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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

December 1, 2005

MICHAEL D. BOPP, STAFF DIRECTOR AND CHIEF COUNSEL
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The Honorable David M. Walker
Comptroller General of the United States
U.S. Government Accountability Office
441 G St. N.W.
Washington, D.C. 20548

Dear Mr. Walker:

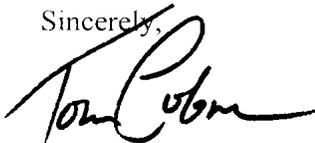
The Subcommittee appreciates GAO's work over the last several years on the challenges associated with managing the federal real property portfolio. The designation of this area as *high risk* in 2003 was an important step that GAO took to bring more attention to this problem. The reasons for the designation, as stated by GAO, include pervasive problems with excess and underutilized property, deteriorated property that is in need of re-investment, unreliable information on the assets, and an over-reliance on costly leasing. In addition, the need to secure these assets against the threat of terrorism if they remain in federal hands poses additional challenges. The President has added *federal real property asset management* to the President's Management Agenda and issued a related executive order. Agencies are now beginning to address this important area which consumes a large amount of taxpayer dollars annually.

I would like more details specifically about the financial scope of the government's over-reliance on costly leasing, including:

1. A government-wide picture of the major types of financing arrangements agencies have engaged in over the past 10 years to obtain needed space (including construction, purchasing existing space, lease-purchase, operating lease, capital lease, etc)
2. A comparison of costs of the chosen method vs. alternate methods agencies could have chosen.
3. A comparison of the total cost of purchasing up front vs. the appreciation of the total cost of the other options over time.
4. A discussion of the procedural, administrative, and budget-related disincentives and challenges agencies face when making a decision on the method they use in order to meet a space need.

The Subcommittee appreciates GAO's assistance with this effort. Please contact Robin Landauer with Senator Coburn's staff at 202.224.2254 or John Kilvington with Senator Carper's staff at 202-224-7061 to further discuss this request and address any questions you may have.

Sincerely,



Tom Coburn
Chairman
Subcommittee on Federal Financial Management,
Government Information, and International Security



Tom Carper
Ranking Member
Subcommittee on Federal Financial Management,
Government Information, and International Security