

United States Senate Committee on
**HOMELAND SECURITY
 & GOVERNMENTAL AFFAIRS**
CHAIRMAN THOMAS R. CARPER
MAJORITY STAFF REPORT

Security and Savings:

The Importance of Consolidating the Department of Homeland Security's Headquarters at St. Elizabeths

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EXECUTIVE SUMMARY

In the aftermath of the terrorist attacks on September 11, 2001, our nation recognized grave shortcomings in our security. To address them, Congress passed the Homeland Security Act, which pulled together 22 different agencies to form the Department of Homeland Security (DHS) in order to foster a more unified and coordinated effort to defend our homeland.

The missions of the agencies brought into DHS were broad and varied and included preventing terrorist attacks, increasing community preparedness and resilience, securing our borders and waterways, responding to disasters, and protecting our infrastructure and transportation systems. The goal was for the component agencies to work closely together, making DHS more than just the sum of its parts. In order to help achieve this goal, in 2006, the Bush administration proposed consolidating more than 50 locations, including many onto the St. Elizabeths campus in Southeast Washington, DC. Construction began in 2009 but has significantly slowed in the face of inconsistent and inadequate funding from Congress.

Today, DHS still operates out of more than 50 separate facilities in the Washington, DC region, many of which are physically inadequate. The current infrastructure used to house DHS has made it much more difficult to implement the vision behind the Homeland Security Act and create the collaborative approach envisioned. What motivated the effort to create the Department on paper—merging separate agencies with responsibility for security and response under one agency with a common set of goals—still does not physically exist today. As a result, the Department’s ability to accomplish its mission, promote employee productivity, and communicate within its components remains difficult. We need to fix this.

In an era of shrinking budgets and economic uncertainty, figuring out which priorities to fund is difficult. It may be easier to cut long-term investments that have yet to bear fruit rather than make tough decisions about other pressing priorities. However, completing a consolidated headquarters for the Department will not only save millions in taxpayer dollars, it will help finish the work started on September 12, 2001, continuing to do what is needed to better prevent and respond to terrorist attacks and other disasters. Given its importance, the St. Elizabeths DHS consolidation project should be a funding priority.

This report reaches two conclusions:

- **Consolidating the Department at St. Elizabeths will improve DHS’s ability to carry out its mission.** Committee staff interviewed the Department’s former Secretaries—Tom Ridge, Michael Chertoff, and Janet Napolitano—and other former officials, including former Deputy Secretaries Michael Jackson, Jane Holl Lute, and Paul Schneider; and former Under Secretaries for Management Rafael Borrás and Elaine Duke. **All of these former DHS officials emphasized that a consolidated headquarters for the Department is critically important because the current infrastructure used to house DHS is inadequate and spread out across the region, which hinders DHS in more effectively carrying out its mission.** This will improve the Department’s ability to carry out its mission in four key ways:
 - ▶ *Improving crisis management:* DHS’s infrastructure has hindered crisis management and prevented personnel from easily collaborating. **As former Secretary Chertoff said, “You don’t want to meet your teammates when you get on the field for the Superbowl.”** A consolidated DHS headquarters will make it easier for DHS personnel to meet and interact long before a crisis.
 - ▶ *Fostering unity of effort:* **Secretary Jeh Johnson recently said that it is important that the Department mature into an organization that is “greater than the sum of its parts—one that operates with much greater unity of effort.”** Few of the DHS missions fall on the shoulders of just one agency or component. The Department will more effectively carry out its mission if its components are working together in one location and complementing one another’s strengths and abilities.
 - ▶ *Improving morale and productivity:* Well-designed and well-maintained facilities can not only improve morale, but also foster increased collaboration. Some Department of Homeland Security facilities, particularly those located at the Nebraska Avenue Complex, have subpar working conditions. For example, a recent issue with cleanliness and a rat-infestation required closing the cafeteria.
 - ▶ *Reducing management challenges and travel inefficiencies:* The continued development of St. Elizabeths and the consolidation of DHS from more than 50 facilities to 20 or fewer will reduce inefficiencies, freeing more resources for operations and giving senior officials more time to manage the Department and coordinate across components.

- **Finishing the consolidated DHS headquarters makes good fiscal sense, saving as much as a billion dollars over the next 30 years.** By completing and moving DHS into a consolidated headquarters on a campus already owned by the government, the federal government would save nearly \$700 million over 30 years instead of renting equivalent space. Additionally, new standards that would fit more employees in office space could allow DHS to save as much as \$210 million more. Other cost avoidances include the estimated \$132million it would cost to maintain St. Elizabeths over the next 30 years (a historic property the federal government owns and must maintain) and overhead costs that can be cut due to administrative and operations efficiencies gained by the consolidation.

Based on these conclusions, the report makes two recommendations:

- **Congress should fund the President’s fiscal year 2015 budget requests of \$323 million combined for the GSA and DHS to complete renovation of the St. Elizabeths Center Building Complex and provide necessary access road improvements.** If this money is not appropriated it will leave the next phase of construction—the building for the Secretary and leadership staff—practicably unusable, wasting the \$348 million already spent or appropriated for that building and forcing DHS to renew short-term leases.
- **The Administration and Congress must continue to work together to implement more consolidation of the Department and its components at the St. Elizabeths campus as we move forward after fiscal year 2015.** A revised plan is necessary to ensure the St. Elizabeths project is well managed and implemented. Congress must work to consistently and adequately fund the plan and engage in oversight to make sure the plan is managed appropriately. The St. Elizabeths project is important and must be done the right way.

I. BRIEF HISTORY AND BACKGROUND OF THE ST. ELIZABETHS PROJECT

Congress created the Department of Homeland Security (“DHS” or “the Department”) in 2003 to improve coordination and information sharing among agencies with responsibility for protecting the homeland. The Department’s headquarters was placed in a suburban neighborhood in Washington, DC at the Nebraska Avenue Complex, a facility first developed in 1916 to house the Mount Vernon Seminary for Girls and acquired by the Navy in 1943.¹

At the time of its creation, it was understandable that the Department’s components were not located together. They had been reassigned from other federal departments or newly and quickly created. But today, DHS still operates out of more than 50 facilities in the Washington, DC metropolitan region.² As a result, what motivated Congress and the executive branch to create DHS on paper in the wake of the September 11, 2001 terrorist attacks—the fact that separate agencies with responsibility for security worked apart from one another, making communication and collaboration difficult—still physically exists today.

Bringing together so many agencies with different cultures was a huge, complex task made even more difficult due to the lack of a consolidated headquarters. While Congress established the Department to help coordinate the work of 22 agencies, the lack of a consolidated headquarters has slowed the Department’s progress and created many inefficiencies. Work on a DHS consolidation plan began in 2004, when senior DHS officials and congressional leaders recognized that the Nebraska Avenue Complex was inadequate for DHS’s headquarters needs.³ In 2004, one of DHS’s key components, the Coast Guard (USCG), also began exploring its need for a new headquarters facility. The General Services Administration (GSA), the Office of Management and Budget (OMB), and DHS determined that it would be more cost-effective for the USCG to move to a secure, federally owned site than to find a replacement lease for its current facility.⁴

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In October 2006, then-DHS Secretary Michael Chertoff introduced the Housing Master Plan for unifying the Department’s core headquarters facilities. The plan proposed a consolidated facility at the St. Elizabeths West Campus that would house approximately 14,000 of its staff, pulling together for the first time the Department’s senior executive leadership and management staff.⁵ The St. Elizabeths West Campus is a 176 acre historic parcel located in Southeast Washington, DC. Chertoff’s plan chose St. Elizabeths after an evaluation of 15 sites. DHS and GSA had determined that the Department needed at least 4.5 million square feet on a secure campus for its headquarters staff. In addition, the campus

needed to meet other criteria, such as proximity to the White House and Congress and compatibility with DHS’s security needs. The evaluation demonstrated that St. Elizabeths best fit the Department’s needs.⁶

GSA began drafting a revised Master Plan in 2008 for the development of the St. Elizabeths site (see Figure 1 below).⁷ Construction began in 2009 and was originally estimated to be completed in 2016.⁸ GSA completed the Coast Guard headquarters facility in 2013 and also completed approximately 70 percent of the infrastructure needed to support later development of the Center Building Complex and the remainder of the St. Elizabeths project.⁹ The Center Building Complex is intended to house the Secretary, the Department’s senior management, and supporting staff.

Figure 1: St. Elizabeths West Campus



Source: GSA St. Elizabeths Final Master Plan, 2008

Funding for the construction and completion of the interior space for a civilian federal government facility is provided through two separate sources: appropriations to GSA and appropriations to the department or agency that will occupy the facility. GSA is responsible for the bulk of the St. Elizabeths funding, using its funds for building construction or renovation, and any necessary transportation infrastructure. DHS is responsible for a smaller portion of the project, using its appropriated funds for “tenant improve-

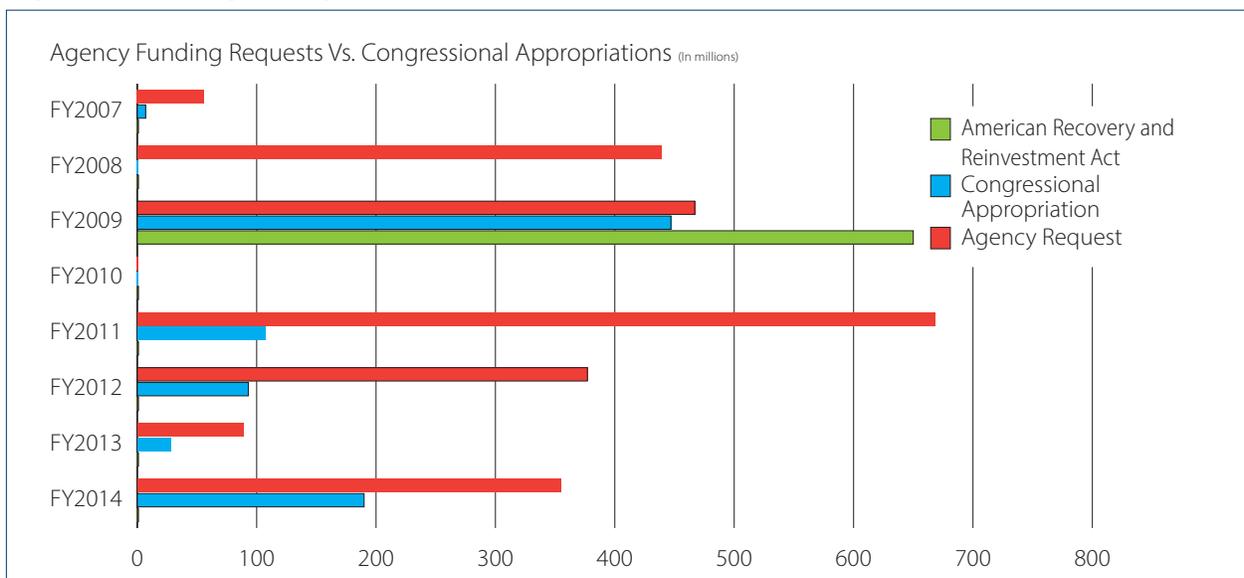
ments” to the building—including security, furniture, information technology infrastructure, and other finishes that are necessary to make the building functional for its occupants.¹⁰

The initial GSA and DHS plan for the St. Elizabeths campus estimated the cost of construction and occupancy at \$3.4 billion.¹¹ Committing the required remaining funding would have allowed DHS to have a completed headquarters in 2016.¹² Since the consolidation was proposed in 2006, sequestration and tightening budgets have resulted in appropriations totaling \$1.2 billion less than President Bush and President Obama requested. This has greatly slowed construction for the project and led to increased costs.¹³

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Figure 2, below (and Appendix B) show the funding history for the DHS headquarters at St. Elizabeths:

Figure 2: Funding History for DHS Headquarters Consolidation



Source: St. Elizabeths, GSA & DHS Total Development Funding Summary by fiscal year, dated July 15, 2014.

GSA and DHS have adjusted to the lower-than-requested funding amounts by developing a revised plan that is under review and proposes a phased approach for completing the project. This would fund individual segments each year. However, the agencies estimate that if construction proceeds in this manner, St. Elizabeths will not be finished until fiscal year 2026.¹⁴

In fiscal year 2015, President Obama requested \$251 million for GSA and \$58 million for DHS for the St. Elizabeths project. At the time of this writing, the fiscal year 2015 GSA and DHS Appropriations Acts have not been enacted. The Senate’s fiscal year 2015 bills funding GSA and DHS include \$250 million for GSA’s portion of the project and \$48 million for the DHS portion. The House’s fiscal year 2015 bills contain no funding for the project in either agency’s appropriation.

II. ST. ELIZABETHS WILL IMPROVE MISSION PERFORMANCE

The fact that the Department of Homeland Security's offices are spread throughout the DC metropolitan area makes it harder for the Department to effectively manage crises and work together. It also hinders its productivity.¹⁵ Having a consolidated headquarters would enable it to better carry out its mission of securing our homeland. Former Secretary Janet Napolitano explained that early in her term as Secretary she was skeptical of the St. Elizabeths project, stating that it was easy to see it as “just a

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building.” But as time progressed she said she came to realize just how important the consolidation of the Department was to improving its performance. She also said it would help cement an identity for the Department. As Napolitano remarked, “People don't say they work at ‘the Department of Defense.’ They work at ‘the Pentagon.’”

To better understand the need for a consolidated headquarters, it is helpful to understand the motivation behind creating of the Department of Homeland Security. In the aftermath of September 11, 2001 attack, our nation recognized grave shortcomings in our homeland

security. To address them, Congress passed the Homeland Security Act, which pulled together 22 agencies to form the Department of Homeland Security.¹⁷ These agencies were brought together so that we could have a more unified and coordinated effort to defend our homeland.

The missions of the agencies brought into the Department were broad and included preventing terrorist attacks, increasing community preparedness and resilience, securing our borders and waterways, responding to disasters, and protecting our infrastructure and transportation systems. The goal in creating the Department was not just to create a new organizational chart and rearrange reporting lines: it was, as the 9/11 Commission said, about “going well beyond the preexisting jobs of the agencies that have been brought together inside the department.”¹⁸ The idea was to have the component agencies work closely together, making DHS more than just the sum of its parts.

The current infrastructure used to house DHS, however, has made it difficult to implement the vision behind the Homeland Security Act and create a more collaborative approach to the federal government's homeland security efforts. At present, the vast footprint of DHS offices across the DC metropolitan region makes developing effective and long-lasting relationships difficult. Moreover, facilities such as the Nebraska Avenue Complex and the myriad small operations centers are inadequate. Put simply, the lack of a modern, consolidated headquarters has significantly hampered the Department's ability to accomplish its mission and promote employee productivity. Former Deputy Secretary Jane Holl Lute

may have summed it up best when she said that the key to St. Elizabeths and a consolidated Department of Homeland Security is that it would “make it easy to work hard.”¹⁹

Recognition of the inadequacy of DHS’s infrastructure is not new. Former Secretary Michael Chertoff was among the first to recognize problems with the current headquarters and the critical need for a centralized, co-located headquarters for DHS. The plan that then-Secretary Chertoff submitted to Congress in October 2006 explained:



The lessons learned from Hurricane Katrina and Secretary Chertoff’s Second Stage Review have reinforced the critical requirement that DHS operate with increased integration to prepare for and respond to natural disasters or terrorist attacks... To support the incident management and command-and-control requirements of our mission, the Department clearly needs to consolidate executive leadership and operational management in a secure setting.

This will foster a “one-DHS” culture and optimize our prevention and response capabilities across the spectrum of operations. The Department also needs to reduce significantly the total number of locations that house DHS components to as few as possible to lower overall costs.²⁰

Former Secretary Chertoff is not the only former leader of the Department to recognize the problems with DHS’s infrastructure. In the course of preparing this report, Committee staff interviewed all of the Department’s former Secretaries—Secretary Tom Ridge, Secretary Michael Chertoff, and Secretary

All of these former DHS officials recognized that a consolidated headquarters for the Department is critically important because the current infrastructure used to house DHS is inadequate and spread out across the region, a situation that hinders effectively carrying out DHS’s mission.

Janet Napolitano. We also interviewed many of the other top officials that have helped run the Department since its creation, including former Deputy Secretaries Michael Jackson, Jane Holl Lute, and Paul Schneider; former Under Secretaries for Management Rafael Borrás and Elaine Duke; former Assistant Secretaries Stewart Baker and David Heyman; and the former Commandant of the U.S. Coast Guard, Admiral Thad Allen. All of these former DHS officials recognized that a consolidated headquarters for the Department is critically important because the current infrastructure used to house DHS is inadequate and spread out across the region, a situation that hinders DHS from effectively carrying out its mission.

Improving Crisis Management

As former Secretary Chertoff said in discussing the importance of relationships to crisis management, “You don’t want to meet your teammates when you get on the field for the Superbowl.”²² A consolidated DHS headquarters will make it easier for DHS personnel to meet and interact long before a crisis. The physically diffuse nature of the Department limits the ability of components to bond and collaborate with one another, particularly below the top few levels of management. This affects how agencies work with and understand one another before, during, and after an incident. As we learned in the Committee’s examination of the failed response to Hurricane Katrina, you do not want to have responders exchanging business cards at the scene of disaster.²³ In addition, while the Department currently possesses several smaller operations centers, it still needs a large, modern, and unified command center capable of handling a major crisis.

As former Secretary Chertoff said in discussing the importance of relationships to crisis management, “You don’t want to meet your teammates when you get on the field for the Superbowl.”

One of DHS’s key responsibilities is to manage a range of crises. To do this well, collaboration among the components and their leadership must occur. It is critical that the Department’s components lock arms and work hand-in-hand. For example, in responding to large hurricanes, the Federal Emergency Management Agency (FEMA) cannot operate independently, but instead it needs to draw upon the substantial assets of other DHS components. It may lean on the Transportation Security Administration, which can provide security officers, facilitate evacuations, and assist in distributing commodities; the U.S. Customs and Border Protection, which can provide law enforcement officers to support search and rescue efforts and evacuation efforts, and can provide reconnaissance and imagery for situational awareness; the U.S. Coast Guard, which can provide helicopters, boats, and personnel to assist with search and rescue and conduct aerial pre-storm and post-storm assessments; the Office of Infrastructure Protection, which can identify critical infrastructure, provide critical infrastructure impact assessments, and coordinate prioritization of restoration efforts; and the National Programs and Protection Directorate, which can assist in solving communications issues.

Shared space allows regular information sharing and collaboration and can help an organization build a rapport and confidence between personnel that can prove invaluable during a crisis, when timely access

Former Secretaries Ridge and Napolitano described the National Operations Center as inadequate, arguing that DHS needs an improved facility that could meet the demands of a department responsible for protecting the homeland.

to information is critically important.²⁴ Department personnel are currently able to get the information they need, but in the midst of an event like a natural disaster or a terrorist attack when lives are at risk, time is of the essence. By consolidating the Department at a new headquarters at St. Elizabeths, components will more easily collaborate and share information, which will help them individually and collectively respond during a crisis.

The limitations of the current DHS operations center clearly affect crisis management. Though the National Operations Center at the Nebraska Avenue Complex received an initial upgrade to provide basic functionality, it is still modestly sized and an ill fit for managing a large crisis that requires involvement from most (if not all) DHS components.²⁵ In an interview with Committee staff, former Secretary Ridge and former Secretary Napolitano described the NOC as inadequate, arguing that DHS needs an improved facility that could meet the demands of a department responsible for protecting the homeland.²⁶

The Bush Administration acknowledged this problem in its 2006 evaluation of Hurricane Katrina, *The Federal Response to Hurricane Katrina: Lessons Learned*: “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)*.”²⁷

According to Admiral Thad Allen, the former Commandant of the U.S. Coast Guard and a lead federal official for the responses to Hurricanes Katrina and Rita and the Deepwater Horizon oil spill, the most important aspect for promoting unity of effort within the Department is ensuring that DHS has a unified command center capable of handling a major crisis.²⁸ None of the security officials and experts the Committee spoke with felt that the current National Operations Center located at the Nebraska Avenue Complex was capable of doing this. This was a point former Secretary Napolitano emphasized in particular.²⁹

Allen publicly made this point in 2012 while testifying before the Senate Homeland Security and Governmental Affairs Committee:



In the Washington Area the Department remains a disjointed collection of facilities and the future of the relocation to the St. Elizabeths campus remains in serious doubt. One of the great opportunity costs that will occur if this does not happen will be the failure to create a fully functioning National Operations Center for the Department that could serve as the integrating node for departmental wide operations and establish the competency and credibility of the Department to coordinate homeland security related events ... the Department has struggled to evolve an operational planning and mission execution coordination capability. As a result, the most robust command and control functions and capabilities in the Department reside at the component level...

The combination of these factors, in my view, has severely constrained the ability [of] the Department [to] mature as an enterprise. . . . In this regard, there is no higher priority than removing barriers to information sharing within the department and improved operational planning and execution.³⁰

Also problematic is the fact that a number of the DHS components have their own operation centers. These facilities are spread throughout the region and not well-positioned to host a large contingent of DHS personnel, including senior leadership, during a crisis. This has led to unnecessary duplication and made working together difficult. GAO, in its report, *Homeland Security: Opportunities Exist to Enhance Collaboration at 24/7 Operations Centers Staffed by Multiple DHS Agencies*, pointed to problems with some of these centers, finding that a number of them do a poor job of enabling collaboration and coordination.³¹ A consolidated operations center will certainly strengthen operations and eliminate duplication.

Fostering Unity of Effort

While ensuring collaboration and information sharing during a crisis is important, the Department will also more effectively complete its day-to-day mission if its components are working together on a daily basis and complementing one another's strengths and abilities. Few of DHS's missions fall solely on the shoulders of just one agency or component. For instance, U.S. Customs and Border Protection (CBP), Immigration and Customs Enforcement (ICE), and Citizenship and Immigration Services (USCIS) must work together on policy development and implementation of a secure border and modern immigration system. The Transportation Security Administration must work with CBP to secure the aviation system. The Office of Intelligence and Analysis must share information with almost all of DHS's components, and the Science and Technology Directorate must partner with components to research and develop useful technologies. Consolidating DHS will help these components eliminate or overcome remaining informational and operational stovepipes, and promote a unity of effort across the Department.

Since its creation in 2003, much has been made of the Department of Homeland Security's efforts to integrate all of its different agencies and offices into a single, unified Department. Secretary Jeh Johnson recently said that it is important that the Department mature into an organization that is "greater than the sum of its parts—one that operates with much greater unity of effort."³² The goal is to bring components together and improve cohesion and operational effectiveness; the purpose is not to centralize all decision-making authority, but to ensure components better understand one another, and the Department's complex mission.³³

Few of DHS's missions fall solely on the shoulders of just one agency or component. For instance, U.S. Customs and Border Protection, Immigration and Customs Enforcement, and Citizenship and Immigration Services must work together on policy development and implementation of a secure border and modern immigration system.

Because DHS is spread out, this task is more difficult to achieve. When they are separated, it is all too easy for the Secretary and agency heads to become insular and not develop or refine the necessary understanding, cooperation, and cohesion with other components.³⁴ Instead, consolidating components can augment innovation—of tactics, strategies, and alliances—throughout the Department. Similar ideas have long been embraced by the business community, including technology companies and business incubators.³⁵ Former CEO of Lockheed Martin, Norm Augustine, who was in charge when Lockheed Corporation and Martin Marietta merged in 1995 and consolidated pieces from 17 different companies, called the company’s move to bring leadership together into a central headquarters crucial for its success.³⁶

As multiple security experts told the Committee, people develop a greater appreciation for one another and what each does when they are working side by side.³⁷ This is a key reason why Joint Terrorism Task Forces and state fusion centers were established, and why they have been successful.³⁸ As former Under Secretary Elaine Duke explained, how can there be unity, how can components be joint, when there is no room for everyone to be together?³⁹

To be clear, achieving a unity of effort does not require moving every headquarters office for each component, plus all departmental support offices, to the St. Elizabeths campus. Achieving true unity of effort will require buy-in from the components. To do so, the plans for the Department’s campus should include permanent, alternate work space for those components—not just for the agency heads, but for two to three levels of their senior management staff as well. This is important because it will allow the component head to effectively manage the agency even as he or she works with the Department’s senior leadership.

Consolidation will allow the Department’s personnel to discuss ideas informally and receive feedback

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and guidance much more quickly. This is important, according to former Assistant Secretary Stewart Baker, because it can help avoid missteps and ensure everyone continues to work towards a single purpose.⁴⁰ For example, in 2005 when DHS was confronted with an increase in undocumented immigrants from Central America, CBP and ICE policies for detention beds were not initially aligned. CBP was facing a surge and needed someplace to hold these immigrants until they could be repatriated, but ICE was not prioritizing space for them. The agencies ultimately resolved this conflict, but it could have been avoided if the two agencies had more regularly discussed trends and policies.⁴¹

As former Deputy Secretary Jackson noted, consolidating components allows them to build their own relationships and work together without having to go to or through headquarters.⁴² This is important because the Secretary only has the ability to address a finite number of issues at one time. When the Secretary can direct his or her attention to a matter, that is often enough to ensure things get done. But there are myriad issues the Secretary does not have the time to focus on, and that is when having

strong ties between components will allow them to address issues more efficiently and effectively without having to divert the Secretary's attention from other matters.⁴³

Some observers point to improvements in technology that can facilitate communication and virtually tie components together and to the Department's senior leadership without a consolidated headquarters. Technology, like secure video teleconferences, can and have allowed the Department to come together to address crises and more mundane management issues. But several former security officials who spoke with the Committee, including former Secretaries Chertoff and Napolitano, and former Deputy Secretary Lute, noted that there are limitations to these interactions: they tend to be formal and discourage the free flow of ideas.⁴⁴ When you are separated, and only virtually connected, it also makes it more difficult to have the same experience that other people are having, which helps connect people and build an esprit de corps.

Subpar Working Conditions of DHS Facilities

Conditions of a facility can also affect individual employee performance and the recruitment and retention of personnel. Well-designed and well-maintained facilities can not only improve morale, but also foster increased collaboration. A new DHS headquarters will help accomplish this.

There have been numerous studies conducted that have shown that the conditions of schools can affect both teacher and student performance. A 2012 report by the McGraw-Hill Research Foundation talked about the impact inadequate school facilities can have on students, pointing out that there is strong evidence linking performance to the quality of school buildings.⁴⁵ Similarly, shortly after taking office in 2002, New York City Mayor Michael Bloomberg reconfigured the office space in City Hall, creating a "bullpen" in order to ensure his staff would be able to communicate and collaborate with one another more easily.⁴⁶

Some Department of Homeland Security facilities, particularly those located at the Nebraska Avenue Complex, currently have subpar working conditions. Staff have been relocated from certain offices due to health concerns with the physical space. Heavy snowfalls have led to leaky buildings. A recent issue with cleanliness and a rat infestation required closing the cafeteria and sending a notification email to all DHS employees on site this year.⁴⁷ Former DHS Deputy Secretary Paul Schneider may have been generous when he described the Nebraska Avenue Complex as a "dump."⁴⁸

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Surveys of DHS personnel show that subpar conditions have also hurt performance. The Office of Personnel Management (OPM) annually conducts a survey of employee opinions on various working conditions. Among other questions, OPM asks employees if the physical conditions of their workplace allow the employee to perform his or her job well. Figure 3, below, shows a portion of the 2011 Subagency Comparison Report for the Department of Homeland Security. While just

18 percent of all employees government-wide provided a negative response to that question, and 23 percent of all DHS employees provided a negative response, responses for employees in key offices at the Nebraska Avenue Complex skewed much more negative. Thirty percent of all employees working within the Office of the Secretary indicated their physical working conditions negatively affected their ability to perform their jobs well, 40 percent of personnel in the Office of Policy, and an astounding 51 percent in the Office of Operations Coordination and Planning indicated this as well.⁴⁹

Figure 3: OPM Survey on Working Conditions

	N	Positive	Neutral	Negative	DNK
Governmentwide	264,418	67.3%	14.3%	18.3%	1201
Dept. Of Homeland Security	15,383	62.0%	14.9%	23.0%	85
Office of the Secretary, HQ (OS)	408	57.4%	12.4%	30.2%	1
Secretary Staff, Deputy Secretary, Chief of Staff	34	59.0%	14.2%	26.8%	1
Office of Citizenship and Immigration, Ombudsman	12	84.3%	7.0%	8.7%	0
Office for Civil Rights and Civil Liberties	32	91.1%	6.2%	2.7%	0
Office of Domestic Nuclear Detection	28	81.1%	15.8%	3.1%	0
Executive Secretariat	15	61.7%	11.6%	26.7%	0
Office of General Counsel	57	66.4%	8.0%	25.6%	0
Office of Health Affairs	28	72.9%	7.7%	19.4%	0
Office of Operations Coordination and Planning	65	33.8%	15.2%	51.0%	0
Office of Policy	76	41.3%	18.2%	40.5%	0
Office of Privacy	16	57.0%	24.0%	19.1%	0

Source: 2011 Federal Employee Viewpoint Survey: DHS Subagency Comparison Report.

The placement of DHS headquarters at the Nebraska Avenue Complex was meant to be a temporary solution, which helps explain why certain infrastructure improvements have been made while others have not. But as former Deputy Secretary Schneider said during an interview with Committee staff, facilities at the Nebraska Avenue Complex are “way below acceptable standards.”⁵⁰ This not only affects how DHS employees—not just the Secretary and his or her senior advisors but also many civil servants—do their jobs but how their peers in other Departments see them. The Department of Homeland Security also regularly engages international partners to address key issues, and the inadequate facilities at the Department’s headquarters can send the wrong signal to them as well. As former Secretary Ridge remarked, the condition of the current headquarters can “speak to the lack of seriousness given to the Department” and affect how the Department’s peers and partners perceive it.⁵¹ Former Deputy Secretary Lute similarly noted that visitors frequently questioned whether the Nebraska Avenue Complex was a temporary space because of its conditions, which affected the impression given to international partners and how other federal agencies viewed DHS when they met to discuss cyber-security matters.⁵²

Poor facility conditions are not limited to the Nebraska Avenue Complex. In September 2011, plumbing at a facility in Southwest Washington, DC shared by DHS and GSA malfunctioned, and toilets exploded due to a tank control system malfunction. Two DHS employees were injured. One was taken to a hospital.⁵³

Moving the Department's headquarters to newly renovated and built facilities at the St. Elizabeths campus will positively affect employee morale and improve mission performance. Modern, more flexible spaces will expand capabilities and improve integration. Former Deputy Secretary Schneider expressed confidence that DHS and its employees would benefit from the new headquarters, based on his previous experience. He noted that this occurred when the Department of Defense (DOD) consolidated a number of its personnel from facilities in Crystal City to the renovated Washington Navy Yard.⁵⁴

Reducing Management Challenges and Travel Inefficiencies

The lack of a consolidated headquarters has also created management and travel inefficiencies for the Department. Time and resources are wasted shuttling personnel from one location to another. Reflecting on Hurricane Katrina and the 2006 terror plot against international aviation, former Secretary Chertoff said, "People were shuttling back and forth in those critical days after the plot was exposed, and that just made it much more difficult and time-consuming."⁵⁵ The continued development of St. Elizabeths and the consolidation of DHS from more than 50 facilities to 20 or fewer will reduce this waste, freeing more resources for operations and giving senior officials more time to manage the Department.

Reflecting on Hurricane Katrina and the 2006 terror plot against international aviation, former Secretary Chertoff said, "People were shuttling back and forth in those critical days after the plot was exposed, and that just made it much more difficult and time-consuming."

Consolidation would also improve overall management of the Department by facilitating coordination across components. GAO has stressed the need for DHS to "continue to demonstrate sustainable progress integrating its management functions within and across the department and its components..."⁵⁶ In particular, GAO has cited the need to better manage investments across components. GAO has also recommended that the Department reestablish a cross-component council to identify common opportunities across components and help identify how DHS should allocate its resources.⁵⁷ This type of face-to-face

Lute told us that a one-hour meeting could often become a three-hour time commitment, as staff shuttled to and from the Nebraska Avenue Complex and DHS facilities throughout the region.

collaboration across components would be easier if the leadership of the components was housed together. The Secretary, for example, does not have immediate access to much of the Department's executive and operational leadership, including component heads. As a consequence, Department personnel need to travel to the Nebraska Avenue Complex when there are meetings with the Secretary, and if the Secretary wants to visit components, he or she needs to travel to those headquarters.

As former DHS Secretary Ridge explained to us, this has serious consequences for management: "When I was Secretary, it was hard to pull people into my office regularly to hold them accountable."⁵⁸

Figure 4: Travel Time from DHS Headquarters



Staff analysis based on Google Maps data during rush hour times.

These problems are just as serious for other personnel. The dispersed nature of DHS facilities means that staff regularly need to travel for face-to-face meetings, leading to time wasted on travel rather than work. Former Deputy Secretary Lute told us that a one-hour meeting could often become a three-hour time commitment, as staff shuttled to and from the Nebraska Avenue Complex and DHS facilities throughout the region.⁵⁹ In addition to the real costs this imposes on the Department, which are discussed in the next section, this also creates opportunity costs as DHS personnel are unable to do work they could otherwise accomplish if not forced to spend as much time in transit between meetings.

The Precedent for Consolidating in order to Improve Security

The St. Elizabeths headquarters consolidation project is not without precedent. Former Senator and Chairman of the Senate Committee on Homeland Security and Governmental Affairs Committee Joseph Lieberman pointed to the parallels of the St. Elizabeths construction project and the construction of the Pentagon.



Consolidating the Department of Homeland Security onto a campus at St. Elizabeths is important to the long-term success of DHS. It is critically important that operational components like CBP, TSA, and the Coast Guard, work and coordinate closely with one another and with the senior leadership of the Department, and having the Department spread out across the region makes that more difficult than it should be. At the onset of World War II, the Department of War faced the same situation DHS faces today. It was spread out in buildings all across Washington, DC, Maryland and Virginia. The President and Congress recognized at that time the need to bring the Department and all our Armed Services together to make them a more effective and efficient organization. Today we're able to see the benefits of that endeavor, as our Armed Services work seamlessly with one another in the Department of Defense. Consolidating DHS will not solve all of DHS's challenges, but it will go a long way in establishing a unified Department ready to face whatever comes its way.⁶⁰

Many of the same doubts about the proposed benefits and the concerns with poor planning and cost overruns were aimed at the construction and consolidation efforts for the Department of Defense. The construction of the Pentagon was largely borne out of the rapidly deteriorating situation in Europe in the lead-up to World War II. At that time the War Department had a workforce of around 24,000 spread out among 17 different buildings.⁶¹ Brigadier General Brehon Somervell, head of the Construction Division of the Quartermaster Corps, immediately recognized the need for the construction of a building to house the operations of the United States war effort to improve the ability of Department officials to communicate more effectively, cut down on travel between offices for day-to-day operations, and save taxpayer funds by eliminating the high cost of renting multiple buildings.⁶²

Some members of Congress opposed the Pentagon construction project because of the expense, among other reasons.⁶³ One House member challenged the notion that offices were not important to the war effort by remarking, “The direction and planning of this program is centered in the War Department, and its efficient execution depends upon giving the Department adequate facilities in which to transact the departmental business expeditiously and with as little lost motion as possible. We are handicapped in Washington by having our War Department scattered around in 17 different buildings.”⁶⁴

After that debate, Congress approved construction of the Pentagon. According to an internal report drafted by the War Department during the height of World War II, the increases in communication and efficiency that occurred as a result of the Pentagon’s construction were vital to the war effort: “Imagine what the War Department’s situation would have been—today in the midst of grueling war—if the Pentagon had not been built. It is the nerve center of the military effort. . . . The Army does not have to imagine the handicaps resulting from being scattered in many different buildings in different locations. It remembers the days before the Pentagon was built. The speed and efficiency it has helped to produce has saved and will save the lives of our soldiers.”⁶⁵

Of course, the creation of a consolidated headquarters at the Pentagon did not solve all of the department’s coordination issues since the command structure and cross-service duty requirements for DOD were not implemented until after the passage of the Goldwater-Nichols Act in 1986.⁶⁶ In this case, many of the legal authorities and management improvements necessary for bringing together DHS components have already been implemented administratively or through legislation.⁶⁷ What is missing is the construction of a consolidated DHS headquarters.

III. FINISHING THE DHS HEADQUARTERS PROJECT AT ST. ELIZABETHS IS FISCALLY PRUDENT

The Bush Administration proposed consolidating the Department’s headquarters at St. Elizabeths in 2006. Construction has since slowed in the face of inconsistent and inadequate funding and a project that was supposed to be completed in 2016 is now estimated to be finished in 2026. As budgets have tightened, critics have raised concerns about whether the St. Elizabeths project is fiscally prudent. However, building a consolidated headquarters for DHS at the St. Elizabeths campus is consistent with two tenets of efficient property management: (1) owning is cheaper than renting and (2) using property already owned by the federal government eliminates the need to purchase or lease additional land. Moreover, incremental development reduces efficiencies, and stopping current construction would mean that some funding already spent on the project has gone to waste.

Owning is Cheaper than Renting

Over time, owning is cheaper than renting. Operating leases—typically expensive short-term commercial leases—have become an attractive option for federal agencies, in part because they appear cheaper in any given year, even though they are generally more costly over time. Since 2003, real property management has been on GAO’s “high risk list” of areas that have a high vulnerability for waste, fraud, abuse, or mismanagement, because the government tends to over rely on costly leased space to meet new space needs.⁶⁸ Over the lifespan of an agency’s needs for the building, the cost of leasing will be more than that of ownership, especially if the leases are used to meet long-term space needs.

As GAO cautioned in September 2013, “[A]n operating lease may potentially appear ‘cheaper’ in the budget than a construction or purchase project, or a capital lease, even though it may cost more over time. Using an operating lease—or successive operating leases—for a long-term space need may result in resource allocation decisions for which the budgeting process may not have considered the full financial commitment over the full length of time the space need exists. Consequently, costly operating leases may be preferred over less-costly alternatives such as major construction or renovation projects that must compete for full funding.”⁶⁹ In testimony before the Subcommittee on Federal Financial Management, Government Information, and International Security of the Senate Committee on Homeland Security and Governmental Affairs, GAO stated that the practice of “relying on costly leasing to meet long-term space needs results in excessive costs to taxpayers and does not reflect a sensible or economically rational approach to capital asset management.”⁷⁰

By moving DHS into a consolidated headquarters on a campus already owned by the government, the federal government would avoid entering into costly long-term and high value leases. GAO has repeatedly confirmed that building ownership through construction or purchase is generally less expensive way to

meet agencies' long-term space needs.⁷¹ GAO has stated that "building ownership through construction or purchase is often one of the least expensive ways to meet agencies' long-term requirements."⁷² In fact, in a series of reports from 1995 through 2013, GAO found that for 67 of 89 GSA leases it examined, constructing facilities would have been more cost-effective than leasing space and the government could have saved almost \$1 billion.⁷³

With regard to St. Elizabeths, government ownership and use of the campus is cheaper than renting alternate space. In an analysis provided to Congress as part of the President's fiscal year 2015 budget request, GSA estimated that the construction of the St. Elizabeths campus will cost a total of \$4.5 billion.⁷⁴ That same analysis estimated that if DHS were to lease a complex similar to the St. Elizabeths campus from the private sector the cost of that 30 year lease would be \$5.2 billion (net present value). Consolidating DHS onto government owned land and buildings at the St. Elizabeths campus would save nearly \$700 million compared to the costs of long-term leases for similar property.⁷⁵

Moreover, DHS and GSA have found ways to generate additional savings by housing more staff at the St. Elizabeths campus than originally planned. These savings are based on recalculations of estimates of a certain amount of square footage per employee, taking into account the flexibilities that telecommuting provides. The new plan will allow 1.3 employees to use the same amount of square footage of space that

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originally was intended to be occupied by one employee.⁷⁶ Under this new standard, DHS now estimates that 2,800 additional staff will be able to move to a completed St. Elizabeths campus.⁷⁷ This should allow further reductions in commercial leases and yield additional savings. This could generate additional savings of up to \$210 million, for a total savings of \$910 million if the St. Elizabeths project is completed.

Centralizing DHS leadership and staff at St. Elizabeths will also yield significant savings in direct overhead expenses, such as personnel shuttles and executive transportation services, local travel claims for meetings, mail delivery, and shared infrastructure. For example, DHS estimates that the relocation of the Coast Guard to St. Elizabeths will result in estimated savings of \$16 million over the next five years in shuttle costs alone.⁷⁸

By using space already owned by the federal government, the St. Elizabeths project can also save money by preventing DHS from having to extend expensive commercial leases. Delays in construction at St. Elizabeths have required DHS to continue to lease office space throughout the region. Most of those offices are paid for through increasingly more expensive operating leases, meaning fewer dollars can be spent on mission operations.

Moreover, all current leases were aligned to expire according to the original development schedule at St. Elizabeths so that by the end of fiscal year 2016, when the full headquarters consolidation initiative

would have been completed, the leases would expire.⁷⁹ However, a lack of funding for the project caused the lease expiration timing to be misaligned, and now those leases will have to be extended.⁸⁰ Currently, 69 percent of the leases will expire between fiscal years 2016 and 2020.⁸¹ Thus, DHS will need to renegotiate short-term extensions at likely higher costs.⁸² While DHS and GSA attempt to align lease expirations with a new projected completion date for the St. Elizabeths project, leases will be at risk if funding for the aligned construction and development schedule is not consistent, particularly once the development has started.⁸³

GSA has estimated that without a consolidated headquarters, the cost for DHS to continue to use short-term operating leases to address its space needs will cost more than \$5 billion over the next 30 years.

For DHS, this means it will be forced to pay \$340.8 million this year for commercial office space.⁸⁴ While this amount may appear preferable to the \$4.5 billion it will totally cost to construct the St. Elizabeths campus, it is important to keep in mind that the Department expects to use the campus for a very long time. GSA has estimated that without a consolidated headquarters, the cost for DHS to continue to use short-term operating leases to address its space needs will cost more than \$5 billion over the next 30 years.⁸⁵ This includes a premium of approximately \$200 million for short-term extensions of some of the existing operating leases.⁸⁶

Creating Savings by Using Existing Government Property

The consolidation of DHS and its components onto the St. Elizabeths campus makes use of property already owned by the federal government. By fully utilizing the St. Elizabeths campus, the federal government will no longer spend money maintaining an unused property. Because St. Elizabeths overlooks Joint Base Anacostia-Bolling and the Defense Information Systems Agency, the federal government wants the property to remain a government-controlled closed campus whether it is used or not.⁸⁷ Doing so requires a considerable cost for the federal government, but it becomes a more efficient and justifiable cost if DHS is consolidated on the St. Elizabeths campus.

Since fiscal year 2003, GSA has spent \$41 million to maintain the western section of the St. Elizabeths campus, which includes utilities, land maintenance, and security.⁸⁸ If unused, the historic buildings on the campus will continue to deteriorate, and the cost of maintaining St. Elizabeths per fiscal year will increase. GSA estimates that from 2015 through 2044, it would cost approximately \$132 million to maintain the St. Elizabeths campus.⁸⁹ Consolidating the DHS headquarters at St. Elizabeths will allow the government to renovate and use the land and buildings on the campus, instead of paying millions to maintain vacant and deteriorating historical facilities while simultaneously continuing to lease commercial real estate in an increasingly expensive market.

Incremental Development Reduces Efficiency, Increases Cost

The original plans for St. Elizabeths called for a coordinated approach—or the construction of multiple buildings concurrently—to save money and take advantage of construction efficiencies. For example, GSA planned to build the Coast Guard headquarters at the same time as a DHS operations center because constructing the two buildings simultaneously would take advantage of efficiencies, like combining parts of the project that require the use of specialized construction crews.⁹⁰ However, since Congress did not provide enough funding to complete both facilities simultaneously, GSA only built the Coast Guard headquarters and some of the infrastructure for the Center Building Complex, while delaying construction of the consolidated DHS operations center.⁹¹ This would be like trying to build a fighter jet and building the frame one year, the engine the next, and then putting everything together in the third year. Eventually the plane would be built, but it would be built in one of the least efficient ways possible. Incremental development of St. Elizabeths will increase the difficulty of completing construction and raise costs for the consolidated operations center since contractors will need to work around the Coast Guard headquarters that is currently occupied. Basic increases in inflation, which for the construction industry are approximately 5 to 12 percent annually, will contribute to higher costs as well.⁹²

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Failing to take advantage of these types of efficiencies has altered the project's overall schedule. Project managers at DHS have explained that it is extremely challenging to accurately plan large and complex multi-year capital construction projects when annual funding allocations may or may not be provided.⁹³ When Congress did not provide requested appropriations, GSA and DHS delayed completion of major building segments until later dates. Currently, the agencies estimate that insufficient funding has delayed the project's completion by more than 10 years, which has extended the expected completion date from 2016 to 2026.⁹⁴

Stopping the Project Would be Wasteful

Today, the St. Elizabeths project is like a house under construction—its foundation has been poured and a shell of walls has been constructed, but nothing inside has been built yet. The house is not habitable, but if it is not completed, all the money already spent on it will have been wasted.

The federal government has already invested significant sums to pay for the current phase of construction at St. Elizabeths. This includes the renovation of the Center Building as part of the three building Center Building Complex. The Center Building Complex, which has been started but not yet completed, is intended to house the Secretary, executive leadership, and staff. During construction of the Coast Guard headquarters, GSA spent \$158 million to build approximately 70 percent of the infra-

structure needed to support later development of the Center Building Complex and the rest of the St. Elizabeths project.⁹⁵ This was done because paying for infrastructure improvements for multiple nearby facilities is more efficient than incrementally funding these improvements. Congress has also provided \$190 million in fiscal year 2014 necessary to begin the partial renovation of the Center Building.⁹⁶ While this initial amount is sufficient to rehabilitate most of the Center Building, it is not enough to complete information technology infrastructure, furnish the facility, or complete the renovation of two adjacent buildings needed to accommodate additional staff who support the Secretary. The initial funding also did not provide for improvements for the access road necessary to accommodate the increased traffic expected in the area once additional personnel are moved to St. Elizabeths.⁹⁷ GSA requested funding for this in its fiscal year 2015 budget.

The funding requested by the President for fiscal year 2015—\$73 million for DHS and \$250 million for GSA—will complete the Center Building Complex and provide the necessary access road improvements to prevent congestion in the area.⁹⁸ However, if Congress fails to provide that funding, the \$348 million already spent on campus infrastructure will largely go to waste. Without the fiscal year 2015 funding, the complex will be practically unusable. Walking away at this point would be wasteful.

If Congress fails to provide requested funding, the \$348 million already spent on campus infrastructure will largely go to waste. Without the fiscal year 2015 funding, the complex will be practically unusable.

IV. CONCLUSION AND RECOMMENDATIONS

All of the former senior officials that have run the Department since its creation agree: construction of a consolidated headquarters for DHS is necessary for the Department to effectively and efficiently perform its mission.

Congress and the Administration must work together to develop, implement, and fund a reasonable plan for a consolidated DHS headquarters for two reasons: it will improve the Department's ability to carry out its mission, and it will save taxpayers hundreds of millions of dollars. By bringing the Department's senior leadership together with its components, DHS will be able to improve crisis management, foster a unity of effort among agencies and throughout the Department, and improve management, morale, and productivity. Consolidating DHS at St. Elizabeths is also fiscally smart because it realizes the savings provided by owning property, rather than renting it, and by making use of space the government already spends millions of dollars each year to maintain.

Based on its findings, this report makes two recommendations:

- **Congress should fund the President's fiscal year 2015 budget request of \$323 million combined for GSA and DHS to complete renovation of the St. Elizabeths Center Building Complex and provide necessary access road improvements.** If this money is not appropriated it will leave the next phase of construction—the building for the Secretary and leadership staff—practically unusable, wasting the \$348 million that has already been spent or appropriated for that building and forcing DHS to renew 69 percent of its leased facilities that will be expiring in the next few years.
- **The Administration and Congress must continue to work together to implement more consolidation of the Department and its components at the St. Elizabeths campus as we move forward after fiscal year 2015.** A revised plan is necessary to ensure the St. Elizabeths project is well managed and implemented. Congress must work to consistently and adequately fund the plan and engage in oversight to make sure the plan is managed appropriately. The St. Elizabeths project is important and must be done the right way.

Consolidating DHS from more than 50 facilities in the National Capital Region to a handful of facilities over the next decade will not only save taxpayer money, but improve the Department's ability to respond to a crisis and ensure all portions of the Department are working together to effectively secure the nation.

We owe it to the American people to make the Department of Homeland Security a model of efficiency and effectiveness.

Appendix A

GAO in its report, “Federal Real Property: DHS and GSA Need to Strengthen the Management of DHS Headquarters Consolidation” (GAO-14-648), found that DHS and GSA did not fully conform with what GAO considers to be leading capital-decision making practices for planning and procuring assets. It finds that given the \$1.6 billion gap in funding requested and funding received, DHS and GSA should update plans for St. Elizabeths. The GAO report also finds that DHS and GSA did not follow relevant GSA guidance or GAO’s leading practices for cost and schedule estimates for the project.

DHS and GSA have already completed a draft enhanced plan for the St. Elizabeths project that OMB is currently reviewing. DHS and GSA have also agreed to revise cost and schedule estimates for the rest of the project.

While strong management practices for the project are necessary, they cannot overcome the uneven and often severely underfunded appropriations for the project that have created huge challenges for GSA and DHS in managing the project. A project that was originally supposed to be completed as early as 2016, now will not be completed until 2026. Clearly, cost-estimates for such a large project that many years into the future would be very difficult to complete given the very unpredictable funding the project has received. That being said, it is important that the project be well managed, and Congress should continue oversight efforts.

This report has demonstrated the importance of the consolidation project to strengthening our homeland security. It has also demonstrated the savings of owning versus using expensive commercial leases discussed in this report. This project is too important to simply stop now.

Congress should ensure more adequate, consistent funding, combined with careful management and oversight, in order to better keep the project on track in future years.

Appendix B

Funding History for DHS Headquarters Consolidation:

Fiscal Year	GSA Request (in millions)	DHS Request (in millions)	Appropriation for GSA (in millions)	Appropriation for DHS (in millions)
2007	\$6.4	\$50	\$7	\$0
2008	\$319	\$120	\$0	\$0
2009	\$347	\$120	\$347	\$100
2009 – American Recovery and Reinvestment Act	—	—	\$454	\$200
2010	\$0	\$0	\$0	\$0
2011	\$380	\$288	\$30	\$77
2012	\$218	\$160	\$37	\$56
2013	\$0	\$89	\$0	\$28
2014	\$262	\$93	\$155	\$35
2015	\$251	\$58	—	—

Source: St. Elizabeths, GSA & DHS Total Development Funding Summary by fiscal year; dated July 15, 2014.

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58. Committee staff interview, former Secretary Tom Ridge, August 13, 2014.
59. Committee staff interview, former Deputy Secretary Jane Holl Lute, August 12, 2014.

60. Statement of former Chairman of the Senate Homeland Security and Governmental Affairs Committee, Senator Joseph I. Lieberman, to the Committee, September 6, 2014.
61. Steve Vogel, "How the Pentagon Got Its Shape," *The Washington Post*, May 27, 2007. Retrieved at: <http://www.washingtonpost.com/wp-dyn/content/article/2007/05/23/AR2007052301296.html>
62. U.S. House of Representatives, Committee on Appropriations. The First Supplemental National Defense Appropriation Bill for 1942. Hearing, July 17, 1941, Washington: Government Printing Office, 1941.
63. See, e.g., 87 Cong. Rec. 8265 (1941), Statement of Representative Edward Rees; 87 Cong. Rec. 6371 (1941), Statement of Representative August Andresen; 87 Cong. Rec. 6371(1941), Statement of Representative August Andresen.
64. 87 Cong. Rec. 6372 (1941), Statement of Representative Clifton A. Woodrum.
65. The internal draft report was not released by the War Department to the public and was obtained and referenced in *The Pentagon: A History—The Untold Story of the Wartime Race to Build the Pentagon and to Restore it Sixty Years Later* by Steve Vogel. For a more in-depth discussion of the various internal reports that discuss the efficacy of the Pentagon's construction see: Steve Vogel, *The Pentagon: A History—The Untold Story of the Wartime Race to Build the Pentagon and to Restore it Sixty Years Later*, New York: Random House, 2007.
66. Goldwater-Nichols Department of Defense Reorganization Act of 1986, (Public Law 99-433—October 1, 1986). For an in depth discussion of the causes and effects of the Goldwater-Nichols Act, see *Victory on the Potomac: The Goldwater—Nichols Act Unified the Pentagon*, by James R. Locher III, College Station: Texas A&M University Press, 2002. For example, Locher wrote, "[T]he excessive power of the four services was undermining the unity required to defend the nation's interests" (p. 31) and quoted Admiral William J. Crowe, Jr., the former Chairman of the Joint Chiefs of Staff, who said, when discussing the challenges facing the Pentagon, "Each service habitually saw every issue exclusively from its own standpoint" (p. 209)
67. For examples of legislation, see Homeland Security Act of 2002 (Public Law 107-296—November 25, 2002), and the Interagency Personnel Rotation Act, included as part of the National Defense Authorization Act for Fiscal Year 2013 (Public Law 112-239—December 31, 2011). For an example of an administratively implemented management improvement, see DHS's establishment of the Acquisition Review Board (ARB), MD-102, issued in 2008, to improve acquisition program governance by requiring the ARB to review all major acquisition programs (MD-102 was revised in 2010).
68. GAO, "High Risk Series: Federal Real Property" (GAO-03-122: January 2003); and GAO, "Federal Real Property: Overreliance on Leasing Contributed to High-Risk Designation" (GAO-11-879T: August 4, 2011) p 2.
69. GAO, "Federal Real Property: Greater Transparency and Strategic Focus Needed for High-Value GSA Leases" (GAO-13-744: September 2013) p. 6.
70. GAO, "Federal Real Property: Reliance on Costly Leasing to Meet New Space Needs Is an Ongoing Problem" (GAO-06-136T: October 6, 2005) p. 8.
71. GAO, "Federal Real Property: Progress Made Toward Addressing Problems, but Underlying Obstacles Continue to Hamper Reform" (GAO-07-349: April 2007) p. 28.
72. GAO, "Federal Real Property: Overreliance on Leasing Contributed to High-Risk Designation" (GAO-11-879T: August 4, 2011) p. 2.
73. In 1995, GAO found 55 of 73 operating leases that GSA had entered into cost a total of \$700 million more than construction. In 1999, GAO reported that for eight of nine major operating lease acquisitions GSA had proposed, construction would have saved the government \$126 million over 30 years. In 2008, GAO found that for four of seven GSA operating leases we analyzed, construction rather than leasing would have saved an estimated \$83.3 million over 30 years. See GAO, Federal Real Property: Strategy Needed to Address Agencies' Long-standing Reliance on Costly Leasing, GAO-08-197 (Washington, DC: January 24, 2008); GAO, General Services Administration: Comparison of Space Acquisition Alternatives—Leasing to Lease-Purchase and Leasing to Construction, GAO/GGD-99-49R (Washington, DC: March 12, 1999); GAO, General Services Administration: Opportunities For Cost Savings in the Public Buildings Area, GAO/T-GGD-95-149 (Washington, DC: July 13, 1995); and General Services Administration: Comparison of Space Acquisition Alternatives—Leasing to Lease-Purchase and Leasing to Construction, GAO/GGD-99-49R (Washington, DC: March 12, 1999). See also: GAO, "Federal Real Property: Greater Transparency and Strategic Focus Needed for High-Value GSA Leases" (GAO-13-744: September 2013) p. 1.
74. GSA, "Prospectus – Construction, Department of Homeland Security Consolidation at St. Elizabeths, Washington, DC," Submitted March 6, 2014, p. 13. Retrieved at: http://gsa.gov/graphics/pbs/FY2015_Washington_DC_Department_of_Homeland_Security_Consolidation_at_St_Elizabths.pdf.
75. GSA, "Prospectus – Construction, Department of Homeland Security Consolidation at St. Elizabeths, Washington, DC," Submitted March 6, 2014, p. 13. Retrieved at: http://gsa.gov/graphics/pbs/FY2015_Washington_DC_Department_of_Homeland_Security_Consolidation_at_St_Elizabths.pdf.
76. Briefing Slides provided by DHS to Committee staff, "DHS Headquarters Consolidation Program," May 7, 2014: p. 5
77. Briefing Slides provided by DHS to Committee staff, "DHS Headquarters Consolidation Program," May 7, 2014: p. 7
78. Email from DHS Office of Legislative Affairs to Committee staff, "St. Elizabeths Get Backs," sent May 27, 2014.
79. Department of Homeland Security, "U.S. Department of Homeland Security Update and Facts on the DHS Headquarters Consolidation Project (St. Elizabeths) p. 17 (March 2014).
80. Department of Homeland Security, "U.S. Department of Homeland Security Update and Facts on the DHS Headquarters Consolidation Project (St. Elizabeths) p. 20 (March 2014).

81. Attachment to letter from DHS Secretary Jeh Johnson and GSA Administrator Dan Tangherlini to Chairman Thomas R. Carper, September 18, 2014, "Department of Homeland Security Headquarters Consolidation Locations." Enclosure 1.
82. Department of Homeland Security, "U.S. Department of Homeland Security Update and Facts on the DHS Headquarters Consolidation Project (St. Elizabeths) p. 20 (March 2014).
83. Department of Homeland Security, "U.S. Department of Homeland Security Update and Facts on the DHS Headquarters Consolidation Project (St. Elizabeths) p. 20 (March 2014).
84. Attachment to letter from GSA Associate Administrator Lisa Austin to Chairman Thomas R. Carper, September 17, 2014, "Department of Homeland Security Headquarters Consolidation Locations," p.5.
85. Attachment to letter from GSA Associate Administrator Lisa Austin to Chairman Thomas R. Carper, September 17, 2014, "GSA Fact Sheet," p.1.
86. Attachment to letter from GSA Associate Administrator Lisa Austin to Chairman Thomas R. Carper, September 17, 2014, "GSA Fact Sheet," p.2.
87. Joint Base Anacostia-Bolling was formerly known as Bolling Air Force Base and the Anacostia Naval Annex;William L. Painter, "DHS Headquarters Consolidation Project: Issues for Congress" (CRS: September 11, 2013) p. 5.
88. Attachment to letter from GSA Associate Administrator Lisa Austin to Chairman Thomas R. Carper, September 17, 2014, "GSA Fact Sheet," p.2.
89. Attachment to letter from GSA Associate Administrator Lisa Austin to Chairman Thomas R. Carper, September 17, 2014, "Enclosure 1," p.2.
90. William L. Painter, "DHS Headquarters Consolidation Project: Issues for Congress" (CRS: September 11, 2013) p. 10-11.
91. William L. Painter, "DHS Headquarters Consolidation Project: Issues for Congress" (CRS: September 11, 2013) p. 10-11.
92. Written testimony of Rafael Borrás, hearing before the House Appropriations Committee Homeland Security Subcommittee, "Department of Homeland Security Facilities Hearing," March 21, 2012. Retrieved at: <http://www.dhs.gov/news/2012/03/29/written-testimony-under-secretary-management-rafael-borras-house-appropriations>.
93. Department of Homeland Security, "U.S. Department of Homeland Security Update and Facts on the DHS Headquarters Consolidation Project (St. Elizabeths), March 2014: p. 7.
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