

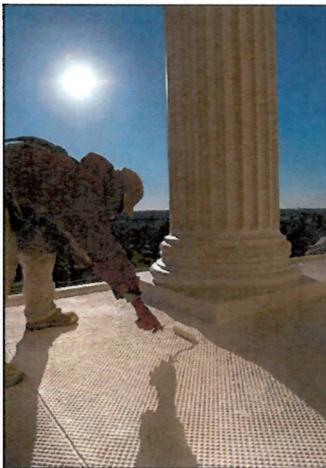
**STATEMENT OF
THE HONORABLE STEPHEN T. AYERS, FAIA, LEED AP
ARCHITECT OF THE CAPITOL**

**Regarding Fiscal Year 2014 Appropriations
For the Architect of the Capitol**

**Subcommittee on Legislative Branch, Committee on Appropriations
U.S. House of Representatives**

March 5, 2013

Mr. Chairman, Representative Wasserman Schultz, and members of the Subcommittee, thank you for the opportunity to testify today regarding the Architect of the Capitol's (AOC's) Fiscal Year 2014 budget request.



The fiscal climate has continued to present the country and the Congress with serious challenges. With these challenges in mind, we have crafted our annual budget request to focus limited resources on our highest priorities, and to address the most pressing stewardship obligations.

Most importantly, we continue to invest our labor and resources in maintaining and preserving the buildings and grounds that are the foundations of the Capitol campus. This is our fundamental mission – a mission to which we are completely committed.

Mr. Chairman, before proceeding with the specifics of our request, I would like to take a moment to remember a person who was the embodiment of our mission to serve, preserve, and inspire. This was the last budget request that our Budget Officer Lauri Smith had a hand in developing. Unfortunately, she passed away in January and we truly miss her.

Lauri was an expert on the intricacies of the Federal budget process, and was an invaluable source of information and inspiration for me and for all her colleagues. She worked tirelessly to develop and strengthen relationships between the AOC and Congress, and was greatly respected by everyone with

whom she worked. We particularly appreciated that while Lauri dealt with serious fiscal subjects, she always maintained a wonderful sense of humor, and was quick to engage in debates on all topics.

Lauri was passionate about securing the necessary investments needed to repair and restore the Capitol Dome, the Brumidi Corridors, and other projects that preserved the historic fabric of the Capitol campus and grounds.

With Lauri's guidance and steady hand, we developed this budget request so that we can continue to provide vital support to Congress, but have worked strenuously to use the funding Congress has provided to us effectively in order to address the highest priorities. This includes reducing costs, reducing energy consumption, and improving efficiencies. In Fiscal Year 2014, we are requesting \$681.7 million. This includes \$63.9 million to address Deferred Maintenance issues, and \$154.7 million in capital projects that would further our efforts to prevent or delay building and system malfunctions or failures.



Chief among these efforts are new projects to address an emerging issue with which we are dealing – the serious deterioration of the exterior stone on Congressional buildings, which I'll describe in greater detail later in my testimony. Restoring the exterior stone on these historic buildings will take significant time and resources, and we realize these projects will be competing with many other priorities for limited Federal dollars.

And, the competition for Federal dollars has been an even more pressing concern with the recent focus on sequestration. It is my philosophy to always plan for the worst and hope for the best. To ensure that we were prepared for budget cuts under sequestration, last October we began extensive planning and set aside 8.2% of the total funds made available under the current continuing resolution. We significantly changed how we prioritized our spending requirements, and slowed our overall spending by initiating hiring freezes, reducing overtime, reducing employee training, and tackling only the most urgent repairs across the Capitol campus.

We took these proactive steps to minimize the impact of Sequestration on AOC operations and employees. However, since the full extent of the budget cuts are not yet known, the execution of our plan must remain fluid to give us the flexibility to meet mission-critical facility, operational, and maintenance needs.

We worked closely with Congress during this important planning phase to ensure that our efforts lessened the impact on our employees, Congress, and visitors. Because our workforce has unique and specialized skills honed to care for these historic buildings, it is more important to me to have enough electricians or stone masons on the job than to have 100 light switches sitting on a shelf and no electricians to install them.

However, no matter how much advanced planning we do, these budget cuts will have a lasting impact on the AOC's operations and our ability to sustain the level of support that is necessary to adequately maintain these historic facilities and provide the services that the American people deserve here at the seat of their nation's government.

For example, our sequestration plans include significant reductions in our IT infrastructure and systems. We will have to delay replacing antiquated and outdated computers, and our computer systems will become increasingly vulnerable because we will not be able to make the appropriate upgrades in our software and security systems.

In addition, our employees' performance could be hampered because the tools, equipment, and vehicles they need to do their jobs effectively will not be replaced as often, resulting in a shortage of materials they need.

While these efforts of "self-sequestration" are sustainable in the short-term, reducing the amount of investment in both our workforce and the facilities will only hasten the buildings' deterioration and further increase the backlog of Deferred Maintenance we currently face.

Doing More With Less

As I noted earlier, in addition to judiciously requesting only those projects that are most urgent, we continue to capitalize on cost avoidance measures we have implemented in recent years.

The various initiatives we've adopted have helped us manage our resources and helped us work smarter and leaner. The following list highlights just a few examples of how conscious efforts – both large and small – have added up to significant cost avoidances and have contributed in our efforts to reduce costs and become more efficient.

We continued to reduce overtime costs by improving our project planning, restructuring work shifts, and establishing overtime budgets. As a result, we cut nearly 72,000 overtime hours from Fiscal Year 2011 to Fiscal Year 2012.

Across the AOC, in organizations such as the Library Buildings and Grounds jurisdictions, they were achieved by implementing Alternative Work Schedules in several of its shops to manage workloads and reduce overtime. Not only has this resulted in cost avoidances, it has provided a consistent rather than rotating staff on weekends, which improved continuity of operations, maintenance activities, and emergency response capabilities. In the House and Capitol jurisdictions, we are modifying and reducing their contractual services and performing more maintenance and construction activities in-house without any increases in manpower or payroll.

We also continued to reduce the inventory on hand, such as drywall, carpet, and repair parts, from \$8.3 million in Fiscal Year 2007 to \$7.5 million in Fiscal Year 2012; a 9.6 percent decline. We're also delaying purchases of supplies until just before they are needed.

The AOC's jurisdictions also are saving taxpayer dollars by reducing energy and resource consumption. In Fiscal Year 2012, the AOC exceeded its energy reduction goal by achieving a 21.8 percent reduction, which represents approximately \$13.6 million in avoided annual utility costs. In addition, the AOC realized significant cost savings by refinancing the interest rates and terms of the Capitol and Senate Energy Savings Performance Contracts. Under the new terms, it will save AOC \$23 million in future payments.

In taking these various actions, we have been able to reinvest our resources in Deferred Maintenance and Capital Renewal projects throughout the Capitol campus. As a result, the AOC was able to reduce its budget request for capital projects in Fiscal Year 2014 to \$154.7 million, which is a \$6.3 million, or 4 percent decrease from our Fiscal Year 2013 capital projects request.

In the most challenging of economic times, we must continue to correct deficiencies and prevent facility or system failures. The key is to prioritize projects to ensure resources go toward the most important work.

Investing in the Capitol Campus

Our staff specializes in repairing and restoring the historic assets entrusted to our care. In many instances, the craftsmanship of the dedicated men and women who work at the AOC has successfully disguised the serious conditions or fragile states that the facilities are in or has temporarily stemmed any further deterioration. However, these temporary patches are just that – temporary.



We employ our Project Prioritization Process to rank every necessary project using the conditions of the facilities and the urgency in which any deficiencies need to be addressed as the primary drivers. This has effectively allowed us to identify and recommend to Congress the levels of investment and maintenance required to ensure that all the facilities on the Capitol campus remain safe, functional, and protected. The various tools we use, including the draft Capitol Complex Master Plan, Facility Condition Assessments, and the Five-Year Capital Improvements Plan, assist us in identifying phasing opportunities, project sequencing, and other factors to better facilitate the timing of the execution of major Deferred Maintenance and Capital Renewal projects.

Webster’s Dictionary defines Deferred Maintenance as *an amount needed but not yet expended for repairs, restoration, or rehabilitation of an asset*. For Fiscal Year 2014, we are recommending that \$171.9 million in necessary project work be further deferred to a later fiscal year due to the austere budget environment. This is not without serious risks. We continue to carefully monitor and maintain the facilities and systems to minimize the risk of catastrophic failure. We also continue to monitor a large number of Capital Renewal projects that remain unaddressed.

The Congress has been very supportive of the AOC’s efforts to address critical Deferred Maintenance projects. As demonstrated in the accompanying Facility Condition Index (FCI) charts (*on pages 7 and 8*) comparing Fiscal Year 2011 and Fiscal Year 2012, Congress has provided significant funding over

the past several fiscal years, which has been directed to help repair the infrastructure of several facilities.

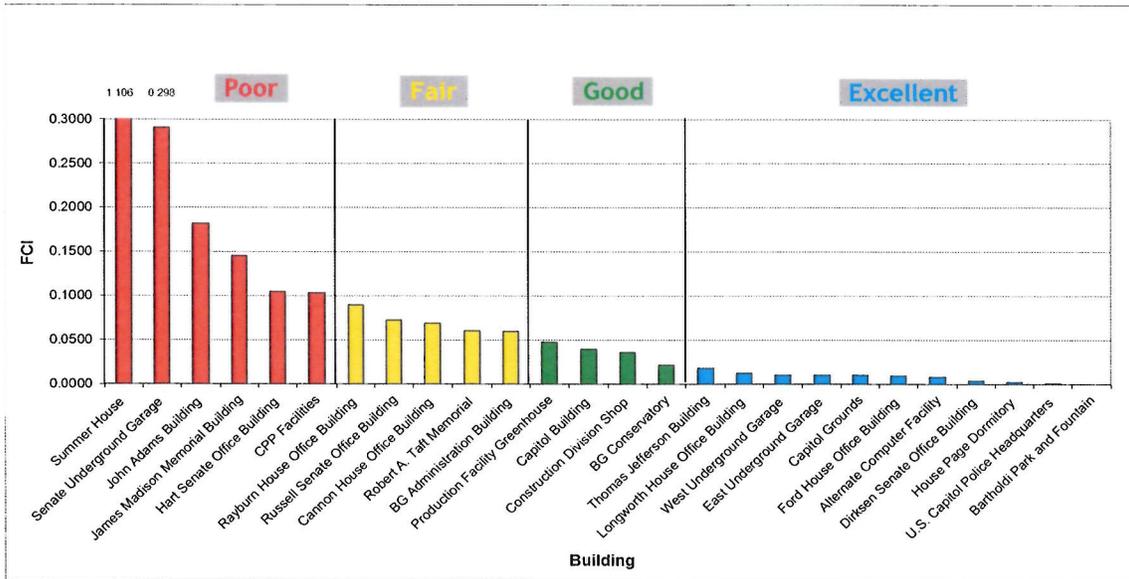
It is important to note that there was a slight decrease in the Deferred Maintenance and five-year Capital Renewal project “backlog” in Fiscal Year 2012 from \$1.6 billion to \$1.3 billion. This was due, in part, to the strategic investment in some large Deferred Maintenance projects such as the Dome Skirt Restoration.

However, because we realize that in this fiscal environment there are no certainties that all of the large, priority projects will be funded, we have been targeting small fixes to Capital Renewal projects to slow down the rate of their becoming Deferred Maintenance projects. This reassignment of Capital Renewal work to out-years is reducing the immediate funding requirements, but it is creating a greater risk of failure and will result in higher replacement costs in the future.

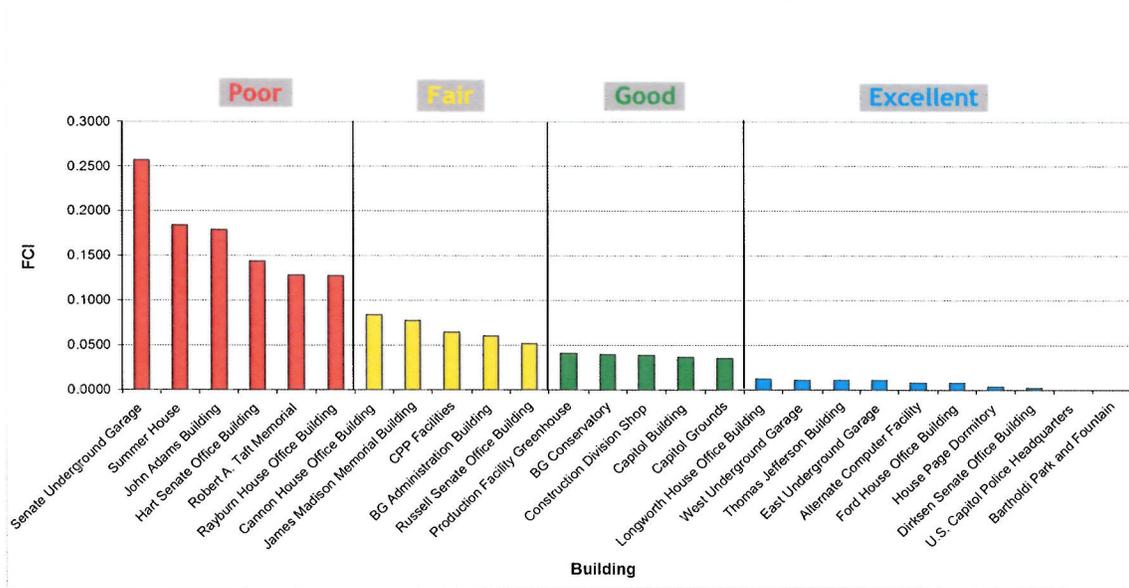
Therefore, while several facilities are still trending beyond a “good” condition, we are finding recently assessed facilities rated “fair” and “poor” are getting worse. Due to the austere budget environment, the larger and more costly system replacements are being deferred to future fiscal years and replaced by component improvements on mission critical equipment. These system renewal projects become more costly the longer they are deferred, and as such, facility conditions will continue to deteriorate.

This trend is more evident in the projected FCI information provided on page 8, which demonstrate how the conditions of each of the Congressional facilities will continue to worsen over the next five years as compared to today. (The Fiscal Year 2017 illustration shows the facility condition changes with no additional investments made after Fiscal Year 2012.)

Fiscal Year 2011 Facility Condition Index

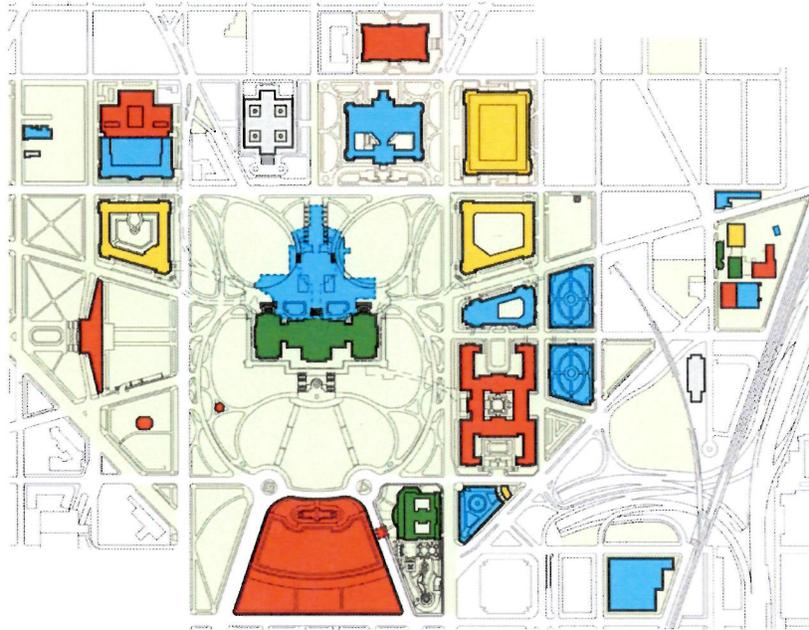


Fiscal Year 2012 Facility Condition Index

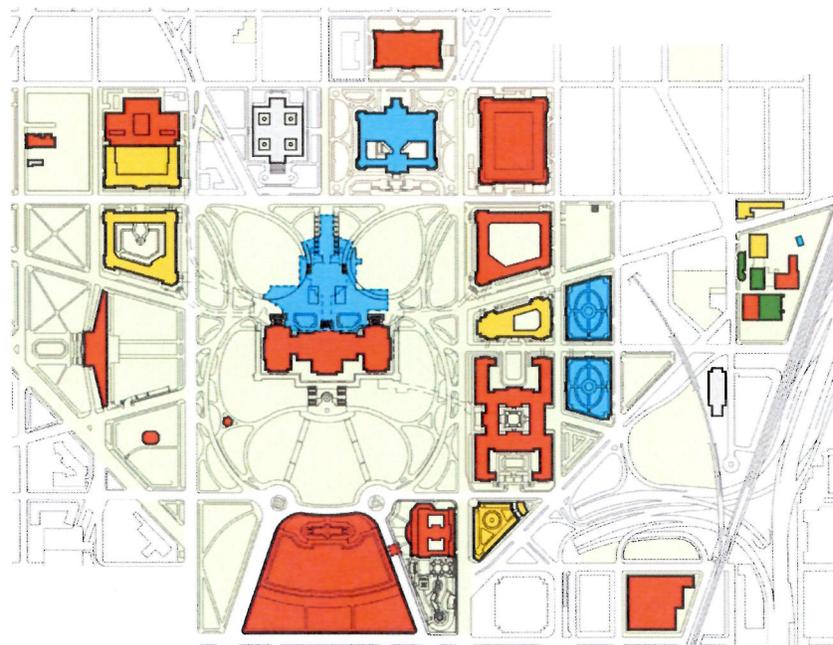


<i>FCI Legend</i>	
Over 0.10	= Poor
0.05 – 0.10	= Fair
0.02 – 0.05	= Good
Less than 0.02	= Excellent

Fiscal Year 2012 Facility Condition Index (FCI) by Facility



Projected Fiscal Year 2017 Facility Condition Index (FCI) by Facility

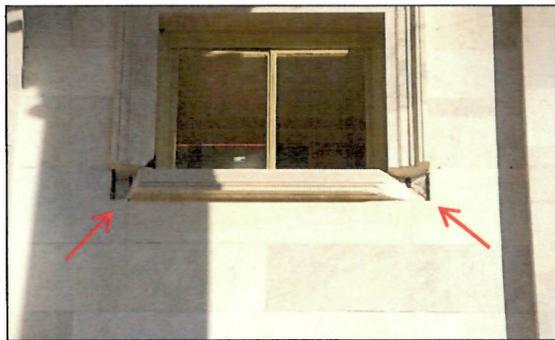
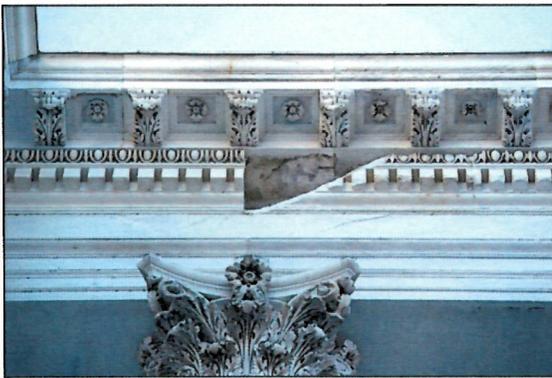


FCI Legend

Over 0.10	= Poor
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0.02 – 0.05	= Good
Less than 0.02	= Excellent



The AOC removed loose exterior stone from the Cannon Building to prevent it from falling.



Large sections of exterior stone are missing from the U.S. Capitol Building.

As I discussed earlier, one emerging area of concern and priority for us is the serious deterioration of the stone that comprises the exterior façades of most Congressional facilities. Age, weather and environmental factors take a concerted toll on the condition of the sandstone, marble, and other stone that make up the buildings' exteriors as well as other masonry features located across the Capitol campus, such as the Olmsted walls.

Water, in particular, is very destructive to stone structures. The AOC has recorded evidence of water entry into the interior of several buildings as a result of exterior stone failures as well as wall separation, and stone movement or misalignment.

To further assess the severity of the condition of the stone of several Congressional facilities, the AOC recently completed evaluations of the exteriors of the Russell Senate Office Building, Cannon House Office Building, U.S. Capitol Building, and the Taft Memorial. The Hart Senate Office Building is currently under review. The results of the evaluations confirmed that the conditions of exterior stone on Congressional buildings across the Capitol campus are severely deteriorating and need to be addressed quickly in order to preserve as much original material as possible.

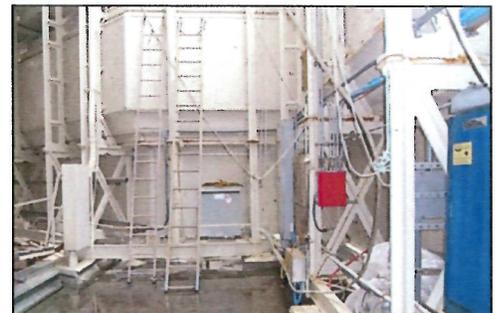
Restoring the exterior stone on these historic buildings will take significant time and resources. In fact, many projects to address deteriorating stone remain on the deferred projects list, including work on the U.S. Botanic Garden Conservatory. The Cannon House Office Building façade will be repaired as part of the planned comprehensive renewal project.

Repairing these issues will take more than a coat of paint. To preserve the exterior building stone and metals for as long as possible and to protect the building occupants and visitors from harm, we will need to implement a long-term exterior stone restoration program that will prevent water infiltration; slow deterioration of the stone and corrosion of decorative metals; repair existing damage and deterioration, and remove disfiguring and damaging soil and stains.

Therefore, the AOC's Fiscal Year 2014 budget request has included multi-phased, multi-year projects to begin addressing this serious, emergent issue, starting with the U.S. Capitol Building and Russell Senate Office Building, and will continue to include these types of projects in future budget requests to ensure that we preserve the unique and historic architectural masonry features of the buildings that serve the Congress and the American people.

Funding the following capital projects in Fiscal Year 2014 ensures that necessary investments are made in our historic infrastructure, and increases the safety and security of those who work in or visit the facilities on Capitol Hill. In addition, investing in the projects will continue to preserve national treasures for future generations, and several are designed to allow the Congress to realize greater energy efficiencies and savings.

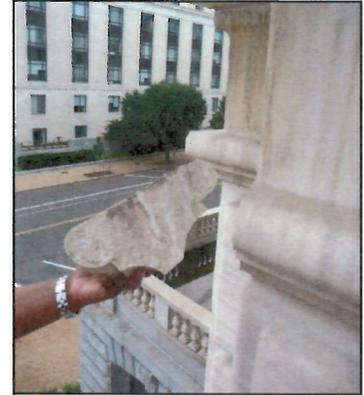
- **Dome Restoration – Phase IIB (Interstitial space) –** This next phase of the Dome Restoration is designed to repair the interstitial space by upgrading mechanical, electrical, lighting, and communications systems, repairing roofing and catwalks, and improving fire protection systems as well as making repairs and repainting cast iron elements. *(At right: Photo of Interstitial space in Capitol Dome.)*



- **Exterior Stone and Metal Preservation, U.S. Capitol, Phase I –** This is the first of three phases to rehabilitate exterior stone, metals, and lighting on the U.S. Capitol Building to preserve this iconic facility's historic, architectural features for the next century. The first phase includes the North Extension, Senate Carriage Entrance, West Terrace balustrades, the North Pediment Sculpture, painted ornamental ironwork, bronze lamp posts, and bronze chandeliers. As noted earlier, the exterior stone and metalwork continues to deteriorate due to water infiltration and other factors causing a loss of the historic fabric that comprises the Capitol Building façade. *(At right: Photo of missing stone around Capitol Building window.)*

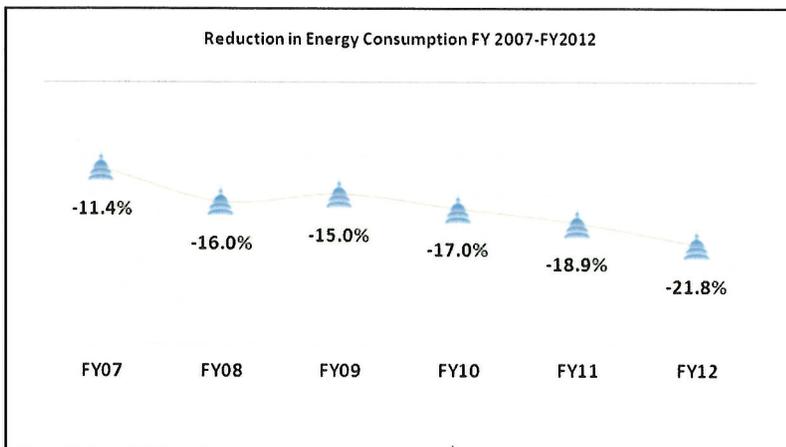


- **Exterior Envelope Repair and Restoration, Russell Senate Office Building, Phase I** – Phase I of this multi-phased project will address the north (C Street) side and the corresponding interior courtyard façade of the 104-year-old office building. The work will include making repairs to the façade, repairing windows and doors, repointing masonry, restoring and refinishing exterior metals, and making seismic upgrades to the balustrades. The work is being divided into five phases that correspond to the five sides of the building. *(At right: AOC staffer removes weak stone from the Russell Building façade.)*



- **Life-Safety Improvements** – Safety is the top priority for the AOC, and a number of safety-related projects are included in the Fiscal Year 2014 budget request including a project to replace the exhaust system serving the main kitchen areas in the Dirksen Senate Office Building. In addition, funding for several projects in the Library of Congress buildings is being requested, including making improvements to fire doors in the Thomas Jefferson Building; designing upgrades to the fire alarm and voice evacuation system in the James Madison Building, and constructing a new egress stairwell and exits in the Thomas Jefferson Building.

Sustainability, Safety, and Accessibility



As I noted earlier, while we have been reducing energy consumption across the Capitol campus, with the completion of the House Office Buildings Energy Savings Performance Contracts (ESPCs) in Fiscal Year 2013, meeting the mandated energy reduction goals will be more difficult because the projects that yielded quick results have been completed.

In Fiscal Year 2012, the AOC exceeded the Energy and Independence and Security Act of 2007 (EISA 2007) energy reduction goal of 21 percent by achieving a 21.8 percent reduction. This marks our seventh consecutive year of meeting energy reduction goals outlined in EISA 2007, and represents approximately \$13.6 million in avoided annual utility costs. Meeting future energy reduction goals will be very challenging. We will be required to achieve further operational energy savings to complement our pipeline of larger scale energy savings performance projects currently in progress.

The Capitol Power Plant (CPP) continues to play an essential role in the AOC's long-term energy conservation efforts, particularly with the implementation of cogeneration at the CPP. Cogeneration is an energy efficient and cost effective means to meet future energy requirements by generating on-site power at the CPP. The planned cogeneration project involves installing two cogeneration units to generate both steam and electricity. Specifically, the system would consist of two combustion turbines rated at 7.5 megawatts each and two heat recovery steam generation units rated at approximately 71.9 million British thermal units per hour.

Mr. Chairman, as the Subcommittee knows, the AOC worked with then-Speaker Nancy Pelosi and Majority Leader Harry Reid in 2009 to address their request that the Capitol Power Plant move away from using coal. We outlined three instances when coal would need to be used:

- While a natural gas supply line serving the CPP is upgraded to provide a sufficient gas supply during the winter months; (This work has been completed.)
- Abnormally cold conditions place higher than normal demands on the CPP;
- Equipment outages or maintenance on the gas boilers that would necessitate the use of the coal boilers as a backup. This includes a system-wide natural gas supply interruption.

Since 2009, the Capitol Power Plant has relied on natural gas as its primary fuel source. In fact, the Capitol Power Plant has been drastically reducing coal use since 2007. In Fiscal Year 2012, the Capitol Power Plant relied on natural gas for 92 percent of its energy needs. By comparison, in 2005, the Plant relied on natural gas only 42 percent of the time.

And, while the AOC has reduced coal use at the Capitol Power Plant over the past several years, it cannot cease using coal until the new cogeneration plant is constructed.

The AOC has applied to the District Department of the Environment (DDOE) for Plantwide Applicability Limit (PAL) permits and Chapter 2 construction permits. In addition, the AOC submitted an application for a PAL permit from the Environmental Protection Agency (EPA). The EPA issued a PAL permit on January 23, 2013.

The new permits required with the installation of cogeneration units would impose much more stringent emissions requirements at the CPP. In addition, installing a cogeneration plant would increase

system reliability, improve efficiency, and help save taxpayer money. It also would facilitate our goal to use natural gas 100 percent of the time because the CPP would no longer rely on 60-year-old, less energy efficient coal boilers, thereby significantly reducing greenhouse gas emissions.

Reducing energy consumption and saving natural resources saves money, as does preventing injuries and accidents within the AOC's workforce.

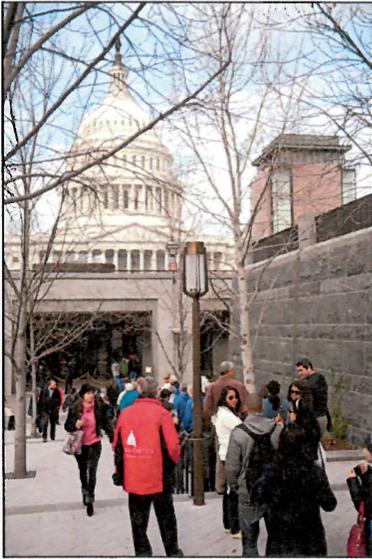
The AOC's philosophy of *People First, Safety Always* leaves no question about the agency's commitment to providing a safe environment for all who work at or visit the Capitol campus. This was coupled with the rollout of an agency-wide, zero-injury safety culture enhancement program to promote individual ownership and peer engagement in safe work practices. Due to these efforts, the levels of safety and accessibility on the Capitol campus have never been higher, and the AOC continues to improve the safety and accessibility of the historic buildings on Capitol Hill.

The AOC's campus-wide efforts have yielded great results. During the 111th Congress, the AOC's safety initiatives resulted in the number of hazards decreasing from over 13,000 in the 109th Congress to 5,400 in the 111th Congress. In addition, since Fiscal Year 2007, Congress has invested more than \$210 million in safety-related projects executed by the AOC.

At the same time, the AOC has successfully removed accessibility barriers while preserving the unique historic and architectural features of these buildings and the grounds. As the AOC makes these enhancements, we work to ensure that the measures installed provide the greatest level of accessibility on the Capitol campus while at the same time preserving the national treasures entrusted to our care.

Congress has been very supportive of the AOC's efforts to not only increase accessibility campus-wide but to do so in an efficient and cost-effective manner. As part of our project prioritization process, we work to minimize the budgetary impacts of these improvements by including Americans with Disabilities Act (ADA) improvements as part of larger projects when appropriate. This helps to save taxpayer dollars and to reduce the amount of construction occurring across the campus at one time. Other ADA projects are made as part of the AOC's routine repair and maintenance efforts.

Enhancing Visitor Experiences



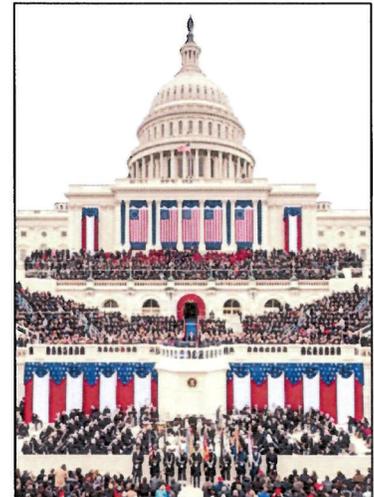
The primary goal of the Capitol Visitor Center (CVC) team is to inform, involve, and inspire those who come to visit the seat of American government. And, as the nine million guests who have made the U.S. Capitol a priority while visiting Washington, D.C. can attest, it is clear that the AOC is accomplishing its goal of providing extraordinary services and inspiring experiences.

On June 8, 2012, the CVC experienced its highest single visitation day since January 2009, when it welcomed 17,563 visitors. Overall, the CVC continues to welcome more than two million visitors annually.

Awards and Accomplishments

While we were presented with a number of challenges over the past year, we also were recognized for stellar operational practices and we chalked up a number of notable achievements.

- Our staff once again successfully completed planning activities, including the construction of the Inaugural platform in support of the **2013 Presidential Inauguration**.
- Recognizing the highest standards of federal accountability reporting, the Association of Government Accountants (AGA) presented its prestigious **Certificate of Excellence in Accountability Reporting (CEAR) Award** to the Architect of the Capitol for its Fiscal Year 2011 Performance and Accountability Report. The annual CEAR award recognizes high-quality Performance and Accountability Reports and Annual Financial Reports that effectively illustrate and assess financial and program performance, accomplishments and challenges, cost and accountability.
- **East House Underground Garage Renovation Completed** – The renovation of the deteriorating 1968 facility concluded on time and under budget. The repair and improvement project received the GSA Sustainability Award and received a Leadership in Energy and Environmental Design (LEED) for New Construction certification at the Gold level.



- **West House Underground Garage (West HUG) Renovation Completed** – Using lessons learned from East House Underground Garage Renovation project, the West HUG project finished ahead of schedule and under budget. The improvements made will extend the useful life of the garage, provide a safer structure for those who park there, and make it more energy efficient.
- The AOC received its **eighth consecutive Clean Audit Opinion** from independent auditors on its financial statements.
- We **exceeded all of our small business goals**; specifically beating our goals for women-owned, veteran-owned, and HUBZone small businesses. We awarded nearly \$23 million to small businesses in Fiscal Year 2012.

Conclusion

Winston Churchill once said, “We shape our buildings; thereafter, our buildings shape us.” Mr. Chairman, at the AOC, we have a unique role where we do shape our buildings, but in actuality our buildings really shape us. They are the depositories of our history. They serve as our nation’s stage for grand events such as Presidential Inaugurals or funerals, as well as provide a gathering place for our citizens to express their views. And, most importantly, they hold the promise of our nation’s future.

Our basic mission is to care for and preserve the iconic facilities under our care for generations to come. New and emerging issues, such as the deteriorating condition of the Congressional buildings’ exterior stone, will pose additional challenges in an austere budget environment.

In our efforts to anticipate future funding challenges, the AOC has significantly changed how it prioritizes its spending requirements, and has developed payroll tools, analyzed efficiencies, and developed strategies to prepare for impending budget impacts such as sequestration or a year-long continuing resolution.

We appreciate the Congress’s support of and investment in our efforts and look forward to our continued collaboration to serve the Congress and the American people, preserve the historic facilities entrusted to our care, and inspire and educate those who visit the People’s House – our U.S. Capitol.

This concludes my formal statement. I would be happy to answer any questions the members of the Subcommittee may have.