

## hTable of Contents

U.S. Senate Date: Wednesday, February 28, 2017

Committee on Environment  
and Public Works Washington, D.C.

STATEMENT OF:	PAGE:
THE HONORABLE JOHN BARRASSO, A UNITED STATES SENATOR FROM THE STATE OF WYOMING	3
THE HONORABLE THOMAS R. CARPER, A UNITED STATES SENATOR FROM THE STATE OF DELAWARE	7
THE HONORABLE SHELLEY MOORE CAPITO, A UNITED STATES SENATOR FROM THE STATE OF WEST VIRGINIA	15
THE HONORABLE BENJAMIN L. CARDIN, A UNITED STATES SENATOR FROM THE STATE OF MARYLAND	18
THE HONORABLE CHRIS VAN HOLLEN, A UNITED STATE SENATOR FROM THE STATE OF MARYLAND	23
DAN MATHEWS, COMMISSIONER, GSA PUBLIC BUILDING SERVICE	26
RICHARD L. HALEY, II, ASSISTANT DIRECTOR, FBI FINANCE DIVISION	32

HEARING ON OVERSIGHT: FBI HEADQUARTERS CONSOLIDATION PROJECT

Wednesday, February 28, 2018

United States Senate

Committee on Environment and Public Works

Washington, D.C.

The committee met, pursuant to notice, at 10:00 a.m. in room 406, Dirksen Senate Office Building, the Honorable John Barrasso [chairman of the committee] presiding.

Present: Senators Barrasso, Carper, Capito, Fischer, Ernst, Cardin, and Van Hollen.

STATEMENT OF THE HONORABLE JOHN BARRASSO, A UNITED STATES  
SENATOR FROM THE STATE OF WYOMING

Senator Barrasso. Good morning. I call this meeting to order.

Today's oversight hearing will focus on the status of the FBI headquarters Consolidation Project. We will hear testimony from the General Services Administration and the Federal Bureau of Investigation.

Last August, this Committee held a hearing on the search for a new FBI headquarters. The hearing was in response to GSA's abrupt cancellation of their plan, years in the making, to consolidate FBI headquarters at a new location in either Maryland or Virginia. The plan involved trading the crumbling Hoover Building to partially offset the costs of new construction.

Senators weren't notified of the cancellation in advanced, and first heard of the decision through the press. This isn't what accountable government looks like. Nonetheless, the hearing ended on a positive note.

Both the GSA and FBI committed to return to Congress with a workable solution for the FBI headquarters. The plan was to do that by November 30th. A week before that deadline, GSA and FBI indicated they would require an additional 60 days to develop and submit a report detailing a workable solution.

In response to this request, Ranking Member Carper and I sent a letter emphasizing the importance of receiving a thorough plan from GSA. We granted the extension request to ensure GSA and FBI had ample time to consider differing financing options for the project. The new deadline was set for January 29th of this year, and we expected it to be met. The deadline came and went and the GSA didn't provide us with the report.

To make matters worse, GSA's ultimate recommendation contained within the report was leaked to the press two full weeks before the report was delivered to this Committee. As was the case last summer, members of Congress should have been notified well in advance of the media.

On February 12th the Committee finally received GSA's overdue report. The report contains a revised plan which recommends the Hoover Building be demolished to make way for the construction of a new headquarters facility in the same location.

Instead of consolidating all 10,600 FBI headquarters staff into one campus location, the revised plan would move 2,300 headquarters staff to three new facilities around the Country. The plan estimates that the total cost of the new project at \$3.3 billion and it indicates the Administration will be seeking \$2.175 billion in appropriations to fully fund demolishing and rebuilding the Hoover Building.

While this appropriations request is more than double the \$800 million previously requested by GSA, the report estimates that the new plan's overall cost will be lower than that of the old plan.

The revised plan is a significant departure from previous plans considered and put forward by GSA and FBI. The revised plan eliminates many of the FBI's security requirements: it scraps the concept of a consolidated campus; it abandons the need for a remote truck inspection facility; and it discards the requirement of a detached central utility plan.

Under the old plan, these features were considered critical for FBI's security. Now they are gone, so the question is what happened.

It has been nearly seven years since this Committee first directed GSA to follow through on this project. Yet, the need for a new FBI headquarters remains as pressing as ever. The men and women of the FBI who work around the clock to keep America safe require a modern and a functioning office building that meets their needs.

It is past time for the GSA to implement a workable plan, one that can hold up to Committee scrutiny and deliver the long overdue replacement for the aging Hoover Building. The members of this Committee want what is best for the American taxpayers and what is best for the hardworking men and women of the FBI.

The Federal Government has already spent over \$20 million in 13 years planning for an FBI headquarters. The revised plan starts the process from scratch. I hope that today's testimony will clarify how this plan will succeed where previous efforts have failed.

I would now like to recognize Ranking Member Carper for his opening statement.

[The prepared statement of Senator Barrasso follows:]

STATEMENT OF THE HONORABLE THOMAS R. CARPER, A UNITED STATES  
SENATOR FROM THE STATE OF DELAWARE

Senator Carper. Thanks, Mr. Chairman. I want to welcome our witnesses today, and I want to thank our colleagues, especially from Maryland, for urging us to have this hearing, and commend you, Mr. Chairman, for holding it.

Our friends from GSA, our friends from the FBI, welcome. We thank you and your colleagues for the work that you do, especially at the FBI. Thank you very much.

The hearing today, as the Chairman has said, is a follow-up to our hearing in August of last year, a hearing we held on the cancellation of the procurement for a consolidated FBI headquarters. At the conclusion of that hearing, the witnesses from GSA committed to providing our Committee with a workable solution to meet the FBI's needs for a new headquarters.

After an extension, the Committee received the promised report on February the 12th, and the report, as the Chairman has suggested, is a complete reversal of a plan for the FBI that was more than a decade in the making. It abandons previous efforts to consolidate FBI's operations away from the Bureau's current location at the J. Edgar Hoover Building. Frankly, this about-face is concerning, maybe even troubling.

All members of this Committee should be concerned about this new plan for the FBI; not just the members of the

Committee, but Senators who are not on this Committee. It raises serious questions from the impacts on national security to the excess cost of this decision may likely impose on our Federal Government at a time when our budget deficit this year, as my colleagues know, is going to exceed \$1 trillion just in one year. The kind of money that we are talking about here is alarming.

I hope that today's hearing can answer some of these questions and alleviate members' concerns, including my own.

What is not in question today is the fact that the FBI needs a new headquarters. The Chairman has already said that. We agree. The current facility is in dangerous disrepair which not only affects the day-to-day operations of the FBI, but also has significant national security implications.

One of the main motivations to consolidate the FBI into one location was to ensure that FBI headquarters maintains necessary security standards. There are also efficiencies to be gained by reducing departmental fragmentation.

This new plan, however, appears to do just the opposite. Instead of moving people with common tasks closer together, this report recommends moving approximately 20 percent of the current headquarters staff to locations around the Country.

Congress has already appropriated hundreds of millions of dollars for this project, as you know, including the millions of

dollars that have already been spent on the previous procurement.

As stewards of the federal purse, we should be working to save taxpayer dollars, make our government more efficient, including with respect to property management. We see examples where consolidation is working or has the potential of working. One is the development of a consolidated Department of Homeland Security campus on the grounds of the former St. Elizabeth's Hospital in Southeast Washington, D.C.

Personally, I was initially skeptical of that project. However, after working with the previous administration and, through oversight conducted as Chairman and Ranking Member of the Homeland Security and Governmental Affairs Committee, I am now convinced that it is in the best interest to have a consolidated campus in the Capital Region.

At the end of the day, though, we need to do what is right for the hardworking men and women of the FBI, and do so in a manner that makes the most sense for our national security, while also being good stewards of our taxpayer dollars. How we achieve those goals is by ensuring that we have all the information we need to make an informed decision.

As you know, Mr. Chairman, we have had some previous challenges in obtaining information from the GSA that is necessary to carry out our oversight responsibilities. For over

a year I have been requesting documents from GSA about the Trump Hotel. Specifically, I have been asking about GSA's questionable determination that the Trump Hotel lease somehow does not violate the ethics requirements that prohibit an elected official from being a party to a federal lease to financially benefit from that lease.

Sadly, the Administration's response to my questions, to our questions to date has not been satisfactory. Of the almost 12,000 pages worth of documents the GSA provided last fall, only 22 pages, 22 pages, one-tenth of one percent, were written within the relevant time frame and directly pertain to the question we raised about the lease. Fewer than one-tenth of one percent of those 12,000 pages actually spoke to the question that we had raised. Not a single one of those 22 pages contains the analysis that I was seeking. Think about that.

In contrast, there are hundreds of pages about the location of a clock, about the location of Starbucks in the hotel, about the maintenance of smoke detectors. Really?

Moreover, GSA told me it was withholding information relating to some of my specific requests. For example, GSA would not tell me whether the Trump Hotel buys Trump wine or other Trump products, the sales of which would clearly benefit President Trump financially. This is unacceptable.

I would ask unanimous consent to submit portions of the GSA

response to my letter into the record, Mr. Chairman.

Senator Barrasso. Without objection.

[The referenced information follows:]

Senator Carper. I would also like to express my dismay about the information we received with respect to the FBI project that we are discussing today.

The Committee learned of both the cancellation of the procurement and the release of this new plan from the press. I am very disappointed that we continue to find out about developments on this project in this manner. That is no way to do business. No way to do business.

As we move forward, it is my hope that GSA and FBI will be more forthcoming with our Committee and members of our Committee so that we can conduct our oversight in an effective and productive manner.

Let me just say there used to be a TV show. Mr. Chairman, you and I probably used to watch it as a kid. This was before these ladies were born. But the FBI and this guy named Jack Webb was an FBI agent, and he would make calls on doing an investigation and he would say to whoever answered the door, ma'am, just the facts; we just want the facts.

Well, that is pretty much what we are interested in today, just the facts. And we want them from the GSA and certainly from the FBI.

I look forward to your testimony. Look forward to working with our colleagues, especially the ones from Maryland, the Mar of Delmarva, to see if we can't get to the truth. If we know

the truth, we will not make a mistake.

Thank you so much.

And I will just say I am going to apologize to our witnesses. Simultaneous to this hearing is a markup that is going on in one of my other committees. I will be right back as soon as that is over. Thank you. So bear with me.

[The prepared statement of Senator Carper follows:]

Senator Barrasso. Thank you.

Since both the States of Maryland and West Virginia are involved in this, I would invite, first, Senator Capito to make an opening statement, and then the Senators from Maryland, if you so choose.

STATEMENT OF THE HONORABLE SHELLEY MOORE CAPITO, A UNITED STATES  
SENATOR FROM THE STATE OF WEST VIRGINIA

Senator Capito. Thank you, Mr. Chairman. And I am going to be going to the Billy Graham event, so I apologize for the quickness. But thank you for granting me this privilege.

With consideration for my colleagues from Maryland, we may have a bit of a different view on how this could roll out.

And I would like to say welcome to Mr. Mathews, who we served together when I was over in Transportation and Infrastructure on the House side, so it is nice to see you.

Just briefly, in the revised plan, there is a plan, if consolidation occurs downtown, and, Mr. Haley, you refer to this in your remarks, the CJIS Center in Clarksburg, where I just was on Friday, would have several hundred jobs moving into West Virginia. That would be an important development for me, obviously, as that facility continues to grow, become more professional, more highly technological, and we would welcome that prospect of having those employees move out into West Virginia, as many have moved there before and have realized the wild and wonderful life is a pretty good one out in West Virginia.

So, with that, thank you very much, Mr. Chairman. I know this has been a winding road and I join with what Senator Carper was saying, we need to hear the facts, and I think those will

bear out today. Thank you so much. Thank you.

[The prepared statement of Senator Capito follows:]

Senator Barrasso. Thank you, Senator Capito.

Senator Cardin.

STATEMENT OF THE HONORABLE BENJAMIN L. CARDIN, A UNITED STATES  
SENATOR FROM THE STATE OF MARYLAND

Senator Cardin. Thank you, Mr. Chairman.

Senator Capito, let me just say I don't think we are going to have a disagreement here. We want the FBI to consolidate in its most efficient ways, and we understand that some of the functions may be better performed in other locations, so I am not sure we will have any disagreement on that particular point.

Senator Barrasso, I really want to thank you. The United States Senate delegates to this Committee the responsibility for authorization and oversight of public buildings, and Chairman Barrasso has taken this responsibility at a very high level, which I think is very important for our Committee. So I just want to thank our Chairman for paying great attention to this and giving us an opportunity to better understand why the original prospectus was terminated abruptly and now we have before us a totally different recommendation. I thank the Chairman very much for this opportunity.

Mr. Chairman, we are just puzzled. We are puzzled. We have gone through 12 years where the FBI, GSA, intelligence community have all said that the FBI needs a facility to not only meet its current needs, but to meet its needs in the future, and that requires a facility that can handle the personnel and the security needs that is estimated to be between

45 to 55 acres. That has been consistent in the report of 2011, in Kevin Perkins' testimony before the House of Representatives on March 6th, 2013, and Mr. Haley's testimony before us on March 1st of 2016.

It is hard to understand how that is going to be met on a 6.6-acre site with 2.6 million square feet. It is hard to understand how that is going to meet the security needs as determined by the Department of Homeland Security.

Consistently there has been the issue raised about the security. The J. Edgar Hoover Building does not meet interagency security committee standards for an intelligence committee-graded building. That is from testimony of Mr. Haley in August 2017. The report from the FBI in August 2011 points out that the Department of Homeland Security has determined that the FBI headquarters should be housed in an ISC Level 5 facility.

It then goes on to say why. The report from the GSA points out the reasons why this level of security is needed, and I would just like to put that into the record. "Perimeter protection and standoff distances are the most effective means of preventing or limiting damage from a bomb attack. There is no practical way to adequately secure and protect the J. Edgar Hoover Building. The real risk for inadequate physical security is that the FBI operations are more vulnerable and could easily

be disrupted, potentially at a time when these capabilities would be most needed.”

Now, all of a sudden, we are changing the direction here. It is very difficult for us to understand that.

The Chairman and the Ranking Member asked for detailed information about the plans. We got this glitzy 22-page, more photographs than details, about the proposal. And when you take a look at the cost comparisons, many of the costs are not even included in this. For a 20 percent smaller building, you don't include the swing rental issues or building out the new rental spaces.

So, Mr. Chairman, it is difficult for us to understand this. Mayor Bowser has said that she believes that the best use of this space for the people of the District of Columbia is for it to be in private development hands, so we are not even paying attention to the local community.

So, there are a lot of questions here. I appreciate our witnesses being here.

I would just make one last comment. I know the urgency of this. The FBI desperately needs new facilities. But it has been the agencies that have delayed this for 12 years. Twelve years. Hundreds of millions of dollars wasted. And now we find out about this information through press accounts. We still don't have adequate information in order to move forward.

We certainly have not delayed this, and to the men and women who work at the FBI, for the people of this Nation who depend upon their work, this has been just a major mishandling by the agencies for them to have adequate facilities to carry out their responsibility.

[The prepared statement of Senator Cardin follows:]

Senator Barrasso. Thank you.

Senator Van Hollen.

STATEMENT OF THE HONORABLE CHRIS VAN HOLLEN, A UNITED STATES  
SENATOR FROM THE STATE OF MARYLAND

Senator Van Hollen. Thank you, Mr. Chairman. I want to also thank you and the Committee for taking this issue with the seriousness it deserves. This is a textbook example of how the Federal Government should not operate over a period of time. It is an example that people will use for decades to come about how the Federal Government misled people from start to finish, failed to provide information to the Congress when requested, and constantly changed its assessment of what was required for the FBI.

People who were bidding on this project invested lots of money, Mr. Chairman, in proposals, only to see whiplash when the FBI totally changed its testimony and the GSA totally changed its position on this.

There are GAO reports from years ago analyzing all the options, including the option that you are proposing here today, to demolish the current building and rebuild. There have been hearings in the House and Senate on this issue for years, and the testimony is all there on the record. I am looking forward, Mr. Chairman, to having a conversation and question for these witnesses, because representatives from the GSA and FBI have made statements repeatedly on the record that are totally at odds with the position that these agencies are taking today, and

that is something that does not give the public any confidence in how their Federal Government is operating.

So, I hope, Mr. Chairman, we can get to the bottom of all this. All of us want an FBI building that allows them to complete their mission and ensures their security, and is at the best cost for the taxpayer; and I am hopeful that we will arrive at a sensible solution.

I appreciate your holding this hearing.

[The prepared statement of Senator Van Hollen follows:]

Senator Barrasso. Thank you, Senator Van Hollen.

We will now hear from our witnesses. We have with us Mr. Dan Mathews, who is the Commissioner of the General Services Administration Public Building Service, and Mr. Richard Haley, who is the Assistant Director and Chief Financial Officer for the Federal Bureau of Investigation Finance Division.

I would like to remind you both that your full written testimony will be made part of the official hearing today, so please try to keep your statements to five minutes so that we may have time for questions. I look forward to your testimony.

And we would ask you to please begin, Mr. Mathews.

STATEMENT OF DAN MATHEWS, COMMISSIONER, GSA PUBLIC BUILDING  
SERVICE

Mr. Mathews. Good morning, Chairman Barrasso, Ranking Member Carper, and members of the Committee. Thank you for the opportunity to be here.

The purpose of my testimony today is to explain why the previous procurement failed, how the recommendation changed from a suburban campus to a new facility on the current site, and why this is the preferred solution for meeting the FBI's mission requirements.

Please let me be clear. This proposal does consolidate the FBI headquarters. It reduces its real estate footprint significantly and meets its mission requirements.

Since my arrival at GSA in August, Mr. Haley and I have met on a regular basis with our teams to develop this proposal. Although I did not work at GSA at the time, I do think it is important to explain why the previous procurement was cancelled in July.

While the lack of appropriations was a significant factor, and I think that is where most of the discussion has taken place, it is not the only reason. The incorporation of an exchange greatly complicated and increased the risk of that procurement.

Under the contract, the Federal Government was obligated to

turn over the existing facility as partial compensation for the new campus. However, without full funding of the appropriated portion of the project, meaning the delta between the estimated value of the Hoover Building and the actual cost of the facility, that new facility could not have been completed. The FBI would have been unable to move, to relocate out of the Hoover Building, and the current site could not have been turned over in accordance with the contract.

The legal and operational risks were simply too great with that type of a structure of the procurement to proceed without full funding in hand.

Although the procurement was terminated, as you all have mentioned, the need and urgency for a new headquarters does continue. Each year delay increases the project costs by about \$84 million by a combination of construction escalation and temporary investments that we need to make in the facility.

When GSA and the FBI project team regrouped in August, we removed the exchange from the project and considered all options for bridging that gap between the project costs and the available funding. The first step in that process was the FBI reassessing the scope and mission requirements of the headquarters in an effort to lower costs. From a real estate perspective, which is what I am really going to be talking about today, the most important change the FBI made was in reducing

their personnel requirement for this facility from 10,600 to 8,300.

We applied this smaller requirement to a campus construction scenario, and the total cost savings were less than one would typically expect. This is because the larger campus infrastructure costs are essentially the same for housing 10,600 people as they are for housing 8,300 people.

This led to the consideration of smaller sites in an effort to reduce land acquisition, perimeter security, and other campus-specific costs. Most significantly, the reduction in the personnel requirement made the current Pennsylvania Avenue site a viable option for housing the consolidated headquarters function.

Again, from a real estate perspective, there are several distinct advantages of the current site over other potential locations. First of all, the current site is federally owned and under GSA's custody and control; demolition costs are considerably less than site acquisition, preparation, and relocation costs; a central utility plant, a new truck inspection facility, because there is an existing one, would not be needed; the classified communications, cabling, and major utility fees that are necessary to serve a facility like this already exist and are in place; the site is served by several Metro lines and existing road networks, eliminating the need for

expensive parking garages and transportation infrastructure; and the current site is located in the center of the FBI's key mission partners and departmental headquarters across the street.

GSA and the FBI considered three options for reusing the Hoover site: a phased renovation, a renovation of a fully vacant facility, and a demolition and rebuild at the current site.

A phased renovation we determined would take almost 15 years and cost more money and deliver a less successful product than demolishing and rebuilding the new structure. New construction allows us to build a facility that can house 8,300 people instead of a smaller number in a renovated facility. In addition, new construction can mitigate security threats more effectively with tailored designs, newer materials, and current construction techniques.

In short, demolishing the current building and replacing it with a new building enables GSA to deliver a more secure and efficient headquarters faster, cheaper, and with less risk than a renovation.

As directed by the Committee, GSA and the FBI considered a variety of funding options, including lease construction, lease with a purchase option, a ground lease lease-back arrangement, phased appropriations, and full funding appropriations, which,

ultimately, we recommended.

While alternatives were discussed at length, the Bipartisan Budget Act of 2018 provides a unique opportunity to secure appropriations for a new headquarters. That opportunity didn't exist a year ago, and I don't know if it will exist two years from now, but it does exist today.

In conclusion, the proposal achieves a strategic consolidation of the FBI headquarters, reduces its footprint, and provides a good value for the taxpayer.

Thank you, and I look forward to answering your questions.

[The prepared statement of Mr. Mathews follows:]

Senator Barrasso. Thank you, Mr. Mathews.

Mr. Haley.

STATEMENT OF RICHARD L. HALEY, II, ASSISTANT DIRECTOR, FBI  
FINANCE DIVISION

Mr. Haley. Thank you, Chairman Barrasso, Ranking Member Carper. I appreciate the kind words to the men and women of the FBI, and I look forward to taking that message back.

Members of the Committee, thank you for inviting me to testify before you today. I will be very short in my oral comments.

The last time I was here, we discussed the decision to cancel the prior procurement and difficulties presented by the previous exchange proposed strategy and lack of available funding to move forward. The Building Commissioner has gone into that. GSA and FBI committed at the hearing to provide you with a comprehensive report on the best way forward for the FBI project. As you are aware, that report has been provided to the Committee, and we appreciate the opportunity to discuss it today.

During the past six months since we met before, we have reviewed all the funding options that have been available or that could be available and have taken a comprehensive approach on how best to move forward with this project.

At the core of the review, and I can assure you, in terms of what the FBI's part in this review was to follow the criteria laid out by this Committee: one, to ensure that a way forward

best meets the FBI's mission requirements and is in the best interest for the men and women of the FBI and, second, is a good deal for the American taxpayers; and we have not wavered from that commitment to look at those.

As reflected in the report, after looking at all the options, and going back for more than a decade reviewing the lessons learned and studying the core requirements for this project, we, the FBI, have, in conjunction with GSA, agreed that reutilizing the existing headquarters site has been identified as the best path forward. This recommendation has not been provided lightly and is the culmination of a number of factors, and we are aware of the potential frustrations based on that decade-plus of moving this forward have had with a number of individuals, including Senator Cardin, Senator Van Hollen.

First of all, in terms of us looking at it, I think most critical has been us relooking at and redefining what a mission focused, fully consolidated FBI headquarters requires. We strongly believe that a multi-headquarters set of sites across the Country will enhance our resiliency and operational effectiveness. This is something that we have talked about to a number of other entities, not just in the government, private sector. There are a number of private sector companies that are looking for resiliency through other headquarters at this time. That has been part of that learning process.

These other sites that we have identified have been part of our physical portfolio for many years. And while the way forward includes enhancing the use of these sites, these sites are not new to the FBI; we have had a presence in Huntsville, Alabama since 1971, we have had the Pocatello site since 1984, and our presence, as noted by the Senator a few minutes ago, we have been in Clarksburg since 1995. Those are all owned sites by the FBI that we are talking about increasing their presence for this resiliency and moving additional headquarters pieces out to those locations.

All of that said, the FBI still requires a strong National Capital consolidation. While we are not talking about the 10,600 positions coming in to the National Capital Region facility, we are still talking 8,300 positions. That is 3,000 more seats than we currently have available at the Hoover Building and over a 50 percent growth.

Secondly, and part of the piece that we really looked at hard within the FBI, is the day-to-day mission tempo. We have a unique relationship with the Department of Justice, which is across the street from us, as well as the hundreds of meetings that occur each day with other partners in oversight, including the Congress. This was a piece that had been looked at and not necessarily addressed in the previous plans in terms of not necessarily the director or executives like myself, but how do

the men and women, the middle and lower parts of the organization that are all across town, how do they get back and forth in an effective way and get their job done. And this was a big part of what we have looked at for the last six months.

We also do not believe we are wavering on an aggressive security requirement improvements. We looked at what the status quo is now, and it is unacceptable; and we believe we are still maintaining an appropriate security posture. What we give up in space obviously needs to be made up for in thickness of concrete and other security ways of getting to those same type of assurances that we are meeting that requirement.

I think one of the things that is not a physical or necessarily a quantitative part of what we have looked at, and this is a conversation that we have had internally, as well as with GSA, is the FBI's public-facing presence. We are indeed a part of the IC community, but we are also part of the law enforcement community, and we are the premier national law enforcement agency; and we believe a public-facing FBI is critical and that has gone into this factor.

Our brethren in the IC, many of them have moved on to campuses not only for the security, but because they actually want to be out of site of the American public for much of what they do and the missions they have; whereas, we believe that is a strong tenet for us to have in terms of our presence on

Pennsylvania Avenue.

In closing, what remains clear in this revised strategy is the need for a new facility that meets the mission requirements for the FBI. The current J. Edgar Hoover Building is an impediment to achieving operational effectiveness and continues to decay. As noted by the Building Commissioner, these delays are costing over \$80 million a year. Status quo is not acceptable. The building continues to deteriorate and we estimate that it is going to cost about \$300 million just to maintain the building at this point for just basic operations.

Chairman Barrasso, Ranking Member Carper, Senator Cardin, Senator Van Hollen, I thank you for the opportunity to come back and testify on the new FBI headquarters project. We appreciate your interest and support, and I am happy to answer any questions you might have.

[The prepared statement of Mr. Haley follows:]

Senator Barrasso. Well, thank you both very much for your testimony. There are a couple of questions that we will have.

Starting with you, Mr. Mathews, the report submitted to this Committee indicates the revised plan costs roughly \$200 million less than the previous plan, but, to me, the math doesn't all seem to add up. When you are considering the revised plan, it consolidates fewer employees into the Hoover location, it no longer includes a building exchange to offset the costs, it doesn't account for temporary employee relocation costs and rent space, and it asks for significantly more appropriations.

Could you kind of explain this a little bit as to why this is actually a better deal for taxpayers?

Mr. Mathews. Yes. I would be happy to answer the question about the costs. The first thing I would say, when you are comparing these costs to the previous project, I would say this Committee didn't have the full costs before; and in this report, this is really the first time you have seen the full costs of the previous project, the 10,600-person campus consolidation. You did not see those FBI fit-out numbers.

In fact, those are normally kept separate from the project; you usually just see the GSA portion of the project. You are actually seeing all of it here, what we think this project will actually cost to deliver at the best of our ability to estimate

those costs at this point in time.

So, I would start off by saying the comparison, that is why we have it in that report, the left-hand side of that column, those are the previous costs of the canceled procurement, and you did not see those before. That is new and we think it is important that you have a full appreciation for what that project was costing.

You mentioned a number of things, swing space, for example, that this report here shows I believe it is \$427 million for the swing space costs. And what we are showing there are the additional costs to fit out space for the temporary location. Whether we swing them out or if they were sitting in place in the Hoover Building, there is considerable expenses to operate and maintain the Hoover Building.

Those are roughly equivalent to the rental of space cost for swing space, so we left those out because they are basically on both sides of the ledger, no matter what we are doing, and they cancel themselves out. The extra costs that we included were for building out the swing space so that they could occupy it. That would be above and beyond sort of the normal operating costs.

Again, on reusing the current site, like I said in my testimony, there are some very specific advantages to reusing the current site. We are not building a 2.6 million square foot

parking garage. We are not building a separate central utility plant, separate visitor center. In fact, when you look at the structure under the current proposal, we would be building almost 5 million gross square feet of facility. In this one we are building about 2.65 million gross square feet of facility.

The acquisition costs, actually constructing it, is about a third of the lifecycle costs of the facility. So actually having a significantly smaller facility, cost-wise, over time, the lifecycle cost of that facility is very much tied to how large that facility is.

Senator Barrasso. Thank you, Mr. Mathews. It is disturbing to all the members of the Committee here when you say they aren't costs the Committee has ever seen before. And I understand you weren't in this position at that point, but it is concerning all of us here, both sides of the aisle, when we hear that sort of thing, that we haven't been getting all the information that we, as a Committee and this Congress, have been requesting.

Mr. Haley, over the course of this project, which has spanned now more than a decade, the FBI has consistently indicated the need for a fully consolidated campus. FBI further requested that such a facility be equipped with certain specifications: a remote truck inspection facility, a detached visitor's center, a detached central utility plant. The revised

plan, of course, contains none of these requirements.

Has the FBI, in a sense, lessened its security requirements for this project and, if so, when and why did the requirements change?

Mr. Haley. Thank you, sir. We do not believe we have lessened our requirements. I think the learning process that we have gone through, and again, I will reemphasize as we have been pursuing the process forward, we have spent a considerable amount of time talking to, myself, probably 35, 40 Fortune 500 companies. We have talked to intel community members not only here in the U.S., but also our partners overseas in terms of how best to get to all of the pieces you are talking about.

A campus provides many opportunities, and we know that from some of our brethren agencies. But we also think that we can get those same capabilities. We have a truck inspection facility, a remote truck inspection facility that is in Maryland today that we would, in this plan, continue to use. We believe that we can meet the requirements of the site, as the Building Commissioner has mentioned. You can't take the current Hoover Building, obviously, and renovate it or do what would be needed.

We had not, honestly, looked at a new building on that site before. By looking at these other locations, which was really driven by the resiliency, the opportunities in these other locations to get an expanded talented workforce, a diversified

workforce, by getting that number down into that 8,000-person range, we believe this site can still meet the requirements that we have been identifying throughout this project. And, again, that public-facing piece and that operational tempo were two of the critical pieces then that went into that.

Senator Barrasso. One last question before turning over to Senator Carper.

Under the revised plan, the FBI is going to be forced to move the entire Hoover headquarters operation to temporary swing space locations, and it seems like it is about for five years, at least the way I read this, if everything goes on scheduled time. Is the FBI concerned that this could hinder or compromise the ability to carry on its mission as an agency with all of this activity?

Mr. Haley. Yes, sir. And I will be honest with you; that is the hardest piece of this whole thing, is how do you maintain that mission tempo in that period of time. And I will not tell you it is not going to be hard. We are looking at this as a 50-year project, so what happens in that five years, and that is one of the conversations that we have had with GSA in terms of we can't take that lightly. How we are going to do that, those pieces that need to be close together, the mission, the operational pieces that have to go into that, that is some of the costs you are seeing in that swing space.

What we believe, though, in the longer picture, is that if we can do that right, put the pencils to paper and noodle that correctly, we will get a longer term better option for the FBI at this point.

Senator Barrasso. Senator Carper.

Senator Carper. Thanks, Mr. Chairman.

And again, our witnesses, we are grateful to you for your testimony and your responses to our questions.

Let me start, if I could, Mr. Mathews, with a question for you. So far, the GSA and FBI provided limited details on this new proposal. When can this Committee expect in-depth details on the proposal, not solely a 22-page PowerPoint presentation? When does the GSA anticipate transmitting a new prospectus?

Mr. Mathews. I don't have a firm date on when a new prospectus could come, but I believe the earliest we could probably send one up would be later this spring or in the summer.

Senator Carper. So later this spring could be May, June, or summer lasts until September.

Mr. Mathews. It would be closer to the August recess, June, early June for spring, July.

Senator Carper. Okay.

A question if I could, Mr. Haley, for you. This plan proposes to move staff into temporary swing space while the

current Hoover building is demolished and rebuilt. There are, I understand, about 5,600 staff personnel who are located in the current facility. Is that correct?

Mr. Haley. Yes, sir.

Senator Carper. As I understand, the proposal does not include payments for rental space for temporary swing space. Is that correct?

Mr. Haley. It doesn't include the rent; it includes what would be required to fit out the swing space, so it is the cost of what that swing space would require in terms of us making that C-grid or top secret required space; it just doesn't include the rent payments. As the Building Commissioner mentioned, the rents that we are currently paying for the Hoover Building through GSA and some of those costs would be offset by what would be going to the temporary swing space.

Senator Carper. Would it be a wash? Are you suggesting it would be a wash? Because it seems to me that the rental payments could be actually extraordinary.

Mr. Haley. We have some estimates on it. When we look at the two projects in total, and we can go through with yourself and your staffs the numbers, we believe in terms of what the project to maintain the downtown location, with all the swing spaces and all those other requirements, when you compare that total cost and things that you offset, where you are not going

to have a parking garage, you are not going to have to run utilities and transportation requirements, we believe the costs are comparable. Again, one of our tenets to this was that it be a good deal to the American taxpayer, so we believe that the two costs, the previous plan and this plan are similar in cost. There are ups and downs on both of them, but we would not coming here, honestly, if we thought this was significantly more expensive, even with the swing space and that requirement.

Senator Carper. We look forward to drilling down on that with you folks.

Mr. Haley. Yes, sir.

Senator Carper. A follow up question, if I could. Does temporary swing space exist that would meet the security requirements of the FBI? And would any new temporary swing space costs include necessary security upgrades? I think you mentioned that, but security upgrades that might need to be made to it?

Mr. Haley. We have been having discussions already with GSA. In terms of the requirements, there are spaces that we are aware of that are either vacant or becoming vacant. There are intel community spaces that are in the region, so we are looking at all that. I can't tell you today exactly where that would be. All of them would probably require upgrades to security, and that goes into the costs that we have estimated. Our hope

would be those costs that you are seeing in the report would come down, but those are kind of the high level watermarks and what we would expect.

Our space generally for the FBI is secret level, and then we have a portion of our operations that are obviously in SCIFs, top secret. So any space we would go into that would meet the mission requirement would have to be brought up to those security requirements as well as the bollards and barricades in that period of time.

Also, in that investment, the other conversation we have had with GSA is as we would vacate those back into the permanent building, that those potential sites would be able to be used for other tenants, so that we would not just be building that out for ourselves; others would be able to use that in the future.

Senator Carper. Okay, thanks.

One last question for Mr. Mathews, for you. In 2016 and in 2017 I sent four letters to GSA regarding its determination that the Trump Old Post Office is in compliance with the conflict of interest lease provisions for a Trump National Hotel. When GSA testified in front of this Committee in August, I asked GSA to commit to responding to questions for information from any member of this Committee and was told that GSA would only respond to questions for information from our Chairman.

I know that my colleagues on both sides of the aisle found that to be an entirely unacceptable position. And as I noted in my opening statement a few minutes earlier today, GSA did eventually send me roughly 11,860 pages worth of documents, but, as I noted in my opening statement, not a single one actually answers the question I asked, and GSA appears to be using legally questionable reasons for withholding and redacting materials.

So, I am going to ask the question that I asked in August again. Will you provide any member of this Committee the documents and answers that we ask for, whether it relates to the FBI headquarters, Trump Hotel, or any other legitimate area of interest? Yes or no, Mr. Mathews, will you do that?

Mr. Mathews. As I said when I first arrived here, one of the first things I did is I met with your chief of staff to answer that question, would we respond to the Ranking Member. Absolutely, we will, and we believe we did. What I also said at that time is consistent with past practice in all administrations, that doesn't mean we can turn everything over all the time, and my commitment was to turn over all the information that we believed we could; and if there were certain things that we believed we could not provide because of privilege or other reasons, we would clearly identify what those were and why we believe we were not able to turn them over.

That is what we did.

I know that the crux of this matter for you, one of the key questions was the legal interpretation, the legal advice between the Office of General Counsel and the contracting officer, and that information is internally privileged to the Administration, and we explained that in the letter and that is why we were not able to turn that over.

Senator Carper. I am not sure I understand that, extremely privileged. I am not sure I understand that at all.

But let me just follow up, if I could, Mr. Chairman, with one last question.

GSA said it had determined that the President would not benefit from the Trump Hotel lease while he is in office. If the Trump Hotel buys Trump wine the President would be benefitting from the Trump Hotel lease even if the lease proceeds were being held in a trust. So, I believe you are telling me that the question of whether or not the Trump Hotel buys Trump wine is protected by attorney-client privilege. Is that really what you are saying here? I just find that hard to believe.

Mr. Mathews. With respect to that specific question, what we said was the contracting officer found the hotel in compliance with the terms of the lease and that the specific question about beneficial interests, that is the subject of, I

think, two pending lawsuits at the moment, and we had to defer to the Department of Justice on that.

Senator Carper. All right.

Thanks, Mr. Chairman.

Senator Barrasso. Senator Cardin.

Senator Cardin. Thank you, Mr. Chairman.

I thank both of our witnesses.

Mr. Mathews, I am having a hard time accepting what you are saying here, so I want to be perfectly blunt about that. You now say a major reason for terminating the original prospectus was the transfer of the Hoover Building, something that you all wanted and we didn't want. Congress didn't like that idea, but you said it was something you needed to do to get it done. So now we are supposed to believe that is the reason why you terminated it, for something that you wanted.

Secondly, the consolidation, one of the major reasons for the consolidation on costs is to save rental costs. That is what you have told us all along, that it is more expensive to have places outside of the central location. And now you are saying it is a wash.

Can you understand why I am having a hard time accepting the information you are presenting?

Mr. Mathews. Yes, Senator. So, with respect to your first question, the issue of --

Senator Cardin. Quickly, because we have your written statement on the transfer of the buildings. I agree with you on the transfer of the building. It didn't make sense.

Mr. Mathews. Yes.

Senator Cardin. But you insisted on it.

Mr. Mathews. Well, personally, I came here in August and I didn't support it.

Senator Cardin. Your agency insisted on it. In the prospectus that they submitted, they insisted that this be part of the deal.

Mr. Mathews. Yes, they did, and I suggest that was a mistake.

Senator Cardin. And I suggest that the information you are giving us right now may be, likewise, a mistake.

Mr. Haley, you have honestly told us that the disruption to the mission of the FBI will be a factor during this transition. Seven years ago we started down this path, and we haven't gotten to the conclusion. Do you honestly believe you are going to be in this new facility by 2025, when we are not going to get the prospectus until, at the earliest, the spring? Don't you recognize the FBI's mission, that if we start down this path, it will be another 12 years, and your mission is going to be compromised during that period of time?

Mr. Haley. Sir, we definitely don't want another 12 years.

The status quo is not acceptable. On those other sites, they will be owned sites; they are not leased sites. When we talk about a consolidation, we still believe we are getting a consolidation in the National Capital Region into this facility.

The other facilities, the Idaho facility is being constructed as we talk; it is part of a larger Department of Justice consolidation of data centers. The CJIS facility, which we have been in for over 25 years, we are going through major renovations out there.

Senator Cardin. I understand. My point is that you said, very honestly, that you have concerns about being able to carry out the missions as you relocate and are in various locations for the new umpteen years.

Mr. Haley. Yes, sir.

Senator Cardin. And what I am suggesting to you, make it two times umpteen years, because that is how this process has unfolded.

Mr. Mathews, you acknowledge you are going to send us a new prospectus, and yet I understand there has been a request made that we include money in fiscal year 2018 for this project.

You recognize that you can't proceed without Congress's authorization through our committees, correct?

Mr. Mathews. Yes, that is correct.

Senator Cardin. And if you take the same position you took

before, unless you have every dollar appropriated, you won't proceed, is that correct? That was your position before for terminating this prospectus.

Mr. Mathews. In order to award the contract, yes, we need to have the money in hand.

Senator Cardin. All the money in hand.

Mr. Mathews. For the contract, that is right.

Senator Cardin. And it is a pretty big sum of money.

Mr. Mathews. Yes, it is.

Senator Cardin. Did you figure that into your projections, the realities of politics?

Mr. Mathews. Yes, we did.

Senator Cardin. I will just move on.

Let me understand, Mr. Haley. If this building is rebuilt the way you want, 8,300 employees will go into it?

Mr. Haley. Yes, sir.

Senator Cardin. You have 8,300 people now to go into those positions?

Mr. Haley. Yes, sir. In the Washington, D.C. area we have over 10,000.

Senator Cardin. So 8,300 will actually go into the building.

Now, suppose the mission that you have for those 8,300 by the time you get into this building require another 500, 600,

700. Can you put them in the building?

Mr. Haley. We believe that this multi- -- first of all, I appreciate the question, and we have looked at this. One of the reasons we feel comfortable about this is that we were already looking at Huntsville, especially, but also --

Senator Cardin. No, my question is if you are going to continue the mission, you have 8,300, you have a limited sized facility. You have to harden it the best that you can, which is going to take some space.

Mr. Haley. Yes, sir.

Senator Cardin. You have height limits on how you can build.

Mr. Haley. Yes, sir.

Senator Cardin. I read every letter that has been sent in. You said you want a facility for today and tomorrow. Do you have a facility for tomorrow? Are you going to be able to put another 500 or 1,000 or 1,200 people in this to carry out the mission that you need in the consolidated facility?

Mr. Haley. Yes, sir. May I answer the question? So, we have been looking at Huntsville and West Virginia and Idaho for a number of years for that specific purpose, is that we don't want to have a building that is at capacity the day we move in. So these other facilities are not facilities that we just --

Senator Cardin. But this building will be at capacity.

This Hoover rebuilt building will be at capacity.

Mr. Haley. Even with the previous plan on the campus, if we --

Senator Cardin. How many more people could you put in after construction over the 8,300?

Mr. Haley. When the building gets done, we will still have the ability to put additional positions in.

Senator Cardin. How many?

Mr. Haley. Five hundred to 1,000.

Senator Cardin. So the square footage that you are giving per employee is not accurate?

Mr. Haley. No, sir. It --

Senator Cardin. Well, wouldn't it be less if you put more people into it?

Mr. Haley. The current building today, which only holds 5,500, is a very inefficient building.

Senator Cardin. The information that was presented to us shows us a square footage per employee. I take it that is based upon 8,300.

Mr. Haley. Yes, sir.

Senator Cardin. So now you are saying we can go up to 8,800 or 9,300. What is the answer here?

Mr. Mathews, what is the answer? What is the capacity of this building?

Mr. Mathews. Well, if we added people, the square foot per person would decrease, that is right. Right now there are about 180 --

Senator Cardin. Well, I would submit to you that you don't have the capacity to expand onsite, and that was one of the reasons you wanted 45 to 55 acres, wasn't it, so that you would have a facility that could meet the needs today and tomorrow?

Mr. Haley. We are comfortable that this plan will meet the FBI's requirements for the next 50 years.

Senator Cardin. Okay, one more important question, if I might. And I appreciate the Chairman; he told me originally he would be a little more lenient on the clock.

Do you disagree with GSA, Mr. Haley, where the GSA said that the perimeter protection and standoff setback distance are the most effective means of preventing or limiting damage from a bomb attack? Do you disagree with that?

Mr. Haley. Setback is a very effective and probably the most easily way to --

Senator Cardin. And how much of a setback are you going to have on this building?

Mr. Haley. It won't be the same. It won't be the 300 or whatever.

Senator Cardin. Does that concern you, for the safety of the people, or the attractiveness of trying to do damage because

you don't have a setback?

Mr. Haley. Well, starting from where we are at now, with status quo, this will be a significant improvement.

Senator Cardin. I understand that, but not like a perimeter security that you have on a campus facility.

Mr. Haley. Absolutely. But we believe that there are three ways that you can get to security --

Senator Cardin. I understand that. I understand all about glass-proof windows, et cetera. But the bad guys, they want to do something spectacular, and when you are on the road, it gives temptation, does it not?

Mr. Haley. Sir, we have looked at this and we believe that we are going to get ample security, and at the same time get a day-to-day operational tempo. We are going to have that public-facing facility --

Senator Cardin. But not as good as you have perimeter security as you would at a campus facility.

Mr. Haley. I won't argue with you, a 300-plus setback is an ample way --

Senator Cardin. Of course, we are going through this now with our embassies, and paying a heavy price around the world because we listened to some people who wanted to be in a particular location, and now we have serious security problems that we are trying to correct at a high cost to the taxpayers of

this Country.

Mr. Haley. And this facility, much of what is going into that security posture is based off of the embassy standards. You are not going to have the setback, but, again, as I mentioned earlier, we have had conversations with a number of IC community partners here in the Country, as well as some of our foreign IC partners who have similar situations who --

Senator Cardin. But they had that situation. We are building that situation today.

Mr. Haley. We are building it --

Senator Cardin. We have a choice not to do it, and we are doing it if we follow this recommendation.

Mr. Haley. Yes, sir, from a risk approach we are looking at it and all those other tradeoffs I mentioned in my opening statement and that I have repeated with the Chairman.

Senator Cardin. So the last question I have, with the Chairman's indulgence, is who was in the room when this decision was made? I assume GSA was in the room; I assume the FBI was in the room. Who else was in the room that decided that we were going to rebuild the Hoover Building and not go to a campus facility?

Mr. Haley. Sir, this is an FBI decision that we have done in partnership with --

Senator Cardin. So this is your recommendation, your

agency's recommendation? This is what you want, no outside influence at all, is that what you are telling me?

Mr. Haley. Based on the status quo --

Senator Cardin. I am asking you a simple question.

Mr. Haley. Yes, sir, it is an FBI decision.

Senator Cardin. I understand it is an FBI decision. I asked who was involved in making that decision. Solely FBI?

Mr. Haley. FBI and GSA have brought this. This has always been about what is --

Senator Cardin. No input from any other agencies? No input from the White House? This was strictly the two of you, two agencies, is that what you are telling us?

Mr. Haley. GSA --

Senator Cardin. It is a simple answer.

Mr. Haley. Yes. This is an FBI decision that we --

Senator Cardin. I know it is an FBI decision. I am asking who else was involved in making that decision.

Mr. Haley. In the decision that I have been a part of, and our newest Building Commissioner, who we have worked with very well following the last hearing, I have to say the relationship we have with GSA since Mr. Mathews has got there is better than it has ever been in my 25 years.

Senator Cardin. I asked a pretty simple question.

Mr. Haley. And I believe I gave you an answer, sir.

Senator Cardin. No input at all from the White House?

Mr. Haley. This decision is not --

Senator Cardin. No input from the White House?

Mr. Haley. This decision --

Senator Cardin. No input from the White House? Yes or no?

Mr. Haley. Not on this decision, no.

Senator Cardin. Thank you, Mr. Chairman.

Senator Barrasso. Senator Van Hollen.

Senator Van Hollen. Thank you, Mr. Chairman.

I think you can both understand why we are having major whiplash up here, given the long history of positions that both your agencies have taken on this project.

Mr. Haley, are you familiar with the GAO report that was written back in November 2011 about this project?

Mr. Haley. Yes, sir.

Senator Van Hollen. And, as part of that, they looked at the demolish and rebuild option, did they not?

Mr. Haley. I believe that was one of the pieces that they did look at.

Senator Van Hollen. That is right. That was option two, alternative number two. And it said that this was not a preferred option because the FBI's security concerns about its headquarters would remain.

Your testimony today is that rebuilding at the current

location would be less secure for the FBI than moving to one of the other campus sites, isn't that correct?

Mr. Haley. I think my testimony today and what I have said in the opening is that we have looked at a number of factors that were not necessarily --

Senator Van Hollen. I am just trying to get confirmation to what you said within the last five minutes. You just told Senator Cardin that those other campus sites would provide more security. Isn't that true?

Mr. Haley. So that a 300-foot setback --

Senator Van Hollen. Isn't it true that the other sites would provide more security than relocating at the current site?

Mr. Haley. I wouldn't say --

Senator Van Hollen. Yes or no?

Mr. Haley. I wouldn't say more security. From a setback standpoint, yes, sir, the setback would provide for that aspect of security. There's multiple processes of the security protocols. There are other ways of getting to some of those same security outputs. But, yes, you are correct, a 300-foot setback is intuitively better than a 75-foot setback, yes, sir.

Senator Van Hollen. I would suggest it is not just intuitively; that is according to the facts and the experts.

Are you familiar with Mr. Kevin Perkins?

Mr. Haley. Yes, know him very well.

Senator Van Hollen. Yes.

Mr. Haley. He was the SAC in Baltimore, Maryland.

Senator Van Hollen. That is right. And he was Associate Deputy Director of the FBI, correct?

Mr. Haley. Yes, sir.

Senator Van Hollen. Okay. And he testified, Mr. Chairman, back in March 2013, at a hearing in the House of the Transportation and Infrastructure Committee, and here is what he said: "But the security concerns are significant for us, especially as we are where we are located at the current time, which is probably the worst of all the agencies in the intelligence community."

Do you agree with that statement from your fellow FBI representative?

Mr. Haley. I believe he was talking about the current building, and, yes, the status quo today is not acceptable.

Senator Van Hollen. Well, he was referring to the current location. Do you want me to read it again? Do you agree that the current location of the FBI building "is probably the worst of all the agencies in the intelligence community," from a security standpoint?

Mr. Haley. You are quoting what he said?

Senator Van Hollen. Yes, I am.

Mr. Haley. I acknowledge that that is what --

Senator Van Hollen. Has the FBI changed its position on that fact?

Mr. Haley. We believe that the site at Pennsylvania Avenue, with the right construction, protocols, and the other mission requirements can be secured in an appropriate way.

Senator Van Hollen. In an appropriate way, but clearly not as secure as the others, which is so obvious and you have said it already, but I think it is important for the record here.

We have also had testimony over the years from GSA, Mr. Mathews. Dorothy Robyn, did she have the position you currently have?

Mr. Mathews. Yes, that is correct, Senator.

Senator Van Hollen. That is right. And she also testified at that March 13th hearing of the Transportation and Infrastructure Committee and she indicated, and I quote, "The building, with its high-profile location and limited perimeter setback, cannot meet and will not meet, cannot meet and does not meet the FBI's requirements for level 5 security under the Interagency Security Committee standards."

Have you changed your position, has the GSA changed its position on that?

Mr. Mathews. She was correct, the current building could not meet that.

Senator Van Hollen. Here is what she says. She says,

"With its high-profile location and limited perimeter setback."  
It still has a limited perimeter setback, we just heard that,  
right?

Mr. Mathews. Yes, but it is connected to the building, and that current building cannot withstand -- well, the current building has very significant limitations.

Senator Van Hollen. Well, as I mentioned, Mr. Chairman, we have looked at the demolish option in the past.

Mr. Haley, when the GSA decided that it would not go forward with the original options, that is when the FBI decided to take another look at its mission requirements, right?

Mr. Haley. Absolutely, yes, sir.

Senator Van Hollen. And, prior to that, you were fully prepared to go forward with the other options, isn't that right?

Mr. Haley. Yes, sir. If the funding would have been provided in the previous procurement, we would have a construction site most likely going on right now, yes, sir.

Senator Van Hollen. All right. Well, I want to get to that point because I think it is really important, the funding. Did the GSA and FBI request funding for this project as part of the previous Administration's budget request?

Mr. Mathews. Yes, it did.

Senator Van Hollen. How much did it request?

Mr. Mathews. I believe the combination was -- the last

request was, I think, \$700-some million.

Senator Van Hollen. It didn't request full funding, did it?

Mr. Mathews. It wasn't enough, no.

Senator Van Hollen. Right. So the Administration's position at the time was we want to move forward with these other options, but we are not going to provide full funding. But now it is because, supposedly, Congress didn't provide full funding. The Congress actually provided more funding than the Administration requested, didn't they?

Mr. Haley. Well, in the previous request, with the exchange included, the funding that was being asked for, if it would have been appropriated, would have allowed the project to move forward.

Senator Van Hollen. Okay. Let me just say at the time of the decision last July, Mr. Chairman, where the GSA decided to pull the plug on the other options, the statement from GSA, from Mr. Michael Gelber, stated, and I quote, "It's fair to say that the cancellation of the procurement was not the desired outcome."

Does that remain the position of the FBI, that that was not the desired outcome, the cancellation of the original?

Mr. Haley. Well, in Senator Cardin's point, the longer that this project doesn't move forward is the longer we are in

this disruptive state, yes, sir. So, just to clarify, the funding that was being asked for in the previous Administration's budget request, along with the exchange, was the amount needed, \$1.4 million with the exchange, to move forward. Only \$500 million was provided. So, it was because of that and the fact that that procurement was going beyond its original expected time period.

There were considerations in that contract that if the FBI wasn't out of the building at a certain point, we were going to be paying penalties back. There were costs that were included. The teams that the different construction entities were putting together, all of that, as it was aging, was making that procurement ineffective. So, without the funding, the FBI agreed with GSA's consideration that the contract needed to be canceled.

But you are absolutely right, if that project would have moved forward, we would be building at one of the three sites today, most likely. The Committee, and in good faith, when we came up here before, and what we have done in the interim, is go back and look at everything involved in this project; not just the brick and mortar, definitely the security, but we have also looked at all the operational pieces as well, and that is where we are coming forward today.

Senator Van Hollen. I understand. Just because time is

limited, you mentioned security. It is very clear that this is obviously a less secure facility. And I was, Mr. Mathews, I have to say, a little amused by your referencing the bipartisan budget agreement as the path forward for additional funding. That budget agreement was reached here on the Hill after you had already made your decisions to move forward, right? I mean, that was just a couple weeks ago. Isn't that the case?

Mr. Mathews. Actually, the final recommendation came forward at that same time.

Senator van Hollen. But if it is a funding issue, which is what the testimony was with respect to the decision, Mr. Chairman, to not move forward, given the bipartisan budget agreement, I would suggest that we now can look at the funding for the original project, which would have gone through at one of the other three facilities and met what the FBI has told us for years would meet its mission requirements.

The last question I have, Mr. Chairman, has to do with the swing space rental payments. I am really confused about this. You are in a current building; you are paying some rental payments now, I don't know how much; and now you are going to move for a period of five to six years to other locations, we don't know where right now, and you have not included the costs. This PowerPoint specifically says you have not included the costs of those rental payments. Can you get back to this

Committee, please, and give us what the costs of those rental payments will be? Because a lot of people who have looked at this believe those dramatically change your cost assessments.

Mr. Mathews. Yes, we would be happy to get back to you with those additional figures. What I was trying to say, explain earlier, is there is a cost of currently occupying the Hoover Building. Under this scenario, they would move out. Those costs would end; they would terminate because we would demolish the building.

So we wouldn't be paying to operate and maintain the Hoover Building, and that is what I am suggesting is offsetting the base rental payments for the swing space. But to occupy a swing space, as Mr. Haley said, we would have to bring that up to the standards, and that is the \$479 million that is detailed here.

Senator Van Hollen. You have the rental payments.

Mr. Chairman, if I could one last.

Senator Cardin asked you a little bit about this, but, Mr. Mathews, have you had conversations with the director of OMB about this project, Mr. Mulvaney?

Mr. Mathews. I have not, but this is part of the budget submission of the Administration, so this is absolutely supported by OMB. The funding request was part of that fiscal year 2018 additional request that was put forward, so this is an official budget request; it has the approval of the OMB --

Senator Van Hollen. Are either of you gentlemen, are either of you familiar with any conversations that any members of your agency have had with the President of the United States about this decision with respect to the FBI Building? And I mean the decision to not move forward with the original alternatives and the decision to remain at the current location. Are you aware of any conversations that anybody in the Administration has had with the President of the United States about this project?

Mr. Mathews. Again, this was a joint decision --

Senator Van Hollen. That is just yes or no. Are you aware of any conversations had by any member of the Administration with the President of the United States about this project?

Mr. Haley. What I would say --

Senator Van Hollen. That is a yes or no.

Mr. Haley. I don't think it is, sir.

Senator Van Hollen. It is.

Mr. Chairman, I think the Committee deserves an answer to that question. It is a yes or no question whether people are aware of any conversations that anyone in the Administration has had with the President about this project.

Mr. Haley. I was going to try to answer it. With respect to the decision of staying in the downtown location, this decision, and any conversations that have happened with that

decision, and the Building Commissioner and I have had summary conversations at the worker level of OMB on what this decision is; we obviously didn't come out here without a coordination with our OMB oversight, but with respect to the decision of staying at 935 Pennsylvania Avenue, tearing down the current building and building back, that is an FBI driven decision, in coordination with GSA.

I am not aware, in terms of that decision, regardless of whether it has come up in any other venue, the decision to stay at 935 Pennsylvania Avenue is an FBI decision, and we have had that conversation with GSA. Any entities outside of the FBI and GSA, whether they have been informed about it, whether it has come up in conversations, it hasn't been a factor in the decision of that project.

Senator Van Hollen. That was not my question. My question was not whether any conversations had with other people outside the FBI were a factor. My question is very simple: Are you aware of any conversations or communications that any member of the Administration has had with the President of the United States about the project?

Mr. Haley. I can't speak for the Building Commissioner. I have not been a part of any of those conversations.

Senator Van Hollen. I didn't ask that. I didn't ask whether you have been a part of that. I understand that you

were not talking to the President of the United States about this. I am asking about whether you are aware of any conversations that anyone in the Administration had with the President of the United States about this project, meaning either the decision not to go forward with the original plan or the current alternative.

Mr. Haley. I don't believe I am in a position to answer that question because I was not privy to those conversations. I have not been part of those conversations.

Senator Van Hollen. That is not my question. My question is not whether you know the content. My question is whether you were aware of any conversations having been had.

Mr. Haley. I don't believe I am in a position to answer that question.

Senator Van Hollen. Mr. Chairman, I would hope -- I mean, this is a Committee that is trying to take its responsibilities of oversight seriously. This is a legitimate question for the public.

Senator Barrasso. And I think that the witnesses have tried to answer to the best of their abilities, and the question has been asked and answered a number of times.

Senator Van Hollen. Mr. Mathews, the same question to you.

Mr. Mathews. Same answer, Senator.

Senator Van Hollen. Okay. Just for the record, neither

witness has answered the question, Mr. Chairman. I think it is pretty clear from the record.

Senator Barrasso. We will head to a second round if people have additional questions.

Let me just ask one.

Mr. Mathews, GSA indicates the total cost of the project under the revised plan is \$3.3 billion. The plan assumes the entire project is going to take five years and these employees will be able to return to the new headquarters within that time frame, relocation, demolition, new construction, to get back to the new headquarters.

My experience has been projects take longer and cost more than predictions are. Do you really believe that we can complete the entire project in this budget in five years?

Mr. Mathews. I believe it is possible if we have the funding. This will be done as a maximum price contract. A lot of the unknowns that are typical with construction projects, given that this is an existing site, we know this site, we know the demolition costs, those came forward in the previous procurement.

We had a variety of estimates for that, so we feel pretty good and confident about those estimates. Again, we know that site, we control the site, so a lot of those types of things that come into play that can hold up a project at the initial

phases really aren't present here.

But, again, it comes down to funding. If we have the funding, and we would need to have the funding in-hand for the design and construction portion of the contract in order to award a contract. This would not lend itself to a phased approach. We can't build a foundation and then wait for money and then build the next piece; we would have to have the design and construction component of it upfront.

But if we have that in-hand, we should be able to meet this project. The key would be to make sure that we avoid change orders. As with any large project, we need to make a plan, what we are going to build, and stick to it and not change it midway, once we start.

Senator Barrasso. Avoid change orders. For any of us that have had involvement in any kind of remodeling project, whether it is just a home building project --

Mr. Mathews. Yes. It is the bane of cost control.

Senator Barrasso. Senator Carper. If not, or Senator Cardin, whichever.

Senator Carper. I am interested in the truth. I think that is what is expected of you; it is what is expected of us. Sometimes my colleagues hear me quote Thomas Jefferson: "If the people know the truth, they won't make a mistake." And I think the question that Senator Van Hollen has posed is not an easy

question, not an easy question maybe to answer.

Chris, would you just state once again the question that you have asked both witnesses?

Senator Van Hollen. Yes, Senator Carper. The question was pretty straightforward: whether either of these gentlemen are aware of any conversations that took place between any member of the Administration and the President of the United States about this FBI project, meaning the decision not to move forward with the original alternatives or the decision to rebuild at the current site.

Are you aware of any? I am not asking if you were in the room; I am not asking you for the content; I am asking whether you are aware whether any such conversations took place.

Senator Carper. And I am not a big fan of yes or no questions and answers, but this really is one, and we would like for you to tell us the truth.

Mr. Haley. Sir, I am the Chief Financial Officer and Head of Facilities for the FBI. I have meetings with all types of people in the Department of Justice, at OMB and other places. When the question is presented as am I aware of anybody in the Administration that has talked --

Senator Carper. No, that was not the question. That was not the question. With all due respect, Mr. Haley, that was not the question. It is a pretty straightforward question and I

think it deserves a straightforward answer.

Mr. Haley. I think I have answered it as best I can.

Senator Carper. Mr. Mathews, have you answered that question as best you can?

Mr. Mathews. My answer is I am not in a position to answer that question.

Senator Carper. Well, the ways you have responded to that question certainly raise for me, and I suspect for a number of my colleagues, the question whether the President did somehow intervene and express a view. The way that you are answering it simply encourages suspicion.

Mr. Haley. I am not trying to bring suspicion on whether there was -- I have tried to be, at least from an FBI perspective, very explicit on whether there was any intervening from the Administration or the White House, and when I tell you that the FBI has come to this decision and we would not be putting forward a decision, and I say this with emphasis from our leadership, we would not be putting forward, nor would we be agreeing to an approach that did not meet the FBI's mission requirements, so --

Senator Carper. Let me just say this. If the President did not intervene in some way and you are aware that he did not intervene in any way, just say that. Just say that and this suspicion just goes away. But your inability to say that, or

refusal to say that, simply heightens, heightens that suspicion, and that is not a good thing for anybody.

Okay, my time has expired. I will have some questions for the record. Thank you both for being here.

Senator Barrasso. Senator Cardin.

Senator Cardin. Thank you, Mr. Chairman.

Senator Cardin. I just want to underscore the point that Senator Van Hollen made in regards to the congressional appropriations on the original project.

Mr. Mathews, you have indicated there were two reasons for the termination of the original contract: one, you didn't like the Hoover Building exchange, which was the Administration's proposal, not ours. We didn't like it. We gave you a lot of different options to pay for it. Second is you didn't have all the money in hand; and yet you never asked for all the money in hand from Congress.

We gave you more money than you asked for. So, I just want the public to understand and the FBI to understand we should be breaking ground today but for the Administration. But for the Administration, we should be breaking ground today in Virginia or Maryland; and you would get the type of facility you need a lot faster, you would be able to carry out your mission. I am going to tell you it is going to be less costly and a very valuable piece of property ultimately would find its way into

helping the people of the District of Columbia.

Second point I want to follow up on, because I agree with Senator Van Hollen, I don't understand the math here, you have been telling us consistently that it is better to use government facilities for costs than outside rental facilities for costs. Now we are being told it is a wash.

And then I am looking at the bookkeeping here, where you are being charged internally for the costs of the Hoover Building, and you are telling us that that is going to be a wash, but it doesn't seem like it is going to be a wash for the taxpayers of this Country, and they are the people we represent. It does seem like there is going to be an additional cost.

Now, I want to tell you we did some of our own analysis on this with our economic development people and, admittedly, we don't have the information you have. And the number we came up with is about \$1.2 billion additional cost because of the swing space. And if that is accurate, or even half accurate, then we are spending a lot more to rebuild the Hoover Building with, I would suggest, less results for the FBI certainly today, and very concerned about the future expansion and needs of the FBI, because you are going to be really restricted in the rebuilding of the Hoover Building.

So, if I could just make that one request that the Chairman made and the Ranking Member earlier, I hope, before you send us

a prospectus for our consideration, that we have all of the detailed information available to us. The one thing you said, Mr. Mathews, that really concerned me is that we didn't know all the costs. Was it our responsibility to try to find out all the costs? I thought that is your responsibility. So why didn't Congress have that information originally?

Mr. Mathews. I can't speak for the previous Administration, why they didn't provide it, but I can say that we are providing it and we are giving you a complete --

Senator Cardin. Well, you are not providing it right now because you are not giving us the swing space comparisons. We need a lot more information you have given us, don't you agree?

Mr. Mathews. We will give you more information on the swing space, but at this point in time we have given you what we have. And with respect to your question about long-term leasing, short-term leasing makes a lot of financial sense for the Government; long-term, for 30 years for a requirement to house out in a single lease location, that is where we start getting into some cost issues, but for temporary requirements, rental space is a great solution.

Senator Cardin. So we should take our government buildings and take short-term leases rather than having people in our buildings?

Mr. Mathews. Well, of course, this would be replaced with

a government-owned, government-constructed facility.

Senator Cardin. I understand.

Mr. Mathews. This is temporary housing.

Senator Cardin. What you are saying defies logic. What you are saying is that the FBI can save money if it starts taking its employees out of the Hoover Building and putting them into temporary short-term leases. Doesn't make sense.

Mr. Mathews. Well, we looked at renovating the facility with them in place, and that makes far less sense.

Senator Cardin. Right.

Mr. Haley. To clarify, in terms of what was in the report, and we definitely will get back to you, the swing space amounts that you are seeing in the report are those above-standard, secure pieces that we believe that the rent costs -- and we still are going to pursue, whether it is in the government inventory, the intel community has space that we are aware of, whether that meets our mission needs, that would offset some of the rent.

But the only piece that we don't believe that is in the report right now is the actual, what that final rent payment. And what the Building Commissioner articulated earlier, to just clarify, is we think that will be an offset to what we are currently paying.

There is no question to your point that there may be, in

that interim period, that four or five years, where we will be paying some marginal amount more for that temporary space, but then in the longer picture, when we get back into the owned facility, we think that is a better place to be.

So you are correct that there could be a marginal amount different in the rent. But, for the most part, we think that that piece, that widget, is going to be offset with what we are already paying.

Senator Cardin. And I would hope you would give us the analysis on the Hoover Building getting less cost reimbursement from GSA that has to be made up someplace else by Federal taxpayers.

Thank you.

Senator Barrasso. Senator Van Hollen.

Senator Van Hollen. Thank you, Mr. Chairman.

And just for Mr. Mathews, have you ever had any conversation or communication with either the President of the United States or any senior White House staff about this FBI project?

Mr. Mathews. I have not.

Senator Van Hollen. Mr. Chairman, I would just ask if I could put into the record some of the documents I cited during my questioning, as well as a Washington Post column discussing the President's interest in keeping the FBI building in its

current site as potential financial interest.

Senator Barrasso. Without objection.

Senator Van Hollen. Thank you.

[The referenced information follows:]

Senator Barrasso. I would just say, this is a FBI decision. It is in the President's budget, so one would expect an Administration to have interest in the final decision of how the budgeting process is made.

Just in conclusion, is there anything that either of you would like to offer in clarifying or things that you would like to have mentioned that you didn't have an opportunity to do today?

Mr. Haley. Just two points on that last one. I am not trying to not answer the questions with respect to Senators, but on your last point there, not saying something in terms of whatever those conversations, if they did occur, might have said, what I can tell you is, to reiterate, this was an FBI-centric decision, in coordination with GSA.

The one thing I would mention, just to clarify on something that was brought up earlier in terms of that five year, five to six year for this particular site, one of the challenges in comparison to the other three sites previously, the amount of road work and the amount of infrastructure that had to be done even to get to the construction of the site, when we offset the two time periods, that is where we do believe that this site, because we do own it, we can tear it down, build it back, even though that five years is going to be an inconvenience

I will be honest with you, as I said, sir, that will be a

hard period for us to figure out, but we do believe that that is workable and that that is some of the comparison that we get to the two. So I just wanted to clarify that.

Senator Barrasso. And, Mr. Mathews, anything else you would like to offer for clarification?

Mr. Mathews. I guess I would just say that I understand it is a significant change from the previous request, but with respect to the site, what really makes it possible to consider the site, is the smaller requirement for the number of personnel. That makes it possible, and there are, again, as I mentioned, some very distinct advantages to reutilizing the current site if you can actually fit the housing requirement on that site.

Senator Barrasso. Well, I want to thank both of you for your time and your testimony today. The hearing record will remain open. There may be some additional written questions from some of the other members. I want to thank you for your testimony on this important hearing, and the hearing is adjourned.

Senator Carper. Before you adjourn, I just want to say thank you for holding this hearing, thank you for being so intelligent, especially with our colleagues from Maryland. It is obviously an important issue for them and for the District of Columbia and for our neighboring States, certainly for the FBI

and the folks that work there. But you have been, I think, extraordinarily gracious and I just want to note that and say thank you.

Senator Barrasso. It is good to work with you.

Thank you very much. Hearing is adjourned.

[Whereupon, at 11:32 a.m. the committee was adjourned.]