

# TOO MUCH FOR TOO LITTLE: FINDING THE COST-RISK BALANCE FOR PROTECTING FEDERAL EMPLOYEES IN LEASED FACILITIES

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(111-114)

## HEARING

BEFORE THE

SUBCOMMITTEE ON

ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND  
EMERGENCY MANAGEMENT

OF THE

COMMITTEE ON

TRANSPORTATION AND

INFRASTRUCTURE

HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

SECOND SESSION

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**U.S. House of Representatives**  
**Committee on Transportation and Infrastructure**  
**Washington, DC 20515**

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May 19, 2010

**SUMMARY OF SUBJECT MATTER**

**TO:** Members of the Subcommittee on Economic Development, Public Buildings, and Emergency Management

**FROM:** Subcommittee on Economic Development, Public Buildings, and Emergency Management Staff

**SUBJECT:** Hearing on "Too Much for Too Little: Finding the Cost-Risk Balance for Protecting Federal Employees in Leased Facilities"

**PURPOSE OF THE HEARING**

The Subcommittee on Economic Development, Public Buildings, and Emergency Management will meet on Thursday, May 20, 2010, at 2:00 p.m., in room 2167 of the Rayburn House Office Building, for a hearing on "Too Much for Too Little: Finding the Cost-Risk Balance for Protecting Federal Employees in Leased Facilities". The hearing will focus on the public policy and financial implications of having two different sets of security standards for leasehold acquisitions undertaken by the General Services Administration (GSA) in urban and suburban-based space procurements.

**BACKGROUND**

To determine the appropriate security countermeasures to employ in a given space lease procurement, GSA and its civilian client agencies follow a standard promulgated by the Interagency Security Committee (ISC). This document is entitled *Physical Security Criteria for Federal Facilities* and is "applicable to all buildings and facilities in the United States occupied by Federal employees for nonmilitary activities." The current ISC standard was published April 12, 2010.

To determine the appropriate security countermeasures to employ in a given space lease procurement for any Department of Defense (DOD) space requirement, GSA adheres to a standard promulgated by DOD, known as the "Unified Facilities Criteria (UFC) DoD Minimum

Antiterrorism Standards for Buildings”. The most current standard includes changes issued in January 2007.<sup>1</sup>

GSA has requested that the Committee on Transportation and Infrastructure authorize a lease prospectus for the co-location of the components of the DOD Medical Headquarters Command in Northern Virginia for 751,000 square feet of space.<sup>2</sup> The GSA prospectus makes clear that it intends to lease space that complies with DOD’s UFC standard. While the instant case raises both public policy and cost issues for the Committee in terms of the differences between the UFC and ISC standards, it is clear that GSA will need to run other lease procurements in the future for which DOD will request adherence to the UFC standard. Accordingly, the Subcommittee on Economic Development, Public Buildings, and Emergency Management intends to examine the implications, not merely for the particular case of the Medical Command, but more generally on the basis of principle, of having GSA follow two different sets of security standards for general purpose office space leases. There are significant financial and land use implications if DOD continues to require GSA to use UFC protection standards in future procurements.

These two sets of standards have similarities, but are markedly different in significant ways. These differences include: setback distances (meaning how far a building must be “set back” from a controlled perimeter), glazing (i.e., windows, skylights and glazed doors), and the treatment of parking.

In brief, for “primary gathering” buildings, which are defined as those routinely occupied by 50 or more DOD employees, the UFC standard calls for:

1. A “conventional” setback distance of 45 meters which is equivalent to 148 feet;
2. A general directive to reduce “window numbers and sizes”, as well as a highly prescriptive engineering standard for window construction (both glazing specifications and framing, and the structural elements to which they are attached); and
3. No parking underneath occupied buildings and controlled parking set back from the building perimeter by at least 25 meters or 82 feet.

The ISC standard is calibrated for five separate levels of protection, but for the two highest levels, the standard calls for:

1. A trade-off process between set-back distance and building hardening, depending upon the “design-basis threat” (this standard previously required a 50-foot setback). The design basis threat is a variable determined by both the critical nature of the mission of the agency and the target “attractiveness”;
2. In combination with the set-back distance, a specification for glazing that will, for the design basis threat, limit glass fragments to enter the inhabited space but land no more than 10 feet from the window; and
3. Parking is permitted underneath buildings, but with vehicle screening and/or additional structural reinforcement and blast hardening to the occupied spaces directly above the parking decks.

<sup>1</sup> UFC, *DoD Minimum Antiterrorism Standards For Buildings*, UFC 4-010-01 (January 22, 2007).

<sup>2</sup> Prospectus Number PVA-04-WA10. Department of Defense Medical Command Headquarters, Northern Virginia.

Central to the new ISC standard is the precept that the appropriate security countermeasures to deploy must be customized for each location, and that this customization is a result of a risk-based analytic process that examines five independent variables: mission, symbolism, population, building size, and target threat of the agency. Intrinsic to the application of the ISC standard is that some risk will need to be accepted in most situations. The ISC standard enables a customized security solution to be developed for each individual facility, while nonetheless promulgating a set of baseline standards for levels of protection.

By contrast, the UFC standard is more categorical in terms of prescribed countermeasures and makes no provisions for waivers. There is little in the UFC standard to suggest that countermeasures be customized based upon a specific risk assessment of the particular characteristics of the occupancy in terms of size, location, mission criticality, and other matters. Furthermore, on the basis of the three specific countermeasure areas discussed above, it is clear that the UFC standard is considerably more stringent than the ISC standard.

The Committee is concerned that application of these two disparate security standards will give rise to two distinctly different classes of protected Federal employees: those Federal employees who work for the DOD, and those employees who do not. This is a concern specifically with reference to Federal activities housed within U.S. borders, not on foreign soil. If the UFC standard is fully implemented, DOD employees will likely be in space that has a significantly higher level of protection than other Federal employees. As a result, Federal facilities that house DOD personnel engaged exclusively in administrative or “back office” operations will have a higher level of protection than facilities that house other Federal employees that may require greater protection, such as U.S. Department of Justice employees in the U.S. Attorneys office who may work on cases involving organized crime, drug syndicates, and criminal gang activity. Again, while the Committee’s focus is on the application of the UFC standards on U.S. soil, the Committee notes that the UFC set-back standard of 148 feet, is even more stringent than the 100-foot setback standard used by the Department of State’s Foreign Building Office for US embassies overseas. While these standards may be appropriate for military installations, and particularly in the case of overseas bases, it is not clear that they are appropriate for *all* DOD functions, particularly those for which commercial leased space is considered a suitable occupancy solution.

It is clear that the cost of the level of protection sought by DOD’s UFC standard is significant. For the co-location of the components of the DOD Medical Headquarters Command, to be housed in Northern Virginia, the annual leasing cost may quadruple: from approximately \$7 million per year to just over \$30 million per year. The additional cost to the taxpayer, over the 15-year term of the proposed lease, is \$57 million (current dollars). This cost is directly attributable to the UFC standards since the present locations’ non-compliance with these standards is a key driver for the new lease action.

Application of the UFC standards categorically also would have the secondary effect of making it highly unlikely that DOD would have the opportunity to locate facilities in urban settings or in close proximity to public transportation.



WITNESSES

**Ms. Sue Armstrong**

Deputy Assistant Secretary for Infrastructure Protection  
Department of Homeland Security

**Mr. Michael McAndrew**

Director, Facility Investment & Management  
Office of the Deputy Under Secretary of Defense, Installations and Environment  
Department of Defense

**Mr. Samuel (Chip) Morris**

Public Buildings Service Assistant Commissioner  
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**Ms. Eve Hinman**

President, Hinman Consulting

**Ms. Barbara Nadel, FAIA**

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**Ms. Maureen McAvey**

Senior Vice President  
Urban Land Institute



## **TOO MUCH FOR TOO LITTLE: FINDING THE COST-RISK BALANCE FOR PROTECTING FEDERAL EMPLOYEES IN LEASED FACILI- TIES**

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**Thursday, May 20, 2010**

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC  
BUILDINGS AND EMERGENCY MANAGEMENT,  
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,  
*Washington, DC.*

The Subcommittee met, pursuant to call, at 2:42 p.m., in room 2167, Rayburn House Office Building, Hon. Eleanor Holmes Norton [Chairman of the Subcommittee] presiding.

Ms. NORTON. The hearing will be in order.

Good afternoon, and welcome to today's hearing on the cost and other implications of applying the Department of Defense's antiterrorism force protection standards to the General Services Administration's leased space procurements.

There are only three security standards for federally owned and leased buildings: one, the State Department's Bureau of Overseas Building Operations, or UBO, standard, which applies to all buildings at U.S. diplomatic and consular posts; two, the Interagency Security Criteria, or ISC, standard, which applies to all buildings in the United States occupied by non-military Federal employees; and, three, the DOD's Unified Facilities Criteria standard, which applies to all buildings on both foreign and U.S. soil occupied by DOD employees, including civilian employees, regardless of the nature of the work performed or security threats.

The GSA is the Federal Government's central domestic building management agency and owns or leases over 350 million square feet of general purpose space throughout the country used by various Federal agencies, including the DOD.

The GSA generally follows the ISC standards for lease procurements. However, for DOD leases, the GSA is required, it believes, to adhere to DOD's UFC standards, apparently imposed by the DOD on its own, unrelated to a specific authorization statute.

DOD's UFC standard is considerably more stringent than the ISC standard for all other Federal employees and is significantly more costly to taxpayers.

For example, the ISC standard, until recently, required uniform setbacks of 50 feet, but now it permits factors such as a building's resiliency to be taken into account when determining setbacks. In

contrast, the DOD's UFC standard still requires a minimum setback of 148 feet, almost three times as much.

Further, while the ISC standard allows for parking beneath federally occupied space, DOD's UFC standards eliminates parking beneath occupied structures, and whatever parking is permitted must be set back at least 82 feet from the building.

To take a current example to amplify these points, GSA currently has requested that the Subcommittee authorize a lease prospectus for the colocation of DOD medical headquarters command in northern Virginia for 751,000 square feet of space. These are important personnel, but may have no more need for secure facilities that meet DOD's UFC standards than other Federal civilian personnel. However, the GSA's prospectus makes clear that it intends to lease space which complies with the DOD's UFC standard.

Accordingly, today this Subcommittee will examine the implications not merely for the particular case of the Medical Command, but more generally for whether there is sufficient justification for requiring GSA to follow two different sets of securities standards, one for general purpose office lease space for DOD civilian employees and another for all other Federal civilian employees, without taking into account risks, threats, and cost-benefit analysis.

There are significant financial, land use, and societal implications that must be explored if GSA continues to use the DOD's UFC standards in future procurements.

The Subcommittee is concerned that the application of two disparate security standards will give rise to two distinctly different classes of civilian Federal employees who do similar work: DOD employees and all others.

As a policy matter, we will require justification for why not merely some, but all, each and every DOD employee, including those engaged in purely administrative or back-office functions, need a higher level of protection than, for example, the U.S. District Court judges or the Nation's U.S. attorneys who may work on cases involving terrorism, drug syndicates, organized crime, and criminal gang activity, all at the same time, under the same roof.

The Subcommittee also notes that DOD's UFC setback standard of 148 feet is even greater than the 100-foot setback standard used by the Department of State's OBO standard for U.S. embassies where terrorist threats have, in fact, occurred or been well-documented. The DOD's UFC standards may be appropriate for military installations, but it is not clear that they are appropriate for all DOD functions, particularly those for which commercial space is considered by DOD as suitable for occupation purposes.

The cost to taxpayers of the level of protection sought by DOD's UFC standard is significant. For the colocation of DOD medical headquarters command, the annual leasing cost may quadruple, from approximately \$7 million per year to over \$30 million per year. The additional cost to taxpayers over the 15-year term of the proposed lease amounts to \$57 million in today's dollars. The cost is directly attributable to the DOD's UFC standards inasmuch as noncompliance at the present location with these standards is a key driver for the new lease location in the first place.

These extra costs, particularly given the economic conditions posed by a severe recession and an unacceptable Federal deficit,

appear inconsistent with military cost controls sought not only by Members of Congress but also by Defense Secretary Robert Gates, who, at this moment, is seeking to convert as much as 2 to 3 percent of military spending from tail to tooth—military speak for converting support services to combat forces.

In a speech delivered May 8th, Secretary Gates said—and I am quoting him now—“Military spending on things large and small can and should expect closer, harsher scrutiny,” end quote. This Subcommittee agrees. And, through this hearing and in our future work, we intend to bring scrutiny to bear on the application of DOD’s UFC standards to DOD’s civilian occupancies.

We are particularly concerned that the DOD’s UFC standard, if left unchallenged, will lead to a series of urban fortresses for Federal occupancies, an idea that is inimicable to an open, democratic society, even with appropriate security.

I am a Member of the Homeland Security Committee, and I fully appreciate the necessity that all government facilities be secure. I appreciate it all the more because I represent the Nation’s capital. But security features and procedures must be calibrated to threat and risk analyses that also account for their effect on ordinary access.

Importantly, security standards cannot be promulgated without regard to cost. Under both the ISC standard and the DOD’s UFC standard, there has been essentially no assessment of the probability of threats so that threats, on a risk-adjusted basis, can be compared to the cost of the countermeasures designed to deter them. In the absence of methodological rigor, there is little to contain spending or to enhance security, for that matter.

The continued uniform application of DOD’s UFC standards to all DOD office facilities in the United States poses the risk of red-lining most urban and suburban settings in close proximity to public transportation, where most space for Federal employees is located today. Moreover, if DOD’s UFC standard forces DOD civilian employees to abandon public transportation, the standard will have the unintended consequence of forcing more commuters onto already-strained roads, with all of the consequences to air pollution, climate change, and all the rest that is familiar to us all. This, too, is antithetical to the longstanding, bipartisan mass-transit goals of Congress.

The regulations also appear at odds with President Obama’s March 4th, 2009, Presidential Memorandum published in the Federal Register urging the in-sourcing of Federal employees who will be returning from their present status as contract employees performing inherently governmental work to government service. This Committee will be tasked with finding facilities for these employees now housed by contractors. Many of them will be DOD civilian employees.

We are pleased to welcome witnesses from DOD and the Department of Homeland Security to testify concerning their respective building standards and a witness from GSA to discuss how it procures space in light of these standards. We also welcome our private-sector witnesses, who are not only expert in the field of physical security but also in engineering, architecture, and land use economics.

The Subcommittee looks forward to the testimony from all of these witnesses.

I am very pleased now to welcome comments from our Ranking Member for the day. Mr. Diaz-Balart is ill in Florida and has not been able to be in session with the Congress this week. But we are pleased to be joined by a Member of the Subcommittee, Mr. Cao, for opening remarks as Ranking Member.

Mr. CAO. Thank you very much, Madam Chair. And I want to thank you for holding this important hearing today on building security.

In a previous hearing, we had focused on oversight of the Federal Protective Service and its contract guard program. Today we are examining physical security and, more specifically, the standards used for leased facilities.

As we all know, Federal buildings are a proven target for terrorists and others who wish to do us harm. In fact, the Interagency Security Committee, which provides guidance for security for Federal buildings, was established by Executive order in the wake of the Oklahoma City bombing.

To ensure we adequately protect Federal workers and visitors to our Federal facilities, we must set security standards that are risk-based and effective. Often, this means that we should not have cookie-cutter approaches to physical security, because not every building is the same. Applying a one-size-fits-all standard may do little to address actual risk and, at the same time, may significantly increase cost to the taxpayer.

For example, earlier this month, it was reported that GSA placed a 127,000-square-foot building in Bethesda up for sale because it did not meet security setback requirements. As we know, this is not the best time to sell real estate. And this location sits in a prime location for Federal workers, close to a Metro. It is unclear how an appropriate security assessment was completed for the specific risk to this building without knowing who the likely Federal tenant would have been and what other measures could have been taken to address any risk.

In most metropolitan areas, Federal agencies, whether in owned or leased space, often must make assessments that take into account the limitations on space. And we have seen tailored alternatives to setbacks in many urban areas around the country. As the new ISC standard suggests, each building should be assessed to determine its risk, and various solutions should be considered to address these specific risks. Doing this will improve security and ensure tax dollars are used effectively.

Finally, today, it will be important for us to understand the standards used by the DOD. This Committee has received a lease prospectus for DOD medical headquarters command in northern Virginia, which requires 751,000 square feet of space. Concerns have been raised as to whether separate standards for DOD facilities unnecessarily limits the sites and locations available to accommodate DOD needs and increases the costs of the project.

Being able to evaluate the ISC standards and DOD standards will assist this Committee in better evaluating proposals and costs for new space. I hope today we can hear from the witnesses on these and other issues.

Thank you. And I yield back.

Ms. NORTON. Thank you very much, Mr. Cao.

We are pleased to be joined by a Member of Congress from this region who knows these issues, among many others, because Jim Moran not only serves on three Subcommittees of the Appropriations Committee, he serves on the Defense Subcommittee in particular.

Mr. Moran, we are pleased to receive any testimony you may choose to offer.

**STATEMENT OF THE HON. JIM MORAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VIRGINIA**

Mr. MORAN. Well, Madam Chairwoman, thank you.

Although your complete statement said everything that I want to say too, I will proceed nevertheless and say it, as well. But I appreciate your opening comments, as I do of Mr. Cao's. Clearly, you understand the importance of this issue. And I want to welcome Ms. Edwards and Mr. Johnson, as well. And I thank your excellent staff.

As I say, you expressed this issue better than I can, Madam Chairwoman, but now we need to address it. And I will identify the same reasons.

My congressional district is a large urban area that not only leases office space to some of this Nation's largest corporations, but it also leases millions of square feet to the Federal Government, at least those that remain after you get first dibs, Madam Chairwoman.

That wasn't in my prepared statement.

Ms. NORTON. It is all competitive, Mr. Moran.

Mr. MORAN. But with that in mind, I would like to express my very serious concern over the Department of Defense's antiterrorism and force protection standards.

First, I am much concerned that DOD has, thus far, been permitted to establish separate security standards from all other Federal agencies. It is the responsibility and the authority of the General Services Administration to establish security standards for buildings housing Federal employees.

DOD's standards usurp GSA's authority, which not only creates uncertainty in Federal contracting with property owners, but it is implementing a policy that suggests that DOD employees deserve a higher level of protection than other Federal workers. As the Chairwoman articulated, there are so many other Federal workers that deserve at least as much comparable protection.

For some iconic DOD facilities, there is probably sufficient rationale to implement these standards. The Pentagon would be such an example. But for many lesser-known defense agencies and components that are housed in private buildings, these stringent security standards above and beyond those established by GSA simply don't make sense. I don't think that terrorists are harboring any particular hatred toward TRADOC or toward any one of the other dozens of inscrutable acronyms that identify the multiple DOD agencies that are housed in these Federal buildings.

Secondly, the DOD standards raise the costs that the Federal Government must pay for DOD leases. One particularly onerous re-

quirement of such standards is a minimum standoff distance of 82 feet from either a parking lot or a roadway. In an urban area, this minimum standoff distance simply disqualifies a vast number of buildings from housing DOD employees. And it makes it almost economically impossible to afford to purchase this kind of setback space at a public transit hub that is zoned for high density, because that land is simply too valuable to devote to this substantial setback from the sidewalk or from the transit station or whatever. And, yet, that means that it runs counter to any sensible smart-growth urban planning.

As a result, competition is limited, which ultimately forces the government to pay a much higher rate to house DOD employees in privately owned buildings. As the title of this hearing states, it is unclear what net benefit the government receives from DOD standards versus the additional costs that the government must pay.

I think it is important to note that the Defense Department often circumvents its own rules through a loophole that waives its standards if less than 25 percent of the building's occupants are DOD employees. The 25 percent rule prevents DOD components and agencies, though, from expanding within a given building. And it actually forces the Department to rent more leased space at higher rates across multiple buildings instead of consolidating its employees in fewer buildings, which was the intent of the BRAC move in the first place. It is irrational and expensively counterproductive. So, Madam Chairwoman, surely abiding by GSA's security standards makes much more sense.

And the third reason is that DOD's security standards prevent local governments in Washington, D.C., and northern Virginia and in other metropolitan urban areas from implementing mixed-use development. In our districts, mixed-use development has proven to have ecological, environmental, and transportation-related benefits that translate into greater economic activity and a higher quality of life for residents as well as workers. By prohibiting mixed-use development, which these security standards do, it stifles innovation and public planning, which ultimately costs localities lost economic output.

So, in summation, DOD's security standards undermine GSA's authority; they cost the Federal Government in much higher additional lease payments without delivering sufficient benefit; and they run counter to smart-growth urban planning and development.

I think those are compelling reasons. And, as a result, I want to thank you again for having this hearing and for so fully understanding how important it is. And thank you for your leadership and that of the Subcommittee.

Thank you, Madam Chairwoman.

Ms. NORTON. Thank you, Mr. Moran.

Before I begin to ask you just a few questions, I neglected to ask the other Members if perhaps they had any opening remarks.

First, Ms. Edwards?

Ms. EDWARDS. Thank you, Madam Chairwoman. I will try to slide a little closer here.

Mr. MORAN. She has a bad leg there. So, those in the audience don't realize the physical problem she has.



Ms. NORTON. And I didn't even realize it. Of all people to be in a wheelchair, even temporarily, Donna Edwards.

Ms. EDWARDS. Thank you, Madam Chairwoman. And this is what happens when you meet a marble stairwell and a wall and the wall wins.

I want to thank you, Madam Chairwoman, for holding this hearing.

And, Mr. Moran, thanks so much for your testimony.

I hope the Committee understands that the issue of GSA leasing and consistent and clear standards that are applied across the board is a really important issue that is very personal for the constituents, the people of the Fourth Congressional District.

I represent Prince George's and Montgomery Counties, located here right outside of Washington, D.C., in the national capital region. Unfortunately, these counties receive far less consideration from Federal leases than any other surrounding areas. And point in fact, that both of these counties in the State of Maryland really do employ some of the highest opportunities for transit-oriented development that is ecologically friendly, environmentally friendly, and makes sense in an urban area. And so, what we are considering here today is the consistency of those standards across the board so that all of our jurisdictions, and particularly Prince George's and Montgomery County, are as competitive.

I want to note—and the Committee has heard this testimony before—but Prince George's County receives, actually, the fewest number of higher-class lease space compared to any other jurisdiction in the region when it comes to GSA property leasing. A couple of years ago, the University of Maryland did a study that actually showed that only 10.1 percent of GSA's leases are within Prince George's County, in this county's borders, in this region. Moreover, those leases represent only 7.6 percent of the square feet leased through GSA in the region and only 4.1 percent of the total rent.

What does this mean? Well, it is striking because it means that only 3.9 percent of the office space leased by GSA in this region is in Prince George's County.

The University of Maryland study goes on to say that, "However," and I quote, "in Prince George's County, warehouses make up 49.4 percent of the GSA's leases."

And so I appreciate the study and refer to it often, but Prince George's County didn't need a study to confirm that it is being overlooked. And so this question of balancing out what the standards are and applying them across the board and making sure that they are uniform is really about making sure that, in this region and other regions, that economic development can take place throughout the region—positive economic development.

And I have spent the last 2 years only since I have been in office trying to understand why this disparity could be the case. Prince George's County has a multiple of Metro stops. In fact, the county has the highest number, the greatest number of Metro stops in the region, but has the fewest amount of leased space by GSA. And so, one has to wonder why this is. It is also the home, our county is, in Prince George's County, to 25.7 percent of the region's Federal workforce, but again, a disparity in lease space.

And when it comes to looking at these leases and looking at the changes in prospectus, particularly when it comes to things like safety considerations, even things like ceiling heights, one has to ask, what is going on here, and why is this disparity true? And I have tried to get these answers from GSA, and, to date, they have simply not been satisfactory.

I hope I am wrong, and I would love for GSA to convince me otherwise, but the only answer that seems to make sense to me and to the people in our congressional district is that Prince George's County is being overlooked on purpose. Every time a new situation comes up and GSA has a reason to not lease in Prince George's County or a reason to put out a prospectus in such a way that it seems to favor one jurisdiction over another, it means that Prince George's County is left out. And this is really unacceptable in the capital region.

And so one of the issues that we are going to hear about today is setback standards. The setback standard is really important because it is important to considering the protection of not just part of our workforce, not just the DOD part of our workforce, but all of our workforce. And the reason that it is important to have a consistent standard that is applied across the board and that GSA applies is because, if every agency were allowed to create their own standard, then what would be the point? And the Federal Government, the taxpayer would, in fact, be spending so much more money than we need to on this leased space.

And so, if it is a safety issue on a level 4 building, and that that can be waived, then what does that say about the safety and protection of our entire workforce? Why should only new buildings have that standard?

So I look forward to hearing from the representatives of GSA and DHS on not just the setback standard requirements but the reasons for other changes that occur once a prospectus is sent out. And it has to be a good explanation. And, at long last, if this explanation can't be made in policy and in practice, then I think it has to be changed in law.

And so I want to thank you, Chairwoman Norton. I know we have had numerous conversations about this. And I think the time for talk is over. Prince George's County, Montgomery County, this part of the region has waited way too long for an explanation that makes sense.

Thank you very much.

Ms. NORTON. Well, thank you, Ms. Edwards.

And before I ask Mr. Johnson, a new Member of our Subcommittee, if he has any remarks before asking Mr. Moran just a few questions, I do want to say that Ms. Edwards is talking about—she doesn't call it that; I will call it for her, because we have done some investigations—she is talking about documented discrimination.

Ms. Edwards, we found some of that discrimination right here in the District of Columbia, not against parts of the District of Columbia that are poor or off-center, but against parts of the District of Columbia close to the Capitol, simply because they are not downtown on K Street.

The reason for this discrimination, we have found, is GSA caving into agency preferences. That is inimicable to the mission of GSA, and we have been at pains to correct it, including a standard that required GSA to come back to the Committee before changing the terms of the prospectus, only to find that, in the case of one Prince George's County facility that was in fact competing, GSA did not come back because they interpreted it to mean that somehow they had to change the face prospectus. They simply amended the prospectus at the aegis of the agency so as to essentially make it impossible for Prince George's County to compete.

Anti-competitiveness is one thing this Subcommittee will not stand, even with respect to my own district, where many agencies prefer to be because it is the Nation's capital. We sanction only competitiveness, and Members cannot get into the competitive process. But in the investigation of the particular Prince George's County matter, we found discrimination so bad that they had to withdraw the RFP, the request for proposal.

So Ms. Edwards is not just whistling Dixie, as they say. And it is important to understand how important it is that these matters be rationally explained. If you can't explain it in our system, you are already in trouble.

I am going to ask Mr. Johnson whether he has any opening comments. And I am pleased to welcome him to this Subcommittee. He is not a new Member of Congress, but he is new to this Subcommittee, and we are very pleased to have him as a Member.

Mr. JOHNSON. Thank you, Madam Chairwoman. And thank you for hosting this important issue in this Committee.

Today I drank a lot of hot tea and iced tea, getting ready for this hearing. This is my first Subcommittee hearing in Transportation and Infrastructure, and, quite frankly, I thought I might have a tough time keeping my head from banging the desk here, nodding off and everything. So I am wired up.

And when I got here, I started listening to issues regarding smart growth and transit-oriented development and mixed-use urban planning. And these are all issues that, during my previous career as a county commissioner down in DeKalb County, Georgia, were frequently under discussion.

And so I feel that, with my service on Armed Services Committee, where yesterday we had an authorization bill markup where we discussed issues of outsourcing versus insourcing and where it is clear that our Defense Department is insourcing—at substantial savings to taxpayers, I might add—and then I come to this meeting today and I hear that all of these conscientious and progressive land use plans that present a great quality of life for the people who live in urban and suburban environments and I hear how that interfaces with how our Federal Government handles the actual leasing of real estate and how that can hamper the savings that the taxpayers would enjoy from the insourcing of these functions and how that also has a detrimental impact on the land use policies that are so enlightened, I am now awakened to the importance of this Committee and what it is doing and what it is exploring today.

And having heard from my colleague from Maryland, as she spoke about competition policy issues, well, I just happen to Chair

the Subcommittee on Courts and Competition Policy in the Judiciary Committee. And this is, indeed, competition policy that we have spoken of. And so I am pumped up and ready to go.

And I will yield the balance of my time. Thank you.

Ms. NORTON. Thank you very much, Mr. Johnson.

Mr. Moran, you are a senior Member of the Defense Appropriations Committee, is that not the case?

Mr. MORAN. Yes, ma'am.

Ms. NORTON. What are you in seniority on that Committee, sir?

Mr. MORAN. I am third.

Ms. NORTON. Third in seniority.

Mr. MORAN. There is Mr. Dicks, Mr. Visclosky, and myself.

Ms. NORTON. Well, then I think you could be considered something of an expert witness when I ask you this question.

Occasionally, the appropriators will authorize something, almost always after talking to the authorizing Committee. And are you aware of any language from the Defense Appropriations Committee that authorizes a separate set of standards for all DOD facilities regardless of the mission and function of those facilities?

Mr. MORAN. No. No, I am not. Well, I know we did not put anything in the Defense Appropriations bill that enabled DOD to carry out a separate set of standards. I think there is something in the authorization bill. I am not—

Ms. NORTON. Do you believe that what the DOD, the separate standards regardless of mission, is perhaps authorized in the D.C. authorization committee?

Mr. MORAN. Well—

Ms. NORTON. By the defense authorization—defense—sorry—

Mr. MORAN. The Armed Services Committee.

Ms. NORTON. Yes.

Mr. MORAN. I know we didn't put anything in the Defense Appropriations bill. But there is language that they intend to implement by 2014 that requires all buildings to be in compliance with the security standards. And that is one of the reasons that makes this hearing so urgent.

I will hold on.

There are standards that DOD intends to implement by 2014, and that is what makes this so urgent. Because when they do that, it is basically another BRAC process. Many DOD employees are going to have to move out of buildings that they are currently in, because those buildings don't meet these standards.

Basically, any building that is in an urban area, in D.C. or in Virginia, at least inside the Beltway, in D.C., Maryland, or Virginia, that is near a Metro station doesn't meet these standards. The only way that you can get around it is to have less than 25 percent of the building as DOD employees. So some of them, they are moving into other buildings. So they use that loophole, which, of course, is totally counterproductive to what they say they are trying to accomplish.

Ms. NORTON. Sorry, what loophole is it again, Mr. Moran?

Mr. MORAN. That the standards don't apply if less than 25 percent of the occupants are DOD employees. So, you know, if the building, for example, is housing—half are DOD employees, they

will take half of that half, put it in another building someplace, so they can comply by using this loophole.

Ms. NORTON. So they would then need another facility for people doing the same kind of work, spreading them out at yet another facility.

Mr. MORAN. Absolutely, with less efficiency and greater expense.

But there is no building, there is no commercial office building near a Metro station that can afford to be 82 feet away from an sidewalk, can afford not to allow public access, whether for retail activity, you know, a coffee shop, whatever it be, or a parking garage that some parts of the public don't have access to.

So, Ms. Edwards talked about Metro stations. And you have Metro stations, and I have Metro stations. That is where they should be, and yet they can't be because of these DOD standards. And, by 2014, it is going to be as bad as BRAC was, in terms of moving all these DOD employees around just to meet these standards.

Ms. NORTON. Now, let's just follow up on that. BRAC employees, many of them are DOD employees.

Mr. MORAN. Yeah. Well, all of them are.

Ms. NORTON. The ones that are moving now to Fort Belvoir?

Mr. MORAN. All of them are DOD employees. They took 20,000 people out of this area, the urban area, where virtually all of them were in buildings that had access to Metro. So many of them were relying upon Metro or were living in walking distance.

Ms. NORTON. So they are going to be—

Mr. MORAN. Now they have to get in an automobile and drive down to Fort Belvoir.

Ms. NORTON. Now, they were in buildings that did not have—since this has been in effect since 2004—

Mr. MORAN. Yeah. They still are in those buildings, most of them.

Ms. NORTON. They are still in those buildings.

Mr. MORAN. Oh, yeah. But they have to move by—

Ms. NORTON. And they are in those buildings because the DOD didn't have these setbacks at that time.

Mr. MORAN. That is correct.

Ms. NORTON. So it would be interesting to know why in the world these setbacks came after 2004. Similar employees of DOD today, such as those now being insourced to the government, could not occupy the same office space that the DOD employees going to Fort Belvoir, for other reasons, will occupy.

Mr. MORAN. That is correct.

And, of course, we would maintain that this kind of requirement falls under GSA's authority. That is where the jurisdiction is. And it should be this Subcommittee that makes that determination, what level of standards are necessary within a building.

And GSA does this all over the world. In New York City, for example, you have these iconic activities, but you can't possibly have that kind of a setback, so GSA deals with it.

Ms. NORTON. Well, I wonder if there are any Department of Defense facilities in New York City. You are right. I wonder if DOD has any facilities in New York and Philadelphia and L.A. And its environs, given these setbacks, or if it could even contemplate it.

Let me ask you another question based on your expertise, Mr. Moran, as a senior Member of the Defense Appropriations Committee.

Do you believe that defense agencies, such as Defense Accounting, Defense Advanced Research Projects, and Defense Information Systems Agency, are sufficiently targeted or otherwise face threats that should require the taxpayers to put them in more secure facilities than they would occupy today in northern Virginia, the District of Columbia, and throughout the United States?

Mr. MORAN. Madam Chairwoman, I think that it is important to have some security. The kind of security that GSA is providing, I think, is an appropriate level of security.

In this area, it seems to me there are certain high-value targets for a terrorist: the White House, obviously; the Capitol; the Pentagon; the CIA. There are monuments that would be high-value targets. But to suggest to these agencies that—

Ms. NORTON. One of the things we are going to have to find out is if those agencies come under this. Does the CIA come under this?

Mr. MORAN. No. No.

Ms. NORTON. There is a target for you.

Mr. MORAN. Well, yeah. And the Drug Enforcement Administration, it seems to me that could be a target. I mean, we are not just talking about terrorists that come from, you know, al Qaeda or whatever. There are terrorists involved with drug gangs. And DEA does some very sensitive, difficult work. Seems to me they could be targets. But they don't have these same standards applied to them.

And the agencies you mentioned—and, of course, there are other agencies—the Joint Military Medical Command that we are consolidating, the training and so on, I mentioned TRADOC—any number of these, most people have no idea what the acronym means; they don't know where they are located. They conduct the same type of work that our other Federal employees do. It is supportive; it may be somewhat ancillary to warfighting, but it is important. But are they likely to be a target? I don't think so.

This was a unilateral decision made during the Rumsfeld administration without considering the ramifications, the consequences, and the costs.

Ms. NORTON. Mr. Moran, let's take your district as an example. Do you know whether there is space in northern Virginia that is reasonably enough priced to be competitive in a competition for Federal employees, DOD or otherwise?

Mr. MORAN. The only way that you could find the kind of space that DOD is requiring—

Ms. NORTON. I am saying—I am sorry. I meant to say in existing space, not space with the setbacks, since you have testified that that kind of space doesn't exist.

Mr. MORAN. Right.

Ms. NORTON. If DOD came under the ISC or regular government employee regulations, would there be reasonably priced lease space in northern Virginia that could be competed out if DOD didn't have to comply with these standards?

Mr. MORAN. Oh, if they didn't have to comply, absolutely. If they have to comply with the standards, there is no space anywhere near Metro access. In other words—

Ms. NORTON. In other words, they might have to build—if they wanted somebody to be near the Pentagon, then they might have to build something somewhere. And, of course, I am not sure where you do that.

Mr. MORAN. They have to go way outside the Beltway, Madam Chairwoman.

Ms. NORTON. They couldn't build here very easily, because this is a built-up part of the region.

Mr. MORAN. No. No owner or developer can afford to build a building 82 feet away from the road and the sidewalk and not have any retail space available to the public, not have any public parking, not have any of it. That is just so counter—it goes so counter to smart-growth planning, which all of our jurisdictions are trying to engage in.

Ms. NORTON. I indicate that we are not here talking about all DOD space. We are saying, if you put “defense” in your title, that you can spend any amount of money, and we are certainly open—as I indicated, I am on the Homeland Security Committee—to a case for any function, even one that does seem to be, forgive the expression, a paper-pusher function. We are certainly open to the notion that, in fact, secure space may be required. We believe in the middle of a recession to leave space unfilled without explanation, to ask the government to pony up more money for space at a time when the Secretary is trying to take money down from arguably defense—real defense-related support services, we think that is a heavy burden, and we will be open to having that burden met, and certainly your testimony has been important to our understanding.

I am going to ask Mr. Cao if he has questions at this time.

Mr. CAO. Representative, I just have a couple of questions.

Do you know how much security would be improved if we go from GSA standard to DOD standard?

Mr. MORAN. I don't think you measurably improve security.

What GSA does, as you know, and as the Chairwoman has been very deeply involved, they apply more flexibility, more judgment, if you will. I know in some buildings in New York that would be clear targets, what they do is they have a setback, but it is enclosed within the building, so they will have a lobby, for example, that the developer is still able to charge for, but they don't have actual offices there. The offices in the core of the building are more secure on the first two floors, and then the upper floors, which would not be vulnerable to, you know, a street—a car bomb or whatever—then they are glass-enclosed and so on, and you make full use of the space.

But GSA takes the land that they are given, and then they figure out how best to secure these employees. Some of it is the parking, whether you can allow stationary, you know, standing parking or whatever in front of the building and so on. It is a matter of applying judgment to the building at hand.

DOD takes, as you used the expression, a cookie-cutter approach. The same thing applies to every building without applying the kind of judgment that GSA has applied for years. What we are maintaining is that there is a lot of technology, that there is a lot of logistical planning.

For example, we have been developing glass mitigation technology so that the glass is diffused, and you don't get the shattered glass and so on, and there is even glass technology where glass is not as likely to blow up into shards.

All of those things, we think, should be taken into account, as GSA does and as developers want to. Unfortunately, DOD really doesn't need to because they just simply say, you don't give public access to the building. You need to have this enormous setback. You can't have it next to a Metro stop. You can't have public parking near it. You can't have any retail activity, and you certainly can't have any residential near it. So the good judgment that GSA normally applies doesn't have to be applied by DOD and normally isn't. No offense to the DOD folks here, but that is just the reality.

So that is why we want these judgments to be under your Subcommittee, Madam Chairwoman and Members of the Subcommittee.

Mr. CAO. Do you know of—I know that it is very hard to put a value on a human life, but do you know if any cost-versus-benefit analysis has been done?

Mr. MORAN. There may be. I don't know. Maybe organizations like Urban Land Institute or something have done some cost-benefit analyses. I don't know, Mr. Cao.

Now, the real cost is going to occur when the security standards are forced into implementation, and that is what the building owners are trying to figure out now, how they are going to move these DOD employees around to get under the loophole, and how they are going to extend leases or cancel other leases. Of course, then they turn to GSA to figure out how to fill the building, which they have vacated for these reasons, but I don't know what the cost-benefit analysis might be.

Mr. CAO. Thank you. I yield back.

Ms. NORTON. Thank you, Mr. Cao.

Ms. Edwards.

Ms. EDWARDS. Thank you.

Thank you, Mr. Moran.

I just wanted to go back to something that you mentioned, and it has to do with the relative security value or not of a whole range of different government functions, and so I wonder—I mean, if you think about it, there have been instances in the recent past where we have seen assaults/attacks on military recruiting facilities, instances where the targets have been the Internal Revenue Service, instances where there have been DOD facilities.

Depending on where a threat or other might come from, wouldn't you agree that any number of government functions, depending on, you know, who is doing the threatening, could be a target, and so it makes much more sense then, much more common sense, for GSA to simply apply the standard in its regular protocol rather than having individual agencies create their own standards, and then have GSA in the position of having to figure that out among the various agencies?

Mr. MORAN. Yes.

Ms. NORTON. Ms. Edwards, I have been called to vote across the hall. You don't have to take the chair to be in the Chair. Would you take the Chair until I return?



Ms. EDWARDS. Yes, Madam Chairwoman.

Mr. MORAN. Madam Chairwoman, as you leave, thank you again for holding this hearing.

The answer is yes. I would remind the Committee, I think you are aware, that the first real terrorism attack we experienced was against the CIA, for which these standards don't apply. Who was it? I forget his name right now. "Ramzi" or something. He was a Pakistani individual who killed employees trying to come into the CIA building. You would think that CIA is still a target, and yet these standards don't apply. Now, granted, the Agency has—there is a substantial setback off Route 123, but it would seem to make sense that you have a consistent standard across the board.

As for the Department of Homeland Security, you would think some of those functions would be equally vulnerable to terrorist attack, and we have a number of intelligence agencies that are not actually part of the defense establishment, but would seem to be equally vulnerable.

So I think the point that you make in your question is a very important one.

Ms. EDWARDS. [Presiding.] Then, lastly, would you also agree that, within Armed Services—I mean, one of the things that you have been trying to do is to ensure that DOD, among agencies, also begins to operate with more environmental efficiency, and so balancing those interests, which, you know, various of our Committees have set as priorities and the administration has said is a priority, really compete against this notion of not being able to make the full utility of things like public transportation and 21st century urban planning techniques that really encourage that kind of transit-oriented development/smart growth principles that you spoke about.

Mr. MORAN. Well, thank you, Ms. Edwards. You are absolutely right, and I am glad you raised that issue.

As you know, everyone in the Washington metropolitan area subsidizes our transit system. We do it through property taxes, through other sources of revenue. We do it directly with Metro fares. We do it indirectly. Yet of these 20,000 employees who are moving because of BRAC and because of the security standards—both reasons—and because they are moving to a place that really doesn't have public transit access, you are taking them out of the Metro system, which means other Metro users are going to have to pay higher fees to make up for that loss of Metro travelers. You are forcing them into their automobiles.

The Army Corps of Engineers is here. When we requested a study a few years ago as to the impact that this would have on 395 and on Route 1 in Fairfax County, they said you could have as much as a 3- to 4-hour backup.

Now, some of the places have been rearranged, but nevertheless, it is going to be what will seem to be an interminable backup, which means all this exhaust is going into the atmosphere. It is delaying other employees trying to get to work. So all of that—the exhaust from their engines is going into the atmosphere. It is not taking good advantage of Metro; it is raising the cost for all other users of Metro, and a region that is already the second worst in congestion will probably now become the worst in congestion be-

cause of this decision to move people out of Metro-accessible office buildings to a base that is already at a transportation condition that is failing on Route 1 and 395.

Ms. EDWARDS. Thank you.

So, again, going back to my earlier statement, just a reminder that with a quarter of the Federal employees in my district driving around the Beltway, we will, by policy, if we allow this really to take effect, exacerbate what you have described.

I notice the Chairwoman is back and has assumed the Chair, and I think we are ready for Mr. Johnson.

Ms. NORTON. [presiding.] Thank you very much, Ms. Edwards.

Mr. Johnson, have you any questions?

Mr. JOHNSON OF GEORGIA. Thank you, Madam Chairwoman.

I would ask Mr. Moran: Do you know when the first DOD minimum antiterrorism standards for buildings was first promulgated?

Mr. MORAN. It was promulgated at the time of the 2005 BRAC decision, so there were two things.

Secretary Rumsfeld decided he wanted to move people out of metropolitan areas onto military bases, and he wanted these additional standards to apply. My recollection is it was almost simultaneous, and it had two different implementation dates, 2011 being the implementation date for BRAC. I think the security standard was extended somewhat, but that will also take place shortly thereafter, and it has been a few years, but we are not ready to accommodate it. When it is implemented, it will be at the 11th hour because the requirement for the building plus the transportation infrastructure that was supposed to be in place is not in place.

Mr. JOHNSON OF GEORGIA. Yes.

The changes that were issued in 2007, January of 2007, were they less or more restrictive in terms of land use policies and those types of things?

Mr. MORAN. I don't think there was—I don't think there was much practical change. There was an extension of time, but I think, for the most part, we still have the setbacks. We had wanted—and I tried to put some language in and couldn't get the agreement of the House and Senate together—but to put some language in that would have left this for GSA to decide, but we have been unsuccessful in doing so. This is as far as we have gotten, frankly, because this is the Subcommittee of jurisdiction.

Mr. JOHNSON OF GEORGIA. So these DOD requirements have not yet gone into effect?

Mr. MORAN. No, but all are aware of it. They go into effect in terms of new leasing. So when DOD has to secure new leasing, they apply these standards; but for existing leases, they are waiting until the lease expires to move people, but they all have to be done no matter what, and I believe the date is sometime by 2014. I think it is like the drop dead date.

Mr. JOHNSON OF GEORGIA. So there still exists some time to, perhaps, streamline—well, I won't say “streamline”—but amend the DOD standards as well as the GSA standards to, perhaps, provide for different levels of security, if you will, depending on the building in question?

Mr. MORAN. That is a good point.

There is an interagency security standards group, and they have been working with GSA, and they determine different security standards for buildings, but they are not—DOD has its own.

What we would hope is that that interagency security group would determine the necessary building security standards for all agencies just across the board. So it would be consistent, and the judgment would be applied, and they would, you know, reflect that judgment in terms of the vulnerability of individual agencies and the building where it is located, and the efficiencies of where the personnel ought to be, and even the type of congestion within a metropolitan area that ought to be taken into account.

Mr. JOHNSON OF GEORGIA. Well, thank you, Congressman Moran.

I would say that I got a call last year from a property owner in my district—and a businessman in my district—who was leasing property to the Armed Forces for purposes of recruitment, a recruitment office basically, and his office building was threatened by the imminent departure of that agency, which made up one of his strongest tenants, and it was, of course, in the midst of this economic downturn. I don't know what has happened to him as a result of this building being pulled out from by the armed services, but those are the kinds of real human problems that we are faced with. Quite frankly, if he has lost that building in bankruptcy, there is another empty building somewhere sitting vacant. There are a number of janitors and support staff people who are out of work, and certainly it seems like this should not be rocket science to get figured out and to put some reasonable procedures in place that would satisfy all needs.

So I thank you again for holding this hearing, Madam Chairwoman, and I yield back.

Ms. NORTON. I thank the gentleman for yielding.

I think they are ready for another vote.

I am going to ask the next witnesses to come forward, and excuse Mr. Moran not only because he has finished his very important and informative testimony, but to thank him, because we often have Members come to testify.

You have played a dual role here, Mr. Moran, as a witness who has seen the operation of the very guidance that is under scrutiny here, and, of course, as an expert witness from the defense appropriations committee. We can't thank you enough for being willing to come and to testify.

Mr. MORAN. Well, as I said, Madam Chairwoman, our objective is to get this issue under the jurisdiction of your Subcommittee. That is where we have confidence that it will be resolved appropriately.

Ms. NORTON. And that is unusual. Defense appropriators don't want to usually get things anywhere else.

There will be a 5-minute recess while I go to vote. I am going to vote in Committee, where I can vote. Unfortunately, I can't yet accompany Mr. Moran to vote on the House floor even on what this Committee sends to the House floor. I will be back.

A 5-minute recess.

[Recess.]

Ms. NORTON. The hearing will reconvene.

I am pleased to welcome panel 2: Sue Armstrong, Deputy Assistant Secretary for Infrastructure Protection, Department of Homeland Security; Michael McAndrew, Director, Facility Investment & Management, Office of the Deputy Under Secretary for Defense, Installations and Environment at the Department of Defense.

May I thank the Deputy for Legislative Affairs, Lowell Exum, Deputy Assistant Secretary of Defense, House side, House affairs, legislative affairs, for working with my office to make sure that the Department of Defense is represented here today.

Samuel Morris, III, Assistant Commissioner, Office of Real Estate Acquisition, U.S. General Services Administration.

Let us begin with Ms. Armstrong.

**TESTIMONY OF SUE ARMSTRONG, DEPUTY ASSISTANT SECRETARY FOR INFRASTRUCTURE PROTECTION, DEPARTMENT OF HOMELAND SECURITY; MICHAEL McANDREW, DIRECTOR, FACILITY INVESTMENT & MANAGEMENT, OFFICE OF THE DEPUTY UNDER SECRETARY OF DEFENSE, INSTALLATIONS AND ENVIRONMENT, DEPARTMENT OF DEFENSE; AND SAMUEL (CHIP) MORRIS, PUBLIC BUILDINGS SERVICE ASSISTANT COMMISSIONER, GENERAL SERVICES ADMINISTRATION**

Ms. ARMSTRONG. Thank you, Madam Chairwoman, distinguished Members of the Committee and staff. It is a pleasure to appear before you today to discuss the work of the Interagency Security Committee, or ISC.

Chaired by the Assistant Secretary for Infrastructure Protection, the ISC is mandated to develop standards, policies and best practices for enhancing the quality and effectiveness of physical security in, and the protection of, the over 300,000 nonmilitary Federal facilities located within the United States.

The ISC was created as a direct result of the tragic April 19, 1995, attack on the Alfred P. Murrah Federal Building in Oklahoma City, the deadliest attack on U.S. soil before September 11, 2001, and the worst domestic terrorist attack in U.S. history.

Since the transfer of the chair of the ISC to the Office of Infrastructure Protection in August 2, 0007, the ISC has published several new and innovative products to increase security at Federal facilities. For example, in March 2008, the ISC developed and published the Facility Security Level Determinations for Federal Facilities, which defines criteria and the processes the facilities should use to determine its facility security level, which helps to define the level of security appropriate for the facility based upon an assessment of various risks.

In addition, in June 2009, in accordance with the recommendation from the Government Accountability Office, the ISC developed and published the use of physical security performance measures, the first Federal policy guidance published about performance measures for physical security programs and testing procedures.

Finally, on April 12, 2010, the ISC moved to the final stage of a comprehensive, multiyear effort to compile lessons learned and countermeasures for threats to federally owned and leased facilities, published in the interim Physical Security Criteria for Federal Facilities and the accompanying Design-Basis Threat Report. These

documents are the most comprehensive standards for Federal facilities created to date, and they provide a consistent basis for establishing facilities' physical security standards at civilian Federal facilities. The goal of these documents and the ISC's continuing work is to strengthen the standards and processes used to keep visitors and employees safe while at Federal facilities.

I look forward to discussing this work with you in greater detail and to answering any questions you may have. Thank you.

Ms. NORTON. Thank you, Ms. Armstrong.

Mr. McAndrew.

Mr. MCANDREW. Madam Chairwoman, distinguished Members and staff, I want to thank you for extending the invitation to the Department of Defense for being able to come here and discuss our minimum antiterrorism standards for buildings.

In the late 1990's, the Department of Defense developed common guidance criteria and minimum construction standards to mitigate vulnerabilities from terrorist attack. The development of the DOD antiterrorism standards has been a collaborative effort of our Security Engineering Working Group that is made up of members from the Office of Secretary of Defense, the Joint Staff, our military services, our Army Corps of Engineers, Naval Facilities Engineering Command, the Air Force Civil Engineer Support Agency, the Defense Threat Agency, and several other agencies, to include some outside agencies that are invited in periodically.

The focus of the antiterrorism standards is to minimize the likelihood of mass casualties from terrorist attacks on buildings occupied by DOD personnel, primarily through standoff distance, prevention of progressive collapse and the production of fragmentation hazards.

At the time the standards were developed, there was concern over the ridged requirements for a standoff distance and for the applicability of the standard to leased facilities. We eventually resolved these issues by defining the effective standoff distance requirement being incorporated into our guidance, and it was also decided that DOD personnel in leased facilities would be given the same protection as DOD employees on military installations.

The effective standoff requirement enables the minimum standoff to be reduced if the building can be analyzed or hardened to give an equivalent level of protection through other measures. This can result in a much more expansive solution, but it does give an alternative in cases of restrictive land availability.

This also encourages the development of new technologies for building hardening. Rather than itself being a policy, the DOD minimum antiterrorism standards for buildings is an engineering document that implements the overarching policy to minimize the likelihood of mass casualties from terrorist attacks on buildings occupied with DOD personnel.

The DOD antiterrorism standards are objectively calculated in response to a specific spectrum of threats. These common criteria and minimum construction standards are calculated by engineers to mitigate injuries and the damage of predictable attacks. Building materials used to mitigate blast effects have been tested by DOD laboratories and by laboratories of some of our international

partners and universities. They are either tested in open arenas against real explosives or in blast simulators.

Once materials have been tested, design guidance is developed so that the engineers can apply it in their designs. New technologies are continuously being evaluated, and standards are continuously being scrutinized to ensure that we have the right solutions and the right standards for protecting the people who live and work in the buildings we own, lease or otherwise occupy.

As part of these valuations, the cost of materials in providing the appropriate levels of protection are evaluated to ensure that we are providing the most cost-effective solutions possible for protecting our people.

As the Department developed the standards, it is understood that many existing leased properties, many of which are located in the Washington, D.C., area, would not meet the DOD antiterrorism standards. For this reason, the application of the standards to leased buildings was phased in to correspond to lease renewals after September 2009.

In summary, the DOD antiterrorism standards for buildings represent an objective, empirical engineering analysis to save lives and mitigate the damage of specific threats as identified by the Intelligence Community. The sensitive nature of these threat assessments precludes discussing them in open forum, and as the threats to DOD buildings change, so do our standards.

That concludes my remarks.

Ms. NORTON. Thank you very much, Mr. McAndrew.

Mr. Morris.

Mr. MORRIS. Good afternoon, Chairwoman Norton and Members of the Subcommittee. Thank you for inviting me to discuss the risk balance for protecting Federal employees and the implementation of DOD's antiterrorism standard for GSA-leased facilities.

GSA is responsible for safeguarding approximately 1 million Federal tenants housed in our facilities nationwide. Our buildings must be secure and, at the same time, inviting places for the occupants and the public visitors. After the bombing of the Murrah Building in Oklahoma City, our country recognized the need for better security and protection in buildings housing the Federal workforce. Consequently, increased security standards were developed and implemented to protect Federal employees in all federally occupied space, both owned and leased.

Recognizing that there are security trade-offs in any designated space, GSA has actively participated in the development of these security standards promulgated by the Interagency Security Committee, also known as the ISC. Prior to the Oklahoma City bombing, the government's building security standards focused on preventing theft and unauthorized entry into Federal facilities. The Department of Justice subsequently completed a security assessment that led to the establishment of security standards for all Federal facilities.

In October 1995, Executive Order 12977 established the Interagency Security Committee. The Executive Order was issued to enhance the quality and effectiveness of security in and protection of buildings and facilities occupied by Federal employees for non-military activities.

The ISC established the Lease Security Subcommittee in 2003 to develop a distinct set of standards of leased facilities. The Subcommittee issued the Security Standards for Leased Space in 2005.

Last month, the ISC issued a new set of interim standards, entitled Physical Security Criteria for Federal Facilities. The new interim standards provide an integrated single source of physical security standards for all nonmilitary Federal facilities, including both owned and leased space. These interim standards recognize the security threats vary from one facility to another as such agencies can now customize security countermeasures to address identified risk at each facility. The interim standards supersede the previous standards set by the Department of Justice and the ISC.

GSA will be developing leasing guidance to adhere to the new interim ISC standards as well as updating our solicitation of offers for lease procurements. The guidance will be finalized once the interim ISC standards are finalized.

As the ISC standards apply to nonmilitary activities, DOD created its own security standards in October 2003 with the issuance of the Unified Facilities Criteria: DOD Minimum Antiterrorism Standards for Buildings. These standards apply to DOD facilities for new construction and leases executed after October 1, 2005. DOD security standards have historically been independent and separate from the standards set for other agencies governed by the ISC security criteria. GSA currently adheres to these standards for DOD lease procurements, and it will continue to work with DOD to refine their customer requirements.

In implementing security standards, GSA works with each agency on a case-by-case basis to define their space and security requirements. GSA also relies on the Federal Protective Service to conduct security assessments for its leased facilities. For any agency customer, the security measures required can vary greatly depending on factors such as the tenant agency mission, the location and the size of the project.

For example, setback requirements typically result in additional land acquisition cost, especially in urban areas, a point you have well made. If physical limitations prevent the setbacks that are required, other mitigating factors, including hardening the building shell, may be used, but that also comes at a price. Cost is an important consideration when implementing security recommendations and security countermeasures. Under the new ISC standards, any decision not to implement a recommended countermeasure is supposed to include a documented acceptance of risk by the customer agency.

I think the burden of customer agency officials, assuming that risk, so to speak, versus following the security recommendations will prove to be a difficult thing to overcome. GSA considers all of these factors when working with our customer agencies to provide secure facilities for our tenants and a welcoming atmosphere for the public visitors who use those facilities.

That concludes my testimony, Madam Chairwoman. Thank you again for inviting me to appear before you today, and I would be happy to answer any questions that you might have.

Ms. NORTON. Thank you, Mr. Morris.

I thank all of you for your testimony because it has made it possible for us to understand, even in advance of questions, some of what you have been trying to do.

Now I am looking at the members who, under Executive Order, are representing 21 agencies, the agencies under Executive Order, which apparently had a role, Ms. Armstrong, in helping DHS to design the so-called ISC guidelines, one of them is the Department of Defense.

Ms. ARMSTRONG. Yes, ma'am. DOD is a primary member of the Interagency Security Committee.

Ms. NORTON. Even though the Department of Defense has exempted itself from the ISC regulations and guidance?

Ms. ARMSTRONG. Well, the original Executive Order from 1995 specified the primary membership of the ISC and included the Department of Defense. There are currently—

Ms. NORTON. That would seem to imply that the President of the United States at the time and his administration—President Bush—considered DOD a proper recipient of these guidelines.

If the DOD is included in the agencies required to design the guidance, how at the same time can DOD have everything to say for every other agency, having had its licks on every other agency, saying, we are now exempt? Would you explain how DHS has allowed that to occur and whether it is rational as a way of treating DOD. You are “in” when it comes to every agency. You are “out” when it comes to any agency that is a DOD agency.

Ms. ARMSTRONG. Well, ma'am, I was not around when this Executive Order was issued in October of 1995 by President Clinton, but it does, in the same document, specify membership of the ISC, but it is specific to nonmilitary Federal facilities for the ISC—

Ms. NORTON. Well, that is important. It says “nonmilitary.” You say “nonmilitary,” and you are, in fact, relating to the preface, the DHS preface, for the ISC guidelines.

We would like to know how “nonmilitary” got translated into non-Department of Defense. The word “military” has a special meaning in our country. How does that come to mean—you or Mr. McAndrew would be helpful in having us understand this.

We don't in this country use “defense” and “military” interchangeably, Mr. McAndrew, for a very good reason, given our traditions. If the Executive Order required DHS to use the word “nonmilitary,” who gave the authority to DHS, to the 21 agencies or anybody else, to translate that to mean “non-Defense Department,” which is a much broader term than “nonmilitary”?

Mr. MCANDREW. I can take a shot at that, ma'am.

It also responds to some of the questions that came up during Congressman Moran's testimony.

Our authority for doing our own standards, as it were, is rested in 10 U.S.C. 2859, where it directed the Secretary—

Ms. NORTON. Would you cite that again, please?

Mr. MCANDREW. Section 2859 of 10 U.S.C., United States Code. It directed the Secretary of Defense to come up with our own criteria and guidance for doing force protection, antiterrorism force protection.

Ms. NORTON. What was the Committee that directed you to do this?



Mr. MCANDREW. House Armed Services.

Ms. NORTON. What was the date?

Mr. MCANDREW. You know, I didn't research that, but it had to be around the 1996–1997 time frame. I just didn't research that time frame.

Ms. NORTON. So you believe that you have statutory authority to translate the Executive Order to mean anything that is DOD?

Mr. MCANDREW. I will go on to say that you are absolutely correct. The term "military," in use, is something very specific.

In 10 U.S.C. 2687, a document that we use a lot for basing decisions when we are not doing BRAC, has a definition of what a military installation is, and it specifically includes the use of the term "leased space" that DOD occupies. So technically when we lease a space or lease a building, it becomes a military installation, according to that statute. So that is where our interpretation comes where people start using the terms "military" and "military installations."

Ms. NORTON. So we are dealing with a definitional problem here, and you believe that you are authorized to spend whatever is necessary through this translation. So, therefore, I am going to have to ask you whether or not you take threat or risk into account or whether or not the DOD has ever done any risk assessment of the Defense Accounting Agency or the Defense Information Systems Agency. Have you any risk assessment with respect to whether they could be targets or whether there are threats in any way? I would like to know as well whether any risk assessment, since there is now an ongoing procurement, has been done with respect to Medical Command.

Mr. MCANDREW. I will have to probably take some of that for the record. I am fairly certain that we did do the risk assessments, but I would have to find out where those are. It is part of the procurement process that we go through.

Ms. NORTON. So your testimony here today is that it is the practice of the Defense Department, regardless of the fact that they have a blanket authorization, you say, to use your own special regulations. Nevertheless, you say, you do a risk or a threat analysis for each and every one of these administrative agencies before deciding that they, in fact, come under this guidance.

If you do it, I don't know why you are doing it. You are wasting your time, Mr. McAndrew. I wouldn't bother if I were you. If I believed that there was statutory authority to take anything that has "defense" in its title and require 148-foot setbacks as opposed to 50-foot setbacks, or 148-foot setbacks here as opposed to 100-foot setbacks in Kenya, I wouldn't bother with the threat analysis. What a waste of time. Just put in the word "defense," since you think you have the authority to do so. I don't know why you would do risk or threat analysis at all.

Mr. MCANDREW. I am sorry?

Ms. NORTON. Yes, sir.

I would like to know whether you do it for each and every one of these agencies, these civilian defense agencies, and, if you do, why you do it since you believe you have blanket authority to use these setbacks and other requirements in your own regulations.

Mr. MCANDREW. We set out some very specific guidance on how we do our analysis and why we do our analysis, and those analyses, they actually drive whether or not we need 148-foot setbacks, 82-foot setbacks or not. Those are minimum standards. They are not locked in concrete where people think they have to—

Ms. NORTON. So are there some DOD facilities where you have now or intend to use setbacks less than the setbacks in the force protection?

Mr. MCANDREW. I am sure there are, ma'am. I am sure there are.

Ms. NORTON. Would you name some that you intend—

Mr. MCANDREW. I would have to go back and look at the DARPA building that they are going to be constructing now.

Ms. NORTON. Would you get to this Committee within 14 days the names of some which you think may not require the setbacks, and I would like to know if Medical Command would be one of them.

Mr. McAndrew, you are really talking to a Member of the Homeland Security Committee, who sits right here in target number one except for New York City. That is why, when the Homeland Security Committee was only a select Committee, I was made a Member of that Committee. I spent a lot of my time on homeland security—I am sure not as much as you because you are Defense Department—but I have to tell you that it bothers the Homeland Security Committee when there is any trivialization of what “homeland security” means, because we think people are too quick to forget 9/11, and we understood, before 9/11, when we had not been attacked, that people had one sense of security. After 9/11, we found people going too far the other way. They tried to close down the streets of the District of Columbia.

We recognize that we are all learning. As a Member of the Committee, I am still learning.

I want to ask you the question I asked Homeland Security, the very chairmen of the 9/11 committee this week. They came before our Homeland Security Committee. They are Governor Kean—former Governor Kean of New Jersey—and Lee Hamilton, a former member of the Defense Authorization Committee. I simply asked them, since we have put into law virtually everything that they recommended, whether they believed—I didn't talk about what we were going to discuss in this hearing. I simply asked them an open question. Given their experience, given what they had learned in closed hearings, I asked them whether or not they believed that cost was adequately considered in what we have done since 9/11 in relation to risk, and it was very interesting to hear these two most experienced Americans in that regard.

The first thing Lee Hamilton said was, you know, we have never been asked that question, and it is time we were asked this question. They said they thought money was being wasted in securing the people of the United States, that they believed that cost was seldom taken into effect in relation to benefit. They did not have the Defense Department in mind, and I certainly didn't ask them specifically, but I was very concerned at a time of unacceptable deficits, of the great call on the administration for funds, and an unemployment rate that remains stubbornly high that both mem-

bers—Mr. Kean and Mr. Hamilton—were quick to say that we are past the time when we need to look at, finally, doing some cost-benefit analysis.

I wonder if you believe it would be appropriate for every agency, in doing their analyses of what to spend on facilities, to include a cost-benefit analysis among other factors that they consider.

Mr. MCANDREW. Madam Chairwoman, absolutely.

Any time we procure or any agency procures anything that uses taxpayer dollars, they should be doing the cost-benefit analysis, and we take that into consideration even when we do our own construction and leasing, you know, whether we require setbacks or whether we require more hardening of the building. Each one of those has different costs, but they also serve different purposes for solving different threat assessments and threat mitigation.

So, yes, cost is a factor, but sometimes, you know, we have to balance the availability of that land versus the hardening of the facility itself, and how you harden a facility. So we do take that into consideration. We are very serious about it. We have a whole center dedicated for just doing that kind of analysis.

Ms. NORTON. I notice that your standards say the costs associated with those levels of protection must be or are assumed to be less than the physical and intangible costs associated with incurring mass casualties.

Would you say that that standard has been applied to Defense Accounting or to Medical Command? Do you truly believe that we could incur mass casualties there with any reasonable kind of cost-benefit analysis compared to other DOD facilities?

Mr. MCANDREW. The view of the Department is the threat to our people is the same wherever they are, whether they are in leased space—

Ms. NORTON. Because the word “defense” is in the title?

Mr. MCANDREW. No, ma’am. The basis of our policy is that we treat all of our people the same regardless of where we house them, whether it is on a military installation or off.

Ms. NORTON. Well then, what is the point of this threat? You see, time and time again, Mr. McAndrew, I don’t even understand why you need—you don’t need these guidelines. What is this, all window dressing? Associated with incurring mass casualties. Then your answer to me is, hey, whenever it is DOD, we apply the same to everybody.

Mr. MCANDREW. We apply the same threat to everybody.

Ms. NORTON. But is everyone under the same threat, Mr. McAndrew? Are the people who are in some of your very secure facilities—and you know the ones I mean. I am not going to call them out—are they under the same threat as the Medical Command, as the physicians who are in an administrative capacity for whom you are seeking space now?

Mr. MCANDREW. In our view, they are.

Ms. NORTON. What? The Contract Audit Agency, the Finance and Accounting Service, the Defense Imagery and Mapping Agency. All of those should be grouped together.

If they should be grouped together, if that is your testimony, would you explain to me why you need bother with any regulations at all? Since you have one blanket standard for everybody, why

waste your time? You have not told me, Mr. McAndrew, why—if you apply it blanketly, why it is necessary to go any further than simply that blanket application?

Mr. MCANDREW. Because the threat itself, ma'am, has got to be tempered with the risk involved to that agency. There are risks and threats. They are two different things. The "threat" is a threat. The risk—how you mitigate the risk and what—

Ms. NORTON. Is the risk to the National Imagery and Mapping Agency greater or less than the risk to the CIA, which comes under the standards that Ms. Armstrong has developed?

Mr. MCANDREW. Depending on where they are sited and the type of building they are in, they are probably—

Ms. NORTON. I am talking about where they are sited now.

Mr. MCANDREW. They are less risk because they have got the standoff. They have got the physical security things.

Ms. NORTON. Who has it? The Medical Command doesn't have it.

Mr. MCANDREW. No, not the Medical Command. The CIA.

Ms. NORTON. The what?

Mr. MCANDREW. It is the high-end security folks you are talking about—NEMA.

Ms. NORTON. Does the Defense Audit Agency have the 148-foot setback?

Mr. MCANDREW. It depends on the facility they are in, ma'am. I don't know what facility they are in. They may only have—

Ms. NORTON. If they don't, will you be looking for more space for the Defense Audit Agency?

Mr. MCANDREW. No, I wouldn't.

Ms. NORTON. If they don't have the 148-foot setback, will you be looking for other space that does have 148?

Mr. MCANDREW. That is only one factor. No, ma'am. That alone does not drive them to move.

Ms. NORTON. Are you aware that you cannot find 148-foot setbacks in the District of Columbia, Northern Virginia and Montgomery County, among other places in the United States, New York City? I won't go across.

Do you understand that this standard cannot be applied for most leased buildings in the places where the Federal Government leases today?

Mr. MCANDREW. The setback one, yes, ma'am, I am fully aware of it.

Ms. NORTON. What do you intend to do about it?

Mr. MCANDREW. We have policy in place within the Defense criteria. The UFC criteria allows you to reduce that footprint in order to augment—

Ms. NORTON. Have you reduced that footprint yet at all for any facility?

Mr. MCANDREW. I am sure we have, and I will get you that information you asked for earlier.

Ms. NORTON. I would appreciate it.

It appears to me, Mr. McAndrew, that unless you are prepared for waiver after waiver, you will have to forgo your own guidelines unless you mean to spend taxpayers' funds on building facilities in rural areas that are not in proximity to public transportation, and I ask you to simply take that under advisement.

I appreciate your being here. You knew that I had more questions for you than for others, but we have got to understand this, especially since GSA—Mr. Morris—says, you know, we just salute. That is one of my problems with GSA. We just salute. We do whatever they tell us to do.

You do what HHS told you to do when you ignored the guidelines of this Committee and redlined Ms. Edwards' district, and you do exactly what these folks tell you to do—and I must ask you—even though you know it will be difficult to find facilities reasonably priced without building them; isn't that the case, Mr. Morris?

If you were told by Mr. McAndrew, as you have now been told by his agency, to go out and find Medical Command, wouldn't that put a great burden on you to find space at reasonable cost to the taxpayers in the usual places where the Medical Command, for example, now is located and would expect to be located?

Mr. MORRIS. Well, it can definitely have an impact. I think the Medical Command procurement is a consolidation of a number of parts that are currently housed not only in leased space, but in some government-owned space. So with the setback requirements that DOD requires—

Ms. NORTON. Well, heaven help them in government-owned space, because if there are not setbacks in spaces that are more recently built, name me some government-owned space which has been built with 148-foot setbacks.

Mr. MORRIS. Well, I think they are pulling those different components from locations around the country. Part of that is a BRAC consolidation.

And yes, complying with the requirements does pose a burden on trying to find adequate space. I think that we have been able to do that with this particular procurement. I know it is under way now, and I believe the requirements in the prospectus that—or before the Committee now—calls for the use of existing space. So we won't be building new construction. It will be—

Ms. NORTON. So you have been able to find a 148-foot setback, you believe, for Medical Command?

Mr. MORRIS. I believe so, yes, ma'am.

Ms. NORTON. And you believe you have been able to find it within this region?

Mr. MORRIS. Yes, ma'am.

Ms. NORTON. And close to public transportation? Because that also is a GSA requirement.

Mr. MORRIS. Right. The proximity to public transportation had to be relaxed for that procurement from what we normally do. That is a problem.

Ms. NORTON. Have you, Mr. McAndrew, or you, Mr. Morris, alerted proprietors or authorizers of potentially greater cost under the 2004 guidelines for DOD? Have you alerted your authorizers or appropriators of that possibility?

Mr. MCANDREW. Ma'am, we have. In fact, it is inside the UFC, too, that it is very clear that come with the mitigation for the risks and the threats comes an additional cost, a premium on whatever we build. Even within our military construction, it has been—and it is highlighted on 1391—about a 3 to 7 percent premium over the traditional conventional construction we do.

Ms. NORTON. And you believe that that cost is justifiable across the board for DOD facilities?

Mr. MCANDREW. Yes, ma'am. We have been justifying it since about 1999, yes, ma'am.

Ms. NORTON. Well, I will tell you that Mr. Moran had not heard about it, and he felt strongly enough to come to this Committee, so you are going to have your opportunity to justify it before your own appropriators.

I didn't hear about it, Mr. Morris, from you, from GSA, but I certainly learned of it when the word got around from the RFP going out.

Have you advised DOD on the delta in costs, that it is likely to occur since you are the agent, if not the designer, of their guidance? Do you feel you have any responsibility to point out the risks and costs and otherwise, or to in any way, as the government's chief real estate agent, advise DOD, given your expertise, of alternatives to a blanket use regardless of mission, of these setbacks and other requirements? And the setbacks are only one of the requirements. Do you have any responsibility here?

Mr. MORRIS. Oh, I think we do. And I think we—on any particular procurement, we engage in a cost analysis on, especially, inherently governmental security requirements. Even under our OMB guidelines, we have to estimate what those costs are going to be.

Now, that may vary from one particular project to another. For instance, I have been familiarizing myself with the Medical Command prospectus requirements in anticipation of this hearing. And I note that the rental rate cap set forth in the prospectus is \$40 a square foot, which is up a dollar from what is normal in northern Virginia, at \$39 a square foot. So I am sure a part of that cost increase is attributable to the DOD security requirements.

But even in other Federal agency procurements, when we have to look at the cost for the A-11 government security requirements, we have to advise the agencies, because they typically have to fund those costs up front. And so, when we are, for instance, doing a procurement for an FBI field office, a law enforcement agency that has extensive security requirements, they have to look at those costs and have the money available in hand when we get ready to do one of those procurements to fund those security costs.

And, quite frankly, we are seeing pressure from other agencies now when we go through this exercise trying to find alternative countermeasures to what they typically have been asking for, especially in terms of setback requirements, to see how we can accommodate that security risk level in other ways. So we are seeing more and more of that from our customer agencies.

Ms. NORTON. Now, you say, oh, well, we have found some Medical Command; of course, we have to waive the distance from Metro. Are you saying that you believe that with ease you can find DOD facilities under these regulations in the future—

Mr. MORRIS. No, ma'am.

Ms. NORTON. —in this or any other part of the United States, in urban or suburban areas?

Mr. MORRIS. No, ma'am. I think it is especially difficult to find those kind of available sites in urban areas. It is difficult to do. It

is especially difficult in light of the administration's directive under the greenhouse gas Executive order and the increased emphasis on locating facilities in urban areas and near public transportation. It is hard to do, and there is a cost.

Ms. NORTON. So is this a realistic standard, Mr. Morris, if you are looking for space in this region or in the New York region or in the Chicago region, where many of our facilities are located?

Mr. MORRIS. I think you have to really look at the particular agencies being housed—

Ms. NORTON. No, wait a minute. You are not going to get out of this this way. Because if your testimony is you have to look at the particular agency, I will give that to Mr. McAndrew right here and now. I am not here, as a Member of the Homeland Security Committee, saying that risk and threat—I am saying just the opposite.

So if you are saying that your answer is you need to look at each building, I am saying to you, how can you do that, given the regulations that are required here?

Mr. MORRIS. I think the best thing to be able to do is have the flexibility so that, if you can't meet setback requirements that are normally required, that there are other alternatives that can mitigate the risk assessment for that and be as effective as—

Ms. NORTON. Well, do these regulations allow you to do that? Mr. McAndrew says yes.

Mr. MORRIS. Yes, Mr. McAndrew has helped educate us in preparation for this hearing that there are flexibilities—

Ms. NORTON. Where in the standards is there—

Mr. MORRIS. Well, they are not as easily documented in the actual standards as we would like to see. A lot of this is left up to local commanders, according to our discussions with him, and it puts a lot of burden on people to try to make that assumption of risk—

Ms. NORTON. Are you aware there is no provision in the—you know, do words mean anything? Does the law mean anything? There is no provision in these standards for waivers. You may be quite ultra vires, both you and Mr. McAndrew or the Defense Department, in operating outside of these standards. And I see nothing saying you may waive under certain circumstances. I just asked staff, find me the waiver language.

Who do you think you are, Mr. McAndrew? "If I like them, I will apply them. If not, I will waive them, whatever the standards say and whatever my authorizing statute." Where is law and adherence to regulations? Where does any of that come into this?

Mr. MCANDREW. Ma'am, I just want to make sure I understand, Madam Chairwoman, that—

Ms. NORTON. Who said you could waive? I don't see any waiver language in—

Mr. MCANDREW. You are absolutely—there is no waiver language, ma'am.

Ms. NORTON. Sir?

Mr. MCANDREW. There is no waiver language in our guidance.

Ms. NORTON. So how can you waive?

Mr. MCANDREW. You don't. You mitigate. You mitigate the risk. It doesn't mean you eliminate the risk.

Ms. NORTON. Is there mitigation language in your regulations?

Mr. MCANDREW. Absolutely. In mine, there are.

Ms. NORTON. I am going to ask you to provide me that language. I am not going to ask staff, but I am going to ask you to provide me that language about mitigation. Because if there is language about mitigation, which is not the same as waiver—

Mr. MCANDREW. Exactly.

Ms. NORTON. Your earlier testimony implies that it is being implemented as if it were a waiver.

Mr. MCANDREW. People are interpreting them the same way, yes, ma'am. They are thinking that the mitigation is a waiver. And I have even seen documents where they use that word. But, actually, what they are doing is they are putting in place mitigation procedures—hardening the walls, using the right kind of window glazing. Those kind of things are mitigation measures to the setback.

Ms. NORTON. That is a mitigation measure that can cost you more than 148-foot setback.

Mr. MCANDREW. Exactly. Those are cost balances, whether you can—

Ms. NORTON. In other words, we don't want you to spend the money on 148-foot setback. We want you to spend the money on tearing down your walls or, in fact, putting up additions to your walls. I am not sure what kind—I wouldn't call that—Mr. McAndrew, I would not call that mitigation. I would simply call that cost transference and substitution.

We are dealing here with, at best, unclear guidelines.

And, Ms. Armstrong, I must ask you, I don't understand how these folks are in it. Would you explain how they can list themselves to opine on the Department of Homeland Security when they don't hold themselves, the Department of Defense, to the regulations on which they are having a say? How can you justify that?

Ms. ARMSTRONG. Well, they are on the list that you are looking at, because they are—

Ms. NORTON. Do they come to your meetings?

Ms. ARMSTRONG. Yes, ma'am.

Ms. NORTON. What are they doing there?

Ms. ARMSTRONG. They are—

Ms. NORTON. They do not put themselves under the guidance. By what right have they to be in these meetings at all? They think they are not a part of you.

Ms. ARMSTRONG. Well, I don't think they think they are not a part of our Interagency Security Committee, because they belong to it and sit on some of the working groups.

Ms. NORTON. So all of this is definitional. If your name is on here, you belong, whether or not you abide by the very regulations that assume that those listed will, in fact, abide.

Ms. ARMSTRONG. Right. I agree. And I think it is just a fact of where authorities lie. So we have an Executive order from 1995 that establishes the ISC, its roles, and its membership. And then there is a statute in subsequent years that assigns DOD's specific responsibilities.

Ms. NORTON. Well, we are going to have to see that statutory authority, because we haven't seen it yet. But I understand your testimony.



Given your expertise, Ms. Armstrong, is every DOD mission—because that is what is covered here, every mission of DOD—at greater risk than Federal judges who sit on terrorist cases and U.S. attorneys who sit and bring those cases, along with often equally dangerous matters involving criminal gangs and drug cartels and the rest?

Why are those agencies, under your guidelines, subject to 50-foot setbacks or even, I would take it, less, according to how you do risk assessment, whereas DOD, regardless of mission, is subject to 148-foot setbacks or mitigation that may be as costly or more costly?

What should the judges in district court proceedings now or U.S. attorneys think of the difference between themselves and the Defense Mapping Agency in terms of force protection provided at taxpayers' cost? How could you justify that if a judge said, "I want the same thing because I sit on terrorist cases"? How would you justify that?

Ms. ARMSTRONG. Well, having never worked for the Department of Defense and being a security practitioner from the—

Ms. NORTON. How would you justify to the Department of Justice, who is a party to your guidelines but not to the Defense Department guidelines?

Ms. ARMSTRONG. Right. Well, the ISC standards give due consideration to an agency's mission, what its employees do, whether the public needs to come to its facilities to do business or not. And we use a sliding—I won't say a sliding scale, but we set, after an assessment of a particular facility or an assessment of the plans for a facility—

Ms. NORTON. Is there any Federal court that you know of that is subject to 148-foot setback?

Ms. ARMSTRONG. I can't think of a particular court building off the top of my head.

Ms. NORTON. Why, in your judgment, the judgment of any of you, should there be a greater setback for the Medical Command, 148 or comparable if mitigated, than there is for the State Department, which has 100-foot setback even in parts of the world where there have been terrorist threats?

Justify using a standard for civilian administrative employees that is greater setback than for, for that matter, Department of Defense employees who work in embassies where there have been actual threats and actual terrorism.

Mr. MCANDREW. Madam Chairwoman, could I make a point of clarification, having just worked on one of our buildings going on to an embassy ground?

The 148-foot setback that you are talking about is in an unconstrained, uncontrolled environment. That is the least we would have—without mitigation, by the way. That is constructing like anybody, without any kind of protective measures.

The State Department is in a controlled environment. They have a fence line. It is within the fence line that they are 100 feet back. So that is in a controlled environment. Even within our controlled environment, we only have an 82-foot setback. It is much less. In fact, we are still studying whether it needs to be 82 or not. We are trying to do—

Ms. NORTON. What is the setback for the CIA?

Mr. MCANDREW. I am not sure. I defer to—

Ms. NORTON. I ask it only because, obviously, the building was built a long time ago.

You do notice, Mr. McAndrew, that the District of Columbia has not gone out of business after 9/11?

Mr. MCANDREW. Yes, ma'am.

Ms. NORTON. That is largely because Ms. Armstrong and the agencies involved in her effort and Mr. Morris had to sit down and do risk and threat analysis, and they have decided that some of our buildings that—maybe the Department of Justice—those people are still on, is it Constitution or Pennsylvania Ave, everybody?

Mr. MCANDREW. Constitution.

Ms. NORTON. Those people are still on Constitution Avenue. You want a hated Federal agency? The IRS is still right there in your face. What is that, Constitution or Pennsylvania Avenue?

Mr. MCANDREW. Both.

Ms. NORTON. Both Constitution and Pennsylvania Avenue. And they would have had to go, given the threats, particularly after 9/11, unless some serious analysis had been done by all of those involved. Because nobody wants to put IRS and Department of Justice employees at any greater risk than DOD employees.

And all I am asking is whether or not you have gone through anything like that kind of risk analysis for all of the agencies for which you will be seeking what amount to overseas-type setbacks because you think that the environment is not as controlled.

I am asking you if you are systematically doing this kind of analysis that has left us able to have our agencies on the sidewalk here, albeit with some reinforcements. Are you doing that kind of analysis, for that matter, for your own agencies—

Mr. MCANDREW. Yes, we are.

Ms. NORTON. —that do not have setbacks?

Mr. MCANDREW. We do. We do it on every installation, for every military construction project that comes forward.

Ms. NORTON. Don't use the word "military" before this Committee interchangeably with "defense," please. We really object to—we regard military as something—I wouldn't be having this hearing if we were talking about military. We are talking about Department of Defense civilian agencies, Mr. McAndrew.

Mr. MCANDREW. Well, they fall under the same guidelines as any other location we are at. So they will follow it, and they will follow the same analysis that goes on by an installation commander who has jurisdiction over them. And they will conduct the same vulnerability assessments and the same threat assessments and risk assessments. And they will try to do their best to work out the mitigation with engineers to make sure that they are applying the money in the most cost-effective, reasonable way. That is a requirement under these guidelines.

Ms. NORTON. Well, I think we have established, Mr. McAndrew, that mitigation means—mitigation may come to mean waiver, if cost is taken into effect.

Could I ask you, Mr. Morris—you are well aware of how difficult it is to get funds for bricks and mortar, because we are building the Department of Homeland Security now. It took me at least 5 years to get the funds for this building.

We already have the figures on the elevated costs—I cited them in my opening testimony—when it comes to Medical Command.

Has GSA been able to quantify how much more DOD leases will cost in this region if the present so-called ISC standard, force protection standard, is to be observed by GSA in leasing?

Mr. MORRIS. Could you clarify that again?

Ms. NORTON. We know about Medical Command because I cited the true escalation in costs, \$57 million over the 15-year period. Have you quantified how much more DOD, on the average, will cost the government if you are required to apply these standards in finding other space for DOD?

Mr. MORRIS. We have not.

I went back, in preparation for the hearing, to try and take a look to see how many lease procurements we have actually done for DOD since the standards were put in place. And we have done a number of procurements. When I tried to figure out from the database what percentage of those leases were in buildings that fell underneath that 25 percent threshold, I was getting bad data.

So, you know, out of the number of leases that we have done, when I looked through them—they are across the country in all our regions—and I spotted a couple that we have done, for instance in the national capital region, the DARPA procurement, but it looked like a lot of those leases that we have been handling were smaller square footage. So it is likely that they were in buildings that their occupancy fell below that 25 percent level.

Once we are getting into a prospectus-level procurement, you know, there is a lot more focus on that, as you have well identified, with the Medical Command. So we don't have a comprehensive projection on those costs.

Ms. NORTON. I am just trying to make—it is a little forehanded here, so we don't come up to a lease and find ourselves up against a brick wall, if you will excuse the expression.

Mr. MORRIS. One of the things that has come out of the interim nature of the ISC standards is that the government needs to be monitoring these new standards and the cost-risk analysis over the next 2 years and report back to OMB before the standards are finalized and issued on a permanent basis.

Ms. NORTON. This is very important because OMB is now deeply implicated. By virtue of this hearing, there is no question that we have implicated OMB's Circular A-11, Appendix B. And you recognize that, if the asset to be leased is built to the unique requirements of the government, then the lease for that asset is a capital lease rather than an operating lease.

Do you view DOD's so-called UFC security standards, its own security standards, to be uniquely governmental?

Mr. MORRIS. Well, there are definitely—the security requirements, that not only for DOD but for any Federal procurement that we are looking at now, have those kinds of inherent governmental requirements attached to that procurement. And that is part of the reason why we are required, when we do a procurement, that agencies pay for those security requirements up front.

As to whether or not that throws the entire project into a capital lease versus an operating lease, I couldn't tell you for sure. I would have to look at what the total cost ratios are.

And what we typically look for is what the use of that facility—whether that, in and of itself, can be used for other private-sector commercial operations. So that is usually the predominant factor in making a judgment call on whether that is a unique government facility or not.

Although, I get your point. Certainly, the security requirements play into that.

Ms. NORTON. Just let me ask you straight away: How much of an asset, based on your expertise, has to be built to the unique specifications of the government before GSA, applying OMB guidance—they are going to be tougher than I am—determines that the asset is not a general purpose asset?

Mr. MORRIS. That is a really good question, Madam Chairman. I think, as I mentioned, the predominant analysis that we do is whether or not there are other viable commercial alternatives to that facility.

It has a lot to—well, a couple of examples: land ports of entry. They are generally located on the borders, in remote locations. And there is not much of a private-sector function for those land ports of entry. And so I question, personally, in my own mind, why those aren't built to unique government specifications, and how do you meet the OMB guidelines for a capital lease versus an operating lease there.

And so, there is a lot of twisting and turning that has to go in that, because it is hard to get the money to actually build and own those land ports of entry. But it is a difficult analysis to go through. But I would say, primarily, we look to see whether or not there is a commercial private-sector use for that facility.

Ms. NORTON. And in your expert judgment, is there any basis for classifying back-office-type DOD functions, people who do the same kind of accounting work and back-office work as other employees of the Federal Government? Is there any land-use reasons for classifying them differently when you go out looking for space?

Mr. MORRIS. Not really, no.

Ms. NORTON. I am sorry?

Mr. MORRIS. Not really, no.

Ms. NORTON. Could you explain to us—you mentioned up front, that an agency may have to pay up front. And I understand that generally. But how could they pay up front for the extra land needed to provide, for example, 148-foot setback in a lease? I am trying to, as you know, adhere to the OMB—

Mr. MORRIS. That is a good point. Most of those costs are for—well, it depends upon the—I know you don't like to hear this, but it actually does depend upon the transaction. A lot of the time—

Ms. NORTON. I do like to hear that, actually.

Mr. MORRIS. Sometimes we get land that is donated.

Ms. NORTON. You get what?

Mr. MORRIS. We get land that is donated by a municipality because they are putting that up.

Ms. NORTON. Oh.

Mr. MORRIS. Well, that brings down the cost of the project and allows us to put more into a facility. We take a no-cost option on a site that, if we are going to put that into the procurement—

Ms. NORTON. Yeah, but you see, Mr. Morris, I am not talking about the exceptional circumstance. You won't get any land donated by the District of Columbia, by Arlington County, by Fairfax County, by Montgomery County, by Prince George's County. You are not going to get any land donated by any of those folks, so I don't know why you would cite something as exceptional as somebody donates the land in some kind of quid pro quo. We are trying to deal here with a problem.

Mr. MORRIS. Well, you are right, except in the example of the DARPA procurement for DOD. The State of Virginia ponied up some land to help bring the costs down there, and some dollars. When you look at the overall expense of the project, we stayed within the prospectus cap, but there were definitely costs that were subsidized by the State of Virginia to make that location possible.

Ms. NORTON. And I fully accept—not only do I accept, I compliment GSA for that kind of deal. And I say to you, Mr. Morris, isn't that kind of deal unusual?

Mr. MORRIS. It is in the lease procurement area. We see it more often—

Ms. NORTON. It is in the lease area that we are looking at now.

Mr. MORRIS. Right.

Ms. NORTON. Because Mr. McAndrew, you notice, hasn't offered to have buildings built to specification, because he knows OMB would never authorize that. He knows that DOD would never even ask for that. He knows that DOD has said these are functions suitable for office space, and that is the only reason you have it in the first place.

Ms. Edwards?

Ms. EDWARDS. Thank you, Madam Chairwoman.

And thank you to our witnesses. I have questions principally for Ms. Armstrong and Mr. Morris.

Ms. Armstrong, I just want to start with you, and I want to ask you about the prospectus for the DHS annex. On April 1st, GSA issued a solicitation for up to 1.136 million square feet of space to house three tenant agencies: Customs and Immigration, Under Secretary of Management, and Science and Technology. The offers were originally due on May 7th, which was just 4 weeks after the issuance of the solicitation, and then subsequently an additional week was granted.

All the submissions had to include evidence of a final base building, zoning, subdivision, and site plan approvals and any other required local, State, or Federal Government approvals related to base building utilities, storm water management, and parking facilities, and landscape requirements.

My experience with land use, and especially in the counties that I represent, is that there is no way that that could be completed within 4 weeks. And so I wonder if you could tell me why you would come up with that time frame for the completion of that kind of detail, given that in all of the surrounding jurisdictions the planning process can last anywhere from 12, at a minimum, to 18 months to put together what you have required.

And so it seems to me that, at the outset, there are several jurisdictions that would never have been able to compete, really, for this prospectus. And so I am curious as to what your thinking is

or was in determining that that would be a time frame for such a detailed prospectus and solicitation.

And I wonder if you would go on to tell me why it is that there were some aspects of the prospectus that were actually changed, including the ceiling height and others. Were those things actually related to security? It is just hard to understand unless they were related to targeting the prospectus to a particular client.

Ms. ARMSTRONG. And, ma'am, I am going to have to apologize. That is not my area of expertise. I am with the Office of Infrastructure Protection, and that is a Chief Administrative Officer function, the prospectus that you are referring to. But I am sure our Leg Affairs people will make sure that the right person comes and answers your question.

Ms. EDWARDS. Someone from DHS really needs to answer that question, because it is really hard to understand that.

And as it is related to GSA, Mr. Morris, I wonder if you could tell me what the role is of GSA. First of all, who is your client? Who is your customer?

Mr. MORRIS. Well, the customer that we are housing there would be the Department of Homeland Security. I mean, ultimately—

Ms. EDWARDS. Is the taxpayer ever the customer?

Mr. MORRIS. —it is the American taxpayer, absolutely.

Ms. EDWARDS. Right. So, given that I think your ultimate customer is actually the taxpayer, can you explain to me why a prospectus would ever be put together that becomes then so narrowed and so restrictive that you actually impede competition, which doesn't work in the interests of the taxpayer?

Mr. MORRIS. Well, with all due respect, you know, I am not on top of that particular procurement. But I do know that when we were structuring how offers could be received, it was actually done to try and increase competition.

Rather than combining all of the requirements—if you are talking about the DHS consolidated procurement, rather than combining all of those requirements and saying somebody has to build us a million square feet, we broke that down into the component parts of the mission support in a complete effort to try and increase competition across the metropolitan area so that different developers who couldn't deliver one single total consolidated space could compete for parts of the requirement.

Ms. EDWARDS. Let me read this to you, because this is your own language. All submissions had to include evidence of, and I quote, "all final base building, zoning, subdivision, and site plan approvals, and site plan approvals on any other required local, regional, State, or Federal Government approvals that may be required relating to base building utilities, storm water management, and parking facilities, and landscape requirements."

How is it that you could ensure competition given those constraints in that time frame?

Mr. MORRIS. I get your point. I would say that there were two factors in that. One was, we were looking for properties that, if not shovel-ready in the Recovery Act sense of the word, were close to it, so that any developers who wanted to offer needed to have permits in place or coming out of the ground with buildings.

And, secondly, I know last year I had to testify before the Subcommittee on concerns that we have had and I know the Committee has had with holdovers and extensions for GSA leases. And we have a number of those mission components of DHS that are in leases that are expiring. And so one of the driving factors there was to avoid high-cost, short-term extensions and try and get a project up and developed so that we could move those folks into new facilities before the leases expired.

Ms. EDWARDS. Mr. Morris, let me just say to you that, representing developers in Prince George's and Montgomery County, and particularly in Prince George's County, the fact that GSA continues to use this criteria actually ensures that Prince George's County will never, ever be able to compete for these leases, never. Because virtually every transportation facility, all of the land that is available, whether you are looking at studies that have been done by the Brookings Institution at land availability in this region—Prince George's County will simply never be able to compete.

And I want you to explain to me how it is that, in a region where rent should be treated similarly around this Beltway, where the prospectus should be clear from one solicitation to the next solicitation without changes being made at the last minute that seem to be targeted to a particular developer or development, you are effectively screening out an entire county, and that means that you are screening out competition.

And I can't see how, if the taxpayer is your customer, that you are doing a good deal for your customer with that kind of screening. And it has to change.

Mr. MORRIS. I appreciate what you are saying to me.

Ms. EDWARDS. And appreciation isn't an answer. GSA has to come up with an answer for why it has created the kind of disparity in this region that has left an entire community left out of GSA competition.

And this description of this prospectus, given what is required in the zoning and planning process, means that one jurisdiction would never be able to compete for this prospectus.

And can you just tell me, why a change from a 9-foot to an 8-foot ceiling?

Mr. MORRIS. I am not familiar with the change in the ceiling height.

Ms. EDWARDS. I want to know why GSA changed a requirement in the prospectus from a 9-foot ceiling to an 8-foot ceiling. Is that to facilitate one building over another building? One area over another area? It is important for GSA to answer these questions. It doesn't actually make sense to me. Is it a safety consideration? Is it to accommodate fire and sprinkler systems? GSA has to answer these questions.

Mr. MORRIS. We will get you an answer for that.

Ms. EDWARDS. Thank you.

I want to ask you, as well, do you believe you have any responsibility to address the disparity that I have described in the treatment of these jurisdictions?

Mr. MORRIS. Yes, ma'am. You know, I know I am not going to convince you of this, but there are a number of Federal leases in Prince George's County for—

Ms. EDWARDS. I have actually gotten the leases from GSA. We have looked at them. We have analyzed them. Independent sources have analyzed them. And, as I described before, I am not talking about warehouse space. And we all know that. We know that there are leases in Prince George's County, but we also know that a substantial number of them are warehouse space, not commercial, class A office space. And that is what we are talking about because that is what facilitates economic development.

And I will not sit on this Subcommittee again to hear GSA's explanation without action. And I think that if we can't get it out in a hearing, then it is going to be done in legislation.

Can you just answer for me whether you can provide an analysis that justifies the rent cap differentials in Maryland, D.C., and Virginia for new construction? What is the justification for that?

Mr. MORRIS. I can't give you that right now, but I can get it for you.

Ms. EDWARDS. I will expect that on the record, as well.

Also, can you confirm that the final Nuclear Regulatory Commission lease for the new building in Montgomery County is within rent cap?

Mr. MORRIS. I can't confirm that right now, but I can get you that information.

Ms. EDWARDS. I would appreciate an answer on the record.

And then lastly, at what level are changes to a previously issued solicitation authorized? What is GSA's role in any change in that solicitation? What is the review process for the solicitation? And is prospective bidding expected to favor specific locations? And what information can you confirm that the changes that are made to those locations?

Mr. MORRIS. I am sorry, you lost me a little bit. I know—

Ms. EDWARDS. On the end, if prospective bidders feel that a particular change favors a specific location, what information does GSA then provide to confirm that the changes are made irrespective of location? What is there in the record that a developer can look to to say that GSA did this aboveboard and not to favor a specific location?

Mr. MORRIS. That is a hard question for me to answer. I think if we have a change in a solicitation, there is an amendment that is issued to the marketplace. Anybody that is bidding explains what the change is and why we are doing it.

In terms of your question that, whether or not it is transparent and aboveboard, that it is not favoring anybody, I mean, that is not the point of what the changes are. But I know you are not buying that from me just saying it. So I don't think I am going to be able to answer your question here, satisfactorily anyway.

Ms. EDWARDS. Thank you, Madam Chairwoman.

Ms. NORTON. Well, thank you, Ms. Edwards.

I am going to ask you, within 30 days, Mr. Morris, to submit to this Committee answers to the questions the lady from Prince George's has raised. For example, why the ceilings were lowered from 9 to 8, what the justification—or whatever was that figure; her question on the Nuclear Regulatory cap. We will submit a letter that details her questions.



Mr. Morris, we would like, the Committee also would like, you to break down those leases that Ms. Edwards says she believes were largely warehouse leases. We need to know about those leases, because it comes close to being an insult to a county that is one of the highest-income counties in the United States if the Federal Government is seeking to make it a repository for warehouses.

Ms. EDWARDS. Madam Chairwoman, if you would yield for a minute. I would like to submit for the record a study that was done actually in September 2007 by the University of Maryland—they have updated some of this—entitled “GSA Leasing in the Greater Washington Metropolitan Region” that actually documents the space throughout the region, what kind of space it is, and where it is located.

Ms. NORTON. So ordered.  
[The information follows:]

# GSA Leasing in the Greater Washington Metropolitan Region

A Report by  
The National Center for Smart Growth Research and Education  
and the  
Master's of Real Estate Development Program  
at the University of Maryland

for the  
Prince George's County Economic Development Corporation

September 10, 2007



# GSA Leasing in the Greater Washington Metropolitan Region

National Center for Smart Growth Research and Education  
Master's of Real Estate Development Program  
University of Maryland  
College Park, MD

September 10, 2007

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## Executive Summary

The U.S. General Services Administration (GSA) makes an enormous investment in the greater Washington metropolitan region in the form of real estate property leases. These leases, in turn, provide a multitude of financial benefits to the region, including the employment of local residents, the cash value of the dollars spent by the federal workforce, and the value of lease payments to land owners. Through 765 leases, GSA's interest in the Washington region includes 53.8 million square feet and \$1.563 billion in rent annually. This report presents the findings of an analysis of the region's GSA leases. *The analysis finds that Prince George's County, when compared with the other jurisdictions in the region, does not receive its proportionate share of GSA real property leasing.*

Prince George's contains 32.7 percent of the region's land area and 22.5 percent of the region's population. More specifically, 25.7 percent of the region's federal workforce resides in Prince George's County. However, by raw numbers only 10.1 percent of GSA's leases are within the county's borders. Moreover, these leases represent only 7.6 percent of the square feet leased through GSA in the region and only 4.1 percent of the total rent. Even more striking is the fact that **only 3.9 percent of the office space (measured in square feet) leased by GSA in the region is in Prince George's County.** Within the greater Washington metropolitan region, for those leases categorized as offices, only 3.0 percent of GSA's rent dollars are spent in Prince George's.

GSA's overall rental investment amounts to a rate of \$15.73 per square foot in Prince George's compared to \$30.16 throughout the rest of the greater Washington region. Part, though not all, of this difference is due to Prince George's County hosting more than its proportionate share of the region's GSA warehouse leases, which produce lower rents and fewer job opportunities. Across the region, 11.8 percent of GSA's leases are warehouses. However, **in Prince George's, warehouses make up 49.4 percent of the GSA leases.**

A per capita look at the rental investment highlights even greater disparity. GSA's total rent in Prince George's amounts to more than \$76 per county resident. Throughout the rest of the greater Washington region, **GSA invests at a rate of \$518 per person – or nearly seven times more per capita in the region's other jurisdictions.** With respect to federal civilian jobs in the region, the analysis shows that Prince George's has 0.353 jobs per federal employee resident, compared to a ratio of 1.117 in the region overall.

## Introduction and Context

At the request of the Prince George's County Economic Development Corporation, the National Center for Smart Growth Research and Education and the University of Maryland's Real Estate Development Program have undertaken an analysis of the federal government's leasing presence in the greater Washington metropolitan region.

### *Federal Government Reliance on Commercial Leasing*

Federal funds for new construction of buildings are relatively limited and the capital allocation process used by the federal government compels the reliance on leasing to satisfy emerging needs.<sup>1</sup> The U.S. General Services Administration serves as the landlord for the federal government, conducting the majority of federal office leasing.<sup>2</sup> GSA has indicated commercial leases are used to meet the majority of new space requirements for traditional office space,<sup>3</sup> and leasing represents an increasing portion of the federal government's real estate portfolio.<sup>4</sup> GSA has seen an almost four-fold increase in its leasing portfolio over the last four decades.<sup>5</sup> Based on these facts, the analysis that follows focuses on the distribution and value of leases administered through GSA in the greater Washington, D.C. metropolitan region, contrasting the federal leases in Prince George's County with federal leases in other local jurisdictions.

### *Benefits of Federal Government Community Presence*

The federal government's presence in a community brings with it a multitude of financial benefits including the employment of local residents, the cash value of the dollars spent by the federal workforce, and in the case of leased space, the value of lease payments to land owners and property taxes to state and local governments. In addition to these benefits, because of the federal government's heavy reliance on contractors, the federal government's presence in a community brings with it substantial contracting and procurement dollars, as well as significant private sector employment. In 2006 alone, it was estimated that the federal procurement dollars spent in the region totaled \$53.6 billion.<sup>6</sup>

<sup>1</sup> Government Accountability Office (GAO) Testimony before the Subcommittee on Federal Financial Management, Government Information, and International Security, Senate Committee on Homeland Security and Governmental Affairs "Reliance on Costly Leasing to Meet New Space Needs Is an Ongoing Problem." Statement of Mark L. Goldstein, GAO Director of Physical Infrastructure Issues. October 6, 2005.

<sup>2</sup> The General Services Administration is not the largest landholding agency of the Government, but serves as the Government's primary lessor.

<sup>3</sup> Remarks of GSA Public Buildings Service Commissioner David Winstead before the District of Columbia Business Industry Association (DCBIA) March Meeting, Washington, DC (March 15, 2007).

<sup>4</sup> Id.

<sup>5</sup> Id.

<sup>6</sup> Center for Regional Analysis, George Mason University presentation dated May 18, 2007 "The Washington Region Economy and Residential Real Estate Market in 2007."

There has been some quantification of the benefit the federal government's presence can bring to a community. The National Trust for Historic Preservation has estimated that the average visitor to a federal office spends \$18.58 while visiting the agency.<sup>7</sup> That same study estimated that federal workers spend an average of \$5,041 annually on retail goods and services in the community in which they work. The value of the presence of the federal workforce is magnified in metropolitan Washington where federal government workers comprise 12.4 percent<sup>8</sup> of the workforce as a whole, and the federal government serves as a very significant anchor and driver of the local economy. Hence, where in this region those leases are located has an outsized impact on the local economy.

*In 2006 alone, it was estimated that the federal procurement dollars spent in the region totaled \$53.6 billion.*

### Data Analysis

GSA publishes an updated inventory of its leased properties monthly on its website. The inventory used in this analysis was released by GSA on June 15, 2007. For the purposes of this effort, we refer to the greater Washington metropolitan region as including the District of Columbia and the other jurisdictions immediately surrounding the District. These other counties and municipalities include: Prince George's and Montgomery Counties in Maryland, Arlington and Fairfax Counties in Virginia, and the Virginian cities of Alexandria, Fairfax, and Falls Church. At the time of this report, the current inventory shows a total of 776 GSA leases in the region. Of these, 11 lease records show no rentable square footage and thus we have excluded those records from our analysis.<sup>9</sup>

Not surprisingly, the remaining 765 leases underscore the massive investment the federal government makes (and as a result, its impact) in the region. In total, GSA leases 53,780,281 square feet of space in the region. This space is equivalent to 1,235 acres, 934 football fields, or alternatively, nearly two square miles of rented space. Moreover, it represents more than 30 percent of the total space leased through GSA in the entire country. The total rent paid for these Washington area leases is nearly \$1.6 billion, or 37% of the total paid on all GSA leases nationwide. The gross GSA rental rate

<sup>7</sup> "Measuring the Economic Impact of Federal facilities on Central Business Districts", Final Report, National Main Street Center, National Trust for Historic Preservation, July 2002 (rev. March 2004).

<sup>8</sup> Bureau of Labor Statistics, Monthly Labor Review, December 2006, "Industry Dynamics in the Washington, D. C. Area: Has a Second Job Core Emerged?" identifying 337,221 federal Government employees and 2.8 million workers in the Washington metropolitan area (page 3).

<sup>9</sup> Such leases are typically for parking structures or spaces. Collectively, these 11 records represent \$4.8 million in GSA rental investment, or approximately 0.3 percent of the GSA total rental investment in the region of nearly \$1.6 billion. Less than 1/10 of the rent from these excluded records is from Prince George's County.

is higher in the Nation's capital area as well - the \$29.06 paid per square foot of space in the greater Washington region is 22 percent higher than the \$23.77 nationwide rate.

This report focuses on an analysis of these GSA leasing data for the greater Washington metropolitan region. It evaluates the distribution of GSA commercial leases across the region, comparing Prince George's County to other jurisdictions with regard to the number of leases, the amount of rented space, relative rent values, and commercial office space availability.

|                                | Land Area<br>(sq. mi.) | Percent of<br>Region Total |
|--------------------------------|------------------------|----------------------------|
| Alexandria                     | 15.18                  | 1.0%                       |
| Arlington County               | 25.87                  | 1.7%                       |
| Fairfax City                   | 6.31                   | 0.4%                       |
| Fairfax County                 | 395.04                 | 26.6%                      |
| Falls Church                   | 1.99                   | 0.1%                       |
| <i>Northern Virginia Total</i> | <i>444.39</i>          | <i>29.9%</i>               |
| Montgomery County              | 495.52                 | 33.3%                      |
| Prince George's County         | 485.43                 | 32.7%                      |
| <i>Suburban Maryland Total</i> | <i>980.95</i>          | <i>66.0%</i>               |
| <i>District of Columbia</i>    | <i>61.40</i>           | <i>4.1%</i>                |
| <b>ENTIRE REGION</b>           | <b>1486.74</b>         | <b>100.0%</b>              |

TABLE 1: Land area of jurisdictions in the Greater Washington Region.  
Source: U.S. Census Bureau, 2000 Decennial Census.

### Bases of Comparison

We began our analysis by establishing some points of reference. There are several bases against which we could compare the region's jurisdictions. For this study, we have chosen to distinguish the jurisdictions by their relative land area, population, and residential federal workforce.

*Land Area.* As Table 1 shows, the entire region consists of 1,487 square miles. Prince George's County (485 square miles) and Montgomery County (496 square miles)

|                                | 2006<br>Population<br>(000) | Population<br>Density (per<br>square mile) | Percent<br>of Region<br>Total |
|--------------------------------|-----------------------------|--------------------------------------------|-------------------------------|
| Alexandria                     | 137.0                       | 9,023                                      | 3.7%                          |
| Arlington County               | 199.8                       | 7,722                                      | 5.3%                          |
| Fairfax City                   | 22.4                        | 3,553                                      | 0.6%                          |
| Fairfax County                 | 1,010.4                     | 2,558                                      | 27.1%                         |
| Falls Church                   | 10.8                        | 5,427                                      | 0.3%                          |
| <i>Northern Virginia Total</i> | <i>1,380.4</i>              | <i>3,106</i>                               | <i>37.0%</i>                  |
| Montgomery County              | 932.1                       | 1,881                                      | 25.0%                         |
| Prince George's County         | 841.3                       | 1,733                                      | 22.5%                         |
| <i>Suburban Maryland Total</i> | <i>1,773.4</i>              | <i>1,808</i>                               | <i>47.5%</i>                  |
| <i>District of Columbia</i>    | <i>581.5</i>                | <i>9,471</i>                               | <i>15.6%</i>                  |
| <b>ENTIRE REGION</b>           | <b>3,735.4</b>              | <b>2,512</b>                               | <b>100.0%</b>                 |

TABLE 2: Population estimates for July 1, 2006.  
Source: Adapted from U.S. Census Bureau Population Estimates released June 28, 2007 (<http://www.census.gov/popest/estimates.php>).

each make up approximately 33 percent of the region's land area. As a point of reference, Arlington County represents a far smaller land area with less than 2 percent (26 square miles) of the region's total. At 444 square miles, the entire Northern Virginia area represents 30 percent of the region's total, the vast majority of which is Fairfax County at 395 square miles or slightly less than 27 percent of the region's total.

*Population.* Another starting point for comparing the region's jurisdictions can be based on the distribution of the region's population. Estimates released by the U.S. Census Bureau in June 2007 indicate that more than 3.7 million people resided in the greater Washington region in 2006. Table 2 shows the distribution of the population across the region's jurisdictions. Prince George's County's 841,315 people make it the third largest jurisdiction in the region, behind Fairfax (1,010,443) and Montgomery (932,131) Counties. Prince Georgians make up 22.5 percent of the region's total population.

*Federal Government Civilian Employees by Place-of-Residence.* Consistent with land area and population, the percentage of the region's federal government civilian employees residing in Prince George's County demonstrates the county's relative importance to the region. According to the U.S. Census Bureau, more than one quarter of the region's federal civilian workforce resides in Prince George's County (25.7 percent), as shown in Figure 1. By comparison, Arlington County and the City of Alexandria are home to 7.1 percent and 4.2 percent of the region's federal civilian workforce, respectively.

#### *Geography.*

Throughout our analysis, we draw contrasts between Prince George's County and Montgomery

County or one of the five individual jurisdictions in Northern Virginia. Some areas in Prince George's County are comparable to the more urban Arlington County or the City of Alexandria. Other parts are similar to more suburban and rural areas in Northern Virginia. These diverse land uses in Prince George's County have led us to compare the county to Northern Virginia collectively at times. Generally, however, we have not drawn comparisons between Northern Virginia and a collective Suburban Maryland, as combining Prince George's and Montgomery Counties would create a subregion that contained nearly two-thirds of the entire region's land area. When we have compared the two Maryland counties separately with the Northern Virginia jurisdictions collectively, we have compared three nearly equally sized subregions, each with a variety of land uses and densities. Occasionally, we have also made comparisons between Prince George's County and the remainder of the region collectively.

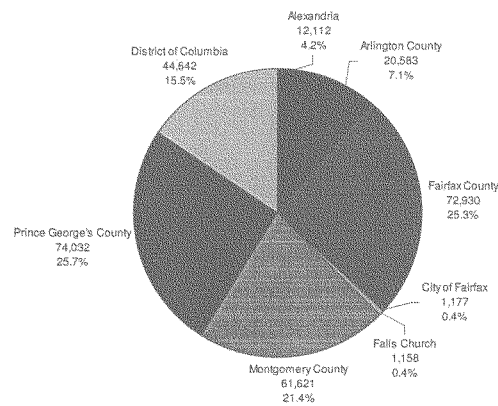


FIGURE 1: The region's federal civilian workforce by place of residence.  
Source: 2000 U.S. Census Summary File 3.



### Number of Leases

The first and most basic comparison we have made is with respect to the raw number of GSA leases in each of the region's jurisdictions. This initial review indicates that Prince George's has a disproportionately low share of GSA leases. Despite having 32.7 percent of the region's land area and 22.5 percent of the population, Prince George's County's 77 leases represent only 10.1 percent of the region's total number of GSA leases.

On a per capita basis across the entire region, there are 4,883 people per GSA lease. In Alexandria there is one lease for every 2,795 people, while Arlington County has one lease for every 1,350 residents. Northern Virginia collectively carries a relatively proportionate number of GSA leases per capita, with one lease for every 4,424 people. However, the corresponding number in Prince George's is 2.5 times larger, at 10,926 people per lease.

These differences in the number of leases become even more noteworthy when we look at the property uses or functions. Of the 765 GSA leases in the entire Washington metropolitan region, 655 or 85.6 percent were categorized as office space,

*Despite having 10.1 percent of the region's overall GSA leases, Prince George's has 42.2 percent of the region's GSA leased warehouses and only 5.2 percent of the region's GSA leased offices.*

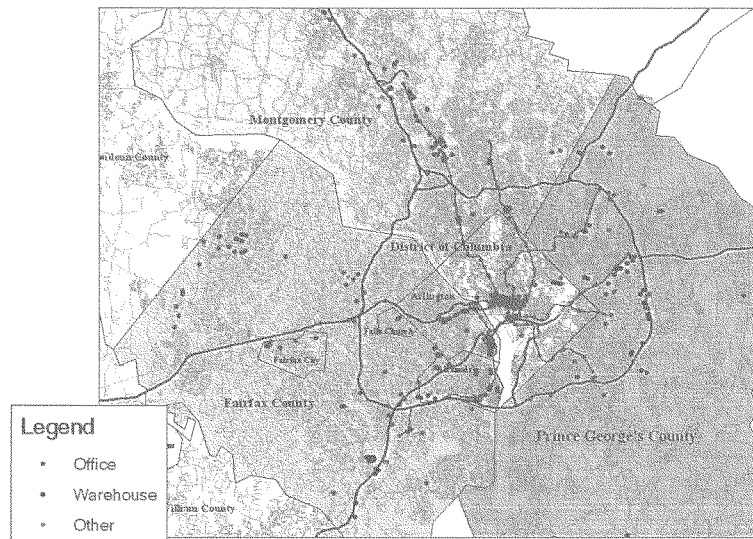


FIGURE 2: Function and location of GSA leases in the greater Washington metropolitan region.

90 or 11.8 percent were warehouse, and 17 or 2.2 percent were identified as serving some other use.<sup>10</sup> However, in Prince George's County, only 44.2 percent of the GSA leases were categorized as office leases, and 49.4 percent of the properties were categorized as warehouses (see Appendix A for a complete breakdown of property use by jurisdiction). In this respect, Prince George's is distinguished as having an even lower share of GSA's leased offices, which garner higher rent and employ more people than warehouses.

In a snapshot of the region as a whole, despite having 10.1 percent of the region's overall GSA leases, Prince George's has 42.2 percent of the region's GSA leased warehouses and only 5.2 percent of the region's GSA leased offices. The map in Figure 2 shows the categorized function and location of GSA leased facilities in the greater Washington metropolitan region.

### ***Rentable Square Feet<sup>11</sup>***

The vast majority of GSA leases in the greater Washington region includes leases for less than 50,000 square feet. In fact, the median space size is 33,301 square feet, meaning that 50 percent of all GSA leases in the region are for 33,301 square feet or less. The average GSA rentable space in the region is 70,301 square feet. Leased GSA properties in Prince George's County tend to be smaller than those in the other jurisdictions across the greater Washington metropolitan region. In Prince George's, the

*Only 3.9 percent of GSA's total leased office space in the region is located in Prince George's County.*

median size is 27,366 square feet, which is 6,071 square feet smaller than the median lease size in the rest of the region. The average GSA lease size in Prince George's is 53,137 square feet, compared to 72,222 throughout the rest of the region. Once again, this discrepancy is further

demonstrated by analyzing the rentable space by use. Among those leases categorized as office, the average GSA leased space in Prince George's is 59,544 or 21.1 percent lower than the average rentable office space in the rest of the region (75,454 square feet).

The combination of fewer leases and smaller rentable spaces has the effect of further minimizing Prince George's share of GSA's overall rentable square feet in the region. Of the region's nearly 53.8 million square feet of GSA rentable space, Prince George's only has 4.1 million, or 7.6 percent. Meanwhile, Northern Virginia has 20.4 million rentable square feet, or 37.8 percent of the regional total.

<sup>10</sup> The GSA inventory dataset provided the percentage of square feet at each property that is identified as office, warehouse, or special (or rather, "other"). 84.6 percent of the leases are identified as being completely one use or another. The remainder of the inventory includes leases identified as serving a combination of functions. We categorized these leases based on the use with the largest percentage of square footage. In most instances, the categorized use represented 90 percent or more of the square footage, but in every case was at least 50 percent of the leased space. Note also that there were three records for which no use was indicated in the GSA inventory.

<sup>11</sup> "Rentable square feet" is a term GSA uses in its monthly lease inventory to reflect the total amount of space GSA rents on behalf of the federal government at a particular location.

As shown in Figure 3 and in Appendix B, only 3.9 percent of GSA's total leased office space in the region is located in Prince George's County.<sup>12</sup> GSA leases 1.8 million square feet of office space in Prince George's County and nearly just as much in Falls Church (1.7 million square feet), despite Prince George's being 244 times larger than Falls Church in land area and 78 times larger in population. In further

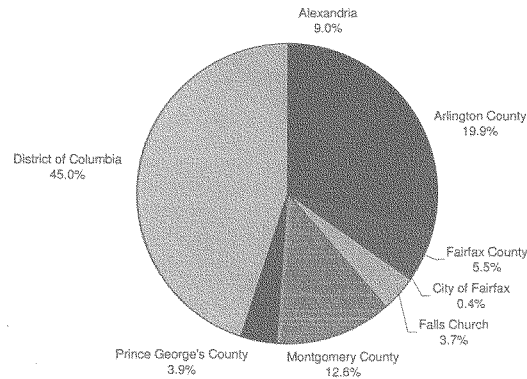


FIGURE 3: Each jurisdiction's relative share of the GSA's leased office space in the region (measured in square feet).

comparison to Prince George's County, GSA leases 2.3 times as much office space in Alexandria, 5.2 times as much in Arlington, and 3.3 times as much in Montgomery. By contrast, GSA leases more warehouse space (1.8 million square feet, or 45.6 percent of the region total) in Prince George's County than any other jurisdiction in the region (Fairfax County is second with 725,897 square feet or 18.2 percent of the region total).

### Total Rents and Rental Rates

Total GSA rental expenditures in the greater Washington metropolitan region equal approximately \$1.563 billion. A little more than half of that, or \$789 million, is for leases in the seat of the U.S. federal government – the District of Columbia. Of the \$774 million invested in leases in the D.C. suburbs, 70.9 percent is in Northern Virginia, 20.8 percent is in Montgomery County, and only 8.3 percent is in Prince George's County. With respect to the region as a whole, Prince George's only sees a 4.1 percent share of the total GSA leasing dollars. By contrast, Arlington's share is 18.7 percent and Montgomery's share is 10.3 percent. Stated

*The federal Government through GSA spends 4.6 times more leasing dollars in Arlington County and 2.5 times more leasing dollars in Montgomery County than it spends in Prince George's County.*

<sup>12</sup> In this instance, because the GSA inventory indicated the specific percentage of each property's square footage that was attributable to each use, we were able to calculate exact area square footage totals. For example a 100,000 square foot property that is 95 percent office space and 5 percent warehouse was noted as contributing 95,000 square feet of office and 5,000 square feet of warehouse as opposed to designating the entire square footage as office.

more simply, the federal government through GSA spends 4.6 times more leasing dollars in Arlington County and 2.5 times more leasing dollars in Montgomery County than it spends in Prince George's County. Figure 4 and the map in Appendix C further demonstrate the distribution of GSA rent across the region.

Of all the region's individual jurisdictions, the City of Falls Church has the largest proportional share of GSA rental expenditures, with nearly \$45 million in rent for just under two square miles (\$22.6 million per square mile). The city's share also corresponds to \$4,163 per resident. Prince George's County's GSA rental investment equates to \$132,545 per square mile and \$76.48 per county resident (as shown in Figure 5). By contrast, the total rents for GSA leases throughout the rest of the region equate to \$1.5 million per square mile (11.3 times that of Prince George's) and \$517.81 per person (6.8 times that of Prince George's). Appendix D provides a complete breakdown of rent dollars by jurisdiction.

When looking solely at GSA leases categorized as offices, rent paid out on leases in Prince George's totals \$45.4 million, which is only 3.0 percent of the total GSA office

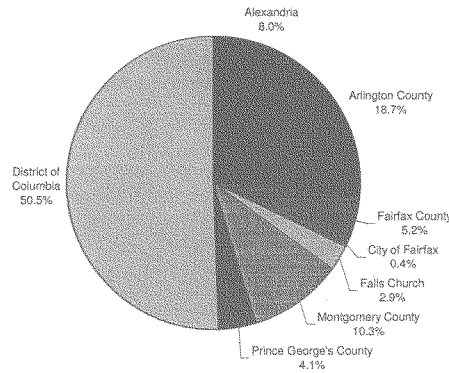


FIGURE 4: Percentage of total GSA leasing dollars by jurisdiction

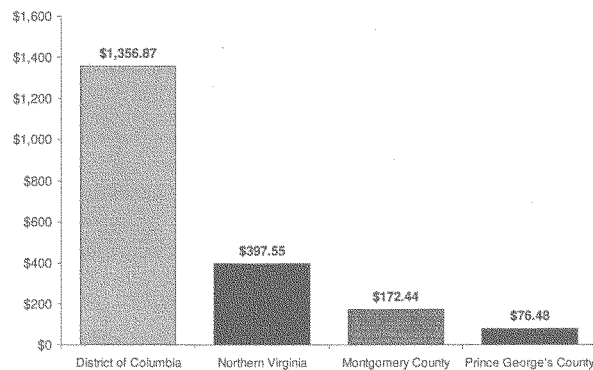


FIGURE 5: Per capita GSA leasing dollars across the Greater Washington metropolitan region.

lease rents in the region. Meanwhile, in Arlington County, which only contains 5.3 percent of the region's population and 1.7 percent of the land area (compared to Prince George's 22.5 percent and 32.7 percent, respectively) leases categorized as offices total \$288.9 million in rent, or 19.1 percent of region's GSA office lease total. This is 6.4 times the corresponding amount in the larger and more populous Prince George's.

The total average GSA rental rate per square foot (total GSA rent divided by total GSA rentable square feet) for the region is \$29.06. The Prince George's rate of \$15.73 per square foot is nearly half the \$30.16 per square foot received outside the county. For additional analysis on this data, we performed a statistical test to compare the GSA's average rent per square foot received in Prince George's to that of the rest of the region. The difference was found to be statistically significant,<sup>13</sup> suggesting that GSA rental rates in Prince George's for the type of space GSA leases is considerably less than elsewhere in the region.

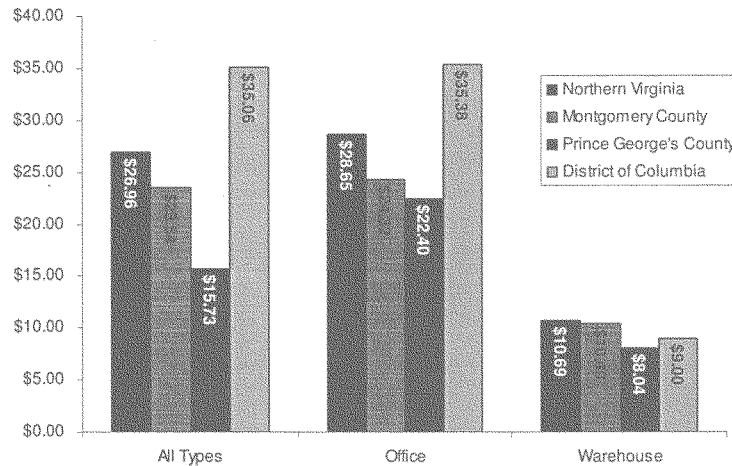


FIGURE 6: GSA rent per square foot across the region, by property use category.

Further breakdown of the GSA data reveals that the lower rental rates in Prince George's is not solely due to the larger percentage of warehouse uses in the county (the total regional rental rate for leases categorized as warehouse use is \$9.38 compared to \$30.88 for office uses). In fact, as Figure 6 and Appendix E show, GSA rental rates in Prince George's County are lower than all other communities in the region for both office and warehouse uses, which is indicative of lower market rates in Prince George's

<sup>13</sup> The difference between two means test produced a t-statistic of 2.407, which is well beyond the critical value of 1.963 at an alpha of 0.05.

County. (Note that Appendix E shows these data disaggregated by individual jurisdictions.)

### **Federal Job Locations**

In contrast to the residential distribution of the region's federal workforce, the distribution of federal jobs in the region demonstrates a general jobs-housing imbalance. Despite having 25.7 of the region's federal civilian workforce residing in the county, only 8.1 percent of the region's federal government civilian jobs were located in Prince George's County in 2000 according to the U.S. Department of Commerce's Bureau of Economic Analysis. As would be expected, the District of Columbia hosted the greatest share of federal jobs, with 55.7 percent of the region's total. In comparison to other Washington suburbs, Arlington County had 10.0 percent and Montgomery County 13.1 percent of the region's federal civilian jobs. Fairfax County, Fairfax City and Falls Church combined for 10.8 percent.<sup>14</sup>

The regional disparities become more apparent when looking at the ratio of federal government jobs to the number of federal employees

|                                             | Federal Civilian Jobs | Federal Employee Residents | Ratio of Jobs to Residents |
|---------------------------------------------|-----------------------|----------------------------|----------------------------|
| Alexandria                                  | 7,612                 | 12,112                     | 0.628                      |
| Arlington County                            | 32,140                | 20,583                     | 1.561                      |
| Fairfax County, Fairfax City & Falls Church | 34,859                | 75,265                     | 0.463                      |
| <i>Northern Virginia Total</i>              | <i>74,611</i>         | <i>107,960</i>             | <i>0.691</i>               |
| Montgomery County                           | 42,134                | 61,621                     | 0.684                      |
| Prince George's County                      | 26,105                | 74,032                     | 0.353                      |
| <i>Suburban Maryland Total</i>              | <i>68,239</i>         | <i>135,653</i>             | <i>0.503</i>               |
| <i>District of Columbia</i>                 | <i>179,262</i>        | <i>44,642</i>              | <i>4.016</i>               |
| <b>ENTIRE REGION</b>                        | <b>322,112</b>        | <b>288,255</b>             | <b>1.117</b>               |

TABLE 3: The ratio of federal civilian jobs to federal civilian employee residents.  
Source: Bureau of Economic Analysis, U.S. Department of Commerce and 2000 U.S. Census Summary File 3

residing in each jurisdiction. Table 3 demonstrates that Prince George's County's ratio of federal jobs to federal employee residents is the lowest in the region at 0.353. In general, the lower the ratio, the more likely a federal employee living in a given jurisdiction is to commute to another jurisdiction for work. Other than D.C., Arlington County is the only jurisdiction in the region that has more federal jobs than federal employee residents (56.1 percent more). Overall, the region has 11.7 percent more federal jobs than federal employee residents, suggesting that there are many federal employees that commute from outside the immediate Washington region.

More recent data from the Bureau of Economic Analysis suggest that Prince George's may even be losing some of its already small share of federal jobs. Between 2000 and 2005, the region saw a 5.9 percent growth in federal jobs, from 322,112 to

<sup>14</sup> The U.S. Bureau of Economic Analysis combines these three Virginia jurisdictions when reporting employment figures. Source: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce (<http://www.bea.gov/regional/reis/CA25fn.cfm>).

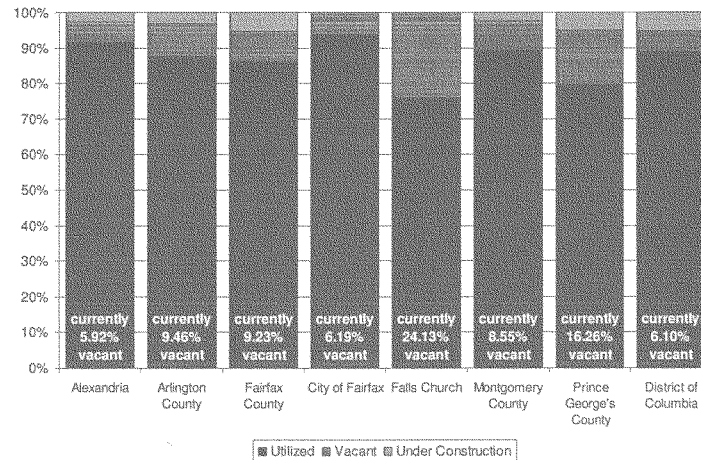


FIGURE 7: Percent of existing and pipeline (under construction) commercial office space in each jurisdiction. The indicated current vacancies are percentages of the current supply of commercial office space (i.e. not including pipeline space). Source: Jones Lang LaSalle IP, Inc., "Market Smart: Washington, D.C. Office Market Statistics," 2<sup>nd</sup> quarter 2007.

341,174. Prince George's County, however, did not keep pace with the rest of the region. Over that same five year period, Prince George's gained only 209 federal jobs (0.8 percent increase) and saw its relative share of federal jobs fall from 8.1 percent in 2000 to only 7.7 percent in 2005.

### Commercial Space Availability

In connection with this study we also undertook a review of available commercial space in the region to determine if the lack of GSA office leasing in Prince George's could be linked to absence of supply. Figure 7 and the table in Appendix F highlight the current supply, vacancy and pipeline construction of commercial lease space in each of the region's jurisdictions. At 16.26 percent, the Prince George's vacancy rate is second highest in the region, behind only Falls Church at 24.13 percent. However at \$22.86, the average commercial office asking rent in Prince George's is lowest in the region (by contrast, the average commercial office asking rent in Alexandria is \$31.24 and in Arlington is \$34.52).<sup>15</sup> The 2.9 million square feet of vacant or pipeline commercial office space in Prince George's is equivalent to 71.1 percent of the space currently leased through GSA in the county. On their face, these data suggest

<sup>15</sup> Source: Jones Lang LaSalle IP, Inc., "Market Smart: Washington, D.C. Office Market Statistics," 2<sup>nd</sup> quarter 2007.

there is sufficient opportunity for a growing federal presence in Prince George's and that a lack of available commercial office space is not a likely explanation for the federal government's currently limited presence in Prince George's County.

## Conclusions

GSA occupies 765 leases throughout the greater Washington metropolitan area. Generally, our analysis of that data has found that Prince George's County's share of these leases is not at par with the rest of the region.<sup>16</sup> More specifically, we have shown that:

- Despite making up 32.7 percent of the land area in the region and 22.5 percent of the local population, the 34 GSA office leases in Prince George's County correspond to only 5.2 percent of the offices leased through the GSA (overall, the 77 leases in Prince George's only represent 10.1 percent of the GSA regional lease count).
- When measured in terms of the square footage of lease space occupied by GSA in the region, only 7.6 percent of the GSA's square footage is located in Prince George's County. The county's share of GSA leased office space is even lower at 3.9 percent.
- Prince George's leases categorized as office rented at a total of \$45.4 million, or only 3.0 percent of the total GSA office lease rents in the region.
- Prince George's County attracts only 4.1 percent of the federal leasing dollars spent through GSA in the greater Washington metropolitan region. By comparison, Arlington County, which only contains 5.3 percent of the region's population and 1.7 percent of the land area, attracts 18.7 percent of the GSA leasing dollars. Prince George's neighbor in Maryland, Montgomery County, is similar to Prince George's in land area and population, however the federal government spends 2.5 times more GSA leasing dollars in Montgomery than in Prince George's.

<sup>16</sup> Note that the figures and analyses in this report are not intended to conclude anything about total federal real estate investment in Prince George's, since this analysis does not take into account GSA-owned properties in the region, nor does it review property leased or owned by other federal agencies, including those with a major local presence in the region such as the U.S. Postal Service and the U.S. Department of Defense. This analysis also does not review the regional distribution of federal investment and expenditures in general. To do so would require a much more extensive look at federal agency budgets and contracts. What this study has done is review GSA leasing presence in the region. As the nation's largest public real estate organization, GSA provides acquisition and real estate services for the benefit of many federal agencies, and leases more than 7,100 properties across the country. These properties provide workspace for approximately 600,000 federal employees according to GSA's website ([www.gsa.gov](http://www.gsa.gov)).



- Fully 49.4 percent of the GSA leases in Prince George's County are classified as warehouse leases, which command lower rents and employ far fewer people than traditional office space. These represent 42.2 percent of GSA's leased warehouses in the region. Furthermore, 45.6 percent of the region's GSA leased warehouse space (measured in square feet) is in Prince George's.
- Average GSA rental rates in Prince George's County are significantly lower in Prince George's than they are in the rest of the region. The overall price per square foot of \$15.73 in Prince George's is nearly half the \$30.16 spent through GSA in the rest of the region.
- Despite having 25.7 of the region's federal workforce residing in the county, only 8.1 percent of the region's federal government jobs were located in Prince George's County in 2000. By 2005, the percentage had fallen to 7.7 percent as the county's federal job growth (0.8 percent) did not keep pace with the region's growth in federal jobs (5.9 percent).
- Prince George's County's ratio of federal jobs to federal employee residents is the lowest in the region at 0.353. The ratio for the region overall is 1.117 federal civilian jobs for every federal employee resident.
- A review of the commercial office space in the region revealed a relatively large amount of vacant commercial office space in Prince George's County, along with significant development of commercially leased space in the pipeline.

While the lower rental rates in Prince George's County are an indicator of the lower federal investment in the county, they also present an opportunity to the federal government as the lowest cost alternative in the metropolitan Washington commercial leasing market. The relative affordability of acquiring commercial lease space makes the relative lack of federal leasing presence in Prince George's County all the more remarkable as the U.S. General Services Administration seeks to acquire leases on the most favorable basis for the government and must follow competitive procurement practices.<sup>17</sup> Although GSA is directed in most cases to procure leased space at the best value to the government, Prince George's County is a remarkable anomaly as it attracts

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<sup>17</sup> Federal Management Regulations direct acquisition of leases on the most favorable terms to the government. In addition, lease procurements are subject to the Competition in Contracting Act which directs full and open competition. GSA indicates on its website that in lease procurements it "solicits offers on a competitive basis, negotiates with offerors, and, for most acquisitions, makes awards to the lowest priced acceptable offer." See: [http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentId=8317&contentType=GSA\\_OVERVIEW](http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentId=8317&contentType=GSA_OVERVIEW)

the lowest relative share of GSA leasing dollars in the Washington metropolitan region despite being the region's lowest cost alternative.

From a "smart growth" perspective, the federal job location data and the current GSA leasing pattern demonstrate an imbalance between federal jobs and where federal employees reside. This imbalance places a burden on federal employees in terms of their commute. In making its siting decisions, the federal government can help reduce this burden and the corresponding costs (such as fuel consumption, air pollution and time lost in congestion) to the region as a whole, by leasing more space in Prince George's County where more employees live.

### APPENDIX A: Crosstab of Leases – Property Use by Jurisdiction

|                               |             | Office | Warehouse | Other  | Unknown | All Uses |
|-------------------------------|-------------|--------|-----------|--------|---------|----------|
| <b>City of Alexandria</b>     | # of Leases | 35     | 10        | 2      | 2       | 49       |
|                               | % of Column | 5.3%   | 11.1%     | 11.8%  | 66.7%   | 6.4%     |
|                               | % of Row    | 71.4%  | 20.4%     | 4.1%   | 4.1%    | 100.0%   |
| <b>Arlington County</b>       | # of Leases | 142    | 4         | 2      | 0       | 148      |
|                               | % of Column | 21.7%  | 4.4%      | 11.8%  | 0.0%    | 19.3%    |
|                               | % of Row    | 95.9%  | 2.7%      | 1.4%   | 0.0%    | 100.0%   |
| <b>Fairfax County</b>         | # of Leases | 54     | 20        | 2      | 0       | 76       |
|                               | % of Column | 8.2%   | 22.2%     | 11.8%  | 0.0%    | 9.9%     |
|                               | % of Row    | 71.1%  | 26.3%     | 2.6%   | 0.0%    | 100.0%   |
| <b>City of Fairfax</b>        | # of Leases | 8      | 1         | 1      | 0       | 10       |
|                               | % of Column | 1.2%   | 1.1%      | 5.9%   | 0.0%    | 1.3%     |
|                               | % of Row    | 80.0%  | 10.0%     | 10.0%  | 0.0%    | 100.0%   |
| <b>City of Falls Church</b>   | # of Leases | 29     | 0         | 0      | 0       | 29       |
|                               | % of Column | 4.4%   | 0.0%      | 0.0%   | 0.0%    | 3.8%     |
|                               | % of Row    | 100.0% | 0.0%      | 0.0%   | 0.0%    | 100.0%   |
| <b>Montgomery County</b>      | # of Leases | 77     | 8         | 3      | 0       | 88       |
|                               | % of Column | 11.8%  | 8.9%      | 17.6%  | 0.0%    | 11.5%    |
|                               | % of Row    | 87.5%  | 9.1%      | 3.4%   | 0.0%    | 100.0%   |
| <b>Prince George's County</b> | # of Leases | 34     | 38        | 4      | 1       | 77       |
|                               | % of Column | 5.2%   | 42.2%     | 23.5%  | 33.3%   | 10.1%    |
|                               | % of Row    | 44.2%  | 49.4%     | 5.2%   | 1.3%    | 100.0%   |
| <b>District of Columbia</b>   | # of Leases | 276    | 9         | 3      | 0       | 288      |
|                               | % of Column | 42.1%  | 10.0%     | 17.6%  | 0.0%    | 37.6%    |
|                               | % of Row    | 95.8%  | 3.1%      | 1.0%   | 0.0%    | 100.0%   |
| <b>Entire Region</b>          | # of Leases | 655    | 90        | 17     | 3       | 765      |
|                               | % of Column | 100.0% | 100.0%    | 100.0% | 100.0%  | 100.0%   |
|                               | % of Row    | 85.6%  | 11.8%     | 2.2%   | 0.4%    | 100.0%   |

## APPENDIX B: Relative Share of Leased Space by Jurisdiction and Property Use

The table below shows each jurisdiction's relative share of the GSA's leased space in the region by property use, in comparison to their relative share of the region's population and land area. (Values shown are percentages of the region's totals.)

|                                | Population    | Land Area     | Total GSA Leased Square Footage | GSA Leased Office Square Footage | GSA Leased Warehouse Square Footage |
|--------------------------------|---------------|---------------|---------------------------------|----------------------------------|-------------------------------------|
| Alexandria                     | 3.7%          | 1.0%          | 9.1%                            | 9.0%                             | 14.1%                               |
| Arlington County               | 5.3%          | 1.7%          | 18.3%                           | 19.9%                            | 5.8%                                |
| Fairfax City                   | 0.6%          | 0.4%          | 0.6%                            | 0.4%                             | 2.9%                                |
| Fairfax County                 | 27.1%         | 26.6%         | 6.6%                            | 5.5%                             | 18.2%                               |
| Falls Church                   | 0.3%          | 0.1%          | 3.4%                            | 3.7%                             | 0.0%                                |
| <i>Northern Virginia Total</i> | <i>37.0%</i>  | <i>29.9%</i>  | <i>37.8%</i>                    | <i>38.5%</i>                     | <i>40.9%</i>                        |
| Montgomery County              | 25.0%         | 33.3%         | 12.7%                           | 12.6%                            | 8.0%                                |
| Prince George's County         | 22.5%         | 32.7%         | 7.6%                            | 3.9%                             | 45.6%                               |
| <i>Suburban Maryland Total</i> | <i>47.5%</i>  | <i>66.0%</i>  | <i>20.3%</i>                    | <i>16.5%</i>                     | <i>53.6%</i>                        |
| <i>District of Columbia</i>    | <i>15.6%</i>  | <i>4.1%</i>   | <i>41.8%</i>                    | <i>45.0%</i>                     | <i>5.5%</i>                         |
| <b>ENTIRE REGION</b>           | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b>                   | <b>100.0%</b>                    | <b>100.0%</b>                       |

### APPENDIX C: GSA Rents Paid in the Washington DC Metropolitan Area



**APPENDIX D: Total GSA Rents by Jurisdiction**

|                                | <b>Total Rent<br/>(millions)</b> | <b>Percent of<br/>Region<br/>Total</b> | <b>Average<br/>Lease Total<br/>(millions)</b> | <b>Per Capita<br/>Rental<br/>Expenditure</b> | <b>Per Sq. Mile<br/>of Land<br/>Area<br/>(millions)</b> |
|--------------------------------|----------------------------------|----------------------------------------|-----------------------------------------------|----------------------------------------------|---------------------------------------------------------|
| Alexandria                     | \$124.4                          | 8.0%                                   | \$2.538                                       | \$907.88                                     | \$8.192                                                 |
| Arlington County               | \$292.8                          | 18.7%                                  | \$1.978                                       | \$1,465.41                                   | \$11.316                                                |
| Fairfax City                   | \$6.2                            | 0.4%                                   | \$0.621                                       | \$277.18                                     | \$0.984                                                 |
| Fairfax County                 | \$80.5                           | 5.2%                                   | \$1.059                                       | \$79.68                                      | \$0.204                                                 |
| Falls Church                   | \$45.0                           | 2.9%                                   | \$1.550                                       | \$4,162.64                                   | \$22.589                                                |
| <i>Northern Virginia Total</i> | <i>\$548.8</i>                   | <i>35.1%</i>                           | <i>\$1.759</i>                                | <i>\$397.55</i>                              | <i>\$1.235</i>                                          |
| Montgomery County              | \$160.7                          | 10.3%                                  | \$1.827                                       | \$172.44                                     | \$0.324                                                 |
| Prince George's County         | \$64.3                           | 4.1%                                   | \$0.836                                       | \$76.48                                      | \$0.133                                                 |
| <i>Suburban Maryland Total</i> | <i>\$225.1</i>                   | <i>14.4%</i>                           | <i>\$1.364</i>                                | <i>\$126.92</i>                              | <i>\$0.229</i>                                          |
| <i>District of Columbia</i>    | <i>\$789.1</i>                   | <i>50.5%</i>                           | <i>\$2.740</i>                                | <i>\$1,356.87</i>                            | <i>\$12.851</i>                                         |
| <b>Excl. Prince George's*</b>  | <b>\$1,498.6</b>                 | <b>95.9%</b>                           | <b>\$2.178</b>                                | <b>\$517.81</b>                              | <b>\$1.497</b>                                          |
| <b>ENTIRE REGION</b>           | <b>\$1,562.9</b>                 | <b>100.0%</b>                          | <b>\$2.043</b>                                | <b>\$418.41</b>                              | <b>\$1.051</b>                                          |

\* Totals for all jurisdictions in the region, excluding Prince George's County.

### APPENDIX E: Total GSA Rents per Square Foot by Jurisdiction and Property Use

The table below provides the total average rent per square foot for each jurisdiction by property use. This is not the average of the rental rates paid on the GSA leases in each jurisdiction, but rather the total GSA rent paid in each jurisdiction divided by the total GSA lease square footage in the jurisdiction. The resulting number is the cumulative rental rate paid in the jurisdiction.

|                                | Total Average Rent per Square Foot |                |                  |
|--------------------------------|------------------------------------|----------------|------------------|
|                                | All Leases                         | Office Leases  | Warehouse Leases |
| Alexandria                     | \$25.54                            | \$27.91        | \$9.69           |
| Arlington County               | \$29.77                            | \$30.29        | \$11.41          |
| Fairfax City                   | \$20.77                            | \$28.93        | \$9.06           |
| Fairfax County                 | \$22.76                            | \$26.56        | \$11.45          |
| Falls Church                   | \$24.79                            | \$24.79        | N/A              |
| <i>Northern Virginia Total</i> | <i>\$26.96</i>                     | <i>\$28.65</i> | <i>\$10.69</i>   |
| Montgomery County              | \$23.54                            | \$24.32        | \$10.49          |
| Prince George's County         | \$15.73                            | \$22.40        | \$8.04           |
| <i>Suburban Maryland Total</i> | <i>\$20.61</i>                     | <i>\$23.85</i> | <i>\$8.42</i>    |
| <i>District of Columbia</i>    | <i>\$35.06</i>                     | <i>\$35.38</i> | <i>\$9.00</i>    |
| <b>Excl. Prince George's*</b>  | <b>\$30.16</b>                     | <b>\$31.24</b> | <b>\$10.50</b>   |
| <b>ENTIRE REGION</b>           | <b>\$29.06</b>                     | <b>\$30.88</b> | <b>\$9.38</b>    |

\* Totals for all jurisdictions in the region, excluding Prince George's County.

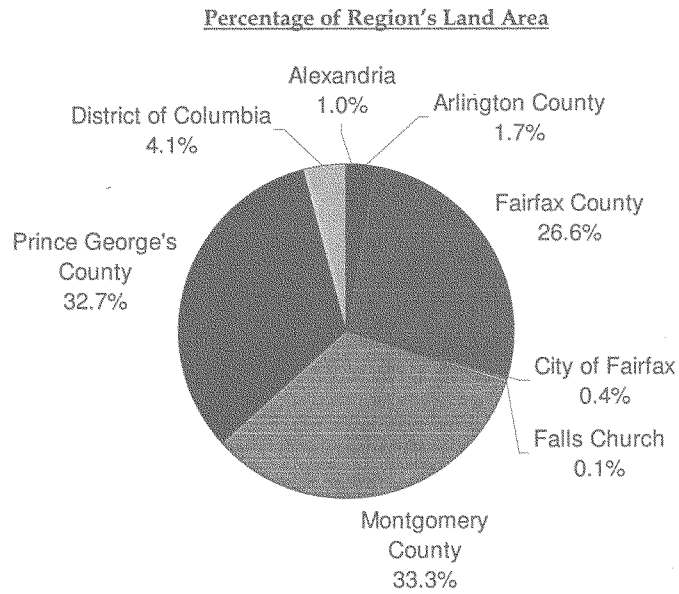
**APPENDIX F: Commercial Space Availability**

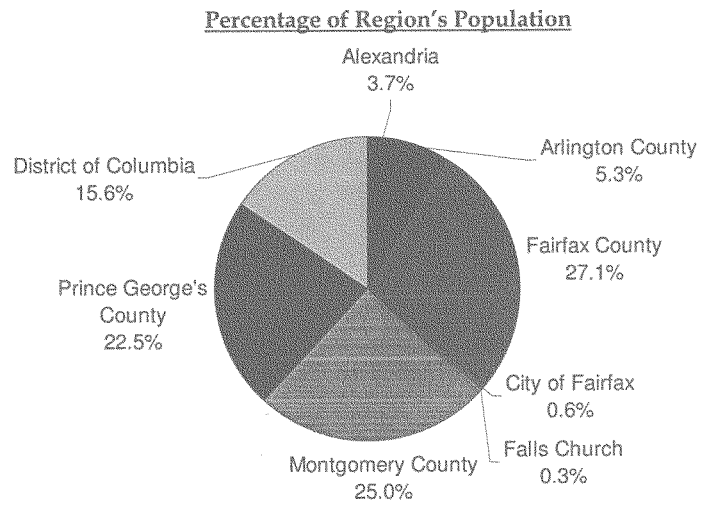
Source: Jones Lang LaSalle IP, Inc., "Market Smart: Washington, D.C. Office Market Statistics," 2nd quarter 2007.

|                                | Supply (sf)        | Vacancy (sf)      | Vacancy Rate  | Under Construction (sf) |
|--------------------------------|--------------------|-------------------|---------------|-------------------------|
| Alexandria                     | 12,788,433         | 757,240           | 5.92%         | 348,000                 |
| Arlington County               | 32,095,903         | 3,034,762         | 9.46%         | 1,012,280               |
| Fairfax City                   | 2,098,176          | 129,821           | 6.19%         | 0                       |
| Fairfax County                 | 82,524,782         | 7,619,047         | 9.23%         | 4,610,024               |
| Falls Church                   | 1,201,130          | 289,832           | 24.13%        | 0                       |
| <i>Northern Virginia Total</i> | <i>130,708,424</i> | <i>11,830,702</i> | <i>9.05%</i>  | <i>5,970,304</i>        |
| Montgomery County              | 46,380,533         | 3,966,920         | 8.55%         | 1,192,358               |
| Prince George's County         | 13,489,663         | 2,193,873         | 16.26%        | 715,213                 |
| <i>Suburban Maryland Total</i> | <i>59,870,196</i>  | <i>6,160,793</i>  | <i>10.29%</i> | <i>1,907,571</i>        |
| <i>District of Columbia</i>    | <i>101,740,728</i> | <i>6,205,320</i>  | <i>6.10%</i>  | <i>5,759,920</i>        |
| <b>Excl. Prince George's*</b>  | <b>278,829,685</b> | <b>22,002,942</b> | <b>7.89%</b>  | <b>12,922,582</b>       |
| <b>ENTIRE REGION</b>           | <b>292,319,348</b> | <b>24,196,815</b> | <b>8.28%</b>  | <b>13,637,795</b>       |

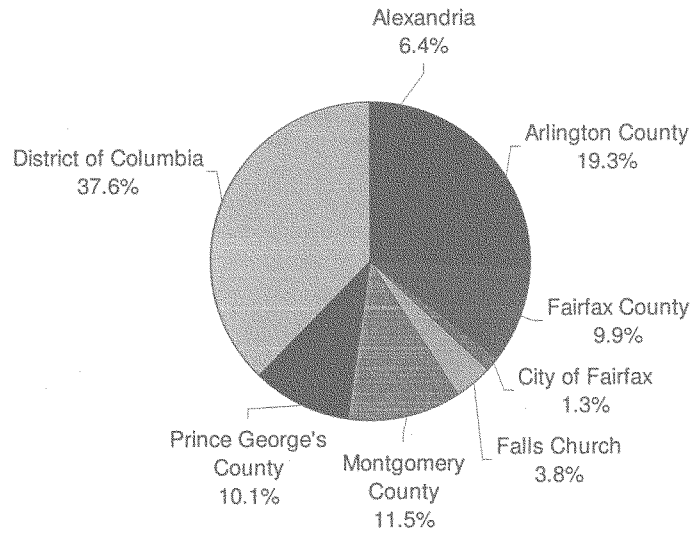
\* Totals for all jurisdictions in the region, excluding Prince George's County.

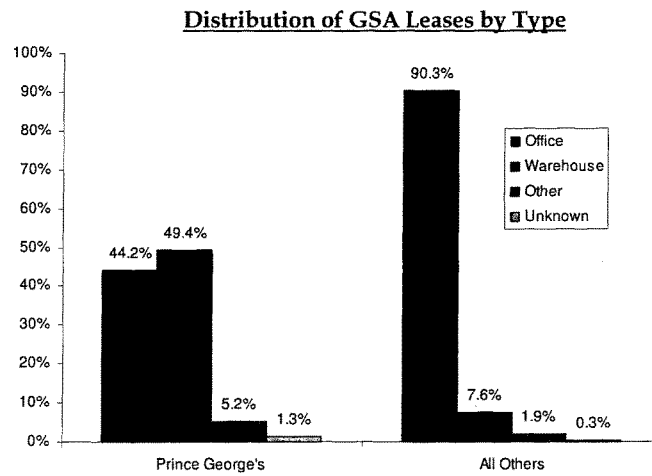


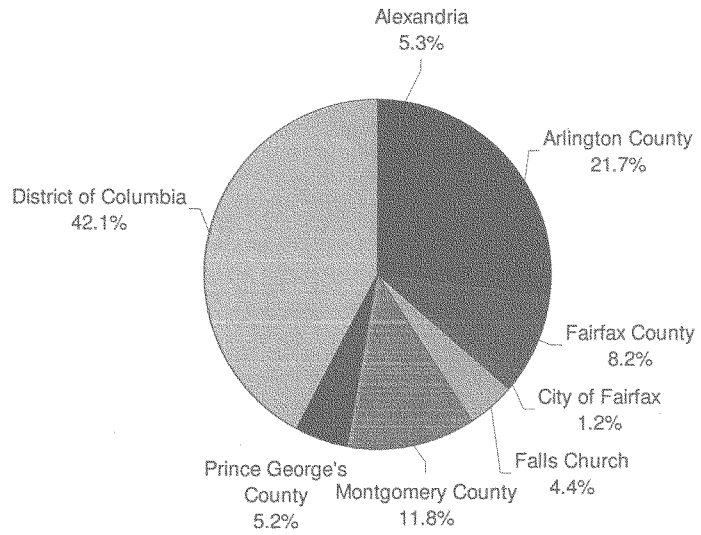
**APPENDIX G: Additional Graphs and Charts**



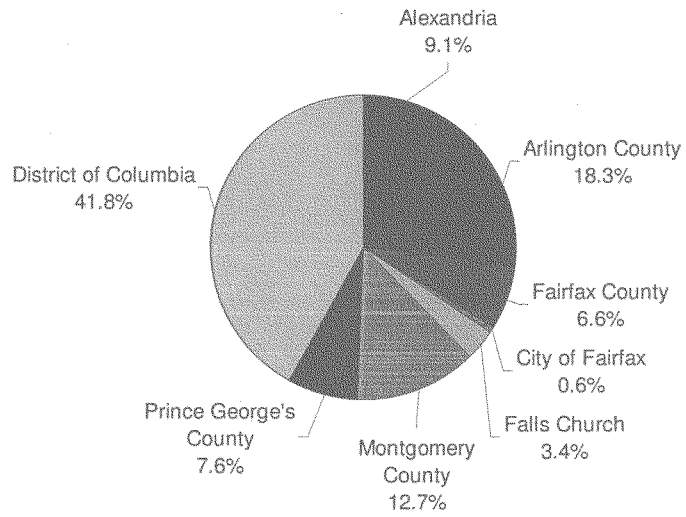
Percentage of GSA Leases in the Region

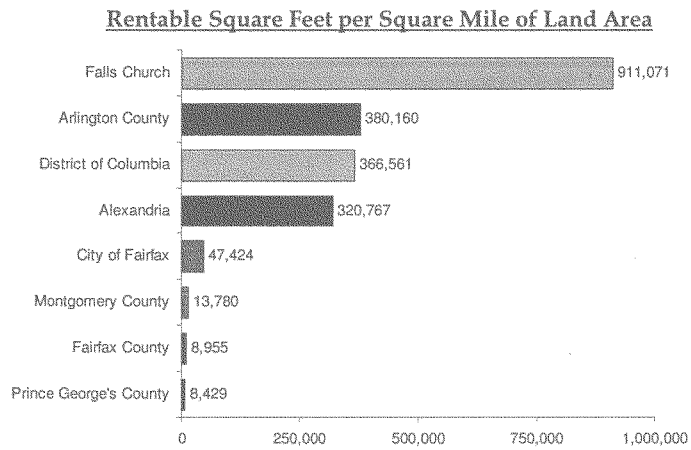




Percentage of Region's GSA Office Leases

**Percentage of Region's GSA Rentable Space**





Ms. NORTON. And the staff will do its own analysis.

And I am afraid GSA is going to have to justify how that happened systematically, if that is what the document shows.

I want Ms. Edwards to know, as I indicated earlier, I believe that GSA has allowed the process to be taken over by its clients, just as it did in the District of Columbia. And the clients said to GSA, "You know what? I like it on K Street." We have had documentary evidence that the District of Columbia, much smaller territory, not a lot of places to go, but we have had documentation to show that people prefer to be in the very center of town rather than places like NoMa, which is close to the Senate, where in fact there are other Federal facilities, where the Federal Government put up—the only time where the Federal Government helped pay for an extra Metro facility.

So it rings a bit too familiar to hear what the gentlewoman from Prince George's County is saying. And it simply requires us to look more closely at how GSA handles its role as an agent.

Now, if I go to look for a house and I am paying for it, then, of course, I can direct the agent to do whatever we have. GSA, for as long as I have been on this Subcommittee, has forgotten its role as caretaker of taxpayer funds and decided that whatever an agency wanted to do, it should do.

We are so concerned with evidence of the kind that I have heard of since I have been on the Committee and some of what you, yourself, have raised, that in a reauthorization of the entire statute, first time ever since the GSA was created, we are considering language that would tighten what GSA can or cannot do. We like GSA to have—because, as a real estate agent, to have that broad authority. We don't want to take away that authority.

Our own analysis tells us that part of the problem is that GSA, in dealing with peer agencies, has a hard time regarding itself as a peer and, therefore, quickly dwarfs itself and forgets that it is the only expert agency in real estate for the United States.

So we think we have to strengthen its hand, when it, in fact, represents agencies. Some of this is because GSA just doesn't stand up to agencies. And others is because when the agency looks at GSA, simply says, "Who are you?" You asked about the customer and the client. They say, I am the client, and I am as much the client as if you were a commercial real estate agent, just as if you are the real estate agent for the United States Government. And excuse my French, but the taxpayers be damned, because that is what has happened. When you take everybody and move them into the center of D.C., where the cost differential between K Street and NoMa is sometimes \$10 per square foot, that is what it sound like to us.

Now, when it comes to Prince George's County, the fact that they have found it harder to lease probably means they are more competitive, and yet they have not been able to get the leases. We don't speak for leases for anybody. I can't even speak for leases for the District of Columbia.

We happen to be in a kind of catbird seat, because most agencies want to be located right here where the Congress is; they consider that is where they want to be. So they want to be here in the first place.



And yet, as you yourself will attest, Mr. Morris, we have never, ever indicated any preference for locating agencies even in my own district and even though I am Chair of this Committee. I could never say, given what the statute says about competition, "As between Ms. Edwards's district and my district, I want it here, and I hope you all understand that." I could never wink, wink, do that. And you know that would be a violation of Federal law, Mr. Morris.

Mr. MORRIS. Yes, ma'am.

Ms. NORTON. In the same way, I have to say, that I regard it as hugely unfair that this county, which, if anything, has made itself into a—by virtue of the skilled population it has had, made it into a very favorable location, in many respects, would find it so hard to obtain leases.

And, I mean, we are going to help you out in the reauthorization, but we are going to have to ask you to help us initially by answering the questions. And we will submit those questions after consulting with the gentlewoman from Prince George's County and will be pleased to receive them.

Could I just thank this panel? I know we have kept you way over time, in part because the Subcommittee has been very troubled by this.

Mr. McAndrew, we hope we didn't subject you to unfair questioning. We know you were at the center of this dispute. And we didn't expect you to come forward to say, "We hold up our hands. Just do anything you want to." You have to respond with the guidance that you now have on the books. We very much appreciate that. Even given the difficulty, we had to make sure that, being a witness, that you have readily come forward, have testified candidly and forthrightly. We didn't expect you to go outside of where you are now.

All I am asking, Mr. McAndrew, is that you work with us more closely so that we can, in fact, make sure that, when you talk about waiver, people understand, for example, waiver means waiver and not simply add the cost on the other side on mitigation.

We want to make sure, since the GSA is your agent, that there is, in fact, as much—the presumption should be that, if we are talking about employees whose mission is similar, there is a rebuttable presumption that they should be handled similarly. So, as with other agencies, it seems to us DOD ought to be able to come forward and say, we need this facility to be, as Mr. McAndrew says, perhaps not 148 but some other distance. Seems to me we ought to be wide open to that.

At the same time, DOD, GSA, and this Subcommittee will be subject to terrible criticism if we accept the notion, Ms. Armstrong, that any standard applies across the board to any agency of the United States today.

So I found your testimony to be very helpful. I want to dismiss, with great appreciation, this panel and to call the next panel, with apologies that you have had to wait so long but with every assurance that we are equally—you may be dismissed, and thank you again for coming—with every assurance that the next panel is just as important to this Subcommittee.

The next panel, panel three, is very important to us. We never do a hearing just based on government witnesses. We have to know

compared to what and compared to what expertise that the government may or may not bring.

Barbara Nadel, principal of Barbara Nadel Architect; Eve Hinman, president, Hinman Consulting; Maureen McAvey, senior vice president, Urban Land Institute.

Let's begin with Ms. Nadel.

**TESTIMONY OF BARBARA NADEL, PRINCIPAL, BARBARA NADEL ARCHITECT; EVE HINMAN, PRESIDENT, HINMAN CONSULTING; MAUREEN MCAVEY, SENIOR VICE PRESIDENT, URBAN LAND INSTITUTE**

Ms. NADEL. Chairwoman Norton, Members of the Subcommittee, good afternoon. My name is Barbara Nadel, FAIA, principal of Barbara Nadel Architect in New York City, and a member of the American Institute of Architects. Thank you for this opportunity to appear before you today.

I specialize in building security and design of civic buildings. I have worked with over 40 Federal, State, and local government agencies. I recently chaired the AIA's 21st-Century Embassy Task Force, which studied integrating design and security in U.S. embassies. As a result of our report, the State Department will create a Design Excellence Program. I am also editor-in-chief of "Building Security: Handbook for Architectural Planning and Design," considered the industry standard for building security.

Federal agencies must protect American personnel, buildings, and critical assets from terrorism at home and abroad. DOD and GSA have developed security standards: the Unified Facilities Criteria, or UFC; and Interagency Security Criteria, ISC, respectively. They are a baseline for determining a design response to threats.

Each building is different and presents different security challenges. Building owners must consider risk assessment to determine threats and identify a level of protection based on good threat intelligence. Architects can design customized features to reduce vulnerabilities.

Owners must have the flexibility to raise and lower security standards. For example, normal operations may be in place most of the time, but for a VIP visit or important anniversary with heightened tensions, owners can close streets to achieve greater setbacks or standoff distance, deploy more personnel, and limit access. This allows a wiser use of limited resources and taxpayer dollars.

I would like to address three key areas of the UFC: standoff distance, parking, and glazing.

Standoff distance is a response to mitigate damage from a vehicle-borne improvised explosive device, or VBIED. Every foot between an explosive and the building exterior can mitigate the impact of an explosion.

Agencies require different standoff distances. GSA and ISC call for 50 feet, while the State Department requires 100 feet due to repeated VBIED attacks on American personnel and embassies in foreign countries. In contrast, DOD calls for a standoff between 82 and 148 feet for leased buildings occupied by 50 or more DOD personnel and between 33 and 82 feet for buildings with 11 or more personnel.

This means that a military recruiting office in a suburban strip mall or in the heart of Times Square must have between 33- and 82-foot standoff—unrealistic for existing urban buildings.

When the State Department cannot achieve a 100-foot standoff, they make facades and building exteriors more robust and use blast-resistant exterior walls and windows. DOD could be able to do the same domestically.

As for parking, the 1993 World Trade Center bombing caused by a truck bomb in the underground garage illustrates the need for appropriate security. Parking areas should have robust inspection policies. Vehicles should be screened for explosives, perhaps using bomb-sniffing dogs. Rejection lanes will prevent unauthorized vehicles from driving into the garage. And parking may be restricted to authorized employees only.

Regarding glazing, the 1995 Oklahoma City bombing prompted GSA and DOD to research how glass behaves during an explosion, as many fatalities occurred from flying glass and debris. Laminated glass, consisting of glass sheets bonded to film, reduces the likelihood of flying glass. Blast windows absorb blast energy and are suitable for high-risk, high-profile buildings such those in D.C. Architects should have the flexibility to design the most appropriate window and door systems for project needs.

In conclusion, building security should prevent mass casualties, minimize injuries, protect assets, mitigate risk, and enhance resilience. Owners, architects, and security personnel can assess the risks and options most suitable and affordable for each facility and, in many cases, develop alternative design strategies to ensure the appropriate levels of protection.

Thank you for the opportunity to provide testimony on this important issue. I would be happy to answer any questions this Subcommittee may have.

Ms. NORTON. Thank you very much, Ms. Nadel.

Is it Ms. Hinman?

Ms. HINMAN. Yes.

Ms. NORTON. Ms. Hinman, also an architect, we are pleased to receive your testimony at this time.

Ms. HINMAN. Actually, I am a structural engineer. So I actually design buildings to resist the effects of explosive attack.

Thank you, Madam Chairwoman and everyone else, for the insightful comments I have been listening to. I feel like you have all stolen my thunder here.

The DOD standards require that virtually any office building occupied by DOD personnel needs to be protected regardless of whether it is leased or whether it is owned, whether it is new or whether it is existing. This differs from the Interagency Security Council, which has been using two separate criteria documents: one for owned facilities, federally owned facilities; and one for leased facilities.

The one developed for leased facilities was developed with input from the private sector, from property owners, and is, for existing buildings at least, considerably more lax than the criteria for Federal-owned properties.

Besides the differences in their approach to leased versus owned buildings, the DOD and ISC have another difference of note. While

the DOD standards were originally developed with the intent of protecting service men and women working and living on military bases, the ISC criteria was tailored to Federal buildings and courthouses located in urban areas. Now, military bases are separated from the community, whereas Federal buildings are enmeshed in the community. And because of this, the DOD standards are not well-suited to leased facilities that are within communities.

In fact, the DOD standards impose heavy penalties, in terms of building hardening, on construction that is not able to meet the large, mandated building setback requirements or which has building features which are common for office buildings, such as interior garages and exterior arcades at the building entrance.

In short, the DOD standards are very good at protecting buildings against explosive attack but are very onerous to use for conventional office building construction.

I am going to skip a little bit because I have a couple of comments I want to make at the end.

So, although there are similarities between the two documents, there are some significant differences. In particular, the fact that there are such significant differences between protection levels afforded DOD versus non-DOD Federal employees working in leased office space shows that there is some benefit to exploring ways to provide levels of protection which are both feasible and more equitable.

I also would like to make a couple of comments, in that we are working on two projects now in the Midwest which are GSA-owned buildings with significant DOD tenants. And the risk assessments—and these are back-office DOD functions. And these buildings have been mandated by the DOD, by risk assessments, to be upgraded to meet DOD requirements. And it has been—it is not an easy job. And, in one case, it looked like we were going to have to upgrade every single connection in the building for progressive collapse, based on a prior study.

I would like to also mention that the criteria documents are under revision right now. As was said before, a new version of the ISC criteria was released last month. And the DOD has their UFC criteria being finalized as we speak, and that has not been issued. My understanding is that these two documents are beginning to come together.

And it is true that DOD does sit on the ISC committee, but I understand that one of the reasons for discord between the ISC and the DOD has been that the DOD mandates that you design for the actual blast pressures on the building, whereas the GSA allows for designing to reduce, sort of, artificial loads. And I understand that this disagreement has been resolved. It looks like GSA is going to design for actual pressures now.

So I think we need to see what result, what that leads to in the future. And it may require additional study by this Subcommittee to determine that.

Ms. NORTON. Well, thank you very much, Ms. Hinman. And excuse me for calling you an architect. It is a very honorable profession—

Mr. HINMAN. It is OK.

Ms. NORTON. —but you are a structural engineer and a security expert.

Mr. HINMAN. Yes.

Ms. NORTON. And our final witness is Maureen McAvey, who is senior vice president of the Urban Land Institute.

Ms. McAvey?

Ms. MCAVEY. Thank you, Chairwoman Norton, and thank you, Congresswoman Edwards, for remaining today.

I am Maureen McAvey, executive vice president of the Urban Land Institute. ULI is a global, nonprofit education and research institute. Its mission is the leadership and the responsible use of land and in creating and sustaining thriving communities. We were established in 1936, so have quite a track record. ULI has offices in over 50 metropolitan areas and counts over 30,000 professionals as members, across the spectrum of the real estate industry, including real estate developers, investors, lenders, architects, and public officials.

I would like to broaden the scope of the discussion for a few moments today and concentrate on three areas. The first is the renewed emphasis on the significance of urban livability. The second is the nexus of Federal security guidelines, federally leased space, and sustainable communities. And the third is the need to reflect on the long view of urban development.

As we considered this testimony, we clearly thought about the role and the benefits that Federal occupation, if you will, in the good sense, can play within communities, not just the costs.

First, the renewed emphasis on the significance of urban livability. U.S. census data now shows that residents are moving toward urban centers in many communities. Over the last 20 years, residential development is up substantially within central cities and in close-in suburbs. In addition to the wider market acceptance, these mixed-use compact developments reduce vehicle trips, reduce overall miles driven, and produce fewer greenhouse gas emissions, and this will have a compounding effect over time.

These communities rely on an attractive public realm, and require that employees, neighbors and visitors clearly want a community that is safe as well as inviting and welcoming. I might add that these communities, as we have seen in this last recession, hold value better than alternative communities.

Second, the nexus of Federal security guidelines, federally leased space and sustainable communities. We all want Federal employees and visitors to be safe, but as guidelines are considered and costs are considered, the atmosphere in which employees and visitors work must also be considered.

Chairwoman Norton, you raised several points in your opening testimony, and we would echo those points. First, locations should be considered which are highly accessible and are near workforce and affordable housing.

Second, the opportunity for development and Federal properties to serve as a development catalyst in communities is particularly important and should be really considered.

Third, the opportunity to consider buildings or sites which are underutilized currently should be considered.

Fourth, as was mentioned so well by Congresswoman Norton, the availability and access to public transportation.

The last point I would like to make is regarding the long view of development. Federal policies can encourage real sustainability in communities. People leave cities or stay in cities not because of threats and concerns about terrorism. Employees don't leave often because of threats of terrorism. They stay in cities, and they come back to cities because cities work. They provide good jobs, good transit and good residential choices. Federal employment can be a significant contributor to this equation.

One of the things that struck us in preparing this information is ULI presented the J. Nichols award to Senator Daniel Patrick Moynihan shortly after 9/11 occurred. As we gave the award to Senator Moynihan only weeks after 9/11, he said, and I would quote, "Buildings—particularly public buildings—should serve a greater purpose than to simply provide shelter. They should be built to instill pride among citizens who use them, serving as a way of saying who we are. This is a moment not to be intimidated. The only way the terrorists can win is if we change the way we live, and a lot of us live in cities. These acts won't change our civilization."

And I would add these acts won't change our civilization unless we back away and don't thoughtfully balance security with other community goals.

Thank you for giving me the opportunity to testify, and I would be happy to answer any questions.

Ms. NORTON. Thank you very much, Ms. McAvey.

Ms. NORTON. All of you have given very important testimony that requires me to ask you some questions.

For example, Ms. Nadel, we note that in your testimony the higher the risk, the higher the level of protection, you say.

Given the familiarity that your testimony shows that you have with the two government security standards that we have discussed today, do you believe the levels of protection for the risks involved are roughly equivalent, or that it is justifiable to have separate and distinctly more stringent standards for one set of back-office employees of the Federal Government than for others?

Ms. NADEL. Just for clarification, do you mean UFC versus ISC?

Ms. NORTON. I do, yes. Those are the two sets.

Ms. NADEL. I studied the UFC quite carefully over the weekend—there was a matrix chart that indicated facilities with a controlled perimeter and those without, and then there were columns on the level of protection and the circumstances for 82 feet and 148 feet.

What I noted, as I recall, was that it said low level of protection, and correct me if I am wrong—is it said low level of protection for—

Ms. NORTON. I am looking at it. Yes, low level. Yes.

Ms. NADEL. I thought that was unusual because my read of what they call "inhabited buildings"—it sounded like office buildings. They are calling it a low level of protection, and they are giving them an 82-foot standoff or a 148-foot standoff. Yet if I am remembering the chart correctly—

Ms. NORTON. Yes, we are looking at it. You are remembering it correctly. For primary gathering, they use low. For an inhabited building, they use very low.

Ms. NADEL. Inhabited, I think, is about 11 people or less.

Ms. NORTON. I see. So all of this is low. We don't see any highs anywhere or even mediums.

Ms. NADEL. You know, in my familiarity with the State Department and the fine work that they do on our behalf overseas, they require a 100-foot standoff, so I am not sure.

Ms. NORTON. So they, themselves, you are saying, use the word "low," and yet they are requiring these setoffs that are not required in the other set of standards. Those are the kinds of issues we are trying to get to. If we cannot articulate the difference, if they can't articulate the difference, it follows that the average person who pays for this increased cost will not be able to do so.

Do you have an answer, Ms. Hinman?

Ms. HINMAN. Yes, I do.

For the State Department buildings, it is true. The setback is 100 feet, but those are heavily fortified buildings. Those are very special buildings with thick concrete walls and really thick ballistic and blast-resistant glass. So they are heavily fortified; whereas, a low level of protection that the DOD is talking about is basically the distance—it takes 148 feet, according to that document, in order for a small, rather weak building to not be terribly impacted.

Ms. NORTON. To put it another way then, Ms. Hinman, if they were your funds, as a security expert, as a structural engineer, what security countermeasures would you invest in for these back-office DOD employees? Would they be any different than what you would advise GSA to do for similarly situated employees?

Ms. HINMAN. Well, I would say that I think we have to be very pragmatic here. I think the first job for an existing building is you need to maximize the standoff as best you can, and then you need to control the access of vehicles and people onto that property. If you do that, you have done good without even touching the building. Then I would put in antishatter film for the windows and, lastly, if justified, incorporate structural hardening.

Ms. NORTON. The last two, antishattering and hardening, is this even for people who are doing accountant, paper-pushing work? If these people are doing accounting the way people are doing accounting for GSA, how could you justify finally going to shatter-proof glass?

I understand the first things you said. It is very important what you are saying because you are saying there are things you can do that don't even touch the building, but remember, my question had to do with similarly situated employees. "I am an accountant, except I have been hired for DOD through OPM instead of for GSA." So, if I am a taxpayer or if I am Chair of this Subcommittee, I have got to be able to say to people, this is why I think there should be shatterproof glass for DOD accountants and not for accountants in the CIA.

Ms. HINMAN. Right. Well, when I use the term "antishatter glass," I am talking about a very minimal retrofit to the buildings.

Ms. NORTON. But why should there be any retrofit for a building full of accountants who happen to have “defense” before their names?

Ms. HINMAN. Well, because it is a cost-effective measure that does reduce the hazard——

Ms. NORTON. What hazard do they have that accountants in other Federal facilities do not have? What hazards do they have that the IRS, which has been hit by an airplane, does not have?

Ms. HINMAN. Well, I will say the other Federal employees are protected using antishatter glass.

Ms. NORTON. Excuse me?

Ms. HINMAN. Other Federal employees are protected using antishatter glass as well as——

Ms. NORTON. Well, I can tell you for sure, Ms. Hinman, that all other employees are not protected by the use of shatterproof glass. There may be some who are and some who are not.

Are you suggesting that that is the standard for all Federal employees in the United States today, in all areas of our country?

Ms. HINMAN. Well, there are a lot of injuries that occur in explosions, and it is a fairly easy fix. I think the problem——

Ms. NORTON. It is only an easy fix, Ms. Hinman, if you are not paying for it. We are now talking about fixes in light of an out-of-control deficit and what has been called the “Great Recession.” So we are not looking for things to spend money on unless we can justify them.

Ms. HINMAN. Well, as I said——

Ms. NORTON. I would like to have shatterproof glass in my house. I want to tell you, Ms. Hinman, that I live on Capitol Hill, and the Capitol Hill Police will police up to a certain portion of Capitol Hill based on a risk assessment. My house and some other houses of Members, because they are so close to Capitol Hill, are within that perimeter. It is a perimeter that goes east-west only so far. It is not only because there are Members who live there, it is because of other facilities that are there.

I will tell you, when I see that Capitol Police go by, you know, I would like to have some shatterproof glass, too, but I don’t go out and spend the money on shatterproof glass just because I know I am within a perimeter. If I don’t do that for myself, I have an obligation to guard the taxpayers’ money in the same way for employees.

So we are not asking for your structural engineering expertise, because I understand that you could, in fact, advise me on how to do that. I am asking for your cost-benefit expertise.

Ms. HINMAN. OK. Well, I would like to mention that the first two items that I listed had nothing to do with upgrades to the structure, and those would be my first priority. And then—if there were funding available, then I would consider the other two. Those would be a lower priority for me.

Ms. NORTON. Ms. Hinman, I am going to move on. I accept what you say, but, again, I bring you back to not what might be done, but to what the hearing is all about. It is about similarly situated government employees, employees at the CIA who are doing accounting, who come under the GSA type, and employees at the DOD who are doing the same kind of accounting work.



So what we have got to do is to justify people who are—forgive me, that is a terrible word, it is a pejorative word—but they are pushing paper, Ms. Hinman, and the taxpayers want to know why people—they don't like Federal employees as much as they should. We are not trying to give them another reason to dislike us because people who push paper, doing the same thing, get more protection than people who don't.

Ms. McAvey, given what we do know about the need for protection, and given your very important testimony about land use patterns, about government encouraging collocation, about urban planning and modern notions of urban planning and how they can be countermanded by certain kinds of regulations, don't you also have to take into effect 9/11 and what that meant?

Your use of compact development is what makes me ask that question. In post-9/11 America, especially in this region, would you believe that compact development is still practical? How would you resolve the research about compact development in light of the security needs that have been raised post-9/11?

Ms. MCAVEY. Thank you.

We have seen a significant uptick in desirability of compact development not only in central cities themselves, but in urban villages, in transit corridors, in transit-oriented development areas, et cetera, in suburban areas, since 9/11, since 2000 when we have data. Already we are starting to see the 2010 data that shows that there is a significant desirability of the market to move into these types of communities, into more compact settlements, not by everyone, but certainly by many.

If I might just add, there has been a considerable amount of study that has been done on office buildings in Manhattan and by large tenants and by large users both in lower Manhattan and midtown Manhattan in terms of how they have looked at increasing security over time in their buildings, and, after the immediate reaction to 9/11, what they have done over time in those buildings. It might be worth the Subcommittee looking at this information, because they had to weigh, of course, the costs and benefits to their employees and to the visitors to their buildings.

Ms. NORTON. And when they have a bottom line to look at, when they are not spending somebody else's money, they then do security in a much more cost-effective and analytical way.

Ms. MCAVEY. Well, in many cases they have judiciously, I would say, from what I know of some of these studies, chosen to do some things and not others because they simply thought that—I guess in their own risk assessment, to use those words, they felt that some things were not justified.

Ms. NORTON. Well, there are some commonsense things that Ms. Hinman said. You can control who uses your parking, you can control who comes into your building, all without hardening the building, all without spending money on shatterproof glass, all without 142-foot setbacks that puts off base huge parts of the United States of America now where Federal office space is located.

My office has just come to me about something that has to be done before 6 o'clock. I am going to ask the gentlewoman from Prince George's County if she would continue with her questions. If, as I suspect, I will not be back, if she would close the hearing.

I leave the Chair in her hands. I am even going to hand her the gavel.

Ms. EDWARDS. [Presiding.] Thank you, Madam Chairwoman.

I won't be long, and I know you all have had quite a long afternoon. I really appreciate your testimony, and I am actually glad I stayed for your testimony.

Part of the reason is because I want to get to what architects and engineers are thinking about building structures, because the questions that we raise don't just come up with Federal buildings. There are a lot of States and State facilities that are now taking into consideration these security concerns, and we can't, you know, fortify every single building that all of our State and municipal employees work in, including our Federal employees.

So I wonder, from AIA's perspective, if you could describe—and maybe Ms. Hinman as well—some sort of design features and things that can be done from an architectural perspective, which actually wouldn't turn us off from a land use perspective, to secure buildings. I am thinking, you know, the buildings that I have seen now where along the curbsides you have—I don't know what they are—posts and columns and things like that. You know, they are not unappealing to the eye, but they still provide some level of security that isn't a 148-foot setback.

So, if you could, describe some of those kinds of features that could meet minimum security guidelines and that could go across Federal agencies, including most DOD functions, that are not, you know, high level of security military functions.

Ms. NADEL. Thank you for this opportunity. A couple of things come to mind.

Let me just make a general statement that a comprehensive security approach integrates design, which is what I do; technology, which includes electronic surveillance, cameras, access, and so forth; and operations, which are the policies and procedures that building owners put in place—building owners, whether it is an agency or a landlord, whoever runs that building—and that all three of these elements come together and work together to enhance security. It is not just one element alone. So these elements are really important when it comes to sites which don't have the luxury of deep setbacks.

I think, just to go back a moment to something that Eve said about embassies, my friend and colleague Eve, there are embassies around the world that don't have concrete walls, that don't have setbacks. I think of Rome, if anybody has been to the Rome Embassy. I think of the Paris Embassy, which is right at the Champs-Élysées, next to a major French government building and right on the street, in a very busy section of Paris; and the current London Embassy, but, you know, they have a new London Embassy which has just been announced. So, in those instances in urban areas, you have electronic surveillance; you have security personnel, but the buildings are an integral part of the urban fabric.

Now, to answer your question, I guess starting from what we call the site perimeter, we can have bollards, which are those small posts, and they are much more aesthetic than the concrete Jersey barriers that sprouted up after 9/11. There are different ways to do that, but what a lot of building owners, say, in lower Manhattan

have done, including at the new World Trade Center site, is use landscaping. GSA is a big proponent of using landscape for what we call “transparent security,” and I am a big advocate of that as well. It is security that is not visible to the public eye. It is there, but it is not overbearing like a fortified America.

So, to use the landscaping on the site might mean berms, which are changes in levels of planting, landscaping, trees, that prevent a car or a vehicle from ramming straight onto the building. That is a major concern.

Then the surveillance for the VBIEDs shouldn’t be a surprise in our cities at this point.

Street furniture can also prevent vehicles from ramming into a building, but that enhances the site, so people can go there for lunch, and it is a pleasant place to be.

The lobby security is also very important because that controls access to who gets in the building. The lobby can be very vulnerable for a suicide bomber, for example, before they get to the screening area.

Also, where certain rooms and spaces are placed within the building matters. I think somebody earlier mentioned that sensitive areas may not need to be in an area facing a street that, if there were an explosion, would be impacted. So, perhaps, more of the sensitive areas would be further on in the building or away from some streets.

Then there are the mechanical systems, because, we have been talking today, about “standoff” which basically refers to a vehicle bomb explosion, but there is a lot of talk about chemical biohazards, and standoff really doesn’t do anything for chem-bio.

So, in the big picture, there are site issues, how the landscaping goes, trees. It doesn’t have to be a barren plaza. It is how the lobby is designed and how access is controlled.

I would be remiss if I didn’t mention the exterior walls, to chime in on what Eve had mentioned—the windows, of course—but within the building where the exits are placed, and we learned a lot of that from the events of 9/11, because the Twin Towers were designed during the 1960’s, and building codes were quite different at that time, and so were building materials. That building would never be designed today.

Ms. EDWARDS. So the point, though, is that there are a range of different considerations that could be given that provide low levels of security that could be applied across the board to an agency, whether it is the Internal Revenue Service, or if it is a leased facility housing DOD workers who are not central to, you know, high levels of security or military functions; isn’t that correct?

Ms. NADEL. Yes, and these things are part and parcel of any building design, but it is a matter of thinking smart about it. If it is the private sector, they don’t have to rely on ISC, but owners who want to make their buildings secure or who want to lease out to government might choose to look at some of those features.

Ms. EDWARDS. Thank you.

I wonder, Ms. McAvey—and thank you so much for your testimony because I think what you highlighted is what I was trying to more passionately get to because it is such an annoyance to me, which is that government spaces, whether they are Federal spaces

or State or local spaces, really provide a nexus for a broader community and for economic development in that community, and for integrating the functions of the community with the functions of the facility that is located there.

Has ULI done any research or study of the Washington, D.C., metropolitan region to look at those issues?

Ms. MCAVEY. We have not specifically looked at where Federal facilities are or at the security and the trade-offs.

I might add, though, in a former life of mine, I was a private developer. I worked for a large developer who built Bethesda Row. In downtown Bethesda—one of the reasons downtown Bethesda has been so successful is that there are 35,000 daytime workers barely up the street at NIH and in related facilities. It is a classic example of why downtown Bethesda is so successful. It is not only because there are affluent people around, it is also because it doesn't thrive just on evening and weekend activities and restaurants. There are daytime employees.

That is true, to varying degrees, in several communities around Washington, D.C., and it is critical to the long-term health of the communities in areas like Prince George's County that want to have sustainable, thriving communities over the long term.

Ms. EDWARDS. Thank you.

Lastly, because I know, again, it has been quite a long day for all of us, Ms. Hinman, if you could just tell us from a structural standpoint whether there is a real advantage to either locating a facility, what I like to describe sometimes as behind God's back, or these, you know, really tremendous setbacks. Can't you achieve the same levels of security even in an urban area?

Ms. HINMAN. Well, structurally there is a lot we can do to make a building more robust so that it inherently has the ability to withstand an assault, such as an explosion, without any special fortification. adding redundancy so that, if you lose a column, the whole building doesn't fall down; there are things like that. So I think that there are materials and there are ways of detailing building connections, without hardening, that can provide a lot of protection.

Ms. EDWARDS. So is there any inherent advantage to the different standards offered by DOD in terms of protecting facilities from what could be achieved by simply applying the GSA standards?

Ms. HINMAN. There are very different criteria.

I know the ISC criteria a lot better than the UFC, but I tend to agree with what has been said here, which is that it is more flexible, and it is more sensitive to the urban environment. I think it is more practical and cost-efficient, and for those reasons, I think it has a lot of benefit to offer.

Ms. EDWARDS. Thank you.

Again, thank you to the witnesses for your testimony. Your full statements will be included in the record.

With that, the hearing is adjourned.

[Whereupon, at 6:00 p.m., the Subcommittee was adjourned.]

**Opening Statement:**

I want to thank Chairwoman Norton for holding this important hearing. I hope the Committee will understand that the issue of GSA leasing and consistent and clear standards is very important to the people of the 4<sup>th</sup> Congressional District. I represent both Prince George's and Montgomery Counties – which are located right outside Washington, D. C. in the National Capital Region. Unfortunately, these counties get far less consideration for federal leases than any of the other surrounding areas.

Prince George's County receives the fewest higher class lease space compared to any other jurisdiction around this region when it comes to GSA property leasing. A couple of years ago, the University of Maryland put together a study that showed that “only 10.1 percent of GSA's leases are within Prince George's County's borders. Moreover, these leases represent only 7.6 percent of the square feet leased through GSA in the region and only 4.1 percent of the total rent. Even more striking is the fact that only 3.9 percent of the office space leased by GSA in Prince George's County.” The study goes on to say, “however, in Prince George's County, warehouses make up 49.4 percent of GSA leases.”

While I appreciate this study and refer to it often, Prince George's County did not need this study to confirm that it is being overlooked. The County and everyone in the County knows that there are fewer GSA leases in our backyard compared to other areas in this region.

I have spent the 2 years I have been in office trying to understand why this could be the case. Prince George's County has more metro stops than any other county in the region, it is right out of this Nation's capitol, and it is home to 25.7 of the region's federal workforce. I have asked questions. I have done my own research. I hope I am wrong, but I am convinced I am not---the only answer

that seems to make sense is that Prince George's County is being overlooked intentionally. Every time a new lease opportunity comes available, GSA has a reason not to lease in Prince George's County or a reason to release a prospectus in such a way that seems to favor other jurisdictions over Prince George's County.

One of the issues that we will hear about today is setback standards. The setback standard is very important especially when considering that it is put in place to protect an entire workforce. However, when the prospectus for the DHS annex came out- GSA made several changes including the setback requirement. I am perplexed to discover that existing buildings can waive the 50-foot setback. If it is a safety issue on a level 4 building, why should only new buildings have it? I look forward to hearing from the representatives from GSA and DHS on not just the setback requirements but the reasoning for other changes that occur once a prospectus is sent out.

Again, I would like to thank Chairwoman Norton and all our witnesses, especially Congressman Moran.



STATEMENT OF  
THE HONORABLE ELEANOR HOLMES NORTON  
CHAIR, SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS AND EMERGENCY  
MANAGEMENT  
HOUSE TRANSPORTATION AND INFRASTRUCTURE COMMITTEE

**TOO MUCH FOR TOO LITTLE: FINDING THE COST-RISK BALANCE FOR PROTECTING  
FEDERAL EMPLOYEES IN LEASED SPACE**

Good afternoon, and welcome to today's hearing addressing the cost and public policy implications of applying DOD's anti-terrorism force protection standards to GSA leased space procurements.

There are three sets of federal security standards for buildings: 1. DOD's "Unified Facilities Criteria" which is to be applied to all DOD tenancies both on foreign as well as on US soil, in both owned and leased space; 2. the State Department's Bureau of Overseas Building Operations (OBO) standard which governs building at US diplomatic and consular posts worldwide; and 3. the Interagency Security Committee (ISC) standards which applies to all buildings and facilities in the United States occupied by Federal employees for nonmilitary activities.

The General Services Administration (GSA), over which this subcommittee exercises oversight, is the central domestic space management agency of the federal government, and owns or leases over 350 million square feet of general purpose space throughout the country used by various federal agencies, including DOD. Generally, in order to determine the appropriate security countermeasures to employ in a given space lease procurement, GSA and its civilian client agencies follow the guidance promulgated by the Interagency Security Committee (ISC).

In order to determine the appropriate security countermeasures to employ in a given space lease procurement for any Department of Defense (DOD) space requirement, GSA is obliged to adhere to DOD's "Unified Facilities Criteria (UFC) DoD Minimum Antiterrorism Standards for Buildings".

In terms of building set-backs, the treatment of parking, and performance specifications for window glazing, to single out just three of the countermeasure areas addressed by these security standards, DOD's UFC standard is considerably more stringent than the ISC standard. For instance, where the ISC had, until recently, a setback standard of 50 feet and has now a trade off formula between building hardening and setback distance, the UFC has a uniform "conventional" setback distance requirement of 148 feet. Also, while the ISC allows for parking underneath federally-occupied space, DOD's UFC standard requires that there be no parking beneath occupied structures, and further, that parking be setback by at least 82 feet.

GSA has requested that the House Transportation and Infrastructure Committee authorize a lease prospectus for the collocation of DOD Medical Headquarters Commands in Northern

Virginia for 751,000 square feet of space.<sup>1</sup> The GSA prospectus makes clear that it intends to lease space which complies with DOD's UFC standard. While this case raises both public policy and cost issues for the Committee in terms of the differences between the UFS and ISC standards, it is clear that GSA will need to run other lease procurements in the future for which DOD will request adherence to the UFC standard. Accordingly, this Subcommittee intends to examine the implications, not merely for the particular case of the Medical Commands, but more generally on the basis of principle, of having GSA follow two different sets of security standards for general purpose office space leases. There are significant financial and land use implications if DOD continues to require GSA to use UFC protection standards in future procurements.

The Committee is concerned that application of these two disparate security standards will give rise to two distinctly different classes of protected federal employees: those who work for the Department of Defense, and those who do not. This is a concern specifically with reference to federal activities housed within U.S. borders, not on foreign soil. If the UFC standard is fully implemented, Department of Defense employees will likely be in space which has a significantly higher level of protection than other federal employees. As a public policy matter, it is troubling to the Committee that *all* DOD personnel, including those engaged in purely administrative work, or "back office" functions, need a higher level of protection than, for instance, US District Judges or Department of Justice employees in the U.S. Attorney's office who may work on cases involving organized crime, drug syndicates, and criminal gang activity. Again, while the Committee's focus is on the application of the UFC standards on U.S. soil, the Committee notes that the UFC set-back standard of 148 feet, is even more stringent than the 100 foot setback standard used by the Department of State's Foreign Building Office for US embassies overseas. While these standards may be appropriate for military installations, and particularly in the case of overseas bases, it is not clear that they are appropriate for *all* DOD functions, particularly those for which commercial leased space is considered a suitable occupancy solution.<sup>2</sup>

It is also clear that the cost of the level of protection sought by DOD's UFC standard is significant. For the co-location of DOD Medical Headquarters Commands, to be housed in Northern Virginia, the annual leasing cost may quadruple: from approximately \$7 million per year to just over \$30 million per year. The additional cost to the taxpayer, over the 15 year term of the proposed lease, amounts to \$57million in today's dollars. This cost is directly attributable to the UFC standards since the present locations' non-compliance with these standards is a key driver for the new lease action.

This certainly appears antithetical to the kind of control over military spending sought not only by members of Congress but also by Defense Secretary Robert Gates, who is seeking to convert as much as 2 to 3 percent of military spending from "tail to tooth" [military terminology for support services and combat forces, respectively]. In a speech delivered May 8, Secretary Gates said "Military spending on things large and small can and should expect closer, harsher scrutiny."<sup>3</sup> This Committee is interested, through this hearing, to bring such scrutiny to bear on the application of the UFC Standard to all DOD space occupancies to be satisfied through GSA leasing.

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<sup>1</sup> Prospectus Number PVA-04-WA10. Department of Defense Medical Command Headquarters. Northern Virginia.

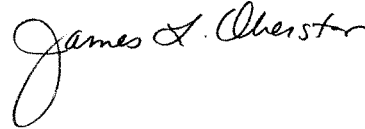
<sup>3</sup> Gates: Cuts in Pentagon bureaucracy needed to help maintain military voice. Washington Post. May 9, 2010.



I am particularly concerned that this UFC standard, left unchallenged, will lead to a series of urban fortresses for federal occupancies, an idea which is inimical to a core value of an open, democratic society: that our government be open and accessible to the people. Certainly, government facilities need to be safe, but security features and procedures must be selected in a thoughtful, deliberate way, taking into account actual threats, but also taking into account their effect on common freedoms and ordinary access. Moreover, security standards cannot be promulgated without regard to cost. In both the ISC standard and the UFC standard, there is essentially no discussion of how to assess threats in terms of probability of occurrence, so that each threat, on a risk-adjusted basis, can be compared to the cost of the countermeasure designed to foil it. In the absence of that methodological rigor, there is little to contain spending on security.

Application of the UFC standards categorically also would have the secondary effect of making it highly unlikely that DOD would have the opportunity to locate facilities in urban settings or in close proximity to public transportation. If DOD employees are forced to abandon public transportation, the UFC may have the unintended consequence of forcing more automobile commuters onto already strained highway infrastructure systems across much of the country. This, too, is antithetical to goals of this Congress and the Transportation and Infrastructure Committee in particular.

This afternoon, we have witnesses from the Department of Defense and Department of Homeland Security to speak to their respective standards, as well as a witness from GSA to discuss how GSA procures space using these standards. We also have private sector witnesses who are not only experts in the field of physical security but also experts in the fields of engineering, architecture and land use economics. I look forward to their testimony.



STATEMENT OF  
THE HONORABLE JAMES L. OBERSTAR  
SUBCOMMITTEE ON PUBLIC BUILDINGS, ECONOMIC DEVELOPMENT, AND EMERGENCY  
MANAGEMENT  
HEARING ON "TOO MUCH FOR TOO LITTLE: FINDING THE COST-RISK BALANCE FOR  
PROTECTING FEDERAL EMPLOYEES IN LEASED SPACE"

May 20, 2010

I thank Chairwoman Norton and Ranking Member Diaz-Balart for scheduling this hearing to look more closely into the public policy and cost implications of having two sets of standards for determining what is the appropriate level of protection to be afforded federal workers, and whether there should be one standard for Department of Defense (DOD) employees and one standard for everyone else. This matter comes within the jurisdiction of this Committee because the DOD has requested GSA to lease space on its behalf, and to conform the lease acquisition to DOD's "Unified Facilities Criteria" (UFC) which is an anti-terrorism security standard. This UFC standard promulgates much more stringent requirements for building setbacks, for parking, and for blast-resistant fenestration, than the standard which GSA uses— developed by the Interagency Security Committee (ISC)— for all its other federal clients.

One of the critical questions before us today is whether it is appropriate for the federal government as a whole to have two disparate security standards for agencies

housed on U.S. soil. I want to be clear that we are *not* talking about military bases of U.S. embassies, missions, and ligations that are situated on foreign soil. We are talking about space— and particularly space that the federal government will be leasing— within the 50 States and possibly in U.S. territories. We are also talking about predominantly office-type functions, or in GSA parlance, “general-use” space, as opposed to special military operations functions or highly secure weapons facilities. In the case of the Medical Headquarters Commands, for which as lease prospectus request is now pending before the Committee, the DOD occupants are office workers, not special forces or combat personnel. So the question is, are these DOD employees are other DOD employees like them, who are performing office-type work, entitled to levels of protection hat are clearly more stringent— and appreciably more costly— than what the government is applying for other federal employees? As a public policy matter, it is troubling to the Committee that *all* DOD personnel, including those engaged in purely administrative work, or “back office” functions, need a higher level of protection than, say, the Attorney General of the United States, or any Federal Judge. Yet that is precisely what would eventuate if the UFC standard is applied routinely to DOD occupancies, while the ISC standard is applied to other federal occupancies.

I look forward to hearing from the witnesses.

Statement for the Record  
of  
Sue Armstrong  
Acting Deputy Assistant Secretary  
Office of Infrastructure Protection  
National Protection and Programs Directorate

Before the  
United States House of Representatives  
Transportation and Infrastructure Committee  
Subcommittee on Economic Development, Public Buildings, and Emergency Management  
Washington, DC

May 20, 2010

Thank you Chairwoman Norton, Ranking Member Diaz-Balart, and distinguished Members of the Subcommittee. It is a pleasure to appear before you today to discuss the work of the Department of Homeland Security (DHS) and the Interagency Security Committee (ISC) to help secure non-military federal facilities in the United States.

The Office of Infrastructure Protection (IP) is part of the National Protection and Programs Directorate (NPPD) in DHS. Homeland Security Presidential Directive 7 (HSPD-7): Critical Infrastructure Identification, Prioritization, and Protection, created a common policy and framework for the protection of the nation's critical infrastructure and key resources. Under HSPD-7, and the National Infrastructure Protection Plan that resulted from it, IP leads the coordinated national effort to reduce risk to our critical infrastructure and key resources posed by acts of terrorism and enables national preparedness, timely response, and rapid recovery in the event of an attack, natural disaster, or other emergency. The Interagency Security Committee (ISC), chaired by the IP Assistant Secretary, develops security standards, policies, and best practices for federal agencies responsible for protecting 300,000 non-military federal facilities in the United States.

#### **ISC Background**

The mandate of the ISC is to develop standards, policies, and best practices for enhancing the quality and effectiveness of physical security in, and the protection of, non-military federal facilities in the United States, and its mission is to ensure that the federal government safeguards U.S. civilian facilities from all hazards by developing state-of-the-art security standards in collaboration with public and private homeland security partners, including federal Chief Security Officers and other senior executives responsible for protecting non-military federal facilities across the United States.

The ISC was created as a direct result of the Oklahoma City bombing of the Alfred P. Murrah Federal Building on April 19, 1995—the deadliest attack on U.S. soil before September 11, 2001, and the worst domestic-based terrorist attack in U.S. history.

The day after the attack, President Clinton directed the Department of Justice (DOJ) to assess the vulnerability of federal facilities to acts of terrorism or violence, and to develop recommendations for minimum security standards. At that time, there were no minimum physical security standards for non-military federally owned or leased facilities.

Within 60 days of the attack, DOJ published its findings and recommendations in a landmark report, *Vulnerability Assessment of Federal Facilities*. One of the recommendations was the creation of the ISC. On Oct. 19, 1995, President Clinton issued Executive Order 12977, creating ISC to address “continuing government-wide security” for federal facilities. EO 12977 also specified the ISC membership—senior executives from 45 federal agencies and departments.

### **ISC Initiatives**

Since the transfer of the Chair of the ISC to IP in August 2007, the ISC has published innovative products to increase security of federal facilities. In March 2008, the ISC developed and published the *Facility Security Level Determinations for Federal Facilities*, which defines criteria and processes a facility should use to determine its facility security level (FSL). The FSL is the foundation for all ISC standards. In June 2009, per a recommendation from the Government Accountability Office, the ISC developed and published the *Use of Physical Security Performance Measures*—the first federal policy guidance published about performance measures for physical security programs and testing procedures.

On April 12, 2010, the ISC moved to the final stage of a comprehensive multiyear effort that builds upon 15 years of previous interagency materials, lessons learned, and countermeasures for threats to federally owned and leased facilities by releasing the interim *Physical Security Criteria for Federal Facilities* and the *Design-Basis Threat Report*. These documents comprise the most comprehensive standards for federal facilities created to date, providing consistency for all facility physical security standards. Each is described in more detail below.

**Physical Security Criteria for Federal Facilities (FOUO)**— This new standard specifies countermeasures to be implemented at each facility security level and serves as the companion to the FSL standard. Both of these new standards affect all civilian federal facilities—government-owned, leased, to be constructed, modernized, or purchased.

This ISC Standard resulted from a multi-year review of the 1995 DOJ Report conducted by an ISC working group. This document will be the most comprehensive standard for federal facilities created to date. It is a compendium of standards that provides consistency across a number of existing standards and will provide a single source for all facility physical security standards.

It establishes a baseline set of physical security measures to be applied to all federal facilities at each facility security level. However, it also provides a framework for the customization of

security measures to address unique risks faced at each facility. This standard supersedes the physical security standards in the *ISC Security Standards for Leased Space, ISC Design Criteria for New Federal Office Buildings and Major Modernization Projects*, and the 1995 DOJ Report. “It also integrates standards and concepts contained the *Design-Basis Threat: An ISC Report*, issued as interim guidance on April 12, 2010, and was informed by issues raised in the ongoing development of the *Facility Security Committees: An Interagency Security Guideline*.

The one standard approach applied in this document offers several advantages to the federal security community. It provides:

- an integrated, single source of physical security standards for all federal facilities;
- opportunity and guidance for flexibility and customization of these standards; and
- integration of new standards for Facility Security Committees and new concepts detailed in the *Design-Basis Threat* document.

**Design-Basis Threat Report (FOUO)** – The *Design-Basis Threat (DBT) Report* is a stand-alone threat analysis to be included in the compendium of standards, *Physical Security Criteria for Federal Facilities: An ISC Standard*. The DBT document establishes a profile of the type, composition, and capabilities of adversaries. The document was designed to correlate with the countermeasures contained in the compendium of standards and to be easily updated as needed.

While the nature of the criminal and terrorist threat to federal facilities has changed substantially, the desired effectiveness of our protective measures remains fairly static. For example, while the size and makeup of a potential improvised explosive device (IED) may increase as terrorist capabilities change over time, the desired performance of a facility’s windows to an IED (e.g., limit fragmentation to within 10 feet of the window) usually remains the same.

Further, the validity of the threat is routinely called into question, not only in the characteristics of the threat itself (e.g., device size, weapon caliber, sophistication of the adversary, etc.), but also in its applicability to a specific facility. More information was needed to support the evaluation of the threat as it pertains to the estimation of risk for each facility. By providing guidance in that area, the consistency of threat ratings from facility to facility is improved.

The intent of the DBT is three-fold:

- To inform the deliberations of ISC working groups as they establish standards;
- To support the calculation of the threat, vulnerability, and consequence to a facility when calculating risk to a federal facility and determining an appropriate Level of Protection, particularly when applying ISC’s “Physical Security Criteria for Federal Facilities”; and
- To determine specific adversary characteristics that performance standards and countermeasures are designed to overcome.

The DBT is an estimate of the threat that faces federal facilities across a range of undesirable events and is based on the best intelligence information, Intelligence Community reports and assessments, and crime statistics available to the working group at the time of publication. However, users of the DBT must consider that undiscovered plots may exist, adversaries are

always searching for new methods and tactics to overcome security measures, and the lone-wolf adversary remains largely unpredictable. Finally, the *Design-Basis Threat Report* establishes the characteristics of the threat environment to be used in conjunction with ISC Physical Security Standards.

#### **Additional IP Federal Efforts**

IP offers to conduct vulnerability assessments on the Government Facilities Sector, which includes federal buildings. Assessments include: Site Assistance Visits, Buffer Zone Plans, Computer Based Assessment Tool data (which captures critical site assets and current security postures), and Enhanced Critical Infrastructure Program/Infrastructure Survey Tool security assessments. These vulnerability assessments identify security gaps and provide the foundation for risk-based implementation of protective programs designed to prevent, deter, and mitigate the risk of a terrorist attack while enabling timely, efficient response to an all-hazards situation.

IP also distributes the Infrastructure Protection Report Series, which includes a series of reports specifically tailored to address critical infrastructure and key resources protection issues of federal buildings, such as large government office buildings and federal courthouses. These reports, which are distributed to owners and operators who have a specific threat vector, serve to:

- Increase awareness of common facility vulnerabilities;
- Increase awareness of potential indicators of terrorist activity;
- Identify protective measures to help deter, detect, defend, respond and recover from a terrorist attack or natural/manmade disasters; and
- Build baseline security knowledge within each sector and infrastructure category.

#### **Conclusion**

The Department will continue to work with public and private homeland security partners to ensure that federal facilities are safe and secure.

Thank you for holding this important hearing. We would be happy to respond to any questions you may have.

|                      |                                                                                            |
|----------------------|--------------------------------------------------------------------------------------------|
| <b>Question#:</b>    | 1                                                                                          |
| <b>Topic:</b>        | DoD                                                                                        |
| <b>Hearing:</b>      | Force Protection Standards                                                                 |
| <b>Primary:</b>      | The Honorable Eleanor Holmes Norton                                                        |
| <b>Committee:</b>    | TRANSPORTATION (HOUSE)                                                                     |
| <b>Witness:</b>      | Sue Armstrong, NPPD Deputy Assistant Secretary for the Office of Infrastructure Protection |
| <b>Organization:</b> | U. S. Department of Homeland Security                                                      |

**Question:** What role does the Department of Defense play on the ISC?

**Response:** The Department of Defense (DOD) is frequently consulted to share best practices to enhance the quality and effectiveness of security at non-military Federal facilities. As directed by Executive Order 12977 – Interagency Security Committee (ISC), DOD is a primary member of the ISC. It also holds a seat on the ISC Steering sub-committee. As a primary member, the DOD has full comment and voting privileges. As a member of the Steering Sub-Committee, it provides input to and approval of new ISC products and procedures.



|                   |                                     |
|-------------------|-------------------------------------|
| <b>Question#:</b> | 2                                   |
| <b>Topic:</b>     | UFC                                 |
| <b>Hearing:</b>   | Force Protection Standards          |
| <b>Primary:</b>   | The Honorable Eleanor Holmes Norton |
| <b>Committee:</b> | TRANSPORTATION (HOUSE)              |

**Question:** Did non-DOD members of the ISC participate in the promulgation of the Unified Facilities Criteria?

**Response:** The Interagency Security Committee (ISC) was not involved, nor gave approval, either formally or informally, to anyone to participate in the promulgation of the “*Unified Facilities Criteria*.”

**Question:** How were the new ISC guidelines promulgated? Was it a collaborative effort? Was there a draft issuance and comment period before final issuance?

**Response:** The ISC creates standards using a collaborative and deliberative process. For instance, for *Physical Security Criteria for Federal Facilities: An ISC Standard*, the review process included convening interagency working groups, two 30-day comment periods, multiple full-membership briefings, and a formal voting period. The new ISC standards were released on April 12, 2010. These standards were announced in a press release, as well as on the ISC website.

|                   |                                     |
|-------------------|-------------------------------------|
| <b>Question#:</b> | 3                                   |
| <b>Topic:</b>     | threats                             |
| <b>Hearing:</b>   | Force Protection Standards          |
| <b>Primary:</b>   | The Honorable Eleanor Holmes Norton |
| <b>Committee:</b> | TRANSPORTATION (HOUSE)              |

**Question:** How does the ISC account for unique threats to a building or an agency?

**Response:** *Physical Security Criteria for Federal Facilities:* An ISC Standard establishes a baseline set of physical security measures to be applied to all Federal facilities based on their designated facility security level. However, it also provides a framework for the customization of security measures to address unique risks faced at each facility.

The Interagency Security Committee (ISC) Risk Management Process prescribed in the new interim ISC Physical Security Criteria provides the path to customize smart security, which enables stakeholders to base decisions on site-specific risk assessments and allows for formal risk acceptance in cases where it is a valid option. An initial risk assessment of the facility is performed to determine if the existing level of protection meets the baseline standard. The finding(s) of the risk assessment and any recommended countermeasures are presented to the stakeholder agency or Facility Security Committee.

**Question:** Who is responsible for establishing customized security measures to address unique standards?

**Response:** The stakeholder makes the final determination on which security solutions work best to facilitate its mission. In cases where a Facility Security Committee (FSC) is in use, each FSC member votes to determine if the recommended countermeasures are accepted, if a lower level of protection is used and some risk is assumed, or if no countermeasures are used and all the risk is assumed.

|                   |                                     |
|-------------------|-------------------------------------|
| <b>Question#:</b> | 4                                   |
| <b>Topic:</b>     | costs                               |
| <b>Hearing:</b>   | Force Protection Standards          |
| <b>Primary:</b>   | The Honorable Eleanor Holmes Norton |
| <b>Committee:</b> | TRANSPORTATION (HOUSE)              |

**Question:** How are costs accounted for in promulgating security standards?

**Response:** The Interagency Security Committee (ISC) did not consider cost in the development of the standards because they are not prescriptive. There is a wide variety of potential approaches to meet the standards, and security solutions will vary from facility to facility.

**Too Much For Too Little: Finding the Cost-Risk Balance  
for Protecting Federal Employees in Leased Facilities**

**May 20, 2010, 2 PM**

Prepared for:  
U.S. House of Representatives  
Committee on Transportation & Infrastructure  
Subcommittee on Economic Development, Public Buildings and Emergency  
Management

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**Too Much For Too Little: Finding the Cost-Risk Balance for Protecting Federal Employees in Leased Facilities.**

The *DoD Minimum Antiterrorism Standards For Buildings* make it clear that virtually any office building occupied by DoD personnel must be protected from terrorist threats regardless of whether it is leased from a private landlord or whether it is within a federally owned building. As long as 25% of net useable area of the building houses DoD personnel, and they number more than 50, some minimum level of protection is mandated. For extended or renewed leases these standards apply after 1 October 2009 (for new leases these criteria applied starting 1 October 2005).

This differs from the standards issued by the Interagency Security Council (ISC), which represents a group of federal agencies (including DoD) interested in occupying protectively designed facilities. However, unlike the DoD standards, the ISC has distinct criteria documents for federally owned versus leased facilities. For federally owned properties built and managed by the General Services Administration, the *ISC Security Design Criteria for New Federal Office Buildings and Major Modernization Projects* applies. However, space leased by federal agencies is governed by the *Security Standard For Leased Space*. The latter was developed with the input of private landlords and is in many cases less stringent than the criteria for federally owned properties.

Besides the differences in their approach to leased versus owned buildings, the DoD and the ISC have another difference of note. The DoD standards were originally written after the Khobar Towers Bombing in 1996, with the intent to protect service men and women working and living on military bases. On the other hand, the ISC criteria, written after the Oklahoma City Bombing in 1995, are tailored to the design of federal office buildings typically located in downtown areas. The GSA has a tradition of building in areas in need of urban renewal to help support the local economy, a practice which is consistent with their philosophy of being a "good neighbor." One expression of this philosophy is that their buildings should not appear overtly fortified. The desire of the GSA to be integrated with the surrounding community is a different motivation from the design needs of military bases, which are physically separated from the host communities. In contrast, for the DoD, functionality, rather than architectural appeal, has always been a key driver for buildings on military bases.

As a result of these differences, the DoD standards are not well suited to leased facilities located within communities. In fact, the DoD standards impose heavy penalties, in terms of building hardening, for construction that is not able to meet the large mandated building setback requirements. Building features that are common for office buildings, such as internal garages or exterior arcades at the building entrance are discouraged. In short, the DoD standards are very good for protecting buildings against explosive attack, but are very onerous to implement for conventional office buildings which are striving to provide a convenient, attractive work environment that will attract tenants.

Setback requirements are particularly difficult to meet for privately leased space. For a DoD leased office with more than 50 DoD employees occupying more than 25% of the useable leased area, minimum prescriptive standards are permitted for standoffs to roads and parking areas that are 148 feet or greater. For standoffs between 82 feet and 148 feet, the entire building, including the windows, must be designed to resist the actual explosive pressures resulting from the explosion of a weapon. Standoffs less than 82 feet are simply not permitted for new construction. However, controlled parking is an option for standoffs between 33 feet and 82 feet. Strict application of these requirements led to the exodus of DoD employees from Crystal City (just outside DC in Northern Virginia) in recent years.

On the other hand, to meet the ISC criteria for existing leased space housing between 151 and 450 federal employees, there are no standoff requirements at all and the only upgrade required is to apply antishatter film on the windows. For new buildings, a 20 foot standoff is required and standard ISC requirements are to be met, which include designing the exterior skin for the relatively moderate explosive loading of 4 psi and 28 psi-msec and designing the structural systems for the actual loads. Only if there are greater than 450 people in a new leased building does the standoff increase to 50 feet (or 100 feet for high risk tenants).

Particularly difficult situations occur when 25% of a large federal office building is leased by DoD personnel. In these cases, the DoD has the option to vacate the building for non-compliance with DoD standards, leaving the GSA with potentially vacant space. As unappealing as this option may be to the GSA, it is excessively expensive to harden the building and in many cases simply not physically possible to achieve the standoff requirements. It is obvious that such discord between federal agencies does not help to meet the needs of the public which they serve.

In conclusion, although there are similarities in the overall approach of these documents, significant differences exist. In particular, the fact that there are disparities between the protection levels afforded DoD versus non-DoD federal employees working in leased office space shows that there is benefit to exploring ways to provide levels of protection which are both feasible and equitable.

#### References

1. *DoD Minimum Antiterrorism Standards for Buildings*, Unified Facilities Criteria (UFC), UFC 4-010-01, U.S. Department of Defense, 8 October 2003, including change 1, 19 January 2007.
2. *ISC Security Design Criteria For New Federal Office Buildings and Major Modernization Projects*, The Interagency Security Committee, Washington, D.C. 31 October 2003, For Official Use Only.
3. *Security Standards For Leased Space, ISC Subcommittee Final Report*, 8 July 2003.

CHARRTS No.: HTI-01-001  
Hearing Date: March 20, 2010  
Committee: HTI  
Member: Congresswoman Norton  
Witness: Mr. McAndrew  
Question: #1

DoD Security Standard Authority

Question: What is DOD's authority to promulgate its own security standards?

Answer: As set out in sections 3013, 5013, and 8013 of title 10, United States Code, the Secretaries of the Military Departments, "[s]ubject to the authority, direction, and control of the Secretary of Defense," are responsible for, and have the authority necessary to conduct, all affairs of his or her respective Military Department, including the "construction, maintenance, and repair of buildings, structures, and utilities." The promulgation of DoD-wide security standards is an exercise of the Secretary of Defense's authority, direction, and control of each Military Department's activities in this area. Furthermore, section 2859 of title 10, United States Code, specifically directs the Secretary of Defense to "develop common guidance and criteria to be used by each Secretary concerned...to develop construction standards designed to reduce the vulnerability of structures to terrorist attack and improve the security of the occupants of such structures."

CHARRTS No.: HTI-01-002

Hearing Date: March 20, 2010

Committee: HTI

Member: Congresswoman Norton

Witness: Mr. McAndrew

Question: #2

ISC Standard

Question: Why, with the model of the ISC standard, which provides for the customization of security countermeasures on the basis of many variables, including mission criticality, size, and attractiveness of the target as a symbol of the government, would DOD's standard espouse a one-size-fits-all approach? What was the thinking?

Answer: DoD's standard includes consideration of significantly more variables than the Interagency Security Committee (ISC) standard, and is arguably not a "one-size-fits-all" approach. However, DoD does differ from ISC in that it defines a minimum level of protection that is higher than the lowest level in the ISC standards. DoD established this minimum level of protection based upon the inherent mission criticality and attractiveness of DoD as a potential target once the minimum size threshold is crossed.



CHARRTS No.: HTI-01-003  
Hearing Date: March 20, 2010  
Committee: HTI  
Member: Congresswoman Norton  
Witness: Mr. McAndrew  
Question: #3

UFC and ISC Protection Standards

Question: Is DOD at all concerned about the disparity, from a public policy perspective, between the level of protection afforded by the UFC in contrast with the ISC?

Answer: The Department of Defense has defined the security standards it requires to minimize the likelihood of mass casualties from terrorist attacks on buildings occupied with DoD personnel. These standards represent an objective, empirical engineering analysis to save lives and mitigate the damage of specific threats as identified by the intelligence community. Given that a principle difference between the DoD and ISC security standards has to do with the acceptance of allowed risk, the Department is satisfied that each standard meets the needs of its particular customers.

CHARRTS No.: HTI-01-004  
Hearing Date: March 20, 2010  
Committee: HTI  
Member: Congresswoman Norton  
Witness: Mr. McAndrew  
Question: #4

Force Protection Standard

Question: Within 14 days, can you please provide the Subcommittee with a list of DoD facilities that are not required to meet the setback standard set forth in the Force Protection Standard.

Answer: The setback standard or required standoff distance is actually a performance-based standard. The maximum standoff distance is required only for the least-protective types of construction. Heavier construction allows lower standoff distance while still meeting the standard.

This flexibility notwithstanding, DoD minimum standards also provide outright exemptions from required standoff distances for particular building types (uses). The categories of exemptions are:

- Family housing with 12 units or fewer per building (all standards)
- Stand-alone franchised food operations (standoff to parking and roadways)
- Stand-alone shoppettes, mini marts, and similarly sized commissaries (standoff to parking and roadways)
- Gas stations and car care centers (all standards)
- Medical transitional structures and spaces (standoff to parking and roadways)
- Other transitional structures and spaces occupied less than one year (standoff to parking and roadways)
- Recruiting stations in leased spaces (all standards)

In addition, the minimum standards do not apply to buildings that do not meet the minimum occupancy threshold. The DoD real property inventory includes over 260,000 buildings that fall into either of these two categories (i.e., exempted building types, or building types that are typically occupied by too few personnel to trigger the AT minimum standards). A digital list of facilities will be provided to the Subcommittee separately.

Testimony by

Maureen McAvey  
Executive Vice President, Urban Land Institute

U.S. House of Representatives

Transportation and Infrastructure Committee

Subcommittee on Economic Development, Public Buildings,  
and Emergency Management

**"TOO MUCH FOR TOO LITTLE: FINDING THE COST-RISK BALANCE FOR  
PROTECTING FEDERAL EMPLOYEES IN LEASED FACILITIES"**

May 20, 2010



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Chairwoman Eleanor Holmes Norton (D-DC), Vice Chair Thomas S. P. Perriello (D-VA) , Ranking Member Mario Diaz-Balar (R-FL) and members of the Subcommittee, I want to thank you for inviting me to testify today regarding security requirements for federal buildings.

I am Maureen McAvey, Executive Vice President of the Urban Land Institute.

ULI is a global nonprofit education and research institute with a mission which is dedicated to providing leadership in the responsible use of land and in creating and sustaining thriving communities. Established in 1936, ULI now has offices in over 50 metropolitan communities across the country and around the world and counts over 30,000 professionals as members, who represent all aspects of land use and urban development disciplines, ranging from real estate investors, lenders, developers, architects and public officials.

I have organized my testimony today in three parts in order to underscore three areas of significance which I believe should be of interest to you and the subcommittee. These are:

- A renewed emphasis on the significance of urban livability;
- The nexus of federal security guidelines, federally leased space and sustainable communities;
- The need to reflect on the "long view" of urban development.

#### I. A Renewed Emphasis on the Significance of Urban Livability

ULI's entire program of work is based on a underlying belief that the livability of metropolitan areas is the single most important component of long-term community sustainability. A high quality of life in urban communities is essential to economic, social and environmental sustainability.

After decades of anecdotal observations, we now have data showing that residential building starts are migrating toward urban centers in many cities; centering on mixed-use and transit-friendly commercial centers which are the economic engines driving the service economy both in regional and national economies.

Recent research with respect to land use patterns and transportation trends show that our country's collective efforts reduce our dependence of foreign sources of oil and reduce greenhouse gas emissions indicate the absolute importance to engage in land use practices which produce "compact development" outcomes and reduce emissions in the transportation sector. Mixed-use compact development reduces vehicle trips, reduces overall miles driven and produces fewer greenhouse gas emissions in a "compounding effect" over time.

The rejuvenation of walkable civic spaces in our cities has played an important role in the overall urban revival that has been occurring over the past two decades. One needs not look farther than the renaissance of urban waterfronts in cities across the country. Whether the pioneers of Baltimore, Boston and San Francisco or the late bloomers of Providence, Chattanooga and even Washington, D.C.! The creation of meaningful and functional public open space is a demonstrated core-value of community self-determination and local economic development.

## II. The nexus of federal security guidelines, federally leased space and sustainable communities.

First, let me unequivocally state the need to protect federal buildings and functions of the federal government -- and the federal employees and citizens who use those buildings-- from external threats to their security.

The challenge we face here is the need to balance legitimate needs for physical security with the associated undesirable impacts to public spaces, building design, and broader neighborhood vitality and community sustainability. In addition to mitigating undesirable impacts of federal facilities in communities, we must move further to understand the desirable impacts that federal facilities and federal uses can have in fostering sound local economic development.

Security proposals for individual buildings are often developed specifically to satisfy existing security standards, and do not balance improved building security outcomes in the context of broader neighborhood security measures, or other public, economic development or environmental impacts.

Furthermore, the opportunity to encourage federal leasing within existing commercial centers and within existing commercial buildings is highly desirable from both the perspective of the existing commercial real estate markets and the beneficial sustainable development outcomes associated with "infill development" strategies.

By approaching federal facility security in a manner which accommodates the land use patterns of existing commercial centers, federal leasing activity can serve to achieve multiple beneficial outcomes:

- Be located in highly accessible locations which have broad and efficient connections to a cross section of affordable and work-force housing alternatives. By encouraging all opportunities of "co-location", existing investments in local infrastructure are leveraged and future investments in local infrastructure are minimized.

- Can be structured as a "development catalyst" which enables and encourages complementary private-sector mixed-use investment in adjacent sites, especially in Brownfield locations, where infrastructure and remediation costs can be structured for broader community benefit at no additional expense to the federal government.
- Can seek to target buildings and sites which are considered by local planning officials to be underutilized in terms of land use densities, such as abandoned/underutilized shopping malls, commercial office buildings or industrial areas. These existing buildings may not be historic, but may be functionally obsolete.
- Be oriented towards public transportation and thereby reduce or eliminate the need for conventional parking ratios. Federal leasing can not only encourage the use of public transit, but also facilitate and intensify the level of pedestrian travel in a given location.
- Include land use and building program elements which advance community and neighborhood economic development, such as the inclusion of storefronts and temporary markets and farmers markets.
- Employ strategies which creatively leverage federal "support" functions (food & beverage, conference facilities, customer services, childcare uses) in a manner which conforms with active ground-floor use objectives set forth by local land use planners, such as mandatory retail requirements and other active ground floor uses which not only promote the connection of building users to the neighborhood context, but which also make these service spaces available for use by surrounding non-employee residents.
- Where necessary, provide an investment in shared parking facilities in a manner where those facilities can become a community asset and shared during non-business hours, especially during the evening and on weekends, including in a manner which allows local planning officials to reduce the parking requirements in surrounding land uses.

### III. The Need to Reflect on the "Long View" of Urban Development

The significance and impact of federal policies such as those we are discussing today should not be underestimated with respect to their long-term impact on communities. While we speculate as to whether people will leave our cities because of threats of terrorism, we do know for sure that they will leave if they are fed up with inadequate transit systems, inefficient land use planning and a low quality of community life.

In the summer of 2001, -- before the 9-11 terrorist attacks -- ULI's J.C. Nichols Prize -- ULI's most significant award honoring lifetime achievement -- was presented to Senator Patrick Moynihan to honor his lifelong dedication to excellence in urban design, public building architecture and community revitalization issues. In his acceptance address to ULI members, in October 2001, only weeks after the 9-11 terrorist attacks, Senator Monnihan stated:

*Buildings -- particularly public buildings -- should serve a greater purpose than to simply provide shelter; they should be built to instill pride among citizens who use them, serving as a way to "say who you are." This is a moment not to be intimidated. The only way they (terrorists) can win is if we change the way we live, and a lot of us live in cities. These acts won't change our civilization.*

The annual ULI J.C. Nichols Prize for Visionary Urban Development recognizes a person or person representing an institution whose career demonstrates a commitment to the highest standards of responsible development. It honors the legacy of legendary Kansas City, Missouri, developer J.C. Nichols, a founding ULI member who is widely regarded as one of America's most influential entrepreneurs in land use during the first half of the 1900s.

Thank you for the opportunity to testify before this committee. I stand ready to answer any questions you may have.

<End of Testimony>

Testimony by Congressman James P. Moran (VA) before the House Transportation and Infrastructure Committee,  
Subcommittee on Economic Development, Public Buildings and Emergency Management

Chairwoman Holmes Norton and Ranking Member Diaz-Balart, thank you for allowing me the opportunity to testify before this subcommittee regarding the Department of Defense's (DOD) Antiterrorism, Force Protection (ATFP) standards

The 8<sup>th</sup> Congressional District of Virginia is a largely urban area that not only leases office space to some of this nation's largest corporations, but also leases millions of square feet to the federal government. With that in mind, I would like to express my grave concern over the DOD's ATFP standards

First, I am concerned that the DOD has thus far been permitted to establish separate security standards from other federal agencies. It is the responsibility and authority of the General Services Administration (GSA) to establish security standards for buildings housing federal employees. DOD's ATFP standards usurp GSA's authority, which not only creates uncertainty in federal contracting with property owners, but also very strongly implies that DOD employees deserve a higher level of protection than other federal workers

For some iconic DOD facilities there may be sufficient rationale to implement the ATFP standards. However, for many lesser known defense agencies and components housed in private buildings, these stringent security standards above and beyond those established by GSA simply don't make sense

Second, the ATFP standards raise the cost the federal government must pay for DOD leases. One particularly onerous requirement of the ATFP standards is a minimum standoff distance of 25 meters, or 82 feet, from either a parking lot or roadway. In an urban area, this minimum standoff distance simply disqualifies a vast number of buildings from housing DOD employees. As a result, competition is limited, which ultimately forces the government to pay a higher rate to house DOD employees in privately-owned buildings. As the title of this hearing states, it is unclear what net benefit the government receives from the ATFP standards versus the additional cost the government must pay

I think it is important to note that the DOD often circumvents its own rules through a loophole that waives the ATFP standards if less than twenty-five percent of a building's occupants are DOD employees. The "twenty-five percent" rule prevents DOD components and agencies from expanding within a given building and actually forces the department to rent more leased space at higher rates across multiple buildings instead of consolidating its employees in fewer buildings. Madam Chairwoman, surely abiding by GSA security standards makes more sense

Third, the DOD's ATFP standards prevent local governments in northern Virginia and other jurisdictions surrounding DC from implementing mixed-use development. In our districts mixed-use development has proven to have ecological, environmental and transportation-related benefits that translate into greater economic activity. By prohibiting mixed-use development,



these security standards stifle innovation in public planning, which ultimately costs localities lost economic output.

In summation, the DOD's AIFP standards undermine GSA's authority, cost the federal government without delivering sufficient benefit, and simply do not make sense in an urban area. Thank you.

**STATEMENT OF**  
**SAMUEL MORRIS**  
**ASSISTANT COMMISSIONER**  
**OFFICE OF REAL ESTATE ACQUISITION**  
**PUBLIC BUILDINGS SERVICE**  
**U.S. GENERAL SERVICES ADMINISTRATION**

**BEFORE THE**  
**COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE**  
**SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC**  
**BUILDINGS, AND EMERGENCY MANAGEMENT**  
**U.S. HOUSE OF REPRESENTATIVES**

**MAY 20, 2010**



Good morning Chairwoman Norton, Ranking Member Diaz-Balart, and members of this Subcommittee. My name is Chip Morris and I am the Assistant Commissioner for Real Estate Acquisition of GSA's Public Buildings Service (PBS). Thank you for inviting me to appear before you today to discuss the risk balance for protecting Federal employees in leased facilities and the implementation of DOD's Antiterrorism Standards for Buildings in GSA lease procurements.

GSA is responsible for safeguarding approximately one million Federal tenants housed in our facilities, along with their visitors. Our buildings must be secure and at the same time, inviting, as we act as a good neighbor in the community. After the Oklahoma City bombing, our country recognized the need for increased security and protection, particularly in buildings housing Federal employees. As a result, increased security standards were developed to protect Federal employees in all federally occupied space, regardless if the space was owned or leased. Recognizing that there is a trade-off to protect our Federal employees from every conceivable act of violence and terrorism while keeping buildings open and welcoming to the public, GSA has been an active participant in the development and analysis of the security standards promulgated by the Interagency Security Committee.

#### **Security Standards**

Prior to the Oklahoma City tragedy, the government's building security standards focused on preventing theft and unauthorized entry into federally owned or leased buildings. DOJ subsequently completed a study<sup>1</sup> that led to security standards for all federally occupied facilities.

*Interagency Security Committee* - In October 1995, Executive Order 12977,<sup>2</sup> established the Interagency Security Committee (ISC) comprising of multiple agencies, was issued "to enhance the quality and effectiveness of security in and protection of buildings and facilities in the United States occupied by Federal employees for nonmilitary activities ('Federal facilities'), and to provide a permanent body to address continuing government-wide security for Federal facilities." In order to maintain consistency between our federally owned and leased space, the ISC later developed the Lease Security Subcommittee. In 2003, the ISC Lease Security Subcommittee, chaired by GSA with representatives from other executive agencies, was established to develop a distinct set of standards for leased facilities. In 2005, the Subcommittee issued the *ISC Security Standards for Leased Space*. In following these standards, GSA issued leasing guidance and instructions for competitive lease procurements.

Last month, the ISC issued a new interim ISC standard, *Physical Security Criteria for Federal Facilities*, which applies to all U.S. facilities occupied by Federal employees for nonmilitary activities. These facilities include:

<sup>1</sup> "Vulnerability Assessment of Federal Facilities," dated June 1995

<sup>2</sup> GSA was originally the leader of this Committee; however, Executive Order 13286 in 2003 amended Executive Order 12977 to transfer leadership to DHS.

- ◆ existing buildings, new construction, or major modernizations;
- ◆ facilities owned, to be purchased, or leased; and
- ◆ special-use facilities.

The new ISC interim standard provides a formalized process for non-DOD Federal facilities to determine the risk of the facility. This interim standard recognizes that not all conceivable modes of attack are a threat to each facility; this recognition allows the security posture for the facility to be customized to address the most likely threat. As a result, agencies can customize security measures to address the unique risks and threats at each facility. The new interim standard provides an integrated, single source of physical security standards for all Federal facilities, including those occupied by law-enforcement and intelligence agencies. Guidance which provides for flexibility and customization of these interim standards as well as the integration of new concepts are contained in two other key ISC documents issued April 12, 2010: *Design-Basis Threat: An ISC Report*; and *Facility Security Committees: An Interagency Security Guideline*. This interim standard supersedes the physical security standards in the 2005 ISC Security Standards for Leased Space, ISC Design Criteria for New Federal Office Buildings and Major Modernization Projects, and the 1995 DOJ Report.

GSA will develop leasing guidance to adhere to the new interim ISC standard, as well as update our Solicitation for Offers<sup>3</sup> for lease procurements. The guidance will become final once the interim ISC standard is finalized.

*Unified Facilities Criteria* - The Department of Defense's *Unified Facilities Criteria: DOD Minimum Antiterrorism Standards for Buildings*<sup>4</sup> was issued in October 2003. These standards are more rigorous than the ISC standards and apply to DOD for new construction and "all new leases executed on or after October 1, 2005 and to the renewal or extension of any existing lease on or after October 1, 2009." The standards are required and applied consistently for all DOD facilities, regardless if the facility is owned or leased or the aspect of the DoD mission that is performed within the facility. DOD's security standards have historically been independent and separate from the standards set for other executive agencies. GSA currently adheres to these standards for DOD leases, as required by the customer agency and will continue to work with DOD to refine their customer requirements as they apply these criteria to GSA's lease procurements.

#### **Implementing Security Standards**

GSA is a service provider for many different agencies. We work with each agency on a case by case basis to define their space and security requirements. For those agencies subject to the ISC, the security measures implemented can vary greatly depending on factors such as tenant agency mission, location of the property, and size of the project. Setback requirements, for example, typically result in additional land acquisition costs,

<sup>3</sup> GSA develops Solicitation for Offers for lease procurements identifying specific lease requirements.

<sup>4</sup> Uniform Facilities Criteria 4-010-01

especially in urban areas. As the Facility Security Level increases, additional security measures, such as increased setbacks, site planning, façade hardening, and structural measures, may be necessary to prevent progressive collapse.

For DOD lease procurements, GSA applies the UFC standards to select the most appropriate lease facility, taking their customer requirements, which include security standards and cost, into consideration. As DOD secures leased facilities in the same manner as owned facilities, GSA implements the Unified Facilities Criteria for DOD leases, except in cases where DOD would occupy less than 25% of the facility.

Our understanding in working with DOD is that the UFC standards cannot be customized or waived. Every facility is regarded as a military installation, needing the same level of security and protection and must be compliant with DOD Antiterrorism standards. These unique customer requirements make the level of protection difficult to achieve in many leased facilities. As a result, competition of leased facilities is often reduced, which can increase costs. Additionally, these standards can impact the location of DOD's facilities, contributing to locations outside of urban areas and without close proximity to public transportation.

That concludes my testimony. Thank you for inviting me to appear before you today, and I would be happy to answer any questions that you may have.

**Mr. Samuel (Chip) Morris**

Public Buildings Service Assistant Commissioner

General Services Administration

Questions for the Record:

**"Too Much For Too Little: Finding the Cost-Risk Balance  
for Protecting Federal Employees in Leased Facilities"**

**1. Does GSA agree that all DOD facilities should be treated like a military installation, even back office functions staffed mainly by civilians?**

For DOD lease procurements, GSA applies the Unified Facilities Criteria (UFC) standards to select the most appropriate lease facility, taking customer requirements, which include security standards and cost, into consideration. DOD secures leased facilities in the same manner as owned facilities, based on the May 29, 2002 memorandum from the Under Secretary of Defense (USD) directing that the Unified Facilities Criteria be used by "the Military Departments, the Defense Agencies and the DOD Field Activities for planning, design, construction, sustainment, restoration, and modernization of facilities, regardless of funding source." This policy was reaffirmed in a September 18, 2009 USD memorandum directing that "all DOD employees occupying leased facilities in the NCR to be located in Anti-Terrorism compliant space." GSA implements the UFC for DOD leases, except in cases where DOD would occupy less than 25% of the facility.

While the UFC criteria do not contain specific waiver provisions, it is our understanding that the DOD does allow individual commands to implement risk mitigation procedures, such as structural hardening, to compensate for setback distances that do not meet the UFC standards. Based on the testimony at the hearing and on recent transactions, some individual commands have applied risk mitigation procedures.

**2. In your testimony you indicate that DoD's unique security requirements make the level of protection difficult to achieve in many leased facilities, and that this will limit competition and increase costs. Has GSA been able to quantify how much more DoD leases would cost if the UFC standard is to be observed in GSA leasing?**

We do not have complete and accurate data on the cost impact.

**3. What is the cost to the private sector if potential government lessors have to plan for two separate federal security scenarios: one in compliance with ISC criteria and one in compliance with DOD UFC criteria?**

Currently, GSA is analyzing the new interim ISC standards and comparing them against the previous ISC standards and DOD's Unified Facilities Criteria. GSA will develop leasing guidance to adhere to the new interim ISC standard, as well as update our Solicitation for Offers for lease procurements. The guidance will become final once the interim ISC standard is finalized. While there are differences in the two sets of criteria, there are also similarities especially when dealing with space requirements having a high level of security.

**4. What was/is the reason(s) that GSA changed requirements in certain prospectus leases that effectively removed certain areas from ever being able to compete for the leases?**

In general, GSA establishes delineated areas for procurements based on customer requirements in conjunction with the need to maintain a sufficient level of competition for the procurement. GSA does not arbitrarily remove areas to limit competition.

**5. Please provide an analysis that justifies rent cap differentials in Maryland, Virginia and Washington, DC for new construction.**

The program rental rates established for GSA's National Capital Region jurisdictions (Washington DC, Northern Virginia, and Suburban Maryland) are based on projected market rents in each of these jurisdictions. These rental rates reflect the market but do not, and are not intended to, facilitate lease construction. If an offeror is able to propose lease construction within the limitations of these rental rates that option is not precluded.

The Grubb & Ellis Washington, DC Metro Office Trends Report—First Quarter 2010 provides asking rents by Submarket within Washington, DC, Suburban Maryland, and Northern Virginia.

Washington, DC asking rents:

Class A buildings range from \$42.75/rsf to \$62.40/rsf fully serviced.  
Class B buildings range from \$35.90/rsf to \$43.10/rsf fully serviced.

Comparing asking rents by Submarket to the Washington, DC prospectus program rental rate of \$49.00/rsf, Class A asking rents, on average, exceed the program rate in six of eight submarkets; Class B asking rents are below the program rate in all eight submarkets.

Suburban Maryland asking rents:

Class A buildings range from \$21.65/rsf to \$41.35/rsf fully serviced.  
Class B buildings range from \$17.56/rsf to \$33.97/rsf fully serviced.

Comparing asking rents by Submarket to the Suburban Maryland prospectus program rental rate of \$34.00/rsf, Class A asking rents, on average, exceed the program rate in four of 15 submarkets; Class B asking rents are below the program rate in all 15 submarkets.

Northern Virginia asking rents:

Class A buildings range from \$24.46/rsf to \$41.62/rsf fully serviced.  
Class B buildings range from \$20.96/rsf to \$36.63/rsf fully serviced.

Comparing asking rents by Submarket to the Northern Virginia prospectus program rental rate of \$38.00/rsf, Class A asking rents, on average, exceed the program rate in two of 15 submarkets; Class B asking rents are below the program rate in the 14 submarkets for which information is provided.

Although GSA's program rental rates are below asking rents for Class A buildings in some submarkets, this submarket information is based on averages. Some Class A buildings will have asking rents above and some below the submarket asking rents that are indicated. In addition, competitive procurements can bring asking rents down to program rate levels.

## **6. Can you confirm that the lease for a new building to house the Nuclear Regulatory Commission is within the rent cap?**

GSA procured space to meet NRC's requirements, in accordance with legislation that superseded the House Transportation and Infrastructure Committee and the Senate Committee on the Environment and Public Works approval of the NRC prospectus. Public Law 110-161, the Consolidated Appropriations Act of 2008, allowed GSA to award a lease of up to 358,000 rentable square feet for up to 15 years, based on prevailing rates in the immediate vicinity of NRC's Headquarters. Prior to conducting the procurement, GSA notified its House and Senate authorizing committees that the final rental rate would likely exceed the rate approved in the NRC prospectus and as expected it did. The approved



prospectus rate was \$32, the actual rental rate was \$42.11 with \$2.50 rental rate increases in year 6 and 11, which results in an average rental rate of approximately \$45.00. Based on an analysis of comparable lease transactions at that time, this rate was consistent with the prevailing rates in the immediate vicinity of NRC's Headquarters.

**7. If prospective bidders feel that a particular change to a solicitation favors one location over another, what information does GSA provide to confirm that the changes are made irrespective of location?**

GSA leases all types of space for Federal agencies, including offices, laboratories, warehouses, and clinics. We locate the space according to the customer's mission requirements in urban, suburban, and rural areas and in accordance with established location and security policies. When there is a change in the requirements during a lease procurement, GSA issues an SFO amendment to the marketplace to explain the change and why we are doing it. If offerors have questions concerning the amendment, they can contact GSA for clarification. Ultimately, offerors can always file bid protests if they believe there are procurement irregularities not consistent with procurement law ongoing in the procurement.



# THE AMERICAN INSTITUTE OF ARCHITECTS

STATEMENT OF  
BARBARA A. NADEL, FAIA

## **“Too Much For Too Little: Finding the Cost-Risk Balance for Protecting Federal Employees in Leased Facilities”**

House Subcommittee on Economic Development, Public  
Buildings and Emergency Management

-

May 20, 2010  
2167 Rayburn House Office Building

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### Introduction

Chairwoman Norton, Ranking Member Diaz-Balart, and members of the Subcommittee — good afternoon. My name is Barbara Nadel, FAIA, and I am the principal of Barbara Nadel Architect (BNA), an architectural and consulting firm based in New York City. Thank you for this opportunity to appear before you on behalf of the American Institute of Architects (AIA) to discuss the risk implications of applying the Department of Defense's (DoD) "Antiterrorism Standards for Buildings" in General Service Administration (GSA) lease procurements.

By way of background, I specialize in building security, master planning, programming, and design of civic, justice, healthcare, cultural, and institutional facilities. I have worked with the world's leading institutions, building owners, security consultants, architects, engineers, construction managers, respected members of the security community, and over 40 federal, state and local government agencies in the U.S. and internationally. As a national expert and advocate for security and design excellence in civic architecture and the built environment, I have served as a consultant for a number of government agencies. GSA appointed me to the National Register of Peer Professionals in the Design Excellence Program, and I have served as the AIA's representative to the U.S. Department of State Bureau of Overseas Building Operations Industry Advisory Panel (OBO IAP).

More recently, I chaired the AIA's 21<sup>st</sup> Century Embassy Task Force, which brought together leading architects, engineers, landscape architects, ambassadors, diplomats, Foreign Service personnel, architectural historians, public art experts and key members of OBO to study the integration of design and security in U.S. embassies. In 2009, the Taskforce released the report, *Design for Diplomacy – New Embassies for the 21<sup>st</sup> Century*<sup>1</sup>, which examined how embassies can reflect American values and ideals, while encompassing safety and security, along with aesthetics, energy efficiency, sustainability, flexibility of functions and work spaces, accessibility, historic preservation and user productivity. As a result of our Task Force's work, earlier this year the State Department

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<sup>1</sup> <http://www.aia.org/advocacy/federal/AIAB082752>

announced the creation of a design excellence program, similar to that which exists at GSA.<sup>2</sup>

I am the editor-in-chief for the leading security resource, *Building Security: Handbook for Architectural Planning and Design* (McGraw-Hill, 2004). This book is considered the industry standard for building security. I have written more than 450 articles on security, design, sustainability, public policy, and technology and have keynoted and spoken to more than 70 industry and government groups on these topics.

I am also pleased to represent the American Institute of Architects (AIA) at today's hearing. The AIA is comprised of more than 83,000 licensed architects, architects-in-training and allied professionals across the country and abroad who are committed to the planning and design of safe and sustainable buildings and communities. Architects are required by their licensing bodies and codes of ethics to design structures that protect public health, safety, and welfare. In fact, the AIA requires its architect members to receive at least eight hours of continuing education every year to protect public health, safety and welfare, and most states require the same as a condition of continued licensure.

Ensuring to the maximum extent possible the safety and security of American public servants, whether serving in the U.S. or overseas, is one of the most important and valuable services that architects can contribute to U.S. national security. It is our collective responsibility to provide safe and secure buildings for all American personnel serving at home and abroad, for members of the military, the federal judiciary, federal employees, the Foreign Service, and the diplomatic corps.

The AIA has worked closely with GSA on issues relating to the security of federal facilities, including advising GSA on the *Site Security Design Guide*<sup>3</sup>, which provides a strategy for security professionals, designers, and project and facility managers to follow in designing site security at federal projects of all sizes and locations. GSA is responsible

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<sup>2</sup> <http://www.state.gov/r/pa/prs/ps/2010/04/140238.htm>

<sup>3</sup> [http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA\\_BASIC&contentId=23429](http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA_BASIC&contentId=23429)

for a large real estate portfolio within the U.S., including federal courthouses and office buildings which house federal employees from various federal agencies.

Similarly, in the last two years, the AIA has worked closely with OBO to create a framework for developing embassies and diplomatic facilities in foreign countries to reflect design excellence, and American values, while meeting the security mandates set forth by the U.S. Congress and by the State Department's Bureau of Diplomatic Security (DS) for protecting all personnel.

### **Risk Management**

All federal agencies, including DoD, GSA, and OBO, place a high priority on protecting American personnel, buildings, and critical assets from acts of terrorism at home and abroad.

As the Subcommittee is aware, DoD and GSA have developed a set of security standards, Unified Facilities Criteria (UFC) and Interagency Security Criteria (ISC), respectively, for their facilities.

Since the 1995 bombing of the Alfred P. Murrah Federal Building in Oklahoma City, GSA and ISC have developed comprehensive standards and guidelines for levels of protection (LOP) at federal properties. Before the 1995 bombing, GSA had no standards for vehicle impact resistance, blast resistance, or standoff distances. Standoff distance is a distance maintained between a building or portion thereof and the potential location for an explosive detonation.<sup>4</sup> There were no perimeter security measures, guidelines for glazing in windows and doors, and no magnetometers or x-ray machines in federal building lobbies.

After the Oklahoma City bombing, however, GSA and ISC developed criteria to identify targets; determine levels of protection; understand the threats and the design response, known as the design basis threat (DBT); develop design strategies; and assess budgets for

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<sup>4</sup> Unified Facilities Criteria (UFC). DoD Minimum Antiterrorism Standards for Buildings, U.S. Department of Defense, (Washington, D.C.: January 22, 2007), page A-5.

security countermeasures. Design basis threat is the threat (aggressors, tactics, and associated weapons, tools, or explosives) against which assets within a building must be protected and upon which the security engineering design of a building is based.<sup>5</sup>

At the outset of any project, when addressing security, whether in the public or private sector, the public agency or building owner must engage in a risk management process, to determine the real or potential threats and the appropriate responses. The objective of the risk management process is to identify an achievable level of protection (LOP) that is commensurate with, or as close as possible to, the level of risk.

Risk management relies on obtaining good threat intelligence. Good design is based on good intelligence. Architects and design team members can provide appropriate, customized building hardening, aimed to strengthen building facades against the effects of a blast, and security measures based on actionable intelligence received from building owners. These may take the form of integrating design, technology, and operational measures to achieve a comprehensive security plan for a facility.

The UFC concurs with this approach: “The overarching philosophy upon which this UFC is based is that comprehensive protection against the range of possible threats may be cost prohibitive, but that an appropriate level of protection can be provided for all DoD personnel at a reasonable cost.”<sup>6</sup>

There is no one-size-fits-all answer to providing physical security to facilities in the built environment. Each building and site is different. A threat and vulnerability analysis (TVRA) assesses potential threats, along with the function, design, construction, landscape features, site, adjacent uses, tenants, occupants, visitors, and critical infrastructure in and around a property. These factors are important in managing risk and applying a customized LOP to address facility-specific conditions. According to the

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<sup>5</sup> Ibid. p. A-2.

<sup>6</sup> Ibid. p. 2-1.

UFC, "It would be cost prohibitive to provide protection against the worst-case scenario in every building."<sup>7</sup>

The findings of a TVRA provide guidance to architects and design professionals in reducing vulnerabilities and mitigating risk by applying the appropriate security measures. Building owners must have the flexibility to raise or lower security levels in and around their site, based on intelligence or other factors. For example, normal operations may be in place 85 percent of the time; however, when a VIP plans a visit, or on an important anniversary date when heightened tensions are expected, owners may wish to raise security levels by closing streets to achieve a greater standoff, deploying more personnel, and limiting building access.

In assigning levels of protection for GSA buildings, for example, a facility security level (FSL) is an estimation of risk. Within the ISC, each FSL addresses risk, and relates to an LOP and a set of appropriate baseline security measures. For example, a Level I facility is considered to have a Minimum level of risk, and Minimum LOP, while a Level V facility reflects a Very High level of risk and a Very High LOP.

The UFC provides a Low LOP to Primary Gathering Buildings, which could be office buildings, defined as inhabited buildings routinely occupied by 50 or more DoD personnel.<sup>8</sup> The UFC standards assign a Very Low LOP for other Inhabited Buildings, defined as routinely occupied by 11 or more DoD personnel, and with a population density of greater than one person per 430 gross square feet.<sup>9</sup>

Risk management has become more complex in recent years, as terrorism threats have spread from international venues to domestic settings, such as the Underwear Bomber in December 2009, and the recent Times Square vehicle bomber in New York. Good advance actionable intelligence becomes critical to avoiding mass casualties. We are now faced with the prospect of potential suicide bombers, homegrown jihadis, who can move

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<sup>7</sup> Ibid, p. 2-3.

<sup>8</sup> Ibid, p. A-4.

<sup>9</sup> Ibid, p. A-3

freely in our society without attracting attention, making it harder to gather intelligence about their activities, and thereby increasing risk to our society.

Risk assessments are performed for existing and proposed new facilities. The methodology must be credible, and assess the threat, consequences, and vulnerability to specific undesirable events. The higher the risk, the higher the LOP. Variations in the nature of the mission, location, and physical configuration of a building and site may create unique risks that do not apply to similar building types with a given LOP in other locations. A high-rise office building in suburban Arlington, Virginia, for example, may be subject to a different range of threats and vulnerabilities than a mid-rise office building in a medium sized Midwestern city or suburb. For this reason, it is imperative that federal agency owners, security professionals, and design teams have the ability to customize security countermeasures for each facility, in order to mitigate potential risks and threats. This will avoid spending resources where they are not needed, making resources available for other installations, and ensure the effective use of taxpayer dollars.

#### **Leased Commercial Space**

DoD and GSA often rely on leased commercial space in suburban and urban areas of the U.S. to house personnel. Similarly, OBO often leases commercial space in host nations for American government personnel serving overseas. All three agencies have security guidelines and requirements, with the goal of protecting American personnel and assets.

In the case of leased commercial space for DoD personnel in GSA-owned buildings, there are several security criteria that must be addressed.

I would like to expand upon three of the most important building security requirements in the UFC and discuss how they relate to commercial leased space, particularly in dense, urban areas:

- Standoff distance
- Parking
- Windows and glazing.



**Standoff Distance**

Standoff distance is a response to mitigate damage from a vehicle borne improvised explosive device (VBIED), one of the most serious terrorism threats. VBIEDs were used in the 1995 Oklahoma City Alfred P. Murrah Federal Building bombing, and the 1993 truck bombing of the World Trade Center from an underground parking garage. The building industry and the security community have learned many lessons from these events, and other domestic and international terrorist attacks, on how to make buildings safer and more secure.

Standoff is critical because every foot from the source of a vehicle borne explosive to the face of a building can mitigate the impact of an explosion and collateral damage, which is injury to personnel or damage to buildings that are not the primary target of an attack.<sup>10</sup> Distance equals safety.

However, standoff distance does not protect people or assets from a suicide bomber, wearing explosives in a belt or backpack, who walks into the lobby of a building and detonates their charge between the front door and the x-ray machine before being screened. Nor does standoff distance protect against a pilot who flies a small plane into an office building housing the IRS, as occurred in Austin, Texas, in February 2010.

Blast resistant glazing, structural systems designed to avoid progressive collapse, blast resistant construction materials, and fire protection systems can mitigate collateral damage, along with operational training and fire exit drills for building occupants. Additionally, alert security personnel, electronic surveillance, and good intelligence should ideally be able to thwart such occurrences even before an attacker approaches a building.

Federal agencies, such as GSA, OBO, and DoD, call for different standoff distances for their facilities. Very often, however, in urban and suburban areas, the ideal standoff cannot reasonably be achieved with existing buildings. Security levels can be maintained

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<sup>10</sup> Ibid, p. A-1.

by appropriate architectural and engineering design strategies, and building hardening measures, along with operational approaches implemented by the building owner.

GSA and ISC call for a 50-foot standoff, which can generally be obtained through building setbacks from roadways or closing streets to vehicular traffic. Appropriate architectural and engineering design strategies can harden building exteriors to provide blast resistance where the desired standoff cannot be achieved.

OBO requires 100-foot standoff distance for embassies and diplomatic facilities located in other countries. This standard is a result of the high risk to American personnel serving in foreign countries, and the historical use of VBIEDs against American diplomatic facilities and personnel, dating back to the 1983 bombings of the U.S. embassy, and the Marine barracks, in Beirut, Lebanon. These attacks on U.S. personnel and assets have continued over the years and remain a serious threat.

In contrast, DoD, based on the UFC, calls for a 148-foot (45 meter) standoff for a Primary Gathering Building, with Low LOP, of conventional construction without a controlled perimeter. For existing buildings, the minimum UFC standoff is 82 feet (25 meters). For Inhabited Buildings, with fewer occupants, at a Very Low LOP, UFC calls for an 82-foot (25 meter) standoff, but requires a minimum standoff of 33 feet (10 meters).<sup>11</sup> These standards apply to all leased properties, in the U.S. and in other countries.

UFC addresses Leased Buildings as follows:

DoD personnel occupying leased buildings deserve the same level of protection as those in DoD-owned buildings. Implementation of these standards is therefore mandatory for all facilities leased for DoD use and for those buildings in which DoD receives a space assignment from another government agency except as established below. This requirement is intended to cover all situations, including General Services Administration space, privatized buildings, and host-nation and other foreign government buildings. This requirement is applicable for all new

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<sup>11</sup> Ibid. Table B-1, Standoff Distances for New and Existing Buildings, p. B-2.

leases executed on or after 1 October 2005 and to renewal or extension of any existing lease on or after 1 October 2009. Leases executed prior to the above fiscal years will comply with these standards wherever possible.<sup>12</sup>

Existing buildings: New leases or renewals of leases of existing buildings will trigger the minimum standards for existing buildings in accordance with the effective dates established above.<sup>13</sup>

In effect, this means that a military recruiting office located in a suburban mall storefront, or in the heart of Times Square, must have between 33 and 82-feet of standoff distance, an unrealistic situation. DoD must assess the risks and potential threats against the benefits of being in these locations.

Based on this data, it appears that the UFC imposes unreasonable conditions for leasing space within urban and suburban areas. GSA, OBO, and federal agencies with a significant history of VBIED attacks upon their facilities in the U.S. and abroad, have developed security standards and requirements that are less restrictive and more realistic for new construction, existing buildings, and leased facilities in urban locations than DoD's UFC standards. As a result, there is no apparent reason that DoD should require a standoff distance of 148-feet or 82-feet for all domestic leased facilities.

Distance creates safety, but alternative methods can be applied to address security and blast resistance other than standoff distance alone.

Simply put, the UFC 148-foot and 82-foot standoff is based on a design basis threat – a certain sized bomb, a certain distance, and a certain building façade hardening. When any of these parameters are increased or decreased, the others must be adjusted. If the bomb is bigger, the design basis threat becomes bigger, and the standoff distance must be increased, and/or the façade hardening should be increased as well. Or, if the standoff is

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<sup>12</sup> Ibid, 1-6.4, Leased Buildings, p. 1-6.

<sup>13</sup> Ibid, 1-6.4.3, Existing Buildings, p. 1-6.

limited, and the bomb is calculated at a certain size, an increase in the façade hardening is in order. This is the basic approach used by security experts.

If building owners, such as the State Department or other agencies, cannot achieve the desired 100-foot standoff everywhere around the world, they make facades and exterior building envelopes more robust, and employ blast resistant design strategies at exterior walls, windows, doors, and structural systems. DoD, especially in the current domestic environment, should be able to do the same.

There are many examples of beautiful buildings with high performance curtain wall construction that are designed and built to withstand considerable blast in the urban environment. The new Goldman Sachs Headquarters building in Lower Manhattan, near Ground Zero and the site of the World Trade Center, is one such example. Designed by Pei Cobb Freed & Partners, the building is sheathed in blast resistant glass curtain wall, and is an outstanding example of integrating security, sustainability, and design excellence for one of the most high profile building owners at one of the most secure building sites in the United States.

### **Parking**

The 1993 World Trade Center bombing in New York City, caused by a truck bomb in the underground parking area as part of a failed attempt to topple one of the Twin Towers, illustrates the need to provide screening and inspection for all vehicles that enter underground parking garages.

Underground parking areas must have robust inspection policies and operational procedures in place. No vehicle should be allowed to enter underneath a building unless the vehicle is fully screened for explosives. Ideally, according to some security experts, that includes the use of bomb-sniffing dogs trained to identify explosives. Owners may choose to implement policies allowing only authorized employees or other personnel to park underground. However, this is not a substitute for routine vehicle inspections, since explosives can be planted in or under vehicles at any time outside the facility.

For new construction, parking should ideally be in an adjacent, above ground structure. However, this does not relieve owners from the responsibility of requiring inspection and screening of all vehicles. Additionally, for new and existing buildings, a rejection lane should be provided to send unauthorized vehicles away without allowing them to drive into the parking structure or under a building.

### **Glazing**

The Oklahoma City bombing prompted GSA and ISC to perform extensive research on how glass behaves during an explosion. Many of the fatalities occurred because of flying glass shards and other debris, in addition to the progressive building collapse. DoD has also done exhaustive research studies on how window framing and glass react in a blast environment. The building industry has benefitted from the findings of this federal research.

Laminated glass, consisting of multiple sheets of glass bonded together by a bonding interlayer<sup>14</sup>, provides a level of protection to windows and doors because of the reduced likelihood of flying glass pieces.

Aluminum-based window systems, containing energy-absorbing devices concealed within the window structure, are generally known as blast windows. With blast-resistant window systems, the frame and laminated glass absorb blast energy without transferring loads onto the building structure. In retrofit projects, blast-resistant window systems can significantly reduce or eliminate the need for building reinforcement, allowing rapid installation with minimum disruption. Blast windows are suitable for high-risk, high-profile buildings considered potential targets; for projects where budget constraints or other concerns limit window replacement options, and where large glass facades, storefronts, and curtain walls are involved.<sup>15</sup> Blast window and door systems reduce the chance that frames will become flying missiles immediately after a blast.

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<sup>14</sup> Ibid. p. A-3

<sup>15</sup> Barbara A. Nadel, FAIA, ed., *Building Security: Handbook for Architectural Planning and Design* (New York: The McGraw-Hill Companies, 2004), 29.4.

Building material manufacturers are constantly developing high performance glazing and window systems designed to provide blast resistance, energy efficiency and sustainable qualities. Architects, engineers, and owners should have the flexibility to design and specify the most appropriate and current window and door systems to meet project requirements, especially when blast resistance, energy efficiency and sustainability are high priorities.

### **Conclusion**

Building security design, especially for federal buildings which are considered targets, should prevent mass casualties, minimize injury, protect critical assets, ensure business continuity, mitigate risk, and enhance resilience.

Good design is based on good intelligence. There is no one-size fits all solution to building security in the built environment. Every building and site is different, and has unique criteria to be considered for threat and risk management. Owners, architects, engineers, design professionals, and security personnel can assess the risks and options most suitable and affordable for each facility. Security standards, such as ISC, and UFC, provide a baseline for determining the level of protection, the design basis threat, and the most appropriate security countermeasures.

Regarding standoff, distance equals safety. However, in urban settings around the world, deep setbacks are not always achievable, available, or realistic. Owners, and tenants in some cases, should identify the acceptable level of risk. Architects, engineers, and security experts should have the flexibility to develop alternative design strategies for building hardening that would achieve a similar level of protection as a proscribed standoff distance of 148-feet or 82-feet.

Thank you for the opportunity to provide testimony on this important issue. I would be happy to answer any questions the Subcommittee may have.