



U.S. General Services Administration

Dorothy Robyn
Commissioner
Public Buildings Service

Committee on Oversight and Government
Reform
Subcommittee on Government Operations
"Management of Federal Real Property"
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Good morning Chairman Mica, Ranking Member Connolly, and members of this Subcommittee. My name is Dorothy Robyn, and I am the Commissioner of the U.S. General Services Administration's (GSA) Public Buildings Service (PBS). I am honored to join you here today.

Under new leadership, GSA has refocused on its mission of delivering the best value in real estate, acquisition, and technology service to government and the American people. To meet this mission, GSA is working with agencies to improve their utilization and reduce their space requirements, effectively managing our assets, and pursuing innovative real property proposals that will increase space utilization, reduce costs, and deliver better space to partner Federal agencies. Additionally, as part of our efforts to serve our Federal partners, we are working with the Office of Management and Budget (OMB) and the Federal Real Property Council (FRPC) to improve the Federal government's inventory system of real property, as well as assisting agencies to better utilize their inventories and dispose of their unneeded assets.

These efforts are in line with the Administration's goals to promote efficiency and effectiveness across the government, particularly in real property management, and we look forward to partnering with Congress in this endeavor.

GSA's Asset Management –

GSA is one of more than two dozen major landholding agencies in the Federal government. Of the more than 834,000 buildings and structures reported by agencies in the FY2011 Federal Real Property Profile (FRPP), GSA manages just 9,600. This number accounts for about 375 million of the nearly 3.3 billion square feet of space under the government's control, or slightly over 10 percent.

GSA's mission is to provide space to partner Federal agencies at the best possible value, and we do that by assisting agencies to effectively fulfill their mission at the lowest cost possible. This can be done through new work-space arrangements, proper planning for telework, and through shared services where possible. For example, as we formulated GSA's prospectus-level¹ leases in Fiscal Year 2013, we worked with agencies to significantly reduce their space requirements. GSA and partner Federal agencies reduced their space needs from a current requirement of 3,489,739 rentable square feet (RSF) to just 3,173,783 RSF, a reduction of over 300,000 square feet. This reduction will save millions of dollars each year in reduced rental payments.

¹ In FY 2013, prospectus level is any lease with rental payments of \$2.79 million per year or more. These projects require submission to the Senate Environment and Public Works Committee and the House Transportation and Infrastructure Committee for approval by Committee resolution.

GSA also has a robust asset management program to ensure the property that is under our control is fully utilized. GSA's vacancy rate in our owned and leased inventory is less than 4.2 percent, far below the private sector's average vacancy of 17.1 percent. Where we find underperforming space, we work quickly to invest in the asset and find a tenant to backfill.

We also aggressively dispose of our unneeded assets. Since 2005, GSA has disposed of over 300 of our assets, generating proceeds of over \$116 million and avoiding over \$153 million in liability costs.

Additionally, GSA has developed new tools to dispose of our unneeded and underutilized properties, allowing us to leverage the equity of some of our older and inefficient buildings in the inventory to get new and highly efficient ones. Already we have put in motion a number of potential real property exchanges that can provide considerable savings to taxpayers. Here in the District of Columbia, GSA, in coordination with the FBI, has issued a Request for Information (RFI) seeking private sector input on a potential exchange of the Hoover building on Pennsylvania Avenue for a new Headquarters for FBI that could consolidate staff, improve operational efficiency, increase space utilization, and reduce costs.

Through these efforts, GSA will continue to fulfill our important mission, working with agencies to reduce their space needs, fully utilizing our inventory, disposing of our unneeded properties, and finding innovative ways to reposition our underperforming properties.

The Federal Real Property Portfolio –

GSA also helps the Federal government in the management of real property by helping to aggregate data to better understand the Federal inventory. In concert with OMB and the FRPC, GSA manages the Federal Real Property Profile (FRPP). The FRPP is the "single, comprehensive, and descriptive database of all real property under the custody and control of all executive branch agencies, except when otherwise required for reasons of national security," in accordance with Executive Order 13327.

The diverse nature of agencies' real property portfolios requires that the data collected be broad and general in order to be met by all agencies government-wide. Additionally, the data in the FRPP is an annual report, not a living system, so the data is an annual snapshot taken at the end of each fiscal year. This means that it can be a useful tool for

inventory, but, as GAO itself has noted, “the FRPP was not designed to be an active asset management system.”²

Importantly, each individual agency is responsible for reporting information into the FRPP. Since the database’s creation, GSA has worked to improve it, enhancing its technological capability, clarifying terminology, and meeting with agencies to help them better understand the technology and reporting requirements. In line with GAO’s recommendations, we are working with the FRPC to clarify the data dictionary with additional detail that will help agencies better understand the data fields, tightening reporting requirements by removing optional data fields, and revising the data elements so that they can support better annual performance measures.

Administration’s Real Property Improvements –

GSA’s efforts to reduce costs, increase utilization, and improve the accuracy and transparency of the Federal government’s data on real property are in line with the Administration’s priorities and guidance. The Administration has promoted efficient spending across the government, and has made real property a focus.

In June of 2010, the President issued a memorandum, “Disposing of Unneeded Federal Real Estate,” setting a goal of achieving \$3 billion in savings from civilian agencies by the end of Fiscal Year 2012. Detailed results on the savings achieved as a result of this initiative are on track to be published online next month.

To further save money on real estate, the President proposed a bill that would usher in a new approach to Federal real estate, the Civilian Property Realignment Act. Building upon the successful model established by the Defense Base Realignment and Closure Commission, the President’s proposal would create an independent board of experts to identify opportunities to consolidate, reduce, and realign the Federal civilian real estate footprint, as well as expedite the disposal of properties.

This proposal would utilize bundled recommendations, a fast-track Congressional procedure, streamlined disposal and consolidation authorities, and a revolving fund replenished by sales proceeds to provide logistical and financial support to agencies in their disposal of high-value properties. It would be a comprehensive solution to key obstacles, such as red tape and competing stakeholder interests, that hinder the Federal Government’s progress toward improving real estate management decisions.

Most recently, Acting OMB Director Jeffrey Zients issued a May 11, 2012, memorandum, entitled “Promoting Efficient Spending to Support Agency Operations,” which stated,

² *Strategic Partnerships and Local Coordination Could Help Agencies Better Utilize Space.* GAO-12-779. Washington, DC: July 25, 2012.

among other things, that agencies may not increase the size of their civilian real estate inventory. Any increase in an agency's total square footage of civilian inventory must be offset through consolidation, co-location, or disposal of space.

All of these initiatives are improving the Federal Government's management of real estate, ensuring that agency decisions are made in a cost-effective way, and saving taxpayers money.

GSA's Role Government-Wide –

GSA is also utilizing its government-wide leverage, in concert with OMB and the FRPC, to assist other landholding agencies to meet the Administration's goals with the property they are responsible for managing.

As a significant Federal asset manager and the agency with government-wide disposal authority, GSA helped other agencies achieve the goals outlined in the President's June 2010 Memorandum. During this effort, GSA worked with agencies to maximize the utilization of existing facilities and to find properties they no longer need and should dispose. We shared with other landholding agencies an array of strategies to support new ways of working, with the goal of reducing physical space, increasing space utilization, reducing the cost of space, and increasing its flexibility.

With our government-wide disposal authority, GSA has been working to assist agencies in expeditiously disposing of their unneeded assets. GSA provides strategic direction and oversees the development of programs related to the utilization and disposal of Federal excess and surplus real property government-wide.

GSA develops tailored disposal strategies specific to an asset's characteristics, environmental issues, community interests, political concerns, market conditions and other factors impacting the repositioning of the unneeded asset. Similarly, when preparing a property for public sale, GSA develops marketing plans that optimize the public offering. We use tools and techniques designed to reach very broad audiences and we target specific niche interests.

While GSA has the expertise to successfully navigate properties through this disposal process, each individual landholding agency is responsible for making their own asset management decisions on whether that asset is excess to their needs.

For instance, this past year, GSA sold the Charleston Naval Hospital to the City of Charleston, a property that the Navy reported excess to us. Not only did the Federal government generate \$2 million in proceeds and avoid significant reinvestment costs, the

asset will now be re-purposed to support the senior community of Charleston. The city intends to transform the base's old 10-story hospital into a facility for senior living, senior care and a hospice.

As GAO has noted, there are still a number of long-standing challenges to getting agencies to better utilize their current inventory and dispose of unneeded assets, "including the high cost of property disposal, legal requirements prior to disposal, stakeholder resistance, and remote property locations."³ GSA is working diligently with agencies to overcome these hurdles, and the Administration's directives are assisting with those efforts.

Conclusion –

GSA is committed to carrying out its mission of delivering the best value in real estate, acquisition, and technology services to government and the American people. We are continuing our work to aggressively manage our own assets while also pursuing innovative new processes to better utilize our inventory.

Additionally, we are using our government-wide leverage, in partnership with the FRPC and OMB, to better serve our Federal partners by improving our data collection practices, assisting them with ideas for better space utilization, and disposing of their unneeded assets. These efforts will support the Administration's ongoing initiatives to promote efficient Federal spending.

Thank you for the opportunity to appear here today. I welcome any of your questions.

³ *Federal Real Property: National Strategy and Better Data Needed to Improve Management of Excess and Underutilized Property.* GAO-12-645. Washington, DC: June 20, 2012.U.S.

Dorothy Robyn serves as the Commissioner of the Public Buildings Service (PBS) for the U.S. General Services Administration (GSA).

As PBS Commissioner, Dr. Robyn leads one of the largest and most diversified public real estate organizations in the world. The Public Buildings Service is responsible for providing superior workplaces for federal customer agencies at good value for the American taxpayer.

Dr. Robyn manages the nationwide asset management, design, construction, leasing, building management and disposal of approximately 375 million square feet of government-owned and leased space, accommodating over 1 million federal workers, and covering all 50 states, six U.S. territories and the District of Columbia. Additionally, Dr. Robyn oversees an annual budget of more than \$9.4 billion and a workforce of almost 6,800.

Immediately prior to joining GSA, Dr. Robyn served as the Deputy Under Secretary of Defense for Installations and Environment at the Department of Defense. At DoD, she was the senior real property officer and provided department-wide oversight of US military bases around the world. These assets are valued at \$850 billion and include 29 million acres of land, 300,000 buildings, and 2.2 billion square feet of building space. Dr. Robyn led DoD's facility energy initiative, which is designed to reduce the Department's \$4 billion-a-year facility energy bill and improve the energy security of military bases that are largely dependent on the commercial electric power grid. She also oversaw the final implementation of the 2005 round of base realignment and closure (BRAC), the largest BRAC round undertaken by DoD, and she led DoD's effort to get additional BRAC rounds in 2013 and 2015.

From 1993 to 2001, Dr. Robyn served as Special Assistant to the President for Economic Policy and a senior staff member of the White House National Economic Council. She was responsible for issues in transportation and infrastructure, aerospace and defense, science and technology, and competition policy. Before she joined the DoD in 2009, she was a principal with The Brattle Group, an economic consulting firm that specializes in competition and antitrust, energy and the environment. In the 1980s, Dr. Robyn was an assistant professor at Harvard's Kennedy School of Government, where she taught management and business-government policy.

She is co-author (with William Baumol) of *Toward an Evolutionary Regime for Spectrum Governance: Licensing or Unrestricted Entry?* (Brookings Press, 2006) and author of *Braking the Special Interests: Trucking Deregulation and the Politics of Policy Reform* (University of Chicago Press, 1987).

Dr. Robyn holds a B.A. from Southern Illinois University and a Ph.D. and M.P.P. in public policy from the University of California at Berkeley. She is a native of St. Louis, Missouri.