

114TH CONGRESS
2D SESSION

H. R. 6451

IN THE SENATE OF THE UNITED STATES

DECEMBER 8, 2016

Received

AN ACT

To improve the Government-wide management of Federal
property.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Federal Property Man-
3 agement Reform Act of 2016”.

4 **SEC. 2. PURPOSE.**

5 The purpose of this Act is to increase the efficiency
6 and effectiveness of the Federal Government in managing
7 property of the Federal Government by—

8 (1) requiring the United States Postal Service
9 to take appropriate measures to better manage and
10 account for property;

11 (2) providing for increased collocation with
12 Postal Service facilities and guidance on Postal
13 Service leasing practices; and

14 (3) establishing a Federal Real Property Coun-
15 cil to develop guidance on and ensure the implemen-
16 tation of strategies for better managing Federal
17 property.

18 **SEC. 3. PROPERTY MANAGEMENT.**

19 (a) IN GENERAL.—Chapter 5 of subtitle I of title 40,
20 United States Code, is amended by adding at the end the
21 following:

22 **“Subchapter VII—Property Management**

23 **“§ 621. Definitions**

24 “In this subchapter:

25 “(1) ADMINISTRATOR.—The term ‘Adminis-
26 trator’ means the Administrator of General Services.

1 “(2) COUNCIL.—The term ‘Council’ means the
2 Federal Real Property Council established by section
3 623(a).

4 “(3) DIRECTOR.—The term ‘Director’ means
5 the Director of the Office of Management and Budget.
6 et.

7 “(4) FEDERAL AGENCY.—The term ‘Federal
8 agency’ means—

9 “(A) an executive department or inde-
10 pendent establishment in the executive branch
11 of the Government; or

12 “(B) a wholly owned Government corpora-
13 tion (other than the United States Postal Serv-
14 ice).

15 “(5) FIELD OFFICE.—The term ‘field office’
16 means any office of a Federal agency that is not the
17 headquarters office location for the Federal agency.

18 “(6) POSTAL PROPERTY.—The term ‘postal
19 property’ means any property owned or leased by the
20 United States Postal Service.

21 “(7) PUBLIC-PRIVATE PARTNERSHIP.—The
22 term ‘public-private partnership’ means any partner-
23 ship or working relationship between a Federal
24 agency and a corporation, individual, or nonprofit
25 organization for the purpose of financing, con-

1 structing, operating, managing, or maintaining one
2 or more Federal real property assets.

3 “(8) UNDERUTILIZED PROPERTY.—The term
4 ‘underutilized property’ means a portion or the en-
5 tirety of any real property, including any improve-
6 ments, that is used—

7 “(A) irregularly or intermittently by the
8 accountable Federal agency for program pur-
9 poses of the Federal agency; or

10 “(B) for program purposes that can be
11 satisfied only with a portion of the property.

12 **“§ 622. Collocation among United States Postal Serv-**
13 **ice properties**

14 “(a) IDENTIFICATION OF POSTAL PROPERTY.—Each
15 year, the Postmaster General shall—

16 “(1) identify a list of postal properties with
17 space available for use by Federal agencies; and

18 “(2) not later than September 30, submit the
19 list to—

20 “(A) the Committee on Homeland Security
21 and Governmental Affairs of the Senate; and

22 “(B) the Committee on Oversight and Gov-
23 ernment Reform of the House of Representa-
24 tives.

1 “(b) VOLUNTARY IDENTIFICATION OF POSTAL PROP-
2 ERTY.—Each year, the Postmaster General may submit
3 the list under subsection (a) to the Council.

4 “(c) SUBMISSION OF LIST OF POSTAL PROPERTIES
5 TO FEDERAL AGENCIES.—

6 “(1) IN GENERAL.—Not later than 30 days
7 after the completion of a list under subsection (a),
8 the Council shall provide the list to each Federal
9 agency.

10 “(2) REVIEW BY FEDERAL AGENCIES.—Not
11 later than 90 days after the receipt of the list sub-
12 mitted under paragraph (1), each Federal agency
13 shall—

14 “(A) review the list;

15 “(B) review properties under the control of
16 the Federal agency; and

17 “(C) recommend collocations if appro-
18 priate.

19 “(d) TERMS OF COLLOCATION.—On approval of the
20 recommendations under subsection (c) by the Postmaster
21 General and the applicable agency head, the Federal agen-
22 cy or appropriate landholding entity may work with the
23 Postmaster General to establish appropriate terms of a
24 lease for each postal property.

1 “(e) RULE OF CONSTRUCTION.—Nothing in this sec-
 2 tion exceeds, modifies, or supplants any other Federal law
 3 relating to any competitive bidding process governing the
 4 leasing of postal property.

5 “§ 623. **Establishment of a Federal Real Property**
 6 **Council**

7 “(a) ESTABLISHMENT.—There is established a Fed-
 8 eral Real Property Council.

9 “(b) PURPOSE.—The purpose of the Council shall
 10 be—

11 “(1) to develop guidance and ensure implemen-
 12 tation of an efficient and effective real property
 13 management strategy;

14 “(2) to identify opportunities for the Federal
 15 Government to better manage property and assets of
 16 the Federal Government; and

17 “(3) to reduce the costs of managing property
 18 of the Federal Government, including operations,
 19 maintenance, and security associated with Federal
 20 property.

21 “(c) COMPOSITION.—

22 “(1) IN GENERAL.—The Council shall be com-
 23 posed exclusively of—

24 “(A) the senior real property officers of
 25 each Federal agency;

1 “(B) the Deputy Director for Management
2 of the Office of Management and Budget;

3 “(C) the Controller of the Office of Man-
4 agement and Budget;

5 “(D) the Administrator; and

6 “(E) any other full-time or permanent
7 part-time Federal officials or employees, as the
8 Chairperson determines to be necessary.

9 “(2) CHAIRPERSON.—The Deputy Director for
10 Management of the Office of Management and
11 Budget shall serve as Chairperson of the Council.

12 “(3) EXECUTIVE DIRECTOR.—

13 “(A) IN GENERAL.—The Chairperson shall
14 designate an Executive Director to assist in
15 carrying out the duties of the Council.

16 “(B) QUALIFICATIONS.—The Executive
17 Director shall—

18 “(i) be appointed from among individ-
19 uals who have substantial experience in the
20 areas of commercial real estate and devel-
21 opment, real property management, and
22 Federal operations and management; and

23 “(ii) hold no outside employment that
24 may conflict with duties inherent to the po-
25 sition.

1 “(d) MEETINGS.—

2 “(1) IN GENERAL.—The Council shall meet
3 subject to the call of the Chairperson.

4 “(2) MINIMUM.—The Council shall meet not
5 fewer than 4 times each year.

6 “(e) DUTIES.—The Council, in consultation with the
7 Director and the Administrator, shall—

8 “(1) not later than 1 year after the date of en-
9 actment of this subchapter, establish a real property
10 management plan template, to be updated annually,
11 which shall include performance measures, specific
12 milestones, measurable savings, strategies, and Gov-
13 ernment-wide goals based on the goals established
14 under section 524(a)(7) to reduce surplus property
15 or to achieve better utilization of underutilized prop-
16 erty, and evaluation criteria to determine the effec-
17 tiveness of real property management that are de-
18 signed—

19 “(A) to enable Congress and heads of Fed-
20 eral agencies to track progress in the achieve-
21 ment of property management objectives on a
22 Government-wide basis;

23 “(B) to improve the management of real
24 property; and

1 “(C) to allow for comparison of the per-
2 formance of Federal agencies against industry
3 and other public sector agencies;

4 “(2) develop utilization rates consistent
5 throughout each category of space, considering the
6 diverse nature of the Federal portfolio and con-
7 sistent with nongovernmental space use rates;

8 “(3) develop a strategy to reduce the reliance of
9 Federal agencies on leased space for long-term needs
10 if ownership would be less costly;

11 “(4) provide guidance on eliminating inefficien-
12 cies in the Federal leasing process;

13 “(5) compile a list of field offices that are suit-
14 able for collocation with other property assets;

15 “(6) research best practices regarding the use
16 of public-private partnerships to manage properties
17 and develop guidelines for the use of those partner-
18 ships in the management of Federal property; and

19 “(7) not later than 1 year after the date of en-
20 actment of this subchapter and annually during the
21 4-year period beginning on the date that is 1 year
22 after the date of enactment of this subchapter and
23 ending on the date that is 5 years after the date of
24 enactment of this subchapter, the Council shall sub-
25 mit to the Director a report that contains—

1 “(A) a list of the remaining excess prop-
2 erty that is real property, surplus property that
3 is real property, and underutilized property of
4 each Federal agency;

5 “(B) the progress of the Council toward
6 developing guidance for Federal agencies to en-
7 sure that the assessment required under section
8 524(a)(11)(B) is carried out in a uniform man-
9 ner;

10 “(C) the progress of Federal agencies to-
11 ward achieving the goals established under sec-
12 tion 524(a)(7);

13 “(D) if necessary, recommendations for
14 legislation or statutory reforms that would fur-
15 ther the goals of the Council, including stream-
16 lining the disposal of excess or underutilized
17 real property; and

18 “(E) a list of entities that are consulted
19 under subsection (f).

20 “(f) CONSULTATION.—In carrying out the duties de-
21 scribed in subsection (e), the Council shall also consult
22 with representatives of—

23 “(1) State, local, and tribal authorities, as ap-
24 propriate, and other affected communities; and

1 “(2) appropriate private sector entities and
2 nongovernmental organizations that have expertise
3 in areas of—

4 “(A) commercial real estate and develop-
5 ment;

6 “(B) government management and oper-
7 ations;

8 “(C) space planning;

9 “(D) community development, including
10 transportation and planning;

11 “(E) historic preservation; and

12 “(F) providing housing to the homeless
13 population.

14 “(g) COUNCIL RESOURCES.—The Director and the
15 Administrator shall provide staffing, and administrative
16 support for the Council, as appropriate.

17 “(h) ACCESS TO REPORT.—The Council shall pro-
18 vide, on an annual basis, the real property management
19 plan template required under subsection (e)(1) and the re-
20 ports required under subsection (e)(7) to—

21 “(1) the Committee on Homeland Security and
22 Governmental Affairs of the Senate;

23 “(2) the Committee on Environment and Public
24 Works of the Senate;

1 “(3) the Committee on Oversight and Govern-
2 ment Reform of the House of Representatives;

3 “(4) the Committee on Transportation and In-
4 frastructure of the House of Representatives; and

5 “(5) the Comptroller General of the United
6 States.

7 “(i) EXCLUSIONS.—In this section, surplus property
8 shall not include—

9 “(1) any military installation (as defined in sec-
10 tion 2910 of the Defense Base Closure and Realign-
11 ment Act of 1990 (10 U.S.C. 2687 note; Public Law
12 101–510));

13 “(2) any property that is excepted from the def-
14 inition of the term ‘property’ under section 102;

15 “(3) Indian and native Eskimo property held in
16 trust by the Federal Government as described in
17 section 3301(a)(5)(C)(iii);

18 “(4) real property operated and maintained by
19 the Tennessee Valley Authority pursuant to the Ten-
20 nessee Valley Authority Act of 1933 (16 U.S.C. 831
21 et seq.);

22 “(5) any real property the Director excludes for
23 reasons of national security;

1 “(6) any public lands (as defined in section 203
2 of the Public Lands Corps Act of 1993 (16 U.S.C.
3 1722)) administered by—

4 “(A) the Secretary of the Interior, acting
5 through—

6 “(i) the Director of the Bureau of
7 Land Management;

8 “(ii) the Director of the National
9 Park Service;

10 “(iii) the Commissioner of Reclama-
11 tion; or

12 “(iv) the Director of the United
13 States Fish and Wildlife Service; or

14 “(B) the Secretary of Agriculture, acting
15 through the Chief of the Forest Service; or

16 “(7) any property operated and maintained by
17 the United States Postal Service.

18 **“§ 624. Information on certain leasing authorities**

19 “(a) IN GENERAL.—Except as provided in subsection
20 (b), not later than December 31 of each year following
21 the date of enactment of this subchapter, a Federal agency
22 with independent leasing authority shall submit to the
23 Council a list of all leases, including operating leases, in
24 effect on the date of enactment of this subchapter that
25 includes—

- 1 “(1) the date on which each lease was executed;
 2 “(2) the date on which each lease will expire;
 3 “(3) a description of the size of the space;
 4 “(4) the location of the property;
 5 “(5) the tenant agency;
 6 “(6) the total annual rental payment; and
 7 “(7) the amount of the net present value of the
 8 total estimated legal obligations of the Federal Gov-
 9 ernment over the life of the contract.

10 “(b) EXCEPTION.—Subsection (a) shall not apply
 11 to—

- 12 “(1) the United States Postal Service; or
 13 “(2) any other property the Director excludes
 14 from subsection (a) for reasons of national secu-
 15 rity.”.

16 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

- 17 (1) TABLE OF SECTIONS.—The table of sections
 18 for chapter 5 of subtitle I of title 40, United States
 19 Code, is amended by inserting after the item relating
 20 to section 611 the following:

“SUBCHAPTER VII—PROPERTY MANAGEMENT

“Sec. 621. Definitions.

“Sec. 622. Collocation among United States Postal Service properties.

“Sec. 623. Establishment of a Federal Real Property Council.

“Sec. 624. Information on certain leasing authorities.”.

- 21 (2) TECHNICAL AMENDMENT.—Section 102 of
 22 title 40, United States Code, is amended in the mat-

1 ter preceding paragraph (1) by striking “The” and
2 inserting “Except as provided in subchapter VII of
3 chapter 5 of this title, the”.

4 **SEC. 4. UNITED STATES POSTAL SERVICE PROPERTY MAN-**
5 **AGEMENT.**

6 (a) IN GENERAL.—Part III of title 39, United States
7 Code, is amended by adding at the end the following:

8 **“CHAPTER 29—PROPERTY MANAGEMENT**

“Sec.
“2901. Definitions.
“2902. Property management.

9 **“§ 2901. Definitions**

10 “In this chapter:

11 “(1) EXCESS PROPERTY.—The term ‘excess
12 property’ means any postal property that the Postal
13 Service determines is not required to meet the needs
14 or responsibilities of the Postal Service.

15 “(2) POSTAL PROPERTY.—The term ‘postal
16 property’ means any property owned or leased by the
17 Postal Service.

18 “(3) UNDERUTILIZED PROPERTY.—The term
19 ‘underutilized property’ means a portion or the en-
20 tirety of any real property that is postal property,
21 including any improvements, that is used—

22 “(A) irregularly or intermittently by the
23 Postal Service for program purposes of the
24 Postal Service; or

1 “(B) for program purposes that can be
2 satisfied only with a portion of the property.

3 **“§ 2902. Property management**

4 “(a) IN GENERAL.—The Postal Service—

5 “(1) shall maintain adequate inventory controls
6 and accountability systems for postal property;

7 “(2) shall develop current and future workforce
8 projections so as to have the capacity to assess the
9 needs of the Postal Service workforce regarding the
10 use of property;

11 “(3) may develop a 5-year management tem-
12 plate that—

13 “(A) establishes goals and policies that will
14 lead to the reduction of excess property and un-
15 derutilized property in the inventory of the
16 Postal Service;

17 “(B) adopts workplace practices, configu-
18 rations, and management techniques that can
19 achieve increased levels of productivity and de-
20 crease the need for real property assets;

21 “(C) assesses leased space to identify space
22 that is not fully used or occupied;

23 “(D) develops recommendations on how to
24 address excess capacity at Postal Service facili-

1 ties without negatively impacting mail delivery;
2 and

3 “(E) develops recommendations on ensur-
4 ing the security of mail processing operations;
5 and

6 “(4) if the Postal Service develops a template
7 under paragraph (3) shall, as part of that template
8 and on a regular basis—

9 “(A) conduct an inventory of postal prop-
10 erty that is real property; and

11 “(B) publish a report that covers each
12 property identified under subparagraph (A),
13 similar to the USPS Owned Facilities Report
14 and the USPS Leased Facilities Report, that
15 includes—

16 “(i) the date on which the Postal
17 Service first occupied the property;

18 “(ii) the size of the property in square
19 footage and acreage;

20 “(iii) the geographical location of the
21 property, including an address and descrip-
22 tion;

23 “(iv) the extent to which the property
24 is being utilized;

1 “(v) the actual annual operating costs
2 associated with the property;

3 “(vi) the total cost of capital expendi-
4 tures associated with the property;

5 “(vii) the number of postal employees,
6 contractor employees, and functions housed
7 at the property;

8 “(viii) the extent to which the mission
9 of the Postal Service is dependent on the
10 property; and

11 “(ix) the estimated amount of capital
12 expenditures projected to maintain and op-
13 erate the property over each of the next 5
14 years after the date of enactment of this
15 chapter.

16 “(b) **RULE OF CONSTRUCTION.**—Nothing in sub-
17 section (a)(4)(B) shall be construed to require the Postal
18 Service to obtain an appraisal of postal property.”.

19 (b) **TECHNICAL AND CONFORMING AMENDMENT.**—
20 The table of chapters for part III of title 39, United States
21 Code, is amended by adding at the end the following:

“**29. Property Management** **2901**”.

22 **SEC. 5. INSPECTOR GENERAL REPORT ON UNITED STATES**
23 **POSTAL SERVICE PROPERTY.**

24 (a) **DEFINITION OF EXCESS PROPERTY.**—In this sec-
25 tion, the term “excess property” has the meaning given

1 the term in section 2901 of title 39, United States Code,
2 as added by section 4.

3 (b) EXCESS PROPERTY REPORT.—Not later than 2
4 years after the date of enactment of this Act, the Inspector
5 General of the United States Postal Service shall submit
6 to Congress a report that includes—

7 (1) a survey of excess property held by the
8 United States Postal Service; and

9 (2) recommendations for repurposing property
10 identified in paragraph (1)—

11 (A) to—

12 (i) reduce excess capacity; and

13 (ii) increase collocation with other
14 Federal agencies; and

15 (B) without diminishing the ability of the
16 United States Postal Service to meet the service
17 standards established under section 3691 of
18 title 39, United States Code, as in effect on
19 January 1, 2016.

20 **SEC. 6. DUTIES OF FEDERAL AGENCIES.**

21 (a) IN GENERAL.—Section 524(a) of title 40, United
22 States Code, is amended—

23 (1) in paragraph (4), by striking “and” at the
24 end;

1 (2) in paragraph (5), by striking the period at
2 the end and inserting a semicolon; and

3 (3) by adding at the end the following:

4 “(6) develop current and future workforce pro-
5 jections so as to have the capacity to assess the
6 needs of the Federal workforce regarding the use of
7 real property;

8 “(7) establish goals and policies that will lead
9 the executive agency to reduce excess property and
10 underutilized property in the inventory of the execu-
11 tive agency;

12 “(8) submit to the Federal Real Property Coun-
13 cil an annual report on all excess property that is
14 real property and underutilized property in the in-
15 ventory of the executive agency, including—

16 “(A) whether underutilized property can be
17 better utilized, including through collocation
18 with other executive agencies or consolidation
19 with other facilities; and

20 “(B) the extent to which the executive
21 agency believes that retention of the underuti-
22 lized property serves the needs of the executive
23 agency;

24 “(9) adopt workplace practices, configurations,
25 and management techniques that can achieve in-

1 creased levels of productivity and decrease the need
2 for real property assets;

3 “(10) assess leased space to identify space that
4 is not fully used or occupied;

5 “(11) on an annual basis and subject to the
6 guidance of the Federal Real Property Council—

7 “(A) conduct an inventory of real property
8 under control of the executive agency; and

9 “(B) make an assessment of each property,
10 which shall include—

11 “(i) the age and condition of the prop-
12 erty;

13 “(ii) the size of the property in square
14 footage and acreage;

15 “(iii) the geographical location of the
16 property, including an address and descrip-
17 tion;

18 “(iv) the extent to which the property
19 is being utilized;

20 “(v) the actual annual operating costs
21 associated with the property;

22 “(vi) the total cost of capital expendi-
23 tures incurred by the Federal Government
24 associated with the property;

1 “(vii) sustainability metrics associated
2 with the property;

3 “(viii) the number of Federal employ-
4 ees and contractor employees and functions
5 housed at the property;

6 “(ix) the extent to which the mission
7 of the executive agency is dependent on the
8 property;

9 “(x) the estimated amount of capital
10 expenditures projected to maintain and op-
11 erate the property during the 5-year period
12 beginning on the date of enactment of this
13 paragraph; and

14 “(xi) any additional information re-
15 quired by the Administrator of General
16 Services to carry out section 623; and

17 “(12) provide to the Federal Real Property
18 Council and the Administrator of General Services
19 the information described in paragraph (11)(B) to
20 be used for the establishment and maintenance of
21 the database described in section 21 of the Federal
22 Assets Sale and Transfer Act of 2016.”.

23 (b) DEFINITION OF EXECUTIVE AGENCY.—Section
24 524 of title 40, United States Code, is amended by adding
25 at the end the following:

1 “(c) DEFINITION OF EXECUTIVE AGENCY.—For the
2 purpose of paragraphs (6) through (12) of subsection (a),
3 the term ‘executive agency’ shall have the meaning given
4 the term ‘Federal agency’ in section 621.”.

5 **SEC. 7. TECHNICAL AMENDMENTS.**

6 (a) DEFINITION OF APPLICABLE ACT.—In this sec-
7 tion, the term “applicable Act” means the Federal Assets
8 Sale and Transfer Act of 2016 (H.R. 4465, 114th Con-
9 gress, 2d Session).

10 (b) BOARD.—Section 4(c) of the applicable Act is
11 amended by striking paragraphs (1) through (3) and in-
12 serting the following:

13 “(1) IN GENERAL.—The Board shall be com-
14 posed of a Chairperson appointed by the President,
15 by and with the advice and consent of the Senate,
16 and 6 members appointed by the President.

17 “(2) APPOINTMENTS.—

18 “(A) IN GENERAL.—In selecting individ-
19 uals for appointments to the Board, the Presi-
20 dent shall appoint members in the following
21 manner:

22 “(i) Two members recommended by
23 the Speaker of the House of Representa-
24 tives.

1 “(ii) Two members recommended by
2 the majority leader of the Senate.

3 “(iii) One member recommended by
4 the minority leader of the House of Rep-
5 resentatives.

6 “(iv) One member recommended by
7 the minority leader of the Senate.

8 “(B) DEADLINE.—The appointment of
9 members to the Board shall be made not later
10 than 90 days after the date of enactment of
11 this Act.

12 “(3) TERMS.—The term for each member of
13 the Board shall be 6 years.”.

14 (c) AGENCY RETENTION OF PROCEEDS.—

15 (1) IN GENERAL.—Section 571 of title 40,
16 United States Code (as amended by section 20 of
17 the applicable Act), is amended by adding at the end
18 the following:

19 “(d) SAVINGS PROVISION.—Nothing in this section
20 modifies, alters, or repeals any other provision of Federal
21 law directing the use of retained proceeds relating to the
22 sale of property of an agency.”.

23 (2) EFFECTIVE DATE.—The amendments made
24 by this subsection shall take effect as if enacted as
25 part of the applicable Act.

1 (d) SALE.—Section 24 of the applicable Act is
2 amended—

3 (1) by redesignating subsection (c) as sub-
4 section (d); and

5 (2) by inserting after subsection (b) the fol-
6 lowing:

7 “(c) REQUIREMENT.—Notwithstanding any other
8 provision of law, the sale of the property by the Adminis-
9 trator of General Services shall ensure continuity of secu-
10 rity measures, parking access, and infrastructure require-
11 ments of the James Forrestal Building while it is occupied
12 by the Department of Energy.”.

13 (e) EFFECTIVE DATE.—Except as provided in sub-
14 section (c)(2), this section and the amendments made by
15 this section shall take effect immediately after the enact-
16 ment of the applicable Act.

Passed the House of Representatives December 8,
2016.

Attest:

KAREN L. HAAS,

Clerk.