

COMMITTEE ON HOMELAND SECURITY
SUBCOMMITTEE ON MANAGEMENT INVESTIGATIONS & OVERSIGHT

“Consolidating DHS: An Update on the St. Elizabeths Project”

Thursday, March 26, 2009

I'd like to thank everyone for joining us and I'd like to offer a warm welcome to Chairwoman Norton. Given her chair at T&I and her seat on Homeland Security, not to mention her representation of the District, she brings a unique expertise to this hearing. Today, we will receive an update from the Department of Homeland Security and the General Services Administration on the effort to locate DHS headquarters to the St. Elizabeths site.

Work on the DHS Consolidation at the St. Elizabeths West Campus began in 2004 and has finally reached the point where construction can begin. The plan to bring all components to one facility and create the much needed space and infrastructure to effectively carry out DHS's mission should have a positive impact on the Department's effectiveness and morale.

The Subcommittee is interested in the steps that have been taken to ensure a seamless transition occurs when moving the disparate components of the Department to the St. Elizabeths site. Last week, I toured the St. E's site and I believe ranking member Bilirakis recently visited the site, as well. As I walked the grounds, the scale of the project truly sunk in—this project is a massive undertaking that will take years to complete and it's of the utmost importance that it be completed on time and within budget.

To begin Phase 1 construction of the new facility, Congress has so far appropriated over \$200 million to DHS and \$795 million to GSA. Based on four and a half million square feet of office space, plus parking, GSA and DHS originally estimated that the overall headquarters consolidation on the St. Elizabeths West Campus would cost at least \$3.26 billion dollars.

But preliminary estimates have already increased—the current estimate is \$3.4 billion. It's imperative that this upward trend does not continue. During a March, 2007 hearing in this Subcommittee, former DHS Undersecretary for Management Paul Schneider, testified that the consolidation of 4.5 million square feet of offices at St. E's would save DHS roughly \$1 billion dollars over 30 years when compared to an alternative involving renewing existing leases during that same period.

A revised GSA analysis, assuming a lower rental rate for parking space than office space, estimates the cost savings at \$743 million dollars. As a result, the Government Accountability Office has raised concerns that the estimated funding may not be adequate and the savings to the government might be somewhat overstated.

Additionally, DHS currently faces a number of challenges involving the protection of its facilities. Surprisingly, it doesn't possess a physical security plan. In the past, both GAO and Congress have been critical of DHS' failure to develop a physical security plan, despite the requirement that all executive agencies are mandated under HSPD-7 to have such a plan in place. According to DHS, many of the issues regarding the physical security of DHS facilities will be resolved with the development of the headquarters at St. Elizabeths location.

I hope that the witnesses here today will elaborate on DHS's plans for facility security. As the Committee continues to conduct its oversight, particular attention will be paid to whether the final product meets the Department's needs and whether the project is staying within the established budget and timeframe. The Committee will continue to hold hearings, schedule site visits and oversee the Department's activities.