

**STATEMENT OF MARTHA JOHNSON
ADMINISTRATOR OF GENERAL SERVICES
BEFORE THE
HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON FINANCIAL SERVICES AND GENERAL GOVERNMENT
UNITED STATES HOUSE OF REPRESENTATIVES
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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) 2013 budget request.

Our FY 2013 budget builds on the success that we have had in the past year in transforming GSA into an innovative change agent for government. Our mission is to use expertise to provide innovative solutions for our customers in support of their missions, and by so doing foster an effective, sustainable, and transparent government for the American people. We help the Departments of Veterans Affairs and Commerce so that they can help our nation's veterans and promote American businesses; we provide design expertise to the judiciary so that they can dispense the nation's justice. We help our customers – and they range from federal agencies to state, local, and tribal governments – so that they can devote more of their critical resources to their missions. Across the government enterprise, GSA is in a unique position to deliver innovative solutions to our customers, and our FY 2013 budget proposal aligns with our simple yet powerful value proposition: GSA helps agencies deliver more for their missions.

MORE FOR MISSION

As the operational agency within the government, GSA has tremendous breadth of expertise and a governmentwide vantage point. Our real estate specialists understand markets nationally as well as locally. Our construction expertise ranges from restoring our nation's most historic buildings to designing cutting edge workspaces for federal employees. We have a deep knowledge base around contracting, fuel management, supply chain systems, strategic sourcing, bulk buying, IT, cost effective travel, and much, much more. Our office of Citizen Services and Innovative Technologies is known across government as standing on the leading edge of innovation, and our Office of Governmentwide Policy impacts everything from disposal of electronic waste to major acquisition policy. As a result of this unique position, GSA helps agencies reduce their overhead costs by providing broad, portfolio-based analyses of their operations and new solutions to manage budgetary volatility.

At a time when agencies have to do more with less and budgets are increasingly constrained, GSA's broad range of expertise is invaluable in trimming waste, cutting costs, and finding common sense solutions to resource constraints. Across a range of program areas including the move to cloud email, developing one-stop-shop IT security protocols through Federal Risk and Authorization Management Program (FedRAMP), leveraging the bulk cooperative buying power of the government with Federal Strategic Sourcing opportunities, and using the latest in real estate portfolio planning, GSA brings expertise and efficiency to the table in service of our customers and the taxpayer. Over

the last year, agencies have recognized the potential that GSA has to help them wring inefficiencies out of their operations so that they can focus on their mission-critical programs.

GSA's mantra -- More for Mission -- isn't just about finding new ways of saving money. It's also about being a model of good management and developing closer and more collaborative relationships with America's business community. To that end, over the past year GSA has been aggressive in achieving our small business contracting goals and conducting outreach to the private sector. We have fostered a successful mentor-protégé program within our Office of Small Business Utilization, and we are engaging the business community about the realities of government contracting to help them make strategic business decisions before trying to get onto our Schedules programs.

SUSTAINABILITY

Sustainability focuses GSA's efforts and resources to reduce our consumption of energy, water, and other resources, eliminate pollution, and reduce inefficiencies from all of our operations. While one benefit of a sustainable government is a decreased impact on our nation's natural environment, there are other benefits, too: smarter budgeting, better use of federal real estate, lower operating costs, and more sensible approaches to federal procurement. As numerous examples from the public and private sector demonstrate, pursuing sustainability across our enterprise will help us stretch our budget dollars further and deliver best value to the taxpayer and our agency customers.

At GSA, the sustainability ethos cuts across our business lines, and poses new challenges. We can't just think about the green house gas emissions that went into the initial production of the product – we also have to think about the impacts of how that product is used, re-used, and then disposed. We can't only consider the initial design of a building, we also have to consider the operation of that building from its first day as well as its last. We can't, in other words, just think about the present, a sustainability lens requires that we also think about the future.

GREEN PROVING GROUND

To drive sustainable innovation in building design, GSA has implemented the Green Proving Ground (GPG) program within the Public Buildings Service (PBS). The GPG program uses our real estate portfolio as a test bed to evaluate the viability of innovative building technologies and practices in the building operations environment. The GPG program selects approximately 12 technologies or practices for evaluation annually based on GSA's programmatic needs. GSA has contracted with the Department of Energy national labs to evaluation the technologies, and funds the evaluation through the Federal Buildings Fund Building Operations. Some of the technologies being evaluated include electrochromatic and thermochromatic windows, wireless mesh sensor networks for HVAC monitoring, photovoltaic technologies, non-chemical water treatment systems, and many other lighting, HVAC and power generation technologies. The first results of the evaluations of technologies selected in 2011 will be released in

April 2012 with the remaining results scheduled for release in December 2012. By trying new ideas and technologies, then evaluating and publicizing our results, GSA is working to drive innovation across the agency's portfolio and actively contribute to market transformation.

BUILDING ENERGY REDUCTION TARGETS (Energy Savings Performance Contracts)

In line with the President's request for the government to engage in \$2 billion of energy savings performance contracts (ESPCs), GSA is working to deliver the most innovative energy savings solutions yet. Collaborating closely with our industry partners as well as other federal agencies, we are exploring our entire building portfolio to determine how we can best utilize energy savings performance contracts to increase energy efficiency, reduce GSA operating costs and create jobs.

GREENING THE SUPPLY CHAIN

In October 2009, Executive Order (EO) 13514, *Federal Leadership in Environmental, Energy, and Economic Performance* called on federal agencies to set and meet specific sustainability related targets throughout their operations. As part of this undertaking, we are leveraging our purchasing power to promote sustainable procurement in recognition of the critical importance of ensuring the Federal government leads by example. We

are also increasing offerings of sustainable products and services, providing training, and making it easier for agencies to find GSA's green offerings.

In instances where a defined green standard exists, such as being Energy Star compliant, and there is enough availability of green products on the market to meet the Federal need, GSA adds a requirement to the Multiple Award Schedules that all future product and service offerings meet the green standard. To date, GSA has instituted a "green only" requirement for at least one product offering on ten different Multiple Award Schedules and is considering additional product categories. In addition, we are maintaining the Office Supplies 2 Federal Strategic Sourcing initiative (FSSI) which promotes the purchase of green office supplies and is developing the Print Management FSSI initiative which promotes both the purchasing of Energy Star office imaging equipment and sustainable print management practices. We have also expanded the functionality of a Carbon Footprint Tool which assists Federal agencies in developing an inventory of their greenhouse gas (GHG) emissions.

GSA will continue our efforts moving forward to increase the availability of green products and incentivize contractors to reduce their GHG emissions within their operations and supply chain.

ADVANCED FUEL VEHICLES

GSA proactively provides Federal agencies with policy solutions that will reduce our dependence on petroleum and alleviate the impact the Federal fleet makes on our environment. In FY 2011, over 54 percent of all vehicles acquired by the Federal government were advanced fuel vehicles (AFV). Although the total number of AFV purchases has declined in the last two years, it is consistent with the overall decline in vehicle acquisitions. In FY 2011, the Federal fleet was reduced and likely will continue to be reduced in out years as a result of efforts to right-size the Federal fleet. Recent policy changes now allow for low greenhouse gas vehicles to operate where alternative fuel is not available and count as AFVs in compliance with Environmental Protection Act. The percentage of AFVs in the Federal fleet increased from 27 percent in FY 2010 to 30 percent in FY 2011, and the government's commitment to acquire more AFVs continues.

GSA has also made highly fuel efficient hybrid electric vehicles (HEV) and battery electric vehicles (BEV) available to federal customers, increasing the number of HEV and BEV configurations available for agencies by 46% in 2011 and 75% in 2012. GSA first introduced battery electric vehicles into the Federal fleet by initiating a 116 vehicle pilot in FY 2011. Over one year, this pilot will save the Federal government 29,900 gallons of petroleum and reduce greenhouse gas emissions by 266 metric tons.

E-WASTE DISPOSAL

GSA recently issued new governmentwide guidelines regarding federal electronic waste. In our dual role as the government's premier procurement agency and property disposal expert, GSA will lead the government by purchasing more strategically and recycling more responsibly.

As the government's centralized procurement arm, GSA helped the government purchase over \$3 billion in electronics last year. As the government's centralized disposal-arm, last year GSA processed the disposal of approximately \$2 billion in used Federal electronics. Now, by following GSA's guidance, federal agencies can ensure that they will reuse electronics to the maximum extent possible and then send non-functioning products to certified e-waste recyclers rather than disposing them in landfills or bulk-buy auctions. Additionally, recipients of used government electronics, through either donation or sale, will be encouraged to follow the same reuse and certified recycling standards as the federal government. The GSA policy incorporates transparency and accountability into the process by requiring federal agencies to track the electronics they send out for reuse and recycling and report that data annually on Data.gov.

Now, GSA is leveraging its market strength to seek out and support companies that meet green electronics standards and design products for their first day as well as their last. In addition to sending strong signals to the IT market, these steps will boost the

domestic recycling industry by requiring that billions of dollars of electronic equipment end their useful lives in safe, reliable recycling centers rather than landfills.

OPEN GOVERNMENT

Through funding from the Electronic Government Fund, GSA is also focused in the long run on fostering a more open and engaged government for the American people. We think of this not just as “open” government, but as fundamentally “good” government. This is based on three core principles: transparency, participation, and collaboration. Greater transparency allows more eyes on the functioning and business of government. Increased participation invites public-private teamwork and a more open dialogue between the citizens and their government. GSA has been a leader in providing the tools to support open government. Collaboration builds on transparency and participation and invites the public to help the government solve problems. Together, these principles will produce greater satisfaction and higher trust from the American people.

DATA.GOV

Data.gov, supported by the Electronic Government Fund, is a portal for the public to engage with the rivers of information available to the government. This site directly democratizes data. It brings the public in and pushes information out. This means data sets – new data sets – are now available so empirical data can now be put to use

directly by citizens, researchers, scholars, historians, scientists, economists, engineers, meteorologists, and small-business owners. This is a whole new order of transparency in government, allowing others to perform analysis and reach their own conclusions. It is very powerful, and can lead to helpful answers to questions you may have heard such as why the costs of medical procedures are much different in one part of the country than another.

Data.gov has established eight online communities that focus on data of specific sectors such as education, health and energy that provide access to government data in a way that may be very informative and useful to those working in the sector.

Data.gov has been an international success. Open government data is becoming a key attribute of a democratic society.

CLOUD EMAIL

Every year, the federal government spends about \$80 billion on IT, yet a gap remains between our IT capacity and our needs to be agile and forward leaning. GSA is bringing IT savings to the government while flexing our collaborative muscles and powering the federal workspace into the 21st Century through our transition to and support of cloud solutions.

President Obama has challenged federal agencies across government to close this gap by identifying and migrating three IT capabilities to the cloud within 18 months. GSA is one of 15 agencies that have moved email to the cloud.

Last June, GSA switched to Google's cloud based platform. Since we've transitioned, we've seen the real advantages of the cloud – new productivity and collaboration capabilities – and we're uncovering some tremendous lessons. The value proposition of cloud-based systems is clear. A dispersed government is a secure government, better able to handle disasters and shutdowns, and there is clear economic sense in consolidating and sharing resources across departments. Cloud solutions allow agencies to attain seamless and secure interoperability across business lines and across functions without relying on resource intensive solely-owned data centers.

To help bring these solutions to the federal market, GSA has contracted and is offering a line of pre-screened, pre-negotiated storage, computing, and web hosting services available through our IT Schedule 70. These offerings provide rapid, elastic, and customizable scaling of services that can be adjusted based on need and use while driving down costs. They're good value, they're the way of the future, and they're essential to a 21st century government.

FEDRAMP (Cloud Security)

To effectively implement cloud solutions across the government, they must reliably meet the government's highest security standards. That's why GSA has developed the Federal Risk and Authorization Management Program (FedRAMP) security protocols. FedRAMP is a governmentwide program that provides a standardized approach to security assessment, authorization, and continuous monitoring for cloud products and services. This approach uses a "do once, use often" framework that will save cost, time, and staff required to conduct redundant agency security. The FedRAMP initiative, funded through GSA's FY 2013 Electronic Government Fund request, standardizes security authorizations to enable the widespread adoption of cloud solutions across the government enterprise. This is a triple-win solution: it rationalizes security protocols for federal agencies and provides them access to onboard cutting edge IT solutions; it cuts time and service costs for cloud service providers; and, most importantly, it saves taxpayer dollars, eliminates duplicative documentation and processes, and allows for rapid adoption of innovative technologies.

COST SAVINGS IN GSA

In accordance with Executive Order 13589, *Promoting Efficient Spending*, our FY 2013 budget request reduces spending by \$16.2 million in employee travel, printing services and employee information technology devices below FY 2010 levels. In addition, GSA

will maintain consulting and advisory contract spending at \$32.8 million below FY 2010 levels.

TARGETED INVESTMENTS IN CRITICAL INFRASTRUCTURE

Federal Buildings Fund

Our FY 2013 budget requests \$8.6 billion in New Obligational Authority (NOA) for the Federal Buildings Fund associated with \$9.7 billion in estimated FY 2013 revenue. This request includes a capital investment program of \$551 million. GSA is not requesting an appropriation to the Fund, and would fund the FY 2013 new obligation authority request from available resources. This year we are requesting a very limited amount of funding to support exigent need and high return on investment capital projects. Over the longer term, we will need to work with Congress to ensure adequate investment in the capital program to ensure the Federal buildings portfolio does not deteriorate, and we complete critical construction projects already initiated such as the DHS Consolidation at St Elizabeths.

Our request for \$56 million in NOA for New Construction and Acquisition would allow GSA to acquire, through existing purchase options, two buildings under lease to the federal government in Martinsburg, WV, and Riverdale, MD. The government has the option to purchase both buildings at a set price prior to the lease expirations. Both facilities are fully utilized by the Federal government, specifically IRS in Martinsburg and

USDA in Riverdale – and both locations have been identified as a long term Federal need. The execution of these purchase options would eliminate costly lease obligations and result in millions of dollars in outyear cost avoidance to the government.

GSA requests NOA of \$495 million for Repairs and Alterations to Federal buildings.

Our proposed repairs and alteration program includes:

- Exigent Needs projects in 20 federal buildings to repair critical building and safety systems including elevators; fire and life safety, electrical, and heating and ventilation systems; and repairing structural deficiencies (\$123 million);
- Non-Prospectus Repairs and Alterations projects (\$341 million);
- Energy and Water Retrofit and Conservation Measures (\$15 million); and
- Consolidation Activities to alter interior space in the Daniel J. Patrick Moynihan Courthouse, New York, NY, and Peachtree Summit Federal Building, Atlanta, GA, to consolidate various agencies from lease space into federally owned space (\$16 million).

Like the lease purchase options outlined above, consolidation of federal activities from leased to owned space will result in millions of dollars in annual cost avoidance.

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

- \$5.5 billion for the Rental of Space program, which will provide for 199 million rentable square feet of leased space;
- \$2.4 billion for the Building Operations program; and
- \$120 million for the Installment Acquisition Payments program.

Cross-Border Transportation Initiative

In addition to the amounts requested in the Federal Buildings Fund, the American Jobs Act includes \$2.0 billion that would be provided to the Department of Transportation (DOT) for Land Ports of Entry (LPOE) modernization at the nation's largest border crossings. If approved, DOT 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 \$50 billion in Immediate Transportation Investments as requested by the President in FY 2012 to re-build and modernize the nation's infrastructure, including roadways, railways, and runways for the long term. 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 protecting the 7,525 miles of border with Canada and Mexico by allowing the safe and efficient flow of lawful traffic and commerce while at the same time ensuring the security of the nation. 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.

St Elizabeths

GSA is on schedule and has the funding necessary to complete the US Coast Guard Headquarters on the St Elizabeths Campus in FY 2013. As a result of reduced funding levels in FY 2011 and FY 2012, GSA and DHS are re-baselining the schedule for completion of the St Elizabeths project. DHS' FY 2013 budget requests \$89 million for St Elizabeths in FY 2013 to support St Elizabeths' road infrastructure. GSA and DHS are currently evaluating the overall consolidation program in an effort to identify opportunities to increase efficient utilization of St Elizabeths.

GSA Operating Appropriations

The GSA FY 2013 budget requests \$272 million for our operating appropriations that provide for the Office of Governmentwide Policy, the governmentwide programs of the Operating Expenses account, the GSA Office of Inspector General, the Electronic Government Fund, the pensions and office staffs of former Presidents, the Federal Citizen Services Fund, and, if needed, Presidential Transition.

Our budget requests an additional \$23 million above the FY 2012 level for the Governmentwide Policy appropriation, including \$21 million for the continued modernization of the Integrated Acquisition Environment (IAE) investment in the Systems for Awards Management (SAM) project and \$2 million for Information Sharing and Identity Management (ISIM). GSA is the program manager for the IAE, an

Electronic Government (EGov) program. On behalf of all Federal agencies, GSA is managing ten outdated, separate systems which will be consolidated into a single, integrated platform to support Federal acquisition, grants and loans management. The first phase of the ongoing consolidation effort will launch May 2012. For FY 2013, GSA is requesting SAM investment funding to further consolidate and simplify the disparate systems. Further consolidation will improve governmentwide reporting on how federal tax dollars are spent, reduce redundancy and the burden on all businesses - in particular on small businesses who do work for the federal government, significantly improve data quality as well as the exchange of information across the acquisition, financial, grants and loan communities.

The Information Sharing and Identity Management (ISIM) program is providing the civilian agencies with standards for the federal information sharing environment. ISIM will establish capabilities for sharing information – grant, financial, acquisition and other data – within and across federal departments using secure, common standards. This investment is critical to allow federal agencies to share and rapidly access secure information that supports mission delivery. GSA will develop common data standards or attributes in collaboration with agencies that complement our responsibilities for the Federal Identity and Access Management program and ensure security, privacy, and interoperability best practices.

We have requested an increase of \$4.3 million for the Electronic Government Fund to improve citizen engagement with the government through innovative technologies and

to improve delivery of government services to the public. The additional funding will support expanded 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 governmentwide capability to engage citizens in dialogues and challenges to solve complex issues directly impacting the public.

In accordance with the Presidential Transition Act of 1963, as amended, GSA requests \$8.9 million for an orderly transfer of Executive power in connection with the expiration of the term of office of the President and the inauguration of a new President. This funding is required only in the event of a change in Administration.

GSA requests an additional \$1 million for the Office of the Inspector General. The request also includes \$.3 million for the FY 2013 Federal pay raise and \$.1 million for benefits and contract support for former Presidents.

The proposed FY 2013 increases are offset by net administrative cost reductions of \$2.1 million in Operating Expenses and \$2.3 million in the Federal Citizen Services Fund.

SUMMARY STATEMENT

The GSA FY 2013 budget request funds targeted investments in infrastructure and innovation. Our budget request includes targeted GSA investments in our nation's physical infrastructure, but promises greater savings through GSA efforts to improve space utilization in our buildings and support of real property consolidations and disposals of the proposed Civilian Property Realignment Board. Our budget requests funding to modernize governmentwide acquisition systems to improve governmentwide reporting while reducing the burden on businesses. We have requested a small increase 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 2013 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 2013 budget request with you and the Members of the Subcommittee.