

**STATEMENT OF
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U.S. GENERAL SERVICES ADMINISTRATION
BEFORE THE HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND
EMERGENCY MANAGEMENT**

**“Border Station Construction: Minimizing Costs and
Leveraging Private Dollars”**

May 18, 2016

Introduction

Good morning Chairman Barletta, Ranking Member Carson, 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 land ports of entry (LPOEs) construction.

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 – 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 America’s land borders.

Successful execution of these land port of entry projects improves trade and commerce, creates jobs, and bolsters our Nation’s security. GSA works to deliver these land ports to accomplish these objectives while minimizing costs.

GSA’s Ongoing Partnership with CBP

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.

On a daily basis, approximately 380,000 people cross the U.S.-Canada border. From 2000 to 2014, the combined value of trade between the U.S. and Canada and the U.S. and Mexico via surface transport increased by 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 people that support jobs and economic growth.

Of the 167 land ports of entry 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. Additionally, CBP operates 40 primarily smaller locations, mostly in remote, rural areas; these land ports of entry encompass approximately 477,000 square feet.

The Department of Agriculture – Forest Service controls one land port of entry, and the Department of the Interior - National Park Service controls two ports.

Minimizing costs to deliver these critical land ports of entry begins with effective targeting of resources at the highest priority projects. GSA looks to CBP's priorities, which are developed using multiple factors and analyses.

CBP's prioritization process includes gathering data through a Strategic Resource Assessment planning process, scoring identified needs at each port, conducting a sensitivity analysis on the initial ranking of needs, assessing project feasibility and risk, and establishing an executable capital investment plan.

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. Since 2013, GSA has requested over \$1 billion in support of land port modernization, including GSA's FY2017 request of \$248,213,000 to reconfigure and expand the land port of entry in Calexico, California, and \$5,749,000 for design and construction of a new animal inspection facility for the U.S. Department of Agriculture Animal and Plant Health Inspection Service at the Pembina, North Dakota land port of entry. Of these requests, Congress has provided approximately \$700 million through FY 2016.

GSA works closely with CBP to ensure CBP's priority projects are integrated into GSA's larger multiyear priority plan. To this effect, GSA places at least one land port of entry in each fiscal year's priority planning list.

CBP and GSA consult with stakeholder agencies at the onset of project planning and continue this relationship throughout project development and execution. CBP and GSA are partners in the border master planning process on the U.S. - Mexico border. In addition to coordination with state and local agencies, the border master planning process also includes Mexican federal, state and local government entities as well as other Federal agencies including State Department, Department of Transportation (Federal Highway Administration, Federal Motor Carrier Safety Administration, etc.) and when appropriate, private partners as well (railroads, for example). The resulting Border Master Plan is a listing of project priorities that state and local governments rank regionally and provide guidance to help CBP and GSA rank projects nationally.

With respect to land ports at the northern border, GSA again works closely with the Department of State to coordinate with government offices at all levels in Canada.

Without the full funding requested in the President's annual budget, GSA cannot execute the land port upgrades that are critically needed.

Alternative Resources in Support of Land Port Projects

GSA's ability to fund land ports of entry has historically been supported by the appropriations provided by Congress. GSA has seen greater interest in finding alternatives to Federal appropriations to support the delivery of high-priority land port projects, including donations through GSA and CBP authorities.

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 funding amount and source of that funding to operate and maintain the facility. If an alternative funding source might be available to construct a land port of entry, GSA and CBP still may 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.

The Section 559 Program

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.

Congress has supported efforts to find land port of entry funding alternatives by providing CBP additional statutory authority to receive donations and reimbursement from State, local, and private entities. In FY 2013, CBP received limited authority to enter into reimbursable service agreements with private sector entities for the provision of certain inspection services¹. 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. Under this program, projects are being further assessed and developed in the Cities of Donna, El Paso, and Pharr, Texas. In Donna and Pharr, for example, the cities seek to donate inspection booths and related infrastructure; while in El Paso, the City would like to remove medians near the inspection stations to streamline the flow of traffic. In all three cases, the Programs of Requirements are complete or near completion, meaning that the projects may be soon ready for construction, pending agreement of relevant stakeholders.

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.*

GSA and CBP are currently in the process of reviewing DAP fiscal year 2016 proposals, which may provide additional investment in, and expedition of, infrastructure and technology improvements at ports of entry. We expect the announcement to be made in coming weeks.

Cost-Effective Project Delivery

GSA has a consistent track record of delivering capital projects on time and on budget; in FY15 we achieved 98% on time and 99% on budget and 78% of our projects are obligated within one month of the projected obligation date.

Our success is the result of leveraging our project resources across regions, ensuring the best available team is assigned to the projects. This risk based project team assembly along with consistent application of industry best practices such as: proactive project and market risk identification and management; selection of a delivery method that matches those project and market risk conditions; and a collaborative team posture has contributed to the success of projects.

Conclusion

Thank you for the opportunity to speak with you today about GSA's ongoing partnership with CBP to cost-effectively improve the Nation's infrastructure along America's borders. I welcome the opportunity to discuss GSA's commitment to strategic investment in the Nation's land ports of entry, and am happy to answer any questions you may have.