

Opening Statement of David L. Winstead

Before the Subcommittee on Economic Development, Public Buildings, and Emergency Preparedness of the US House Transportation and Infrastructure Committee

May 12, 2011

Mr. Chairman and Members of the Committee, I am David Winstead, an attorney in the real estate and infrastructure practice at Ballard Spahr LLP, in Washington, DC. From 2005 through 2008, I had the pleasure of serving as Commissioner of Public Buildings at the U.S. General Services Administration, and currently Chair the Urban Land Institute's Public Development and Infrastructure Council. Given this base of experience in the private and public sector, I am pleased to provide the Committee some perspective on its consideration of H.R. 1734 -- the "Civilian Property Realignment Act".

The intent of H.R. 1734 is to focus resources, and provide an independent review of the utilization of real estate and federal government facilities, with the objective of providing savings and a potential return to the taxpayers from surplus assets. On March 2, 2011, Deputy Director Zients of OMB testified that the Administration would like to see at least \$15 billion of revenue derived from the better utilization of federally owned facilities and leased space. In addition, on March 30, 2011, GSA Administrator Martha Johnson echoed the same objectives, and outlined how the U.S. General Services Administration is managing towards these goals, through more efficient workplace solutions, agency consolidations and disposal of under utilized properties.

The bill before this Committee, H.R. 1734, takes these efforts an important step further, by creating a public-private initiative, through an independent Commission that can look objectively at the real estate needs and solutions for the Federal Government. Congress has seen the results of such an effort on the defense facility side through the Defense Base Closure and Realignment Act of 1990. There are however, several distinctions that the Committee should keep in mind during your considerations of H.R. 1734.

First among these, is that through the Public Buildings Act and the leasing authority of the U.S. General Services Administration, the federal government has the flexibility to leverage the private sector delivery of space (52% of 370 million square feet of federal space) to meet current

needs, agency consolidations and reduction of space. This ever increasing reliance on leased space, to address generic federal government administrative space needs, has been driven by OMB policy over the last several decades, as well as the revenue constraints of the Federal Building Fund.

Second, the work of the Civilian Property Realignment Commission, following by the passage of H.R. 1734, will be added by the federal real estate portfolio data that has resulted from the Federal Real Property Council. This Council was formed by Executive Order 13327, and I had the pleasure of Chairing its Asset Management Committee from 2005 through 2008. Thus, a wealth of data already exists concerning the performance of federal buildings, the utilization of federally owned space, and the energy efficiency of the federal inventory.

In terms of the proposed work of the Civilian Property Realignment Commission, it is important that the private sector not only bring its real estate expertise to the Commission's deliberations, but that it is also involved in the execution on its recommendations by GSA and other federal agencies. Due to the recent recession and real estate market conditions, valuations and timing are key to maximizing potential return to the taxpayer from surplus real estate. Private sector intelligence on market conditions and options, will be a key factor in both the work of the Commission and the ultimate success of its efforts.

In addition, given the federal budget conditions, there should be increasing focus on Public-Private partnership to provide workplace solutions, agency consolidations and federal real property redevelopment. Through potential consolidation of regional offices of federal government agencies, shared workspace options and the flexibility of private sector leased space, the independent work of the proposed Civilian Property Realignment Commission should produce valuable savings to the federal taxpayer.

In conclusion, I would be pleased to provide additional input to the Committee as you continue your deliberations over H.R. 1734, and I would be pleased to answer any questions. Thank you.

(David L. Winstead, Esq., Ballard Spahr LLP, 601 13th Street, NW, Washington, DC. 202-661-2200. winstead@ballardspahr.com)

Mr. Winstead concentrates his practice in real estate (private and public sectors), infrastructure issues, stimulus spending, public-private partnerships, and public finance, as well as government contracts and legislative/regulatory matters. His career combines distinctive private and public sector experiences in real estate, transportation/infrastructure development, and public policy through his work as a lawyer and a public sector executive, including a term as Secretary of Transportation for the State of Maryland.

Mr. Winstead joined Ballard Spahr following his presidential appointment and service as Commissioner of Public Buildings at the U.S. General Services Administration. As Commissioner, Mr. Winstead wielded responsibility for the asset management, design and construction, leasing, and operations of a portfolio of 347 million square feet in more than 8,600 public and private buildings housing over one million federal workers.

Previously, Mr. Winstead was a partner in the Washington, D.C., office of an international law firm for many years. Earlier in his career, he served as Transportation Secretary in Maryland and was Executive Director of the Washington/Baltimore Regional Association, a private sector economic development alliance between the two metropolitan areas.

Mr. Winstead's service to the professional community includes being President of the American Association of State Highway and Transportation Officials (AASHTO), Director of the Maryland Chamber of Commerce, President and Counsel for the D.C./ Suburban Maryland Chapter of the National Association of Industrial and Office Properties (NAIOP), Board Member of the Greater Washington Board of Trade. He is currently Chair of the Urban Land Institute Public Development and Infrastructure Council.

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
Truth in Testimony Disclosure

Pursuant to clause 2(g)(5) of House Rule XI, in the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include: (1) a curriculum vitae; and (2) a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by an entity represented by the witness. Such statements, with appropriate redaction to protect the privacy of the witness, shall be made publicly available in electronic form not later than one day after the witness appears.

(1) Name:

DAVID WINSTEAD

(2) Other than yourself, name of entity you are representing:

SELF: FORMER PUBLIC BUILDING COMMISSIONER
(ATTORNEY-SALARIED SPARE)

(3) Are you testifying on behalf of an entity other than a Government (federal, state, local) entity?

YES

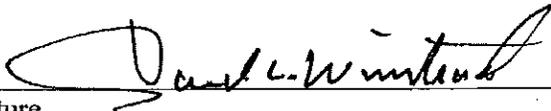
If yes, please provide the information requested below and attach your curriculum vitae.

NO

- TESTIFYING AS SELF BEING FORMER
COMMISSIONER OF PUBLIC BUILDINGS AT GSA

(4) Please list the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by you or by the entity you are representing:

Signature



Date

5/10/11