

HEADQUARTERS POWERPLANT

1. Mr. Fitzwater indicated that ongoing discussions between our agencies had addressed the feasibility of the Agency to take over the M&O of the total powerplant in order to provide the ground station level of M&O required by the Agency. He then requested that GSA delegate authority to the Agency to maintain and operate the powerplant.

2. Mr. Davis stated that GSA is prepared to entertain an arrangement to delegate responsibility and authority to the Agency to "operate" the powerhouse and expressed the following thoughts:

a. Such delegation to be considered relative to the caveat that there is no effect on SLUC reduction on the rest of the Headquarters Building. (i.e., No reduction in SLUC for Headquarters Building, and the Agency must fund operation of powerhouse through additional Agency funding.)

b. GSA has had a significant problem in staffing this operation due to building location and security considerations. GSA believes the Agency will have similar problems with staffing.

c. GSA will continue to maintain and operate the remainder of the buildings at the Headquarters site.

d. In times of national emergency, the powerplant is a very critical function and GSA agrees there is a compelling need for the Agency to maintain it.

e. The delegation is to "operate it only." There will be no change in the billing for utilities, and no change in the source of capital improvements.

f. Further discussions and coordination between GSA and the Agency are to be arranged through Mr. Langfeld in order to study and establish the specifics of proposed delegation, the resolution of details, the determination of the timing and implementation of the transition of responsibilities, and the establishment of ongoing interface between GSA and the Agency in this area.