

Opening Statement
Ranking Member Gerald E. Connolly
Hearing on “General Services Administration—Checking in with the Government’s
Acquisition and Property Manager”
February 15, 2018

Mr. Chairman, thank you for calling today’s hearing on the General Services Administration (GSA). GSA is not an agency that many Americans are familiar with, but its role in providing other federal agencies with goods and services is essential to leveraging the federal government’s buying power to find efficiencies and save taxpayer dollars. The Federal Acquisition Service helps agencies procure office supplies and telecommunication and information technology services, among other items. GSA’s Public Buildings Service acts as the government’s landlord, helping agencies acquire and manage office space throughout the country.

For the past six years, GSA has been working with the Federal Bureau Investigation (FBI) to help the Bureau find a replacement for its headquarters, which was described to Congress and the public as no longer adequate in helping the FBI fulfill its mission. This week GSA announced that it will abandon entirely a plan to fully consolidate the headquarters of the FBI in favor of a more decentralized approach that involves the demolition and rebuilding of the J. Edgar Hoover Building in Washington, D.C. This followed a decision announced in July to cancel the procurement of a new consolidated FBI headquarters in either Virginia or Maryland. These announcements constitute a body blow to public confidence in the federal government’s ability to effectively manage a building procurement on the scale of the proposed FBI headquarters.

The federal government comes off as unreliable and whimsical in the extreme. What damage has this done to faith in the federal procurement process? What was the cost to the private businesses, localities, and states that participated in this competition? The procurement process alone cost GSA \$20 million with nothing to show for it. The cost to the FBI has not been disclosed, but even that information would not provide a comprehensive accounting of the taxpayer dollars wasted on this project. For that, we would have to include the uncertainty developers will now price into all future business involving large-scale federal real property procurements.

The decision also has an impact on the hardworking men and women of the FBI who fight every day to keep our country safe. FBI’s current headquarters is, by all accounts, in disrepair and literally crumbling around its employees. Instead of a new consolidated headquarters near home here in the DC region, some of those employees now face continued uncertainty about this project and a potential relocation to Idaho, West Virginia, or Alabama.

The new GSA proposal is full of contradictions and flies in the face of a decade’s worth of analysis by both GSA and the Government Accountability Office (GAO).

The problems with GSA's proposal are numerous but one need only examine the economics and security aspects to raise serious questions about this decision. In July of last year, GSA blamed the inability to secure Congressional appropriations for fiscal year 2018 for canceling the project. What is the agency's proposed solution? A \$2.2 billion appropriations request buried in the President's fictional infrastructure plan. A farce within a farce.

GSA's estimates of cost savings with this new plan are likely overblown. The new plan is supposedly \$200 million cheaper than the previous plan to consolidate the headquarters in one location. However, the cost estimate for the demolish and rebuild option will likely increase as the proposal is further vetted, just as the estimate for the original consolidation project did.

This new plan also completely contradicts earlier plans that deemed consolidation of FBI components across the National Capital Region crucial to national security. This new proposed plan would ensure that the FBI is one of the only members of the Intelligence Community that does not have a standalone campus. CIA, DIA, NSA, and Homeland Security all have their own campuses to mitigate both physical and espionage threats.

The question must be asked if this decision has been informed at all by the Administration's belief that the federal workforce should be less concentrated in Washington, D.C. and more dispersed across the country, efficiencies, cost savings, and national security be damned.

Alternatively, maybe it is motivated by the fact that if GSA had gone ahead with their original plan the Hoover site would have been turned into a private development that would have directly competed with the Trump Hotel for the entirety of the lease agreement. Developing the Hoover site into a mixed use, retail, hotel and residential development would have impacted the President's personal bottom line.

These questions hang in the air. The lack of transparency in this process is partly because GSA has not worked with Congress to keep it informed and has stonewalled even basic requests from the Committee. GSA's resistance to oversight not only prevents Congress from performing one of its constitutional functions, it leads to stalled projects and appropriations, wasted taxpayer dollars, and public distrust. There will be a long-term cost to the profoundly bungled procurement of a new FBI headquarters. It will be difficult to quantify, but you can be sure that the American taxpayer will be forced to pick up the tab.

Thank you, Mr. Chairman.

Contact: Jennifer Werner, Communications Director, (202) 226-5181.