so.

Title IX would authorize the Administrator of GSA to borrow from the Secretary of the Treasury to finance purchases, construction or renovation of public buildings. The loans would be repaid over a period of up to 30 years, with a deferral of interest and principal payments to the Treasury until a building is ready for occupancy.

The budget treatment of GSA outlays for public buildings purchase, construction, and renovation under title IX would defer recording outlays for public buildings until debt service payments are made to the Secretary of the Treasury. Beginning the year after the building is completed and continuing for approximately 30 years, each debt service expenditure would be reflected as a budget expenditure. The amount of borrowing from the Treasury would be authorized in appropriation acts.

The Federal budget accounting for borrowings from the Treasury envisioned under title IX is significantly different from the budget treatment of other agencies' borrowings from the Treasury. It would be unique. Federal budget outlays are usually recorded in the budget of the borrowing agency at the time the agency spends the loan proceeds. In most cases the Treasury disburses loans at the time an agency

needs the funds to make a payment, such as a construction progress payment. So that currently outlays are recorded when money is actually spent for construction, just like any private enterprise entity would do it. This proposes to defer the recording of outlays until the debt is repaid, which, as I say, repayment might not commence for a series of years because we are talking about 30-year borrowing, where principal and interest repayment might not commence for up to 5 years.

It is important to isolate the different budget treatment that is being proposed here. That budget treatment under title IX is similar to the arrangements under the Lease Purchase Act of 1954, which expired in 1957, and then was reinstated in the Public Buildings Amendments of 1972, which expired again in 1975. These statutes which were enacted to provide temporary authority to accelerate Federal building acquisitions authorized GSA to contract to purchase, construct, or renovate public buildings. The purchase contracts were used as collateral for obligations issued initially in the private capital markets, and later to the Federal financing bank, to finance GSA projects. Budget outlays for GSA projects undertaken under these statutes were recorded when yearly repayments under the purchase contract were made by GSA, rather than when funds were originally expended for construction. So what is being proposed here is a continuation or an extension of the budget treatment which admittedly was involved in the earlier two statutes which expired. The same problems I tried to highlight here were just as present then.

So my principal point today is that we have no objection at all to having GSA borrow from the Treasury. In fact, it makes common-sense. It is less expensive than private market financing and, of course, we are involved in relationships like that with all other agencies. But title IX raises the question of the budget treatment, as I have just described. While accounting arrangements like that are occasionally appropriate in the private sector, the administration has opposed their use in terms of Federal agencies. Our position is that Federal construction programs should be fully funded by the net income in the Public Buildings Fund and by direct appropriations. The administration supports full funding because it clearly reveals the demand of the program on the budget resources available for the Government and the U.S. economy.

So the only question I am raising relates to the budget treatment and not to the financing.

That concludes my statement. I would be happy to answer any questions you have.

Senator STAFFORD. Thank you.

Mr. Cook, did you have an additional statement?

Mr. Cook. Nothing additional, Mr. Chairman.

Senator STAFFORD. The Chair understands you to say, Mr. Altman, that the Treasury Department has no objection to GSA's borrowing from the Treasury for building construction.

Mr. ALTMAN. That is correct.

Senator STAFFORD. It has long been the feeling of this Senator, I think shared by most of this committee, that the present system of lease construction in which the Federal Government pays a very substantial lease over 20 years and then ends up with no building at all,

no ownership of the building which it has paid the lease rental for over 20 years, is a mistaken way to go, and that we should either go back to lease construction purchase, which this Senator favored at the time, or to the arrangement proposed in the bill now in front of the committee. Do you have a preference over which program might be followed there?

Mr. ALTMAN. Mr. Chairman, I am not an expert on the pros and cons in the case of GSA leasing versus ownership, but I have read a GAO report on that subject and I listened to the earlier discussion and it seems to me the objections raised to the growing proportion of space in leased facilities makes sense, those objections make sense. It is a fine objective, therefore, to try to reduce it, and I see no reason why this bill before the committee, with the exception of the budget questions I have raised, isn't a sensible way to proceed.

I have noted in previous testimony there have been a lot of objections or observations made to the effect that Congress has not appropriated sufficient funds for purposes of conducting an appropriate buildings program. I know much less about the workings of Congress than you do, but I would say the important thing is that Congress and the public understand what these things cost, and the best way to do that is record them fully in the budget, and if Congress should choose not to fully appropriate in the conventional budget way in terms of outlays the amounts necessary, that seems to me to be a decision of the Congress.

Senator STAFFORD. Let me ask you a preliminary question in this regard. Is there any financial advantage to the Federal Government in pursuing the proposal for financing construction in the bill in front of the committee vis-a-vis the system under lease contract purchase where the contract was taken to the Federal financing bank to finance the construction?

Mr. ALTMAN. First of all, there is little difference, almost no difference, from the standpoint of GSA between its borrowing from the Federal financing bank and borrowing from the Treasury. It is slightly less expensive to borrow from the Treasury, and since GSA is fully authorized to borrow we think it makes sense. So that part of the bill is a good idea.

The other aspects of the bill also make sense, although they are not in my area of expertise or domestic finance areas, but I think, in general, the bill would improve the financing practices and make other improvements and thus make sense.

Senator STAFFORD. This will be my final comment really. One of the problems that faces us under present conditions is the fact that the administration may support full funding which, were the funds available, would probably be the best way to go, but the administration's budget only contains \$39 million, or something like that, which would not build very much in the way of new construction in the coming fiscal year. Wouldn't you have to agree with that?

Mr. ALTMAN. I would, Mr. Chairman, but I would say that is the President's decision as to what he thinks ought to be built, and as a member of the administration I support that. The congressional budget process obviously affords the Congress an opportunity to revise the President's proposal in that regard. But I don't think the way to revise it is through what I would describe as back-door spending, but

rather to just increase appropriations and thus increase the total Federal outlays, if the Congress determines that that is its will.

Senator STAFFORD. Senator Chafee, do you have questions?

Senator CHAFEE. No, I don't. I will have to really study the point he is making. I suppose the Budget Committee would object, too, to our proceeding the way title IX does currently. But we appreciate the views you presented here and would certainly have to take them into consideration.

Senator STAFFORD. Thank you. The Chair reserves the right to Senators who are here and not here to submit questions in writing. Gentlemen, we may likely take advantage of that and ask you for your early response to any questions we send. On behalf of the Senators here and those not here, we express our appreciation to you for being with us and helping us this morning.

Mr. ALTMAN. We will be delighted to work with the committee on any of the financing procedures and work with your staff as well.

Senator STAFFORD. Thank you.

The Chair would now invite to the witness table our next to last witness of the morning Mr. James Mitchell, Assistant Director, Logistics and Communications Division, General Accounting Office, who is accompanied by Mr. Carmen Smarrelli, Senior Group Director, and Mr. Patrick Maguire, Group Director.

The Chair understands you have a written statement. We will be glad to hear it, or if you care to summarize the Chair will place the full text in the record.

STATEMENT OF JAMES G. MITCHELL, ASSISTANT DIRECTOR, LOGISTICS AND COMMUNICATIONS DIVISION, GENERAL ACCOUNTING OFFICE, ACCOMPANIED BY CARMEN SMARRELLI, SENIOR GROUP DIRECTOR; AND PATRICK MAGUIRE, GROUP DIRECTOR

Mr. MITCHELL. Mr. Chairman, I prefer to read the statement if you have no objection.

Senator STAFFORD. That is fine.

Mr. MITCHELL. Thank you, Mr. Chairman.

We are pleased to appear before you to give you our comments on S. 2080, referred to as the Public Buildings Act of 1979. S. 2080 would make a number of revisions in the way the General Services Administration conducts its public buildings program. Among other things, it would revise the method of financing public buildings construction, reduce the number of Federal employees in leased space, and require emphasis on, and disclosure of, GSA's long-range planning for its buildings program.

We are pleased that a number of the bill's required revisions in GSA's public buildings program are consistent with recommendations contained in our prior reports. It is primarily in the context of our prior work involving GSA's public buildings program that we would like to address certain of the provisions of the proposed legislation.

Your letter of January 18, 1980, was received by our office on January 21. Due to the short time frame available to us to prepare our testimony, we may wish to meet with committee staff at a later date to

discuss additional revisions which may be needed to assure that the intent of the bill is clearly disclosed.

The proposed legislation would authorize GSA to borrow funds from the Treasury to finance acquisition, construction, and renovation of public buildings. Further, it is our understanding that section 901 is intended to amend the criteria under which GSA assesses annual rental charges to Federal agencies to make clear that such charges should recover the costs of financing and operating or leasing each building and should, to the maximum extent, underwrite the public buildings service budget.

Senator CHAFEE. Mr. Chairman, I wonder if I could interrupt.

You say our letter of January 18 was received on January 21. Now I would just like to straighten this out. In other words, are you saying that is the first time you knew you were going to be giving testimony?

Mr. MITCHELL. Yes, sir, that was the official request. We knew there was a bill.

Senator CHAFEE. I don't care about official request. Either we didn't do a good job in giving you notice, or we did give you notice and you are going by the very literal interpretation of when you received notice.

I would just like to ask, Mr. Chairman, who can we ask here on our staff about this? When did they receive notice? I don't mean formal notice. I don't think this is very good either on our part if that is so.

Senator STAFFORD. I would have to respond to my distinguished colleague, those who might answer that question aren't currently present at the moment, but we will have that run down.

Senator CHAFEE. I am not critical of you. I just think we ought to know as members of this committee. It doesn't speak very well for us, I think, if indeed the first notice, never mind formal notice, the first inkling that you were coming up here to testify was January 18. But never mind, we will look into that. That is an internal matter.

Thank you very much. Go ahead.

Mr. MITCHELL. In October 1979, we reported (LCD-80-7) on the cost and budgetary impact on acquiring space by direct Federal construction, by borrowings, and by leasing and we concluded that Federal construction is the most advantageous alternative for financing space acquisition. Borrowing money for construction is the most practicable alternative currently available because only limited funds have been available from the Federal Buildings Fund for construction. As an alternative leasing has the least favorable long-range budgetary impact.

We analyzed Federal Buildings Fund cash receipts and outlays under direct Federal construction, borrowing primarily from private sources (purchase contracting), and leasing. Our analysis shows that:

During the early years of building life, only leasing provides a positive cash flow—in other words, receipts in excess of outlays—for the Federal Buildings Fund.

Beyond the early years of building life, direct Federal construction provides the largest cumulative cash flow for the Federal Buildings Fund.

Over the entire building life, borrowing to finance construction provides a substantially larger cumulative cash flow than leasing, and

direct Federal construction provides a larger cumulative cash flow than either leasing or purchase contracting.

We recommended in our report that, if the Congress wants to provide GSA with a financing alternative to direct Federal construction and leasing, it should limit the agency's financing authority to direct loans from either the Treasury or the Federal Financing Bank. We also recommended that if the Congress expects the government to continue to pay local real estate taxes and the fund to provide adequate resources for construction, it should offset the adverse impact by making separate appropriations to GSA for taxes or direct appropriations to the Fund to cover tax payments.

We are pleased that the committee has accepted the thrust of our recommendation in section 903, which authorizes the Administrator to borrow from the Treasury for periods up to 30 years to construct public buildings.

Also under the provisions of this legislation, when GSA borrows from the Treasury, it will make annual payments of interest and amortization of principal. It is our understanding that the total amount of the borrowings would not be recorded as budget authority in the first year. Rather, the annual payment each year would be recorded as budget authority over the 30 years.

As a matter of budget policy, we favor the full funding concept because it requires recording in the budget the total project cost as budget authority in the first year. Funds have not been available from direct appropriations, consequently, if the Government is to have a viable building program, perhaps full funding is not practical.

In our view the manner in which leases are currently handled does not provide the Congress with the advantages of the full funding concept either. The total rental payments on leases—up to 20 years in some cases—to which the government is committed, are much greater than the annual lease payment that appears as budget authority in the annual appropriation act. For example, for fiscal year 1979, only the annual lease payment of over \$500 million appears as budget authority in the annual Appropriation Act, yet the Government is committed to more than \$2 billion over the remaining life of those same leases.

Also in connection with financing, section 901 states that rental charges paid by agencies to GSA shall be established at a level of anticipated costs of providing space and services—including amortized construction or leasing costs. It further states that, if these charges are greater than the comparable commercial rate, the agency's rate shall not exceed the comparable commercial rate.

It is not clear to us what construction costs would be amortized. Presumably, for a Government-owned building, fully amortized, GSA would be permitted, under this legislation, to establish the rental charge based on the operating cost of the building plus some administrative costs. These costs would be significantly lower than comparable rates as now established under section 210(j) of the Federal Property and Administrative Services Act of 1949.

Therefore, the rents for agencies located in these type buildings would be reduced from the rates being collected currently. Under the current legislation, these fully amortized Government-owned buildings generally generate a sizable positive cash flow in the Federal

Building Fund. While these buildings generate a sizable positive cash flow, overall, the fund does not generate enough funds to meet operating and capital requirements. Under the proposed legislation, the Federal Buildings Fund's ability to meet operating and capital requirements would be further impaired since rent income on the Government-owned, fully amortized building will be reduced.

In our view, if the committee wishes to make the public buildings program self-sustaining, the language of section 901 should be re-examined and restated.

For fiscal years 1975 through 1977 some of the rates established by GSA pursuant to the 1972 law were inequitable and were criticized by tenant agencies and various congressional committees. Since fiscal year 1978, GSA rates are based on building appraisals which are changed every 3 years. While we recognize that appraisals are estimates of value based in part on judgments and opinions of independent appraisers, in our opinion, they do provide a reasonable basis for establishing comparable commercial rates as required by the law.

Because the money for construction, either through direct appropriation or through the Federal Buildings Fund, has been limited, GSA has relied on leasing as the only practicable means of obtaining needed space. From fiscal years 1966 through 1979, although leased space has more than doubled and the cost of leased space has more than tripled, there has been no appreciable increase in Government-owned space.

This legislation is designed to set limits on leasing for the purpose of emphasizing a more viable Federal construction program and thereby reducing the Government's reliance on leased space. This committee, the House Committee on Public Works and Transportation, and other committees have for many years advocated more Federal construction as the means of obtaining space for the Federal Government.

We have reported that on the basis of budgetary impact, over the entire building life, leasing is the least desirable alternative of acquiring space. Direct Federal construction provides a larger surplus for the Fund than both leasing and constructing with borrowed funds, although constructing with borrowed funds is more desirable than leasing. We could not compare fully the costs of Federal construction with leasing because of differences in building quality and cost. In general, however, federally constructed buildings provide higher quality space and entail lower interest rates on construction capital than leased buildings.

In view of the higher costs of long-term leasing of space, we are in agreement with the intent of the legislation to eliminate the projects in which the Government pledges to lease, usually on a long term, a building to be built by private interest and with the intent to reduce the number of Federal offices and employees in leased space.

In connection with section 702, which establishes the goal of placing no fewer than 60 percent of the Federal officers and employees in public buildings within 5 years of the date of enactment of S. 2080, we believe this goal may be overly optimistic.

It is our understanding that more than one-half of the Federal work force is now in leased space. Based on GSA's current plans, there is no substantial construction program that would provide sufficient space to move more than 10 percent of the Federal work force from leased

space to Government-owned space during the next 5 years. Also, with the passing of this legislation, before GSA can provide Government-owned space, it must obtain congressional authorization, acquire sites, and design and construct the needed buildings. Based on past experience, even if the authorization and financing time frames are excluded, the physical time frame to acquire a building through construction has taken 5 or more years in many cases.

In order to comply with this section GSA must design an orderly phase out, keeping in mind those leases that will expire and those that can or cannot be terminated to avoid transferring personnel from spaces for which rent will continue to run.

Another factor that might impact on GSA's ability to meet this goal is the number of personnel to whom leased space is provided because the size of the Government activities does not warrant providing a public building. The number of employees in this category could have some impact on the percentage established for housing in Government-owned space.

The proposed bill would also require GSA to submit to the Congress each year a program for construction, renovation, acquisition, maintenance, and leasing for the next fiscal year, together with a 5-year plan for accommodating Federal agencies' public buildings needs. GSA would receive annual line item authorizations from the Congress to carry out its program during the next year.

The proposed authorization and planning procedure is an improvement over the current prospectus authorization procedure now in effect wherein projects are approved individually on a piecemeal basis, without prioritization. The proposed procedure should provide the Congress with better overview and visibility over GSA's entire buildings program. It should also improve space planning.

In prior reports we have commented on deficiencies in GSA's space planning and lease alterations. We have concluded that GSA should allow sufficient time prior to lease expiration or developing alternative space plans. In three of our reports we commented on seven cases where GSA paid rent of about \$3.5 million before leased buildings were available for occupancy. This situation can be attributed in part to poor space planning.

With respect to alterations, GSA spends sizable funds on leased building alterations. We estimated that in 1 year expenditures for lease alterations exceeded \$36 million. We reported that there were numerous deficiencies in contracting for these alterations and that GSA had too much flexibility in funding the work.

There is no current requirement in law for GSA to either obtain prior congressional approval of, or to report on, alteration projects in leased buildings even if the cost of the alteration projects exceed \$500,000 each. The law does require prior approval for alteration in Government-owned buildings over \$500,000. We concluded that alterations to a leased building requires closer scrutiny because they (1) may increase the value of the leased building which the Government does not own and (2) weaken the agency's negotiating position for follow-on leases.

We recommend in a prior report (LCD-78-338) that the Congress should amend the Public Buildings Act of 1959 to require congressional authorization of alterations to leased space which involve a total expenditure in excess of \$500,000.

The proposed bill would provide for annual line item authorization for alterations to leased buildings. This provision is consistent with our prior recommendation in that it provides the Congress with visibility over alterations in leased space.

In our September 1978 report we also pointed out that GSA spent considerable amounts of money for alterations of leased space for computer facilities. This legislation prohibits the leasing of space to accommodate major computer operations.

While we agree that, by denying GSA the authority to lease facilities for major computer operations will preclude the expenditure of large sums of money which cannot be recovered when the lease term ends, we are of the opinion that in some situations leasing of space for major computer operations may be feasible. For example, it would not be practical to put off an urgent requirement for a computer because Government-owned space is not available. Also, since GSA now has computer operations in leased facilities, it may not be practical or feasible to accommodate these computer operations in Government-owned facilities, rather than permit GSA to negotiate a follow-on lease. Some consideration should be given to these existing leases.

This legislation, section 202A, provides that all headquarters of Federal agencies are to be located in the Washington, D.C., area or the metropolitan Washington, D.C., area unless otherwise specified in law. The legislation further provides that other agency offices which are to be located outside of Washington, D.C., should be evenly distributed in proportion to the geographic distribution of the Nation's population.

In contrast, the President's national urban policy announced in March 1978 encourages the relocation of Federal activities to central business areas of the Nation's distressed cities. GSA has a nationwide policy of relocating Federal facilities to the central areas of cities, regardless of whether the cities have been identified as distressed.

Also, GSA has a policy included in its space management regulation which is based on Office of Management and Budget Circular A-60. The policy encourages decentralization from Washington.

We cannot evaluate the impact this legislation will have on GSA's space management policy, but we are aware of the conflicting nature of the policy and feel that it could be counterproductive to this legislation.

The proposed bill would repeal the Public Buildings Act of 1959, as amended, in its entirety. Section 18 of the 1959 Act authorizes the District of Columbia to provide for the development, construction, operation and maintenance of the Dwight D. Eisenhower Memorial Bicentennial Civic Center. It may not have been the intent of the proposed bill to delete this section.

Mr. Chairman, this concludes my statement. My associates and I will be happy to respond to any questions you or any members of the committee may have at this time.

Senator STAFFORD. Mr. Mitchell, we are indebted to you for being here this morning and for your statement, which I can assure you our committee staff and members will examine carefully. The Chair has no questions. The Chair would point out we are reserving the right of all Senators on the committee to ask questions in writing, and for your early response.

Senator Chafee, do you have questions?

Senator CHAFEE. I would like to thank Mr. Mitchell for this report. I think there are a lot of good points he raised here, and certainly we will look them over.

Just reviewing the bidding here a minute, do you say in your testimony that you are opposed to the lease purchase arrangements?

Mr. MITCHELL. No, sir, we are discussing in our testimony comparing the budgetary impact of Federal construction versus leasing. We got into comparing direct Federal construction, construction financed by borrowing through purchase contracting and leasing. We did not address lease purchase arrangements.

Senator CHAFEE. Do I also understand you to say under this legislation, if a government agency is in a fully amortized building, their rent would be fairly modest, just equal to the operating cost?

Mr. MITCHELL. The possibility exists. GSA could interpret that is what the legislation requires, that since it is fully amortized, you would only have operating expenses, plus some administrative costs and that would be lower than what they are being charged now.

Senator CHAFEE. Yet if we charged what might be the comparable going rate in the community, then we would have more money to build up our Building Fund.

Mr. MITCHELL. Right.

Senator CHAFEE. One of the problems, of course, it seems to me, and you point this out, if the Federal Government goes ahead and builds a building, they are going to build a building that is going to be more costly because of all the things that we have talked about previously. Thus if we do that and go ahead and charge the rents, the rents inherently are going to be higher than if we went into a leased building. Isn't that true?

Mr. MITCHELL. Would you rephrase that again, sir?

Senator CHAFEE. The Government builds a building. There are two possibilities. The private builder builds one and the Government builds one. The private builder gets his up faster. He doesn't have all these things like and EIS, he doesn't go quite as far on the handicapped provision, and he is not building a monument to last 100 years. You can say there is a question whether the Government can build a building in less than 5 years, which seems to be shameful. So you have the two buildings side-by-side. One has to pay real estate taxes, the private builder. You have an agency that is going to move into either building. If he is going to move into the Government building under this unfortunate term "SLUC," the rate must be based on a series of things that involve the construction cost of the building.

Mr. MITCHELL. They must be based on comparable commercial rate. That is what the SLUC is based on.

Senator CHAFEE. So it wouldn't be based on the construction costs of the building. Then he moves into the other building. He probably would pay the same rate, since that in fact is the existing private rent.

Mr. MITCHELL. It is possible.

Senator CHAFEE. The difference being at the end of 20 years we own one building and we don't own the other. I think I get it now. But we are not charging the fellow in the Government building the rent based upon the construction of that building.

Mr. MITCHELL. No, sir; it is based on the comparable commercial rate under existing law.

Senator CHAFEE. So that reinforces the point, it seems to me, if you are not going to charge him the recent in the beginning based on the construction costs, that when the building has been fully amortized, certain his rent shouldn't drop down to just the maintenance and the administrative costs, because that way the agency wins both ways.

Mr. MITCHELL. I think you are right, sir.

Mr. SMARRELLI. The way the proposed law is written now, rent for Government-owned buildings are based on construction costs; however, that cost exceeds the commercial rate, GSA can only charge the commercial rate.

Senator CHAFEE. That is right, and then when the costs have been amortized, now you have it based on cost. So GSA loses out.

Thank you, Mr. Chairman.

Senator STAFFORD. Gentlemen, the Chair thanks you on behalf of the committee members who are here and those who are tied up elsewhere and had hoped to be here. We can assure you your testimony has been helpful and has brought up some points that had not occurred to this Senator, and we will take the into consideration in reworking the bill.

Mr. MITCHELL. Thank you, Mr. Chairman.

Senator STAFFORD. The Chair would invite Mr. Robert Garvey, Executive Director of the Advisory Council on Historic Preservation, to come to the witness table.

Mr. Garvey, we appreciate your presence. The Chair has your written statement. The Chair knows we are crowding on 12 o'clock, which may embarrass some members of the committee who are still here, and would welcome your summarizing the statement.

STATEMENT OF ROBERT GARVEY, EXECUTIVE DIRECTOR, ADVISORY COUNCIL ON HISTORIC PRESERVATION

Mr. GARVEY. Thank you, Mr. Chairman. I will, in fact, give just a few highlights from the statement.

Senator STAFFORD. In that event, the Chair, without objection, will place the entire statement in the written record of the committee (see p. 50), and welcome your summarizing it.

Mr. GARVEY. Thank you, Mr. Chairman. My name is Robert R. Garvey, and I am Executive Director of the Advisory Council on Historic Preservation. The Council is an independent Federal agency comprised of the heads of 15 Federal agencies, including the General Services Administration, and 14 non-Federal members, including 12 Presidential appointees. The Council has a general mandate to advise the President and the Congress on historic preservation matters.

Among its other authorities, the Council is charged by the Public Buildings Cooperative Use Act of 1976 to recommend to the Administrator of GSA historic buildings that may be suitable to meet Federal space needs. Our experience in the Federal historic preservation program and, more specifically, under the Public Building Cooperative Use Act form the basis for our strong support of the historic preservation provisions of the proposed Public Buildings Act of 1979.

The Public Buildings Cooperative Use Act heralded a new direction in Federal buildings policy. The act established a clear preference

for the use of historic buildings to house the activities of the Federal Government. The Council supports this policy now, as it did in 1976. We believe its soundness is unassailable, not only as a commitment to preserve important elements of our national patrimony in productive contemporary use, but also to conserve energy, rejuvenate declining downtowns, and provide attractive and efficient working places for Federal employees.

Unfortunately, despite the soundness of this policy, the current system established under the Cooperative Use Act has not been able to fully realize the benefits that could be attained in this area. The flaws lie not in the concept but rather have surfaced as GSA and the Council have sought to implement the act. We are most pleased that the Congress, through S. 2080, has now the opportunity to remedy these shortcomings, so that the full potential of the program established by the Cooperative Use Act can be realized.

We believe our experience with the act over the last 3 years has given us the basis for making substantive recommendations to significantly improve the program.

No. 1, identification of historic buildings suitable for Federal space needs should be an integral element of GSA's project development process with appropriate levels of staff and funding. I would like to emphasize, Mr. Chairman, the requirement that the staff capability and funding be available within GSA. I have been impressed by the testimony earlier during this hearing with regard to certain specific type of expertise available in GSA. Our experience has proven that a similar level of historic preservation expertise within GSA is of critical importance in the implementation of this concept.

No. 2, the statutory language regarding decisions on when it is feasible and prudent for GSA to use a historic building requires further clarification. Feasible and prudent has been almost totally related to cost, and we believe, Mr. Chairman, that such standards need to recognize other factors that are not quantifiable in dollar terms. The preservation of historically or architecturally significant buildings and the contributions that such buildings make to the vitality of a city have an effect on local pride and public spirit.

No. 3, conflicting GSA policies and requirements that often prevent the reuse of historic buildings should be revised to reflect the historic preservation preference of S. 2080.

No. 4, GSA cost estimating techniques need to be reviewed to insure that renovation costs are accurately projected. As we have worked with GSA over the course of the past 3 years, we find a great discrepancy between costs estimated by GSA for Federal use and costs estimated by others for private sector uses.

No. 5, the statutory preference for the use of historic buildings should be extended to leasing. Even though leasing was not a requirement of the earlier act, it has been effectively implemented in a small, but important, percentage of the leases undertaken by GSA. We think that that should be included as a statutory preference.

In summary, the Council believes that the fundamental change in Federal buildings policy originating in the Public Buildings Cooperative Use Act of 1976 is a sound national policy and should be continued. Additional congressional oversight through this committee, coming as S. 2080 proposes at the critical points in the decisionmaking

process on a public building project, will be a significant improvement in insuring the intent of the Cooperative Use Act and the Public Buildings Act of 1979 is carried out. As noted in this statement, refinements are necessary to achieve the full potential of this program. We urge the committee to act favorably in these suggestions and we look forward to an ongoing role in implementing this important Federal program.

Thank you, Mr. Chairman.

Senator STAFFORD. Thank you very much, Mr. Garvey, for your excellent statement.

On behalf of Senator Moynihan I would ask you this question. Nearly a decade ago the Advisory Council was instrumental in having GSA reconsider demolition of the Washington Old Post Office Building. GSA has since devised a fine plan for recycling the Old Post Office Building and the project is underway. I understand, as does Senator Moynihan, that the Council is scheduled to be one of the tenants. The question is, is the Council pleased with the progress on this project?

Mr. GARVEY. Mr. Chairman, it is a bit ironic, that since the Advisory Council was the first Federal agency voice that was raised against the demolition of that building, we now seem to be almost in a position of falling out of the plans to use it as our home. The plans for the building have undergone many changes. Since several agencies were initially slated to go into it, those agencies have grown in size. One by one they have fallen off the list of tenants, and we now find ourselves on the very bottom of the list and maybe under consideration for elimination. We hope that won't happen.

There have been curtailments in the budget for the building which have made necessary curtailment of the space available in the building. This has been one of the factors. The economies have changed the historic quality, the architectural quality of the building somewhat.

In spite of all these things, the program is moving along. As I think we saw in our local press, they put a new cap on the roof in the last few hours. The building has been cleaned and stands out as a great monument on Pennsylvania Avenue.

The Council continues to hope that we will be a tenant in the building. We are negotiating with the GSA to retain our place, but the potential does in fact exist that we will not be able to move into the Post Office because of the size of other agencies that are scheduled to go there.

Senator STAFFORD. Thank you very much, Mr. Garvey. I am sure Senator Moynihan will be very interested, as am I, in the reply you have given.

I have no other questions, unless some occur to staff that we might like to present to you in writing, and I yield to Senator Chafee.

Senator CHAFEE. Thank you, Mr. Chairman.

Mr. Garvey, in effect you have given us a sad tale there is not much use of historic preservation as far as the Federal Government using those buildings. Isn't the real reason there is a tremendous thrust on the part of every city by Congressmen and Senators to have a new Federal building, which is much more exciting as far as the community goes and the politicians go than to have some renovation of

historic space which was once something else now become a Federal office building? Isn't that really the basic problem?

Mr. GARVEY. Senator, that is certainly one problem.

Senator CHAFEE. I mean every time they go in and look at the historic buildings, they come up with, as you say, fantastic renovation costs, and then they will come in at the same time with a relatively lower price for the construction of a Federal building. Then, of course, when the bids come in, the bids are way higher for the new building. I agree with you. I don't think the historic preservation gets a fair shake.

Mr. GARVEY. I think that is often true and that is one reason we mentioned in our statement the difficulties in estimates of cost and the feasible and prudent standard. We have architecturally significant buildings in this country that are being successfully renovated for use constantly by private developers. As a matter of fact, there is an example in Chicago at the moment.

Senator CHAFEE. Not for Federal space though.

Mr. GARVEY. That is correct, they are not being renovated for Federal space. But at this very moment in Chicago there is a building that has been declared by the Secretary of Interior to be nationally significant, a building that is architecturally important to the whole Nation. GSA found that it was not feasible to rehabilitate that building for Government use, but a private developer has now undertaken the project and will put it into the commercial market. Federal employees that might have worked daily in what is one of the great buildings of this country are deprived of the opportunity because of an estimating process and a decision process that doesn't properly take into account the architectural and historic quality of the building.

Senator CHAFEE. My point is that there is a bias in the system in GSA which can't readjust its sights to looking at the possibilities of a historic building. There is a bias within the political structure here in Congress against using historic buildings. I believe that is so, at least I think it is. Whereas the private people increasingly are moving, just as you pointed out in Chicago, to these old buildings and remodeling them. If you go through Boston on the Southeast Expressway, there is a great big factory there that is a massive six-story brick building that was abandoned. Now they are putting apartments there. They have built balconies, they have dented into the walls and put in balconies. Now that is the kind of thing the Government would have looked at and come up with 1,000 reasons they couldn't do it. Sometimes it seems to me we have to change the bias in the system against using historic buildings. But the experience has been having a great big new building, which hopefully might be named after one of us. Isn't that true?

Mr. GARVEY. Senator, pick the right building and put the right name on it and then maybe we could get something done. Boston has the best record of anywhere as far as historic preservation; Faneuil Hall and the Quincy Market have been fantastically successful as a commercial venture.

Senator CHAFEE. What about as a Federal building, any Federal tenants in them?

Mr. GARVEY. I don't believe there are any at the moment. However, once again the situation that you speak to, with regard to attitudes

and seeking opportunities, is what we have addressed in this statement and one which we will address in our point-by-point comment on your legislation; that is having the right people, the right kind of establishment within GSA to balance the longstanding attitude that they are a new construction agency. The reuse of buildings is not a policy that has been prevalent in our Government. It has not been an accepted practice for a great many years, and GSA at the moment does not have that capability. We find within GSA a certain number of people below the policy level that are very much aware of preservation needs and policies, but this attitude is not widespread at the decisionmaking level of GSA.

Senator CHAFEE. I don't want to keep this going too long, Mr. Chairman. I thank you. I think you are right, there is an attitude that has to be changed, maybe not at the top, but probably amongst the staff there are not any people who are tuned into this kind of work.

Mr. GARVEY. Admiral Marschall, or Commissioner Marschall, I guess I should say——

Senator CHAFEE. Once an admiral, always an admiral. Once a senator, always a senator. Once a governor, always a governor.

Mr. GARVEY. I was once a Marine, and he never lets me forget that, so I continue to call him admiral. But he and I have talked about this subject, and he is a man that understands historic preservation in the sense that it is done in our national parks with our national landmarks. My objective at the moment is to persuade him there are a lot of other good buildings that, while not monumental and not worthy of being included in the parks, are historically and architecturally significant. We want GSA to use those.

Senator CHAFEE. Thank you, Mr. Garvey.

Thank you, Mr. Chairman.

Senator STAFFORD. Thank you, sir. We appreciate your being here this morning. Your testimony has been helpful. I am sure Senator Moynihan was regretful he was not personally present. He will enjoy what you said, particularly with regard to the post office here in Washington.

[Subsequent to the hearing the following was received from Mr. Garvey:]

**Advisory
Council On
Historic
Preservation**

1522 K Street NW.
Washington D.C.
20005

April 3, 1980

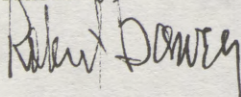
Honorable Daniel Patrick Moynihan
United States Senate
Washington, D.C. 20510

Dear Senator Moynihan:

Thank you for your letter of February 13th regarding my testimony on S. 2080 at the January 29th hearing of the Committee on Environment and Public Works.

Let me first clarify my statement. I did not mean to imply that GSA has rejected all of the Council's eight recommendations for use of historic buildings, but rather none have been adopted to date. GSA has taken no formal action on three of the Council's recommendation and in four other cases, GSA rejected the Council's recommendations of suitable buildings. In one instance, the Council found no historic buildings were suitable to meet the GSA need. Enclosed is a synopsis of the eight Council reports and actions taken by GSA.

Sincerely,



Robert R. Garvey, Jr.
Executive Director

Enclosures

Birmingham, Alabama

In February 1978, GSA prepared a draft Report of Building Project Survey for Birmingham, Alabama, to investigate the feasibility and need for construction of a Federal Building. That report considered the consolidation of existing Federal agencies in a new structure requiring a total of 358,194 square feet of space. In response to this identified need, the Council held an onsite inspection in Birmingham in late July 1978. That field inspection resulted in a report entitled "Historic Resources Survey" published in April 1979. The Council worked closely with the Birmingham Historical Society, the Jefferson County Historical Society, and the Alabama Historic Commission (State Historic Preservation Officer) in the preparation of the report.

At the time the report was prepared there were many unresolved factors in determining the exact requirements of GSA. Therefore, the report did not directly address the preliminary space requirement of 358,194 square feet, but rather identified individual buildings or groups of buildings that could be suitable for government acquisition and/or use. The Council report stated in part, "when space needs are finalized the feasibility of using these candidate buildings may change. The ... report is therefore meant to present possible candidates rather than final recommendations." The primary buildings identified by the Council which offered the best potential to meet the needs of the government were the Redmont Historic Block, the Burger-Phillips Building and the Kress Building.

In July of 1979, the Council was verbally informed by GSA that a project for Birmingham would be delayed beyond FY 1981. The delay in developing the project may result in the buildings which the Council recommended in its preliminary report being unavailable for government acquisition or use. To date, the Council has received neither an official statement from GSA regarding its recommendations nor a final decision regarding the project. When GSA's plans are determined, the Council stands ready to develop a final detailed report of significant properties that may be suitable to meet GSA's needs.

Washington, D.C.

In February 1979, GSA notified the Council of a proposal to acquire approximately 347,000 occupiable square feet in Washington, D.C., for the relocation and consolidation of the Bureau of Labor Statistics (BLS) and requested Council identification of "any historic buildings large enough for the consolidation of BLS which would be appropriate for this use." The Council worked with the State Historic Preservation Officer and the City's Municipal Planning Office to develop recommendations. The Council's recommendations were forwarded to GSA in mid-April 1979. The Council recommended two District buildings as candidates: the Old Government Printing Office which will be vacated by GPO following the construction of a new facility and an office development project in the block bounded by 14th, 15th, F, and G Streets which would incorporate facades of several landmark buildings. However, the Council recommendation cautioned that the prospectus being prepared by GSA should "fully explore the possibilities of new construction or leasing, or a combination of both," in conjunction with use of historic structures in a manner similar to that contained in the prospectuses for the projects in Boston and Omaha.

To date, the Council has had no further contact with GSA regarding its recommendations for this project.

Savannah, Georgia

Shortly after the passage of the Public Building Cooperative Use Act, GSA asked the Council for recommendations for suitable buildings in Savannah to meet a space need of approximately 340,000 gross square feet. The Council submitted Suitability Report to GSA on April 14, 1977, addressing this need. The Suitability Report, developed in close cooperation with the Historic Savannah Landmarks Foundation and the State Historic Preservation Officer basically recommended two alternatives. One would utilize the Manger Hotel (listed in the National Register) in conjunction with new construction. The second option, which was preferred by the Council, suggested use of the historic Central of Georgia Railway complex including the Red Building and the Down Freight Warehouse in combination with new construction. The Central of Georgia Railway complex is listed in the National Register.

On May 8, 1978, the Council learned from newspaper articles that its recommendations had been rejected by GSA in favor of a totally new construction project. GSA's decision was spelled out in the Draft Environmental Impact Statement dated the following day. The Manger Hotel was rejected by GSA because the building was deemed structurally deficient as well as having a space configuration that made it inefficient. The buildings in the Central of Georgia complex were ultimately rejected by GSA because they were located too far outside the central shopping area of the city. GSA also determined that the Red Building would not meet its needs because "it would be necessary to virtually totally rebuild" it. The Council questioned all of the reasons for rejection of the buildings recommended.

GSA's decision to proceed with a new construction project was approved by Congress in May 1978. Since the proposed construction project is located in the Savannah Historic District, a National Historic Landmark, a Memorandum of Agreement has been signed between the State Historic Preservation Officer, GSA, and the Council concerning the process of designing the new building so that it will have the least adverse effect on the historic district.

Boston, Massachusetts

On November 21, 1977, GSA notified the Council that a Report of Building Project Survey was being prepared for the Central Business District of Boston. At that time GSA identified a need for approximately 538,000 gross square feet of office space. This figure includes approximately 440,400 square feet of occupiable office space together with a requirement for 100,000 square feet of parking space. On the basis of this space requirement the Council provided, in March 1978, a preliminary report to GSA concerning properties which might be suitable for Federal acquisition and use.

No single building was identified that could meet the GSA requirement. The recommendation contained in the report was that a new Federal facility should be "a combination of renovation and new construction." In furtherance of this recommendation, three areas, all within the Central Business District of Boston, were identified as having "excellent potential" as possible locations for a new Federal facility which would combine historically significant building(s) with new construction. These areas were: the Church Green Site, the Custom House District and the Theatre (or Adult Entertainment) District. In February of 1979, the Council verbally withdrew its recommendations regarding the Custom House District and the Theatre District. Thus, the recommendation made by the Council is that the new Federal facility be located within the Church Green Site area. In the development of its recommendations, the Council worked closely with the Boston Preservation Alliance, a local preservation organization.

GSA issued a Draft Environmental Impact Statement for the Project on March 31, 1978, which included consideration of a site adjacent to the Boston Common. The Council had previously rejected a similar site as not being suitable. The DEIS was substantially supplemented with Additional Environmental Data on May 31, 1979.

At the present time, GSA has still not selected a preferred site for the new Federal facility and no final environmental impact statement has been issued. Based on recent conversations with GSA, it is the understanding of the Council that GSA is re-examining the North Street Station area as a possible construction site and that this will delay issuance of the final environmental statement until mid-summer 1980.

Since the proposed Federal facility in Boston is being developed in a two-step process (site selection followed by building design), the Council has executed a Memorandum of Agreement with the General Services Administration to comply with the requirements of Section 106 of the National Historic Preservation Act and regulations (36 CFR Part 800). The Memorandum ratified by the Chairman on September 29, 1979, and amended on January 14, 1980, describes the process for obtaining the Council's comments under Section 106 on the site and building design for the new Federal facility.

Omaha, Nebraska

In Omaha, Nebraska, the General Services Administration proposes to construct a Federal facility of approximately 321,286 square feet which would include a Federal Office Building, Parking Facility, and Vehicle Maintenance Facility.

The Omaha project was brought to the attention of the Council in November 1976, shortly after the passage of the Public Buildings Cooperative Use Act. At that time, the prospectus for the project was pending approval at the Office of Management and Budget. However, GSA subsequently withdrew its initial request for Council action. In March 1978, GSA again formally requested the Council to identify significant buildings in Omaha that could be suitable for Federal use. Initially, the GSA Regional Office contacted a local preservation group, Landmarks, Inc. of Omaha in March 1977 for assistance in identifying historically significant buildings for possible Federal use. The Draft Environmental Impact Statement for the project issued in September 1978, noted that GSA had not yet received the recommendations of the Council and so had not had an opportunity to analyze the Council's findings and indicated that an analysis of the Council's recommendations would be included in the final statement.

Council recommendations were sent to GSA on November 30, 1978. These recommendations were developed in close cooperation with Landmarks, Inc. of Omaha who had prepared an initial report. The sites recommended for Federal use by the Council and Landmarks, Inc. were: the First National Bank Building, the City National Bank Building, and the John Deere Building.

To date, no response from GSA has been received on the Council's recommendations. However, it is the Council's understanding that the House of Representatives has approved the prospectus and that it is currently awaiting action in the Senate.

Providence, Rhode Island

Shortly after the passage of the Public Buildings Cooperative Use Act in the Fall of 1976, GSA requested Council recommendations for suitable buildings in 22 communities. Providence was one of these communities. With initial assistance from the National Endowment for the Arts, the Council began study in Providence of possible candidate buildings to meet the GSA need. The GSA request identified a need for approximately 234,000 square feet. With assistance from the Rhode Island Historical Preservation Commission and a Boston architectural firm specializing in preservation, the Council developed a suitability report which recommended a conceptual plan which called for the utilization of five buildings in the Customhouse Historic District in conjunction with new construction. In addition, the Council recommended that the John E. Fogarty Federal Building be retained by GSA. The existing buildings would meet approximately half of the space need identified by GSA. This report was submitted to GSA on December 7, 1977.

The Council's recommendation was rejected by GSA in the Draft Environmental Impact Statement issued May 18, 1978, and in the prospectus for the project dated May 19, 1978. In part, the reasons for GSA's rejection of the Council recommendation were that the buildings would have to be gutted and "Even then there would be inherent problems with the buildings such as deficiency of natural light, incompatible floor heights and narrow floor width... In addition, there would be problems meeting handicapped requirements... and floor loads would exceed the structural capability of the buildings." GSA also said that city officials "have stated that a new Federal Buildings is viewed as being one of the elements with the greatest potential for spurring the revitalization of the Providence CBD." GSA did, however, agree to retain the John E. Fogarty Building and the U.S. Courthouse, both listed in the National Register of Historic Places, "thus demonstrating GSA's interest and efforts in historic preservation in Providence," according to the DEIS. Both the prospectus and the DEIS concluded that the lease-construction of a new Federal office building was most advantageous to the government.

The Council followed this with a letter of June 29, 1978, which stated, in part, that neither the prospectus nor the DEIS had made "a showing, as required by the Public Buildings Cooperative Use Act, that a historic building alternative is not feasible and prudent." Several months later, on October 12, 1978, GSA responded to the Council's letter. GSA stated that they concurred in the Council's recommendation regarding the retention of the Fogarty building, but that the Council's recommendation regarding reuse of the five buildings combined with new construction, was "not the most prudent alternative for housing Federal agencies and, therefore, not in the best interest of the Government."

At about the same time, on October 18, 1978, the Council, GSA, and the City of Providence, and the State Historic Preservation Officer reached a "Preliminary Understanding" regarding the lease-construction project. The agreement provided that GSA did not need to give further consideration to two historic buildings, but would comply with the provisions of Section 106 of the National Historic Preservation Act and work with the Council to improve interaction under the Public Building Cooperative Use Act.

The Final Environmental Impact Statement was issued on September 19, 1979, and again repeated GSA's intention of responding to local priorities. GSA determined that "priority consideration of the Project Area [the area identified in the Council's study] was not deemed prudent, because of the City's expressed concern that a Federal project within this area would not provide the maximum possible stimulus to revitalization efforts in Providence."

Negotiations were subsequently undertaken to reach a Memorandum of Agreement pursuant to the Council's regulations (36 CFR 800). The Memorandum, executed in February 1980, establishes specific design criteria for use in the design development of the lease-construction project and also details GSA actions that will be taken if archeological resources are discovered on the site.

Corpus Christi, Texas

In December 1976, a GSA Federal Space Situation Report identified a need for additional space for the U.S. Courts and related activities in Corpus Christi, Texas. On March 3, 1977, GSA requested the recommendations of the Council for historically or architecturally significant buildings that could be used for this purpose. The Council had only limited ability to respond to GSA's request since no provision was made in the FY 1977 appropriations of either the Council or GSA to fund the Council's efforts to implement the Public Buildings Cooperative Use Act and no agreement had been reached regarding transfer of funds to the Council by GSA for this purpose. Subsequently, the Council obtained limited funding from the National Endowment for the Arts to begin an examination of possible candidate properties in Corpus Christi. The Council worked primarily with the Texas State Historic Preservation Officer in this period to identify suitable buildings to meet the needs outlined by GSA. Agreement was reached in May of 1978 regarding transfer of funds from GSA to the Council for the purpose of implementing the Council's responsibilities under the Act. As a result of this action, the Council was able to develop a recommendation regarding the space need in Corpus Christi.

The recommendation regarding the Federal space need was sent to GSA on September 19, 1978. The Old Neuces County Courthouse was initially considered a prime candidate but a number of factors precluded the Council from formally recommending it to meet the identified space need. No other historically or architecturally significant buildings were found suitable and the Council concluded that "GSA should proceed as it feels appropriate with the development of a new building proposal for the community." Additionally, the Council recommended that while the Old Neuces County Courthouse could not serve the needs of the U.S. Courts, GSA should consider locating some other Federal offices in the Courthouse. In October 1979, GSA expressed continued interest in leasing space in the Courthouse for Federal space needs. However, the execution of such a lease has been delayed because of appraisal problems.

Milwaukee, Wisconsin

In a Federal Space Situation Report, dated March 7, 1977, GSA indicated a need for approximately 250,000 square feet of space for the consolidation of Federal agencies in Milwaukee, Wisconsin. Council recommendations for suitable buildings that could meet this need were requested by GSA on June 2, 1977. The Council responded on August 12, 1977, with preliminary recommendations based primarily on a literature search and telephone contacts. The Council cautioned, at that time, that a final recommendation would require extensive coordination with the State Historic Preservation Officer and an onsite inspection of buildings in Milwaukee. At the time, no funds were available for the Council to implement the Public Buildings Cooperative Use Act. The preliminary list recommended four buildings all listed on the National Register of Historic Places and in close proximity to the existing Federal Building. They were: the Iron Block Building; the Mackie Building, 611 N. Broadway (already partially occupied by the Government); and the Mitchell Building.

GSA rejected all of the Council's recommendations in a letter dated October 31, 1977. The reasons given for the rejection of the recommendations were:

- a. recommendation of several buildings negated the GSA objective of consolidating agencies in one or two locations;
- b. the asking price of the buildings exceeded, according to a GSA appraiser, the fair market value; and,
- c. renovation of an historic building in lieu of developing a new Federal building would be inconsistent with local community plans.

No acknowledgement was made in the letter of the preliminary nature of the Council's recommendation.

On April 10, 1979, GSA issued a Draft Environmental Impact Statement for a lease construction project of 327,000 occupiable square feet in Milwaukee. That Statement rejected the use of any existing building as "not compatible with local development plans which include a new Federal Building." The buildings identified by the Council in its preliminary recommendations were rejected for precisely the same reasons that GSA had previously stated in its letter of October 31, 1977. The DEIS made no acknowledgement that the recommendations of the Council of August 12, 1977, were preliminary and that the Council had stated that a final recommendation would be needed. In its comments on the DEIS the Council questioned GSA's analysis used at arriving at the rejection of the historic buildings previously mentioned. The Council particularly questioned the methods used by GSA in arriving at cost figures to

compare new construction and reuse of existing space. The Council also noted that the need for a new Federal Office Building in Milwaukee had been questioned by the Director of the Office of Management and Budget in a letter to the Administrator on April 21, 1978. GSA responded to the Council comment letter on the DEIS and noted again that use of historic buildings for Federal needs would be "inconsistent with local community plans." GSA further noted, "With respect to the Office of Management and Budget (OMB) questioning the need for a new Federal Office Building, this has been the standard approach of OMB over the last few years." To date, no final environmental impact statement has been issued.

Senator STAFFORD. The Chair is not about to adjourn this meeting. The Chair understands the next meeting of the full committee on this particular legislation will occur in this room at 10 o'clock on Friday, February 1st.

The meeting is hereby adjourned.

[Whereupon, at 12:15 p.m., the committee recessed, to reconvene subject to call of the Chair.]

[Statements submitted for the record, statements of Senators Moynihan, Randolph, Stafford, and Chafee from the Congressional Record, the bill 2080, and the list of delegations requested by Senator Stafford follow:]

Statement of Roger C. Altman
Assistant Secretary of the Treasury
for Domestic Finance
Before the Senate Committee on Environment and Public Works
January 29, 1980

It is a pleasure to be here this morning to present the Treasury's views on the Public Buildings Act of 1979, S.2080. You have specifically requested that I address my remarks to Title IX regarding public building financing.

Title IX would authorize the Administrator of GSA to borrow from the Secretary of the Treasury to finance purchases, construction or renovation of public buildings. The loans would be repaid over a period of up to 30 years, with a deferral of interest and principal payments to the Treasury until a building is ready for occupancy.

The bill provides for the Secretary of the Treasury to determine the interest rate on GSA borrowings, taking into consideration the current average yield on outstanding marketable obligations of the U.S. of comparable maturities. The Treasury would make this determination based on current quotations for outstanding Treasury securities provided by the Federal Reserve Bank of New York.

The Treasury and GSA would develop an agreement that would set forth the terms for the Treasury loans to GSA. For example, the agreement would specify the time period over which the Treasury would make disbursements under its commitment to purchase GSA obligations, the method of pricing disbursements

and the repayment terms. The deferral of repayments and consequent capitalization of interest provided by Title IX of the proposed bill would be taken into consideration in the interest rate determination.

The budget treatment of GSA outlays for public buildings purchase, construction and renovation under Title IX would defer recording outlays for public buildings until debt service payments are made to the Secretary of the Treasury. Beginning the year after the building is completed and continuing for approximately 30 years, each debt service expenditure would be reflected as a budget expenditure. The amount of borrowing from the Treasury would be authorized in appropriation acts.

The Federal budget accounting for borrowings from the Treasury envisioned under Title IX is significantly different from the budget treatment of other agencies' borrowings from the Treasury. Federal budget outlays are usually recorded in the budget of the borrowing agency at the time the agency spends the loan proceeds. In most cases the Treasury disburses loans at the time an agency needs the funds to make a payment, such as a construction progress payment.

The budget accounting for public buildings acquisition in Title IX of the proposed bill is similar, however, to the arrangement under the Lease Purchase Act of 1954 (P.L. 83-519), which expired in 1957, was reinstated in the Public Building Amendments of 1972 (P.L. 92-313) and expired again on June 30, 1975.

These statutes which were enacted to provide temporary authority to accelerate Federal building acquisitions, authorized GSA to contract to purchase, construct or renovate public buildings. The purchase contracts were used as collateral for obligations issued initially in the private capital markets, and later to the Federal Financing Bank, to finance GSA projects. Budget outlays for GSA projects undertaken under these statutes were recorded when yearly repayments under the purchase contract were made by GSA, rather than when funds were originally expended for construction.

The purchase contract authority in Title IX of the bill raises the question of the appropriate budget treatment of capital outlays. While accounting arrangements similar to purchase contracting may be appropriate in the private sector, the Administration has opposed their use by Federal agencies. The Administration's position is that Federal construction programs should be fully funded by the net income of the Public Buildings Fund and by direct appropriations. The Administration supports full funding because it clearly reveals current Federal government demands on the resources available in the U.S. economy.

Advisory Council On Historic Preservation

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Washington D.C.
20005

Statement of Robert R. Garvey, Executive Director
Advisory Council on Historic Preservation
on S. 2080 before the Senate Environment and Public Works Committee,
January 29, 1980

My name is Robert R. Garvey and I am Executive Director of the Advisory Council on Historic Preservation. The Council is an independent Federal agency comprised of the heads of fifteen Federal agencies, including the General Services Administration, and fourteen non-Federal members, including twelve Presidential appointees. The Council has a general mandate to advise the President and the Congress on historic preservation matters. Among its other authorities, the Council is charged by the Public Buildings Cooperative Use Act of 1976 to recommend to the Administrator of GSA historic buildings that may be suitable to meet Federal space needs. Our experience in the Federal historic preservation program and, more specifically, under the Public Buildings Cooperative Use Act form the basis for our strong support of the historic preservation provisions of the proposed Public Buildings Act of 1979.

The Public Buildings Cooperative Use Act heralded a new direction in Federal buildings policy. The Act established a clear preference for the use of historic buildings to house the activities of the Federal Government. The Council supports this policy now, as it did in 1976. We believe its soundness is unassailable, not only as a commitment to preserve important elements of our national patrimony in productive contemporary use, but also to conserve energy, rejuvenate declining downtowns and provide attractive and efficient working places for Federal employees. Unfortunately, despite the soundness of this policy, the current system established under the Cooperative Use Act has not been able to fully realize the benefits that could be attained in this area. The flaws lie not in the concept but rather have surfaced as GSA and the Council have sought to implement the Act. We are most pleased that the Congress, through S. 2080, now has the opportunity to remedy these shortcomings, so that the full potential of the program established by the Cooperative Use Act can be realized.

After the Act was passed in 1976, the Council and GSA worked closely to develop a system whereby the Council would identify historic buildings suitable for Federal use and GSA would then

determine whether, in the terms of the Act, the intended use of the building was "feasible and prudent." The system appeared sound and, indeed, many of its features would deserve to be incorporated into the implementation of the proposed Public Buildings Act of 1979. However certain aspects of the Cooperative Use Act program require legislative remedies.

Since 1976, GSA has submitted 31 requests to the Council for the identification of historic buildings suitable for Federal acquisition. Of these, the Council has made eight recommendations. Of the remainder, four are projects that have been delayed at GSA's request, eight have resulted in a finding by the Council of no suitable historic buildings, and five are being studied by the Council. In addition, GSA and the Council developed a system to give preference to historic buildings for government leases, consistent with the policy of the Act but not specifically mandated by it. Under this leasing preference process, GSA has notified the Council of 688 expiring leases. The Council has responded with specific recommendations in many cases and in all cases with information on local contacts and sources regarding historic properties in the community.

It should be noted that the Council's activities in this area have been carried out with absolutely minimal funding. The Cooperative Use Act authorized no funds for Council activities and, with a total annual appropriation of about \$1 million, the Council was unable to absorb the cost of these new responsibilities. By agreement with GSA, \$60,000 was transferred to the Council for FY 1978 and \$90,000 each year for FY 1979 and FY 1980. This has supported a minimal staff of two professionals and a secretary. The studies and recommendations cited above are the product of their diligence and their ability to mobilize considerable volunteer support from local preservationists.

GSA's response to the Council efforts has not been overly encouraging. Of the eight recommendations for Federal acquisition of historic buildings submitted by the Council, not one has been adopted by GSA. Four have been actually rejected and the remainder are in various stages of analysis in GSA's project development process. As a result, we are unable to point to one successful application of the Council recommendation/GSA evaluation process envisioned in the Cooperative Use Act. Only properties already in Federal ownership, such as the Post Office buildings in St. Louis and Washington, and the unique case of Nashville's Union Station, which has been donated to the Government, are active renovation projects of the sort encouraged by the Act. The cooperative efforts on the leasing program have fared a little better -- thirty-six involving historic buildings, representing around 600,000 square feet out of GSA's current inventory of 80 million square feet of leased space, slightly more than one-half of one percent.

The Council does not see this record as reflecting unsoundness in the basic concepts of reusing historic buildings to meet Federal space needs. Rather we believe that our experience with the Act over the past three years has given us the basis for making substantive recommendations to significantly improve the program. Combined with the proposed changes of S.2080 to more actively involve this Committee in the decisionmaking process for Federal buildings, these recommendations will result in the effective incorporation of historic preservation into the public buildings program.

1. Identification of historic buildings suitable for Federal space needs should be an integral element of GSA's project development process with appropriate levels of staff and funding. The Council believes that its position, external to GSA's process, has handicapped its efforts. In the absence of adequate funding, the Council has not had access to the technical expertise necessary to fully integrate GSA's myriad policies and needs into the Council's search for suitable historic buildings. While the Council might be able to carry out this responsibility if it were given adequate funding and staff, we believe the approach taken in S. 2080 to make this identification function part of GSA's own responsibility and internal process is the wiser course of action. However, we believe that GSA must establish an effective in-house historic preservation capability that properly balances the expertise and resources committed to achieving other more traditional GSA objectives. To this end, we recommend that S. 2080 specifically require GSA to consult with the Council in the development of an internal process to identify and evaluate the suitability of historic buildings for meeting Federal space needs. Such a process should be reviewed by this Committee before being put into place to ensure the Act's objectives will be met.
2. Statutory language regarding decisions on when it is feasible and prudent for GSA to use a historic building requires further clarification. Because the final decision on the use of a historic building brings on the Administrator's determination that it is feasible and prudent, it is crucial that this standard accurately reflect the Congressional intent of a preference for the historic preservation option. Our experience has shown that there is a tendency in GSA to reject a reuse proposal if it costs more than new construction. The standard of "feasible and prudent" for Government use must recognize that cost alone will not determine the acceptance or rejection of a reuse project. The standard must recognize certain factors that are not quantifiable in dollar terms, such as the preservation of a historically or architecturally significant building, the contribution of such a building to the visual environment of a city, and

the function of the building as a symbol of local pride and public spirit. Furthermore, the reuse of historic buildings provides significant energy savings that are presently not factored into GSA's cost analyses. The Council recently issued a report, Assessing the Energy Conservation Benefits of Historic Preservation, which provides formulas for measuring and comparing the energy investment needed for rehabilitation and new construction. Copies of that report have been furnished to the Committee. We believe that, in light of national energy policies and the results of our case studies demonstrating the energy cost advantages of rehabilitation over new construction, the feasible and prudent standard should take into account the relative energy investment required by renovation and new construction. S. 2080 could achieve these objectives by requiring GSA to consult with the Council in the development of criteria for determining when it is feasible and prudent to reuse a historic building and to submit such criteria to the Committee.

3. Conflicting GSA policies and requirements that often prevent the reuse of historic buildings should be revised to reflect the historic preservation preference of S. 2080. The application of other GSA standards and requirements, such as co-location of agencies, parking requirements, and energy conservation standards, has resulted in the rejection of a number of historic buildings as either not capable of meeting applicable GSA standards or as too costly once they are brought into compliance. Unfortunately, these are frequently buildings that are capable of being commercially viable and profitable office projects which meet normal local codes. Part of this problem will be relieved when GSA develops more experience and in-house expertise on historic preservation projects. We believe this will be aided by our first recommendation that GSA develop an internal historic preservation process in consultation with the Council. We believe additional relief could be provided in S. 2080 by making it clear that the reuse of historic buildings requires special consideration in the application of other GSA standards and requirements. This would introduce an element of flexibility in meeting the purposes of such legitimate needs as adequate lighting, access and egress, and consolidation of Federal offices. Compliance with an often unyielding specific standard that escalates costs unnecessarily or even prohibits use of the buildings should not be an absolute. We believe the Government should continue to set an example in these areas but we do not think that the objective of safe and accessible buildings need be incompatible with cost-effective reuse. A joint review by the Council and GSA of the conflicts should be undertaken and the results submitted to this Committee.

4. GSA cost-estimating techniques need to be reviewed to ensure that renovation costs are accurately projected. A major stumbling block to effective implementation of the historic preservation provisions of the Cooperative Use Act has been GSA's cost estimating techniques. Frequently, GSA's detailed estimates far exceed the initial estimates that have been incorporated into the Council's recommendations. Excessive cost effectively precludes a decision to acquire and renovate a historic buildings, so it is absolutely crucial that costs of renovation be accurately projected. Our experience indicates GSA's figures may be highly overstated when compared with accepted average figures for comparable renovation work in the private sector. This gives us serious concern that GSA's estimates may not be sufficiently accurate for useful comparisons with new construction. We recommend that S. 2080 direct GSA to review with the Council its cost estimating practices regarding renovation and submit its findings, along with necessary revisions in techniques, to the Committee.

5. Statutory preference for the use of historic buildings should be extended to leasing. While we support the intention of S. 2080 to substantially reduce the amount of space leased to the Federal Government, the Council also recognizes that GSA will continue to lease significant amounts of space. We therefore recommend that S. 2080 expand the preference for GSA's use of historic buildings to include leasing. This process has been in effect administratively under the Cooperative Use Act and has provided concrete results without substantial additional effort or costs. It should be part of GSA's legislative mandate.

In summary, the Council believes that the fundamental change in Federal buildings policy originating in the Public Buildings Cooperative Use Act of 1976 is a sound national policy and should be continued. Additional Congressional oversight through this Committee, coming as S. 2080 proposes at the critical points in the decisionmaking process on a public building project, will be a significant improvement in ensuring the intent of the Cooperative Use Act and the Public Buildings Act of 1979 is carried out. As noted in this statement, refinements are necessary to achieve the full potential of this program. We urge the Committee to act favorably on these suggestions and we look forward to an ongoing role in implementing this important Federal program.



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Senate

By Mr. MOYNIHAN (for himself, Mr. RANDOLPH, Mr. STAFFORD, Mr. CHAFFE, Mr. BAKER, Mr. BENTSEN, Mr. BURDICK, Mr. CULVER, Mr. DOMENICI, Mr. GRAVEL, Mr. HART, Mr. MUSKIE, Mr. SIMPSON, and Mr. PRESSLER):

S. 2080. A bill to establish public buildings policies for the Federal Government, to establish the Public Buildings Services in the General Services Administration, and for other purposes; to the Committee on Environment and Public Works.

PUBLIC BUILDINGS ACT OF 1979

Mr. MOYNIHAN. Mr. President, on behalf of myself and the entire membership of the Committee on Environment and Public Works, I am introducing a bill to reform and reorganize the General Services Administration's public building program. This bill, the Public Buildings Act of 1979, would make three profound changes in a program so troubled that, earlier this year, the Committee on Environment and Public Works imposed a moratorium on new projects proposed under its auspices.

The bill would—

First, require GSA once each year to submit an annual plan for building construction and maintenance that conforms to legislative guidelines;

Second, establish a long-range building program with the object of placing no more than 20 percent of the Government work force in leased offices and placing the rest in Government-owned buildings; and

Third, create a purchase contract program to enable the GSA to finance building construction with funds borrowed from the Treasury at interest and repaid over a term of years in the manner of paying off a mortgage.

This bill is the result of hearings held by the Committee on Environment and Public Works to look into the GSA public buildings program which this year had a budget of \$1.4 billion. I am honored and gratified that the bill has attracted as its initial cosponsors Senator RANDOLPH, the distinguished chairman of the committee, Senator STAFFORD, the distinguished ranking minority member, Senator CHAFFE, who shares responsibility with me for the committee's oversight of public buildings matters, Senator

BURDICK, who immediately preceded me as the majority member with public buildings responsibility, and Senators BAKER, BENTSEN, CULVER, DOMENICI, GRAVEL, HART, and SIMPSON, all members of the committee.

All of us experienced in this matter agree that a thorough overhaul of the program is needed and that this bill provides us the tools with which to set it aright. At the same time, we recognize that we are breaking some new ground in this legislation, and we look forward to receiving comments, from the GSA leadership and the private construction industry, that will help us improve it.

Under our current public buildings program, the Committee on Environment and Public Works receives prospectuses one at a time, throughout the year, that propose various construction, renovation, and leasing actions to be undertaken by the GSA on behalf of the agencies of the Government. Other than a pro forma declaration asserting the importance of each to the efficient functioning of the Government, we have no idea of the relative priorities among the proposals, nor do I believe that the GSA itself has any notion of the priorities. We can—and do—authorize projects without knowing whether there will later be an appropriation sufficient to undertake them. Some authorized projects languish unfunded for years, and some are never carried out at all.

The parade of prospectuses shows remarkable inconsistencies. Construction standards for Federal buildings result in sturdily built, if sometimes grandiose edifices, while no qualitative standards whatever seem to guide decisions over leasing space in private buildings, with the result that Government offices are sometimes placed in jerry-built, out-of-the-way buildings that no self-respecting private firm will occupy.

Guidelines on how to select locations for Federal offices so as to promote Government efficiency or provide convenient service to the public also seem not to exist. One former GSA official confided that such policies as there were could be manipulated in any given situation to justify equally placing Federal offices in the heart of downtown or on an island in the middle of a river.

How is one to measure performance or identify impropriety in an agency like the GSA when the policies supposedly governing it are so ambiguous or conflicting that they can be invoked to rationalize nearly every action? How is Congress to exercise its oversight functions in the light of this jumble of priorities and practices?

While we in the Congress and officials of the GSA have been caught up in this situation, the Office of Management and Budget in successive Presidential administrations over the past dozen years have emasculated the public buildings program. In the shortsighted pursuit of budget trimming, the OMB has enforced a drastic curtailment of Federal construction and a concomitant increase in leasing to provide Federal office space.

According to an excellent recent report of the General Accounting Office, from fiscal year 1966 to fiscal year 1979, there was no appreciable increase in Government-owned space acquired through direct construction, while leased space increased by over 100 percent, from 44.6 million to 93.3 million square feet. Annual lease payments by the GSA in the same period increased from \$131 million to \$520 million, to the point where lease payments in fiscal year 1980 will account for over 39 percent of the public buildings budget. Construction funds make up just over 1 percent of the same budget. The annual rental budget will exceed \$1 billion within 3 years at its current pace.

In other words, our Public Buildings Service is fast becoming a "private buildings service." Half of all civilian employees housed by the GSA now work in leased space. Our committee has discovered that even the most sensitive national security activities of the Government have been provided space in private buildings that were constructed without the slightest regard for physical or communications security requirements. It should also come as no shock that we have uncovered situations in which the competition in bidding for Government leases appears to have been unnaturally and unnecessarily restricted.

Leasing has the immediate budgetary advantage in any one year of requiring less of an outlay of funds than building a building. This is, of course, why leasing so appeals to the OMB. But the GAO, itself not noted for advocating budgetary profligacy, reports that when one compares construction expenditures, leasing costs, and the payments Federal agencies make into the Federal buildings fund of the GSA as rent for their office space over a period equivalent to the expected life of a Federal building, construction looks much more favorable on Federal accounting sheets.

The GAO charts show that a Federal building recovers the cost of its construction by the 14th year and provides a surplus to our Federal buildings fund every

year thereafter, a surplus that can be used to finance other Federal buildings. After all, at some point in any building's life, you have paid off its capital cost and have only to pay thereafter its maintenance. In the 14th year of a lease, you have nothing to show but 14 years of rent receipt stubs, and the sure expectation that the next year you will have to pay full rent—at somewhat inflated rates, of course—again.

The National Bureau of Standards estimates that, over 40 years in the life of an office building, design and construction costs account for only 5 percent of the cost of conducting business within it; employee wages account for almost all of the rest. If we spend that 5 percent for high quality design and construction, we can produce a Federal building tailored to Federal needs that will enhance employee productivity and thus effect significant economies in the other 90-plus percent of the Government's administrative expenses.

We now have a large inventory of unmet building needs. In February of this year, the GSA reported that there were \$281 million of building projects approved or pending and an additional \$383 million in "potential" projects. This means that, even in the absence of comprehensive planning, the GSA has identified a backlog of \$664 million in projects.

We must do something about this situation. The Public Buildings Act of 1979 would set limits on leasing, establish criteria that would let GSA officials know when and when not to lease, and enforce procedural safeguards in lease negotiations. It would encourage innovation and research in building design to insure functional efficiency and architectural excellence in Federal buildings.

Nevertheless, we cannot hope to find sufficient funds this year, or in the next several years, to reduce significantly the leased inventory or to put a dent in the building backlog, if we have to rely on direct construction funding. The bill I am proposing today would allow us to make a significant start by authorizing the GSA to borrow construction funds from the Treasury. The mechanism is similar to a mortgage on a home: GSA would pay back principal plus interest over a period of years, taking advantage of the favorable interest rates available to the Treasury Department.

The GAO has endorsed such a system. Although this method of borrowing does not produce as favorable a balance for the Federal buildings fund as direct construction funding, GAO reports that it is only slightly less favorable, and much preferable to long-term leasing.

In the first 150 years of our country's history, we built substantial buildings to house the permanent functions of the Government; buildings, many of which still stand, that symbolized to local

townspeople the cooperative interest of the Government in the well-being of their communities, and that promoted the dignified and expeditious conduct of Government functions. These buildings were among the most architecturally distinguished buildings of their day, and they were a source of pride to the citizenry.

This bill would establish the structures, policies, and fiscal wherewithal in the General Services Administration to return the public buildings program to its earlier success and stature—and provide the Congress with the information and timely opportunities to make certain that the program attains and maintains that level of excellence and propriety.

SECTION-BY-SECTION ANALYSIS AND SUMMARY OF THE PUBLIC BUILDINGS ACT OF 1979

Section 101 establishes the basic authority of the Administrator of GSA to satisfy the building requirements of the Government.

Section 102 establishes in law the Public Buildings Service of GSA and provides for the head of the PBS to be appointed by the President and confirmed by the Senate.

At present, PBS is not established by statute and its administrative chief is not subject to confirmation.

Section 103 establishes the position of Supervising Architect to oversee design activities of the PBS.

This position existed in the Government from the 1840's until 1939 and its incumbents were chiefly responsible for the maintenance of high standards of quality in Federal architecture during that period.

Sections 104, 105, 106, and 107 withdraw current delegations of building authority from GSA to other agencies, provide that such delegations must be approved in advance by the Congressional authorizing committees, and require agencies exercising delegated authorities to conform to the policies and procedures of this Act.

In the past, GSA Administrators have delegated authority without the knowledge of these committees. The agencies that received such delegations have thus been allowed to act independently in this area, without conforming to consistent Government policies or submitting to oversight by the Congressional committees charged with overseeing the Government's building activities.

Section 108 requires GSA to keep the Congress and its oversight committees fully and currently informed of GSA activities under this Act, to include reports of the GSA Inspector General concerning building activities.

In the recent past, the Environment and Public Works Committee has had difficulty getting the GSA to respond even to direct requests for information on its policies and activities.

Section 109 encourages GSA to undertake research and evaluation to improve public buildings and offices.

The GSA has a huge building inventory but has conducted only sporadic studies to improve the functioning and efficiency of existing and planned buildings. Even small improvements could yield huge savings in building operating costs and increases in the productivity of Federal employees for decades to come.

Section 110 requires GSA to submit an annual report on activities undertaken under this Act. It requires, among other things, a full accounting of public buildings and leased space, to include a revenue and expense statement for each building or leased location.

The report is designed to furnish the Congress with essential oversight information on the status of the buildings program and is timed so that its data can be used by Con-

gress in evaluating the proposed annual buildings program to be submitted a few weeks earlier under Title 8 of the Act. The revenue and expense statements are stipulated to encourage GSA to manage its buildings in a business-like manner and have been suggested by GAO in past reports. The report would also provide information on contractors, cost over-runs, and GSA activities undertaken at the behest of and for reimbursement by other Federal agencies under section 210(a) (6) of the Federal Property and Administrative Services Act.

Section 111 contains definitions of significant terms.

The definition of "public buildings" is relatively unchanged from that in the Public Buildings Act of 1959 and defines those buildings for which GSA is responsible and those under the jurisdiction of other agencies. The latter are most notably buildings on defense installations and parklands and VA hospitals, nuclear and other power projects, and postal buildings.

Section 112 repeals the Public Buildings Act of 1959.

Section 201 sets out basic considerations to be followed in locating Federal offices. The offices are to be placed reasonably close

to other public or private activities, or to residential areas with which they must be in frequent contact. The sections sets out criteria and priorities for consolidating Federal offices.

Agency offices appear to be moved around at present without conscientious regard to where they could best carry out their responsibilities. Offices of Federal agencies that have little or nothing to do with each other are often consolidated into one building on the unproven assumption that such consolidation effects administrative economies. The building space requirements that follow upon these mass consolidations often impel the Government to restrict competitive bidding for leases to a few large buildings, to reject the option of purchasing sound, smaller buildings, or to build Federal buildings so large that they disrupt their surroundings and local development plans.

Section 202 establishes priorities of using existing Government-owned buildings first and acquiring historic buildings second in finding space for Federal agency offices.

This section meshes the traditional policy of maximizing the use of Federal building space with the historic preservation mandates of the Public Buildings Cooperative Use Act of 1976.

Sections 203 and 204 establish geographic priorities in locating Federal buildings. Headquarters of Federal agencies are to be in the Washington, D.C. area, unless otherwise specified in law. Other agency offices, except for designated regional or area offices, are to be distributed across the country in proportion to population. In urbanized areas, offices are to be located in a central business district, near public transportation, and close to public and commercial services.

Placing headquarters offices in and around Washington conforms to the vision of the Founding Fathers in establishing a National Capital. A priority for downtown locations reflects the fact that Federal offices are, and ought to be, central aspects of community life and need to be in the heart of an urban area. Locations reachable by public transportation will best serve both visitors and Federal employees and will minimize traffic congestion and energy consumption. Locating offices near parks, stores, and the like can help make Federal employment attractive to well-qualified individuals.

These criteria for making siting decisions are intended to rectify the confusion apparent in project recommendations in which sometimes one and sometimes another factor is given precedence in justifying the lease or construction of particular buildings.

Section 205 affords an agency head an appeal to the Office of Management and Budget on the grounds that a GSA site decision would hamper agency efficiency. OMB would send a report of any such appeal to the oversight committees in Congress.

This establishes in law a procedure similar to one already in use informally in the executive branch, and adds a notification to the Congress of the resolution of any such dispute.

Section 301 is a statement of principles of architectural excellence for public buildings.

They borrow from the Guiding Principles for Federal Architecture, prepared in 1962 at President Kennedy's request.

Sections 302 and 303 provide that in any city or town one Federal building and an additional Federal courthouse shall be of monumental design and other Federal buildings shall be designed to the same standards as first class private buildings. In a city or

town with two or more existing monumental Federal buildings, they would continue to be maintained as monumental buildings, but any further Federal construction would be designed to the first class private standard.

It is entirely appropriate to provide Federal office buildings and courthouses that reflect in their quality the significance of the national government. However, current Federal design standards provide only for monumental construction, and these standards account for the high cost of Federal buildings compared to those in the private sector. These sections would rectify this.

Section 304 calls for design attention to suitable scale in public buildings, conformance to local zoning, energy-saving features, architectural details and creating functional and attractive interior work areas. It also establishes criteria for providing automobile and bicycle parking and employee shower rooms.

Too often, Federal buildings are out of scale with their surroundings and ignore inexpensive, natural means of saving energy. Federal offices and waiting areas are notoriously poorly designed, contributing not only to a poor image of Government service but also to inefficiency of the Federal workforce and inconvenience to the public. One provision of the section encourages GSA to purchase furniture on the open market. This would eliminate the current questionable practice of contracting with firms that produce inferior items solely for Government use. Parking would be provided primarily for carpools and only for a fee to minimize automobile commuting. Showers and dressing rooms would be provided chiefly for the benefit of bicyclists and would also entail a fee.

Section 305 requires high standards of cleanliness and maintenance for Federal buildings and mandates repair and renovation of historic buildings in such manner as to balance functional needs with the retention of historic features.

GAO reports a nearly one billion backlog of maintenance expenditures on public buildings. Neglect of maintenance can only result in large replacement expenditures in the future. Cleaning services in Federal buildings are not up to commercial standards. Some Federal buildings have been renovated in ways that indicate a lack of sensitivity to their historic architectural qualities.

Section 306 requires all new or renovated public buildings to be fully accessible to the handicapped, sets a deadline for GSA to publish accessibility standards, and requires GSA to include in its annual program a plan for making all existing public buildings accessible.

The accessibility standards referred to have been in preparation for several years. This section requires their promulgation.

Sections 401, 402, 403, 404, and 405 make conforming amendments to the Public Buildings Cooperative Use Act of 1978.

Section 402 further amends the Cooperative Use Act by clarifying the amount of space in a public building that can be leased, but to commercial or cultural enterprises and by requiring the Administrator to study the type or amount of such activities needed to serve the surrounding locality or the building's employees.

Despite legislative history that indicated that the amount of space to be out-leased in Federal buildings should be determined,

on the facts peculiar to each building, GSA and OMB arbitrarily agreed on a limit of 10 percent of the space of any building. This inflexible and often inappropriate limit would be eliminated and a rule of thumb of 25 percent, commensurate with private sector practice, substituted. Up to fifty percent of an old Federal building, which frequently has particularly large public spaces unamenable to modern office use, could be leased to cultural or educational institutions.

Sections 501 and 502 introduce a separate title to be cited as the "Federal Buildings Enhancement Act of 1979." This title is essentially identical to S. 1791, introduced by Senators Chafee, Moynihan, Randolph, Stafford, Baker, Burdick, Pressler, Pell, and Gravel.

Section 503 establishes a program for circulating exhibits of art, culture, society, science, and industry in Federal buildings. GSA would consult with the Smithsonian Institution in assembling the exhibits. The section further provides that, in consultation with the National Endowment for the Arts and official state arts councils, GSA may commission or acquire works of art to be installed in and around Federal buildings. For these purposes, 14 of 1 percent of the annual GSA construction, renovation, acquisition and maintenance budget and one-twentieth of 1 percent of the leasing budget would be available.

The circulating exhibits would help GSA carry out the intent of the Public Buildings Cooperative Use Act in making Federal buildings, particularly those in localities without major cultural facilities, dynamic community centers. The provisions for "art-in-architecture" would place this program on a statutory basis for the first time and would establish standards of local participation and subject (though not stylistic) matter.

Section 601 requires the use of in-house GSA staff to design at least 75 percent of the construction and renovation projects each year.

In order to attract and retain talented designers, GSA must begin to allow its design staff to take responsibility for some significant projects. When this staff is not designing, it reviews the designs of private architects and establishes the criteria for public buildings' designs. For these tasks, too, GSA needs talented individuals with up-to-the-minute design knowledge and experience.

Section 602 requires GSA to use design competitions to select private architects for its buildings. The section establishes broad guidelines and monetary award limits for the competitions.

Design competitions were used to select architects for the Capitol, White House, Smithsonian, and other important buildings early in the nation's history. They are used routinely by European governments. They have the advantage of emphasizing selection on the basis of imagination and skills rather than past reputation and they help identify previously unknown, but talented individuals. The section encourages GSA to experiment with procedures pioneered in England, that limit the time and expense involved in running competitions.

Sections 701 and 702 limit leasing to emergency or temporary situations, or where Federal agency needs do not warrant a Federal building, and establish guidelines on the percentage of the Federal workforce that may be accommodated in leased space.

Sections 703 and 704 establish criteria under which leasing may not be used. Section 703 would eliminate so-called "lease construct" projects, in which the Government pledges to lease, usually on a long-term, a building to be built by private interests.

These sections would curb the dramatically escalating amount of space, in both absolute and proportional terms, being leased by the Government to house its permanent functions. Over half of the Federal workforce provided space by the GSA is now in leased space. The bill for such leasing will be close to \$700 million in fiscal year 1981 and will reach \$1 billion soon thereafter. For such amounts, the Government often eases space inadequate in location and design, and, of course, never acquires any equity in that huge inventory of real property.

The lease construct projects are most prone to abuse, offering private developers a firm commitment with little or no Government say in the soundness, functionality, or appearance of the resulting building.

Computer operations, courtrooms, and national defense activities require special mechanical systems and equipment. In the past, the Government has sometimes made large expenditures to improve leased space in privately-owned buildings. This investment cannot be recovered when the lease term ends. Security considerations further argue against placing these functions in private buildings.

Section 705 substitutes, for provisions in effect since 1932 allowing no more than 15 percent of a building's market value to be paid in annual rent, a stipulation that rentals paid may not exceed by more than five percent average nearby rental rates.

The old provision has forced GSA to maintain a large staff to appraise the value of buildings it proposes to lease. While the concept of placing a ceiling on Government rentals is a good one, it is market forces that establish rental rates and keep them fair and competitive. This section would hold the Government to market rates, with some leeway to account for variations from the average and for inflation between computations of the average.

Section 708 requires GSA to advertise its specific needs when soliciting offers of leased space and requires that offers be evaluated with regard to qualities such as optimum location, energy efficiency, handicapped access, and interior and exterior design as well as with regard to rental cost.

GSA has occasionally established criteria for leased space so stringent as to eliminate all but a few bidders in a locality. This section would require all such criteria to be published so that competitors would have the opportunity to judge whether they can meet them or to propose to GSA less restrictive ways of meeting Federal agency needs. GSA lease solicitations rarely address the concerns of location and design described in titles 2 and 3 of this legislation, with the result that GSA leases inferior quality buildings—sometimes buildings so inferior that private lessees refuse to rent space in them.

Section 707 requires GSA to provide to agencies it houses in leased space copies of the lease between the Government and the building owner.

Current GSA policies do not allow agency representatives to see leases covering the buildings they occupy. This fosters poor GSA-client agency relations and does not

permit agency employees who are on the scene to monitor the level and kind of services required of the building owner by the lease agreement.

Section 708 requires GSA to provide the Congress with biographical information on the owners of buildings in which GSA proposes to lease significant amounts of space or to renew major leases. This section is essentially identical to S. 1321 introduced by Senator Simpson.

These provisions provide information needed to detect political favoritism, criminal influence and other potential irregularities in the leasing program.

Section 801 requires GSA to submit to Congress at the same time the President's budget is submitted, a program for construction, renovation, acquisition, maintenance, and leasing in the succeeding fiscal year, and a five-year plan for housing Federal agencies. Major projects proposed for commencement would have to be accompanied by a certification that opportunity was afforded for public hearing and by the final environmental impact statement, if applicable.

Section 802 is an annual authorization section, providing separate authorizations for major projects (including leases), lump sum authorizations for minor projects, and funds to conduct planning and preliminary design.

These sections establish a system roughly comparable to the military construction authorization process. Once a year, GSA would submit to Congress a program for meeting agencies' needs, a program based on prior planning. Under the current system, proposed projects are referred to the Public Works committees one by one, throughout the year, without regard to the availability of appropriations, and without any logical explanation of the priorities of needs represented by the proposals. Followed a few weeks later by the annual report required in Title 1, the program would allow Congress to compare the current status of the public buildings program with proposals for improvements in succeeding years.

The system proposed here would allow the Congress to evaluate major projects when preliminary planning has been completed. Under the current system, project proposals are forwarded when details of specific site, building functions and tenant agencies, and budget are still unformed.

Finally, by tying the annual program submission to the Congressional budget process, the proposed system would conform the GSA public building program, and Congressional authorizations, to budget and appropriation limits.

Section 803 permits GSA, within its overall annual budget authorization, to meet cost increases on individual projects of up to ten percent. Actions to meet increases above this amount would have to be approved by the Public Works committees.

Section 901 amends the criteria under which GSA assesses annual rental charges to Federal agencies to make clear that those charges should recover the costs of financing and operating or leasing each building and should, to the maximum extent, underwrite the Public Buildings Service budget. A building's rental charge could not exceed the charge for comparable commercial rates.

This section encourages GSA to run its buildings on a business-like basis, and reinforces the intent of Congress, expressed in

the establishment of the Federal Buildings Fund in the Public Buildings Amendments of 1972, to make the public buildings program self-sustaining. At the present time, GSA rate-setting is not accomplished with this end in mind.

Section 902 is a conforming amendment to allow the deposit of fees established in section 904 into the Federal Buildings Fund.

Sections 903 and 904 authorize GSA to borrow funds from the Treasury to finance acquisition, construction, or renovation of public buildings. Repayments would be made annually out of the Federal Building Fund. These sections are essentially identical to section 6 of S. 494, introduced by Senators Stafford, Randolph, Chafee and Moynihan.

These sections establish a permanent financing mechanism under which GSA would borrow money to undertake major building projects and then pay the money back as interest. Unlike previous "purchase contract" arrangements that have been authorized to GSA, this system would not involve the GSA in floating issues in the private money market. It would, rather, take advantage of existing Treasury borrowing devices and experience. The advantage of a financing system over direct funding of a project is that expenditures and budgetary impact are spread over many years, and more projects can be started at once with a given expenditure. The Treasury borrowing rate also gives GSA a realistic interest rate to take into account when analyzing the real costs (present discounted value) of undertaking a project.

It would be anticipated that projects each year would be undertaken using both this borrowing and direct funding authority.

● **Mr. RANDOLPH.** Mr. President, I am pleased to join in the introduction of the Public Buildings Act of 1979 as legislation to create a firm and positive policy under which the Federal Government will provide facilities to house its operations.

This measure is a result of more than 8 months of effort in the Committee on Environment and Public Works.

Development of this bill began last March immediately after the committee imposed a moratorium on the approval of nonemergency building and leasing proposals of the General Services Administration. This action was the outgrowth of years of frustration in trying to carry out a public buildings program without the guides of a clear and concise policy and with an agency whose performance in the past was uneven. It has been 20 years since the Congress addressed the total public buildings program. There have been many changes in Government since then and we have learned much about how buildings operations should be carried out.

Mr. President, the Public Buildings Act of 1979 addresses in a comprehensive manner all of the components we believe necessary to give direction to the General Services Administration to implement its mandate and housekeeping agency of the Federal Government. It was developed following extensive hearings in recent months and consultations with individuals and organizations representing a wide variety of interests.

The purpose of this legislation is stated succinctly at the outset:

It is hereby declared to be the policy of the Congress that the public buildings of the U.S. Government shall be located, designed, furnished and maintained so as to insure the highest productivity and efficiency of Federal agencies and their employees and, further, to provide Government services throughout the United States in locations convenient to the people, to preserve and advance the Nation's legacy of architectural excellence, and to enhance commercial and cultural conditions in the vicinity of public buildings.

Mr. President, while the basic and overriding buildings function of the General Services Administration is to provide accommodations for the activities of the Federal Government, the way in which it does so can have a significant impact not only on the operational efficiency of the Government but in other areas. Our buildings, for instance, should set standards of architectural excellence for the Nation. We must point the way in vigorously carrying out our commitment to make public facilities available to the physically handicapped. Public buildings also must not be considered in isolation from the rest of the communities in which they are located.

All of these issues are addressed in the legislation which we introduce today.

This proposal has been carefully developed and I believe that it provides the basis for a public buildings program that responds to the needs of the Government and the American society. It is the intention of the committee to give priority attention to this bill early in 1980. We will seek comments and suggestions from many sources so that we can make any changes that may be necessary. It is my desire that this legislation be enacted as soon as possible so that its provisions can be implemented. I also hope that the committee will be able to relax its moratorium on new construction and leasing in the near future. Such a decision by the committee, however, will be based on our appraisal of the operation of the General Services Administration under its new administrative leadership as well as progress toward enactment of the legislation which we present today.

Mr. President, I am greatly appreciative of the time and effort expended in the development of the bill by the Senator from New York (Mr. MOYNIHAN) and the Senator from Rhode Island (Mr. CHAFEE) who have been assigned primary responsibility for buildings matters in our committee. Senator MOYNIHAN has long been concerned with issues relating to buildings and urban design. In 1962, at the request of President Kennedy, he wrote "Guiding Principles For Federal Architecture," a document that contains sound and lasting advice and which was a source of ideas for this bill.

Senator CHAFEE has been deeply involved in building questions since he

came to the Senate and made many contributions to the writing of this bill.

I am also appreciative of the participation of the knowledgeable Senator from Vermont (Mr. STAFFORD), the ranking minority member of our committee. Over the years he has introduced a number of worthwhile legislative proposals in this area and he continues to follow buildings matters on a daily basis.

Mr. President, the Public Buildings Act of 1979 deserves the attention of every Member of this body. I hope that our colleagues will examine it carefully, and I invite Senators to become cosponsors of this timely and important measure.®

• Mr. STAFFORD. Mr. President, I am pleased to cosponsor the Public Buildings Act of 1979, introduced today by Senator MOYNIHAN. The bill would repeal one of the General Services Administration's major legislative authorities—the Public Buildings Act of 1959—and it provides an almost complete rewrite of basic law of the multibillion-dollar Public Buildings Service. In addition to numerous changes in existing statutes, it also includes new provisions not heretofore in law.

The bill is designed to provide a national buildings policy, to revamp the congressional oversight and authorization process, to encourage GSA to better administer and control its own affairs, and to establish new programs and procedures. It is indeed major and comprehensive legislation.

Senator MOYNIHAN is to be commended for his hard work and leadership in the important area of public buildings—an area that has received too little attention, if not neglect, at times in the past. The assignment of public buildings has sometimes been looked upon as tedious and without much reward. Senator MOYNIHAN's diligent and dedicated efforts are selfless, but I believe enactment of this new, major legislation would be a credit, and thereby reward to him.

I am also appreciative of the excellent work of the committee staff that has worked on this bill over many months. Among majority and minority staffs, the drafting of this bill has been a cooperative and unified effort throughout. As Senator MOYNIHAN has said about our staff, "The unanimity in which they work exemplifies the skills with which they work."

Finally, I want to thank Senator MOYNIHAN and show to him my appreciation for including in his bill substantive and verbatim language from three bills introduced earlier by me (S. 494, S. 460, and S. 461), from two bills authored by Senator SIMPSON (S. 1321 and S. 1324), and from Senator CHAFFEE's bill (S. 1791). He has also adopted numerous suggestions and recommendations not previously covered in introduced bills. I especially appreciate his work with my

stan to include new language for handicapped facilities.

Mr. President, this bill would establish a national buildings policy and program within GSA. There has not been, so far as I have observed, a coherent Federal policy on buildings. As I have stated before, the policies that do exist appear to be in a state of continual change, if not increasing disarray and advanced deterioration. It is painfully clear to me that a policy must now be developed and adopted, logically defined and clearly enunciated.

To protect its integrity, safeguards must be provided to assure that the chosen policy and program is carried out and firmly adhered to. This bill addresses numerous issues designed to assure safeguards, proper procedures, and competent management in the very important field of building construction, leasing, alteration, and repair.

Disclosures of improprieties and management failures illustrate the need for and urgency of actions by the Congress and the executive branch. In the long-run, only a coherent policy, clearly defined programs, and firm execution of those decisions backed by consistent authority, will fill the policy vacuum which otherwise attracts confusion and influence, if not exorbitant waste, favoritism, and scandal.

Mr. President, also very important are the changes made in the congressional authorization and review process. As the ranking minority member of the Environment and Public Works Committee, I have long believed that the prospectus process may no longer be adequate or appropriate. I have been equally concerned over the proper congressional role in building programs.

Title VIII constitutes a major change in the congressional authorization procedure, designed to strengthen congressional oversight and control and enabling greater policy direction instead of brick and mortar decisions such as specific repairs, maintenance, or leasing. The current prospectus process leads to piecemeal approvals without program review or oversight of the policies and procedures inherent in project proposals. Prospectuses, in effect, are almost "blank checks."

Mr. President, I have been concerned also about the accelerating trend in leasing. For example, in the past 10 years, Federal office space under lease has increased 117 percent. In the same period, Government-owned space under GSA management has declined. The budget in this fiscal year for leasing alone exceeds a half-billion dollars. I believe a policy of ever greater leasing and little or no Federal construction is, in the longrun, more costly and not otherwise in the best interest of the Government.

I am especially concerned about the accelerating trend toward the so-called lease-construct method of acquiring space for Government employees, whereby a private speculator receives a guarantee from GSA to lease a building yet to be constructed. Such guarantees are used as vehicles to obtain financing. I am concerned that these oftentimes very lucrative guarantees could lead to a climate of favoritism, if not fraud and corruption.

I am glad that this bill would greatly dampen, if not eliminate, this questionable method of financing. I am also glad that title IX of the bill contains authority for the so-called purchase contract method of financing which was a part of my bill S. 494. Utilization of this authority could greatly alleviate the ever-increasing trend toward leasing.

Mr. President, earlier this year the committee unanimously adopted a moratorium—sponsored by Senator MOYNIHAN and myself—on approvals of all nonemergency projects of GSA. I, for one, do not believe that the introduction of this bill is, in itself, justification for lifting the moratorium. It should, I believe, remain in place until the committee has assurances that reforms are in place and that projects which it approves are in fact carried out with integrity and void of waste or mismanagement.

Mr. President, I will not take the time of the Senate to discuss at this time the details of this large and comprehensive legislation, encompassing nine titles. But I do endorse its thrust and commend it to all my colleagues. I believe and expect the committee will pursue its concerns expeditiously, and I hope it will receive

the prompt and close attention also of the executive branch. ●

● Mr. CHAFEE. Mr. President, I am pleased to join as a cosponsor of the Public Buildings Act of 1979 introduced today by the distinguished Senator from New York (Mr. MOYNIHAN) and I look forward to working closely with him to report legislation, hopefully early in the second session of this Congress.

Mr. President, this bill represents the work—extending over many months—by the Committee on Environment and Public Works to provide greater order, policy direction and congressional oversight to the Nation's public buildings program.

Under the leadership in the public buildings area of Senator MOYNIHAN—with whom I am pleased to serve as the minority counterpart—a number of important hearings have been held. On June 6, the committee held a hearing on buildings location policies, and on June 15, the General Services Administration's leasing practices were examined. On September 18, the important area of building financing was heard, and on

September 19, GSA testified about the Federal buildings fund and the "user charges" assessed to other Federal agencies occupying GSA-managed buildings. This bill reflects much of the information acquired through this hearing process, as well as the committee's experience with the Public Buildings Service of GSA.

The bill is comprehensive legislation that would repeal the Public Buildings Act of 1959—which contains most of the major authorities of the multibillion-dollar Public Buildings Service—and start from scratch. It contains a number of new authorities as well as reshaping many existing authorities.

The proposed legislation would, I believe, assist the agency in getting better organized and would change the congressional authorization procedures and practices. Unlike most all other multibillion dollar programs of the Government, building projects for construction, acquisition, alteration and repair, and leasing are now authorized one-by-one by separate resolutions adopted by the Environment and Public Works Committee of the Senate and the Public Works and Transportation Committee of the House. In few other programs has the Congress granted full authorization to a single committee in each House and without the reconciliation process of conference.

Lost in this piecemeal process is the overall picture or program of the public buildings service. The committee becomes caught up in the necessity to approve specific leases or repair projects without the benefit of shaping the overall policies, priorities, procedures or practices that end in the submittal of particular building projects. To the contrary, I believe it is the role of the Congress to develop policies and oversee programs rather than to decide when a specific building should be painted, a roof repaired or a lease renewed.

The "Public Buildings Act of 1979" would require GSA to submit two extensive reports annually—one by February 1, containing its program for the preceding fiscal year; and one concurrent with the President's budget, containing a proposed program for the coming fiscal year. This information—giving a program review and proposal—would serve as the basis for policy review and annual program authorizations by the full Congress much like military construction is now authorized. If implemented in good faith by the agency, I believe this procedure could do much to facilitate greater congressional, constructive interest in the agency and to restore congressional confidence in the public buildings service.

At present, I am concerned for example about GSA's practice of spending millions of dollars to alter leased buildings and to exchange valuable Federal real

property without committee sanction. These are among the numerous issues addressed in this bill which should improve GSA's practices and procedures and the congressional authorization process and oversight.

Mr. President, I am pleased that the bill contains a number of ideas and legislative initiatives first put forward by minority members of the Committee on Environment and Public Works. The drafting of this legislation has been a cooperative effort. Senator MOYNIHAN and his very able staff are to be commended for their hard work and insightful understanding which this product represents.

In particular, I am pleased that title V of the bill is the Federal Buildings Enhancement Act of 1979 which I introduced, first during the last Congress (S. 2739) and again this year (S. 1791). It provides statutory authority for GSA's "art-in-architecture" program and two new programs of exhibitions in public buildings.

One-half of 1 percent of the total funds used for design, construction, alteration, repair, renovation and acquisition of public buildings would be set aside to provide installation of works of art as integral parts of the architecture of public buildings and for public exhibitions in Federal buildings throughout the country. Permanent works of art as a part of the architecture would improve the design and working environment of public buildings, as well as increase our cultural assets and insure that the American public will always have a substantial body of public art. The Federal Buildings Enhancement Act provides also the avenue for better communication among artists, architects and the American public to enrich the lives of everyone.

In addition to providing permanent works of art as integral parts of the architecture in public buildings, the innovative or wholly new programs which would be authorized would enable GSA to acquire with the help of the National Endowment for the Arts, by loan or lease, works of art by living American artists and circulate them for a time in Federal buildings throughout the country. This provision would provide the foundation to tap the hidden artistic resources by exhibiting the works of lesser known American artists—as well as well-known artists—from all regions of the United States who work in a multitude of media.

In addition, GSA could show on a rotating basis exhibits of the Nation's culture, art, society, science, and industry put together by the Smithsonian Institution. Emphasis would be put on these exhibitions being circulated to communities without convenient access to cultural resources. Citizens would be given the opportunity to enjoy the Smith-

sonian's many treasures in their own communities. It would enhance the "Living Buildings" programs of GSA and utilize the very accessible and vital community space in cities and towns—large and small—throughout the country. It would provide a foundation to make use of all potential exhibition space in the many vacant lobbies and corridors in Federal buildings, especially reaching communities that have little access to museums of history and art.

Mr. President, I am also appreciative that Senator MOYNIHAN has adopted my suggestions to encourage incorporation of energy efficiency and conservation in the Government's public buildings program.

One provision of this legislation concerns me, however. Section 703 states that the GSA Administrator shall not make any commitment to lease more than 25 percent of the space in any building until the building is within 90 days of being finished and ready for occupancy.

In other words, the GSA would no longer be able to enter into lease construction projects, whereby the Government contracts with the private sector to build a building and lease it back for Government use, thus avoiding the spending of large initial years' Federal construction dollars. I understand the desire of many of my colleagues to have Federal ownership for Federal dollars. But I do not agree at this time that lease construction should be removed as a tool to provide needed Government space. It should remain as one option among many. Also, not allowing the Government to contract for space until it is almost finished, risks that the Government will indeed be left out in the cold in highly competitive areas where lease space is at a premium.

In addition, administration requests for direct Federal construction of public buildings have been notoriously meager in the last several years—barely enough to build half a Federal building during a whole year for the entire country. With such a situation, I do not consider it wise to abolish an alternative method of providing agency space.

It should be noted that our legislation today does authorize once again the purchase contract approach for Government buildings, whereby the Government is the ultimate owner at the end of a 30-year period. I think this is a good option to provide to the GSA.

Mr. President, I am sure that additional hearings and comments from the agency may identify needed changes in the legislation or additions to it. I have noted one of my own reservations. How-

ever, this is a good bill which I have agreed to cosponsor. I look forward to working with Senator MOYNIHAN in ironing out any revisions which may occur as we work to report legislation to the Senate.

Mr. President, I ask unanimous consent that a statement on this bill by the distinguished Senator from Tennessee (Mr. BAKER) be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BAKER

I am glad to cosponsor the "Public Buildings Act of 1979", and I applaud the efforts of the Committee on Environment and Public Works to clean up the work of those parts of the General Services Administration under its jurisdiction.

I know that individuals of integrity have conscientiously sought reform within GSA, and that the agency contains dedicated individuals and officials of competence and good will. But from my perspective as a Member of the Committee, GSA's performance has continued to be far from adequate for a number of years, extending over several administrations. For too long, this agency has been an open sore. Conscientious reform is absolutely fundamental to restoring confidence and faith in the agency.

It has now been a year and a half since reports of fraud, corruption and mismanagement in GSA were widely reported in the press. Supposedly the agency is now investigating itself and the Department of Justice is conducting, I am told, criminal investigations. But, as headlines fade, even though a few GSA employees have been convicted of crimes related to their official activities, GSA appears to be operating in a "business as usual" manner.

Therefore, I am glad to see the Congress taking positive action to reform the agency, and to provide some safeguards against the possibility that abuses will continue within the agency.

Several years ago, when I served as Ranking Republican Member of the Committee, I became concerned at the ad hoc system of project authorization. From time to time a prospectus is delivered to the Committee—without priority and unrelated to any overall program. Moreover, the proposal the Committee is expected to approve is prior to site selection and building design—almost a blank check presented for signature. I proposed at that time a staged approval process—in order to provide early policy direction and later an opportunity for the Committee to approve a specific building—as any client might with an architect. I had also urged examination and investigation of GSA's entire building operation. Since this bill provides for annual program and policy review, as well as later project oversight, it meets my purposes.

I have also been keenly interested in architectural excellence and improved architectural design of the Nation's public buildings. I am delighted that the bill strongly addresses this issue, and I am hopeful that, as GSA is straightened out, much can be accomplished in this area.

I am also pleased that Title V of the legislation incorporates the bill—which I cosponsored—introduced earlier this year by Senator Chafee, S. 1791, the "Federal Building Enhancement Act of 1979."

Finally this is comprehensive legislation covering a variety of issues, and I am glad that the Committee is aggressively pursuing them. ●

96TH CONGRESS
1ST SESSION

S. 2080

To establish public buildings policies for the Federal Government, to establish the Public Buildings Service in the General Services Administration, and for other purposes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 5 (legislative day, NOVEMBER 29), 1979

Mr. MOYNIHAN (for himself, Mr. RANDOLPH, Mr. STAFFORD, Mr. CHAFEE, Mr. BAKER, Mr. BENTSEN, Mr. BURDICK, Mr. CULVER, Mr. DOMENICI, Mr. GRAVEL, Mr. HART, Mr. MUSKIE, Mr. SIMPSON, and Mr. PRESSLER) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

A BILL

To establish public buildings policies for the Federal Government, to establish the Public Buildings Service in the General Services Administration, 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 this Act may be cited as the "Public Buildings Act of
4 1979".

5 SEC. 2. It is hereby declared to be the policy of the
6 Congress that the public buildings of the United States Gov-

1 ernment shall be located, designed, furnished, and maintained
2 so as to insure the highest productivity and efficiency of Fed-
3 eral agencies and their employees and, further, to provide
4 Government services throughout the United States in loca-
5 tions convenient to the people, to preserve and advance the
6 Nation's legacy of architectural excellence, and to enhance
7 commercial and cultural conditions in the vicinity of public
8 buildings.

9 TITLE I—GENERAL AUTHORITIES

10 SEC. 101. The Administrator of General Services, act-
11 ing through the Public Buildings Service, in conformance
12 with the policies and provisions of this Act, shall acquire,
13 design, construct, lease, manage, maintain, repair, renovate,
14 and assign and reassign space in, buildings and sites to meet
15 the public buildings needs of the Government.

16 SEC. 102. There is hereby established in the General
17 Services Administration a Public Buildings Service. There
18 shall be at the head of the Public Buildings Service a Super-
19 intendent of Public Buildings who shall be appointed by the
20 President, by and with the advice and consent of the Senate,
21 and shall be compensated at the rate provided for level IV of
22 the Federal Executive Salary Schedule.

23 SEC. 103. There shall be within the Public Buildings
24 Service a Supervising Architect who shall be appointed by
25 the Administrator of General Services and shall be compen-

1 sated at the rate provided for level V of the Federal Execu-
2 tive Salary Schedule. The Supervising Architect shall super-
3 vise all design activities of the Public Buildings Service and
4 shall perform such other duties as the Superintendent of Pub-
5 lic Buildings may designate.

6 SEC. 104. Any authorities described in section 101 of
7 this Act that have been delegated by the Administrator to
8 another Federal agency prior to the date of enactment of this
9 Act shall be revoked and vested in the Administrator on the
10 one-hundred-and-twentieth day after the effective date of this
11 Act unless, prior to said day, the Administrator has delegated
12 such authority in accordance with section 105 of this Act.

13 SEC. 105. Notwithstanding the provisions of section
14 205 of the Federal Property and Administrative Services Act
15 of 1949, as amended, the Administrator may delegate all or a
16 portion of his authorities under this Act to the head of an-
17 other Federal agency, but only with respect to the public
18 buildings needs of that agency, and only after having submit-
19 ted, sixty calendar days in advance of the proposed effective
20 date of the delegation, a statement explaining the scope of
21 and reasons for the delegation, to the Committee on Environ-
22 ment and Public Works of the Senate and the Committee on
23 Public Works and Transportation of the House of Repre-
24 sentatives. The proposed delegation shall become effective
25 only if, during the first period of thirty calendar days of con-

1 tinuous session of Congress after the date such statement is
2 submitted, the proposed delegation is not barred in whole or
3 in part by resolution of both committees.

4 SEC. 106. Notwithstanding the provisions of section
5 205 of the Federal Property and Administrative Services Act
6 of 1949, as amended, any authorities exercised by the Ad-
7 ministrator pursuant to this Act may be delegated, and any
8 authorities delegated by the Administrator to another agency
9 may be restored to him or reassigned to the head of another
10 agency by resolutions approved by both the Committee on
11 Environment and Public Works of the Senate and the Com-
12 mittee on Public Works and Transportation of the House of
13 Representatives.

14 SEC. 107. The head of any Federal agency delegated or
15 reassigned authorities pursuant to sections 105 or 106 of this
16 Act, shall exercise those authorities in conformance with the
17 provisions of this Act; however, the head of any such agency
18 shall not submit the report required in section 109 but shall
19 submit the information required in section 109 to the Admin-
20 istrator for inclusion in his report.

21 SEC. 108. (a) The Administrator shall keep the Con-
22 gress fully and currently informed of policies and activities of
23 the General Services Administration within the purview of
24 this Act. In addition, he shall make available to the Commit-
25 tee on Environment and Public Works of the Senate and the

1 Committee on Public Works and Transportation of the House
2 of Representatives on request, and in such manner as may be
3 necessary to safeguard individual rights or the conduct of
4 criminal investigations, any document, material, or report
5 under his jurisdiction.

6 (b) Such reports as are required to be transmitted to
7 appropriate committees of the Congress by the Administrator
8 in accordance with sections 5(b) and 5(d) of Public Law
9 95-452 that pertain to problems, abuses, or deficiencies arising
10 under this Act, shall be transmitted to the Committee on
11 Environment and Public Works of the Senate and the Committee
12 on Public Works and Transportation of the House of
13 Representatives.

14 SEC. 109. (a) The Administrator shall conduct systematic
15 evaluation and research, and is authorized to undertake
16 demonstration projects, to determine the effectiveness of existing
17 and planned public buildings in providing productive,
18 safe, economical, conveniently located, energy efficient, and
19 architecturally distinguished accommodations for Federal
20 agency offices.

21 (b) In complying with the provisions of subsection (a),
22 the Administrator shall consult from time to time with the
23 Office of Personnel Management, the National Bureau of
24 Standards, National Science Foundation, Department of En-

1 ergy, National Endowment for the Arts, and with other pri-
2 vate individuals and organizations having suitable expertise.

3 SEC. 110. The Administrator shall submit a report to
4 the Congress on or before February 1 of each year describing
5 activities undertaken, directly by him, or under authorities
6 delegated pursuant to sections 105 and 106 of this Act, to
7 meet the public buildings needs of Federal agencies in the
8 preceding fiscal year. Such report shall include at least—

9 (1) a list of all public buildings, to include for
10 each: its location, the amount of space and number of
11 employees assigned to each Federal agency, the
12 amount of space leased under section 210(a)(16) of the
13 Federal Property and Administrative Services Act of
14 1949, as amended, building operations costs, income
15 derived for the Federal Building Fund, energy con-
16 sumed, and whether it is fully accessible to handi-
17 capped persons;

18 (2) a list of all locations of Federal agency offices
19 in leased buildings, to include for each: its location, the
20 amount of space and number of employees assigned to
21 each Federal agency, the per centum of the building
22 leased by the Government, leasing costs, the term of
23 the lease and its expiration date, any additional oper-
24 ations costs, income derived for the Federal Building
25 Fund, the total amount of money the Government has

1 expended in improvements or alterations to the build-
 2 ing, energy conservation measures utilized, and wheth-
 3 er it is fully accessible to handicapped persons;

4 (3) a list of all construction and renovation proj-
 5 ects completed and in progress and the degree of prog-
 6 ress toward the completion of each;

7 (4) a list of all leases and lease renewals
 8 executed;

9 (5) a list of construction and renovation projects
 10 the cost of which have exceeded, or are expected to
 11 exceed, the maximum cost set forth in any annual au-
 12 thorization Act, whether or not such projects meet the
 13 criteria established in section 803 of this Act;

14 (6) a list of all term contracts issued for protec-
 15 tive, maintenance, design or related building services,
 16 including for each the name of the contractor, the serv-
 17 ices performed, and contract term and price;

18 (7) a list of all architectural, engineering, and con-
 19 struction contracts awarded with respect to specific
 20 projects, including for each the name of the contractor,
 21 services to be performed, and contract price;

22 (8) a report on activities undertaken pursuant
 23 to—

24 (A) section 109 of this Act;

25 (B) title IV of this Act;

1 (C) title V of this Act;

2 (D) section 210(a)(6) of the Federal Property
3 and Administrative Services Act of 1979, as
4 amended; and

5 (9) a discussion of problems encountered in carry-
6 ing out provisions of this Act and in meeting the public
7 buildings needs of the Government.

8 SEC. 111. As used in this Act—

9 (1) The term “Administrator” means the Administrator
10 of General Services.

11 (2) The term “Federal agency” means any department
12 or independent establishment in the executive branch of the
13 Government, including any wholly owned government corpo-
14 ration, and any establishment in the legislative or judicial
15 branch of the Government (except the Senate, the House of
16 Representatives, and the Architect of the Capitol and activi-
17 ties under his direction).

18 (3) The term “office” means any organizational compo-
19 nent of a Federal agency or other public or private enterprise
20 and also means the physical space in which the work of the
21 component is conducted, including, but not limited to clerical
22 offices, laboratories, warehouses, industrial plants, and ga-
23 rages.

24 (4) The term “headquarters office” means the central
25 administrative offices of a Federal agency.

1 (5) The term "officers and employees of the Govern-
2 ment" means all persons included under sections 2104 and
3 2105 of title 5 of the United States Code.

4 (6) The term "locality" means a city, town, or other
5 similar populated area and its environs.

6 (7) The term "acquire" or "acquisition" includes pur-
7 chase, condemnation, donation, and exchanges of real
8 property.

9 (8) The term "renovation" means alteration, addition,
10 partial demolition, and other such actions that significantly
11 enhance or change the architectural design of a public build-
12 ing.

13 (9) The term "historic, architectural, or cultural signifi-
14 cance" includes, but is not limited to buildings listed or eligi-
15 ble to be listed on the National Register established under
16 section 101 of the Act of October 15, 1966 (16 U.S.C.
17 470a).

18 (10) The term "handicapped person" includes any indi-
19 vidual with a physical impairment that precludes such per-
20 son's use of a building to the same extent as an individual
21 with unimpaired mobility.

22 (11) The term "fully accessible" means the absence or
23 elimination of physical and communications barriers to the
24 ingress, egress, movement throughout, and use of a building
25 by handicapped persons and the incorporation of the most

1 scientifically advanced research, technology and equipment to
2 assure access to a building by handicapped persons and, in a
3 building of historic, architectural, or cultural significance, the
4 elimination of such barriers and the incorporation of such re-
5 search, technology, and equipment in such a manner as to be
6 compatible with the significant architectural features of the
7 building to the maximum extent possible.

8 (12) The term "public building" means any building
9 along with its grounds, approaches, and appurtenances,
10 owned by the United States Government or the subject of a
11 contractual or other agreement under which it will be owned
12 by the United States Government at some certain date in the
13 future, that accommodates, used to accommodate, or is in-
14 tended to accommodate Federal agency offices, and includes,
15 but is not limited to office buildings, courthouses, research
16 and academic centers, border stations, garages and ware-
17 houses, and any other building or construction project the
18 inclusion of which the President may deem to be in the public
19 interest, but does not include buildings or installations of the
20 United States Postal Service, except where such installations
21 are merged in public buildings, or buildings on the public do-
22 main (including that reserved for national forests and other
23 purposes), on properties of the United States in foreign coun-
24 tries, on Indian and native Eskimo properties held in trust by
25 the United States, on lands used in connection with Federal

1 programs for agricultural, recreational, and conservation pur-
 2 poses, on or used in connection with river, harbor, flood con-
 3 trol, reclamation or power projects, chemical manufacturing
 4 or developing projects, or for nuclear production, research, or
 5 development projects, on military installations (including any
 6 fort, post, airbase, proving ground, supply depot, school or
 7 similar facility of the Department of Defense), on Veterans'
 8 Administration installations used for hospital, nursing home,
 9 or domiciliary purposes, or on or used in connection with
 10 housing and residential projects.

11 (13) The term "public buildings needs" means the re-
 12 quirements of Federal agencies for suitable space in which to
 13 carry out their responsibilities.

14 SEC. 112. The Public Buildings Act of 1959, as amend-
 15 ed, is repealed.

16 TITLE II—LOCATIONS FOR FEDERAL AGENCY 17 OFFICES

18 SEC. 201. Federal agency offices shall be located in rea-
 19 sonable proximity to other governmental and private offices
 20 or to specific residential populations with which they must
 21 maintain continuing and frequent physical communication:
 22 *Provided*, That Federal agency offices in a locality may be
 23 consolidated to the extent justified by the need for immediate
 24 physical proximity—

1 (a) first, within and among the offices of a single
2 Federal agency, and

3 (b) second, within and among the offices of Fed-
4 eral agencies carrying out related functions, and gener-
5 ally so that resulting public buildings needs may be
6 met by buildings similar in scale to buildings predomi-
7 nating or planned for their surroundings, by existing
8 public buildings, or by acquiring two or more reason-
9 ably proximate buildings, particularly buildings of his-
10 toric, architectural, or cultural significance.

11 SEC. 202. In conforming to section 201, and prior to
12 acquiring, constructing, or leasing space in any other build-
13 ing, the Administrator shall locate Federal agency offices—

14 (a) in existing public buildings, giving first priority
15 to utilizing fully those public buildings of historic,
16 architectural, or cultural significance; and if public
17 building space is not available, then,

18 (b) in buildings of historic, architectural, or cul-
19 tural significance acquired by the Administrator, and
20 renovated if need be, unless use of such space would
21 not prove feasible and prudent compared with con-
22 struction of a public building.

23 SEC. 203. In conformance with sections 201 and 202,
24 the Administrator shall locate—

1 (a) the headquarters offices of each Federal
2 agency in the Metropolitan Washington, District of Co-
3 lumbia, area, unless otherwise specified by Act of Con-
4 gress;

5 (b) other Federal agency offices, designated by the
6 head of the agency to be located outside of Washing-
7 ton, District of Columbia, so as generally to distribute
8 Federal offices evenly in proportion to the geographic
9 distribution of the Nation's population; *Provided*, That
10 in so doing, the Administrator shall give due regard to
11 agency requirements to establish regional or local
12 administrative offices or to serve segments of the popu-
13 lation concentrated in particular geographic areas.

14 SEC. 204. In conforming with sections 201, 202, and
15 203, the Administrator shall locate Federal agency offices in
16 accordance with the following priorities—

17 (a) first, in the case of any office located in a
18 standard metropolitan statistical area, in the central
19 business district of a city within that area, unless the
20 office—

21 (1) undertakes hazardous activities,

22 (2) requires a campus setting or a large
23 amount of land, or

24 (3) falls under the provisions of section
25 203(a);

1 (b) second, near existing or planned public trans-
2 portation facilities; and

3 (c) third, within a reasonable distance of public
4 amenities and commercial activities.

5 SEC. 205. In the event that the head of a Federal
6 agency determines that the location assigned to any office of
7 fifty or more employees of that agency by the Administrator
8 would be deleterious to the efficient accomplishment of the
9 office's responsibilities, the agency head may appeal the deci-
10 sion of the Administrator to the Director of the Office of
11 Management and Budget. The Director shall review the Ad-
12 ministrator's decision within thirty days in accordance with
13 the provisions of this title, and shall nullify the decision only
14 if the Director finds the Administrator's decision not reason-
15 ably supported by the facts. The Director shall report the
16 findings of any review undertaken pursuant to this section
17 within ten days to the Committee on Environment and Public
18 Works of the Senate and the Committee on Public Works
19 and Transportation of the House of Representatives.

20 TITLE III—DESIGN AND MANAGEMENT OF
21 PUBLIC BUILDINGS

22 SEC. 301. The Administrator shall design and maintain
23 public buildings in such manner that they bear visual
24 testimony to the dignity, enterprise, vigor, and stability of the
25 American Government, embody the finest contemporary

1 American architectural thought, and where appropriate, re-
2 flect regional architectural traditions.

3 SEC. 302. (a) One of the public buildings in a locality
4 shall be of such design and construction as to have an ex-
5 pected functional life of at least one hundred years and to
6 symbolize the nobility of the American system of government
7 through the quality or scale of all or a part of its architectural
8 details, internal and external materials, public entrances, cor-
9 ridors, meeting rooms, lobbies, and courtyards.

10 (b) One additional building conforming to the provisions
11 of subsection (a) of this section may be provided in a locality
12 for primary use by the United States courts and related Fed-
13 eral agency offices.

14 (c) Those Federal agency offices that have most fre-
15 quent contact with members of the general public shall be
16 accorded priority in assignments of space in buildings con-
17 forming to the provisions of subsection (a) of this section.

18 (d) In any locality with more than one public building, at
19 least one public building conforming to the provisions of sub-
20 section (a) shall bear no designation other than one denoting
21 geographic location and the functions carried out within.

22 (e) None of the provisions of this section shall be con-
23 strued so as to affect the continuing use or maintenance, or
24 to change the existing designation of any public building in

1 existence or under construction on the effective date of this
2 Act.

3 SEC. 303. Public buildings in a locality, other than
4 those conforming to the provisions of section 302(a) of this
5 Act, shall be of such design and construction as to have an
6 expected functional life of at least fifty years and to approxi-
7 mate commercial buildings of the first quality that serve the
8 same purposes.

9 SEC. 304. (a) Public buildings shall conform in scale to
10 those buildings existing in or planned for their immediate
11 surroundings, shall conform to local zoning law, shall not en-
12 croach on parkland, and shall, in a historic district, conform
13 to the general architectural style and materials of the district.

14 (b) Special attention shall be given to the energy-saving
15 potential of alternative orientations of a building to its site,
16 use of natural light and ventilation, and the placement and
17 design of windows and other fixed or movable architectural
18 elements.

19 (c) The Administrator shall assure that architectural
20 details and hardware that are an integral part of the struc-
21 ture or fixtures of each new public building shall be designed
22 and fabricated so as to enhance the function and appearance
23 of the public building and to reflect regional architectural tra-
24 ditions of Federal agency functions. Artisans and craftsmen
25 expert in the creative use of such materials as stone, brick,

1 metal, wood, and stained glass shall be employed wherever
2 possible to carry out the purposes of this paragraph.

3 (d) Special attention shall be given to the design and
4 furnishing of efficient, attractive, and inviting public recep-
5 tion and meeting rooms, and to the provision of informative
6 and attractive interior and exterior building and room signs.

7 (e) Offices shall be provided with functional and attrac-
8 tive furnishings designed to produce a cheerful appearance
9 and to contribute to the efficient accomplishment of individual
10 and agency responsibilities: *Provided*, That all such furnish-
11 ings shall be selected from furnishings produced and sold on
12 the general market by private manufacturers.

13 (f) Parking space shall be provided in or appurtenant to
14 a public building—

15 (1) for Government motor vehicles assigned to
16 Federal agency offices or employees: *Provided*, That
17 such parking space shall be placed underground wher-
18 ever possible;

19 (2) for private motor vehicles taking into consider-
20 ation the adequacy of nearby public transportation and
21 commercial parking facilities, but only to the extent
22 needed to accommodate employee carpools and visi-
23 tors, and then only upon payment of parking fees com-
24 parable to commercial rates in the vicinity: *Provided*,
25 That, parking space for handicapped persons shall be

1 provided notwithstanding the provisions of this para-
2 graph; and

3 (3) for bicycles of employees and visitors in easily
4 accessible, secure locations furnished with devices that
5 minimize the risk of theft of the bicycles: *Provided,*
6 That a fee shall be charged for the use of any device
7 more elaborate than a simple metal rack.

8 (g) Shower and dressing rooms shall be provided in pub-
9 lic buildings for the use of Federal agency employees: *Pro-*
10 *vided,* That a fee shall be charged for their use.

11 SEC. 305. (a) Public buildings shall be maintained at all
12 times at a high level of appearance, cleanliness, and mechani-
13 cal and structural fitness so as to maintain the dignified
14 appearance of Federal offices and the safety, comfort, and
15 efficiency of Federal employees, and to minimize major repair
16 and replacement expenditures.

17 (b) Each public building shall be maintained and ren-
18 ovated so as to accommodate Federal agency office require-
19 ments and to retain and enhance, as much as possible, those
20 features that most contribute to the building's historic,
21 architectural, or cultural significance.

22 SEC. 306. (a) Not later than one hundred and eighty
23 days after the effective date of this Act, the Administrator
24 shall establish and publish, in consultation with the Architec-
25 tural and Transportation Barriers Compliance Board, design

1 and construction standards on making buildings fully accessi-
2 ble to handicapped persons. The Board shall review such
3 standards annually and recommend such revisions to the Ad-
4 ministrator as may be necessary to assure that the standards
5 continue to reflect use of the most advanced research, tech-
6 nology and equipment.

7 (b) Following publication of the standards required by
8 subsection (a) of this section, the Administrator shall pre-
9 scribe such regulations as may be necessary regarding de-
10 sign, construction, and contracting to assure that all con-
11 struction, acquisition, and renovation projects carried out
12 pursuant to this Act conform to such standards. The Admin-
13 istrator, in the list of completed projects required in section
14 110(3) of this Act shall include a certification that each such
15 project has been carried out in accordance with these stand-
16 ards.

17 (c) The annual plan submitted to Congress by the Ad-
18 ministrator in accordance with section 801 of this Act, shall
19 include a schedule for making all existing public buildings
20 fully accessible to handicapped persons. Such schedule shall
21 estimate the cost of carrying out the plan and shall include a
22 list, in priority order, of recommended projects to be under-
23 taken in the year for which the annual plan is submitted.

1 TITLE IV—MIXED USE AND ADAPTIVE USE IN
2 PUBLIC BUILDINGS

3 SEC. 401. This title may be cited as the “Public Build-
4 ings Cooperative Use Act Amendments of 1979”.

5 SEC. 402. Section 102 of the Public Buildings Coopera-
6 tive Use Act of 1976 is amended to read as follows:

7 “SEC. 102. (a) In order to carry out his duties under
8 this title and under any other authority with respect to con-
9 structing, operating, maintaining, altering, and otherwise
10 managing or acquiring space necessary for the accommoda-
11 tion of Federal agencies and to accomplish the purposes of
12 this title, the Administrator shall—

13 “(1) acquire and utilize space in suitable buildings
14 of historic, architectural, or cultural significance, unless
15 use of such space would not prove feasible and prudent
16 compared with available alternatives;

17 “(2) encourage the location of commercial, cultur-
18 al, educational, and recreational activities as tenants
19 primarily on major pedestrian access levels, courtyards,
20 and rooftops of public buildings, and design, construct
21 and lease out space suitable for such activities: *Pro-*
22 *vided*, That the amount of space so leased out in any
23 public building—

24 “(A) shall be determined by the Administra-
25 tor after undertaking studies to determine the

1 market or need for such activities in the interest
2 of promoting commercial or cultural vitality in the
3 surrounding locality or serving the employees in
4 the public building, and

5 “(B) shall not exceed 25 per centum of the
6 space in the public building, or 50 per centum of
7 the space in a public building fifty or more years
8 old so long as any amount over 25 per centum of
9 the space in the building is occupied by a non-
10 profit cultural or educational institution and that
11 at least one-third of the space occupied by such
12 an institution is used for exhibits, performances,
13 libraries, or other activities intended primarily for
14 the general public;

15 “(3) provide and maintain space, facilities, and ac-
16 tivities, to the extent practicable, which encourage
17 public access to and stimulate public pedestrian traffic
18 around, into, and through public buildings, permitting
19 cooperative improvements to and uses of the area be-
20 tween the building and the street, so that such activi-
21 ties complement and supplement commercial, cultural,
22 educational, and recreational resources in the neighbor-
23 hood of public buildings; and

24 “(4) encourage the public use of public buildings
25 for occasional cultural, educational, and recreational

1 activities and design, construct, and maintain space
 2 and equipment in public buildings suitable for such ac-
 3 tivities.

4 “(b) In carrying out his duties under subsection (a) of
 5 this section, the Administrator shall consult with Governors,
 6 areawide agencies established pursuant to title II of the
 7 Demonstration Cities and Metropolitan Development Act of
 8 1966 and title IV of the Intergovernmental Cooperation Act
 9 of 1968, and chief executive officers of those units of general
 10 local government in each area served by an existing or pro-
 11 posed public building, and shall solicit the comments of such
 12 other community leaders and members of the general public
 13 as he deems appropriate.”.

14 SEC. 403. Section 103 of the Public Buildings Coopera-
 15 tive Use Act of 1976 is repealed.

16 SEC. 404. Section 104(a) of the Public Buildings Coop-
 17 erative Use Act of 1976 and the Federal Property and Ad-
 18 ministrative Services Act of 1949 are amended by amending
 19 section 210(a)(16) of the Federal Property and Administra-
 20 tive Services Act of 1949 to read as follows:

21 “(16) to enter into leases of space in public build-
 22 ings, in accordance with section 102(a)(2) of the Public
 23 Buildings Cooperative Use Act of 1976, as amended,
 24 with persons, firms, or organizations engaged in com-
 25 mercial, cultural, educational, or recreational activities

1 (as defined in section 105 of the Public Buildings Co-
2 operative Use Act of 1976, as amended). The Adminis-
3 trator shall establish rental rates for such leased space
4 equivalent to the prevailing commercial rates for com-
5 parable space devoted to similar purposes in the vicini-
6 ty of a public building. Such leases may be negotiated
7 without competitive bids, but shall contain such terms
8 and conditions and be negotiated pursuant to such pro-
9 cedures as the Administrator deems necessary to pro-
10 mote competition and to protect the public interest;”.

11 SEC. 405. Section 105 of the Public Buildings Coopera-
12 tive Use Act of 1976 is amended by striking paragraph (2)
13 and inserting in lieu thereof the following:

14 “(2) The terms “public building” and “Federal agency”
15 have the same meaning as is given them in the Public Build-
16 ings Act of 1979.”.

17 TITLE V—EXHIBITIONS AND WORKS OF ART

18 SEC. 501. This title may be cited as the “Federal Build-
19 ings Enhancement Act of 1979”.

20 SEC. 502. (a) The Congress hereby finds and declares
21 that—

22 (1) the efficient use of Federal buildings can be in-
23 creased, and public satisfaction with Federal buildings
24 will be improved, by insuring that such buildings not

1 only provide a congenial work environment but also
2 function attractively for public service;

3 (2) Federal buildings should enrich the social,
4 commercial, and cultural resources of the communities
5 they serve; and

6 (3) the utility and ambience of Federal buildings
7 will be enhanced by temporary exhibitions of American
8 art works and of the nation's cultural heritage, as well
9 as by suitable permanent works of art incorporated as
10 an integral part of the architectural style and form of
11 Federal buildings.

12 (b) It is, therefore, the policy of the Congress to encour-
13 age and secure Federal building design which is distin-
14 guished, which expresses the dignity, enterprise, and stability
15 of the American Government, and which enriches the quality
16 of life in the communities served by such buildings. It is the
17 purpose of this Act to contribute to such design by incorpo-
18 rating permanent installations of suitable works of art into
19 new Federal buildings. It is the further purpose of this Act to
20 enhance the utility and ambience of existing Federal build-
21 ings by providing for temporary exhibitions of art and history
22 to be circulated among Federal buildings.

23 SEC. 503. (a)(1) The Administrator, with the advice and
24 assistance of the Chairman of the National Endowment for
25 the Arts, shall acquire by loan, or by lease at nominal fees,

1 works of art by living American artists. Works of art ac-
2 quired under this subsection shall be organized into exhibi-
3 tions and circulated on a rotating basis by the Administrator
4 among Federal buildings throughout the United States. Such
5 works of art shall be selected from artists representative of
6 the different regions of the United States and its territories,
7 and shall include diverse media.

8 (2) The Administrator, in conjunction with the Secre-
9 tary of the Smithsonian Institution, shall develop exhibitions
10 which reflect the artistic, cultural, social, scientific, and in-
11 dustrial heritage of the United States or illustrate the con-
12 tinuing development of the Nation's art, culture, society, sci-
13 ence, and industry.

14 (3) The Administrator shall circulate and show exhibi-
15 tions developed under this subsection in Federal buildings
16 throughout the United States. Preference shall be given to
17 Federal buildings in communities that otherwise do not have
18 convenient access to museums of art and history.

19 (4) The Administrator shall reimburse the Smithsonian
20 Institution an amount not less than the cost to the Institution
21 of carrying out the provisions of this subsection.

22 (b)(1) The Administrator, with the advice and assistance
23 of the Chairman acting in cooperation with the appropriate
24 State arts councils, shall commission suitable works of art by
25 American artists to be purchased and installed in Federal

1 buildings or temporarily installed in leased buildings. The
2 preliminary planning and design of each such new Federal
3 building shall include planning for such specific commissions,
4 which may include a variety of compatible works for each
5 such new building. The Administrator shall insure that Fed-
6 eral buildings selected for the installation of such commis-
7 sioned works of art are equitably distributed within the
8 United States and its territories, and shall consider a diversi-
9 ty of artistic media in commissioning such works of art. The
10 Administrator shall provide for necessary services to keep
11 and preserve such works of art in a state of high quality.

12 (2) Whenever the Administrator commissions a suitable
13 work of art pursuant to paragraph (1) of this subsection, he
14 shall instruct that such work shall enhance the architectural
15 design of any new such Federal building. In the case of an
16 existing public or leased building, such work shall be appro-
17 priate to the setting and space available. The Administrator
18 shall also instruct that such work shall express a vital ele-
19 ment of contemporary American life, embody a common heri-
20 tage or unique characteristic of the region, symbolize a prin-
21 cipal mission of the Federal offices housed, or depict the
22 character of the work to be performed in such building.

23 (3) In carrying out the provisions of this subsection, the
24 Administrator, with the advice and assistance of the Chair-
25 man acting in consultation with the appropriate State arts

1 councils, shall establish such procedures as may be necessary
 2 to commission suitable works of art, with or without competi-
 3 tion, and to encourage the participation of local artists.

4 (c)(1) For the purpose of this section, the Administrator
 5 is authorized to utilize one-half of 1 per centum of the total
 6 sums available in fiscal year 1980 and each fiscal year there-
 7 after for the design, construction, repair, renovation, alter-
 8 ation, and acquisition of public buildings, and one-twentieth
 9 of 1 per centum of the sums available for the lease of public
 10 buildings.

11 (2) Funds available under this subsection shall be availa-
 12 ble, without fiscal year limitation, to the Administrator for
 13 the purposes set forth in subsections (a) and (b) of this sec-
 14 tion: *Provided*, That not to exceed 15 per centum of such
 15 funds shall be expended for purposes set forth in paragraph
 16 (1) of subsection (a), not to exceed 10 per centum shall be
 17 expended for purposes set forth in paragraph (2) of subsection
 18 (a), and not to exceed 75 per centum of such funds shall be
 19 expended for purposes set forth in subsection (b).

20 (d) For the purpose of this title—

21 “(1) the term ‘Federal buildings’ means Federal
 22 courthouses and office buildings owned by or leased to
 23 the Federal Government that are under the jurisdiction
 24 of the Administrator of General Services; and

1 “(2) the term ‘Chairman’ means the Chairman of
2 the National Endowment for the Arts; and

3 “(3) the term ‘works of art’ includes, but is not
4 limited to, paintings, sculptures, mosaics, tapestries,
5 crafts, ceramics, and photographs.”.

6 TITLE VI—ARCHITECTURAL SERVICES

7 SEC. 601. The Superintendent of Public Buildings shall
8 employ professionally trained architects, landscape archi-
9 tects, interior and graphic designers, and urban planners to
10 prepare, under the supervision of the Supervising Architect,
11 plans, drawings, and specifications for such public building
12 construction and renovation projects as the Superintendent
13 may designate, but in no case fewer than 25 per centum of
14 the dollar value of such projects each year.

15 SEC. 602. (a) Those architectural designs not prepared
16 pursuant to section 601 shall be procured in accordance with
17 title IX of the Federal Property and Administrative Services
18 Act of 1949, as amended, and—

19 (1) with respect to each public building construc-
20 tion and renovation project expected to cost no less
21 than \$2,500,000 but no more than \$25,000,000, the
22 Administrator shall conduct a design competition
23 among no fewer than three and no more than ten
24 qualified architectural firms. Such competition shall be
25 conducted so as to give particular opportunities to

1 firms that have not received design commissions from
2 the Federal Government and to last no longer than
3 sixty days from the date the Administrator provides
4 the firms with a competition program and to elicit from
5 each firm preliminary design concepts only. The Ad-
6 ministrator shall negotiate first with the firm judged at
7 the conclusion of the competition, to have demonstrat-
8 ed the best design approach to the project. The Admin-
9 istrator shall compensate the firms that take part in
10 any one competition under this provision a total of no
11 more than \$50,000, and shall conduct each competition
12 so that travel expenses and fair compensation for the
13 work required does not exceed this amount;

14 (2) with respect to each construction and renova-
15 tion project expected to cost more than \$25,000,000,
16 the Administrator shall use such methods, including
17 design competition, as he may deem appropriate to se-
18 lect the best qualified architectural firm from among
19 those expressing interest in the project: *Provided*, That
20 such selection shall take into account design ap-
21 proaches proposed by no fewer than three firms. The
22 Administrator is authorized to compensate firms taking
23 part in any one competition under this provision, no
24 more than a total of \$250,000 for expenses and sti-
25 pends.

1 (b) The Administrator is authorized to acquire the serv-
 2 ices of privately employed architects, engineers, and other
 3 citizens on a temporary basis to serve on panels to assist in
 4 selecting and judging architectural firms under the provisions
 5 of subsection (a) of this section. Persons so employed shall
 6 not be considered special Government employees under the
 7 provisions of section 201(a) of the Ethics in Government Act
 8 of 1968.

9 (c) The Administrator shall make public and provide to
 10 competing firms at the same time as a selection is announced
 11 under any of the provisions of this section, a brief report de-
 12 scribing the criteria used to evaluate competing firms and the
 13 reasons for the selection made.

14 TITLE VII—LEASING

15 SEC. 701. The Administrator shall lease space only to
 16 the extent necessary to accommodate the emergency or tem-
 17 porary requirements of the Government, or to provide space
 18 in locations where the size of Government activities does not
 19 warrant providing a public building.

20 SEC. 702. Any other provision of this Act notwithstand-
 21 ing, the annual plan submitted to Congress by the Adminis-
 22 trator in accordance with section 801 of this Act, shall assure
 23 that—

24 (1) within five years of the date of enactment of
 25 this Act, no fewer than 60 per centum of the officers

1 and employees of the Government whose offices are
2 provided under this Act shall have their principal of-
3 fices in public buildings;

4 (2) within ten years of the date of enactment of
5 this Act, no fewer than 80 per centum of the officers
6 and employees of the Government whose offices are
7 provided under this Act shall have their principal of-
8 fices in public buildings;

9 (3) to the maximum extent possible, the percent-
10 age of officers and employees of the Government
11 whose offices are provided under this Act having their
12 principal offices in public buildings is maintained uni-
13 formly throughout the Nation, and that priority is ac-
14 corded to construction, acquisition, and renovation of
15 such public buildings as may be necessary to achieve
16 such uniformity.

17 SEC. 703. Notwithstanding the provisions of section
18 210(h)(1) of the Federal Property and Administrative Serv-
19 ices Act of 1949, as amended, the Administrator shall not
20 make any agreement or undertake any commitment to lease
21 more than 25 per centum of the space in any building unless
22 and until the building is within ninety days of being com-
23 pletely constructed and ready for occupancy.

24 SEC. 704. No space shall be leased to accommodate—
25 (1) major computer operations;

1 (2) offices that conduct secure or sensitive activi-
2 ties related to the national defense or security;

3 (3) offices, the nature of which would require
4 major alterations in the structure or mechanical sys-
5 tems of the building to be leased; or

6 (4) courtrooms, judicial chambers, or administra-
7 tive offices for any United States court.

8 SEC. 705. (a) For the purposes of this Act, sections 321
9 and 322 of the Act entitled "An Act making appropriations
10 for the legislative branch of the Government for the fiscal
11 year ending June 30, 1933, and for other purposes", ap-
12 proved June 30, 1932, shall not apply.

13 (b) No lease may be negotiated for a rental exceeding
14 105 per centum of the average commercial rates and charges
15 for space and services of nearest comparable quality.

16 SEC. 706. (a) The Administrator shall publicly solicit
17 competitive bids to procure space by lease for the Govern-
18 ment. Each such solicitation shall specify any special require-
19 ments of building design, configuration, or location.

20 (b) In evaluating competing bids, the Administrator
21 shall take equally into account proposed rental costs, overall
22 quality of the buildings, energy efficiency, and their relative
23 conformity to the requirements of titles II and III of this Act.

24 SEC. 707. The Administrator shall provide to the high-
25 est ranking official of each Federal agency occupying space

1 in a leased building a copy of the lease agreement between
2 the Government and the owner of the building and shall pro-
3 vide such official with any later additions or revisions to the
4 lease.

5 SEC. 708. The Administrator shall provide along with
6 the list of lease and lease renewal actions proposed for au-
7 thorization under section 802(b)(4) required to be submitted
8 to the Congress in accordance with section 801(a) of this
9 Act, the name of each principal owner of each building or
10 other space and biographical information concerning each
11 such owner, including—

12 (1) a summary description of any lease, sublease,
13 contract, or subcontract with the United States to
14 which such owner was a party and the status of each
15 such lease, sublease, contract, or subcontract;

16 (2) a description of any business relationship,
17 dealing, or financial transaction by such owner, on his
18 own behalf, on the behalf of a client, or acting as an
19 agent, which in any way might constitute or result in a
20 conflict of interest for such owner as a lessor of a
21 building or space to the United States;

22 (3) a statement as to whether such owner is or
23 has been employed by the United States in any capac-
24 ity;

1 (4) a statement as to whether such owner is or
2 has been a member of any Federal committee or com-
3 mission, including any advisory committee or any panel
4 for the selection of recipients of Federal contracts;

5 (5) a statement as to whether such owner has
6 ever held public office, including a description of the
7 offices involved, whether such owner was elected or
8 appointed to each such office, and the length of service
9 in each such office;

10 (6) a statement as to whether such owner has
11 ever held a major position or has played a major role
12 in a political campaign, including an identification of
13 the candidate, the dates of the campaign, and the title
14 of such owner, and a description of the responsibilities
15 of such owner;

16 (7) a statement of any criminal convictions of such
17 owner; and

18 (8) such other information as the Administrator
19 finds appropriate.

20 In carrying out the provisions of this section, in any case in
21 which the Administrator does not know the name of any
22 principal owner of a building or space to be leased at the time
23 the list required under section 801(a) is submitted to the Con-
24 gress, the Administrator shall transmit to the Congress the
25 information required by this section at least thirty days prior

1 to the date on which the Administrator intends to approve
2 the lease on behalf of the Government.

3 TITLE VIII—CONGRESSIONAL AUTHORIZATION

4 SEC. 801. (a) The Administrator shall submit to the
5 Congress, not later than the fifteenth day after Congress con-
6 venes each year, a program for the next succeeding fiscal
7 year of projects and actions which the Administrator deems
8 necessary in carrying out his duties under this Act. Such
9 program shall include at least—

10 (1) a five-year plan for accommodating the public
11 building needs of the Government,

12 (2) a list, in priority order, of construction, ren-
13 ovation, and acquisition projects proposed for authori-
14 zation under subsections 802(b)(1), 802(b)(2), and
15 802(b)(3),

16 (3) a list, in priority order, of lease and lease re-
17 newal actions proposed for authorization under subsec-
18 tion 802(b)(4),

19 (4) a list of all public buildings proposed to be va-
20 cated in whole or in part or to be disposed of,

21 (5) a proposed budget for the repair and mainte-
22 nance of public buildings,

23 (6) a description of how the projects and leases in-
24 cluded in the program, separately and together, con-

1 form to the provisions of this Act and the estimated
2 annual and total cost of each project and lease.

3 (b)(1) The Administrator shall certify in the annual pro-
4 gram submitted in accordance with subsection (a) that he has
5 held a public hearing, or afforded the opportunity for such
6 hearing, in the locality or proposed locality of each construc-
7 tion, renovation, or acquisition project included in the annual
8 program. Such hearing shall consider the economic and social
9 effects of the project, its impact on the environment, its con-
10 sistency with the goals and objectives of such urban planning
11 as has been promulgated by the community, and its conform-
12 ance with sections 202, 204, and titles III and IV of this
13 Act: *Provided, That*, only such facts and issues as can rea-
14 sonably be adduced during the planning and preliminary de-
15 sign of a project shall be considered at such hearing.

16 (2) The Administrator shall provide, along with each
17 certification, the final environmental impact statement pre-
18 pared pursuant to the National Environmental Policy Act,
19 and a report which indicates the consideration given to facts
20 and issues concerning the project and various alternatives
21 which were raised during the hearing or which were other-
22 wise considered.

23 SEC. 802. (a) No appropriation shall be obligated for
24 any public building construction, renovation, or acquisition

1 project, or for any lease or lease renewal, unless it has been
2 authorized by the Congress in accordance with this title.

3 (b)(1) The Administrator is authorized to carry out the
4 following public building construction projects of buildings of
5 twenty-five thousand gross square feet or more in fiscal year
6 1981, and the authorization for any such project shall remain
7 available until the end of fiscal year 1985.

8 (2) The Administrator is authorized to carry out the fol-
9 lowing public building renovation projects with a total esti-
10 mated cost of \$1,000,000 or more each in fiscal year 1981,
11 and the authorization for any such project shall remain avail-
12 able until the end of fiscal year 1982.

13 (3) The Administrator is authorized to carry out the fol-
14 lowing public building acquisition projects of buildings of
15 twenty-five thousand gross square feet or more, or of sites of
16 a value of \$1,000,000 or more in fiscal year 1981, and the
17 authorization for any such project shall remain available until
18 the end of fiscal year 1982:

19 (4) The Administrator is authorized to execute the fol-
20 lowing lease agreements or lease renewals of blocks of space
21 of fifty thousand or more square feet in fiscal year 1981.

22 (5) The Administrator is authorized to issue obligations
23 to the Treasury under section 903 of this Act for the follow-
24 ing projects in fiscal year 1981.

1 (6) There is hereby authorized for the purpose of carry-
2 ing out public building construction projects in fiscal year
3 1981 other than those projects authorized under subsection
4 (b)(1), the sum of \$, and such sum shall re-
5 main available until the end of fiscal year 1985.

6 (7) There is hereby authorized for the purpose of carry-
7 ing out public building renovation projects in fiscal year
8 1981, other than those projects authorized under subsection
9 (b)(2), the sum of \$, and such sum shall re-
10 main available until the end of fiscal year 1982.

11 (8) There is hereby authorized for the purpose of carry-
12 ing out public building acquisition projects in fiscal year
13 1981, other than those projects authorized under subsection
14 (b)(3), the sum of \$, and such sum shall re-
15 main available until the end of fiscal year 1982.

16 (9) The Administrator is authorized for the purpose of
17 executing lease agreements or renewing leases in fiscal year
18 1981, other than those authorized under subsection (b)(4), the
19 sum of \$.

20 (10) There is hereby authorized, for making alterations
21 to leased buildings in fiscal year 1981, the sum of
22 \$, and such sum shall remain available until the
23 end of fiscal year 1982.

24 (11) There is hereby authorized for the purpose of mak-
25 ing payments on leases in fiscal year 1981, other than those

1 authorized under subsection (b)(4) and (b)(9), the sum of \$

2

3 (12) There is hereby authorized for cleaning, mainte-
4 nance, repair, and real property operations in public buildings
5 in fiscal year 1981, the sum of \$

6 (13) The Administrator is authorized in fiscal year 1981
7 for the purpose of carrying out planning and to procure pre-
8 liminary designs for public building construction, renovation
9 and acquisition projects, the sum of \$

10 (14) There is hereby authorized for the administration
11 and direction of the Public Buildings Service in fiscal year
12 1981, the sum of \$

13 SEC. 803. (a) When the cost of a project exceeds the
14 estimated maximum cost authorized under section 802 of this
15 Act, the Administrator is authorized to either (A) increase
16 expenditures by an amount equal to the percentage increase
17 in the cost of the project, or (B) decrease the number of gross
18 square feet to be constructed in the project. In no event shall
19 the total increase in expenditures authorized by clause (A) of
20 this paragraph exceed 10 per centum of the estimated maxi-
21 mum cost of the project. In no event shall the total decrease
22 in square feet authorized under clause (B) of this paragraph
23 exceed more than 10 per centum of the gross square feet
24 stated in the approved authorization.

1 (b) If the Administrator determines that the cost of a
2 project exceeds the estimated maximum cost authorized
3 under section 802 of this Act to such an extent that action
4 under paragraph (1) is not sufficient to meet such excess cost
5 the Administrator shall report to the Committee on Environ-
6 ment and Public Works of the Senate and the Committee on
7 Public Works and Transportation of the House of Repre-
8 sentatives concerning the project. Such report shall include
9 recommendations by the Administrator as to appropriate ac-
10 tion to enable the continuance of the project. The Adminis-
11 trator may not take any action to continue the project, other
12 than the action authorized by paragraph (1), unless such ac-
13 tion has been authorized by resolutions adopted by the Com-
14 mittee on Environment and Public Works of the Senate and
15 the Committee on Public Works and Transportation of the
16 House of Representatives.

17 TITLE IX—PUBLIC BUILDING FINANCING

18 SEC. 901. Section 210(j) of the Federal Property and
19 Administrative Services Act of 1949, as amended, is amend-
20 ed by deleting the existing second sentence thereof and in-
21 serting the following sentence: "Such rates and charges shall
22 be established for each public building, and for each building
23 containing space leased by the Administrator on behalf of the
24 United States, no more frequently than once each year at a
25 level equivalent to the anticipated costs of providing space

1 and services (including amortized construction costs or leas-
 2 ing costs), unless such level of rates and charges would ex-
 3 ceed commercial rates and charges for space and services of
 4 nearest comparable quality, in which case the rates and
 5 charges established by the Administrator shall not exceed
 6 such commercial rates and charges.”.

7 SEC. 902. Section 210(a)(18) of the Federal Property
 8 and Administrative Services Act of 1949, as amended, is
 9 amended to read as follows:

10 “(18) to deposit into the fund established by sub-
 11 section (f) of this section all sums received under leases
 12 or rentals executed pursuant to paragraphs (16) and
 13 (17) of this subsection, all proceeds from the disposal of
 14 real property, and all sums received as parking or
 15 dressing room fees under subsections 304(f) and 304(g)
 16 of the Public Buildings Act of 1979, and each sum
 17 shall be credited to the appropriation made for such
 18 fund applicable to the operation of such building; and”.

19 SEC. 903. (a) The Administrator is authorized to issue
 20 obligations to the Secretary of the Treasury, to the extent
 21 and in such amounts as are provided in annual appropriations
 22 Acts, in order to obtain funds necessary to finance the acqui-
 23 sition, construction, or renovation of any public building
 24 when he determines the best interest of the United States
 25 will be served. The Secretary of the Treasury is authorized

1 to purchase such obligations, and for such purpose the Secre-
2 tary of the Treasury is authorized to use as a public transac-
3 tion the proceeds of the sale of any securities hereafter issued
4 under the Second Liberty Bond Act, and the purposes for
5 which securities may be issued under the Second Liberty
6 Bond Act are extended to include such purchases. The repay-
7 ment of loans made under this section shall be for terms up to
8 thirty years and on such conditions as may be prescribed by
9 the Secretary of the Treasury. In prescribing such terms and
10 conditions, the Secretary of the Treasury shall take into ac-
11 count the useful life of the building for which funds are to be
12 borrowed and shall not require that repayment begin until the
13 building is ready for occupancy. Such obligation shall bear
14 interest at a rate determined by the Secretary of the Treas-
15 ury, taking into consideration the current average yield on
16 outstanding marketable obligations of the United States of
17 comparable maturities.

18 (b) An obligation may be issued under subsection (a) to
19 acquire, construct, or renovate a public building, only if such
20 acquisition, construction, or renovation has been authorized
21 by the Congress, pursuant to title VIII of this Act.

22 (c) The payment of principal and interest on such obliga-
23 tion issued under subsection (a) shall be payable from the
24 fund established pursuant to section 210(f) of the Federal
25 Property and Administrative Services Act of 1949. There are

1 authorized to be appropriated from the fund such amounts as
2 may be necessary to carry out the purposes of this section.

3 SEC. 904. Section 210(f)(2) of the Federal Property and
4 Administrative Services Act of 1949 (40 U.S.C. 490(f)(2)) is
5 amended by inserting immediately after "activities" a comma
6 and the following: "and for payments in connection with the
7 financing of the acquisition, construction, or renovation of
8 public buildings as authorized by section 903 of the Public
9 Buildings Act of 1979."

SPECIFIC DELEGATIONS OF AUTHORITY TO LEASE SPACE

<u>Occupant</u>	<u>Use</u>	<u>Location</u>	<u>Date Authorized</u>	<u>Expiration</u>
EPA	Research Center	Univ. of Nevada	No. 424 - 12/31/63	5/1/86
PHS	Center for Disease	Fort Collins, Colorado	Letter - 1/14/65	7/1/87
PHS	National Environmental Health Services-Center	Research Triangle Park Durham, North Carolina	Letters - 6/17/65, *6/30/67, 8/13/68, 4/9/71	5/12/91
Agriculture	Entomology Research	Yakima, Washington	Letter - 7/5/66	6/30/87
AEC	Idaho Operations Office	Idaho Falls, Idaho	D-2 - 9/7/66	11/30/83
Agriculture	Cotton Classifying Office	Greenwood, Mississippi	D-4 - 1/19/67	6/30/77
HEW	National Center for Health Statistics	Research Triangle Park Durham, North Carolina	** Letters - 3/10/67, 4/21/67	11/1/88
HEW	Air Pollution Control Center	Research Triangle Park Durham, North Carolina	Letter - 3/19/68	9/20/93
BIA	Agency Office	Poplar, Montana	Letter - 5/15/68	10/20/79
BIA	Agency Office	Browning, Montana	Letter - 5/15/68	5/10/81
Defense	Lab Space	Northern Virginia Area of the National Capital Region	D-10 Supplement 1 1/20/75	2/4/91
EPA	Motor Vehicle Emission Lab	Ann Arbor, Michigan	D-12 - 2/14/69	8/1/91
HEW	Medical Lab	Boston, Massachusetts	D-13 - 3/20/69	2/1/90

* Amended 6/12/65 by delegating 8 yr. authority for 30,000 sq.ft. - 6/12/65 was used to lease 37,000 sq.ft. thus total 67,000 sq.ft. - 8/13/68. Amended 8 yr. authority to 20 yrs. for 30,000 sq.ft.

** Amended 3/10/67 delegation by extending term from 5 to 10 yrs.

FAA	Air Traffic Control	Indianapolis, Indiana	D-18 - 6/20/69	9/14/81
FAA	Aeronautical Center	Oklahoma City, Oklahoma	D-21 - 4/13/70	1/25/2003
HEW	Medical Center	Salt Lake City, Utah	D-25 - 1/15/71	12/3/90
DEA	Residential Properties	MD and VA suburbs of Washington, DC	D-27 Supplement 4 1/29/71	6/30/78
Geological Survey	Earth Resources Program	Sioux Falls, South Dakota	D-29 - 7/8/71	7/8/91
Agriculture	Agriculture Research	Univ. of Delaware	D-31 - 9/14/71	9/30/2013
FBI	Radio Sites	Ramona, California	D-34 - 5/1/72	6/30/77
BIA	Lease with Tribe	Anadarko, Oklahoma	D-35 - 8/22/72	12/31/94
HUD	Valuation Office	Agana, Guam	D-37 - 2/19/73	2/29/79
Bureau of Prisons	Correctional Facility	Adams County, Wisconsin	D-38 - 4/19/73	7/31/86
Defense	Housing	Walter Reed Inn Washington, DC	D-46 - 5/13/74	5/31/89
Secret Service	Space Related to Protective Mission	Nationwide	D-49 - 12/26/74	Indefinite
DOJ	Laboratory Facility	Research Triangle Park Durham, North Carolina	D-50 - 6/27/75	8 years from date of lease
DOT	Test Facility	East Liberty, Ohio	D-51 - 9/2/75	3 years from date of lease
Justice	Community Treatment Centers	Nationwide	D-52 - 12/24/75	Indefinite

Agency	Agency Office	Location	Document/Reference	Expiration of GS-068-119-3
BIA	Agency Office	Winnebago, Nebraska	D-55 - 2/10/76	20 years
BIA	Agency Office	Anadarko, Oklahoma	D-58 - 2/15/77	10 years
BIA	Agency Office	Pawnee, Oklahoma	D-59 - 2/15/77	20 year & 20 yr. renewal
FAA/NAFEC	Laboratory (500,000 sq. ft.)	Atlantic City, N.J.	Letter 10/28/76 D-62 - 9/29/78	5 years
DOT/U.S. Coast Guard	R & D Lab	Groton, Connecticut	D-58 - 2/15/77	5 years
FBI	Investigative Activities	Nationwide	Letter - 7/14/77	5 years
FBI	Storage of surveillance vehicles	Nationwide	Letter - 4/26/76	Firm periods of one year, indefinitely.
EPA	Special purpose space Lab, ADP, & storage (70,000 sq. ft.)	Research Triangle Park Durham, N. Carolina	Letter - 8/12/77 D-64 - 6/22/79	9/20/90
Justice	DEA Airport Offices	Atlanta, GA (325 sq. ft.) Miami, FL (2,600 sq. ft.) New Orleans, LA (400 sq. ft.)	Letter 10/9/77	3 years
Interior	BIA office space (8,000 sq. ft.)	Shawnee, OK	Letter - 3/6/78	10 years
Transportation	Engineering facility (17,000 sq. ft.)	Transportation Research Ctr. - East Liberty, OH	Letter - 6/28/78	11/8/84
Justice	FBI office	309-311 East 56th Street New York, NY	Letter - 9/29/78	20 years

HEW	Animal Laboratory (6,000 sq. ft.)	Research Triangle Park, North Carolina	Letter - 11/20/78	4 years
Commerce	Bureau of Census Office space for 1980 Decennial Census	Nationwide	Letter - 11/22/78	12/31/81
Transportation	Coast Guard Office Berthing, Messing, Communications (14,000 sq. ft.)	Bird Block Building Rockland, Maine	Letter - 12/6/78	5 years 1 - 5 yr. renewal
HEW	PHS Clinic (25,000 sq. ft.) Medical Lab (22,100 sq. ft.) Day Care Center (10,000 sq. ft.)	Bethesda/Rockville, Maryland	Letter - 1/4/79	20 years

SUBPART 101-18.1 ACQUISITION BY LEASE

101-18.101(c)

Subpart 101-18.1—Acquisition by Lease
§ 101-18.100 Basic policy.

(a) To the maximum extent practical, GSA will lease space in privately owned buildings and land when needs cannot be satisfactorily met in Government-controlled space, when leasing proves to be more efficient than the construction or alteration of a Federal building, or when construction or alteration is not warranted because requirements in the community are insufficient or are indefinite in scope or duration, or completion of a new building within a reasonable time cannot be insured.

(b) Acquisition of space by lease will be on the basis most favorable to the Government, with due consideration to maintenance and operational efficiency, and only at charges consistent with prevailing scales in the community for comparable facilities.

(c) Acquisition of space by lease will be by negotiation except where all the factors are present which will permit true competition and where the formal sealed bid method is required by law. In negotiating, competition will be obtained to the maximum extent practical among suitable available locations meeting minimum Government requirements.

(d) When considering acquisition or when acquiring space by lease, and subject to the provisions of § 101-18.107;

(1) Material consideration shall be given to the efficient performance of the missions and programs of the executive agencies and the nature and function of the facilities involved with due regard for the convenience of the public served and the maintenance and improvement of safe and healthful working conditions for employees;

(2) Consideration shall be given in the selection of sites for Federal facilities to the need for development and redevelopment of areas and the development of new communities and the impact a selection will have on improving social and economic conditions in the area. In determining these conditions, the Administrator of General Services will consult with and receive advice from the Secretary of Housing and Urban Development, the Secretary of Health, Education, and Welfare, the Secretary of Commerce, and others, as appropriate;

(3) Maximum use shall be made of existing Government-owned permanent buildings which are adequate or economically adaptable to the space needs of executive agencies;

(4) Suitable privately owned space shall be acquired only when satisfactory Government-owned space is not available;

(5) Space planning and assignments shall reflect an assessment of the advantages and costs of consolidating agencies and constituent parts thereof in common or adjacent space for the purpose of improving management and administration; and

(6) The availability of adequate low- and moderate-income housing on a non-discriminatory basis, nondiscrimination in the sale and rental of housing, adequate access from other areas of the urban center, and adequacy of parking shall be considered.

(e) Lease-construction projects required to be authorized in accordance with or in the manner provided by the provisions of the Public Buildings Act of 1959 will be, to the greatest extent practicable, consistent with State, regional, and local plans, programs, and local zoning regulations; and Governors, local elected officials, and regional comprehensive planning agencies will be consulted in the planning of the proposed development of such Federal facilities.

(f) Insofar as practicable in accordance with the provisions of section 601(b) of the Rural Development Act of 1972 (86 Stat. 674), first priority will be given to locating leased space for new offices and other facilities in rural areas as defined in the private business enterprise exception in section 306(a) (7) of the Consolidated Farmers Home Administration Act of 1961, as amended (7 U.S.C. 1926), due consideration being given to the provisions of Executive Order 11512 of February 27, 1970 (35 FR 3979).

§ 101-18.101 Acquisition by GSA.

(a) GSA will perform all functions of leasing building space, and land incidental thereto, for Federal agencies except as provided in this Subpart 101-18.1.

PART 101-18 ACQUISITION OF REAL PROPERTY

101-18.101(b)

(b) Agencies authorized to acquire space by lease may request GSA to perform such leasing functions in specific instances.

(c) Agencies not authorized to acquire space by lease, or agencies which have requested GSA to provide leased space for their activities, shall not directly or indirectly contact lessors or potential lessors for the purpose of making oral or written promises, commitments, or agreements with respect to the conditions of occupancy of particular space, alterations and repairs, or payment of overtime services.

§ 101-18.102 Acquisition by other agencies.

(a) The Departments of Agriculture, Commerce, and Defense may lease their own building space and land incidental to its use, and provide for its operation, maintenance, and custody when the space is situated outside an urban center. Urban centers are:

Aberdeen, S. Dak.:

Brown County.

Abilene, Tex.:

Jones County.

Taylor County.

Akron, Ohio:

Portage County.

Summit County.

Alaska:

The entire State.

Albany, Ga.:

Dougherty County.

Albany, Ill.:

Whiteside County.

Albany, Oreg.:

Linn County.

Albany-Schenectady-Troy, N.Y.:

Albany County.

Rensselaer County.

Saratoga County.

Schenectady County.

Albuquerque, N. Mex.:

Bernalillo County.

Alexandria, La.:

Rapides Parish.

Allentown-Bethlehem-Easton, Pa.-N.J.:

Lehigh County, Pa.

Northampton County, Pa.

Warren County, N.J.

Altoona, Pa.:

Blair County.

Amarillo, Tex.:

Potter County.

Randall County.

Anaheim-Santa Ana-Garden Grove, Calif.:

Orange County.

Ann Arbor, Mich.:

Washtenaw County.

Asheville, N.C.:

Buncombe County.

Athens, Ga.:

Clarke County.

Atlanta, Ga.:

Clayton County.

Cobb County.

De Kalb County.

Fulton County.

Gwinnett County.

Atlantic City, N.J.:

Atlantic County.

Augusta, Ga.-S.C.:

Richmond County, Ga.

Alken County, S.C.

Augusta, Maine:

Kennebec County.

Austin, Tex.:

Travis County.

Bakersfield, Calif.:

Kern County.

Baltimore, Md.:

Baltimore City.

Anne Arundel County.

Baltimore County.

Carroll County.

Howard County.

Baton Rouge, La.:

East Baton Rouge Parish.

Battle Creek, Mich.:

Calhoun County.

Bay City, Mich.:

Bay County.

Beaumont-Port Arthur, Tex.:

Jefferson County.

Orange County.

Billings, Mont.:

Yellowstone County.

Binghamton, N.Y.-Pa.:

Broome County, N.Y.

Tioga County, N.Y.

Susquehanna County, Pa.

Birmingham, Ala.:

Jefferson County.

Bismarck, N. Dak.:

Burleigh County.

Boise, Idaho:

Ada County.

Boston, Mass.:

Essex County.

Middlesex County.

Norfolk County.

Plymouth County.

Suffolk County.

Bridgeport, Conn.:

Fairfield County.

New Haven County.

Brockton, Mass.:

Bristol County.

Norfolk County.

Plymouth County.

SUBPART 101-18.1 ACQUISITION BY LEASE

101-18.102 (a)

Brownsville-Harlingen-San Benito, Tex.:
 Cameron County.
 Buffalo, N.Y.:
 Erie County.
 Niagara County.
 Burlington, Vt.:
 Chittenden County.
 Butte, Mont.:
 Silver Bow County.
 Calexico-El Centro, Calif.:
 Imperial County.
 Canton, Ohio:
 Stark County.
 Casper, Wyo.:
 Natrona County.
 Cedar Rapids, Iowa:
 Linn County.
 Champaign-Urbana, Ill.:
 Champaign County.
 Charleston, S.C.:
 Berkeley County.
 Charleston County.
 Charleston, W. Va.:
 Kanawha County.
 Charlotte, N.C.:
 Mecklenburg County.
 Union County.
 Charlottesville, Va.:
 Charlottesville City.
 Albemarle County.
 Chattanooga, Tenn.-Ga.:
 Hamilton County, Tenn.
 Walker County, Ga.
 Cheyenne, Wyo.:
 Laramie County.
 Chicago, Ill.:
 Cook County.
 Du Page County.
 Kane County.
 Lake County.
 McHenry County.
 Will County.
 Cincinnati, Ohio-Ky-Ind.:
 Clermont County, Ohio.
 Hamilton County, Ohio.
 Warren County, Ohio.
 Boone County, Ky.
 Campbell County, Ky.
 Kenton County, Ky.
 Dearborn County, Ind.
 Cleveland, Ohio:
 Cuyahoga County.
 Cuyahoga County.
 Lake County.
 Medina County.
 Clinton, Oila.:
 Custer County.
 Cody, Wyo.:
 Park County.
 Colorado Springs, Colo.:
 El Paso County.
 Columbia, Mo.:
 Boone County.
 Columbia, S.C.:
 Lexington County.
 Richland County.
 Columbus, Ga.-Ala.:
 Chattahoochee County, Ga.
 Muscogee County, Ga.
 Russell County, Ala.
 Columbus, Ohio:
 Delaware County.
 Franklin County.
 Pickaway County.
 Concord, N.H.:
 Merrimack County.
 Corpus Christi, Tex.:
 Nueces County.
 Dallas, Tex.:
 Collin County.
 Dallas County.
 Denton County.
 Ellis County.
 Davenport-Rock Island-Moline, Iowa-Ill.:
 Scott County, Iowa.
 Henry County, Ill.
 Rock Island County, Ill.
 Dayton, Ohio:
 Greene County.
 Miami County.
 Montgomery County.
 Preble County.
 Decatur, Ill.:
 Macon County.
 Denver, Colo.:
 Adams County.
 Arapahoe County.
 Boulder County.
 Denver County.
 Jefferson County.
 Des Moines, Iowa:
 Polk County.
 Detroit, Mich.:
 Macomb County.
 Oakland County.
 Wayne County.
 Dubuque, Iowa:
 Dubuque County.
 Duluth-Superior, Minn.-Wis.:
 St. Louis County, Minn.
 Douglas County, Wis.
 Durango, Colo.:
 La Plata County.
 Durham, N.C.:
 Durham County.
 Elkins, W. Va.:
 Randolph County.
 El Paso, Tex.:
 El Paso County.
 Erie, Pa.:
 Erie County.
 Eugene, Oreg.:
 Lane County.
 Evansville, Ind.-Ky.:
 Vanderburgh County, Ind.
 Warrick County, Ind.
 Henderson County, Ky.
 Fall River, Mass.-R.I.:
 Bristol County, Mass.
 Newport County, R.I.

PART 101-18 ACQUISITION OF REAL PROPERTY

101-18.102(d)

Fargo-Moorhead, N. Dak.-Minn.:
 Cass County, N. Dak.
 Clay County, Minn.
 Fayetteville, N.C.
 Graham County.
 Fitchburg-Leominster, Mass.:
 Middlesex County.
 Worcester County.
 Flint, Mich.:
 Genesee County.
 Lapeer County.
 Fort Collins, Colo.:
 Larimer County.
 Fort Lauderdale-Hollywood, Fla.:
 Broward County.
 Fort Smith, Ark.-Okla.:
 Crawford County, Ark.
 Sebastian County, Ark.
 Le Flore County, Okla.
 Sequoyah County, Okla.
 Fort Wayne, Ind.:
 Allen County.
 Fort Worth, Tex.:
 Johnson County.
 Tarrant County.
 Frankfort, Ky.:
 Franklin County.
 Fresno, Calif.:
 Fresno County.
 Gadsden, Ala.:
 Etowah County.
 Gainesville, Fla.:
 Alachua County.
 Galveston-Texas City, Tex.:
 Galveston County.
 Gary-Hammond-East Chicago, Ind.:
 Lake County.
 Porter County.
 Grand Forks, N. Dak.:
 Grand Forks County.
 Grand Island, Nebr.:
 Hall County.
 Grand Junction, Colo.:
 Mesa County.
 Grand Rapids, Mich.:
 Kent County.
 Ottawa County.
 Great Falls, Mont.:
 Cascade County.
 Greeley, Colo.:
 Weld County.
 Green Bay, Wis.:
 Brown County.
 Greensboro-High Point, N.C.:
 Cattfold County.
 Greenville, S.C.:
 Greenville County.
 Macon County.
 Greenwood, Miss.:
 Le Flore County.
 Hamilton-Middletown, Ohio:
 Butler County.
 Harrisburg, Pa.:
 Cumberland County.
 Dauphin County.
 Perry County.
 Hartford, Conn.:
 Hartford County.
 Middlesex County.
 Tolland County.
 Hawaii:
 The entire State.
 Helena, Mont.:
 Lewis and Clark County.
 Hot Spring, Ark.:
 Garland County.
 Houston, Tex.:
 Harris County.
 Huntington-Ashland, W. Va.-Ky.-Ohio:
 Cabell County, W. Va.
 Wayne County, W. Va.
 Boyd County, Ky.
 Lawrence County, Ohio.
 Huntsville, Ala.:
 Limestone County.
 Madison County.
 Huron, S. Dak.:
 Beadle County.
 Idaho Falls, Idaho:
 Bonneville County.
 Indianapolis, Ind.:
 Hamilton County.
 Hancock County.
 Hendricks County.
 Johnson County.
 Marion County.
 Morgan County.
 Shelby County.
 Jackson, Mich.:
 Jackson County.
 Jackson, Miss.:
 Hinds County.
 Rankin County.
 Jackson, Tenn.:
 Madison County.
 Jacksonville, Fla.:
 Duval County.
 Jefferson City, Mo.:
 Cole County.
 Jersey City, N.J.:
 Hudson County.
 Johnstown, Pa.:
 Cambria County.
 Somerset County.
 Kalamazoo, Mich.:
 Kalamazoo County.
 Kansas City, Mo.-Kans.:
 Cass County, Mo.
 Clay County, Mo.
 Jackson County, Mo.
 Platte County, Mo.
 Johnson County, Kans.
 Wyandotte County, Kans.
 Kenosha, Wis.:
 Kenosha County.
 Klamath Falls, Oreg.:
 Klamath County.
 Knoxville, Tenn.:
 Anderson County.
 Blount County.
 Knox County.

SUBPART 101-18.1 ACQUISITION BY LEASE

101-18.102 (c)

Lafayette, La.:
 Lafayette Parish.
 Lake Charles, La.:
 Calcasieu Parish.
 Lancaster, Pa.:
 Lancaster County.
 Lansing, Mich.:
 Clinton County.
 Eaton County.
 Ingham County.
 Laredo, Tex.:
 Webb County.
 Las Vegas, Nev.:
 Clark County.
 Lawrence-Haverhill, Mass.-N.H.:
 Essex County, Mass.
 Rockingham County, N.H.
 Lawton, Okla.:
 Comanche County.
 Lewiston-Auburn, Maine:
 Androscoggin County.
 Lexington, Ky.:
 Fayette County.
 Lima, Ohio:
 Allen County.
 Lincoln, Nebr.:
 Lancaster County.
 Little Rock-North Little Rock, Ark.:
 Pulaski County.
 Logan, Utah:
 Cedar County.
 Lorain-Elyria, Ohio:
 Lorain County.
 Los Angeles-Long Beach, Calif.:
 Los Angeles County.
 Louisville, Ky.-Ind.:
 Jefferson County, Ky.
 Clark County, Ind.
 Floyd County, Ind.
 Lowell, Mass.:
 Middlesex County.
 Lubbock, Tex.:
 Lubbock County.
 Lynchburg, Va.:
 Lynchburg city.
 Amherst County.
 Campbell County.
 Macon, Ga.:
 Bibb County.
 Houston County.
 Madison, Wis.:
 Dane County.
 Manchester, N.H.:
 Hillsborough County.
 Merrimack County.
 Manhattan, Kans.:
 Riley County.
 McCook, Nebr.:
 Red Willow County.
 Medford, Oreg.:
 Jackson County.
 Memphis, Tenn.-Ark.:
 Shelby County, Tenn.
 Crittenden County, Ark.
 Meriden, Conn.:
 New Haven County.
 Meridian, Miss.:
 Lauderdale County.
 Miami, Fla.:
 Dade County.
 Midland, Tex.:
 Midland County.
 Milwaukee, Wis.:
 Milwaukee County.
 Ozaukee County.
 Waukesha County.
 Minneapolis-St. Paul, Minn.:
 Anoka County.
 Dakota County.
 Hennepin County.
 Ramsey County.
 Washington County.
 Missoula, Mont.:
 Missoula County.
 Mobile, Ala.:
 Baldwin County.
 Mobile County.
 Monroe, La.:
 Ouachita Parish.
 Montgomery, Ala.:
 Elmore County.
 Montgomery County.
 Morgantown, W. Va.:
 Monongalia County.
 Muncie, Ind.:
 Delaware County.
 Muskegon-Muskegon Heights, Mich.:
 Muskegon County.
 Muskogee, Okla.:
 Muskogee County.
 Nashville, Tenn.:
 Davidson County.
 Sumner County.
 Wilson County.
 Newark, N.J.:
 Essex County.
 Morris County.
 Union County.
 New Bedford, Mass.:
 Bristol County.
 Plymouth County.
 New Britain, Conn.:
 Hartford County.
 New Haven, Conn.:
 New Haven County.
 New London-Groton-Norwich, Conn.:
 New London County.
 New Orleans, La.:
 Jefferson Parish.
 Orleans Parish.
 St. Bernard Parish.
 St. Tammany Parish.

PART 101-18 ACQUISITION OF REAL PROPERTY

101-18, 102(a)

Newport News-Hampton, Va.:
 Hampton city.
 Newport News city.
 York County.
 New York, N.Y.:
 Bronx County.
 Kings County.
 New York County.
 Queens County.
 Richmond County.
 Saratoga County.
 Rockland County.
 Suffolk County.
 Westchester County.
 Norfolk-Portsmouth, Va.:
 Chesapeake city.
 Norfolk city.
 Portsmouth city.
 Virginia Beach city.
 Norwalk, Conn.:
 Fairfield County.
 Odessa, Tex.:
 Ector County.
 Ogden, Utah:
 Weber County.
 Oklahoma City, Okla.:
 Canadian County.
 Cleveland County.
 Oklahoma County.
 Olympia, Wash.:
 Thurston County.
 Omaha, Nebr.-Iowa:
 Douglas County, Nebr.
 Sarpy County, Nebr.
 Pottawattamie County, Iowa.
 Orlando, Fla.:
 Orange County.
 Seminole County.
 Parkersburg, W. Va.:
 Wood County.
 Paterson-Clifton-Passaic, N.J.:
 Bergen County.
 Passaic County.
 Pensacola, Fla.:
 Escambia County.
 Santa Rosa County.
 Peoria, Ill.:
 Peoria County.
 Tazewell County.
 Woodford County.
 Philadelphia, Pa.-N.J.:
 Bucks County, Pa.
 Chester County, Pa.
 Delaware County, Pa.
 Montgomery County, Pa.
 Philadelphia County, Pa.
 Burlington County, N.J.
 Camden County, N.J.
 Gloucester County, N.J.
 Phoenix, Ariz.:
 Maricopa County.
 Pierre, S. Dak.:
 Hughes County.
 Pittsburgh, Pa.:
 Allegheny County.
 Beaver County.
 Washington County.
 Westmoreland County.
 Pittsfield, Mass.:
 Berkshire County.
 Portland, Maine:
 Cumberland County.
 Portland, Oreg.-Wash.:
 Clackamas County, Oreg.
 Multnomah County, Oreg.
 Washington County, Oreg.
 Clark County, Wash.
 Portsmouth, N.H.:
 Rockingham County.
 Providence-Pawtucket-Warwick, R.I.-Mass.:
 Bristol County, R.I.
 Kent County, R.I.
 Newport County, R.I.
 Providence County, R.I.
 Washington County, R.I.
 Bristol County, Mass.
 Norfolk County, Mass.
 Worcester County, Mass.
 Provo-Orem, Utah:
 Utah County.
 Pueblo, Colo.:
 Pueblo County.
 Puerto Rico:
 The entire Commonwealth.
 Racine, Wis.:
 Racine County.
 Raleigh, N.C.:
 Wake County.
 Rapid City, S. Dak.:
 Pennington County.
 Reading, Pa.:
 Berks County.
 Reno, Nev.:
 Washoe County.
 Richmond, Va.:
 Richmond city.
 Chesterfield County.
 Hanover County.
 Henrico County.
 Roanoke, Va.:
 Roanoke city.
 Roanoke County.
 Rochester, N.Y.:
 Livingston County.
 Monroe County.
 Orleans County.
 Wayne County.
 Rockford, Ill.:
 Boone County.
 Winnebago County.
 Rolla, Mo.:
 Phelps County.
 Rome, Ga.:
 Floyd County.

SUBPART 101-18.1 ACQUISITION BY LEASE

101-18.102 (a)

Sacramento, Calif.:
 Placer County.
 Sacramento County.
 Yuba County.
 Saginaw, Mich.:
 Saginaw County.
 St. Albans, Vt.:
 Franklin County.
 St. Joseph, Mo.:
 Buchanan County.
 St. Louis, Mo.-Ill.:
 St. Louis City, Mo.
 Jefferson County, Mo.
 St. Charles County, Mo.
 St. Louis County, Mo.
 Madison County, Ill.
 St. Clair County, Ill.
 Salina, Kans.:
 Saline County.
 Salisbury, Md.:
 Wicomico County.
 Salt Lake City, Utah:
 Davis County.
 Salt Lake County.
 San Angelo, Tex.:
 Tom Green County.
 San Antonio, Tex.:
 Bexar County.
 Guadalupe County.
 San Bernardino-Riverside-Ontario, Calif.:
 Riverside County.
 San Bernardino County.
 San Diego, Calif.:
 San Diego County.
 San Francisco-Oakland, Calif.:
 Alameda County.
 Contra Costa County.
 Marin County.
 San Francisco County.
 San Mateo County.
 San Jose, Calif.:
 Santa Clara County.
 Santa Barbara, Calif.:
 Santa Barbara County.
 Santa Fe, N. Mex.:
 Santa Fe County.
 Savannah, Ga.:
 Chatham County.
 Scottsbluff, Nebr.:
 Scotts Bluff County.
 Scranton, Pa.:
 Lackawanna County.
 Seattle-Sherett, Wash.:
 King County.
 Shoemith County.
 Sheridan, Wyo.:
 Sheridan County.
 Shreveport, La.:
 Bossier Parish.
 Caddo Parish.
 Sioux City, Iowa-Nebr.:
 Woodbury County, Iowa.
 Dakota County, Nebr.
 Sioux Falls, S. Dak.:
 Minnehaha County.
 South Bend, Ind.:
 St. Joseph County.
 Marshall County.
 Spartanburg, S.C.:
 Spartanburg County.
 Spokane, Wash.:
 Spokane County.
 Springfield-Chicopee-Holyoke, Mass.:
 Hampden County, Mass.
 Hampshire County, Mass.
 Worcester County, Mass.
 Springfield, Ill.:
 Sangamon County.
 Springfield, Mo.:
 Greene County.
 Springfield, Ohio:
 Clark County.
 Stamford, Conn.:
 Fairfield County.
 Steubenville-Wier-ton, Ohio-W. Va.:
 Jefferson County, Ohio.
 Brooke County, W. Va.
 Hancock County, W. Va.
 Stillwater, Okla.:
 Payne County.
 Stockton, Calif.:
 San Joaquin County.
 Syracuse, N.Y.:
 Madison County.
 Onondaga County.
 Oswego County.
 Tacoma, Wash.:
 Pierce County.
 Tallahassee, Fla.:
 Leon County.
 Tampa-St. Petersburg, Fla.:
 Hillsborough County.
 Pinellas County.
 Temple, Tex.:
 Bell County.
 Terre Haute, Ind.:
 Clay County.
 Sullivan County.
 Vermillion County.
 Vigo County.
 Texarkana, Tex.-Ark.:
 Bowie County, Tex.
 Miller County, Ark.
 Toledo, Ohio-Mich.:
 Lucas County, Ohio.
 Wood County, Ohio.
 Monroe County, Mich.
 Topeka, Kans.:
 Shawnee County.
 Trenton, N.J.:
 Mercer County.
 Tucson, Ariz.:
 Pima County.
 Tulsa, Okla.:
 Creek County.
 Owage County.
 Tulsa County.
 Tuscaloosa, Ala.:
 Tuscaloosa County.

SUBPART 101-18.1 ACQUISITION BY LEASE

101-18.102 (a)

Sacramento, Calif.:
 Placer County.
 Sacramento County.
 Yuba County.
 Saginaw, Mich.:
 Saginaw County.
 St. Albans, Vt.:
 Franklin County.
 St. Joseph, Mo.:
 Buchanan County.
 St. Louis, Mo.-Ill.:
 St. Louis City, Mo.
 Jefferson County, Mo.
 St. Charles County, Mo.
 St. Louis County, Mo.
 Madison County, Ill.
 St. Clair County, Ill.
 Salina, Kans.:
 Saline County.
 Salisbury, Md.:
 Wicomico County.
 Salt Lake City, Utah:
 Davis County.
 Salt Lake County.
 San Angelo, Tex.:
 Tom Green County.
 San Antonio, Tex.:
 Bexar County.
 Guadalupe County.
 San Bernardino-Riverside-Ontario, Calif.:
 Riverside County.
 San Bernardino County.
 San Diego, Calif.:
 San Diego County.
 San Francisco-Oakland, Calif.:
 Alameda County.
 Contra Costa County.
 Marin County.
 San Francisco County.
 San Mateo County.
 San Jose, Calif.:
 Santa Clara County.
 Santa Barbara, Calif.:
 Santa Barbara County.
 Santa Fe, N. Mex.:
 Santa Fe County.
 Saratoga, Ga.:
 Chatham County.
 Scottsbluff, Nebr.:
 Scotts Bluff County.
 Scranton, Pa.:
 Lackawanna County.
 Seattle-Spokane, Wash.:
 King County.
 Spokane County.
 Sheridan, Wyo.:
 Sheridan County.
 Shreveport, La.:
 Bossier Parish.
 Caddo Parish.
 Sioux City, Iowa-Nebr.:
 Woodbury County, Iowa.
 Dakota County, Nebr.
 Sioux Falls, S. Dak.:
 Minnehaha County.
 South Bend, Ind.:
 St. Joseph County.
 Marshall County.
 Spartanburg, S.C.:
 Spartanburg County.
 Spokane, Wash.:
 Spokane County.
 Springfield-Chicopee-Holyoke, Mass.:
 Hampden County, Mass.
 Hampshire County, Mass.
 Worcester County, Mass.
 Springfield, Ill.:
 Sangamon County.
 Springfield, Mo.:
 Greene County.
 Springfield, Ohio:
 Clark County.
 Stamford, Conn.:
 Fairfield County.
 Steubenville-Wiarton, Ohio-W. Va.:
 Jefferson County, Ohio.
 Brooke County, W. Va.
 Hancock County, W. Va.
 Stillwater, Okla.:
 Payne County.
 Stockton, Calif.:
 San Joaquin County.
 Syracuse, N.Y.:
 Madison County.
 Onondaga County.
 Oswego County.
 Tacoma, Wash.:
 Pierce County.
 Tallahassee, Fla.:
 Leon County.
 Tampa-St. Petersburg, Fla.:
 Hillsborough County.
 Pinellas County.
 Temple, Tex.:
 Bell County.
 Terre Haute, Ind.:
 Clay County.
 Sullivan County.
 Vermillion County.
 Vigo County.
 Texarkana, Tex.-Ark.:
 Bowie County, Tex.
 Miller County, Ark.
 Toledo, Ohio-Mich.:
 Lucas County, Ohio.
 Wood County, Ohio.
 Monroe County, Mich.
 Topeka, Kans.:
 Shawnee County.
 Trenton, N.J.:
 Mercer County.
 Tucson, Ariz.:
 Pima County.
 Tulsa, Okla.:
 Creek County.
 Oage County.
 Tulsa County.
 Tuscaloosa, Ala.:
 Tuscaloosa County.

PART 101-18 ACQUISITION OF REAL PROPERTY

101-18.102 (c)

Tyler, Tex.:
 Smith County.
 Utica-Rome, N.Y.:
 Herkimer County.
 Oneida County.
 Vallejo-Napa, Calif.:
 Napa County.
 Solano County.
 Vicksburg, Miss.:
 Warren County.
 Virgin Islands:
 The entire Territory.
 Waco, Tex.:
 McLennan County.
 Walla Walla, Wash.:
 Walla Walla County.
 Benton County.
 Washington, D.C.-Md.-Va.:
 District of Columbia.
 Montgomery County, Md.
 Prince Georges County, Md.
 Alexandria city, Va.
 Fairfax city, Va.
 Falls Church city, Va.
 Arlington County, Va.
 Fairfax County, Va.
 Waterbury, Conn.:
 Litchfield County.
 New Haven County.
 Warsaw, Iowa:
 Black Hawk County.
 Wenatchee, Wash.:
 Chelan County.
 West Palm Beach, Fla.:
 Palm Beach County.
 Wheeling, W. Va.-Ohio:
 Marshall County, W. Va.
 Ohio County, W. Va.
 Belmont County, Ohio.
 Wichita, Kans.:
 Butler County.
 Sedgewick County.
 Wichita Falls, Tex.:
 Archer County.
 Wichita County.
 Wilkes-Barre-Hazleton, Pa.:
 Luzerne County.
 Wilmington, Del.-N.J.-Md.:
 New Castle County, Del.
 Salem County, N.J.
 Cecil County, Md.
 Wilmington, N.C.:
 New Hanover County.
 Winston-Salem, N.C.:
 Forsyth County.
 Worcester, Mass.:
 Worcester County.
 Yakima, Wash.:
 Yakima County.
 York, Pa.:
 Adams County.
 York County.
 Youngstown-Warren, Ohio:
 Mahoning County.
 Trumbull County.
 Yuma, Ariz.:
 Yuma County.

(b) The Department of the Treasury may lease building space and land incidental thereto for the use of the Comptroller of the Currency and provide for its operation, maintenance, and custody.

(c) The Tennessee Valley Authority may lease building space and land incidental thereto and provide for its operation, maintenance, and custody.

(d) The National Aeronautics and Space Administration may lease building space and land incidental thereto and provide for its operation, maintenance, and custody outside the District of Columbia.

(e) A Federal agency may lease space in buildings and land incidental thereto, for its use when:

(1) The space is located in any foreign country;

(2) The space is in buildings which are located on the grounds of any fort, camp, post, arsenal, Navy Yard, naval training station, airfield, proving ground, military supply depot, or school, or of any similar facility, of the Department of Defense, unless and to such extent as a permit for its use shall have been issued by the Secretary of Defense or his duly authorized representative;

(3) The space is acquired by the U.S. Postal Service for postal purposes.

§ 101-18.103 Agency cooperation.

The heads of executive agencies shall (a) cooperate with and assist the Administrator of General Services in carrying out his responsibilities respecting office buildings and space, (b) take measures to give GSA early notice of new or changing space requirements, (c) seek to economize in their requirements for space, and (d) review continuously their needs for space in and near the District of Columbia, taking into account the feasibility of decentralizing services or activities which can be carried on elsewhere without excessive costs or significant loss of efficiency.

§ 101-18.104 Delegation of leasing authority.

Subject to the limitations stated in § 101-18.105, agencies are hereby authorized to perform for themselves all functions with respect to acquisition of

SUBPART 101-18.1 ACQUISITION BY LEASE

101-18.104-1(c)(24)

space by lease in buildings and land incidental thereto when the following conditions are met:

(a) The space may be leased for no rental, or for a nominal consideration of \$1.00 per annum; or

(b) When authority has been requested by an executive agency and a specific delegation has been granted by the Administrator of General Services; or

(c) The space is found by the Administrator of General Services to be wholly or predominantly utilized for the special purposes of the agency to have custody thereof and is not generally suitable for the use of other agencies; including but not limited to hospitals, housing, laboratories, mints, manufacturing plants, and penal institutions. (The types of space listed in § 101-18.104-1 have been found to be wholly or predominantly utilized for the special purposes of the agency named and are not generally suitable for the uses of other agencies.); or

(d) Prior approval of GSA has been obtained before an agency initiates a leasing action which involves 2,500 or more square feet of special purpose space. The request for approval and a Standard Form 81 shall be filed with the GSA regional office having jurisdiction in the area of the proposed leasing action as shown in § 101-17.4801.

§ 101-18.104-1 List of special purpose space.

- (a) Department of Agriculture:
 - (1) Aircraft storage and repair shops.
 - (2) Fumigation areas.
- (3) Garage space held under service contract.
- (4) Greenhouses.
- (5) Land.
- (6) Miscellaneous storage by cubic foot or weight basis.
- (7) Office space when required to be located in or adjacent to stockyards.
- (8) Space for agricultural commodities stored in licensed warehouses and utilized under warehousing contracts.
- (9) Space utilized in cooperation with State and local governments or their instrumentalities where the cooperating State or local government occupies a portion of the space and pays a portion of the rent.

(10) Plant, bird, and animal quarantine facilities.

(11) Housing.

(12) Storage for pesticide materials and equipment.

(b) Department of Commerce:

(1) Maritime training stations.

(2) Radio stations.

(3) Laboratories for testing materials, classified or ordnance devices, and calibration of instruments.

(4) Weather bureau offices at airports.

(5) Docks, piers, and mooring facilities.

(6) Garage space held under service contract.

(7) Hangars used for airplane storage.

(8) Oil and gasoline storage.

(9) Shipbuilding materials storage.

(10) Stockpiling depots.

(11) Torpedo net depots.

(c) Department of Defense:

(1) Air Force—Civil Air Patrol Liaison Office when required for use incidental to, in conjunction with, and in close proximity to airports.

(2) Armories.

(3) Cold and freezer storage.

(4) Depot storage.

(5) Docks and piers.

(6) Film library in the vicinity of Washington, D.C.

(7) Filter centers.

(8) Garage space held under service contract.

(9) Hangars and other airport operating facilities.

(10) Hospitals.

(11) Hotels.

(12) Housing.

(13) Land (including aircraft and warning stations).

(14) Laundries.

(15) Leased buildings at Jackson, Mississippi, Air Force Base.

(16) Lumber storage.

(17) Mess halls.

(18) Mooring space.

(19) Oil and gasoline storage.

(20) Open storage.

(21) Ports of embarkation and debarkation.

(22) Post exchanges.

(23) Postal Concentration Center at Long Island City, New York.

(24) Recreation centers.

PART 101-18 ACQUISITION OF REAL PROPERTY

101-18.104-1(c)(25)

- (25) Reserve training space.
- (26) Schools.
- (27) Service clubs.
- (28) Testing laboratories.
- (29) Troop detachments.

(d) Home Loan Bank Board: Space for field offices of Examining Division required to be located within Federal Home Loan Bank buildings or immediately adjoining or adjacent to such buildings.

(e) Department of Housing and Urban Development: Space used for residential and related purposes.

(f) Department of Justice: U.S. Marshal's offices in Alaska and Border Patrol Offices similar in character and utilization to police stations involving the handling of prisoners, firearms, and motor vehicles, regardless of location.

(g) Tax Court of the United States: Present courtroom in Grand Central Terminal Building, New York, New York.

(h) Veterans Administration:

(1) Guidance and training centers located at schools and colleges.

(2) Space used for Veterans Administration hospitals and related purposes.

(i) Department of the Interior:

(1) Space in buildings and land incidental thereto used by field crews of the Bureau of Reclamation, Bureau of Land Management, and the Geological Survey for periods of less than 1 year in remote areas where no other Government agencies are quartered; and

(2) Garage space held under service contract used by the Geological Survey and the Bureau of Land Management.

(j) Department of Health, Education, and Welfare: Space used for hospitals, quarantine stations, and laboratories.

(k) Federal Communications Commission: Monitoring station sites.

(l) Department of Transportation:

(1) U.S. Coast Guard: Plots of land and pier sites, including closed storage space required in combination with piers and docking and mooring facilities; space for the oceanic unit at Woods Hole, Mass.; and space for port security activities; and

(2) Federal Aviation Administration: The Aeronautical Center at Oklahoma City, Oklahoma, air route traffic control centers, garage space held under service contracts, land at airports, and not more than 2,500 square feet of space at

airports that is used predominately as general purpose office space in buildings under the jurisdiction of public or private airport authorities.

§ 101-18.105 Limitations on the use of delegated authority.

(a) Agencies authorized by this Subpart 101-18.1 to perform functions with respect to acquiring space by lease may perform such functions only:

(1) When the utilization requirements of Part 101-17 have been met; and

(2) In accordance with the authorities in § 101-18.001, § 101-18.100, and applicable provisions of Chapters 1 and 101 of this title.

(b) Agencies may not exercise the long-term leasing authority contained in section 210(h) (1) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(h)(1)) in the performance of the functions delegated under this Subpart 101-18.1 without specific authorization from the Administrator of General Services.

(c) Agencies having a need for other than temporary parking accommodations in the urban centers listed in § 101-18.102, for Government-owned motor vehicles not regularly housed by GSA, shall ascertain the availability of Government-owned or -controlled parking from GSA in accordance with the procedures outlined in § 101-17.101-6 prior to instituting procurement action to acquire parking facilities or services.

§ 101-18.106 Contingent fees and related procedure.

The provisions of Subpart 1-1.5 of this title with respect to contingent fees and related procedure are hereby made applicable to all negotiated and advertised contracts for the acquisition of real property by lease. The covenant shall be appropriately adapted for use in leases of real property for Government use.

§ 101-18.107 Application of socioeconomic considerations.

(a) In acquiring space by lease, locations will be avoided which will work a hardship on employees because (1) there is a lack of adequate housing for low- and middle-income employees on a non-discriminatory basis within reasonable

SUBPART 101-18.1 ACQUISITION BY LEASE

101-18.107 (e)

proximity and (2) the location is not readily accessible from other areas of the urban center.

(b) Consideration of low- and moderate-income housing on a nondiscriminatory basis for employees and the need for development and redevelopment of areas for socioeconomic improvement will apply to the acquisition of space by lease where:

(1) 100 or more low- or moderate-income employees are expected to be employed in the space to be leased; and

(2) The lease involves residential relocation of a majority of the existing low- and moderate-income work force, a significant increase in their transportation or parking costs, travel time that exceeds 45 minutes to the new location, or a 20 percent increase in travel time if

travel time to the present facility already exceeds an average of 45 minutes; or

(3) GSA requests HUD review in lease actions of special importance not covered by (1) and (2).

(c) The Department of Housing and Urban Development is responsible for providing information concerning the availability of low- and moderate-income housing on a nondiscriminatory basis in areas where Federal facilities are to be located.

(d) The Department of Housing and Urban Development will be consulted concerning the availability, on a nondiscriminatory basis, of low- and moderate-income housing for those Federal employees who will work in the project area.

(e) Other socioeconomic considerations described in § 101-19.101 are also applicable to acquisition by lease.

(NEXT PAGE IS 1817)

PUBLIC BUILDINGS ACT OF 1979

FRIDAY, FEBRUARY 1, 1980

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, D.C.

The committee met at 10:13 a.m., pursuant to call, in room 4200, Dirksen Senate Office Building, Hon. Robert T. Stafford, presiding.

Present: Senators Stafford and Chafee.

Senator STAFFORD. The meeting will come to order. This is a continuation of hearings which began on Wednesday, on S. 2080, the Public Buildings Act of 1979.

This morning the committee is pleased to welcome our guests who are here to help us in our deliberations on this piece of legislation. We recognize that the bill before us is far from a perfect instrument and we can assure you that your testimony here will be appreciated and will help us in perfecting the bill before we mark it up and vote it out.

The Chair is advised that Mr. Daniel J. Mundy, legislative director, building and construction trades department, AFL-CIO, is here representing Mr. Georgine, the president of that portion of the union.

The Chair would invite Mr. Mundy to take the witness stand.

Mr. Mundy, we have a full text of testimony that I presume you will give for Mr. Georgine in front of us. The Chair would invite you to summarize it and have it placed in full in the record, but if you wish to read it, the Chair will be pleased to have you do that also.

STATEMENT OF DANIEL J. MUNDY, DIRECTOR, BUILDING AND CONSTRUCTION TRADES DEPARTMENTS, AFL-CIO, WASHINGTON, D.C.

Mr. MUNDY. Thank you, Mr. Chairman. We have summarized it. (Statement appears at p. 157.)

Mr. Chairman, my name is Daniel J. Mundy. I am legislative director for the building and construction trades department. I am accompanied by Terry Yellig, who is chief counsel for the building trades department of AFL-CIO.

Let me apologize for President Georgine. He phoned me early this morning from an airport from which he was unable to get out. He asked that I come down and testify for the department.

Mr. Chairman, we represent the building and construction trades department, which is composed of 15 affiliated national and international unions representing approximately 4 million building and construction trades workers who are located in most communities throughout the United States.

I am appearing today on behalf of these workers because they construct Federal buildings and, therefore, are vitally interested in the proposed Public Buildings Act of 1980. I want to express my appreciation to the committee for inviting me to testify this morning.

The building and construction trades department supports this bill because it represents the first major overhaul in 20 years of the Public Buildings Service of the General Services Administration. It will cause three significant changes in GSA's public building program.

This bill will require GSA to submit to Congress an annual plan for building construction and maintenance that conforms to specific guidelines established by Congress, thereby creating greater accountability for its actions. The bill will also require the establishment of a long-range building program with the object of placing no more than 20 percent of the Federal work force in office space which is leased from private owners.

The other 80 percent of the work force will be accommodated in Government-owned buildings. Finally, the bill provides a new approach to financing construction of Government-owned buildings which is to create a purchase contract program which will enable the GSA to finance building construction with funds borrowed from the Treasury and repaid over a term of years in the same manner, similar to the way individuals pay off home mortgages.

The Public Buildings Act of 1980 mandates a policy of building rather than leasing Government office space. This is not only good economics for the taxpayer but it also means many more jobs for construction workers. For this reason, the building and construction trades department strongly supports title VII of the bill, which will obligate GSA to construct enough Government-owned buildings to accommodate at least 60 percent of the Federal work force within 5 years and no less than 80 percent within 10 years.

The building and construction trades department also supports title VIII of the bill which requires GSA to submit an annual plan to Congress for the next succeeding fiscal year of projects and actions which GSA intends to undertake in order to comply with the duties and responsibilities created by the Public Buildings Act.

Among the considerations which GSA must include in its annual plan is a 5-year plan for accommodating the public building needs of the Government and a list, in priority order, of construction, renovation and acquisition projects proposed for authorization.

The net effect of titles VII and VIII will be the replacement of poor quality, privately owned office space for Federal employees with newly constructed and renovated high quality Government-owned office space which will be more economical for the taxpayer.

I would like to suggest, however, that the proposed Public Buildings Act of 1980 offers Congress an opportunity to accomplish other, equally desirable social and economic goals without adversely affecting the purpose and objectives already incorporated in the bill.

Through advance planning GSA could, through the building program mandated by the Public Buildings Act, substantially influence the stability of the construction industry.

The construction work force is characterized by a high ratio of skilled to unskilled workers; identification with a craft or trade as

opposed to an employer; frequent and intermittent unemployment; and, for the most part, a high degree of specialization.

Traditionally, construction unemployment averages about double the national average for all industry.

The large size of public construction spending makes it a potentially stabilizing influence in an industry characterized by strong cyclical and seasonal spending and employment patterns. An active policy to direct public construction spending in a countercyclical and counterseasonal pattern would have a positive effect on inflationary pressures within the economy, would reduce income maintenance, and transfer payments, and should improve technology use and productivity in the construction industry.

In recent years, it has been clear that cyclical swings in construction have been aggravated by the industry's close dependence on Government policies. Since the public sector is a major buyer of construction and a source of credit, Government budget decisions have had a significant impact on the industry.

The Federal Government should be aware that, in addition to increases in the efficiency of utilization of manpower and other resources and more secure incomes for those in the industry, greater construction cyclical stability can have other beneficial effects. Stability can make a positive contribution to the attainment of national economic objectives, because of the size of the construction industry and its direct links with other parts of the economy.

These benefits, although not easily measured, should be considered when the costs of achieving greater construction stability are assessed.

Accordingly, the Federal Government should endeavor to achieve the greatest possible cyclical stability in the construction industry. For example, a study was recently completed by the Tennessee Valley Authority for the Department of Labor.

The TVA-DOL study, called "Social Costs of Instability in Construction: A Preliminary Report," indicates that savings of \$5.7 billion a year could be achieved by stabilizing employment in the construction industry. The study cites six areas in which substantial savings could be made; labor, capital, unemployment insurance, workmen's compensation, training, and materials and supplies.

The study recognizes that hourly rates of pay in the construction industry are high partly because workers must be compensated for the frequent layoffs which occur in the industry. Even though the hourly rates are high, annual earnings of construction workers are not much different than those in manufacturing. This is because construction workers are employed an average of only 1,400 hours per year as compared to the traditional 2,000 hours.

The study also concluded that other potential annual savings would be realized from stabilizing employment in the construction industry including \$562 million through reduced costs for unemployment benefits paid to construction workers. Another \$176 million could be saved in lower depreciation charges for invested capital because of more intensive use of construction equipment, materials, and other capital items.

The study also estimates that \$281 million can be saved by reducing inventory carrying costs by firms which provide supplies to the construction industry.

The elimination of dramatic fluctuations in employment levels will contribute to fewer on-the-job accidents because contractors will no longer be forced to hire inexperienced workers during peak workload periods who are more likely to be hurt. The TVA-DOL study indicates that cost savings of \$570 million per year could result from fewer on-the-job accidents.

Finally, more steady employment would save approximately \$208 million in apprenticeship costs because apprentices will be able to complete their training more quickly and fewer will become discouraged by the intermittent employment cycle and drop out.

The committee should be aware that the Department of Labor is already involved in a major effort to encourage users, particularly Government agencies, to spread contract awards more evenly throughout the year to help stabilize construction employment.

The major vehicles through which this is being done are the Department of Labor's construction labor demand system and local labor-management-government construction coordinating committees such as those already operational in Chicago, Kansas City, San Francisco, and Denver and soon in Boston.

Each coordinating committee produces a bid calendar listing planned public construction in its geographical area. The establishment of bid calendars provides the local construction industry with a means of anticipating variations in construction activity over the period of 1 year and even longer time periods.

The bid calendar can help both public and private sector construction users to plan work to avoid months of peak activity. The calendar serves organized labor to better anticipate upcoming workloads and demands on apprentice and other training programs.

In Chicago, where the first construction coordinating committee was established as a pilot program, construction awards during the first quarter of 1978 were at their highest level ever, with awards running 50 percent higher than in previous years. Traditionally, first quarter construction spending has been at the bottom of the seasonal spending curve with a high proportion of labor and equipment idle.

The bid calendar also enables public agencies to award construction contracts as a countercyclical tool to provide employment opportunities during periods of high unemployment and avoid creating greater inflationary pressures in times of low unemployment.

So far, the Department of Labor's program has been based on voluntary cooperation by labor, management, and Government agencies which fund public construction. In order to achieve the greatest possible cyclical stability in construction, the Federal Government must take the lead in developing an explicit stabilization strategy which is carried out on the basis of published medium- and long-term programs.

These programs should be regularly reviewed, and if necessary, modified to meet particular circumstances and changing requirements. At the very minimum, every effort should be made to maintain a basically even flow of public construction work on the basis of the established and published programs.

The strategy which I propose is also aimed at planning and constructing public works so that they can be awarded when private

construction activity declines and withheld when private activity expands.

Title VIII of the bill obligates GSA to submit a plan to Congress each year which describes how GSA proposes to comply with the various requirements created in the remainder of the bill. This annual report is an ideal vehicle in which to create a mandatory obligation upon GSA to develop a construction stabilization strategy which can be reviewed by Congress to insure that it is being pursued.

Of course, adoption of such a strategy for the construction of Government-owned buildings will not, by itself, create the dramatic savings estimated in the TVA-DOL study, because those figures are based on stabilization of the entire construction industry, of which construction of Government-owned buildings is a small part.

Nevertheless, Congress has the opportunity to break new ground and set an example for the rest of the industry. Perhaps after the benefits of stabilization of construction activity are demonstrated, it will be extended to all federally financed construction work. The point is that this is an idea whose time is long overdue. Most of the industrialized nations have already adopted policies regarding public works which include:

1. Earmarking of a certain percentage of public works to be done in winter;
2. Providing subsidies to local government bodies as an offset against extra costs of winter work;
3. Concentrating maintenance and repair of public works during the winter season;
4. Having available current and comprehensive plans for public works for use in times of recession as well as in winter season; and
5. Coordinating with unemployment insurance systems by using savings from unemployment insurance.

For all of these reasons, I strongly urge this committee to report a Public Buildings Act of 1980 to the floor of the Senate which incorporates the concept of a countercyclical, counterseasonal construction strategy as a mandatory policy which the General Services Administration and other Federal agencies must adopt.

Thank you very much, Mr. Chairman.

Senator STAFFORD. Thank you very much, Mr. Mundy, for your statement and your assistance to this committee.

You state that building construction can be used as a countercyclical measure. Would you also support repair and alteration work as a countercyclical measure? The 1981 budget has \$180 million for repairs but only \$37.5 million for construction. I am referring to the administration's budget here.

Mr. MUNDY. Mr. Chairman, I think the maintenance and repair is even more adaptable as a countercyclical tool. The very nature of it, it is easier to do it. Yes, we do.

Senator STAFFORD. Thank you very much. We have no other questions at this time. If some occur to us in the near term future, we will send them to you and ask for your timely response, if that is agreeable.

The Chair would now invite Mr. Rolland M. Wilkening, president, Barton-Malow Co., Detroit, Mich., on behalf of the Associated General Contractors of America. You have two associates, Mr. Wilkening. If I am murdering your name, let me know.

MR. WILKENING. You are doing an excellent job. I have Campbell Reed and Tom Root. I would like to take the opportunity of reading my report at this time.

Senator STAFFORD. Certainly.

STATEMENT OF ROLLAND M. WILKENING, PRESIDENT, BARTON-MALOW CO., DETROIT, MICH., ON BEHALF OF THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA, ACCOMPANIED BY CAMPBELL L. REED AND THOMAS L. ROOT

MR. WILKENING. Mr. Chairman, I am Rolland M. Wilkening, president of Barton-Malow Co., Detroit, Mich., and chairman of the building division of the Associated General Contractors of America, Inc. I said previously I am accompanied by Campbell Reed and Thomas Root of the Washington staff of AGC. We are here on behalf of that association.

AGC consists of more than 30,000 members, firms including 8,000 of America's leading general contracting firms responsible for the employment of 3½ million employees. We have 113 chapters nationwide and more than 80 percent of America's contract construction on commercial buildings, highways, industrial municipal and utility facilities.

AGC favors S. 2080, the Public Buildings Act of 1979. The bill's speedy enactment will enable a languishing Public Building Service—shackled by a "moratorium" on new construction imposed by this committee—to get moving on providing decent, economical office space for Federal workers.

It may seem self-serving to support legislation which mandates the construction of large amounts of new office space, but I assure you that the needs of Government workers for office space, whether provided by GSA or by private developers, will be met. The contractors of America, both AGC members and nonmembers, will build the necessary space within the next several years whether this legislation is enacted or not.

Contractors, however, are also taxpayers. We are taxpayers who have seen the type of poorly designed structures built of flimsy material which the Government rents in many cases. We know that we would not ourselves wish to have our office employees attempt to work effectively in uncomfortable office space located in inconvenient places, and we are unhappy to see that civil servants, all of whom are employees of the taxpayer, work inefficiently and poorly because of their work environment.

As the contractors who construct the office space which the Government must rent, we have control over the quality of the workmanship, but no control over the design, the specified materials, or the property on which the structure is to be located.

The provisions of S. 2080 will by and large provide the design and location guidance to insure that further Federal buildings are convenient to workers and citizens who must visit, as well as comfortable, well built and esthetically pleasing.

The best reason for enacting this legislation is that to do so will curb Government spending. At first blush, invocation of this overused phrase must sound inconsistent with a program which will cost the Government several billion dollars if properly financed.

The GAO has shown that a Federal building pays for itself in 14 years, leaving funds after that time for new buildings. Fourteen years of leasing cost as much as a building which will last much longer. But 14 years of leasing leaves the Government with 14 years' accumulation of rent stubs.

Senator Moynihan has said that the Federal Government will be paying \$1 billion per year for leased space in as little as 3 years from now. If the Government instead has the wherewithal to construct buildings of its own, it will spend more in the short run, much more, but the money spent won't be an expense, it will be an investment in a long-term capital asset.

In analyzing this bill, a thoughtful reader must ask why leasing has become such a popular method of acquiring space in the past several years. The record shows that in the past 14 years, leased space used by the Federal Government has increased almost 100 percent, with no real increase at all in Government-owned buildings.

The answer to leasing's popularity is a simple one—in a Federal budget which does not distinguish between capital expenditures and pure expenses, leasing is the way to most visibly produce results with a given budget. Judging from the GAO report, building costs at least 12 to 14 times what leasing costs initially.

Yet the budget conveys the impression that money once spent becomes assets which are entirely depleted by the end of the year. GSA cannot tell the budget makers that \$1 billion spent for construction should be carried on the books as an asset, because the budget does not reflect the government's capital assets. Everything is an expense.

If GSA spends \$1 billion on leasing in a year, at the end of the year, it can report to Congress that it leased millions of square feet of office space, a very conspicuous result. If, however, it spends the \$1 billion for construction, it will build only a fraction of the space it could have leased, a result not nearly as conspicuous.

But the space it builds is more enduring, a capital asset which will last the Government for many years beyond payoff. Nevertheless, the budget never recognizes that the money GSA placed in construction is still an asset of the Government. Thus, GSA has no compelling incentive to build rather than lease, and I fear that this bill alone will not provide such an incentive.

This bill should not be enacted without a decisive step to insure that large amounts of money necessary to acquire these capital assets are available.

What is needed is a separate capital fund established by Congress, completely apart from the moneys with which the Public Building Service acquired leased space and maintain existing buildings. When \$10 million are spent on a Federal office building, the fund should show such accounting that the money spent does not disappear as an expense, but rather becomes a fixed capital asset, depreciated over its long life.

No doubt the projects which will be necessary will require Federal funds at a time when pressure is on Congress and the executive branch to balance the budget. But you have already seen how leasing office space on a widespread basis is a practice which provides only a short-term illusion of fiscal wisdom, and provides that only because of a budget process which ignores the use of money to bring into existence long-term capital assets.

If this bill is to become a paper tiger without the budget support needed to enable PBS to achieve the bill's objectives, then it ought not be passed at all.

Let me comment on several specific sections of the act:

First, title VI establishes procedures for selection of architectural services. For the most part, AGC support any reasonable procedure which will result in the selection of qualified architects and engineers. Our only caution is that procedures do not become so involved that undue delay in preparation of design results.

As of December 1979, construction costs were rising at almost 12 percent per year. This means that a 60-day competition prior to design increases the construction costs of a building by 2 percent. Of course, a reasonable, efficient means of selecting architects is necessary. It is important that this committee keep in mind, however, the cost of construction resulting from inflationary pressures.

It appears that with the procedures established for appropriations, based on 5-year plans rather than on a project-by-project basis, the Administrator will have considerable flexibility in utilizing "fast-tracking" building construction. Fast-tracking is a method of planning and executing construction phases, so that one phase can begin before subsequent phases are planned.

Thus, prior to design, funds may be appropriated for clearing and excavation of the building site. The fast-tracking technique, developed as a result of frustration over existing means of authorizing and funding public building construction, might yield significant savings under the more efficient authorization and funding system established by S. 2080.

AGC also suggests that the procedure for treating cost increases in section 803 is a flexible and reasonable improvement over the current rigid limitations imposed on PBS.

Before concluding my testimony, I want to briefly mention several Federal programs which, AGC believes, add needlessly to the cost of construction paid for with taxpayers' dollars. Most oppressive to the taxpayers are the requirements of the Davis-Bacon Act, which mandate that all workers be paid at the wage rate "prevailing" in the area.

The major difficulty with this law is the unreasonable position the Department of Labor takes in determining, in many cases, that union rates are prevailing, even when those rates are paid to as few as 30 percent of the entire construction workforce in the area. Inasmuch as contractors must all pay the prevailing rate on projects for GSA, the costs "flow through" to the taxpayer. As contractors, our complaints are not nearly as great as our complaints as taxpayers at the artificially high pay workers make on Federal jobs.

Likewise, the "quotas" set for work subcontracted to minority business enterprises and women-owned business enterprises inflate the price of a project. Contractors do not refrain from awarding subcontract work to minority or women-owned firms; they refrain from awarding subcontract work to firms which bid too high.

AGC supports efforts to bring minority-owned and women-owned firms into the construction industry. A more effective and less costly means of accomplishing the goal would be to channel funds into training and business assistance to make these businesses competitive rather than to permit them to survive regardless of their competitiveness.

When contractors on a job are required to award to minority or women-owned subcontractors regardless of those firms' bids, the public pays more.

These costly programs are some of which the committee should be aware. The problems they cause should not, however, be seen to tarnish the excellent step toward economical, quality construction of Government office space which S. 2080 will affect.

The committee should quickly act to see that this bill is favorably considered by the Senate.

Thank you.

Senator STAFFORD. Thank you very much, Mr. Wilkening.

Would you please explain to the committee how negotiations for Federal construction differ from competitive bidding?

Mr. WILKENING. I think the one problem I think we have as contractors, the bureaucracy of the Federal paperwork, in many cases, if I can be so blunt, turns a contractor off. I think in some areas throughout the United States, there has literally been a refusal for some contractors to bid Federal funded projects because of the extensive amount of paperwork that goes along with it, as compared to the private sector where much of this is eliminated.

I think the whole problem of the bureaucracy of Government has a great deal to do perhaps even with the competitiveness of a job. There is a certain amount of money that we as a general contractor will put into a job if it is for a certain agency as compared to billing it within the automotive industry that we are so much accustomed to.

Senator STAFFORD. Do the additions of handicapped features, architectural detailing extras and other environmental sensitivities in S. 2080 pose additional problems for the contractor?

Mr. WILKENING. The various design aspects as far as for the handicapped do not propose a problem. It is a matter of incorporating them into the design initially. We have encountered certain difficulties as it does relate, I think in most cases, to the environmentalists, there are problems that could relate on a site.

These will vary from site to site. They are usually overcome without a great deal of difficulty.

Senator STAFFORD. Do you believe that it is more cost efficient for GSA to do in-house construction management as opposed to contracting for such management? Let me say, sir—

Mr. WILKENING. I am not really sure I understand what GSA's in-house construction management consists of.

Senator STAFFORD. Might I suggest, if any question I ask, you prefer to answer in writing, we would be glad to have it done in that way, if I take you unawares here.

I will reserve the right of other members of the committee who are not able to be here this morning. Two or three have succumbed to the flu that seems to be running around, that they may wish to submit questions in writing.

Mr. WILKENING. We will be very receptive to anything the committee might have.

Senator STAFFORD. On behalf of those who were not able to be here and myself, I appreciate very much your assisting us in our working to get this bill properly put together and out to the Senate. Thank you very much.

Mr. WILKENING. Thank you, Senator.

Senator STAFFORD. The Chair would invite Mr. Randall Vosbeck, President-elect of the American Institute of Architects and any associates with you, sir, who would care to come to the witness table. We have your written statement, Mr. Vosbeck, and the Chair will invite you to either summarize it while placing it in the committee record, or to read it, whichever you prefer.

Mr. VOSBECK. We will abbreviate it, Senator Stafford.

(Statement appears at p. 169.)

Senator STAFFORD. Being a New Englander, you can understand I always appreciate that.

**STATEMENT OF R. RANDALL VOSBECK, FAIA FOR THE COMMITTEE
ON FEDERAL PROCUREMENT OF ARCHITECTURAL/ENGINEER-
ING SERVICES, AMERICAN INSTITUTE OF ARCHITECTS**

Mr. VOSBECK. Mr. Chairman, my name is Randall Vosbeck. I am a practicing architect in Virginia and president-elect of the American Institute of Architects. My testimony today, however, is on behalf of the Committee on Federal Procurement of Architectural and Engineering Services, a committee representing the views of: American Consulting Engineers Council, the American Institute of Architects, American Society of Civil Engineers, National Society of Professional Engineers, and American Road and Transportation Builders Association—the Engineering Division.

We call our group COFPAES and the COFPAES member societies represent the vast majority of America's architects and engineers. With me today is Mr. David Lillard, an engineer from Missouri and COFPAES chairman, on my immediate right; Mr. Cranston Rogers, an engineer from Massachusetts representing the American Society of Civil Engineers; Mr. Saunnie Lee, an engineer from Kentucky and president of the National Society of Professional Engineers; and Henry Michel, an engineer from New York, representing the American Consulting Engineers Council.

At the outset, we wish to compliment the sponsors of S. 2080 for putting forth so comprehensive a plan for revamping our Nation's public buildings program. We believe much of S. 2080 is very constructive both in terms of bringing order to the public building process and enhancing the architectural quality of Federal buildings.

S. 2080 is clearly an important bill which we hope will be a positive influence on the Federal public building program. The impact of the legislation may extend beyond GSA. Indeed, insofar as architectural and engineering procurement is concerned, we see implications for other agencies as well.

In our testimony today we offer suggestions which will strengthen this proposal and assure a more responsible and efficient public buildings policy.

Although we conceptually support S. 2080, we have some serious concern about several sections. We hope our criticisms are considered in a constructive spirit in which we offer them.

Senator STAFFORD. They will be.

Mr. VOSBECK. Section 602 is the section that requires GSA to use design competitions to select private architects for its buildings for buildings expected to cost between \$2.5 million and \$25 million.

The architectural and engineering professions we represent wish to voice our opposition to design competitions unless they are for unique projects of unusual significance. We oppose this section because we know as design professionals that the well-motivated intentions of the sponsors will not be fulfilled.

Enactment of this section will work to the detriment of small firms competing for Federal commissions. More importantly, the expense and time involved in such competitions will be exorbitant. The best buildings can only result in complete involvement of the client in the exchange of ideas between user, the architect and engineer, community involvement, and review boards. In short, the true design process.

To prescribe that any project between \$2.5 million and \$25 million shall use a design competition process is absolutely ludicrous. For example, to require that a \$10 million monument or a \$26 million Federal courthouse in a historic neighborhood should not use a design competition just doesn't make sense. I want you to know the AIA has a longstanding background in design competitions. We have a competition code; we have helped and assisted owners wanting to use competitions and have distributed widely our competition guidelines.

Currently, we are working with the National Endowment for the Arts in creating a Competition Advisory Service.

Congress passed the Architect/Engineer Selection Act, Public Law 92-582, in October 1972. This law established the present method for employing architects and engineers for Federal projects. During the debate on Public Law 92-582 the supporters, some of whom sit on this committee, made provision for design competitions where the additional time, expense and unique nature of the project justified their use.

COFPAES fully supports the General Services Administration's current selection process as embodying the best interests of the Federal Government and the architectural design process. This process was designed to encourage competition among design professionals and to eliminate favoritism from the selection process. The GSA process works well and should not be undercut without ample justification.

We would like to pass on some of our other concerns about design competitions. Design competitions tend to overemphasize the cosmetics of design and a dramatic exterior character and certainly do not allow the important interaction between the architect and the client.

The design process of client and community involvement that we strongly advocate is dramatically minimized or may be even eliminated with the design competition method. As we all know, time means money in the design and construction process. Construction costs have been escalating at a rate of about 10 to 12 percent a year over the past few years.

The design competition process absolutely does require more time a luxury we cannot often afford. Additionally, the tendency of competing firms to exceed the allowances in design competition is prevalent—prevalent not primarily due to an intense desire to obtain the full contract and also due to the professional pride that the architect and engi-

neers have wherein a firm wants its proposal to be best for reasons of competitive prestige, as well as a contract award.

In a recent report on design competition concept, GSA gave a critical review. Citing a typical experience that they had just had on a competition, the report says:

The total fee paid out by the GSA totaled \$138,000 between the three participating A/E firms. The expenditures made by the A/E group were approximately double the amount of the fee that each received. The extended time period presently required for Level Three necessitates increased administrative costs on the part of GSA as well.

The total cost of any design competition may well exceed the actual cost of the resulting A/E contract, taking into account the total costs to the A/E firms and the Government for carrying out the design competition. Or, stated another way, the A/E costs for any project with design competition will be much greater than one would normally anticipate with a conventional selection process with no proof that the design will be better or the firm selected more qualified than the one chosen through a normal process.

Once a building design is selected, many building costs are practically predetermined. Additionally, there are extra costs to both Government and participating firms emanating from the nature of the competition process. When a building layout, size, shape, location on the site, glass areas, exterior materials, and wall systems are selected by a design competition rather than a thorough evaluation of all these considerations, construction costs become almost impossible to control. Competitions have their place—projects of a unique nature or projects of national significance—where the expense, time or completion and life cycle costs are not controlling. However, we feel that design competition should not be used for most Federal projects.

For the above reasons, we cannot support section 602. Instead, we reiterate our support for Public Law 92-582. We question the need for a new law to authorize design competitions. The very fact that competitions are already held from time to time indicates that such authority already exists.

Section 601 requires the use of in-house GSA staff to design at least 25 percent of the construction and renovation projects per year.

From remarks of S. 2080 sponsors, it is apparent that this section is designed to attract talented young design professionals to Government service and to improve overall design quality. In our opinion, this intent will not be realized. Design vitality comes from the private sector. It is here that new concepts are developed and perfected.

It is the private sector where young architects and engineers receive their training and gain experience. To put the Government in the role as mentor for young design professionals ignores the reality. The most experienced design professionals are in private practice. It is unrealistic to assume that the Government service would be attractive.

Lacking the ability to attract top design talent there will be little incentive for young architects and engineers to join Government service. Furthermore, as existing State licensing laws are written, Government service does not always count toward registration and, consequently, this discourages talented new graduates from seeking Government employment.

I might add that right now the Office of Professional Management rarely uses the title of architect and their regulations do not respond at all to the requirement for licensing or registration of an architect.

As a professional and as a professional group, we urge you not to mandate a mixed percentage of in-house design. We are firmly committed to the employment of highly motivated design professionals within the Federal Government. However, these architects and engineers should be utilized to work in concert with outside professionals to insure the complete evolution of a project.

In-house staff helps the client [the Government] obtain the utmost from private A/E's. Together, they implement a high standard of design. Design professionals from both sectors, the private sector and Government sector, must enter into a collaborative relationship to insure that an efficient and cost-effective design process evolves, thus fostering excellence in Federal architecture.

It is imperative for a strong economy that the Government rely upon the private sector. The creation of massive design production operations have a proven record of expense and inefficiency, in addition to taking away jobs from our outside professionals. We do not support the creation of another costly bureaucracy. The role of the private A/E firm is inherent to our basic democratic society and the client/architect/engineer relationship is paramount to the evolutionary process of distinguished and cost-effective Federal architecture.

We set forth some of our concerns and now let us affirm our support for certain sections.

Section 102—the Public Buildings Service of GSA should be established by statute, and its head should be appointed by the President with the essential advice and consent of the Senate, preferably to a term which would minimize political influence. We would suggest a 6-year appointment.

Section 103 establishes the position of Supervising Architect to oversee design activities of the PBS. We favor the reestablishment of the position of "Supervising Architect," as long as the individual is a licensed-registered professional architect.

The title, of course, is not all that important, but the qualification of a registered professional is.

Section 109 encourages GSA to undertake research and evaluation to improve public buildings and offices. We have always encouraged the GSA to undertake research and evaluation so as to improve its public buildings and offices. Once again we offer our facilities and expertise to assist with seminars and educational programs for Federal officials charged with architectural selection and the implementation of construction programs.

Section 301 is a statement of principles of architectural excellence for public buildings. Having played so crucial a role in their formation under President Kennedy in 1962, Senator Moynihan has once again reminded us of the need for guiding principles for Federal architecture.

COFPAES wishes to amplify the need to "design and maintain public buildings in such a manner that they bear visual testimony to the dignity, enterprise, vigor, and stability of the American Government . . ."

Perhaps at no other time in our history is the need as great to imbue to not only our Nation but to the world just what our Government stands for. Freedom, opportunity, compassion and commitment can be transmitted through words, but we believe our architecture also speaks our culture, traditions, desires, and dreams.

In short, architecture reflects the mentality and morality of a Nation. It should come as no surprise that American architects and engineers are forever challenging and promoting new concepts. Open, free, hopeful designs often clash with, for example, our Soviet counterparts who all too often design closed, dark, fortress-like edifices which demonstrate little freedom and even less hope.

Having served on an American/Russian architectural exchange program, I have firsthand experience with the Soviet way of architectural life. In fact, the Soviets, as we all know, design totally through in-house staff, which probably accounts for the dull sameness of their edifices, and emulates their closed, inhibited society.

Sections 302 through 306. We commend the intent of these sections. The call for attention to suitable scale, local zoning conformance, energy-saving features, barrier-free design and accessibility for the handicapped are indeed admirable.

It is our hope, however, that in setting these standards the committee does not intend to set up prescriptive design standards that will stifle innovation, but instead adheres to the spirit of section 304(c) and "reflects regional architectural traditions * * *"

Sections 701-702 limit leasing to emergency situations or where Federal needs do not warrant a building.

We support a curtailment of the Federal leasing program. While architects and engineers design the buildings, whether leased or owned by the Federal Government, we think the trend toward leasing should be reversed. Based upon statistics developed by S. 2080 sponsors, it is clear that the Government has moved from primarily owner to primarily renter status.

Over the long term, economics of ownership outweigh the temporary benefits of leasing. From a design standpoint, leased buildings are often developed on a speculative basis with less concern for quality design and economical life cycle cost than would be the case if the Government were the owner. We think public buildings ought to project both the presence and vitality of the Government. Ownership would foster this while leasing does not.

We have today articulated our concerns and support. It is our hope that this bill, reported for consideration, will reflect our concerns. We respect the goals of S. 2080 sponsors to improve the GSA public building program to more equitably and profitably use Federal workspace and to return design excellence and imagination to Federal architecture.

Success will by no means be easy, but we believe enactment of S. 2080 in a modified form will hold considerable promise.

We thank you and we are open for any questions you may have.

Senator STAFFORD. Thank you very much, Mr. Vosbeck. We appreciate your testimony and we accept the criticism of parts of the bill in the spirit in which it is given. We recognize our bill is far from perfect. If we were going to try to put it through the Congress without changing it, we wouldn't have these hearings.

I do have a couple of questions for Senator Moynihan, who is ill this morning and, therefore, not with us. The first one is this: You say that "it is unrealistic to assume that Government service would be attractive to top design talent." Do you see no way that Government service can be made to attract good designers?

Mr. VOSBECK. Certainly there probably are ways where good designers could be more attracted to service than they are now. However, I think in the long run that most talented designers will be more comfortable in the private marketplace.

I would think that it would be much more appropriate to maintain the role of the talented Government designers in a challenging role for the private professional rather than doing the actual design work. You need both. We need top talent in Government service but not to take the place of private design sector.

I would ask if any of my engineering counterparts have any further comment on that question?

Senator STAFFORD. The Chair would welcome any additional comment.

Mr. LEE. I would like to concur in that statement. I think from the engineering sector, our organization represents the broad spectrum of engineering talent throughout the country. Traditionally, there has come, I think, from the private sector, the designs that have been outstanding in this country being in private practice also and having served in Government, I have been on both sides of the fence in that regard.

My personal experience, though I had in-house talent when a design was necessary that was important for the future of that agency, we did utilize the talents of the private practitioners in serving that need. While commenting, I would just reiterate the support of NSPE for this statement and the importance of a strong bill but we would encourage modification as we have encouraged here.

Senator STAFFORD. The second question for Senator Moynihan: Are you saying, Mr. Vosbeck, that design professionals currently in the Government, many of whom belong to your organizations, are not talented enough to be able to carry out high quality projects?

Mr. VOSBECK. No, sir, I am not inferring that or saying that. We have, I think, as I have already said, many top design and highly qualified professionals in Government service and we encourage that. Certainly, there is a need to even further improve the quality level of the architects and engineers in the Government sector and to give them more credibility, but I think the thing that I will repeat, the thing that is so important is to have this top quality professional in the Government service to be the client's representative.

We need top people as the client's representative. If the client and designer become the same, I think is where we are going to run into problems and minimize outstanding design.

Senator STAFFORD. Anyone else wish to comment?

Mr. LILLARD. I am Dave Lillard, chairman of COFPAES. Our position is, I think, that it is best when Government uses the vast resources of the private sector the in-house capability is somewhat in conflict where the client and the designer are one in the same.

But if the client can encourage through competition of engineers and architects throughout the country who are daily in the market-

place offering services, dealing with new materials, new techniques, and new procedures that it seems to us that there is a much greater resource available than would be in in-house staff.

Senator STAFFORD. Thank you.

Mr. VOSBECK. Senator Stafford, one other comment on that and I don't want to belabor it. In the 1960's, the State of California tried to perform architectural engineering services with an in-house staff and it lasted for 5 to 8 years. It just did not work.

They had to staff up for the peak periods and they maintained that high level of staff and they even started competing for work outside of the State of California. It got so unmanageable that they did away with it in the late sixties.

Senator STAFFORD. Thank you very much.

Mr. LILLARD. When you compare the cost of providing sector, usually the Government costs ignore the true overhead cost of providing that stand. So in the long run, you are providing A. & E. services in the private sector at a less cost than you would if you had that same staff employed in the Government sector because usually the overhead cost ignore the cost of facilities and administrative staff to carry those personnel and the tendency for the Government sector is to continue the high peak, as Randy mentioned, of the staff needed for the peak use of that staff, whereas private A. & E. services are only engaged for a specific project and are discharged and are no longer in the employ of the Government.

Senator STAFFORD. Senator Chafee is here. He and I have both been trying to be in three different places at once this morning. I am going to one of the other places I should have been and Senator Chafee is going to take over here for me for the rest of the hearing.

Thank you very much.

Senator CHAFEE [presiding]. Thank you, Mr. Chairman.

Mr. Vosbeck, let me say I read your testimony and I agree with it, oddly enough. I think you have some good points. Let me just say, this is a difficult area, as you know. Senator Stafford and I were both former Governors and so we know selecting architects is a very objective procedure.

Frankly, on the State level, all too frequently it becomes involved in who contributed, and then you work from that list. At least some do. I don't want to get into my particular situation. So it seems to me we are going to have that worry when we go to this noncompetitive situation that you outline.

I think what you say makes sense. I think the points you make about the extra costs, the slowing things down, I think if you are going to build a national capitol or if you are going to build some very significant monument, then I think it is right to have some competition. But if you are going to build a Federal courthouse, I don't think there should be a competition.

Again, there is this worry, and I assume you are willing to accept it that, one, it can be politicized, no question about it. The second worry is that to be safe, the selecting authority goes with the big firms—whoever it is, architects collaborative.

You mention in your testimony that the chances for the young architects are greater under this competition. I think knowing the way the Federal Government works, don't take a chance, don't risk

anything. Somebody might be critical. You select some young fellow who doesn't have the experience, doesn't have the in-house capability when he gets the job so thus you are open to criticism. Isn't this a locking in of the big firms?

Mr. VOSBECK. You raise some very good points, Senator. Let me respond as best I can. First of all, the political influence on A. & E. selection for Federal work we feel is nonexistent under the new Public Law 92-582, the so-called Brooks bill that is currently in effect.

It is an outstanding piece of legislation that prescribes specifically how the A. & E. firms are selected on a competitive selection process, and since the enactment of that bill in 1972, I think there has been dramatic improvements and great strides in opening it up to firms of all sizes.

The small firms do have a chance and certainly it is more difficult for the smaller firms. I might add from the AIA standpoint, the bulk of our memberships are firms of one to 15 people in the firm. We are primarily a small firm organization. So we are very concerned about making sure the opportunities for the small minority firms are upheld.

But my concern is on a design competition system, and what we reiterated in our statement that the small firms will not be able to take the gamble—

Senator CHAFFEE. Let's set that aside. You have won that point. Now, let's go to the alternative. I am a bureaucrat; I have been given the responsibility of building a new courthouse in Kentucky, Louisville. What am I going to do? I am going to play it safe, aren't I? I am going to go to the biggest, probably the best known architectural firm in Kentucky, or certainly in Louisville. I am not subject to any criticism. I am not going to go to the one-man firm. First of all, I say he doesn't have the capacity.

Second, he never built a courthouse before. How many people have? This big firm has a long history, they have been in business for 75 years, they bring in all the pictures of the courthouses they designed.

So you go with them. What does that do to the little fellow?

Mr. VOSBECK. The current process for that selection, and I am sure you are well aware of it, you would first of all submit your credentials. The small firm oftentimes on a courthouse will joint venture with a larger firm or the large firm will go out and obtain a smaller firm that might have a particular talent in a design area.

I think the more complex the job, what you say is true, the more likely the selecting board will go to the experienced firm. However, we have noticed lately that GSA, for example, is putting in their advertisement of a project that this project will be limited to firms under a number of people, or this project will be limited to firms within a certain geographic area.

So I think that GSA in particular is becoming very sensitive to the involvement of smaller minority firms. When they see a project—

Senator CHAFFEE. You say small or minority firms, what does that mean, minority?

Mr. VOSBECK. Minority firms I think means firms that are controlled—whose ownership are controlled by blacks or other minority groups.

Senator CHAFFEE. You are using the term in that respect?

Mr. VOSBECK. Yes. Oftentimes, as I say—when they see a project that a small firm can handle, they will exclude a large firm from even submitting their credentials on it.

Mr. LEE. I am Sammie Lee. By coincidence, I happen to be from private practice from Louisville, Ky.

Senator CHAFEE. Don't get worked up over that courthouse.

Mr. LEE. I think your example was a perfect one, by coincidence. The Federal building that was built there some years ago was designed by a group of local architects who neither one of the several firms had total strength to do it so they put together a joint venture which was most successful.

I think the Brooks law selection process is excellent for this type of work. It has proven successful. I commend you for considering that type of approach, rather than getting into an area of unknown for the large number of projects where the design competition really would not be, in our judgment, the best solution.

Senator CHAFEE. There is a sentence in your statement I don't understand. The last paragraph on page 2: "to acquire a \$10 million monument or a \$26 million Federal courthouse in a historic neighborhood should not use the competition process just doesn't make sense."

That sentence doesn't make sense. Is there a word left out, not that your testimony rises and falls on this.

Mr. LEE. It should be \$1 million, first of all. To acquire that a \$1 million monument or a \$26 million Federal courthouse in a historic neighborhood—that they cannot use a design competition process just doesn't make sense. In other words, this collar—

Senator CHAFEE. Frankly, I was at the testimony Wednesday and they all said don't be so specific in these amounts you put in there. Also, I think your point about building up this in-house architectural capability, I am sort of skeptical about that. We also have testimony that it is less expensive, but of course they don't include pensions; they don't include floorspace that is taken up; they don't include the zillion things—vacations and all the rest. They just take the straight salary and say it is cheaper to have an in-house capability. I don't agree with that.

Thank you very much, gentlemen.

Mr. MICHEL. My name is Henry Michel. I represent the American Consulting Engineers Council. This whole issue has been discussed in architectural terms. In the design process, the engineering impact is also very substantial. We suggest the bill should be amended to change the words "architectural services" to the words "architectural engineering services."

I think that is a significant change, not only speaking as an engineer but in the design process; if you are only interested in the esthetics of the building, I think we are missing a great deal. There is also a lot of functional features, a lot of practical features, whether they relate to energy conservation or to other elements that enhance the design process and achieve the general objectives. I think that should be recognized and I know it is recognized by your committee.

Senator CHAFEE. Certainly we will make note of that. I must say, if this bill ever goes through—of course, you weren't here at the prior hearings, as you know the amount that is in there for new Federal construction is tiny. And to reverse this trend and get the Federal

Government doing more building and less leasing is a substantial wrench.

But if it is ever done, it would have the Federal Government easily the largest builder in the United States. Now maybe we are now, I don't know. I suspect not. But the opportunities then for some exciting architectural work seem to me would be tremendous.

Mr. ROGERS. If I may make a comment about the competitive process, we believe it can when you advertise in the CCB for a specific job you may get anywhere from 20 to 35 firms that submit an interest. Then the agency shortlives that, something like to a manageable number of 6, 8, 10 because of the written qualifications they have submitted and their past experience and then usually interviews are held so each team comes in and presents their ability to handle that particular commission.

So we believe that that process is highly competitive and allows the agency, the client, if you will, to choose the team, whether it be one firm or compendium—

Senator CHAFEE. The Brooks procedure?

Mr. ROGERS. Yes, sir.

Senator CHAFEE. I just wonder, I am not opposed to that. I don't think that is a process that is conducive to anything new and bold, though. Now maybe governments are opposed to anything new and bold. It is pretty hard to bring up something original.

I bet any courthouse that comes out of that process will look like every courthouse in the United States today—columns, big pediment. Any argument with that?

Mr. VOSBECK. Yes.

Senator CHAFEE. All right, let's hear it. The people selecting the architects and, again, we are getting back to the professionals that are in public service, are the ones who are doing the selecting and I think if we can give them direction and training about the selection procedures, you are going to improve the total quality.

I really do think that we have some good professionals in public service now, and you are getting some good architectures starting to evolve from this Brooks bill procedure. It has been in effect 8 years. So it has taken awhile for the whole process to come about.

I remember prior to the Brooks bill when it really was a political selection kind of procedure and it was the same thing over and over again. But I think now we do have a system where we are encouraging innovation and we are encouraging good design and it is brought about with good in-house professional staff.

Under the Brooks bill, is the selection for the three finalists, is that made by the in-house people? That is not an AIA team?

Mr. VOSBECK. No.

Senator CHAFEE. That is an in-house group that does this selection, then they get it down to three, is that right? Then who chooses the fund?

Mr. VOSBECK. I think the agency will make the selection. The selection board will rank them normally one, two, and three, and negotiations will proceed with the first ranked firm.

Mr. LILLARD. We might find out until recently, GSA has made good use of advisory groups, peer groups so to speak, noninterested parties, but professionals who could assist in developing the criteria and in the selection process.

Senator CHAFFEE. As we get into this whole era when energy is so much more important than it ever was in the past, it seems to me some exciting new concept could come about in design.

Thank you very much.

Ms. Cooper, we welcome you here and look forward to your testimony.

Ms. COOPER. I have with me a few extra copies which were not delivered to the staff. I am Maudine R. Cooper, acting vice president for Washington operations of the National Urban League.

**STATEMENT OF MAUDINE R. COOPER, ACTING VICE PRESIDENT,
WASHINGTON OPERATIONS, NATIONAL URBAN LEAGUE, INC.**

Ms. COOPER. We welcome this opportunity to testify before this committee on S. 2080. Unlike the testimony this morning, ours will not be the "technicrats." We will not be representing the technicians, I should say, but representing the Urban League's constituency, poor minority or inner-city dwellers in this country.

First of all, we do commend you for holding these hearings on this bill and despite the monetary size of the undertaking, we believe it is very significant.

Recently publicized examples of waste and mismanagement clearly indicate the need for a comprehensive and methodical policy for locating and maintaining public buildings.

The Urban League's interest in S. 2080 arises out of what we perceive as the potential of the legislation in the area of urban revitalization. Although assigning the GSA a portion of the responsibility for reviving our central cities might be viewed as overburdening an already deluged agency, we feel that not only can the committee's objectives be best implemented with an eye toward central cities, but also can the needs of our urban areas be addressed and solutions discovered.

Our focus this morning will be on title II of the bill, regarding the locations of Federal agency offices. We feel that the priorities assigned to each provision ought to be reordered, to better serve the needs of the cities, and those of the affected agencies.

The problems of our central cities and the impact of business and governmental flight from their environs does not have to be detailed to this committee. For too long the business sector has been moving out of this Nation's cities and relocating in the more affluent suburbs.

The jobs these companies provide, and the accompanying sustenance, have been out of reach of much of the poor and minority population. Mandating that Federal facilities be located in central business areas of our cities would be an important step toward remedying this situation. Ideally, the Federal Government's return to our cities would set an example and encourage the private sector to follow. Government facilities must be brought back into the central business districts of our metropolitan areas.

This could be accomplished by giving an earlier preference in the bill to locating public buildings in a central business district. The priorities given to the criteria for locating an agency's operation, rather than solving the aforementioned central city ills, would seem

to exacerbate the problems of urban sprawl and the declining role of our cities.

By giving central business districts fourth preference after three rather narrow and specific requirements, the needs of buildings are placed before the needs of people. Rarely will a central business district be considered if there are other criteria.

The criteria as laid out in the legislation, proximity to other Government buildings; historic, architectural, or cultural significance and siting headquarters in metropolitan areas. These must be met prior to contemplating a central city location.

The purposes of the bill, insuring productivity and efficiency of the Federal agencies and their employees, providing services that are convenient, preserving our architectural legacies, and improving the conditions in areas surrounding public buildings, will best be fulfilled by giving first priority for the siting of Federal facilities to urban areas.

Specifically, we feel that the priorities within title II will contravene the intent and potential of the bill in the following ways:

Section 201 requires a Federal agency to be located in "reasonable proximity to other governmental and private offices * * *." In recent years, however, the preference often has been to locate offices in suburban areas. Thus, efforts to stem urban sprawl now will be thwarted by our past desultory policies. Compliance with this initial requirement will simply serve to perpetuate the proclivity for locating businesses in accessible areas, to the detriment of our central cities and the bill's intent.

Additionally, public transportation will not be as convenient in these outlying areas, and will confound efforts to create a practical public transit system.

Senator CHAFEE. Ms. Cooper, I agree with what you are trying to do. I think you would be a winner overall on section 201 as the language is. I think, reasonable proximity to other Government and private offices, most governmental and private offices are in our central cities.

I think that helps you achieving your objective. Now you say in recent years preference has often been to locate offices in suburban areas, but I don't think the bulk of them would be out there.

Ms. COOPER. I agree with the bulk. I think our point is to the maximum extent feasible that future locations ought to be within central cities and where there are Government facilities outside of central cities and in suburban areas that in those instances we ought to waive that particular requirement of proximity and go back to the central business district.

Senator CHAFEE. I agree with you. I just think that language would help you more. You have to have something to hang your hat on in this thing. I suppose your language would be just locate in a central city, don't fiddle around.

Ms. COOPER. Whenever possible. We understand the costliness of that, too.

Section 202 of the bill mandates that secondary consideration be given to buildings of "historic, architectural, or cultural significance." In some cases this will draw offices into central cities and we believe that this provision ought to be retained as a lesser priority. Again,

we are concerned that the fate of buildings will outweigh the demands of individuals and Government efficiency.

Next, the tertiary requirement is that "the headquarters and offices of each Federal agency be located in the Metropolitan Washington, District of Columbia area." The "Metropolitan Washington area" has come to encompass so large an area, however, that we are concerned that again a central business district will be overlooked.

Although this committee is attempting to circumscribe the policy regarding the location of a public building, this provision would seem to continue to allow an agency to be located anywhere from Reston, Va., to K Street to Gaithersburg, Md.

Finally, section 204, after conforming with the requirements of the three preceding provisions, dictates that an office should be located in the central business district of a Standard Metropolitan Statistical Area. This is the key section, which ought to prevail with a minor change. In most cases there are two, even three, central business districts within an SMSA, all of which may be competing for a Federal agency and its concomitant commercial traffic.

We would suggest that priority be given to the most distressed city within the given region, in socioeconomic, business, and employment terms. Fully 28 percent of the presently designated SMSA's would fall into this multicity category, and we feel that a needs test would be the most useful and equitable way to resolve a potential dilemma.

The rationale for giving central business districts precedence over other considerations is further buttressed given the impact the priorities in title II will have on the President's Urban Policy. The strong commitment to restoring our Nation's cities embodied in this directive, particularly in regard to the siting of Federal facilities, seems to be contravened by the legislation.

The initiatives undertaken as a result of Executive Order 12072 have already gone a long way toward renewing commercial activity in our central cities. Rather than enacting a bill that would be counterproductive to ongoing efforts, it would seem that a cooperative policy could be developed to serve the ends of all objectives.

We are also concerned that no mention is made of the availability of housing within a location under consideration. This is particularly important when a Federal agency is relocating to a new area. Both present and prospective employees will need assurances that they will be able to secure housing within a reasonable distance from their office.

Further, it is essential that this housing be available on a nondiscriminatory basis, whether in the sale, rental, or mortgage lending for such housing. This could be a substantial barrier in relocation, and ought to be reviewed regardless of the type or location of the new facility.

Senator CHAFEE. Ms. Cooper, it seems to me the last point you make quite possibly could run counter to the prior points you have been making. You are talking to central city and pretty soon you get down to the core of that city, and a few of those places have housing available right nearby.

They may have housing available in busing distance. I think you have to be careful with this last one because if that becomes one of our criteria, then I think you would give us a tilt to going out toward the suburbs.

Ms. COOPER. Let me clear that up, Senator. Within your central cities, you generally have bus transportation and/or some form of mass transportation. When you go out into a suburban location, that is generally not available. I can recall in some instances where private developers have provided bus services because once they moved out into the suburb, they found that their work force suddenly became all white and generally male, for example, could not go out there because they had children in school—

Senator CHAFEE. Here you use the word housing.

Ms. COOPER. That is right.

Senator CHAFEE. You don't talk transportation. I get the point you are trying to make. I think we have got to be careful. If we include this provision, it may work against the other provisions that you are interested in.

Ms. COOPER. I don't think that is the case. We are not so naive as to believe even if preference is given to central business district that all Federal facilities will be located within the central business district.

We are talking about whenever possible, given an analysis of such things as availability of housing, availability of mass transit, after looking at all of those factors, that if it comes out that a decision is still made to move the facility to the suburbs, then we have no argument with that.

Senator CHAFEE. All right.

Ms. COOPER. The National Urban League recognizes that budget constraints are an important consideration of the committee's at this time. The most cost effective means of housing each Federal agency must be sought, and alternatives must be analyzed.

If one considers the benefits accrued to a central business district, we feel it will become obvious that a central city is frequently the best choice. A cost-benefit analysis that takes into account the commercial and socioeconomic implications for each location will clearly indicate the wisdom of such a decision.

Many cities have initiated urban revitalization projects with the assistance of Community Development Bloc Grants, Urban Development Action Grants, and Self-Help Development Grants. The placement of a Federal building within one of these already burgeoning areas would greatly augment their own efforts in bringing business and prosperity back into our urban centers.

The substantial outmigration of business and commercial enterprises from our central cities has had a devastating impact on blacks and the poor in these areas. Not only has this practice contributed to the general decline of our central business districts, but it has also had substantial repercussions in the employment, housing, energy, and crime arenas.

We urge this committee to consider the role this legislation may have in eradicating or exacerbating these problems. Humane responses to the needs of our cities are required, not solutions that perpetuate past wasteful policies.

The Federal Government must take the lead in reversing these trends, and we believe that this committee has the means to augment this effort.

Thank you.

Senator CHAFEE. I think that is a good statement. I am glad you came. I must say, there is a lot of value to these hearings. You have

brought a good point home to us. I think we have a sympathetic tilt toward what you are talking about.

I think we can wrap it up more. Perhaps we could in that housing point you are making talk about availability and accessibility of housing, put in accessibility so we stress the busing.

That is good. Thank you very much, Ms. Cooper.

Ms. COOPER. We will be glad to work with your staff on any language changes.

Senator CHAFEE. Mr. Robert McNulty, president, Partners for Livable Places, Washington, D.C. We appreciate your coming.

Anytime you can summarize, it helps.

STATEMENT OF ROBERT McNULTY, PRESIDENT, PARTNERS FOR LIVABLE PLACES, WASHINGTON, D.C.

Mr. McNULTY. You have my prepared statement.

Senator CHAFEE. We do. We will put it in the record.

Mr. McNULTY. I would like to make a few comments. I have had the benefit of sitting and listening to everybody's comments. Thus I can tailor mine to give a perspective that you have not yet heard.

First, I am Robert McNulty, president of Partners for Livable Places. The Partners was formed in 1977 by 22 nonprofit organizations and is now a national network of civic groups, municipal governments and individuals that seek through cooperation to improve the livability of our communities.

We have about 170 members in some 32 States. New members are now being added in Canada. Thus we are a cooperative society that seeks through the expertise of our members to help others help themselves. We use the word livability because it is more of a consumer definition of environment quality and citizen satisfaction with their community.

We are vitally concerned with the work environment and with the placement of Federal facilities as contributors to the revitalization, renewal and economic strength of our cities. Over the last 3 years, collectively, we have developed an agenda which we call the "Economics of Amenity" relating amenities, quality of life, and attractiveness issues to community economic development and employment opportunity.

From a recent study by the Rand Corporation came the rather startling revelation to a number of governmental and business leaders that it was important to invest in the "attractiveness" of a community to stabilize a labor force and, this was frequently more important to attract new investment than tax write-offs, free land or accelerated depreciation.

Thus we see livability or attractiveness as a key competitive edge of a community to attract new business and to enhance employment opportunities.

There are six components to our program. One of the key elements is the quality of public design. Generally, public design as you mentioned in terms of your experience at the State level—I used to work for the General Services Administration myself so I have some background in the Federal level—is not the keenest, highest quality. Your concern here is a beacon that can be held out to governmental units

throughout the country that improving the public design process, is an investment in overall well-being of their community.

So I commend the committee in taking a lead. Although your bill may be modified as it goes through the legislative process, I think the spirit of the bill and the language is something the Partners as an organization in the decade of the eighties will be trying through our members to instill the ideas of debate and concern on how to reform the building process at Federal, State and local level.

Thus, this gives me an opportunity to say congratulations. I think leadership has been lacking in the public building process especially ignorance of the impact it can have on the economic life of communities.

To be brief on several points on the legislation, I would like to put them out and give some perspective. On section 102 concerning locations, I think the language there that states the possibility of acquiring two or more reasonably close buildings to be used for the same agency. It wasn't that long ago in New Bedford, Mass., in 1973 that the General Services Administration was confronted with the prospect of going ahead with a leased building to centralize an agency's facilities in one spot or using its authority to acquire four existing, vacant historic buildings in the downtown.

The group I was with at that time commissioned a feasibility study and found it was cost-benefit to the Government to use the four historic buildings to house the Federal workers. GSA's response was they had no authority to enter into such a novel and unique process.

Senator CHAFEE. You wanted them to do what?

Mr. McNULTY. Acquire four existing buildings in the downtown, rehab those and house the Government in those four different buildings, as opposed to enter into lease construction of one new building.

GSA turned it down as being novel, unique, interesting, worthy of study but not appropriate. Thus I think the language in this bill may take such an idea beyond the novel and unique category.

Senator CHAFEE. In all fairness, they do already have to take that into consideration under existing legislation.

Mr. McNULTY. But only since 1977 under new legislation.

I would also think in section 202, with priority of use for historic and cultural, that is almost every downtown of America, there is an interesting building worthy of reuse. Certainly the 5 years of efforts it took to gain the interest of saving the old Post Office in Washington, D.C. as an appropriate home for a Government agency will not be repeated again across America.

I think placing the language here gives us the special concern that is needed.

Section 301 in design and management. The regional character must be stressed. All too often the process of public design creates a style that you don't know whether you are in Alaska or in Honolulu.

I can remember an example where it took the intervention of President Johnson to assure a public building constructed in Johnson City, Tex., regional character. He specified for the architect that he personally selected that, he wanted something that had a wide porch, an overhang for shade, and benches where people could socialize, whittle and spit.

These may be important regional characteristics worthy of accommodation.

Also, section 304 on scale. I think to conform is to sometimes perpetuate mediocrity. I would use the word enhance.

Senator CHAFEE. What is that word now?

Mr. McNULTY. I think it says to conform to scale. I urge you use the word enhance. I think the creativity of the architects we heard from the American Institute of Architects would have a greater challenge for enhancing a setting, rather than conform to what may already be a drab existing setting. There is room for the 20th century. Even in historic districts.

Senator CHAFEE. So you would have it that public building shall enhance those buildings existing?

Mr. McNULTY. Yes; that allows a larger margin of creativity and community participation.

Senator CHAFEE. All right. By all right I mean yes, I heard you.

Mr. McNULTY. Section 304 (c), the commissions through local artisans and craftsmen to lend through detailing and materials, enhancement to building is certainly commendable language. All too often those aspects are seen as frills, where in fact they may be the most important ingredient of a public building.

Section 304, item 9, shower and dressing room, facilities. You are probably in for a great deal of criticism here but it is valid that this section is within the bill. Private industry is now providing those facilities for reasons of stability of work force, health care and productivity. There are cost-benefit reasons for including these facilities within buildings.

I don't think the Public Building Act should lag behind the research that has been done by the private sector. I commend you for having that as a possibility.

Senator CHAFEE. Here again, I am not sure we want to write everything in the world into the law. In other words, you want to make it available so if people want to go out and jog, they have a place to come in and shower.

Mr. McNULTY. I commend the language that is already there. Members of the industry are finding it appropriate to lower their labor costs in terms of job satisfaction, productivity, and health care.

Senator CHAFEE. OK.

Mr. McNULTY. Title IV, mixed use and adaptive use. I think particularly the section on 102 (3) contribution to the community, is of key importance. The location of public building's assist in an overall strategy of public/private cooperation to revive the downtown or decaying areas of our cities cannot be understressed. This is something the leverage of the Federal Government's leadership could be, as I mentioned earlier, a beacon to other authorities that have construction and development power in America.

It is sad to see that a very qualified former Administrator of the General Services Administration needed to create a living buildings program. The reason he had to do that was because Government buildings by and large are so unlivable. The need to declare a building livable would be a redundancy if this bill was enacted in the spirit you have approached the subject.

Title V, the exhibitions and work of art. I think the involvement of the Endowment, and the Smithsonian in terms of programing uses to make these facilities alive, to have a public reason to come inside other than to argue with your Government is a valid purpose at small cost.

I think you will find the cooperation of those institutions both ready and willing.

And last, 503(c) (1), the commissioning of the one-half of 1 percent for public art, I would urge as the committee debates this to think of landscaping as an art. Pedestrian approaches to a building are a valid form of expenditure. Even providing facilities for public use in the building, whether a loudspeaker system or podium is a valid form of enhancement.

Thus the appropriateness of the embellishment to me is the goal, and one-half of 1 percent should be a flexible sum to take into consideration the opportunity for enhancement this building can provide to its surroundings.

Senator CHAFEE. Those are good ideas. Thank you.

We commend you for what you are doing. We appreciate your taking the trouble to come up here today.

Senator CHAFEE. The last witness is Mr. Ralph B. Hirsch, from the League of American Wheelmen.

STATEMENT OF RALPH B. HIRSCH, NATIONAL LEGISLATIVE DIRECTOR, LEAGUE OF AMERICAN WHEELMEN

Senator CHAFEE. I suspect what you are going to say. I am a member of your organization.

Mr. HIRSCH. We know that and are delighted to have you among our members.

Senator CHAFEE. We made an effort in the highway bill to get a certain amount set aside for budgetable paths around the highway. How did we do on that?

Mr. HIRSCH. In the fiscal 1980 budget there is \$4 million. That was appropriated by the Congress. We have just seen the fiscal 1981 budget; unfortunately the administration has not requested any funding for that section, section 141 of the Surface Transportation Systems Act of 1978.

But we hope Congress will this year, again, appropriate perhaps even to the authorized limit of \$20 million because, as you know, it is not a question of creating a whole new circulating system, retrofitting the existing highways.

Senator CHAFEE. Are you having your national convention in Rhode Island?

Mr. HIRSCH. The centennial celebration which will commemorate the 100th anniversary of the founding of the league, which was in Newport in 1880, will be held this May 23 to 26 in Newport in Kingston. I believe you, Senator, have already been invited and will be one of the speakers.

Senator CHAFEE. I must say you come here under very favorable auspices.

Mr. Hirsch, go to it.

Mr. HIRSCH. My name is Ralph Hirsch, legislative director of the League of American Wheelmen, national organization for bicyclists. I have a short statement which I believe you have. I will further abbreviate that.

Senator CHAFEE. We will put your statement in the record, Mr. Hirsch. (See p. 186.)

Mr. HIRSCH. Thank you, sir.

I would like to preface our specific comments on this bill with four points which sort of set the context.

First, the past decade which we have just concluded has seen a tremendous increase in the use of bicycles in the United States. The summary figures for bicycle sales in the decade show bicycles outsold automobiles in the seventies.

Senator CHAFEE. What percentage of those bicycles do you think were made in the United States?

Mr. HIRSCH. About 80 to 85 percent, Senator.

Senator CHAFEE. Is that right? I am amazed at that.

Mr. HIRSCH. Not only are there a lot of bicycles around but a lot of bicycles are being used. The Census Bureau in the most recent figures we have for 1975 and 1976 found that about 500,000 people were commuting regularly by bicycles.

Senator CHAFEE. What percent of bicycles sold would you say are 10 speeds?

Mr. HIRSCH. Close to half. Altogether, something over half, probably on the order of 60 percent are adult bicycles, therefore, usable for transportation.

Senator CHAFEE. All right.

Mr. HIRSCH. As I was saying, something like half a million bicycle commuters were found in 1975-76 by the Census Bureau. I suspect in the decennial census of 1980, in April of this year, the number will be found to have risen a great deal from the visual evidence we have. That is certainly true, I think.

Second, the Federal Highway Administration has found that some 62 percent of all auto trips are 5 miles or less, and that is a distance that is easily covered by a bicyclist. Therefore, we think with the proper provisions to support bicycling, a significant share of these short trips can be diverted from the auto to the bicycle, the attendant benefits and the public sector and the private sector benefit as well.

Third, we think it appropriate in this period of periodic gasoline unavailability and shortages, the Federal Government take proper provision to support the energy conserving modes.

The fourth point of context is that there is a general strong trend toward supporting physical fitness.

Coincidentally, the first National Conference on Physical Fitness and Sports for All is taking place today and tomorrow here in Washington. By the way, I believe your colleague from Rhode Island, Senator Pell, is one of the speakers at that conference this morning.

One of the principal aspects that is being addressed at this conference is ways of supporting at the workplace the practice of physical fitness and certainly making it feasible for people to commute by bicycle is one of those aspects, an important function for Government to undertake.

As far as our comments on the bill are concerned, we strongly support the bicyclist related provision in section 304(g) of the present bill. We have three suggestions for changes in the language.

I touch now only on one specific thing, that it would be useful to extend the bicycle provision to lease building as well as to public buildings.

We have two other concerns which we hope may be addressed by the committee in its report. One, is that it will be helpful to have a timetable for compliance with these provisions; two sections. Secondly, the current General Services Administration regulations categorically excluded bicycles from buildings.

They say that bicycles shall not be transported on elevators or via stairways or parked in offices. That is a verbatim quote from the regulations. And then unfortunately excludes bicycles categorically from much readily available and secure space that could be used without further expenditure to store bicycles during the workday.

We hope that the committee might think it appropriate to suggest to GSA the regulations be changed to prohibit the movement or storage of bicycles only in those areas where, after proper evaluation by the building manager, it would actually present a hazard, that there be no blank exclusion.

Senator CHAFEE. My reaction is, I don't think we ought to write into the law either one of them. I think we have to leave some commonsense to the people running these buildings. Just leave it at that. I would take out the current language, get the GSA—that is too complicated. Just let whoever is running the place have some leeway.

Mr. HIRSCH. That is precisely our sentiments, Senator. We very much appreciate the opportunity to present this testimony. I personally look forward to seeing you at the centennial celebration in May.

Senator CHAFEE. Thank you. I am in favor of what you are doing and commend you for it.

I think all the witnesses for coming today. We sit through, as you know, hours of witnesses on various subjects and I think the witnesses that we have had today and the other day on this bill have been the most helpful, as far as I personally am concerned, than witnesses we have had for some time.

So we are grateful to you for taking the trouble to come up. I am glad to see the League of American Wheelmen is surviving and thriving. Have you got more members than ever?

Mr. HIRSCH. We don't have more members than ever, Senator Chafee; we have more members than we have had in modern times. As you know, the league was in the 1880's and 1890's, the forerunner of the highway lobby, so to speak, and it was at the head of the good roads movement.

In those days, the league numbered some 100,000 or more individual members which, in relation to the population then, of course, was a massive number, since the population has grown almost fourfold in that period. We are not back at that point yet but we hope to be.

Senator CHAFEE. Good.

Mr. HIRSCH. And we hope in the second century of bicycling, which is beginning this year, with the help of progress we have been looking forward to.

Senator CHAFEE. Fine.

Thank you all very much. We will keep the record open if other groups wish to submit statements. Please don't wait too long.

We will recess to the call of the Chair. Thank you.

[Whereupon, at 12:03 p.m., the committee recessed, to reconvene subject to the call of the Chair.]

[A statement from Hon. Ronald V. Dellums, a Representative in Congress from the State of California, and statements and newspaper articles submitted for the record follow:]

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U.S. House of Representatives
Committee on the District of Columbia

ESTABLISHED 27 JANUARY 1908

Room 1310, Longworth House Office Building

Washington, D.C. 20515

February 7, 1980

The Honorable Jennings Randolph
Chairman, Committee on Environment
and Public Works
4202 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Mr. Chairman:

We would like to take this opportunity to comment on S. 2080, a bill that is under consideration by the Full Committee on Environment and Public Works. We want to commend you, Senator Moynihan and the Committee for this legislative initiative to reform and reorganize the GSA public buildings program. We are especially pleased that the bill attempts to establish guidelines for the selection of locations for Federal offices so as to promote government efficiency and the maximum benefit to central cities by giving priority to locating federal facilities in central cities.

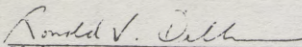
The issue of the economic impact of the location of federal agencies has been of concern to Members of the House District of Columbia Committee for some time. In May and June, 1977, the Committee held oversight hearings on the Committee Report on "Impediments to the Economic, Functional, and Aesthetic Development of the District of Columbia". During those hearings, the Committee received testimony from the GSA regarding its location policies and decisions in the National Capital Region. Members expressed their concern during these hearings that GSA location policies for federal agencies have enormous economic impact on the cities either receiving or losing federal facilities.

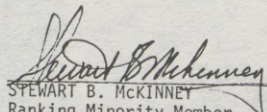
We've enclosed for your perusal a copy of those hearings, "U.S. Congress House Committee on the District of Columbia, Hearings on Committee Report on Impediments to the Economic, Functional, and Aesthetic Development of the District of Columbia. (95th Congress, First Session) Serial No. 95-10, Washington, D.C."

We are concerned, however, about a provision of S. 2080 that may encourage the prevailing trend of the exodus of federal agencies from the central city to the suburbs in the Washington, D.C. SMSA. The provision that we refer to is Sec. 204(a)(3) of S. 2080 that exempts the District of Columbia from the central cities priority that will be given to all other central cities of SMSAs.

We hope full consideration and discussion will be given to removing this provision. Please accept this letter and the attached statement as a part of the Committee's hearing record on S. 2080.

Sincerely,


RONALD V. DELLUMS
Chairman
Committee on the District
of Columbia


STEWART B. MCKINNEY
Ranking Minority Member
Committee on the District
of Columbia

STATEMENT OF REP. RONALD V. DELLUMS
REGARDING S. 2080
A BILL BEFORE THE SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

The Federal Government has for a long time recognized the importance of its location decisions on local economies. It is generally agreed that the operation of a major federal facility brings not only federal jobs into an area but private sector jobs in the support services industries as well as purchase contracts for goods and services oftentimes with local businesses. This spin-off economic benefit is especially important to the District of Columbia.

The 1978 Executive Order 12072 on Federal Space Management giving first priority to the central business areas of cities for the location of federal facilities is a commendable way to revitalize and encourage development in our nation's cities. Hopefully, this will reverse the prevailing trend of the exodus of federal agencies and employees from the central cities throughout the country.

The Senate Environment and Public Works Committee has received testimony from the Northeast-Midwest Institute regarding this federal flight from central cities. In a March 1979 report entitled, "The Location of Federal Civilian Employees: Policies and Practices," prepared under HUD contract, the Northeast-Midwest Institute reports that, "The results of the change in numbers of federal employees from central cities show a substantial flight by federal employees from central cities." During this study the Institute collected data for the period 1966 to 1976 for federal civilian employment in 199 SMSA's. The study indicates that in the Washington, D. C., SMSA of the 35,684 employees gained in this region only 2,955 were located in the central city of this SMSA, i.e., the District of Columbia.

There is a high concentration of federal agencies in the District of Columbia because it is the Nation's Capital and federal facilities need to have their headquarters located here for obvious reasons. In the OMB Report to the President and the Congress of January 1980 on "The Study of Decentralization of Federal Governmental Functions", the report cites some of these reasons for continuing the high concentration of agencies in the National Capital Region:

1. The proximity to the White House, the Congress and other federal agencies;
2. The large capital investment in the District of Columbia by federal agencies.

It should be noted that although there is a high concentration of federal employees in the District of Columbia SMSA, 88% of federal civilian employees currently serve in facilities outside of the National Capital Region.

The OMB concluded "as a result of the Decentralization Study that there appears to be no basis for recommending major physical decentralization of federal functions currently located in the National Capital Region".

Therefore, it appears that the once conflicting policies of decentralization of the federal government out of Washington, D. C. metropolitan area and the emphasis on locating federal agencies in central cities to aid in their revitalization may be

somewhat abated. However, there remains the question of whether or not to give priority to the District of Columbia as the central city within the Washington, D.C., SMSA.

I am concerned that Section 203 and 204 of Title II of S. 2080 will foster and encourage the loss of federal employees and agencies in the District of Columbia and allow or encourage the location of headquarters offices elsewhere in the metropolitan area.

It is inconsistent to give priority to the location of federal facilities and employees in central business districts of SMSA's in every area of the country except the District of Columbia. This exemption of the District of Columbia in Sec. 204(a)(3) should be removed.

The District of Columbia is on the current HUD list of physical and economic distressed metropolitan cities. (HUD has published a list of cities that meet their minimum standards of physical and economical distress for metropolitan cities and urban counties over 50,000 population for participation in the Urban Development Action Grant Program.)

The District of Columbia is the Nation's Capital and as such, we in the Congress have an obligation to refrain from developing national legislation that in anyway impedes this city's potential to be the model urban environment in the country. More sensitive decisions about the location of federal facilities within the District of Columbia as opposed to the very disastrous GSA decision to locate federal employees at "Buzzard Point" can provide economic vitality to the city. The District of Columbia serves in three capacities as a residential city, an international city, and the National Capital city. Our ability to facilitate its healthy growth and development should be challenged in all national legislation. Because it is the National Capital, the District of Columbia is host to 15-20 million of our constituents each year and is the nation's physical symbol of our national government.

Indeed, I can find no reason to deny the Nation's Capital the priority consideration for the location of federal facilities when it is experiencing the same problems that other central cities are experiencing across the country.

I would hope that as your Committee receives testimony on S. 2080, that you will explore this question with witnesses and agree with me that Sec. 203 and 204 should be changed. Thank you for your thoughtful consideration of this very important and far-reaching provision of S. 2080.

TESTIMONY OF
ROBERT A. GEORGINE, PRESIDENT,
BUILDING AND CONSTRUCTION TRADES DEPARTMENT, AFL-CIO
BEFORE THE
SENATE COMMITTEE ON
ENVIRONMENT AND PUBLIC WORKS
CONCERNING THE PUBLIC BUILDINGS ACT OF 1980

February 1, 1980

My name is Robert A. Georgine. I am President of the Building and Construction Trades Department of the AFL-CIO, which is composed of 15 affiliated national and international unions representing approximately four million building and construction trades workers who are located in most communities throughout the United States. With me today is Mr. Thomas X. Dunn, General Counsel for the Building and Construction Trades Department.

I am appearing today on behalf of these workers because they construct federal buildings and, therefore, are vitally interested in the proposed Public Buildings Act of 1980. I want to express my appreciation to the Committee for inviting me to testify today.

The Building and Construction Trades Department supports this bill because it represents the first major overhaul in 20 years of the Public Buildings Service of the General Services Administration. It will cause three significant changes in GSA's public building program.

The bill will require GSA to submit to Congress an annual plan for building construction and maintenance that conforms to specific guidelines established by Congress, thereby creating greater accountability for its actions. The bill will also require the establishment of a long-range building program with the object of placing no more than 20 per cent of the federal work force in office space which is leased from private owners. The other 80 per cent of the work force will be accommodated in

Government-owned buildings. Finally, the bill provides a new approach to financing construction of Government-owned buildings which is to create a purchase contract program which will enable the GSA to finance building construction with funds borrowed from the Treasury and repaid over a term of years in the same manner that individuals pay off their home mortgages.

Senator Moynahan pointed out in his remarks in the Congressional Record on December 5, 1979, that a report by the General Accounting Office indicates that there has been no appreciable increase in Government-owned space acquired through direct construction since 1966. This confirms what we in the building trades have known for some time. The GAO report also found that office space leased to Government agencies increased dramatically from 44.6 million to 93.3 million square feet in that 14-year period. Annual lease payments by GSA in the same period increased according to the GAO from \$131 million to \$520 million, a dollar figure which represents over 39 per cent of the public buildings budget. Senator Moynahan also pointed out in his remarks that construction funds represent just over one per cent of the same budget. Moreover, GAO estimates that the Government's annual rental budget will exceed \$1 billion within three years at its current pace.

The apparent reason for this trend toward renting rather than building Government office space is the false sense of savings which lower annual outlays of funds represent to the budget-conscious Office of Management and Budget. Nonetheless, the GAO reports what any home buyer already knows, which is that

a comparison of construction costs, leasing costs, and the payments which Federal agencies make into the Federal Buildings fund of the GSA as rent for their office space over a period equivalent to the expected life of a Federal building proves that owning your own office space is more economical than leasing it.

For instance, the GAO report indicates that a Government-owned building recovers the cost of its construction by the 14th year after completion and thereafter provides a surplus to the Federal buildings fund each subsequent year. This surplus can be used in turn to finance new Federal building construction. By comparison, after leasing office space for 14 years, the Government has nothing to show but the receipts and the knowledge that next year the rent will be even higher.

The Public Buildings Act of 1980 mandates a policy of building rather than leasing Government office space. This is not only good economics for the taxpayer but it also means many more jobs for construction workers. For this reason, the Building and Construction Trades Department strongly supports Title VII of the bill which will obligate GSA to construct enough Government-owned buildings to accommodate at least 60 per cent of the Federal work force within five years and no less than 80 per cent within ten years. The Building and Construction Trades Department also supports Title VIII of the bill which requires GSA to submit an annual plan to Congress for the next succeeding fiscal year of projects and actions which GSA intends to undertake in order to comply with the duties and responsibilities created by the Public Buildings Act.

Among the considerations which GSA must include in its annual plan is a five-year plan for accommodating the public building needs of the Government and a list, in priority order, of construction, renovation and acquisition projects proposed for authorization. The net effect of Titles VII and VIII will be the replacement of poor quality, privately owned office space for Federal employees with newly constructed and renovated high quality Government-owned office space which will be more economical for the taxpayer.

I would like to suggest, however, that the proposed Public Buildings Act of 1980 offers Congress an opportunity to accomplish other, equally desirable social and economic goals without adversely affecting the purpose and objectives already incorporated in the bill. Through advance planning GSA could, through the building program mandated by the Public Buildings Act of 1980 substantially influence the stability of the construction industry.

The construction work force is characterized by a high ratio of skilled to unskilled workers; identification with a craft or trade as opposed to an employer; frequent and intermittent unemployment; and, for the most part, a high degree of specialization.

In calendar year 1978, for example, construction employment increased from 3.9 million in January 1978 to 4.4 million in December 1978. Despite the employment growth, unemployment in the industry remained high. In 1978, the average rate of construction unemployment was 10.6 per cent compared to an overall national average of 6.0 per cent. Traditionally, construction

unemployment averages about double the national average for all industries.

During 1978 the annual value of new construction put in place in the United States was over \$200 billion or about 10 per cent of GNP. Employment in the industry accounts for about 5 per cent of total nonagricultural employment. The fact which best captures the importance of the construction industry to the economy is that investment in structures generally accounts for over 50 per cent of gross private domestic investment each year.

While large in size, the industry is also very fragmented. In 1977 there were about 530,000 establishments with payrolls engaged in contract construction. On the consumer side, the Federal government is the country's single largest construction user but directly accounts for less than five per cent of annual construction value put in place. The influence of Federal construction money quickly escalates up to 25 per cent of total construction spending and up to 50 per cent in major metropolitan centers through grants and revenue sharing arrangements with State and local governments. The large size of public construction spending makes it a potentially stabilizing influence in an industry characterized by strong cyclical and seasonal spending and employment patterns. An active policy to direct public construction spending in a counter-cyclical and counter-seasonal pattern would have a positive effect on inflationary pressures within the economy, would reduce income maintenance and transfer payments and should improve technology-use and productivity in the construction industry.

In recent years, it has been clear that cyclical swings in construction have been aggravated by the industry's close dependence on government policies. Since the public sector is a major buyer of construction and a source of credit, government budget decisions have had a significant impact on the industry. The Federal Government should be aware that, in addition to increases in the efficiency of utilization of manpower and other resources and more secure incomes for those in the industry, greater construction cyclical stability can have other beneficial effects. Stability can make a positive contribution to the attainment of national economic objectives, because of the size of the construction industry and its direct links with other parts of the economy. These benefits, although not easily measured, should be considered when the costs of achieving greater construction stability are assessed.

Accordingly, the Federal Government should endeavor to achieve the greatest possible cyclical stability in the construction industry. For example, a study was recently completed by the Tennessee Valley Authority for the Department of Labor. The TVA-DOL study, called "Social Costs of Instability in Construction: A Preliminary Report," indicates that savings of \$5.7 billion a year could be achieved by stabilizing employment in the construction industry. The study cites six areas in which substantial savings could be made; labor, capital, unemployment insurance, workmen's compensation, training, and materials and supplies.

The study recognizes that hourly rates of pay in the construction industry are high partly because workers must be compensated for the frequent layoffs which occur in the industry.

As a result, even though the hourly rates are high, annual earnings of construction workers are not much different than those in manufacturing. This is because construction workers are employed an average of only 1,400 hours per year as compared to the traditional 2,000 hours.

The study also concluded that other potential annual savings would be realized from stabilizing employment in the construction industry including \$562 million through reduced costs for unemployment benefits paid to construction workers. Another \$176 million could be saved in lower depreciation charges for invested capital because of more intensive use of construction equipment, materials, and other capital items. The study also estimates that \$281 million can be saved by reducing inventory carrying costs by firms which provide supplies to the construction industry.

The elimination of dramatic fluctuations in employment levels will contribute to fewer on-the-job accidents because contractors will no longer be forced to hire inexperienced workers during peak workload periods who are more likely to get hurt. The TVA-DOL study indicates that cost savings of \$570 million per year could result from fewer on-the-job accidents. Finally, more steady employment would save approximately \$208 million in apprenticeship costs because apprentices will be able to complete their training more quickly and fewer will become discouraged by the intermittent employment cycle and drop out.

This Committee should be aware that the Department of Labor is already involved in a major effort to encourage users, particularly Government agencies, to spread contract awards more evenly throughout the year to help stabilize construction employment. The major vehicles through which this is being done are the Department of Labor's Construction Labor Demand System and local labor-management-government construction coordinating committees such as those already operational in Chicago, Kansas City, San Francisco and Denver and soon in Boston.

Each coordinating committee produces a bid calendar listing planned public construction in its geographical area. The establishment of bid calendars provides the local construction industry with a means of anticipating variations in construction activity over the period of a year and even longer time periods. The bid calendar can help both public and private sector construction users to plan work to avoid months of peak activity. The calendar serves organized labor to better anticipate upcoming workloads and demands on apprentice and other training programs.

In Chicago, where the first construction coordinating committee was established as a pilot program, construction awards during the first quarter of 1978 were at their highest level ever, with awards running 50 per cent higher than in previous years. Traditionally, first quarter construction spending has been at the bottom of the seasonal spending curve with a high proportion of labor and equipment idle. The bid calendar also enables public agencies to award construction contracts as a counter-cyclical tool to provide employment opportunities during

periods of high unemployment and avoid creating greater inflationary pressures in times of low unemployment.

So far, the Department of Labor's program has been based on voluntary cooperation by labor, management and government agencies which fund public construction. In order to achieve the greatest possible cyclical stability in construction, the Federal Government must take the lead in developing an explicit stabilization strategy which is carried out on the basis of published medium and long-term programs. These programs should be regularly reviewed, and if necessary, modified to meet particular circumstances and changing requirements. At the very minimum, every effort should be made to maintain a basically even flow of public construction work on the basis of the established and published programs.

The strategy which I propose is also aimed at planning and constructing public works so that they can be awarded when private construction activity declines and withheld when private activity expands. Admittedly, this kind of policy is more difficult to implement than one aimed solely at stabilizing the seasonal flow of public construction work, but it can be achieved if the stabilization strategy includes measures such as:

- 1) The maintenance of an adequate "pipeline" of public works, established through a system of continuous long-range programming, which enables the rate of execution to be accelerated quickly, for an important volume of work, if the need should arise;
- 2) The careful tailoring of public works counter-cyclical action to the level of unemployment;

- 3) The making of decisions to expand public works as soon as the volume of private construction begins to show definite signs of weakness and before it has declined substantially;
- 4) The centralization of responsibility for implementing a counter-cyclical public works policy, including coordination of the advance preparation of public works projects and the formulation and timing of recommendations;
- 5) Institutionalized arrangements for consultation on the counter-cyclical program between various levels of government and with employers' and workers' organizations of the industry.

Title VIII of the bill obligates GSA to submit a plan to Congress each year which describes how GSA proposes to comply with the various requirements created in the remainder of the bill. This annual report is an ideal vehicle in which to create a mandatory obligation upon GSA to develop a construction stabilization strategy which can be reviewed by Congress to insure that it is being pursued. Of course, adoption of such a strategy for the construction of Government-owned buildings will not, by itself, create the dramatic savings estimated in the TVA-DOL Study, because those figures are based on stabilization of the entire construction industry, of which construction of Government-owned buildings is a small part.

Nonetheless, Congress has the opportunity to break new ground and set an example for the rest of the industry. Perhaps

after the benefits of stabilization of construction activity are demonstrated, it will be extended to all federally financed construction work. The point is that this is an idea whose time is long overdue. Most of the industrialized nations have already adopted policies regarding public works which include:

- 1) Earmarking of a certain percentage of public works to be done in winter;
- 2) Providing subsidies to local government bodies as an offset against extra costs of winter work;
- 3) Concentrating maintenance and repair of public works during the winter season;
- 4) Having available current and comprehensive plans for public works for use in times of recession as well as in winter season;
- 5) Coordinating with unemployment insurance systems by using savings from unemployment insurance.

For all of these reasons, I strongly urge this Committee to report a Public Buildings Act of 1980 to the floor of the Senate which incorporates the concept of a counter-cyclical, counter-seasonal construction strategy as a mandatory policy which the General Services Administration and other federal agencies must adopt.

Thank you.

**COFPAES
COMMITTEE ON
FEDERAL PROCUREMENT OF
ARCHITECTURAL/ENGINEERING
SERVICES**

By

R. Randall Vosbeck, FAIA

For

The Committee on Federal Procurement
of Architectural/Engineering Services

ON

S. 2080, Public Buildings Act of 1979

TO

Committee on Environment and Public Works
United States Senate

February 1, 1980

American Consulting Engineers Council
American Institute of Architects
American Society of Civil Engineers
ARTBA Planning & Design Division
National Society of Professional Engineers



Mr. Chairman, my name is Randall Vosbeck. I am a practicing architect from Virginia and President-Elect of The American Institute of Architects. My testimony today is in behalf of the Committee on Federal Procurement of Architectural/Engineering Services, a committee representing the views of:

American Consulting Engineers Council

The American Institute of Architects

American Society of Civil Engineers

National Society of Professional Engineers

American Road and Transportation Builders

Association - Engineering Division.

The COPPAES member societies represent the vast majority of America's architects and engineers. Joining with me today are: David Lillard, an engineer from Missouri and COPPAES Chairman; Cranston Rogers, an engineer from Massachusetts representing the American Society of Civil Engineers; Sammie Lee, an engineer from Kentucky and President of the National Society of Professional Engineers; and Henry Michel, an engineer from New York and representing the American Consulting Engineers Council.

At the outset, we wish to compliment the sponsors of S. 2080 for putting forth so comprehensive a plan for the revamping of our nation's public buildings program. We believe much of S. 2080 is very constructive both in terms of bringing order to the public building process and enhancing the architectural quality of Federal buildings. S. 2080 is clearly an important bill which we hope will be a positive influence on the Federal public building program. The impact of the legislation may extend beyond GSA. Indeed, insofar as architectural and engineering procurement is concerned we see implications for other

agencies as well. In our testimony today we offer suggestions which will strengthen this proposal and assure a more responsible and efficient public buildings policy.

Although we conceptually support S.2080, we have serious concern about several sections. We hope our criticisms are considered in the constructive spirit in which we offer them.

Section 602 - requires GSA to use design competitions to select private architects for its buildings. This section defines broad guidelines and monetary award limits for competitions: building and renovation projects expected to cost no less than \$2,500,000 but no more than \$25,000,000 shall be placed into a design competition among no fewer than 10 qualified architectural firms. On projects costing more than \$25,000,000, GSA shall use any methods - including design competition - to select the architectural firm.

The architectural and engineering professions we represent wish to voice their total opposition to design competitions unless it is for unique projects of unusual national significance. We oppose this section because we know as design professionals that the well motivated intentions of the sponsors will not be fulfilled. Enactment of this section will work to the detriment of small firms competing for Federal commissions. More importantly, the expense and time involved in such competitions will be exorbitant. The best buildings can only result from complete involvement of the client in the exchange of ideas between user, architect/engineer, community involvement, and review boards. In short, the true design process.

To prescribe that every project between \$2.5 million and \$25 million shall use a design competition process is absolutely ludicrous. For example, to require a \$10 million monument or a \$26 million federal courthouse in a historic neighborhood should not use the competition process just doesn't make sense. I want you to know that the AIA has a long standing background in design competitions. We have had a design competition code, have helped and assisted owners wanting to use competitions and have distributed widely our competition guidelines. Currently we are working with the National Endowment for the Arts in creating a Competition Advisory Service.

Congress passed the Architect/Engineer Selection Act, Public Law 92-582, in October 1972. This law established the present method for employing architects and engineers for Federal projects. During the debate on P.L. 92-582 the supporters, some of whom sit on this Committee, made provision for design competitions where the additional time, expense and unique nature of the project justified their use. COFPAES fully supports the General Services Administration's current selection process as embodying the best interests of the Federal government and the architectural design process. This process was designed to encourage competition among design professionals and to eliminate favoritism from the selection process. The GSA process works well and should not be undercut without ample justification.

The law directs agency heads to publicly announce all requirements for architectural and engineering services, and to negotiate contracts for those services on the basis of demonstrated competence and qualification for the type of professional services required at fair and reasonable prices. Further, the law requires agency heads to evaluate all interested firms based upon their own statements of qualifications and performance data, and to conduct discussions with no less than three firms regarding the proposed project. Upon completion of this thorough review procedure, firms under consideration must be ranked in order of preference. Contract negotiations are then initiated with the firm ranked first in the detailed selection process.

Design competitions over emphasize the cosmetics of design; not the full range of reviews required of a team of architects and engineers. In addition, building costs are rapidly increasing. A project costing \$2.5 million in 1972 would today run over \$5 million, as we have experienced over the past eight years an annual inflation rate of approximately 10 percent. Literally,

hundreds of Federal projects are currently over \$2.5 million in range. Time means money, and the additional time and expense to both the owner and competitor required through competitions means more money, a luxury in these times of ever-spiraling inflation we can ill afford. The tendency of competing firms to exceed allowances in design competitions is prevalent not only due to an intense desire to obtain the full contract but also due to professional pride wherein a firm wants its proposal to be best for reasons of competitive prestige as well as contract award.

In their recent report on a design competition concept, GSA gave a critical review. Citing a typical experience, the report states:

"The total fee payed out by the General Services Administration totaled \$138,000 between the three participating A/E firms. In return, the expenditures made by the A/E group were approximately double the amount of the fee that each received. The extended time period presently required for Level Three necessitates increased administrative costs on the part of GSA as well."

Thus, the total cost of the design competition exceeded the actual cost of the A/E contract. Or, stated another way, the A/E costs for this project were double what one would normally anticipate with no proof that the design was better or the firm selected was more qualified than one chosen through the normal process. And this does not take into account the building costs incurred by the delay.

Once a building design is selected many building costs are practically

pre-determined. Additionally, there are extra costs to both government and participating firms emanating from the nature of the competition process, which, due to lack of time, neither permits nor encourages serious consideration of such important cost determinants as:

- a) Is the building energy efficient? (An increasingly crucial question.)
- b) Does the design permit an economical structural system?
- c) Is the building located on the site designed to accommodate an efficient foundation system?
- d) From the point-of-view of the life of the building, does the design permit flexibility, encourage expansion, or promote easy and economical maintenance?

When a building layout, size, shape, location on the site, glass areas, exterior materials, and wall systems are selected by a design competition rather than a thorough evaluation of all these considerations, construction costs are impossible to control. Competitions have their place - projects of national significance - where the expense, time for completion and life cycle costs are not controlling. However, design competitions should not be used for most Federal buildings.

For the above reasons, we cannot support Section 602. Instead we reiterate our support for Public Law 92-582. We question the need for a new law to authorize design competitions. The very fact that competitions are already held from time to time indicates that such authority already exists. Public Law 92-582 acknowledges that design competitions are proper for projects of national significance. We strongly urge you to delete Section 602 and

support the continuance of the design competition authorized by existing law.

Section 601 requires the use of in-house GSA staff to design at least 25% of the construction and renovation projects per year.

From remarks of S. 2080 sponsors it is apparent that this Section is designed to attract talented young design professions to government service and to improve overall design quality. In our opinion this intent will not be realized. Design vitally comes from the private sector. It is here that new concepts are developed and perfected. It is the private sector where young architects and engineers receive their training and gain experience. To put the government in the role as mentor for young design professionals ignores reality. The most experienced design professionals are in private practice. It is unrealistic to assume that government service would be attractive. Lacking the ability to attract top design talent there will be little incentive for young architects and engineers to join government service. Furthermore, as existing state licensing laws are written government service does not always count towards registration and, consequently, this discourages talented new graduates from seeking government employment.

As professionals, we urge you not to mandate a fixed percentage of in-house design. We are firmly committed to the employment of highly motivated design professionals within the Federal government. However, these architects/engineers should be utilized as project administrators to work in concert with outside professionals to insure the complete evolution of a project. In-house staff helps the client (the government) obtain the utmost from private A/Es. Together they implement a high standard of design. Design professionals and

project administrators must enter into a collaborative relationship to insure that an efficient and cost-effective design process evolves, thus assuring excellence in Federal architecture.

It is imperative for a strong economy, that the government rely upon the private sector. The creation of massive design/production operations have a proven record of expense and inefficiency, in addition to taking away jobs from outside professionals. We do not support the creation of another costly bureaucracy. Let us continue, without arbitrary percentages, to work with the GSA in a melding of in-house and outside design excellence, for the client/architect-engineer relationship is paramount to the evolutionary process of distinguished and cost effective Federal architecture.

We have set forth some of our concerns, now let us affirm our support:

Section 102 - The Public Buildings Service of GSA should be established by statute, and its head shall be appointed by the President with the essential advice and consent of the Senate - preferably to a term which will minimize politicization. We suggest a six year appointment.

Section 103 - establishes the position of Supervising Architect to oversee design activities of the PBS. We favor the reestablishment of the position of "Supervising Architect," as long as the individual is a licensed-registered-professional architect.

Section 109 - encourages GSA to undertake research and evaluation to improve public buildings and offices. We have always encouraged the GSA to undertake research and evaluation so as to improve its public buildings and offices. Once again we offer our facilities and expertise to assist with

seminars and educational programs for Federal officials charged with architectural selection and the implementation of construction programs.

Section 301 - is a statement of principles of architectural excellence for public buildings. Having played so crucial a role in their formation under President Kennedy in 1962, Senator Moynihan has once again reminded us of the need for guiding principles for Federal architecture. COFPAES wishes to amplify the need to "design and maintain public buildings in such a manner that they bear visual testimony to the dignity, enterprise, vigor, and stability of the American government ..." Perhaps at no other time in our history is the need as great to imbue to not only our nation but to the world just what our government stands for. Freedom, opportunity, compassion and commitment can be transmitted through words - but we believe our architecture also bespeaks our culture, traditions, desires, and dreams. In short, architecture reflects the mentality and morality of a nation. It should come as no surprise that American architects and engineers are forever challenging and promoting new concepts. Open, free, hopeful designs often clash with, for example, our Soviet counterparts who all too often design closed - dark - fortress like edifices which demonstrate little freedom and even less hope. Having served on an American/Russian architectural exchange program, I have first-hand experience with the Soviet way of architectural life. In fact, the Russians design totally through in-house staff, which probably accounts for the sameness of their edifices, and emulates their closed, inhibited society.

Sections 302 thru 306 - We commend the intent of these sections. The call for attention to suitable scale, local zoning conformance, energy saving

features, barrier free design and accessibility for the handicapped are indeed admirable. It is our hope, however, that in setting these standards the Committee does not intend to set up prescriptive design standards that will stifle innovation - but instead adheres to the spirit of Section 304 (c) and "reflects regional architectural traditions ..."

Sections 701 - 702 - limit leasing to emergency situations or where Federal needs do not warrant a building.

We support a curtailment of the Federal leasing program. While architects and engineers design the buildings, whether leased or owned by the Federal government, we think the trend toward leasing should be reversed. Based upon statistics developed by S. 2080 sponsors it is clear that the government has moved from primarily owner to primarily renter status. Over the long term, economics of ownership outweigh the temporary benefits of leasing. From a design standpoint, leased buildings are often developed on a speculative basis with less concern for quality design and economical life cycle cost than would be the case if the government were the owner. We think public buildings ought to project both the presence and vitality of the government. Ownership would foster this while leasing does not.

Members of the Committee of Environment and Public Works, we have today articulated our concerns and support. It is our hope that the bill reported for consideration will reflect our concerns. We respect the goals of S. 2080's sponsors: to improve the GSA public buildings program, to more equitably and profitably use Federal workspace, and to return design excellence and imagination to Federal architecture. Success will by no means be easy, but we believe enactment of S. 2080 in a modified form will hold considerable promise.

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TESTIMONY**OF**

MAUDINE R. COOPER
 Acting Vice President
 Washington Operations
 NATIONAL URBAN LEAGUE, INC.

before the

SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

on

THE PUBLIC BUILDINGS ACT OF 1979

Dirksen Senate Office Building
 Room 4200

Friday, February 1, 1980
 10:00 A.M.

Contributions to the National Urban League are tax deductible.

NUL 2080

Testimony of

MAUDINE R. COOPER
ACTING VICE PRESIDENT FOR WASHINGTON OPERATIONS
NATIONAL URBAN LEAGUE, INC.

Before the
Senate Committee on Environment and Public Works

On
THE PUBLIC BUILDINGS ACT OF 1979, S. 2080

Dirksen Senate Office Building
Room 4200

Friday, February 1, 1980

Mr. Chairman and members of the Committee, I am Maudine R. Cooper, Acting Vice President for Washington Operations of the National Urban League, Inc. The National Urban League is a non-profit community service organization dedicated to securing equal opportunities for the poor and minorities in all sectors of our society. Through our network of 116 affiliates in more than 35 states nationwide, we provide social services to disadvantaged individuals in this nation's cities. It is because of this commitment to Blacks and the underprivileged in our urban areas that we welcome this opportunity to testify before your Committee on S. 2080, a bill to establish public buildings policies for the Federal government.

We at the National Urban League commend the members of this Committee for their initiative in attempting to systematize and streamline the policies of the General Services Administration in general, and the siting of public buildings in particular. Recently publicized examples of waste and mismanagement clearly indicate the need for a comprehensive and methodical

policy for locating and maintaining public buildings. The aura of scandal that has surrounded the GSA has surely impeded efforts to effectively continue the agency's role as the Federal government's landlord. Additionally, the inconsistencies and confusion surrounding present siting methods have resulted in a haphazard patchwork of Federal buildings that are often inconvenient to employees and clients, squander our scarce energy resources, and contribute to urban sprawl. We recognize and applaud the inroads that Admiral Freeman has made in reforming the GSA and its policies since assuming the position of Administrator. A Congressional mandate, providing a general direction and specific conditions, will surely serve to enhance these efforts and provide safeguards against future abuse.

The Urban League's interest in S. 2080 arises out of what we perceive as the potential of the legislation in the area of urban revitalization. Although assigning the GSA a portion of the responsibility for reviving our central cities might be viewed as overburdening an already deluged agency, we feel that not only can the Committee's objectives be best implemented with an eye toward central cities, but also can the needs of our urban areas be addressed and solutions discovered. Title II of the bill, regarding the locations of Federal agency offices, provides the ideal vehicle for this undertaking. We feel that the priorities assigned to each provision ought to be reordered, to better serve the needs of the cities, and those of the affected agencies.

The problems of our central cities and the impact of business and governmental flight from their environs does not have to be detailed to this Committee. For too long the business sector has been moving out of this nation's cities and relocating in the more affluent suburbs. The jobs these companies provide, and the accompanying sustenance, have been out of reach of much of the poor and minority population. Mandating that Federal facilities

be located in central business areas of our cities would be an important step toward remedying this situation. Ideally, the Federal government's return to our cities would set an example and encourage the private sector to follow. Government facilities must be brought back into the central business districts of our metropolitan areas.

This could be accomplished by giving an earlier preference in the bill to locating public buildings in a central business district. The priorities given to the criteria for locating an agency's operation, rather than solving the aforementioned central city ills, would seem to exacerbate the problems of urban sprawl and the declining role of our cities. By giving central business districts fourth preference after three rather narrow and specific requirements, the needs of buildings are placed before the needs of people. Rarely will a central business district be considered if these other criteria (proximity to other government buildings; historic, architectural, or cultural significance; and siting headquarters in Metropolitan Washington) must be met prior to contemplating a central city location. Further, the purposes of the bill, insuring productivity and efficiency of Federal agencies and their employees, providing services that are convenient, preserving our architectural legacies, and improving the conditions in areas surrounding public buildings, will best be fulfilled by giving first priority for the siting of Federal facilities to urban areas. Specifically, we feel that the priorities within Title II will contravene the intent and potential of the bill in the following ways:

- . Section 201 requires a Federal agency to be located in "reasonable proximity to other governmental and private offices..."

In recent years, however, the preference often has been to locate offices in suburban areas. Thus efforts to stem urban sprawl now will be thwarted by our past desultory policies.

Compliance with this initial requirement will simply serve to perpetuate the proclivity for locating businesses in inaccessible areas, to the detriment of our central cities and the bill's intent. Additionally, public transportation will not be as convenient in these outlying areas, and will confound efforts to create a practical public transit system.

Section 202 of the bill mandates that secondary consideration be given to buildings of "historic, architectural, or cultural significance." In some cases this will draw offices into central cities and we believe that this provision ought to be retained as a lesser priority. Again, we are concerned that the fate of buildings will outweigh the demands of individuals and government efficiency.

The tertiary requirement is that "the headquarters and offices of each Federal agency be located in the Metropolitan Washington, District of Columbia area". The "Metropolitan Washington area" has come to encompass so large an area however, that we are concerned that again a central business district will be overlooked. Although this Committee is attempting to circumscribe the policy regarding the location of a public building, this provision would seem to continue to allow an agency to be located anywhere from Reston to K Street to Gaithersburg.

Finally Section 204, after conforming with the requirements of the three preceding provisions, dictates that an office should be located in the central business district of a Standard Metropolitan Statistical Area (SMSA). This is the key section, which ought to prevail with a minor change. In most cases there are

two, even three, central business districts within an SMSA, all of which may be competing for a Federal agency and its concomitant commercial traffic. We would suggest that priority be given to the most distressed city within the given region, in socioeconomic, business, and employment terms. Fully 28% of the presently designated SMSAs would fall into this multi-city category, and we feel that a needs test would be the most useful and equitable way to resolve a potential dilemma.

The rationale for giving central business districts precedence over other considerations is further buttressed given the impact the priorities in Title II will have on the President's Urban Policy. The strong commitment to restoring our nation's cities embodied in this directive, particularly in regard to the siting of Federal facilities, seems to be contravened by the legislation. The initiatives undertaken as a result of Executive Order 12072 have already gone a long way towards renewing commercial activity in our central cities. Rather than enacting a bill that would be counterproductive to ongoing efforts, it would seem that a cooperative policy could be developed to serve the ends of all objectives.

We are also concerned that no mention is made of the availability of housing within a location under consideration. This is particularly important when a Federal agency is relocating to a new area. Both present and prospective employees will need assurances that they will be able to secure housing within a reasonable distance from their office. Further, it is essential that this housing be available on a nondiscriminatory basis, whether in the sale, rental, or mortgage lending for such housing. This could be a substantial barrier in relocation, and ought to be reviewed regardless of the type or location of the new facility.

The Urban League recognizes that budget constraints are an important consideration of the Committee's at this time. The most cost effective means of housing each Federal agency must be sought, and alternatives must be analyzed. If one considers the benefits accrued to a central business district, we feel it will become obvious that a central city is frequently the best choice. A cost-benefit analysis that takes into account the commercial and socioeconomic implications of each location will clearly indicate the wisdom of such a decision. Many cities have initiated urban revitalization projects with the assistance of Community Development Block Grants, Urban Development Action Grants, and Self-Help Development Grants. The placement of a Federal building within one of these already burgeoning areas would greatly augment their own efforts in bringing business and prosperity back into our urban centers.

The substantial outmigration of business and commercial enterprises from our central cities has had a devastating impact on Blacks and the poor in these areas. Not only has this practice contributed to the general decline of our central business districts, but it has also had substantial repercussions in the employment, housing, energy, and crime arenas. We urge this Committee to consider the role this legislation may have in eradicating or exacerbating these problems. Humane responses to the needs of our cities are required, not solutions that perpetuate past wasteful policies. The Federal government must take the lead in reversing these trends, and we believe that this Committee has the means to augment this effort.



LEAGUE OF AMERICAN WHEELMEN
The national organization for bicyclists • Founded 1880



STATEMENT FOR THE HEARING OF THE
 COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
 UNITED STATES SENATE
 REGARDING S. 2080
 THE PUBLIC BUILDINGS ACT.

112 South 16th Street, 9th Floor
 Philadelphia, PA 19102

Telephone: (215) 564-0855

by Ralph B. Hirsch
 National Legislative Director
 League of American Wheelmen

Washington, D.C., 1 February 1980

The League of American Wheelmen, founded in 1880, is the national organization for bicyclists. We are pleased that in this centennial year of organized bicycling in the United States the Senate is considering another important step, in the form of this bill, toward the goal of making the bicycle a full partner in American transportation.

Four points will set the context for our comments regarding the bicycle-related provisions in S. 2080.

First, the past decade has seen an amazing growth in bicycle use in the United States. In the 1970's, 103.3 million new bicycles were sold here, compared with 102.1 million new cars. The Census Bureau found nearly half a million bicycle commuters in its 1975-76 surveys, and undoubtedly the 1980 decennial census will show a great increase over the previous figures.

Second, according to the Federal Highway Administration 62.4% of all auto trips in the U.S. are 5 miles or less, a distance that can easily be covered by the average cyclist. Although many trips will of course continue to be made by auto and other motorized modes, a significant share of short trips can be diverted to the bicycle -- with many resulting benefits -- if suitable provisions are made to support bicycle commuting.

Third, the continuing prospect that gasoline will be from time to time in limited supply makes federal leadership essential in providing properly for energy-conserving modes such as the bicycle.

Fourth, the provision of support facilities such as bicycle parking, showers, and changing-rooms with lockers is thoroughly in keeping with a strong trend toward encouraging better health and

greater productivity through physical fitness. Both government at all levels and industry are sharing in this trend. (Coincidentally, this trend is a focus for discussion today and tomorrow by participants from all over the U.S. who are here for the National Conference on Physical Fitness and Sports for All.)

Now for our comments on the bill. We agree with the bicycle-related measures in sections 304(f) and (g), but would suggest some minor changes. One is that these provisions, now specified for public buildings, be extended to leased buildings also. Second, in section 304(f)(3) it may be helpful to specify that bicycle parking be not only easily accessible and secure but also weather-protected, if possible. Third, also in section 304(f)(3), the wording that "a fee shall be charged for the use of any device more elaborate than a simple metal rack" should perhaps be changed to "a fee may be charged" since the amount involved may be so trivial that the collection cost would exceed it.

We are concerned about two other points. One is the need for a time table for compliance with sections 304(f) and (g). It may be helpful for the Committee to indicate its intention to achieve early compliance, with the recognition that facilities are likely to require expansion as the demand for them grows.

Also, it would be extremely helpful for the Committee to point out to the General Services Administration that there is a large reservoir of secure bicycle storage space now available in offices and other working areas. Unfortunately the current GSA regulations are completely inflexible on this matter: they state that "Bicycles shall not be transported on elevators or via stairways, or parked in offices." The effect is to exclude bicycles categorically from much readily available and secure space that could be used, without further expenditure, to store bicycles during the workday. We think it appropriate to suggest to GSA that the regulations be changed to prohibit the movement or storage of bicycles only in those areas where, after proper evaluation by the building manager, they would actually present a hazard.

We appreciate the support that this Committee has given to the promotion of bicycling for transportation in the past, and we look forward to working closely with you as the second century of bicycling in the United States gets under way.

[From the Washington Post, December 25, 1979]

BILL TAKES AIM AT UNCLE SAM'S RISING RENT COSTS

(By Ward Sinclair)

If you think you've got problems with the cost of house and home, consider what is happening to the federal government: Its annual rent bill, now about \$600 million, is expected to hit \$1 billion in 1983.

The rising rent flows from a decision made 13 years ago in the Johnson administration primarily to lease rather than build new office space. It was done mainly to make the budget look smaller; annual rents are less awesome than full construction costs. But it has proved a bonanza for landlords, and finally has set off alarm bells in Congress, where members are worried about money lost down the rental drain.

Since Johnson started the rental policy, leased space has more than doubled, while federal white-collar employment has increased only by about 110,000. The situation has reached a point where about half of the federal labor force of 2.7 million works in leased quarters.

Congressional concern is such that a bill introduced by Sens. Daniel Patrick Moynihan (D-N.Y.) and Robert T. Stafford (R-Va.) to drastically overhaul the federal building program has drawn quick support.

The Moynihan-Stafford bill proposes to get the government fully back into the far more economical business of building its own quarters, and sets a goal of getting 80 percent of the work force into federally owned space in 10 years.

Their Public Buildings Act of 1979, cosponsored by all 14 members of the Environment and Public Works Committee, is expected to be approved quickly by the panel early next year.

The bill envisions a shakeup at the General Services Administration, which oversees federal buildings, through a top-to-bottom revamping of building policy that goes beyond the issue of leasing.

Shaken by the GSA fraud and corruption scandals and unable to get a clear picture of the huge federal building management program, the committee earlier this year put a ban on all but emergency construction and leasing.

One offshoot of the moratorium is the Moynihan-Stafford bill, an amalgam of various legislative proposals aimed at shaping up the GSA and its Public Buildings Service, which this year has a \$1.4 billion budget.

In addition to curbing lease arrangements, the bill would require GSA to submit to Congress, for review by both chambers, a yearly building and maintenance plan.

GSA currently operates without a plan and needs only approval by the House and Senate Public Works committees to start a new building—a sort of “spoils” approach that has allowed the most influential members of Congress to get buildings for their home districts.

The bill would finance new construction by allowing GSA to borrow money from the Treasury, as a homeowner might deal with a bank, and require competitions to select private architects to design new structures.

Unwritten between the lines of the legislation is a story of one of the most controversial, informal and influence-ridden programs of the federal government: building and leasing activities.

With virtually no congressional oversight during the past 20 years (it has seemed “tedious and without much reward,” Stafford says), the building program has gone in its own wavering direction.

Politics help to determine which cities get new federal buildings. Leases go to friends of politicians and GSA officials. Sites are sometimes chosen without regard to convenience. Top-security programs are lodged in porous rental buildings.

But the heart of the Moynihan-Stafford bill is aimed at ending the leasing arrangements that are lucrative for building owners, but which leave the government with only a stack of rent stubs.

Under one form, called lease-construct, GSA agrees to long-term occupancy of a privately owned building that an entrepreneur erects. With the GSA commitment in hand, financing comes easily and a profitable enterprise is on its way.

A recent General Accounting Office study pointed up the costliness of this approach. GAO noted that federally constructed buildings recover their cost by their 14th year. Every year after that is, in effect, money saved for Uncle Sam.

For example, GSA is considered a lease-contract plan to build a new headquarters for the Nuclear Regulatory Commission. If built by GSA, it would cost

\$79 million. On lease-construct, it would cost the government \$120 million in rent alone over 20 years.

"We must do something about this situation," says Moynihan. To get around that construction outlay problem, the bill instructs GSA to borrow from the Treasury and pay the money back with interest.

A similar financing proposal has been introduced in the House by Rep. Elliott H. Levitas (D-Ga.), but it does not include the other sweeping provisions of the Moynihan-Stafford package.

[From the Washington Post, Jan. 5, 1980]

LAW AND ORDER—MOYNIHAN'S PLAN FOR FEDERAL BUILDINGS

(By Wolf Von Eckardt)

There is hope that the cascade of scandals that finally poured out of the federal General Services Administration during the last year or two, will result in better public buildings.

The conditions that invite corruption and waste in GSA's procurement of paper clips, computers and office space for the federal bureaucracy persist. Purchasing procedures, according to management experts in the General Accounting Office, are still a thicket of often contradictory guidelines and regulations, some decreed by Congress, most homespun, but largely uncontrolled and uncontrollable.

Only in GSA's Public Building Service has the cleaning of the Augean stables been started—not by GSA, but by the Senate Committee on Environment and Public Works.

After nine months of intensive study by the committee staff, Sen. Daniel Patrick Moynihan (D-N.Y.) recently introduced a bill that calls for a total revision of the way GSA goes about providing work space for federal workers.

GSA's public and leased buildings have a profound effect on the appearance and economy of American cities. Roughly 1 million federal employees work in them. This year's building and leasing budget is \$1.4 billion.

At the moment, this money is frozen because the Senate committee discovered not only misconduct within GSA but also utter confusion as to how and where GSA's building and leasing budget is spent. The Committee, said Moynihan, is asked to approve renovation and leasing proposals piecemeal throughout the year without any plan, overview or indication of priorities.

Nor is there any policy about the location of public buildings—"in the heart of downtown or on an island in the middle of a river," as a former GSA official put it to Moynihan.

Despite the confusion, GSA claims to know there is an urgent backlog of \$664 million worth of federal office space to be built.

For the last dozen or so years, GSA has preferred leasing, rather than building needed space. In fact, half the federal bureaucracy labors in rented quarters. It *seems* cheaper.

The Office of Management and Budget approves of this penny-wise pound-foolishness, although it surely must know that years and years after construction costs have been paid for, the government still has nothing to show but a stack of rent receipt stubs.

Besides, much of the leased space is inefficient and shoddily built, as workers in the federal sweatshops at Parklawn, Buzzard Point, Rosslyn or Crystal City will confirm.

"Standards for federal buildings result in sturdily built if sometimes grandiose, edifices, while no qualitative standards whatever seem to guide decisions over leasing public space in private buildings. The result is that government offices are sometimes placed in jerry-built, out-of-the-way buildings that no self-respecting private firm will occupy," Moynihan said.

The Moynihan bill, which is co-sponsored by all 14 members of the Senate Environment and Public Works Committee, would impose strict limits on leasing. But it would provide the needed space by letting GSA borrow construction funds from the Treasury, to be repaid with interest, much like a private home mortgage.

To make sure the new construction is better than the glassboxes, egg crates and FBI buildings we have been getting lately, the bill includes the elegant instructions Moynihan drafted 18 years ago when he was an assistant secretary of Labor, early in the Kennedy administration.

The president issued them and GSA bureaucrats ignored them.

This time, however, Moynihan's prose, worthy of the noble Vitruvius who told the Romans how to build noble buildings in the days of Emperor Augustus, may assume the force of law.

Public buildings, say the bill, shall be designed and maintained "in such manner that they bear visual testimony to the dignity, enterprise, vigor and stability of the American government, embody the finest contemporary American architectural thought and, where appropriate, reflect regional architectural traditions."

Hear, hear,

The Senate committee staff, directed by John W. Yago, Jr. and Bailey Guard, with fresh help from Bob Peck (who has for years tried to improve federal design under the auspices of the National Endowment for the Arts) knows how to get that finest contemporary architectural thought embodied.

The Moynihan bill, in fact, is an architecture buff and city lover's dream. Among many other thoughtful provisions, it reestablishes the position of Supervising Architect, abolished in 1939. Some of America's best 19th-century architects, such as Robert Mills (Treasury Building) and A. B. Mullet (Executive Office Building), proudly held that position.

It requires GSA to use design competitions to select private architects—a good old American tradition which got us the Capitol, White House, Smithsonian castle and most other important buildings of our early history. Competitions were abolished because the big, established architectural firms frown on giving young talent an equal chance.

The Moynihan bill would give rehabilitation of worthy old buildings priority over new construction. It would allow the "multiple use" of public buildings, i.e., let them be used for shops, restaurants, art displays and other appropriate amenities.

Congress passed a law to this effect several years ago. But the bureaucrats in GSA and OMB arbitrarily limited non-government use to 10 percent of the total space. Moynihan says it should be up to 50 percent. That would make it possible for the Old Post Office, for instance, to put lively tourist attractions into its fabulous inner court.

Another section of the bill establishes a program for circulating art and educational exhibits in federal buildings. It also puts the "art-in-architecture" program on a statutory basis and lets local citizens participate in decisions about art in or around public buildings. The budget for art is set at one-half of 1 percent of annual GSA construction and maintenance expenditures.

The bill once again affirms the law that all public buildings, old or new, must be conveniently accessible for persons in wheelchairs or otherwise handicapped. My guess is that we shall have to put a few architects and bureaucrats in jail at hard labor before this simple law is finally fully obeyed.

The most important provision in the Moynihan bill concerns the location of government buildings. For a number of reasons, all of them stupid, the federal government has generously contributed to urban sprawl and the misery of the central cities by dispersing its offices and installations willy-nilly all over the landscape.

Moynihan would place them close to their constituents, the other agencies they deal with and in such a way that they are in scale with their surroundings.

He would establish geographic priorities in locating federal buildings. Headquarters of federal agencies are to be in downtown Washington, which happens to be the national capital, rather than Gaithersburg or Hicksville. Other agency offices are to be distributed across the country in proportion to population.

GSA is told that any city or town is entitled to one federal building or courthouse of monumental design, with others, if needed, designed to the same standards as first-class commercial buildings.

All new public buildings, furthermore, are to be located so as to contribute to community life, provide opportunities for good urban design, be accessible to public transportation, nearby shopping and open space. Their location, in short, should cause a minimum of traffic congestion and energy consumption and help make federal employment attractive to qualified men and women.

The bill proves that the Senate Committee on Environment and Public Works understands the tremendous importance public works have on a livable environment.

