



Department of Justice

STATEMENT OF

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U.S. DEPARTMENT OF JUSTICE**

BEFORE THE

**SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC
BUILDINGS, AND EMERGENCY MANAGEMENT
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
U.S. HOUSE OF REPRESENTATIVES**

FOR A HEARING ENTITLED

**“GSA TENANT AGENCIES: CHALLENGES AND OPPORTUNITIES IN
REDUCED COSTS OF LEASED SPACE”**

PRESENTED

JULY 30, 2014

Statement of Michael H. Allen
Deputy Assistant Attorney General for Policy, Management and Planning
Justice Management Division, U.S. Department of Justice
Before the Subcommittee on Economic Development, Public Buildings, and
Emergency Management
Committee on Transportation and Infrastructure
U.S. House of Representatives
July 30, 2014

Good morning Chairman Barletta, Ranking Member Carson, and distinguished Members of the Subcommittee. My name is Michael Allen and I am the Deputy Assistant Attorney General for Policy, Management, and Planning in the Justice Management Division at the U.S. Department of Justice (DOJ). Thank you for the opportunity to discuss with you today the Department's challenges and opportunities in reducing costs of real property leased through the General Services Administration (GSA).

Under the leadership of Attorney General Eric Holder, DOJ is committed to saving taxpayer dollars through effective management of our real property and improving utilization efficiencies throughout our portfolio. For instance, the Department successfully reduced its overall square footage in fiscal year (FY) 2013 from the FY 2012 benchmark level. As one of the largest GSA customers, we work collaboratively nationwide with our GSA representatives in acquiring leases to ensure that we provide the most efficient and cost effective space to meet the varying DOJ mission requirements.

Given the Department's size, number of locations, and the unique mission of our components, Real Property operations, including leasing, are delegated to each of the Department's major components and bureaus, including the Federal Bureau of Investigation (FBI), Executive Office for U.S. Attorneys, U.S. Marshals Service (USMS), Drug Enforcement Administration, Bureau of Prisons, Bureau of Alcohol, Tobacco, Firearms, and Explosives, Executive Office of Immigration Review, and the Office of Justice Programs. Each of these components manages its own leasing program with GSA. The Justice Management Division provides Department-wide Real Property guidance, policy and oversight and also directly manages the leasing program for the headquarter components in the National Capital Region, or what is about 15 percent of our overall portfolio. The FBI represents approximately 40 percent of the total Department office and warehouse portfolio, and the U.S. Attorneys and the USMS each represent approximately 15 percent.

Most of DOJ's real property portfolio of 112 million square feet falls into three major categories of uses: Office, approximately 40 percent; Prisons, approximately 30 percent; and Warehouse, approximately 5 percent. The remaining 25 percent represents various law

enforcement special use facilities. In FY 2013, the Department developed a revised Real Property Cost Savings and Innovation Plan to support OMB's "Freeze the Footprint" initiative. The Department's plan focuses on all activities related to office and warehouse space, including new construction and renovation projects, lease consolidations, replacement and succeeding leases, as well as disposals of owned and leased assets. The plan covers FY 2013 through FY 2015 and highlights the benefits of effective real property initiatives and the substantial savings that can be generated through space and operating cost reductions. The annual update to the plan was recently provided to this subcommittee.

I would like to thank this subcommittee for its support and approval earlier this year for the first in a series of prospectus level projects here in Washington D.C. that will dramatically reduce our space usage by more than 25 percent for our headquarter litigating divisions. We have other projects now in the pipeline which will continue our efforts to reduce our square footage and provide substantial cost savings in the outyears. The new space standards represent a major cultural and infrastructural shift within the Department. The new space standards are on average 25 percent lower than the previous office size allocations.

In FY 2016, DOJ will have 190 leases expiring nationwide representing 3.6 million square feet of space. Through FY 2020, DOJ will have nearly 900 leases expiring representing over 15 million square feet. As almost all of these leases are GSA issued, our components have been working diligently with GSA on renewal and replacement strategies that identify opportunities for improved efficiencies and take advantage of the current favorable real estate market conditions. DOJ is committed to generating savings for the taxpayers through better utilization of its real property assets. We continue to work with our components to manage both our owned and leased real property, while also pursuing new workplace strategies where possible to better utilize our portfolio and save money.

Thank you again for the opportunity to discuss the Department's important work in this area, and I look forward to answering any questions you might have.