



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D. C. 20503

THE DIRECTOR

May 4, 2011

The Honorable John Boehner
Speaker of the House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Enclosed for the consideration of the Congress is a draft bill titled, the "Civilian Property Realignment Act." The purposes of the bill are to expedite the disposal, consolidation, and realignment of unneeded Federal civilian property to realize savings, sustainability, and reduce the deficit. Enclosed with the bill is a sectional analysis that describes each provision.

The Federal government owns over one million properties across the country, making it the biggest property owner in the United States. However, billions of taxpayer dollars are wasted each year on government properties that are no longer needed. These include roughly 14,000 buildings and structures currently designated by Federal agencies as excess, and thousands of others that are underutilized or otherwise underperforming in terms of cost, efficiency, or highest and best use. By leveraging approaches that have proven successful from the Defense Department's Base Realignment and Closure program, the enclosed bill would enable the Federal government to break through barriers that, for decades, have prevented significant efficiencies from being realized. The bill cuts through red tape, overcomes competing stakeholder interests, and helps address the financial challenges that traditionally have slowed or halted progress when efforts have been made to reduce the Federal government's real estate footprint one asset at a time.

The bill would establish an independent panel of experts, the Civilian Property Realignment Board, to expedite the disposal of unneeded properties and consolidate government operations into shared space across and within agencies. The Board's recommendations would first be presented to the OMB Director for review. If the OMB Director approves the Board's recommendations, the recommendations would be presented to the Congress in a report, to be accepted or rejected in its entirety. If the report is approved, the Board's recommendations would be implemented by the applicable Federal agencies. This bill is estimated to achieve \$15 billion in gross proceeds and other savings over three years once the Board is fully operational.

The Statutory Pay-As-You-Go Act of 2010 (PAYGO) provides that revenue and direct spending legislation cannot, in the aggregate, increase the on-budget deficit. If such legislation increases the on-budget deficit and that increase is not offset by the end of the congressional session, a sequestration must be ordered. If enacted as an authorization bill, this proposal would reduce direct spending and is therefore in compliance with the Statutory PAYGO Act. A similar

proposal was included as an appropriations provision in the President's FY 2012 Budget request. If enacted in an appropriations bill, there would be no PAYGO effect. The effect of this draft bill on the deficit is shown at Enclosure 1 of this letter.

In his State of the Union address, the President said "[w]e can't win the future with the government of the past." This proposal will build upon this Administration's efforts to transform how government works and deliver a government that is smarter, more effective, and more efficient. I request that the bill be referred to the appropriate committee for prompt consideration and enactment.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jacob J. Lew", with a long horizontal line extending to the right.

Jacob J. Lew
Director

Enclosures

Identical Letter Sent to The President of the Senate