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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

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STATEMENT OF
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DIRECTOR
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BEFORE THE
COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE
ON
S. 1482 TO AMEND CERTAIN PROVISIONS OF PUBLIC
LAW 91-269 DATED MAY 27, 1970



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Mr. Chairman and Members of the Committee:

We are pleased to appear before you to discuss GAO's audit work on the construction of pavilions for international expositions and to give our views on Senate Bill S. 1482. This bill would amend Public Law 91-269 dated May 27, 1970, and provide a procedure for determining whether to construct a permanent or temporary Federal pavilion. It would also require that the design of a permanent pavilion meet the immediate needs of the exposition as well as the Federal Government's reuse needs.

Section 3 of Public law 91-269 states that the Secretary of Commerce, in developing a plan for an exposition, must consider whether the plan should include the construction of a Federal pavilion and, if so, whether the Government needs a permanent structure in the area of the exposition. If such a need is established, the Secretary may recommend that, as a condition of participation, the Government be deeded a satisfactory site for the Federal pavilion free of liens and with unrestricted rights of disposition. Section 3 also provides that the Secretary of Commerce seek the advice of the Administrator of General Services, to the extent necessary, in carrying out these provisions. However, the law does not address the issue of constructing a less costly temporary pavilion when there are no plans for its later use by the Government.

We have issued two reports on our reviews of the construction of pavilions for international expositions--one in 1976 and the other in 1981. In each of these reports, we recommended that to avoid unnecessary expenditures and to maximize residual use

of U.S. pavilions, the Congress should amend Public Law 91-269, as follows:

- The Administrator of General Services should be required to determine at the outset the Federal Government's need for a permanent structure at the exposition site.
- When a future Federal need has been identified, the Secretary of Commerce, after consulting with GSA, should see that the pavilion is designed to meet the exposition's immediate needs and the Federal Government's reuse needs.
- When a Federal residual use has been identified, but the pavilion cannot be designed to fit both the exposition and Federal residual needs, a temporary structure should be built.
- The legislation should define a "temporary" structure as one having no practical reuse and destined for disposal at the conclusion of the exposition.
- The law should stipulate that future legislation authorizing the construction of U.S. pavilions should also authorize funds for their conversion at the close of the exposition if a specific Federal need is identified.

In our June 1976 report (GGD-76-58), which covered four expositions, we first pointed out that Public Law 91-269 did not

- give GSA a definite responsibility in planning and building U.S. pavilion facilities for future Federal use,
- specify that consideration be given to building temporary pavilion facilities, or

--address the issue of authorizing the funds necessary to convert pavilion facilities at the close of the exposition when a residual use has been identified in the preexposition planning.

We also reported that finding a Federal use for the pavilions after the expositions had been a continuing problem. Federal reuse of U.S. pavilions was made in only one of the four expositions we reviewed.

In our March 1981 report (PLRD-81-11), we stated that the Department of Commerce was building a permanent, rather than a temporary, pavilion for the Knoxville Expo '82, even though there were no firm plans for its use after the exposition. We concluded that construction of the more costly permanent building was not justified and was attributable in part to weaknesses in Public Law 91-269.

Public Law 96-169, dated December 29, 1979, authorized U.S. participation in Expo '82 and it also authorized the Secretary of Commerce to erect buildings and other structures that may be appropriate for U.S. participation in the exposition. In 1980, \$20.8 million was appropriated to Commerce to design, build and operate a Federal pavilion at Expo '82. About \$12.3 million of this amount was allocated by Commerce to the construction of the pavilion.

The Department of Commerce failed to develop an adequate residual use plan for the U.S. pavilion at Expo '82. Although

a Federal need for about 100,000 square feet of office space in the Knoxville area has been identified and considered early in the planning phase, a firm Federal reuse plan for the pavilion was never developed. Commerce and the General Services Administration worked together initially to develop a reuse plan but problems were encountered and a plan was never developed.

Throughout the planning phase, Commerce preferred converting the pavilion to an energy research center rather than to a future Federal office building. At the time of our review, Commerce planned to transfer the pavilion to the University of Tennessee after the exposition for use as an energy research laboratory. Although the university has expressed interest in the pavilion, it is not obligated to take it over. If the conversion costs become too high, the university may not accept the structure. The Federal Government would then have a surplus building with no planned Federal reuse.

We are pleased that S. 1482's provisions are consistent with recommendations contained in our two reports and we wholeheartedly support its enactment into law.

Mr. Chairman, this concludes my statement. My associates and I will be happy to respond to any questions you or any member of the Committee may have at this time.