

July 25, 2012

Acting Administrator Daniel Tangherlini
U.S. General Services Administration
1800 F Street, NW
Washington, D.C. 20405

Dear Administrator Tangherlini,

On behalf of the undersigned organizations representing the commercial and residential real estate sectors, we commend the U.S. General Services Administration (GSA) for its leadership in improving energy and environmental performance across its federal building portfolio and its willingness to work with our respective organizations to make all commercial buildings, public and private, more energy efficient. We have achieved great strides in driving performance the last five years and GSA's leadership has been instrumental in making it happen.

With GSA now evaluating the myriad building rating tools at its disposal, as required by the Energy Independence and Security Act of 2007 (EISA), we feel it is important to comment. Since GSA last conducted the 5-year study required by EISA, a proliferation of non-regulatory, voluntary rating systems has entered the marketplace that offer exceptional guidance to the commercial and residential real estate sectors, and can meet the federal governments' requirements. The suite of rating systems gaining traction in the marketplace includes ASHRAE Standard 189.1 for the Design of High-Performance Green Buildings, Green Globes, International Green Construction Code, Leadership in Energy and Environmental Design (LEED), Living Building Challenge, and the National Green Building Standard (ICC 700).

We believe that choice is good among these available options, and we support their market-driven acceptance and non-regulatory deployment. None of the rating systems provides a "one size fits all" solution, and building owners should have flexibility to select which best meets its requirements, budget, consumer demands, and environmental goals for each property.

While our organizations do not endorse or reject any one rating system in particular, we respect the market and the choices real estate owners and investors make to define the most appropriate (if any) rating system for new or existing buildings that they own or manage. Likewise, in identifying appropriate building certification systems for EISA's purposes, we strongly encourage GSA to make a decision that reflects current practices in the marketplace and national recognition within and acceptance by the real estate industry. Prior to announcing a decision, GSA should survey and study the various, multiple building rating systems that are being deployed in the private sector which

satisfy the criteria set forth in EISA section 436(h), 42 U.S.C. § 17092(h)¹. Based on such a market-wide survey and study, our organizations encourage GSA to make a determination that allows an adequate suite of systems available for rating the diverse suite of buildings that span the federal asset portfolio.

For a number of buildings, certification under any rating systems may not be a feasible option for varied reasons, including the age, finances, size, market or submarket location, property type and tenant mix of the building or because they cannot achieve the needed prerequisites. However, for those properties that are working to achieve energy efficiency goals, we support a tiered approach that begins with benchmarking the building through Energy Star's Portfolio Manager benchmarking program, implementing low and no cost measures to save energy, utilizing best practices programs like the BOMA 360 Performance Program and others. Finally, as appropriate in light of market conditions and specific asset portfolios, GSA should encourage building owners to work toward obtaining certifications under nationally-recognized, consensus based, and market-accepted systems meeting EISA's criteria.

In summary, we believe the best role for the federal government to play is to support all programs that lead to energy efficiency and improved building operations.

We would appreciate the opportunity to discuss these ideas with you. Thank you for your consideration of our views. Please feel free to contact Karen Penafiel, BOMA International, at 202-326-6323 or Duane Desiderio, The Real Estate Roundtable, at 202-639-8400, if you have any questions or need any additional information.

Sincerely,

American Hotel & Lodging Association
Appraisal Institute
Building Owners and Managers Association (BOMA) International
CCIM Institute
Institute of Real Estate Management
National Association of Home Builders
National Association of Real Estate Investment Trusts
National Association of REALTORS®
The Real Estate Roundtable

¹ These criteria include the ability and availability of assessors and auditors to independently verify and measure building performance metrics; the ability of standard-setting organizations to collect and reflect public comment; whether a consensus-based process is used to develop and revise rating systems; whether the systems being considered give credit to promote various sustainability and environmental criteria; and whether the building industry has given national recognition to the rating systems that have been studied by GSA.