



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

February 6, 2012  
(House)

## **STATEMENT OF ADMINISTRATION POLICY**

### **H.R. 1734 – Civilian Property Realignment Act** (Rep. Denham, R-California, and 31 cosponsors)

While the Administration appreciates that H.R. 1734 would pursue reforms to the Federal Government's real estate portfolio, the Administration believes H.R. 1734 does not go far enough to create a transformative process that would save taxpayers billions of dollars.

In May 2011, the Administration proposed a bill to Congress that would usher in a new approach to Federal real estate. Building on the successful model established by the Defense Base Closure and Realignment (BRAC) Commission, the Administration's proposal would create an independent Board of experts to identify opportunities to consolidate, reduce, and realign the Federal civilian real estate footprint as well as expedite the disposal of properties. This proposal would use bundled recommendations, a fast-track congressional procedure, streamlined disposal and consolidation authorities, and a revolving fund replenished by proceeds to provide logistical and financial support to agencies in their disposal of high-value properties. It would serve as a comprehensive solution to key obstacles such as red tape and competing stakeholder interests that prevent the Federal Government from effectively managing its real estate holdings. The proposal would also make a significant contribution to deficit reduction by sending a majority of the proceeds from the sale of Federal real estate to the General Treasury for deficit reduction.

Similar to the Administration's proposal, H.R. 1734 would create a Commission that would recommend Federal civilian real estate holdings for sale, consolidation, co-location, or reconfiguration. In particular, this Commission would be able to identify high-value properties that may be candidates to move off the government's books. Bringing these high-value properties to public debate could provide momentum for the Federal Government's efforts to downsize and operate in a more efficient manner, and increase transparency and understanding of the Federal Government's current real estate footprint. However, as currently drafted, H.R. 1734 does not go far enough in empowering the Commission to ensure that unneeded properties are moved off the Federal books. Specifically, the Commission's recommendations, as approved by the President, would not go into effect unless Congress adopts them by joint resolution. This approach is inconsistent with the Administration's proposed procedural model for real estate disposal that proved effective under BRAC in overcoming the competing stakeholder interests that have historically slowed progress in this area.

The Administration opposes an expansion of the properties exempted from consideration by the Commission beyond the safeguards and exemptions contained in the Administration's proposed Civilian Property Realignment Act. Unlike the President's proposal, H.R. 1734 provides broad categorical exemptions, which would limit the Commission's ability to compile a comprehensive list of properties for consideration by Congress and the American public, and would therefore limit the potential savings that could be achieved by aggressively pursuing real estate reform. The Administration also opposes limiting the applicability of the National Environmental Policy Act (NEPA) and not giving due consideration to important environmental factors when evaluating

which properties to propose for disposal.

Finally, the Administration opposes zeroing out the authorization for GSA's New Construction budget for FY12. While resources have already been appropriated in FY 2012, it is a dangerous precedent to attempt to zero out construction spending in this account. The Administration also opposes the proposed limitation on the independent leasing authorities of many executive agencies included in H.R 1734. Mandating that GSA alone exercise leasing authority in an abrupt and unplanned fashion could create capacity issues for GSA, as well as unintended consequences for agencies that currently exercise independent leasing authority responsibly.

The Administration wants to empower the Federal Government with the ability to dispose and consolidate civilian properties more quickly and realize billions of dollars in savings. The Administration looks forward to continuing to work with the Congress to achieve these goals.

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