

**STATEMENT OF MARTHA N. JOHNSON  
ADMINISTRATOR OF GENERAL SERVICES  
BEFORE THE  
HOUSE APPROPRIATIONS COMMITTEE  
SUBCOMMITTEE ON FINANCIAL SERVICES AND GENERAL GOVERNMENT  
UNITED STATES HOUSE OF REPRESENTATIVES  
APRIL 5, 2011**



Madam Chair, Ranking Member Serrano, and Distinguished Members of the Subcommittee:

My name is Martha Johnson and I am the Administrator of the General Services Administration (GSA). Thank you for inviting me to appear before you today to discuss GSA's fiscal year (FY) 2012 budget request.

Our FY 2012 budget continues efforts that we started last year to transform GSA into an innovative change agent for the government. GSA is becoming a strategic partner for Federal agencies by helping them make efficient and effective use of resources, collaborate with and engage the public, and make Government more nimble, agile, responsive, and adaptive. GSA is building a high-performing government by changing the way we acquire, manage, and dispose of our assets, accelerating open government through new transparency tools and practices, and improving the environmental and financial performance of our assets. We are modernizing our acquisition processes to reduce consumption and overcome long-standing barriers to cost savings in Federal contracting. We are demonstrating that open government is good government, and we have requested limited funding increases to continue to engage citizens in their government, make government more responsive to citizen needs, and increase the effectiveness of government programs. Finally, we are requesting targeted investments in Federal buildings and Land Ports of Entry to modernize the nation's infrastructure, create jobs, and grow trade and commerce.

GSA's FY 2012 budget priorities align with our strategic goal of supporting a government that works through Innovation, Customer Intimacy, and Operational

Excellence. The two biggest drivers for making that work are our focus on achieving a “Zero Environmental Footprint” and our dedication to building and leveraging openness and transparency.

The Zero Environmental Footprint goal, or “ZEF”, is GSA’s commitment to eliminate our impact on the natural environment and to use our example and our government-wide influence and positioning to reduce the environmental impact of all Federal agencies. ZEF focuses GSA efforts and resources to concentrate on reducing our consumption of energy, water, and other resources, eliminating pollution, and wringing out waste from all of our operations.

GSA efforts to reduce consumption and eliminate waste and pollution can translate directly into reduced Federal spending. We provided Federal agencies with almost 369 million square feet of workspace in FY 2010 and realized \$64 billion in acquisitions through GSA business lines or through procurement vehicles developed by GSA, which is over 14 percent of Federal procurement dollars. Traditionally, the large scale of our operations has allowed us to help agencies use their workspace and contracting dollars more effectively by consolidating and centralizing procurements, using expert negotiating to get the best price, and managing assets with stewardship and financial integrity. Today, GSA can deliver even greater efficiencies by applying principles of sustainable design to find innovative ways to use Federal assets more efficiently and to make Federal programs and processes more effective.

GSA also is building expertise, technology, and processes for open government and putting transparency, participation, and collaboration at the center of government

operations. GSA is publishing more government data and information on-line and through modern information delivery channels, including mobile applications, to communicate government performance to citizens. GSA is making government more responsive by expanding citizen participation through shared information, crowd-sourcing tools and techniques, virtual workplaces, and collaborative protocols. GSA is building citizen engagement and collaboration tools to strengthen problem-solving networks. GSA efforts in open government have provided Federal agencies with the tools and expertise to make a more visible and accessible government, that is better able to encourage and engage the talent and contributions of citizens, industry, non-profit organization, academia, and our own civil servants.

## ZERO ENVIRONMENTAL FOOTPRINT

Over the past year, GSA has demonstrated progress in improving our environmental performance in ways that reduce Federal government operating costs.

GSA is working to “green” the Federal supply chain through a variety of initiatives. GSA is helping other agencies meet their sustainable procurement goals by expanding our offerings of sustainable products and services. We are also verifying the accuracy of eco-labeled products that GSA provides and, in the process, we are standardizing and simplifying our labeling to ensure Federal agencies can quickly and easily procure environmentally friendly products. We are working with the vendor community to encourage Federal contractors to voluntarily disclose their Greenhouse Gas (GHG) emissions and to include vendor GHG emissions data in the Federal procurement process. We will use our market influence to ensure a continuing demand

for sustainable products, which we expect will help encourage innovation in green technologies, stimulate the green economy, and help create new jobs.

We are making significant progress in improving the environmental performance of the Federal motor vehicle fleet. In FY 2010, GSA doubled the number of hybrid-electric passenger vehicles in the Federal fleet. We used existing funds to acquire 5,603 new hybrids to replace the least fuel-efficient vehicles across the Federal fleet, without increasing the overall size of the fleet. This investment will save an estimated 7.7 million gallons of gasoline over the life of the vehicles, and with nationwide gas prices exceeding \$3.50 per gallon, could produce as much as \$27 million in savings over the next five years.

GSA also plans to pilot plug-in, hybrid-electric motor vehicles in the Federal fleet as soon as they become commercially available. This new technology has the potential to substantially reduce the Federal government's consumption of gasoline. We do not believe, however, we have the authority to purchase these vehicles under current laws and at the prices that manufacturers are expected to offer. The President's Budget includes language in the Government-wide General Provisions that would allow GSA to acquire motor vehicles that operate on emerging, clean-burning technologies. If this authority were granted, GSA would use it to test new technology motor vehicles and prove their technical and economic viability before expanding their use in the Federal fleet.

We have continued to improve the sustainability of our Federal buildings. As of 2010, 47 GSA Federal buildings and leases had achieved the U.S. Green Building

Council's Leadership in Energy and Environmental Design (LEED) certification. LEED certification provides third-party verification that a building was designed and built to standards that improve energy savings, reduce water consumption, improve indoor air quality, and use more sustainable resources, when compared to existing buildings. A review of 12 GSA properties with LEED certification found that those buildings consume 26 percent less energy and 3 percent less water than equivalent commercial buildings. By consuming less energy and water, LEED buildings reduce operating costs over the life of the building.

Beginning last year, all new construction projects will be designed to achieve LEED Gold certification and to meet Energy Star requirements. These projects also will be designed to be at least 30 percent more energy-efficient than industry standards for non-residential buildings. Major renovation projects will be designed to consume energy at a level no greater than the average energy intensity of comparable GSA facilities. The GSA Energy and Water Retrofit and Conservation Measures program provides small-scale building alterations and retrofits of building systems to reduce on-site energy and water consumption in Federal buildings. GSA capital building projects will improve the environmental sustainability of our assets by reducing energy consumption and pollution; reducing energy consumption will reduce operating costs over the life of our assets.

GSA is moving beyond LEED and is exploring net-zero buildings as a springboard to significant improvements in environmental performance. Net-zero buildings benefit the environment by producing as much energy as they consume during the year, through on-site renewable energy generation and by increasing energy

efficiency to reduce consumption. GSA recently announced plans for the nation's first net-zero historic building: the 92-year-old Wayne Aspinall Federal Building and Courthouse in Grand Junction, CO. Net-zero buildings reduce operating costs by consuming significantly less energy and can improve security in Land Ports of Entry by moving facilities off the power grid.

## OPEN GOVERNMENT

GSA is committed to creating a culture of open government and making openness standard practice in government operations. We have demonstrated our commitment to transparency by delivering government information and services directly to citizens and by sharing our expertise in citizen engagement with other agencies through the Office of Citizen Services. GSA increased citizen participation in government by supporting several electronic government projects, including: [www.data.gov](http://www.data.gov) and the IT Dashboard on [www.USASpending.gov](http://www.USASpending.gov); the government-wide challenges and prizes platform, [www.Challenge.gov](http://www.Challenge.gov); and the citizen engagement platform, [www.apps.gov](http://www.apps.gov) NOW. Our experience has demonstrated that rapidly-developed, web-based technologies are the key to open government objectives of transparency, participatory government, and citizen-government collaboration.

GSA also provides faster, easier, and more efficient services directly to citizens through [www.U.S.A.gov](http://www.U.S.A.gov) and [www.GobiernoUSA.gov](http://www.GobiernoUSA.gov), the web portal of the Federal government. We revamped the [www.U.S.A.gov](http://www.U.S.A.gov) website last year, the tenth anniversary of the website, adding a state-of-the-art search engine that provides citizen with access to Government information and services nine times faster than the previous website. We

deployed 17 mobile applications to USA.gov, giving citizens go-anywhere access to information and services from 12 Federal agencies. We recently launched Notifications.USA.gov, giving the public easy access to 7,000 real-time updates on topics ranging from food recalls to weather emergencies, delivered to their computer desktop, smart phone, or other device.

GSA supports participatory Government by providing Federal agencies with solutions that simplify the engagement process for both citizens and agencies. We conducted 12 high-value public dialogues in FY 2010, using crowd-sourcing tools to allow citizens to submit their ideas for improving Government and to vote on the ideas of others. We developed [www.Challenge.gov](http://www.Challenge.gov), a no-cost, easy-to-use on-line tool for Federal agencies to solicit solutions to pressing issues by posting contests and using challenges and prizes to promote and inspire citizen participation in Government.

Inside GSA, we are employing new business practices and technologies to increase transparency and improve our internal collaboration. We are using web-based tools to hold dialogues and engage our employees in topics ranging from sustainability to workspace utilization and configuration. These on-line conversations encourage innovation and allow effective practices to spread quickly and easily across the agency. We have pioneered a new type of meeting, a “slam”, which gathers key decision-makers in one room to develop solutions and plan for implementation of those solutions. We most recently held a slam meeting on the Federal Acquisition Regulations (FAR), where we brought together our rule-making partners in the Office of Management and Budget, the Department of Defense, and the National Aeronautics and Space Administration to find new ways to improve the quality and timeliness of the FAR rule-

making process. We have recently awarded a contract for a cloud-based e-mail and collaboration solution, and we expect the anytime, anywhere collaboration capabilities of this tool to provide an environment for on-line, shared problem solving.

As we continue to drive increased openness and transparency in Government, GSA has recognized the convergence of open government and electronic government. To meet these closely related objectives, we have realigned the mission and talent of the Office of Citizen Services to create a new organization, the Office of Citizen Services and Innovative Technology (OCSIT). OCSIT will identify, test, and deploy innovative technologies to make government data available and accessible online, soliciting the public for input into government decisions, and leveraging wisdom and solutions from outside the government. OCSIT will continue to provide information and services directly to the public and assist other Federal agencies in citizen engagement. In addition, OCSIT's role has been expanded to include responsibility for GSA Electronic Government Fund projects.

#### ACQUISITION IMPROVEMENTS – FEDERAL STRATEGIC SOURCING INITIATIVE

GSA is helping Federal agencies to reduce spending is through our Federal Strategic Sourcing Initiative (FSSI) Blanket Purchase Agreements. FSSI is an OMB-initiated program that consolidates requirements for common commodities to create government-wide procurement solutions that are easier to use and offer substantial discounts over commercial sources. GSA currently offers FSSI solutions for purchasing express and ground domestic delivery services, telecommunications management, and office supplies.

GSA recently released a second generation of FSSI solutions for domestic shipping and parcel delivery service and office supplies. GSA second generation FSSI Solutions offer additional benefits over the first generation offerings, including point-of-sale discounts, which allow government purchasers to automatically obtain agreed-upon discounts. GSA's new FSSI solution for domestic shipping and parcel delivery services will generate significant savings from commercial retail costs: The first generation solution reduced costs by an estimated \$244 million over its three-year lifespan, and the new solution prices are seven percent lower. GSA's second generation office supplies solution is estimated to reduce government-wide costs by \$48 million per year, for a four-year total reduction of \$192 million. GSA's office supplies FSSI solution offers sustainable products and supports socio-economic purchasing goals by satisfying AbilityOne requirements and including small and small-disadvantaged businesses.

GSA offers interagency acquisition vehicles that adopt a strategic sourcing approach to reduce unit costs and reduce acquisition support costs in Federal agencies. For example, GSA telecommunications contracts aggregate government-wide requirements to deliver significant savings to customers; in FY 2010, these programs saved the Federal government an estimated \$678 million, when benchmarked against comparable commercial contract offerings. The GSA SmartBUY (Software Managed and Acquired on the Right Terms) program has generated savings for software purchasers approaching \$1 billion since its inception in 2003. GSA Network Services and SmartBUY programs are expected to reduce government costs by \$1 billion per year by FY 2014.

## EFFICIENT MANAGEMENT OF FEDERAL REAL PROPERTY

GSA supports the Administration's efforts to eliminate excess and underutilized Federal real property and make better use of the remaining assets. The President's Budget includes a proposal to establish an independent board of experts to expedite the disposal of unneeded properties and identify opportunities to consolidate offices across and within agencies. It applies approaches that have been proven successful by the Department of Defense's Base Realignment and Closure Commission.

GSA looks forward to supporting the Civilian Property Realignment Act Board and helping the Government overcome recognized barriers to the timely disposal of excess property. We will share our expertise in real property management and workspace utilization to support the Board as it formulates strategies for consolidating Federal properties. We will help the Board by providing data from the Federal Real Property Profile, the government-wide database of all non-security, Executive Branch real property, which GSA operates on behalf of the Federal Real Property Council. We expect to act as a disposal agent for some of the properties identified by the Board and approved for disposal by Congress.

GSA will continue to address the management of real property across our real estate portfolio and implement cost savings approaches which support the economic and efficient use of space. We will develop portfolio plans in collaboration with our customers to make more efficient and economical real estate decisions. Portfolio plans represent strategic relationships between GSA and its customers to determine the customer's long-term housing needs and to develop an actionable plan to address

those needs. GSA will complete portfolio plans for at least three of our largest real estate customers by September 30, 2011, and we have established a long-term goal of completing plans for our 20 largest customers by FY 2014.

## COST SAVINGS IN GSA

GSA is reducing costs in our own operating budget. Our FY 2012 budget request includes seven savings initiatives that produced \$27 million in cost avoidance, including \$17.5 million in cuts to our discretionary appropriations.

Nearly half of these savings, \$11 million total and \$8.5 million from discretionary accounts, is generated by reducing business travel across all GSA programs. GSA has committed to reduce our Scope 3 Greenhouse Gas (GHG) emissions from employee business travel by 25% by FY 2020. We will meet this aggressive goal by seeking alternatives to travel, including deploying advanced videoconferencing systems, consolidating and co-locating training conferences, and reducing non-mission critical travel. This initiative is a model of how improving agency environmental performance can deliver meaningful reductions in operating costs.

We reduced the cost of our telephone network by deploying Voice-Over-Internet-Protocol (VoIP) technology. VOIP reduces costs for phone service, and because VOIP carries telephone services over the internal data network and over the Internet instead of the telephone network, reduces costs of maintaining the physical infrastructure of telecommunications equipment. GSA has reduced its FY 2012 budget by \$6 million for VOIP savings, including \$3.5 million from the discretionary request.

GSA found an additional \$10 million in savings, including \$5.5 million from discretionary funding, from several smaller initiatives. We are transitioning our supply operations away from brick-and-mortar distribution centers and moving to a model where vendors deliver supplies directly to our customers. We are eliminating our support for Telecenters because of low participation rates government-wide. We will reduce the number of building studies conducted in the Public Buildings Service, and our request identifies smaller initiatives that will deliver cost savings in the Office Government-wide Policy and Office of Citizen Services and Innovative Technologies.

#### TARGETED INVESTMENTS IN CRITICAL INFRASTRUCTURE

GSA's FY 2012 budget requests a total of \$617 million in net budget authority. This amount is just 2.6% of our total planned obligations of \$24 billion. The majority of our funding is provided through reimbursements from Federal customer agencies, for purchases of goods and services or as rent paid for space in Federally-owned and – leased buildings under GSA jurisdiction, custody or control.

#### Federal Buildings Fund

Our FY 2012 budget requests \$9.5 billion in New Obligational Authority (NOA) for the Federal Buildings Fund, including a capital investment program of \$1.7 billion. GSA is not requesting an appropriation to the Fund, and would fund the FY 2012 request from available resources.

Our request for \$840 million in NOA for New Construction and Acquisition focuses on homeland security, including \$218 million for the continued development of

the Department of Homeland Security Headquarters at the St. Elizabeths Campus in Washington, DC; \$243 million for two Federal Bureau of Investigation projects in San Juan, PR, and Frederick County, VA; \$370 million for five Land Port of Entry facilities; and \$9 million to continue the environmental remediation of the Denver Federal Center.

Our request includes the following projects:

- St. Elizabeths Highway Interchange in Washington, DC (\$55 million);
- St. Elizabeths West Campus Infrastructure in Washington, DC (\$42 million);
- St. Elizabeths Activities in Washington, DC (\$100 million);
- St. Elizabeths East Campus Road Development in Washington, DC (\$21 million);
- Denver Federal Center Remediation in Lakewood, CO (\$9 million);
- FBI Consolidation in San Juan, PR (\$146 million);
- FBI Central Records Center in Frederick County, VA (\$97 million); and
- Land Ports of Entry in:
  - Columbus, NM (\$60 million)
  - Alexandria Bay, NY (\$174 million)
  - Laredo, TX (\$75 million)
  - Dunseith, ND (\$36 million)
  - Brownsville, TX (\$26 million)

GSA requests NOA of \$869 million for Repairs and Alterations to Federal buildings. The request includes \$321 million in NOA to complete four multi-year building modernization projects; \$84 million for three additional projects; and \$464 million for non-prospectus level projects and Special Emphasis programs. Our proposed repairs and alteration program includes:

- Main Interior Building in Washington, DC (\$50 million);
- Harry S. Truman Building in Washington, DC (\$55 million);
- Prince J. Kalanianaʻole Federal Building and Courthouse in Honolulu, HI (\$199 million);
- Phillip Burton FBI Consolidation in San Francisco, CA (\$50 million);
- Prevedel Federal Building in Overland, MO (\$24 million);
- EEOB Pennsylvania Avenue Screening Facility in Washington, DC (\$17 million);
- Design of the Federal Building (ICE) in Los Angeles, CA (\$9 million);
- Non-Prospectus Repairs and Alterations projects (\$402 million); and
- Three Repairs and Alterations Special Emphasis programs:
  - Energy and Water Retrofit and Conservation Measures (\$40 million);
  - Fire Prevention Program (\$15 million); and
  - Wellness and Fitness Program (\$7 million).

In addition to our capital program, GSA requests New Obligational Authority for our operating program, in the amount of:

- \$5.3 billion for the Rental of Space program, which will provide for 201 million rentable square feet of leased space;
- \$2.4 billion for the Building Operations program; and
- \$127 million for the Installment Acquisition Payments program.

## Cross-Border Transportation Initiative

In addition to the amounts requested in the Federal Buildings Fund, the President's Budget includes \$2.2 billion that would be provided to the Federal Highway Administration (FHWA) for design, construction, and modernization of Land Ports of Entry (LPOE) at the nation's largest border crossings. If approved, FHWA would transfer LPOE funding to GSA to design and construct the LPOEs.

This investment is designed to improve the nation's transportation infrastructure by improving LPOEs to increase and expedite the flow of cross-border transportation and trade. The LPOE funding is one component of a \$50 billion up-front investment proposed by the President in FY 2012 to re-build and modernize the nation's infrastructure, including roadways, railways, and runways. This investment would be funded by mandatory contract authority provided to the Transportation Trust Fund (TTF, formerly the Highway Trust Fund), within the Department of Transportation (DOT). The President has requested funding for Land Ports of Entry in the DOT budget because LPOE improvements are one component of a broader initiative to improve travel and stimulate trade and commerce through investments across the nation's transportation infrastructure. LPOEs are critical to the larger investment because all goods traveling by land must transit through a port when entering or exiting the United States. The proposed list of LPOE projects which could be funded by this initiative was identified cooperatively by the Department of Homeland Security, Customs and Border Protection, DOT and GSA.

## GSA Operating Appropriations

The GSA FY 2012 budget requests \$332 million for our operating appropriations, an increase of \$66 million over the FY 2010 enacted level. Our operating appropriations provide for the Office of Government-wide Policy, the government-wide programs of the Operating Expenses account, the GSA Office of Inspector General, the Electronic Government Fund, the pensions and office staffs of former Presidents, and the Federal Citizen Services Fund. The budget also requests funding for the Federal Acquisition Workforce Initiatives Fund.

Our budget requests \$38 million for the Government-wide Policy appropriation for the continued modernization of the Integrated Acquisition Environment (IAE). IAE is an Electronic Government initiative that combines eight separate systems that provide shared acquisition services across the Federal government. GSA is requesting funding to consolidate the separate systems onto a single, integrated platform for Federal procurement. A single platform for IAE will improve transparency and support open Government objectives by improving data quality, simplifying access to Federal acquisition data, and improving usability of procurement systems for Federal acquisition professionals and citizens.

GSA also has requested \$16.9 million for strategic investments in the Federal, civilian acquisition workforce, through the Federal Acquisition Workforce Initiatives Fund. These funds would provide for activities that foster and promote the development of the government-wide acquisition workforce and support the responsibilities provided for in the Office of Federal Procurement Policy Act. Funding is requested to increase

the capacity and capability of the acquisition workforce; improve the effectiveness of the workforce; and maximize competition and value.

We have requested an increase of \$3.1 million for the Federal Citizen Services Fund to improve citizen engagement with the government through innovative technologies and to improve delivery of government services to the public. The funds requested would be used to modernize GSA information delivery channels, including adding texting capability at the National Contact Center and providing easy electronic access to electronic and mobile-accessible government publications through an on-line storefront. GSA would expand our efforts to improve government service by providing other agencies with technology and expertise to improve their interactions with the public. GSA will continue to build government-wide capability to engage citizens in dialogues and challenges to solve complex issues directly impacting the public.

## SUMMARY STATEMENT

The GSA FY 2012 budget request advances the Administration's goal of "winning the future" through targeted investments in innovation and infrastructure while cutting waste and excess. Our budget request includes targeted investments in our nation's physical infrastructure, but promises greater savings through the real property consolidations and disposals of the civilian BRAC Board and GSA efforts to improve space utilization in our buildings. Our budget requests funding to modernize government-wide acquisition systems and improve the capabilities of the acquisition workforce, while demonstrating that acquisition improvements such as strategic sourcing can deliver billions of dollars in savings. We have requested small increases

for open government initiatives that will improve citizen collaboration and engagement, and drive better delivery of government services to citizens. Further, our budget demonstrates that we can deliver significant gains in Federal environmental sustainability in a way that reduces costs and improves government effectiveness.

Your approval of the GSA budget request for FY 2012 is a vital step toward helping GSA to deliver a more effective and efficient Government.

#### CLOSING STATEMENT

Madam Chair, this concludes my formal statement. I look forward to continuing the discussion of our FY 2012 budget request with you and the Members of the Subcommittee.