TOM CARPER
UNITED STATES SENATOR *for* DELAWARE

FOR RELEASE: August 4, 2011
CONTACT: Emily Spain (202) 224-2441

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

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

HEARING: "Federal Leased Property: Is the Federal Government Getting a Bad Deal"

Opening Statement of Senator Tom Carper, Chairman
As prepared for delivery

"Today we will examine the challenges the federal government faces in managing its real property and, in particular, its reliance on space leased from the private sector to satisfy long-term real estate needs.

"There is general consensus that the federal government has to 'get smarter' about the way it manages the buildings and land it owns. Presidents past and present and both parties have made this issue a top priority. With concerns over the implications of our deficit and national debt mounting, eliminating waste and achieving cost savings in this area must remain a primary concern.

"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, even after enactment this week of the spending cuts included in the legislation to raise our country's debt limit.

"A wide variety of ideas have been put forward 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 deficits over the next decade by some $4 trillion. A group of my colleagues – the "Gang of Six" – came out with similar proposal more recently. Unfortunately, Congress and the President did not follow their lead.

"As a result, we settled this week for a bill that reins in discretionary spending but does little to tackle our long-term financial challenges. In short, it was a deal; it was not a solution. It only addressed the symptoms of our nation's fiscal ailments, specifically the debt ceiling, but failed to cure our serious disease of debt and deficits. It put off until tomorrow what we should be doing today.

"As I've said before a number of times, many Americans believe that those of us here in Washington aren't capable of taking the difficult steps that will be necessary to put our country back on the right fiscal track. They don't think we can do the hard work we were hired to do – that is to effectively

TOM CARPER
UNITED STATES SENATOR *for* DELAWARE

"Fortunately, both Congress and the Obama administration are united in their commitment to address these issues. 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 had an opportunity to examine at our June 9 real property hearing.

"While the proposal focuses primarily on assisting agencies in the disposal of excess and underutilized buildings, it does provide for opportunities to consolidate or co-locate operations, which could ultimately help reduce the government's leasing portfolio. I have concerns about the cost and effectiveness of the President's approach, but I look forward to taking what works in his proposal along with other ideas and introducing a bill in the fall that will help right size the government's portfolio in a way that is advantageous for federal agencies, community stakeholders, and the clientele served by those agencies.

"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 right and change the way the government manages its hundreds of billions of dollars worth of assets.

"That said, agencies shouldn't be waiting for a civilian BRAC to solve their property management problems. In an era of shrinking budgets and scare resources, it's critical that agencies come up with innovative property management tools that will identify opportunities to right the size of our real estate portfolio, reduce costs, and achieve savings by eliminating unneeded assets and expensive long-term leases.

"I look forward to hearing from our witnesses as they share their thoughts on ways to transform our asset portfolio in a way that generates significant and lasting savings to the public."

###