

Congress of the United States
House of Representatives
Washington, DC 20515-0403

October 30, 2023

The Honorable Gary Gensler
Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington D.C. 20549

Dear Chairman Gensler:

While my Republican colleagues and I continue to be confounded by your aggressive regulatory agenda which has run roughshod on agency rulemaking requirements, including ignoring notice and comment guidelines, haphazardly conducting economic analysis, overstepping the U.S. Securities and Exchange's (SEC) authority, and the questionable collection of sensitive and personal information, I write today to inquire about the SEC's uncertain next steps regarding its Federal footprint.

Presently, the SEC maintains three building leases in Washington, D.C. With the goal of upgrading and consolidating its space, the SEC has taken steps to move from its three leases to a single location which will act as its headquarters. The buildout of this new headquarters received an appropriation in fiscal year 2018 for approximately \$245 million.¹ Additionally, the SEC received \$57 million that would go toward the headquarters move in fiscal year 2023.² Most recently, the SEC requested another \$25 million in its fiscal year 2024 budget request that would also be appropriated for its headquarters move.³ In total, and over the last half a dozen fiscal years, the SEC has received over \$300 million for its new headquarters with a target move-in date set for fiscal year 2025.

Unfortunately, recent media reports indicate that two of the SEC's existing Washington, D.C. building leases have been extended because the development of its headquarters site is delayed.⁴ The lack of certainty surrounding the SEC's Federal footprint is astounding and deserves attention especially during times of increasing federal telework. The Government Accountability Office (GAO) recently found that "seventeen of the 24 Federal agencies in GAO's review used

¹ Pub. L. No. 115-141, 132 STAT. 578 (Mar. 23, 2018).

² Pub. L. No. 117-328, 136 STAT. 4693 (Dec. 29, 2022).

³ SEC, Fiscal Year 2024 Congressional Budget Justification Annual Performance Plan Fiscal Year 2022 Annual Performance Report, 13 (Mar. 2023).

⁴ Jon Banister, BisNow, "SEC Signs 1M SF Lease Extension As New Headquarters Plan Remains Stalled", (Oct. 4, 2023).

an estimated average 25 percent or less of their headquarters buildings' capacity in a three-week sample period across January, February, and March of 2023.”⁵

As Chairman of the House Appropriations Subcommittee charged with overseeing the budget of the SEC and the General Service Administration (GSA), which manages the Federal government's building needs, it is imperative that the SEC provide more information to Congress to substantiate hundreds of millions of dollars appropriated for building space. For decades, the SEC has offered telework for staff. Long before the post-COVID-19 environment popularized the practice, the SEC was providing resources for its workers to conduct agency business from places other than the office. For example, the Office of Personnel Management determined that in fiscal year 2003, 10 percent of the SEC's staff was eligible for telework.⁶ A mere ten years later, this number ballooned to 61 percent by fiscal year 2013⁷ and in fiscal year 2018, this number stood at 92 percent.⁸ While this was an important resource during the pandemic, the prevalence of telework practices at the SEC calls into question the agency's Federal footprint assumptions. On July 25, 2023, the SEC's Office of Inspector General released a report documenting that supervisors at the SEC were required be in the office two days a pay period starting on January 17, 2023, and the same for non-supervisors starting on March 27, 2023.⁹

Given the ongoing request for funding for the SEC headquarters, reports of delays, and questionable return to work plans, I request responses to the following items within 10 days of receiving this letter.

- In light of recent media reports, provide a full updated move-in timeline for the new Washington, D.C. headquarters building, including important benchmarks and milestones for completion, an explanation of why delays are occurring, and any anticipated costs due to delays;
- Provide a full accounting of the current building leases in the Washington, D.C. area, any timelines for lease extension(s), explanations of need for any extension(s), and anticipated costs related to extending lease(s);
- Provide all current lease agreements for all SEC Washington, D.C. office locations;
- Provide the SEC's current return to work policy and any addendums made in the last 12 months;

⁵ U.S. GOVT. ACCOUNTABILITY OFFICE, *Federal Real Property, Preliminary Results Show Federal Buildings Remain Underutilized Due to Longstanding Challenges and Increased Telework*, (Jul. 13, 2023).

⁶ U.S. OFFICE OF PERSONNEL MANAGEMENT, *The Status of Telework in the Federal Government Report to Congress* Appendix B – Table 1 (May 2004).

⁷ U.S. OFFICE OF PERSONNEL MANAGEMENT, *2014 Status of Telework in the Federal Government Report to Congress, Fiscal Year 2013* 197 (Nov. 2015).

⁸ U.S. OFFICE OF PERSONNEL MANAGEMENT, *Status of Telework in the Federal Government Report to Congress, Fiscal Year 2018* 85 (Mar. 2020).

⁹ OFFICE OF INSPECT GENERAL, SEC, *The SEC Took Appropriate Workplace Safety Actions in Accordance With Pandemic Guidance But Could Improve Communications*, Report 579 (Jul. 25, 2023) 1.

- Outline how many FTEs have worked remotely in the past three months, six months, and nine months, as well as the past 12 months delineated by program office;
- Provide a detailed analysis of building occupancy rates for each SEC office location, including office buildings in Washington, D.C., and the 11 regional offices over the last six months, as well as the past 12 months; and
- The measurements and standards the SEC uses to measure Federal telework productivity levels.

Please note that I have also sent this letter to GSA Administrator Robin Carnahan, and will be following up with her accordingly to discuss the Washington, D.C. headquarters delays.

Sincerely,



Steve Womack
Chairman
Financial Services and General Government Subcommittee
House Appropriations Committee

cc: Robin Carnahan, Administrator, General Service Administration