



**U.S. House of Representatives  
Committee on Transportation and Infrastructure**

**Washington, DC 20515**

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May 24, 2011

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**BRIEFING MEMORANDUM**

**TO:** Members of the Subcommittee on Economic Development, Public Buildings, and Emergency Management  
**FROM:** Subcommittee on Economic Development, Public Buildings, and Emergency Management Staff  
**SUBJECT:** Subcommittee markup of H.R. 1734, the Civilian Property Realignment Act

**PURPOSE**

The Subcommittee on Economic Development, Public Buildings and Emergency Management will meet on Wednesday, May 25, 2011, at 10:00 a.m., in 2167 Rayburn House Office Building to markup H.R. 1734, the Civilian Property Realignment Act.

**BACKGROUND**

At the February 10, 2011 Subcommittee hearing, Chairman Denham proposed exploring the use of a civilian BRAC process to address the chronic management issues and waste as it relates to federal real property. Shortly thereafter, the President included language in the proposed Fiscal Year 2012 Budget proposing a civilian BRAC process. On May 4, 2011, both the administration and Chairman Denham of the Subcommittee released proposals to apply a BRAC-like process to civilian properties.

Both proposals entitled, the "Civilian Property Realignment Act" would establish a framework through which a board or commission would independently review federal properties and make recommendations for consolidations, co-locations, redevelopment, selling or other actions to minimize costs and produce savings for the taxpayer. The legislation, H.R. 1734, was introduced by Chairman Denham on May 4.

The Subcommittee held two hearings on the civilian BRAC commission proposals on April 6 and May 12 of this year. The Subcommittee received testimony from the Office of Management and Budget (OMB), the General Services Administration

(GSA), the State Department, the General Accountability Office (GAO), the former commissioner of the 2005 BRAC commission, and other property experts.

The Subcommittee's oversight and legislative hearings identified two primary categories of federal civilian property, which cost taxpayers billions of dollars each year. The first category is surplus or unneeded federal property. Earlier this month the OMB released a list of over 14,000 surplus properties identified by agencies government wide. These properties fulfill no immediate government function yet they have considerable recurring operation, maintenance, and security costs. These properties often have little market value and may require upfront government expenditures to dispose of the properties. The second category is high-value, but under utilized federal property. These properties have high market value but provide limited public benefit. They are not currently categorized as surplus properties and are unlikely to be sold outside of a BRAC style commission.

The Subcommittee identified several reasons why surplus and under utilized properties remain in the federal inventory at significant taxpayer expense. The obstacles identified by the Subcommittee include the following:

- Agencies are unwilling or unable to sell high-value underutilized properties.
- The disposal process is cumbersome and time consuming.
- Upfront costs may exceed the first year savings.
- Parochial interests often prevent the sale or disposal of properties.

### **H.R. 1734, THE CIVILIAN PROPERTY REALIGNMENT ACT**

H.R. 1734 creates a BRAC-like process to overcome the obstacles identified by the Subcommittee and realign federal civilian property inventory. The following is a section by section description of the bill:

**Section 1:** This section designates the short title as the "Civilian Property Realignment Act."

**Section 2:** This section lists the purposes of the bill to include: consolidating the footprint of federal buildings; maximizing the utilization rate; reducing leasing; selling or redeveloping high value assets; using consolidation, collocation, and reconfiguring to reduce operating expenses; reducing overlap in field offices; creating incentives for agencies to achieve greater efficiencies; facilitating sale or disposal of unneeded properties; and achieving sustainability goals.

- Section 3:** This section provides relevant definitions including a definition for civilian real property that is consistent with public buildings definition in Public Buildings Act.
- Section 4:** This section establishes a commission to carry out duties as described in the Act. Commission would be composed on 9 members, appointed by the President with the advice and consent of Senate. Six of the members would be appointed with input by the House and Senate leadership. The section sets terms for 6 years and requires that the composition of the members include expertise related to commercial real estate and development, government management or operations, and community development.
- Section 5:** This section requires commission meetings be public and open and information accessible to oversight committees and the GAO.
- Section 6:** This section sets the compensation rate for the commission members.
- Section 7:** This section provides for the appointment and compensation of an Executive Director.
- Section 8:** This section provides for the appointment and compensation of staff and allows for details from federal agencies and GAO.
- Section 9:** This section provides the commission contracting authority.
- Section 10:** This section terminates the commission in 6 years.
- Section 11:** This section establishes a framework for the development of initial recommendations to be reviewed and submitted to the commission. This section also requires the standards developed to incorporate key principles listed in section and requires the recommendations to be submitted to the commission.
- Section 12:** This section establishes general duties of the commission as identifying opportunities for the Government to reduce its inventory and reduce costs, performing an independent analysis, developing final recommendations, and conducting public hearings. This section also sets an initial time for reporting its final recommendations (and then on a regular basis thereafter) to the President. The section requires the commission to establish a website and requires the GAO to conduct reviews of the process and assist the commission in its review and analysis.
- Section 13:** This section establishes a process for review by the president. It requires the President to send to Congress his approval or disapproval of the recommendations. If the President disapproves, the commission is

provided additional time to revise recommendations. If the President fails to approve recommendations, the process ceases for that year.

- Section 14:** This section establishes expedited processes, floor procedures, and timelines for consideration of a resolution of disapproval in Congress.
- Section 15:** This section requires agencies to carry out the recommendations if they are not disapproved by Congress. It requires all activities to be initiated within 2 years and all actions completed in 6 years, unless notice is provided to the President and Congress. Allows for agencies to take necessary steps to carry out the recommendations, except agencies are required to work within their existing authorities and, if necessary, work with GSA.
- Section 16:** This section authorizes \$88 million in the first year for the commission and initial costs associated with activities related to implementing any recommendations.
- Section 17:** This section establishes an account on the books of the Treasury for the salaries and expenses of the commission and establishes an account within the Federal Buildings Fund (FBF) to carry out actions related to the commission recommendations. The FBF account would be funded with proceeds from any action taken pursuant to the commission recommendations and provides that net proceeds be split between reinvestment and the general treasury.
- Section 18:** This section provides for an expedited process for disposals and other actions taken pursuant to the recommendation.
- Section 19:** This section amends the Public Buildings Act by requiring prospectuses for future projects to include a statement on its consistency with principles in the Civilian Property Realignment Act.
- Section 20:** This section prohibits agencies from leasing space as defined as public buildings.
- Section 21:** This section requires GAO on at least an annual basis to monitor and review the implementation activities related to the commission recommendations.

## AMENDMENTS

**Chairman Denham substitute amendment** – Chairman Denham is expected to offer an amendment in the nature of a substitute to implement technical and conforming changes recommended by the Office of Legislative Counsel. In addition, the amendment makes the following substantive changes to the base bill:

- 1) Modifies the development of agency recommendations section to have GSA consult with OMB. This is intended to ensure agencies respond with recommended property actions in a timely fashion and incorporate GSA's real estate expertise.
- 2) Removes a requirement for GAO to assist the commission in certain activities, but retains GAO's oversight role.
- 3) Modifies the commission's duties to ensure it is clear the commission may develop its own recommendations for consideration.
- 4) Requires the commission to report recommendations twice a year as opposed to every two years.
- 5) Clarifies net proceeds are subject to appropriation.

**Rep. Donna Edwards amendments** – Rep. Edwards may offer an amendment to make commission recommendations concerning consolidation, co-location, and re-alignment be oriented towards mass transit. Rep. Edwards may also offer an amendment concerning GSA rental rates in suburban Maryland.

There are no other anticipated amendments at this time.