

Opening Statement
Federal Real Property: Real Waste in Need of Real Reform
Senator Tom Coburn
May 24, 2007

I want to thank Senator Carper for calling this important hearing today on the problems of real property management in the federal government. Thanks also to the witnesses for their time and attention to these issues.

Poor property management across the federal government is quietly costing the American taxpayer billions of dollars per year. Sadly, until GAO placed federal real property management onto its High Risk List in 2003, there was little, if any, executive level attention to property management.

Since then, though, the Administration deserves credit for having taken the issue seriously and making progress. It has designated a person at each agency to be in charge of property management, established the Federal Real Property Council and added real property to the President's management scorecard.

But, there are some very serious challenges that remain and we are only beginning to touch on them. For example, the government still is not 100% confident that it has an accurate inventory of its property. It is unfathomable that any private sector company would lose track of millions, if not billions, in property, but that is the case with the government. Even worse than that, of what we know of the government's property inventory, a significant amount is no longer needed by any agency. Yet, taxpayers continue to pay huge maintenance costs each year for property that the government doesn't need or use.

To put the problem into perspective, the amount of excess space at just the Department of Energy alone is 20 million square feet. That is equivalent to **19 buildings the size of the Dirksen Building**, which we are currently in. To further put it in perspective, it is equivalent to more than **three buildings the size of the Pentagon** – the largest office building in the world – and that is at just one agency. The largest landholding agency in the government is the Department of Defense, which has said that it will still be a while before they can even finish counting all of their excess property.

I have heard from agencies time and again that they would be able to dispose of their unneeded property if the regulatory process for disposing of it was more workable. Under the current disposal process, agencies are required to jump through so many hoops that it's easier to just do nothing at all.

Every time an agency wants to get rid of property it doesn't need, it is required to see if that property should be given away for free to meet a need in the following areas: education, public health, recreation, law enforcement, emergency management, homelessness, or conservation, just to name a few.

If Congress wants to fix this situation there are legislative remedies available. I have been working with Senator Carper to develop legislation that would grant – on a pilot program basis – expedited disposal authority to agencies with unneeded property.

Expedited disposal authority would help agencies move properties to market much faster than is possible today and would allow the government capture the proceeds. This authority was requested by the President in both is fiscal year 2007 and 2008 budget requests, so it is something we hope to have passed as soon as possible.

I hope that my colleagues will join with me and Senator Carper as we try to develop needed and practical solutions to a very real, and very costly problem.

Thank you again to Sen. Carper for calling this hearing and I look forward to hearing from our witnesses today.