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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510-6250

April 26, 2013

The Honorable Frank R. Lautenberg
Chairman
Financial Services and General Government Subcommittee
Senate Committee on Appropriations
133 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Mike Johanns
Ranking Member
Financial Services and General Government Subcommittee
Senate Committee on Appropriations
125 Hart Senate Office Building
Washington, DC 20510

Dear Chairman Lautenberg and Ranking Member Johanns:

Thank you for affording me the opportunity to provide my views on the Fiscal Year 2014 appropriations for programs and activities falling under the jurisdiction of the Financial Services and General Government Subcommittee. I hope that the following recommendations and comments will be useful to you as the Subcommittee deliberates on an appropriations bill for Fiscal Year 2014.

Department of Homeland Security Consolidation at St. Elizabeths

I strongly support the request in the President's proposed Fiscal Year 2014 budget for the General Services Administration (GSA) for \$261,531,000 for the consolidation of the Department of Homeland Security's (the Department) headquarters at the St. Elizabeths campus. In order for the Department to fulfill its mission and create a unified culture, it is crucial that its leadership and key staff from its components be brought together in consolidated and fully functioning offices at St. Elizabeths. This long-sought consolidation will bring together the more than 30 disparate offices that together make up the Department. The President's proposal would allow the next stage of this project, which involves moving Departmental leadership and key operational elements to St. Elizabeths, to move forward as currently planned, enabling the next step in a vitally important element of its efforts to gain further efficiencies and cost savings over time.

Investing in a centralized Department headquarters is also a matter of basic fiscal responsibility. The Department's mission is to lead a unified national effort to prevent,

The Hon. Frank Lautenberg
The Hon. Mike Johanns
April 26, 2013
Page 2

prepare for, and respond to natural and man-made disasters. Yet the Department's legacy facilities are scattered in over fifty locations throughout the National Capital Region, adversely impacting critical communications and coordination. Consolidation of the expensive leases will assist in the strategic realignment of the federal property portfolio in the region to more effectively and efficiently support the Department's critical missions. The consolidation will also contribute to reduced facility costs immediately and provide quality workspace to attract and retain the best professional workforce.

As of today, the U.S. Coast Guard's new headquarters on the St. Elizabeths West Campus will open on time in 2013, but the rest of the project is far behind schedule due to lack of funds. These delays will lead to higher costs for the project as efficiencies are lost and fewer companies compete for contracts. The original cost estimate for the project underway at St. Elizabeths was \$3.4 billion. Already, the Department and GSA have indicated that funding cuts in recent years have meant that continuing with the original integrated construction plan would stretch the timeline for completion to Fiscal Year 2022 and raise the overall cost to \$4 billion, resulting in a cost of delay of approximately \$600 million above the original plan. Additional cutbacks would lead to still more delays and waste. Accordingly, Congress should continue to support this project so that the Department – and our nation – can reap the benefits of the tax dollars that have been invested thus far.

Repairs and Alterations of Federal Buildings and Property Disposal

I support the request in the President's Fiscal Year 2014 budget for \$1.3 billion in new obligational authority for the Federal Buildings Fund within GSA for repairs and alterations of federal buildings and courthouses. Over the past three years, GSA has foregone over \$4 billion in capital improvements to its facilities, putting the federal government even further behind in addressing the tens of billions of dollars in needed property maintenance across the government. Deferring needed maintenance increases the cost of property management over time, and reduces the value of property that should be disposed. I therefore think it is appropriate to allow GSA to use incoming rent funds to pay for badly needed repairs and alterations, including repairs to malfunctioning mechanical and electrical systems and upgrades to fire and life safety systems.

I also strongly support funding of GSA's Office of Real Property Utilization and Disposal. The slow and inefficient process for disposing unneeded federal property is one of the most pressing management challenges that the federal government faces and is one of the major reasons that the management of federal real property is on the Government Accountability Office's "High Risk" list of government operations that expose taxpayers to excessive waste. The federal government possesses approximately 14,000 excess and 45,000 underutilized properties that cost more than \$1.7 billion annually to maintain. In the coming weeks, I plan to reintroduce legislation that would provide agencies with better tools to assist them in disposing of unneeded property while managing existing space in a way that is more beneficial to the taxpayer. Property

The Hon. Frank Lautenberg
The Hon. Mike Johanns
April 26, 2013
Page 3

disposal is also a priority for the Administration, and therefore Congress should provide the Office of Real Property Utilization the necessary funding to meet a growing workload.

Consolidation of Administrative Functions in the General Services Administration

I am pleased that the President's Fiscal Year 2014 budget request for GSA reflects efficiencies that are being gained by the consolidation of administrative functions. The top-to-bottom review of the agency that has been conducted by the Acting Administrator over the last year has exposed an unacceptable level of duplication of support functions throughout the agency. The consolidation plan will strengthen, streamline and centralize activities related to financial management, human resources, information technology, and other acquisition and administrative functions that contribute to overhead at GSA. This realignment should increase transparency and accountability throughout GSA while improving the quality of these critical support functions. In addition, the consolidation plan should allow GSA to achieve significant savings over time, as evidenced by the net reduction of 138 positions in the Fiscal Year 2014 budget request resulting from expected efficiencies.

USASpending.gov

I support the President's Fiscal Year 2014 request to transfer responsibility for the USASpending.gov website from GSA to the Department of the Treasury. The USASpending.gov website was created to increase the transparency and accountability of the \$1 trillion that federal agencies award each year in contracts, loans and grants. As the nation's financial manager, the Treasury Department is uniquely situated to provide improved transparency into the billions of financial transactions that Treasury processes each year. In addition, I support the President's request of \$5.5 million in funding for the operation and improvement of the USASpending.gov website – a sorely needed boost to the approximately \$1 million in pre-sequester Fiscal Year 2013 funds that have allowed only a bare-bones operation. This money will help Treasury improve the website and will also be used to improve the accuracy, timeliness and reliability of the information contained on the site. Transparency of federal spending is vitally important to increase accountability, prevent waste and fraud, and facilitate better decision making within the government.

National Archives and Records Administration

I support the President's Fiscal Year 2014 request for \$386 million for the National Archives and Records Administration. While the President's request, overall, represents a modest decrease for the Archive's budget, the President also has proposed some realignment of funding to improve public access to government records, migrate the Archive's information technology systems to lower-cost shared services and modernize

The Hon. Frank Lautenberg
The Hon. Mike Johanns
April 26, 2013
Page 4

federal record keeping. These efforts will help the Archives gain efficiencies in information technology spending while ensuring public access to government records.

Office of Federal Procurement Policy

I am concerned that the President's Fiscal Year budget proposes only 16 staff positions for the Office of Federal Procurement Policy within the Office of Management and Budget, a reduction of two positions from the Fiscal Year 2012 enacted level. This small office is responsible for promoting competition and efficiency in federal contract spending, which now exceeds a half-trillion dollars annually. The size of the office has remained relatively constant over the years, even as total federal spending on contracts has more than doubled over the last decade. It is important to maintain a small but robust Office of Federal Procurement Policy to continue its ongoing efforts to get better results for taxpayer dollars in the money the federal government spends on procurement. I therefore urge the Subcommittee to provide a level of funding that will allow the Office of Federal Procurement Policy to maintain the staff level of Fiscal Year 2012.

Federal Workforce Management

As we challenge agencies to achieve better results for the same or less money, we must be careful not to underfund essential functions performed by the Office of Personnel Management. Nothing a federal agency undertakes can be accomplished without a capable workforce, and the coming wave of retirements across government, combined with budget and fiscal pressures, may exacerbate the gaps in leadership and critical knowledge and skills that can threaten the government's ability to address national priorities. OPM provides government-wide leadership and support that are essential in helping agencies to manage their human resources, including their recruitment, retention and training efforts aimed at bringing on the right people with the right skills to meet agencies' missions and achieve quality results. Moreover, OPM administers the Federal Employee Health Benefits Program, which covers about 8 million employees, retirees, and family members and provides an estimated \$45 billion annually in health care benefits. The agency should receive both the necessary resources and the encouragement to pursue its efforts to cut costs and improve health outcomes to otherwise make this critical program a model of effective and efficient healthcare coverage.

Postal Reform

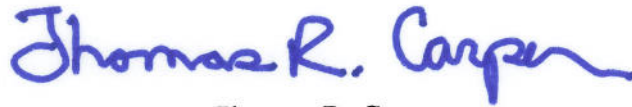
The U.S. Postal Service continues to suffer unsustainable losses that threaten its long-term viability. These fiscal challenges have been building at the Postal Service for years – attributable in large part to a reduced demand for hard-copy mail. Comprehensive legislative reform is essential to get the Postal Service back on a sound financial footing, and I am working hard with my colleagues on both sides of the aisle and in both Houses of Congress to pass such reform in the next several months. I believe the key elements of such comprehensive legislative postal reform must include: requirements for adequate

The Hon. Frank Lautenberg
The Hon. Mike Johanns
April 26, 2013
Page 5

levels of service, and authority for the Postal Service to right-size its networks accordingly; permission for the Postal Service to implement a generally 5-days-per-week delivery schedule if that change ultimately is determined by the Postal Service to be necessary; fostering and promoting innovative new ways for the Postal Service to generate additional revenue from its assets and competencies; a fair restructuring of the Postal Service's obligations to fund its retirees' health and pension benefits, so that all pay their fair share and taxpayers are protected; and procedures to help the Postal Service fund voluntary retirement incentives to accelerate right-sizing the workforce. I will keep this Subcommittee informed as we proceed with pursuing our goal of comprehensive postal legislation, and look forward to consulting with the members of this Subcommittee as appropriate.

With best personal regards, I am

Sincerely yours,

A handwritten signature in blue ink that reads "Thomas R. Carper". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Thomas R. Carper
Chairman