

**U.S. SENATE COMMITTEE ON HOMELAND SECURITY AND  
GOVERNMENTAL AFFAIRS**

**SUBCOMMITTEE ON FEDERAL FINANCIAL MANAGEMENT,  
GOVERNMENT INFORMATION, FEDERAL SERVICES, AND  
INTERNATIONAL SECURITY**

**HEARING: "Federal Asset Management: Eliminating Waste by Disposing of  
Unneeded Federal Real Property"**

WASHINGTON – Today, Sen. Tom Carper (D-Del.), Chairman of the Senate Subcommittee on Federal Financial Management, convened the hearing, "Federal Asset Management: Eliminating Waste by Disposing of Unneeded Federal Real Property."

For more information or to watch a webcast of the hearing, please click [here](#).

*A copy of Sen. Carper's opening remarks, as prepared for delivery, follows:*

**"Today, we will examine the challenges the federal government faces in managing its property. We will also discuss the President's proposal to address at least some of those challenges through the creation of a Civilian Property Realignment Board to assist agencies in rightsizing our federal real estate inventory.**

**"There is a general consensus that the federal government has to 'get smarter' about the way it manages buildings and land. With concerns over the implications of our deficit and national debt mounting, eliminating waste and achieving cost savings in this other area must remain a priority.**

**"Between 2001 and 2009, we ran up as much debt as we did in the first 208 years of our nation's history. Last year, we ran up what may be the largest budget deficit in our nation's history. While most of us here in Washington are united in our desire to find a solution to our country's fiscal problems, we're still facing an ocean of red ink for as far at the eye can see.**

**"A wide variety of ideas have been put forth on how to reduce our budget deficit and begin whittling down our debt. Last fall, a majority of the bipartisan deficit commission appointed by President Obama provided us with a roadmap to reduce the cumulative federal deficit over the next decade by some \$4 trillion. A number of the steps we would need to take to accomplish this goal will likely be painful.**

**"Many Americans believe that those of us here in Washington aren't capable of taking these steps. They don't think we can do the hard work we were hired to do – that is to effectively manage the tax dollars with which they entrust us.**

**"Citizens look at the spending decisions we've made in recent years and the poor management across government and question whether the culture here is broken. They question whether we're capable of making the kinds of tough decisions they and their families make with their own budgets. I don't blame them for being skeptical.**

**"We need to establish a different kind of culture in Washington when it comes to spending. We need to establish a culture of thrift. That involves looking in every nook and cranny of federal**

spending – domestic, defense and entitlements, along with tax expenditures – and asking the question, 'Is it possible to get better results for less money?'

"When it comes to federal property management, it's clear to me and others that we can get better results and save money. Federal property management has been on the Government Accountability Office's high-risk list since January 2003, in part due to the overwhelming number of unneeded, underutilized and even vacant facilities held by federal agencies.

"The most recent comprehensive data available showed that federal agencies apparently possess more than 45,000 underutilized buildings, totaling more than 340 million square feet in space. These buildings cost nearly \$1.7 billion annually to secure and maintain. Just last month, the Administration released a list of 14,000 real property assets that have been identified as excess, meaning they no longer meet a federal need and should be disposed of.

"In addition, we're also likely over-leasing. Since 2008, General Services Administration has leased more property than it owns even though owning a federal building is often a more cost-effective way of meeting an agency's long-term needs.

"Fortunately, both Congress and the Obama Administration are united in their commitment to address the issue. In June 2010, President Obama issued a memorandum urging agencies to move more swiftly to dispose of unneeded property. He also put into place a goal of achieving \$3 billion in savings through property sales and other disposal actions by the end of fiscal year 2012.

"In addition, the President's latest budget included a recommendation to form a Civilian Property Realignment Board to review the government's property portfolio and dispose of those deemed excess in an expedited manner.

"This is a proposal that my colleagues and I on the Homeland Security and Governmental Affairs Committee still need to spend some time examining, but I'm pleased that the President has put something aggressive on the table.

"Clearly, the momentum is building to address a widely recognized problem. Yet, in all our zeal to save, we must be intelligent in our approach. Rome was not built in a day. The federal government's bloated property portfolio cannot be 'unbuilt' in a day. We have an opportunity to do this the right way and change the way the government manages its hundreds of billions of dollars worth of assets.

"The President's proposal may be the right approach. It may not be. It does, however, hold some promise. That said, agencies shouldn't be waiting for a civilian BRAC to solve their property management problems.

"In an era of shrinking budgets and scarce resources, it's critical that agencies come up with innovative property management tools to expeditiously dispose of assets they no longer need and to take better care of those that they do need. In sum, the government has many underutilized and vacant properties that cost billions of dollars each year to maintain.

"Despite efforts to reduce this inventory, multiple obstacles remain that preclude quick and easy solutions. I look forward to hearing from our witnesses as they share their thoughts on the Administration's plan and sitting down with my committee colleagues who are interested in this issue so that we can move forward with the more difficult work ahead."