

Opening Statement of Chairman Thomas R. Carper

Nomination of the Honorable Daniel M. Tangherlini to be the Administrator of the U.S. General Services Administration June 18, 2013

As prepared for delivery:

For decades, it has been commonly said that the Chinese word for crisis is made of two characters, one meaning danger and the other meaning opportunity. Many experts on the Chinese language have pointed out that this is an overly simplistic interpretation of the word. I think the popularity of the axiom that crisis brings opportunity persists because there is a large dose of truth in it.

Last spring a crisis unfolded at the General Services Administration (GSA) when a report of the GSA Inspector General detailed the reckless, wasteful – and in some instances, illegal – spending of some employees of GSA’s Public Building Service at a lavish conference. These employees used public resources to reward themselves with catered parties, a team-building exercise that involved building bicycles, and conference souvenirs.

Unfortunately, this particular conference was not an isolated instance of bad judgment. In looking into GSA’s spending practices, Congress learned of other wasteful spending – extravagant travel, misuse of government charge cards, questionable employee awards programs, and another conference where taxpayers paid for GSA employees to beat on drums. These are just a few examples.

These scandals all shook the trust of Congress in GSA – the very agency whose primary purpose is to make our federal government more efficient and more frugal in spending taxpayer dollars.

In taking over as Acting Director of GSA last April, Dan Tangherlini understood that this moment of crisis afforded an opportunity to make GSA a better agency. To his credit, he did not approach the job with a view to do the minimal amount necessary to sweep the scandal under the rug. Rather, he undertook what he called a ‘Top to Bottom’ review of the whole agency.

Mr. Tangherlini has put in stronger controls over spending within GSA. He has consolidated activities related to financial management, human resources, information technology, acquisition, and other administrative functions. These changes should make GSA a leaner agency that is better focused on its core functions of helping other agencies make smart choices in managing their property and acquiring goods and services.

Longstanding challenges with both these areas – property management and procurement – combined with the current fiscal crisis, increase the urgency of making sure that GSA is

the go-to place for agencies to be able to do more with less. GSA can and should be at the center of our government's efforts to resolve our major management challenges.

The management of real property has been on the Government Accountability Office's High Risk list of troubled programs for a decade. The government has tens of thousands of properties that are either no longer needed, or are only partially used. But we also lack accurate, comprehensive data that would enable better decisions about how agencies use their property. The government also relies too much on costly leases when the cheaper option, over the long run, would be to own property. Additionally, the federal government has a backlog of billions of dollars in needed repairs and maintenance – which, if unaddressed, will increase the cost of maintaining the property in the long run.

In the area of acquisition, GSA plays an important role, with about 10 percent -- roughly \$50 billion – of total federal contract spending flowing through GSA's contracts and other services. But there is much room for improvement. For example, the Government Accountability Office has done several studies showing that there is enormous potential for the government to save billions of dollars each year through 'strategically sourcing' commonly-used goods and services through governmentwide contracts that fully leverage the buying power of the federal government.

GSA deserves a leader who understands the complexity of these management challenges and who can work well with the heads of other agencies to help them meet their needs. I think they have such a leader now in Dan Tangherlini and that he deserves confirmation by the Senate.

Mr. Tangherlini's service as Acting Administrator of GSA, in and of itself, shows he is the logical choice to be confirmed as Administrator. But he also brings a wealth of other experience in public sector administration. He served for six years at the Office of Management and Budget early in his career and has a strong understanding of the budget process as well as program planning and financial management. He then served a year in the Policy Office of the U.S. Department of Transportation, and went on to a string of impressive jobs at the local level: Chief Financial Officer of the District of Columbia Metropolitan Police Department, Interim General Manager of the Washington Metropolitan Area Transit Authority, Director of the District of Columbia Department of Transportation, and finally, City Administrator and Deputy Mayor of the District of Columbia.

In 2009, President Obama nominated, and the Senate confirmed, Mr. Tangherlini as the Assistant Secretary for Management at the Treasury Department, where he served until being named as Acting Administrator of GSA.

Mr. Tangherlini's confirmation will also bring badly needed stability to the helm of GSA. As my colleagues know, I am a firm believer in the power of leadership. Leadership is an important and often undervalued asset that can determine whether or not an organization of any size or scale can effectively accomplish its mission. Leadership is

particularly important to turning around struggling organizations and steering through a crisis.

One of GSA's main problems over the last decade has been a lack of stable leadership, which is unfortunately a problem throughout the executive branch. GSA has had eight different leaders over the last eight years – all but two of them in an "Acting" capacity. The last two confirmed leaders of GSA, unfortunately, each resigned following scandals.

Mr. Tangherlini has a well-deserved reputation of being someone who knows how to get a job done, and who never stops looking for ways to do the job better. That's precisely the fit we need for GSA.

I look forward to Mr. Tangherlini's testimony today and the opportunity to discuss with him his priorities for GSA.