

STATEMENT OF

**MR. MICHAEL GELBER
DEPUTY COMMISSIONER, PUBLIC BUILDINGS SERVICE
U.S. GENERAL SERVICES ADMINISTRATION**

**BEFORE THE HOUSE COMMITTEE ON HOMELAND SECURITY
SUBCOMMITTEE ON BORDER AND MARITIME SECURITY**

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Introduction

Good morning Chairman Miller, Ranking Member Vela, and members of the Subcommittee. My name is Michael Gelber, and I am Deputy Commissioner of the U.S. General Services Administration's (GSA) Public Buildings Service. Thank you for inviting me to this hearing on examining the use of public-private partnerships as a tool to increase trade and security.

GSA's mission is to deliver the best value in real estate, acquisition, and technology services to government and the American people. As part of this mission, GSA maintains a close partnership with the Department of Homeland Security's U.S. Customs and Border Protection (CBP) to meet that agency's space needs along our Nation's borders; CBP is our primary partner among the Federal inspection agencies stationed along our land borders.

With constrained Federal funding, GSA has explored and used alternative project delivery methods to support land port projects. I will discuss how GSA has implemented these alternative methods, as well as explain how GSA works with CBP through the traditional budget and appropriations process to plan and execute port projects.

The Vital Role of Land Ports

GSA works closely with CBP to design, construct, maintain, and operate land ports of entry along more than 1,900 miles of border between the United States and Mexico and more than 5,500 miles of border between the United States and Canada. The ports managed by GSA are critical to the nation's trade and security.

On a daily basis, approximately \$2 billion in goods, 289,000 cars, 114,000 pedestrians, and 25,000 commercial vehicles cross the border at one of these 167 ports. From 2000 to 2014, the combined value of trade between the U.S. and Canada and the U.S. and Mexico via surface transport has increased over 80 percent, from \$546 billion in 2000 to \$987

billion in 2014. Safe, secure, and modern land ports along our borders are critical to ensuring an efficient flow of commerce and visitors that support American jobs and our Nation's economy.

Of the 167 land ports of entry (LPOEs) along the U.S. borders, GSA manages 124, of which the Government owns or partially owns 102. GSA's land ports of entry encompass more than 5.5 million square feet of space.

GSA's Ongoing Partnership with CBP in Support of Land Port Investments

Over the past 16 years, GSA has invested more than \$1.8 billion from the Federal Buildings Fund to deliver more than 20 new land ports along our northern and southern borders. In the past five fiscal years, the Administration has requested over \$900 million in support of land port modernization to address the inspection agencies' most pressing needs.

Unfortunately, Congress has provided just over \$600 million of these requests, all of which came in Fiscal Year (FY) 2014 and FY 2015. In the absence of full access to the resources in the Federal Buildings Fund, GSA has been unable to execute critical modernizations and land port upgrades that would enhance the security of our borders and improve the efficient flow of commerce with our partners in Canada and Mexico.

Alternative Resources in Support of Land Port Projects

As a consequence of this funding shortfall, we have seen intense interest in finding alternatives to Federal appropriations to support the delivery of high-priority land port projects. Importantly, when assessing the viability of any project, GSA and CBP look comprehensively at the full life-cycle cost of a port. This analysis includes the site where construction is to take place, the infrastructure that will be needed to support the mission, the funding and source of that funding to operate and maintain the facility, and the sophisticated technology and equipment the Government uses to secure the Nation's borders. If an alternative funding source might be available for any of these items, GSA and CBP still would need to obtain funding to address the other costs associated with the project. Thus, acceptance of what appears to be a "cost-free" donation could ultimately result in additional costs to the Government. At the same time, if the investment is required to address critical commerce and security requirements at the border, a donation would result in lower costs to the Government than if the Government had to make the full investment. When evaluating a donation, GSA and CBP will continue to weigh these various cost implications relative to the opportunity's impact on CBP operations, border security, trade and travel, and local and regional economic benefits.

GSA has longstanding authority to accept unconditional gifts of real and personal property from other public or private entities. GSA has used this authority on occasions when state or local governments, and in a few cases private sector entities, have elected to donate land or other real property to GSA to realize the economic benefit associated with a new or expanded land port of entry.

For example, at the San Luis II port in Arizona, GSA received a donation of land and utilities in support of the site to help advance the modernization of the port. In Donna, Texas, the City donated money for design, land for the site of the port, and 180,000 cubic yards of fill dirt for construction. In Columbus, New Mexico, a private landowner donated approximately 10 acres of land to GSA near the port site for construction and a bypass road for commercial trucks.

Congress has supported these efforts by providing additional statutory authority to receive donations and reimbursable services. In FY 2013, CBP received limited authority to enter into reimbursable service agreements with private sector entities for the provision of certain inspection services.¹ Congress expanded CBP's ability to execute these reimbursable service agreements, while at the same time broadening GSA's and CBP's donation acceptance authorities, through section 559 of the Consolidated Appropriations Act of 2014 (the "Section 559 Donation Acceptance Authority").²

As required by the Section 559 Donation Acceptance Authority, GSA and CBP worked collaboratively to establish robust evaluation criteria, incorporating feedback from a broad range of stakeholders. The jointly developed Donation Acceptance Procedures Framework (the "DAP Framework") outlines the criteria and procedures for evaluating donation proposals. GSA and CBP used the DAP Framework to evaluate seven donation proposals received during the first open submission period, which concluded on December 23, 2014. CBP, with concurrence from GSA, selected three proposals to advance to Phase II: Proposal Planning & Development - The City of Donna/Donna Rio-Bravo LPOE; the City of Pharr/Pharr LPOE; and the City of El Paso/Ysleta LPOE. During this Phase, GSA, CBP, and the project sponsor will collaboratively plan and develop these proposals into executable projects that fulfill CBP's operational needs at an acceptable cost, schedule, and risk. In the event that proposal planning and development results in one or more viable donations that are acceptable to CBP and GSA, the parties will further define their respective responsibilities and funding obligations with respect to the proposed donations. If one or more of these projects are successfully implemented,

¹ *Consolidated and Further Continuing Appropriations Act of 2013*, P.L. 113-6, division D, title V, section 560.

² *Consolidated Appropriations Act of 2014*, P.L. 113-76, division F, title V, section 559.

the Section 559 Donation Acceptance Authority may prove to be an effective alternative financing model for improving our Nation's land ports of entry.

Conclusion

Thank you for the opportunity to testify today about the importance of our land ports for commerce and security, requirements and funding constraints for upgrading this infrastructure, and the opportunities and challenges involved with alternative financing models. I look forward to working with this and other Congressional Committees, other stakeholders and the Federal inspection agencies to make strategic investments in our Nation's land ports of entry. I am happy to answer any questions you may have.