March 2, 2016

The Honorable Bill Shuster
Chairman
House Transportation & Infrastructure Committee
2268 Rayburn House Office Building
Washington, D.C. 20515

RE: Support H.R. 4487 and H.R. 4465 at the House T&I Full Committee Markup

Dear Chairman Shuster and Ranking DeFazio:

On behalf of the Associated General Contractors of America (AGC) and its 26,000 commercial construction company members, we strongly urge you and members of the House Transportation and Infrastructure Committee to support the Public Buildings Reform and Savings Act of 2016, H.R. 4487, and the Federal Assets Sale and Transfer Act of 2016, H.R. 4465, at the full committee markup. These bills put forth sensible reforms that will encourage a more efficient use of federal real estate by reforming the leasing process, encouraging the disposal, sale and private redevelopment of underused or vacant federal buildings and growing construction jobs as well as local, state and federal revenues through such redevelopment.

The Public Buildings Reform and Savings Act reforms the General Services Administration’s management of federal real estate assets and provides the agency with the necessary tools to negotiate the best lease deals possible on behalf of the taxpayers. Currently, more than half of GSA’s space inventory – 193 million square feet – is in commercially leased space. The annual cost to taxpayers in leased space payments is more than $5.5 billion. Enabling the agency to better facilitate consolidations, reduce space, and take advantage of the current buyer’s market has the potential to save billions of dollars. The bill also calls for the sale and transfer of the existing U.S. Department of Energy Headquarters in exchange for the construction of a new facility for the agency.

Federal Assets Sale and Transfer Act implements common sense policies to shrink the size of government and help ensure savings by selling or redeveloping high value properties, consolidating federal space, maximizing the utilization rates of space, and streamlining the disposal of unneeded assets. The bill establishes a Public Buildings Reform Board of members who will identify opportunities to reduce the real property inventory and make recommendations for the sale of at least $8 billion worth of underutilized and vacant federal properties. The legislation also requires the GSA to create and publish a single, comprehensive database of all federal real properties.

Passage of these bills will help grow the private construction market by encouraging redevelopment and a more efficient use of real property by the private sector. For example, GSA sold an abandoned heating plant in Washington, D.C., for $19.5 billion that will be converted into high-end condominiums, requiring private construction work of more than $100 million. Consequently, we strongly urge you and members of the House Transportation and Infrastructure Committee to support H.R. 4487 and H.R. 4465 at the full committee markup.

Sincerely

Jeffrey D. Shoaf
Senior Executive Director, Government Affairs

CC: Members of the House Transportation and Infrastructure Committee