



**Statement of Mr. Donald G. Bathurst
Chief Administrative Officer
Department of Homeland Security
House Committee on Transportation and Infrastructure,
Subcommittee on Coast Guard and Maritime Transportation
September 23, 2011**

Chairman LoBiondo, Ranking Member Larsen, and Members of the Committee, good morning. Thank you for the opportunity to appear before this Committee and for the support and efforts in consolidating the Department's headquarters operations.

I am Donald Bathurst, Chief Administrative Officer of the Department of Homeland Security (DHS). In this position, I serve as the Department's Senior Real Property Officer and the Senior Policy Official for historic preservation matters. I am pleased to be here today to update you on our progress toward the establishment of a DHS Consolidated Headquarters Campus at St. Elizabeths and our plan to realign mission support functions to yield more effective and efficient management.

The Administration remains committed to building a new headquarters for the Department in the District of Columbia and will continue to work with Congress to move this project forward while maintaining frontline operations during these challenging fiscal times.

DHS and component headquarters employees currently occupy nearly nine million gross square feet of office space scattered across 55 locations in the National Capital Region (NCR). This dispersion of the DHS workforce does not fully optimize our operational effectiveness and the need for a Consolidated DHS Headquarters is well documented by both the Department and Congress.

With bi-partisan support, the Phase 1 construction of the DHS Consolidated Headquarters at St. Elizabeths started with Fiscal Year (FY) 2009 appropriations for both DHS and GSA. *The American Recovery and Reinvestment Act (ARRA)* provided the project with sufficient funding to meet our planned FY 2010 requirements.

The Administration's FY 2011 budget request was particularly critical for the St. Elizabeths project due to the integrated construction sequencing for both DHS and GSA, which continued the development of the DHS Operations Centers (DOC) complex and the DHS Headquarters. When completed, these facilities will serve as the center of gravity for the Department's critical incident management and response activities. However, DHS received \$77.4 million out of a \$287.8 million requested in FY 2011, and GSA received \$82 million for their entire nationwide

program of the \$840 million requested for new construction, of which \$30 million was allocated to St. Elizabeths. The significant reductions in allocations in the FY 2011 Continuing Resolution relative to the budget requests disrupted the integrated sequencing of the DOC complex and caused the loss of planned construction efficiencies.

The Administration's FY 2012 budget request for DHS included \$160 million for the new headquarters at St. Elizabeths. However, the Senate's FY 2012 appropriation bill includes \$56 million and the House zeroed St. Elizabeths out entirely in their FY 2012 bill. In addition, the General Services Administration (GSA) requested \$218 million in FY 2012 while the Senate mark provides \$65 million for their nationwide building program and the House did not provide any funding for GSA's building program.

DHS and GSA have jointly advised the Congress of the criticality of the FY 2012 request with respect to completion and occupancy of the Coast Guard Headquarters in FY 2013. Of the combined total of FY 2012 request of \$378 million, \$132 million is essential for the Coast Guard to be able to occupy Phase 1. DHS needs \$56 million for IT equipment, commissioning and move costs; similarly, GSA requires a minimum of \$76 million for transportation improvements to provide access to the facility and utility infrastructure to support the DHS Operations Centers (DOC) facilities. These funding requirements are co-dependent. Without both, the brand new 1.1 million-square-foot Coast Guard Headquarters building at St. Elizabeths will not be ready for occupancy.

If the Senate Homeland Security Appropriations FY 2012 bill passes with the current allocation for DHS at St. Elizabeths, the campus would still lack critical roads and infrastructure without the GSA appropriation, preventing employees from going to work. I urge Congress to prevent this outcome by providing at least \$132 million combined for DHS and GSA for the project to allow Coast Guard to occupy the campus in FY 2013.

As we prepare for the first DHS move to the St. Elizabeth's campus, we are working with the Coast Guard, the DHS CFO Office and GSA to identify, reduce, and eliminate financial impacts wherever possible. DHS is also working to address the appropriate level of recurring and non-recurring costs that will be borne by the Coast Guard in conjunction with their move to St. Elizabeths.

Looking ahead, completion of Phase 1 of the St. Elizabeth's campus is the highest priority, followed immediately by construction of the DOC B facility. This will allow the Department to maximize the taxpayer investment to date and meet a major lesson learned from Hurricane Katrina, the co-location of the National Operations Center with the Component Operations Centers. The White House publication of "*The Federal Response to Katrina; Lessons Learned*" spoke to the imperative of improving DHS operational management quoted as follows:

...In order to strengthen DHS's operational management capabilities, we must structure the Department's headquarters elements to support the Secretary's incident management responsibilities. First and most important, Federal government response organizations must be co-located and strengthened to manage catastrophes in a new National Operations Center

(NOC). The mission of the NOC must be to coordinate and integrate the national response and provide a common operating picture for the entire Federal government...¹

In addition, GAO Report 07-89, “*Homeland Security: Opportunities Exist to Enhance Collaboration at 24/7 Operations Centers Staffed by Multiple DHS Agencies*” concurred that the Department’s plan to collocate the DHS and Component Headquarters at a single location along with their component operations centers could further enhance collaboration among component agencies.

The full development of the DHS Consolidated Headquarters at St. Elizabeths is vital to support DHS operations and integration. Based on GSA’s updated analysis using The Automated Prospectus Process System (TAPS), the 30 year net present value cost advantage of the project approximately \$500 million over the cost of individually replacing leases as they expire without the benefit of consolidation or federal construction. Through the sharing of common services on the campus and reductions in administrative overhead due to fewer occupied locations in the NCR, we will achieve additional efficiencies through consolidation.

The St. Elizabeths Campus offers a tremendous opportunity to create a secure, state-of-the-art Headquarters that will foster the Department’s ability to focus on achieving our core mission—to protect the homeland. We urge your continued support for this critical investment that also saves money in the long run. I would be pleased to answer any questions the Committee may have.

¹ 1 The White House, *The Federal Response to Katrina: Lessons Learned*, February 2006, pages 69-70