BENEFICIAL OR CRITICAL? THE HEIGHTENED NEED FOR TELEWORK OPPORTUNITIES IN THE POST–9/11 WORLD

HEARING

BEFORE THE

COMMITTEE ON GOVERNMENT REFORM

HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTH CONGRESS

SECOND SESSION

JULY 8, 2004

Serial No. 108–210

Printed for the use of the Committee on Government Reform

Available via the World Wide Web: http://www.gpo.gov/congress/house
http://www.house.gov/reform

U.S. GOVERNMENT PRINTING OFFICE

96–411 PDF WASHINGTON : 2004

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512–1800; DC area (202) 512–1800
Fax: (202) 512–2250 Mail: Stop SSOP, Washington, DC 20402–0001

COMMITTEE ON GOVERNMENT REFORM

TOM DAVIS, Virginia, *Chairman*

DAN BURTON, Indiana
CHRISTOPHER SHAYS, Connecticut
ILEANA ROS-LEHTINEN, Florida
JOHN M. MCHUGH, New York
JOHN L. MICA, Florida
MARK E. SOUDER, Indiana
STEVEN C. LATOURETTE, Ohio
DOUG OSE, California
RON LEWIS, Kentucky
JO ANN DAVIS, Virginia
TODD RUSSELL PLATTS, Pennsylvania
CHRIS CANNON, Utah
ADAM H. PUTNAM, Florida
EDWARD L. SCHROCK, Virginia
JOHN J. DUNCAN, JR., Tennessee
NATHAN DEAL, Georgia
CANDICE S. MILLER, Michigan
TIM MURPHY, Pennsylvania
MICHAEL R. TURNER, Ohio
JOHN R. CARTER, Texas
MARSHA BLACKBURN, Tennessee
PATRICK J. TIBERI, Ohio
KATHERINE HARRIS, Florida

HENRY A. WAXMAN, California
TOM LANTOS, California
MAJOR R. OWENS, New York
EDOLPHUS TOWNS, New York
PAUL E. KANJORSKI, Pennsylvania
CAROLYN B. MALONEY, New York
ELIJAH E. CUMMINGS, Maryland
DENNIS J. KUCINICH, Ohio
DANNY K. DAVIS, Illinois
JOHN F. TIERNEY, Massachusetts
WM. LACY CLAY, Missouri
DIANE E. WATSON, California
STEPHEN F. LYNCH, Massachusetts
CHRIS VAN HOLLEN, Maryland
LINDA T. SANCHEZ, California
C.A. "DUTCH" RUPPERSBERGER, Maryland
ELEANOR HOLMES NORTON, District of Columbia
JIM COOPER, Tennessee
BETTY MCCOLLUM, Minnesota

BERNARD SANDERS, Vermont (Independent)

MELISSA WOJCIAK, *Staff Director*
DAVID MARIN, *Deputy Staff Director/Communications Director*
ROB BORDEN, *Parliamentarian*
TERESA AUSTIN, *Chief Clerk*
PHIL BARNETT, *Minority Chief of Staff/Chief Counsel*

CONTENTS

Page

Hearing held on July 8, 2004 1

Statement of:

Gardiner, Pamela J., Acting Inspector General for Tax Administration, Department of the Treasury; Scott J. Cameron, Deputy Assistant Secretary, Performance, Accountability, and Human Resources, Department of the Interior; and J. Christopher Mihm, Director, Strategic Issues, General Accounting Office 43

Kane, James A., president and chief executive officer, Software Productivity Consortium; Steve DuMont, vice president, Internet Business Solutions Group, Cisco Systems, Inc.; Eric Richert, vice president, Iwork Solutions Group, Sun Microsystems; and Carol Goldberg, former telework program manager, Fairfax County, VA, government 66

Perry, Stephen, Administrator, General Services Administration; and Kay Coles James, Director, Office of Personnel Management 17

Letters, statements, etc., submitted for the record by:

Cameron, Scott J., Deputy Assistant Secretary, Performance, Accountability, and Human Resources, Department of the Interior, prepared statement of 51

Cummings, Hon. Elijah E., a Representative in Congress from the State of Maryland, prepared statement of 134

Davis, Chairman Tom, a Representative in Congress from the State of Virginia, prepared statement of 4

Davis, Hon. Danny K., a Representative in Congress from the State of Illinois, prepared statement of 15

DuMont, Steve, vice president, Internet Business Solutions Group, Cisco Systems, Inc., prepared statement of 96

Gardiner, Pamela J., Acting Inspector General for Tax Administration, Department of the Treasury, prepared statement of 45

Goldberg, Carol, former telework program manager, Fairfax County, VA, government, prepared statement of 119

James, Kay Coles, Director, Office of Personnel Management, prepared statement of 27

Kane, James A., president and chief executive officer, Software Productivity Consortium, prepared statement of 68

Kucinich, Hon. Dennis J., a Representative in Congress from the State of Ohio, prepared statement of 138

Mihm, J. Christopher, Director, Strategic Issues, General Accounting Office, prepared statement of 55

Perry, Stephen, Administrator, General Services Administration, prepared statement of 20

Richert, Eric, vice president, Iwork Solutions Group, Sun Microsystems, prepared statement of 108

Waxman, Hon. Henry A., a Representative in Congress from the State of California, prepared statement of 8

Wolf, Hon. Frank, a Representative in Congress from the State of Virginia, prepared statement of 11

BENEFICIAL OR CRITICAL? THE HEIGHTENED NEED FOR TELEWORK OPPORTUNITIES IN THE POST–9/11 WORLD

THURSDAY, JULY 8, 2004

HOUSE OF REPRESENTATIVES,
COMMITTEE ON GOVERNMENT REFORM,
Washington, DC.

The committee met, pursuant to notice, at 10:27 a.m., in room 2154, Rayburn House Office Building, Hon. Tom Davis (chairman of the committee) presiding.

Present: Representatives Tom Davis of Virginia, Schrock, Blackburn, Waxman, Maloney, Cummings, Kucinich, Davis of Illinois, Tierney, Watson, Van Hollen, Ruppersberger, and Norton.

Also present: Representative Wolf.

Staff present: David Marin, deputy staff director and communications director; Keith Ausbrook, chief counsel; Jim Moore, counsel; Robert Borden, counsel and parliamentarian; Drew Crockett, deputy director of communications; Jaime Hjort, Michael Layman, and Victoria Proctor, professional staff members; Teresa Austin, chief clerk; Sarah Dorsie, deputy clerk; Allyson Blandford, office manager; Corinne Zaccagnini, chief information officer; Phil Barnett, minority staff director; Kristin Amerling, minority deputy chief counsel; Christopher Lu, minority deputy chief counsel; Tania Shand, minority professional staff mmember; Earley Green, minority chief clerk; and Jean Gosa, minority assistant clerk.

Chairman TOM DAVIS. The committee will come to order.

Good morning, and I want to welcome everybody to today's oversight hearing on the Status of Telework Programs and Policies in the Federal Government. We are here to determine why many Federal supervisors have been slow to implement telework across all levels of the Government work force. For years now, many of us have recognized that telework offers significant benefits to managers, employees, and society. More recently, and perhaps more importantly, we now realize that telework needs to be an essential component of any continuity of operations plan. Something we once considered advantageous and beneficial has evolved into a cornerstone of emergency preparedness.

The innovations of the information age, laptop computers, broadband Internet service, blackberries and so forth, continue to make location less relevant in a working world. Telework capitalizes on these advances, offering a broad range of benefits to employers and employees, and the public.

I have long argued that because of these benefits, we need to be encouraging telework wherever possible across the country. Expanding telecommuting opportunities reduces traffic congestion and air pollution; it promotes a productive work force and increases employee morale and quality of life, often resulting in higher rates of worker retention; it is pro-family; it provides a whole new arena of opportunities for people with disabilities; and it is a great way for retirees to get the part-time employment many of them are working for.

Unfortunately, logic doesn't always prevail in Washington. Politics is like a wheelbarrow: nothing happens until you start pushing. September 11 gave us a new reason to push for telework.

The war on terror makes the ability to work at offsite locations more than an attractive option for employees and employers; it is now an imperative. The ever-present threat of terrorist attacks on U.S. soil should compel those in authority to incorporate telework into any disaster contingency plans. Here in the Washington area, we know that, in fact, many occurrences can interrupt government operations, from snowstorms and hurricanes, to anthrax mailings and Tractor Man. These disruptions are very costly to people all over the country and the world that rely on a functioning Federal Government every day.

Today's hearing is set against the backdrop of Section 359 of Public Law 106–346. This law, authored by one of our distinguished guests today, Congressman Frank Wolf, requires each executive branch agency to establish a telework policy "under which eligible employees may participate in telecommuting to the maximum extent possible without diminishing employee performance." The law made the Office of Personnel Management responsible for ensuring that the requirements were applied to 25 percent of the Federal work force beginning in April 2001 and to an additional 25 percent each subsequent year. That means, theoretically, that 100 percent of the Federal work force is supposed to be eligible to telework by next April.

But I am sorry to report we are not there yet.

According to OPM data, only 102,921 employees of 751,844 who were eligible had the capacity to telework in 2003, less than 14 percent. More unsettling is the fact that agencies are defining for themselves what employees they consider "eligible." Part of our work today will be to determine whether a Government-wide definition of "eligible employees" would be appropriate and constructive.

We have long understood the barriers that prevent greater telework implementation. Many managers remain unenthusiastic about allowing their employees to be out of their sight during the workdays. Some worry telework will worsen employee-management relations; others worry employees may abuse the policy. Telework requires a great deal of management confidence and a great deal of employee responsibility. Our biggest challenge as we move forward may simply be changing organizational attitudes about the possibilities technology affords managers and employees in the contemporary workplace.

It is important to note there are bright signs on the horizon. As the government's telework coordinators, OPM and the General

Services Administration have recently directed several efforts to boost telework programs.

Among its many activities in the last several weeks, OPM has hosted special training sessions for employees from nine agencies with extremely low telework participation; hosted emergency preparedness training forums for agency managers that emphasized integration of telework into continuity of operations plans; and Director Kay Coles James personally guided agency representatives through Fairfax Telework Center in suburban Virginia for a firsthand look at the operations of an offsite telework hub. I am also aware of telework plans being crafted for Boston and New York, so that the convention chaos doesn't force Federal agencies in those places to lose even an hour of productivity.

In addition, GSA has provided agencies with the needed guidance, technical assistance, and oversight of the establishment and operation of telework programs. And, most notably, GSA recently collaborated with the Department of Homeland Security to develop a continuity of operations plan that emphasizes telework.

I know firsthand how telework can benefit a workplace. Ann Rust of my district staff currently teleworks 4 days a week at the George Mason University telework center in Herndon, VA. The staff director of this committee, Melissa Wojciak, teleworked after both of her children were born, giving a 21st century definition to the term "maternity leave."

The bottom line is why do Federal employees have to commute to and from their office each day to perform work that often can be done equally well, or even more efficiently, at a more convenient location? Our frustration with the slow pace of implementation is peaking. That is why we will hear from Congressman Danny Davis today about his proposal to establish a demonstration project to evaluate Federal employees' ability to perform essential and nonessential operations in the event that employees are not able to work in their official duty stations.

More directly, that is why we are seeing language like that added by Mr. Wolf to the CJS appropriations bill, threatening to withhold funding for those agencies under his jurisdiction that underperform in this area. Unfortunately, after all these years during which Federal agencies have not followed the law, I fear this is the type of action required to get the wheelbarrow moving. I am therefore prepared to follow my colleague Frank Wolf's lead and work to implement similar language that would apply to all Federal agencies. Let the message be clear: we are serious and we are ready to help OPM and GSA to hold agencies' feet to the fire.

We have three panels of witnesses here today who will help us better understand where we have been and where we are going. On the first panel we are pleased to have the distinguished Administrator of the GSA, Stephen Perry, and the equally distinguished Director of OPM, Kay Coles James.

Thank you both for being with us today.

[The prepared statement of Chairman Tom Davis follows:]

Statement of Chairman Tom Davis

Committee on Government Reform Hearing
"Beneficial or Critical? The Heightened Need for Telework Opportunities in the Post-9/11 World"
July 8, 2004

Good morning. I want to welcome everyone to today's oversight hearing on the status of telework programs and policies in the Federal government. We're here to determine why many Federal supervisors have been slow to implement telework across all levels of the government workforce. For years now, many of us have recognized that telework offers significant benefits to managers, employees, and society. More recently, and perhaps more importantly, we now realize that telework needs to be an essential component of any continuity of operations plan. Something we once considered advantageous and beneficial has evolved into a cornerstone of emergency preparedness.

The innovations of the information age—laptop computers, broadband Internet service, blackberries and so forth—continue to make location less relevant in the working world. Telework capitalizes on these advances, offering a broad range of benefits to employers and employees.

I've long argued that, because of these benefits, we need to be encouraging telework wherever possible, across the nation. Expanding telecommuting opportunities reduces traffic congestion and air pollution. It promotes a productive workforce and increases employee morale and quality of life – often resulting in higher rates of worker retention. It's pro-family. It provides a whole new arena of opportunities for people with disabilities. And it's a great way for retirees to get the part-time employment many of them are looking for.

Unfortunately, logic doesn't always prevail in Washington. Politics is like a wheelbarrow; nothing happens until you start pushing. 9-11 gave us a new reason to push for telework.

The war on terror makes the ability to work at off-site locations more than an attractive option for employees and employers; it's now an imperative. The ever-present threat of terrorist attacks on U.S. soil should compel those in authority to incorporate telework into any disaster contingency plans. Here in the Washington area, we know that, in fact, many occurrences can interrupt government operations, from snowstorms and hurricanes to anthrax mailings and Tractor Man. These disruptions are very costly to people all over the country and the world who rely on a functioning federal government every day.

Today's hearing is set against the backdrop of Section 359 of Public Law 106-346. This law, authored by one of our distinguished guests today, Congressman Frank Wolf, requires each executive branch agency to establish a telework policy "under which eligible employees may participate in telecommuting to the maximum extent possible without diminished employee performance." The law made the Office of Personnel

Management responsible for ensuring that the requirements were applied to 25 percent of the Federal workforce beginning in April 2001 and to an additional 25 percent each subsequent year. That means, theoretically, that 100 percent of the Federal workforce is supposed to be eligible to telework by next April.

I'm sorry to report we're not nearly there yet.

According to OPM data, only 102,921 employees of 751,844 who were eligible had the capacity to telework in 2003—less than 14 percent. More unsettling is the fact that agencies are defining for themselves what employees they consider quote-unquote "eligible." Part of our work today will be to determine whether a governmentwide definition of "eligible employees" would be appropriate and constructive.

We've long understood the barriers that prevent greater telework implementation. Many managers remain unenthusiastic about allowing their employees to be out of sight during workdays. Some worry telework will worsen employee-management relations; others worry employees may abuse the policy. Telework requires a great deal of management confidence and employee responsibility. Our biggest challenge as we move forward may simply be changing organizational attitudes about the possibilities technology affords managers and employees in the contemporary workplace.

It's important to note that there are bright signs on the horizon. As the government's telework coordinators, OPM and the General Services Administration have recently directed several efforts to boost telework programs.

Among its many activities in the last several weeks, OPM has hosted special training sessions for employees from nine agencies with extremely low telework participation; hosted emergency preparedness training forums for agency managers that emphasized integration of telework into continuity of operations plans; and Director Kay Coles James personally guided agency representatives through the Fairfax Telework Center in suburban Virginia for a first-hand look at the operations of an off-site telework hub. I am also aware of telework plans being crafted for Boston and New York, so that the convention chaos does not force federal agencies in those places to lose even an hour of productivity.

In addition, GSA has provided agencies with the needed guidance, technical assistance, and oversight of the establishment and operation of telework programs. Most notably, GSA recently collaborated with the Department of Homeland Security to develop a continuity of operations plan that emphasizes telework.

I know firsthand how telework can benefit a workplace. Ann Rust of my district staff currently teleworks four days a week at the George Mason University telework center in Herndon, Virginia. The staff director of this committee, Melissa Wojciak, teleworked after both of her two children were born, giving a 21st century definition to the term "maternity leave."

The bottom line is: why do Federal employees have to commute to and from their office each day to perform work that often could be done equally well, or even more efficiently, at a more convenient location? Our frustration with the slow pace of implementation is peaking. That's why we'll hear from Congressman Danny Davis today about his proposal to establish a demonstration project to evaluate Federal employees' ability to perform essential and non-essential operations in the event the employees are not able to work at their official duty stations.

More directly, that's why we're seeing language like that added by Mr. Wolf to the CJS appropriations bill, threatening to withhold funding for those agencies under his jurisdiction that underperform. Unfortunately, after all these years during which federal agencies have not followed the law, I fear this is the type of action required to get the wheelbarrow moving. I am therefore prepared to follow Mr. Wolf's lead and work to implement similar language that would apply to all federal agencies. Let the message be clear: we are serious and ready to help OPM and GSA hold agencies' feet to the fire.

We have three panels of witnesses today who will help us better understand where we've been and where we're going. On the first panel, we are very pleased to have the distinguished Director of OPM, Kay Coles James, and the equally distinguished Administrator of GSA, Steven Perry.

Our second panel features Pamela Gardiner, Acting Inspector General for Tax Administration at the Department of the Treasury; Kathleen Wheeler, Deputy Chief Human Capital Officer from the Office of Policy, Management and Budget at the Department of the Interior; and Christopher Mihm, Director of Strategic Issues at the General Accounting Office.

Finally, our third panel is comprised of Dr. James Kane, President and Chief Executive Officer of the Software Productivity Consortium; Steve DuMont, Vice President of the Internet Business Solutions Group at Cisco Systems; Eric Richert, Vice President for iWork Solutions Group at Sun Microsystems; and Carol Goldberg, the former Telework Program Manager for Fairfax County, Virginia.

Thank you all for being here today.

Chairman TOM DAVIS. I now recognize the distinguished ranking member, Mr. Waxman.

Mr. WAXMAN. Thank you very much, Mr. Chairman. I would like to thank you for holding this hearing, and I also want to welcome the distinguished group of witnesses that we have testifying.

Today's hearing focuses on the Federal Government's effort to increase the use of telecommuting. According to experts, telework can help the Government in its recruitment and retention of employees, while also reducing the need for office space. Telework can also have a major impact on traffic congestion, an issue of great importance in my own hometown, Los Angeles.

For employees, telework can allow them to structure their work schedules around the need to care for elderly parents or young children. Telework can also provide disabled employees with greater access to Federal employment.

Just as importantly, greater use of telework can allow the Federal Government to function in the event of an emergency, whether it be a fire, a terrorist attack, God forbid, or a natural disaster.

In recent years, for example, congressional offices have been closed because of anthrax contamination and Hurricane Isabel. Had there been a great use of telework, there would have been much less disruption in our ability to serve our constituents.

Representative Danny Davis, the ranking member of the Civil Service Subcommittee, is working on a bill to ensure that telework is better integrated into emergency planning, and I know well of the leadership that Representative Frank Wolf has been providing on this issue as well. I fully support them in their efforts, and I hope the committee will move quickly on legislation.

[The prepared statement of Hon. Henry A. Waxman follows:]

Statement of
Rep. Henry A. Waxman, Ranking Minority Member
Committee on Government Reform
Hearing on
Telework in the Federal Government
July 8, 2004

I would like to thank the chairman for holding this hearing. I also want to welcome the distinguished group of witnesses who will be testifying.

Today's hearing focuses on the federal government's efforts to increase the use of telecommuting. According to experts, telework can help the government in its recruitment and retention of employees, while also reducing the need for office space. Telework also can have a major impact on traffic congestion – an issue of great importance in my hometown of Los Angeles.

For employees, telework can allow them to structure their work schedules around the need to care for elderly parents or young children.

Telework also can provide disabled employees with greater access to federal employment.

Just as importantly, greater use of telework can allow the federal government to function in the event of an emergency, whether it be a fire, a terrorist attack, or a natural disaster. In recent years, for example, congressional offices have been closed because of anthrax contamination and Hurricane Isabel. Had there been a greater use of telework, there would have been much less disruption in our ability to serve our constituents.

Rep. Danny Davis, the ranking member of the Civil Service Subcommittee, is working on a bill to ensure that telework is better integrated into emergency planning. I fully support him in this effort and hope that the Committee will move quickly on his bill.

Thank you.

Chairman TOM DAVIS. Thank you. And I would like to ask the committee's permission. We have the distinguished chairman of the CJS Appropriations Subcommittee. He has to go to the floor to manage his bill so he can get out of here at a decent hour for the time tonight, but he has been a leader in this area and, Frank Wolf, we are very proud to have you here today to add your voice, and thank you for the leadership you have taken. I recognize you if you would like to say anything.

Mr. WOLF. Thank you, Chairman Davis. I appreciate it. And I want to welcome the panel. I will be 30 seconds.

I think this is an important issue. It is a continuity of Government issues because we all went through what we went through on September 11, and we saw the earthquakes and problems out in California. It is an environmental issue. It is a traffic issue, as you know, living in this region. It is a productivity issue, because the studies show the people that telecommute or telework are very, very productive with the new modern technology that is available. It is also a family value issue. There is nothing magic about strapping yourself into a metal box and driving 35 or 45 miles, perhaps sitting in traffic maybe 2 hours. There is nothing uncommon for people in this region to get up at 4:30 or 5 a.m., to get into work, and not to get home until 6 or 6:30 p.m. No opportunities to be active in Boy Scouts, their church, Little League, to be with the family. So it is a family value issue.

And for that I would hope—and I appreciate Chairman Davis having this hearing—that the administration can take this. I know the problem isn't with the workers, because they want it. I am not suggesting the problem is with OPM, either. But the problem appears to be at the leadership level. Some say mid-level, but at the leadership level, whereby the word is not getting out. So I appreciate Mr. Davis having this. I hope some really good things. This has been the law now for a long, long time; yet it is not being complied with, and perhaps this hearing will be the spur to really make a difference.

So, Tom, thanks for having the hearing, and we look forward to really good things whereby none of us in this region or any other people will be called to say I work for the Federal Government, I want to telework, but my agency won't let me. So thanks for having the hearing.

[The prepared statement of Hon. Frank Wolf follows:]

Representative Frank R. Wolf
Opening Remarks on Telecommuting
House Government Reform Committee
July 8, 2004

Telecommuting works.

Simply put, there is nothing magic in strapping ourselves into a metal box every day only to drive to an office where we sit behind a desk working on a computer.

Telecommuting is a traffic issue.

Telecommuting is an environmental issue.

Telecommuting is a continuity of operations issue.

And telecommuting is a family values issue.

Because of a provision I inserted in the FY 2001 Transportation Appropriations bill, by the end of this year, all federal agencies must allow every eligible employee who wants to telework and whose job lends itself to telework to do so.

To say I'm disappointed at the federal government's efforts in implementing the FY 2001 law is a major understatement. Although federal agencies have a success rate of 13.7 percent of eligible employees teleworking, the federal agencies are in clear violation of this law which the Congress approved and the President signed into law.

The federal government should be the model for telework. Study after study proves that telework is family friendly, good for the environment, increases work force morale, improves productivity, and reduces traffic congestion.

We are in danger of losing federal employees to higher paying jobs in the private sector. The federal government needs to do everything it can to make sure it can hire the best and the brightest.

Offering incentives such as telework is one way to make the federal government an attractive place to work. In addition, many areas in the country, including the metropolitan Washington region, are on the brink of losing vital transportation dollars because of noncompliance with federal clean air standards. The federal government is the nation's largest

employer so it makes sense that keeping cars off the roads can help improve air quality.

The federal government woefully lags behind the private sector in promoting telework. That makes no sense to me.

I will submit for the committee's review the Summmer 2004 edition of Loudoun Magazine, published in the 10th District of Virginia.

While it looks like the regular magazine, there is something special about this edition:

It is entirely the product of telecommuting.

The staff all worked out of their homes.

They never went to the "office" for meetings, to discuss story ideas or lay out the publication.

The magazine is participating in a pilot program being run by the Software Productivity Consortium, or SPC, here in northern Virginia.

Through the wonders of modern technology, some off-the-shelf software, inexpensive Web cameras and ingenuity, all the employees are able to collaborate face-to-face in real time on a daily basis.

From what I have been told, once the magazine's staff
got used to the program, video conferencing with each other has become second nature.

The federal government and its employees are, for the most part, no different than the staff of Loudoun Magazine.

Telecommuting works.

The government -- and business-- need to give it a chance. Both need to be willing to think out of the box to make it work.

According to the publisher of Loudoun Magazine, employees using the Web conferencing are saving an aggregate of well over 1,700 miles per month in commuting on Loudoun's highways.

He believes that number could go as high as 20,000 miles if his entire company were able to participate in the program.

Imagine this number if federal employees were working from home.

I will provide the committee with a copy of Loudoun Business, a sister publication of Loudoun Magazine, detailing the project.

I encourage you to read the story. The paper is going to do monthly updates on the project.

The story provides some interesting insight as to how the company has approached the project and ways it has overcome obstacles – like attaching an antenna to the silo of a neighbor's barn in order to expedite connectivity.

The federal government must get serious about the telework program. While it was good of Chairman Davis to hold this hearing today, we shouldn't have to be here talking about why the federal government has been so slow to embrace a policy that works.

I've taken steps this year to show the agencies under the jurisdiction of the Commerce-Justice-State (CJS) Appropriations Subcommittee that teleworking is serious business. I inserted a provision in the CJS spending bill which withholds $5 million from the budgets of the departments of Commerce, Justice and State until they ensure that all their eligible workers are permitted to telecommute.

The CJS appropriations bill also requires the federal judiciary, the Small Business Administration and the Securities and Exchange Commission to prove eligible members of their workforce are permitted to telecommute.

The bill also requires the departments and agencies to designate a "Telework Coordinator" to oversee the implementation and operation of telecommuting programs within each department. The departments and agencies also will be required to provide the Appropriations Committee with quarterly reports on the number of employees telecommuting.

I hope these provisions will get the telework point across and the agencies, from the top down, will start taking telework seriously.

Telework is a win-win for the federal government. It increases worker productivity. It improves morale. It gives employees a chance to spend time with their family or simply use their free time as they see fit. It improves our air quality and it can save the federal government money by helping to reduce real estate costs and increase worker retention.

Telecommuting works.

Thank you.

Chairman TOM DAVIS. Well, thank you, Mr. Wolf, and thank you for your leadership.

Any opening statements over on this side? Mr. Davis, yes, thank you.

Mr. DAVIS OF ILLINOIS. Thank you very much, Mr. Chairman.

I will not read the statement, but I would just indicate that this is indeed a very serious matter and it is a serious issue, and I think that we have great opportunity to demonstrate the capacity that exists to address it. Therefore, I will be introducing today a bill that is designed to enhance the ability of Federal agencies to function using telecommuting systems that obviously we are developing and learning about in the case of an emergency. So I look forward to not only the introduction of that legislation, but further discussion of it, and hope that out of all of this we will be better prepared should we experience any emergency that arises, and I think we can rise to meet the occasion.

[The prepared statement of Hon. Danny K. Davis follows:]

**STATEMENT OF THE HONORABLE DANNY K. DAVIS
AT THE COMMITTEE ON GOVERNMENT REFORM HEARING
ON**

"Beneficial or Critical? The Heightened Need for Telework Opportunities in the Post 9/11 World"

July 8, 2004

Chairman Davis and Ranking Member Waxman, in the late 1990s, the Government Reform and Education and Workforce Committees, held oversight hearings to examine the barriers to telecommuting and federal agencies' development and promotion of telework programs. It was then thought that the primary benefits of telecommuting were reducing traffic congestion and pollution, improving recruitment and retention of employees, reducing the need for office space, increasing productivity, and improving the quality-of-life and morale of federal employees.

These continue to be compelling and valid reasons for implementing agencywide telework programs. Rep. Frank Wolf is to be commended for moving legislation that pushes agencies to increase the number of federal employees who telecommute.

Today, post 9-11, we are again holding hearings on telecommuting. We have another, very compelling reason to push federal agencies, and ourselves, to develop and implement the infrastructure and work processes necessary to support telecommuting. They are emergency preparedness and the continued threat of terrorism.

The question we must ask ourselves is this: In the event of an emergency, are we – this Committee, our staffs, and federal agencies – prepared to serve the American people, if in an emergency situation, our primary places of work are no longer available to us?

You only have to read the General Accounting Office's (GAO) April 2004 report entitled, "Human Capital: Opportunities to Improve Federal Continuity Planning Guidance," to know that the answer is "no."

The GAO report notes that the government is better prepared to handle an emergency than it was before 9-11, but there is room for improvement. Federal agencies' continuity of operations plans (COOP) address securing the safety of all employees and responding to the needs of personnel performing essential operations, but essential personnel make up only a small portion of the total federal workforce.

Neither the Office of Personnel Management (OPM) nor the Federal Emergency Management Agency (FEMA), the agencies responsible for providing emergency preparedness guidance in COOP, have addressed workforce considerations related to the resumption of broader agency operations. While COOP efforts should give priority to the

safety of all employees and address the needs of those who directly support essential operations, the resumption all other operations is crucial to achieving mission results and serving the American people.

The GAO report states that, "Given that the majority of employees would be associated with resumption efforts rather than essential operations, considering this segment of the organization is an important part of continuity planning." According to GAO, continuity efforts should be guided by two key workforce principles: the demonstration of sensitivity to individual employee needs and the maximization of all employees contributions to mission results.

Today, I will introduce legislation that will push agencies to do just that. The legislation would require the Chief Human Capital Officer Council to conduct and evaluate a 30-day demonstration project that broadly uses employees' contributions to an agency's operations from alternate work locations, including home. The outcome of the demonstration project would provide agencies and Congress with approaches to gaining flexibility and identifying work processes that should be addressed during an extended emergency situation.

This Congress experienced a prolonged emergency situation when, in 2001, congressional office buildings were closed from 2 weeks to 3 months due to the threat of anthrax contamination. Congressional staff stayed home, or they were hastily relocated to nearby federal office buildings. A Congressional Research Report on congressional continuity of operations stated that although alternate office accommodations were in place, office computer and hard copy files in the closed offices, in many cases, were inaccessible.

The number and types of potential emergency interruptions are unknown and we must be prepared, in advance of an incident, with the work processes and infrastructure needed to reestablish agency operations.

In a world where anything is possible, we must be prepared for all the possibilities.

Chairman TOM DAVIS. Thank you very much.

Any other opening statements? If not, we have a very distinguished first panel that is part of the solution. We solute both of you for your leadership in this area, the Honorable Stephen Perry, Administrator of the GSA, and Kay Coles James of OPM. You know it is our policy we swear you in, so if you would just raise your right hands with me.

[Witnesses sworn.]

Chairman TOM DAVIS. Thank you both for being here.

Steve, we will start with you and then go to Kay, and then open up for questions.

STATEMENTS OF STEPHEN PERRY, ADMINISTRATOR, GENERAL SERVICES ADMINISTRATION; AND KAY COLES JAMES, DIRECTOR, OFFICE OF PERSONNEL MANAGEMENT

Mr. PERRY. Good morning, Mr. Chairman, members of the committee, Congressman Wolf. Thank you for the opportunity to discuss the status of telework in the Federal workplace.

Along with the Office of Personnel Management under the capable leadership of Kay Coles James, GSA is a lead agency for promoting, supporting, and developing telework. According to statute, GSA's specific telework role is to provide guidance, assistance, and oversight regarding the establishment of the operation of alternative workplace arrangements, and to acquire space and equipment for telecommuting centers.

In working with other Federal agencies, GSA promotes telework as a key component of our mission to assist agencies in providing a high performance, high-quality workplace.

In 2001, we presented testimony to this committee on our telework activities, and today I am pleased to highlight some of the results achieved, as well as to discuss some of the activities which we have undertaken in effort to make more progress in increasing our telework participation.

I will mention a few examples of the activities that we have undertaken in our statutory role first. The first of those is that we continue to increase awareness. In order to do that, we have established a very active outreach technical assistance and communications program that provides up-to-date information on telework issues. Awareness building is one of the keys to the solution of this matter. We recently released a telework video targeted to Federal agencies which demonstrates applications and benefits of alternative workplace arrangements, and I would certainly like to thank Congressman Wolf for participation in that video.

A second thing that we have done recently is that we have collaborated, as the chairman mentioned, with the Department of Homeland Security to develop newly issued policy and guidance regarding the use of telework centers for continuous operations planning and operations.

In the area of facility utilization management and funding, we are implementing a new initiative to encourage and guide agencies in the improvement of their facility management process through the use of alternative work officing, which combines teleworking with arrangements such as hoteling and desk sharing.

In the area of new technology, which is of course becoming increasingly important to telework success, we are actively involved in examining and testing applications of new technology to facilitate telework programs.

And last in these examples regarding our telework centers, we have taken steps to boost agency utilization of these centers through such things as having free trial periods for agencies to examine the use of the centers, including their use for COOP purposes and the new technology applications. As a result, recently we had a free trial and we gained more than 100 new users, and we will use this encouraging good news as a basis for more creative promotion activities at these centers.

In addition to supporting telework as a means of developing a high-performance Federal workplace, GSA has been proactive in supporting telework as a means of reducing traffic congestion and air pollution. And I would note that GSA has supported related initiatives such as the establishment of a Spouse Telework Employment Program which uses telework to provide career relief to spouses of relocated Federal personnel, such as those in the military.

Regarding our own telework program at GSA, we have provided this committee with a comprehensive overview of our telework program in our previous testimony, but I would like to just provide a brief update now.

While we have experienced, and continue to experience, what are referred to as the usual telework resistance issues, we have taken steps in an effort to overcome this and to increase our telework participation. We have made sure that our telework policies, first of all, are in complete compliance with the standards as set by OPM. Second, we have completed the work force review necessary to declare that 90 percent of our over 13,000 workers are eligible for telework, and that 90 percent compares to 43 percent on a governmentwide basis.

We have achieved telework participation rate of 24 percent, as compared to the State-wide rate of 14. And we recognize that 24 percent, while a significant improvement, still falls very short of what we all seek to achieve. We continue to work to build our program and to achieve optimal utilization of telework.

Mr. Chairman, we appreciate the congressional support that we have received for the development of Federal telework, and we share your frustration with the slow growth of the program. Since our previous testimony, OPM and GSA have made significant efforts to boost Federal telework, and while these efforts have resulted in increased participation, they have not yet achieved the level that we should have achieved and that we seek to achieve. To achieve more progress, our current recommendations focus in two areas: first is the area of management accountability and second is the area of technological capability.

Regarding management accountability, we support OPM's published emphasis on the need for Federal agency management to take responsibility for meeting their statutory telework obligations. We commend this more aggressive approach and we recommend emphasis on agency managements working to ensure that they are using the best and most efficient telecommuting policies, and clari-

fication of the standards that are used within agencies to determine telework eligibility; and OPM and GSA are prepared to work with them in doing that.

Finally, regarding technological capability to facilitate significant long-term telework expansion and productivity, there needs to be improved management and investment in new technology.

Mr. Chairman and members of the committee, that concludes my statement, and I would be happy to respond to questions you may have.

[The prepared statement of Mr. Perry follows:]

STATEMENT OF

STEPHEN A. PERRY
ADMINISTRATOR

U.S. GENERAL SERVICES ADMINISTRATION

BEFORE THE

COMMITTEE ON GOVERNMENT REFORM

UNITED STATE HOUSE OF REPRESENTATIVES

JULY 8, 2004

Good morning Mr. Chairman and members of the Committee on Government Reform. Thank you for inviting me to appear before you today to discuss the progress of Federal telecommuting initiatives. My name is Stephen Perry and I am the Administrator for the U.S. General Services Administration (GSA).

Along with the Office of Personnel Management (OPM), GSA is a lead agency for promoting, supporting and developing Federal telework. As a result of our ongoing partnership with OPM, many of the initiatives presented here are joint efforts or efforts in which the lead agency is assisted by the other partner. According to Federal statute (40 USC 587), GSA's specific telework roles are to provide guidance, assistance, and oversight to any person regarding the establishment and operation of alternative workplace arrangements and to acquire space for, establish, and equip telecommuting centers.

In working with our customer agencies, we promote telework as a key component in our mission to provide high performance workplaces and as an effective way to better use facilities, technology, and advances in human resource management. We recognize that telework is an important means of achieving improvements in the quality of worklife, family-friendly workplaces, and environmental responsibilities including energy conservation, air pollution and traffic congestion.

Nearly all of GSA's main component offices play a role in support of the Federal telework initiative. The Innovative Workplaces Division in our Office of Governmentwide Policy is GSA's lead organization for governmentwide telework. In addition, our Public Buildings Service, Federal Technology Service, Federal Supply Service, General Counsel, and human capital management office are all involved in telework support activity. In 2001, we presented Congressional testimony on our telework activities and I am pleased to highlight improvements, as well as new activities, in our telework services.

Some of the primary activities we have undertaken to carry out our statutory role include the following:

- We have established an active outreach and communications program which provides up-to-date information on advances, opportunities, policy issues, technical guidelines and assistance, events and other relevant information. For example, we operate a telework listserv which broadcasts key telework information to agency program coordinators, media outlets, and other interested parties in both the public and private sectors here and elsewhere around the world. Also, we recently released a telework video, targeted to Federal agencies, which demonstrates applications and benefits of a variety of alternative workplace arrangements. I would like to thank Rep. Wolf for his participation in this video.

- GSA offers technical assistance and consultation services in a wide range of areas, including telework and alternative workplace arrangements. Our Innovative Workplaces Division, as well as our Public Buildings Service through

its "Workplace 20 20" program, has been active in providing consultation services to agencies such as the Equal Employment Opportunity Commission (EEOC). EEOC is encouraging expanded telework to reduce their facility expenditures.

- For obvious reasons, there has been increased interest in the use of telework for both emergency response and emergency prevention measures and GSA has collaborated with the Department of Homeland Security to develop newly issued policy and guidance regarding the use of telework for continuity of operations planning (COOP) and operation.

- In the area of facility utilization and funding, we are implementing a new initiative to encourage and guide agencies in improving their facility management through the use of alternative officing which combines telework with arrangements such as hoteling and desk sharing.

- As telework advances into the mainstream, technology is becoming increasingly important to its success. We are actively involved in examining and testing applications of new technology to facilitate telework. One of our partners in this effort is the Federally-funded Telework Consortium; together we are working to bring the benefits of virtual presence (desktop videoconferencing) into the Federal mainstream. In 2002, we completed an important governmentwide study examining technology barriers to home-based telework. The study findings provided an assessment of the impact of technology issues on telework programs as well as key solutions which we currently recommend to agencies. We also are working with vendors to develop and implement cost-effective, flexible wireless remote access applications which will greatly help teleworkers and mobile workers and extend telework capability to non-teleworkers.

- Regarding our telework centers, we have taken, and will continue to take, steps to boost agency utilization of the centers. These steps include holding free trial periods and examining the use of COOP and new technology applications in the centers. As a result of our initial free trial, we gained more than 100 new users. We plan to use this encouraging news as a basis for more creative promotion activities.

In addition to its statutory responsibilities, GSA has been promoting the utilization of telework in reducing traffic congestion and air pollution, such as assisting the Washington Metropolitan Council of Governments in a very aggressive public/private campaign to generate 113,000 new teleworkers in the Washington region by the fall of 2005. Also, in responding to the career burdens placed on the spouses of relocated US Government personnel such as those in the military and in the foreign service, we are helping to establish an important initiative called the Spouse Telework Employment Program (STEP) which uses telework to provide career relief to the affected spouses.

We are active in other areas of telework such as the following:

- Even though the telework model was developed more than 15 years ago, some of its components must be updated and refined. At GSA, we continuously conduct research to determine new and better ways of teleworking. Currently, we are studying the relationship between telework and dependent care and expect to complete our findings within the next six months.

- We believe there is much to gain from collaborating, networking, and information sharing with other public sector, private sector, and international organizations working on telework issues. We have therefore maintained long time leadership and support roles in the International Telework Association and the Mid Atlantic Telecommuting Advisory Council and have been active in annual events such as Telework America! and the Washington Area Conference on Telework (WACOT).

At GSA

Regarding our own telework program at GSA, we provided a comprehensive overview of the program structure in our previous testimony so I will only provide an update here. While we have experienced the usual telework resistance issues, we have taken steps to become a solid telework performer. To begin with, our telework policy and guidance is in complete compliance with the standards set by OPM. We also have completed a review necessary to declare on record that more than 90 percent of our workforce (compared to 43 percent governmentwide) is eligible for telework; our participation rate is 24 percent (compared to 14 percent governmentwide). We have worked to raise the level of awareness with associates throughout GSA. Additionally, we are incorporating telework into our emergency response strategy and have used telework very effectively when adverse weather conditions cause commuting problems.

Recommendations

Mr. Chairman, we appreciate the Congressional support we have received for the development of Federal telework and we share the frustration with the slow growth of the program. Since our previous testimony, OPM and GSA have made significant efforts to boost the participation in Federal telework programs. These efforts, however, have not achieved the participation levels we all seek. Our current recommendations focus and elaborate on top management accountability and on technological capability.

Regarding top management, we applaud, support, and echo OPM's published emphasis on the need for Federal agencies to take responsibility for meeting their statutory telework obligations. We commend this more aggressive approach and recommend additional emphasis on

(1) Working with agencies to ensure that they are using the best and most efficient telecommuting policies; and

(2) clarification/establishment of standards on the confusing issue of telework eligibility.

Finally, to facilitate significant long term telework expansion and productivity, there needs to be improved technology management as well as increased and improved investment in technology as discussed in our report on telework technology barriers.

Again, Mr. Chairman, I appreciate having the opportunity to appear before you today and I would be pleased to answer any questions the committee may have.

Chairman TOM DAVIS. Thank you very much.

Kay, thanks for being with us.

Ms. JAMES. Good morning. Mr. Chairman and members of the committee, it is a pleasure to be before you today to address the state of teleworking in the Federal Government. I am going to ask that the complete statement be entered into the record, and I am going to read an abbreviated statement.

Chairman TOM DAVIS. Without objection, both complete statements are in the record.

Ms. JAMES. Thank you.

In your invitation to testify, you asked me to address four critical questions. First, what is being done to encourage reluctant managers to adopt and implement telework policies. And I would like to go through each of those four questions quickly.

In response to the first question, let me begin by expressing our appreciation to Chairman Wolf and Representative Hoyer and other members of the House Appropriations Subcommittees for providing a special appropriation of $500,000 to help us focus efforts on agencies with less than 2 percent of eligible employees teleworking in 2002.

OPM, in collaboration with GSA under Administrator Perry's leadership, has under taken a number of strategic initiatives to address the situation. These initiatives included special consultation and training for those 2 percent agencies and a multifaceted educational campaign designed for them that could be equally useful to virtually all Federal agencies as they worked on developing and enhancing their programs. For example, I have before me today a sample telework kit. We wanted to make it as easy as possible. Everything you need to know in one place to train, to motivate, to encourage; it is all here to help agencies in their effort to promote telework.

A few days ago I met with representatives of the Chief Human Capital Officers on the subject of telework. We thought we would go straight to the top in the agencies and asked the Chief Human Capital Officers to join us in Fairfax for a firsthand view of what it looks like and how it could work. This provided an excellent opportunity to reenforce the importance of telework to mission and to discuss the solutions to the challenges they face in implementing telework. Perhaps the most visible indication of our efforts to help agencies implement telework is the information from the telework Web site we maintain in collaboration with GSA, which is, of course, www.telework.gov, that shows the range of information, assistance, and resources available to agencies, including our electronic manual for managers, supervisors, and telework coordinators. So if they want a hard copy, it is here; if you want to go to the Web and get everything you need to know about how to telework in the Federal Government, it is there.

Incidentally, those pages are attached to the testimony that I submitted.

I have also provided the committee a list of OPM's 2003 and 2004 training activities, presentations, and products that promote telework.

Mr. Chairman, you said it is the wheelbarrow phenomenon: nothing happens until you start pushing. We have been pushing. We

have given you the list so that you can see the kinds of things that we are trying to do to encourage.

I emphasize our effective collaboration with GSA. Our staffs collaborate and consult almost on a daily basis, and senior staff meet at least four times a year. The Memorandum of Understanding developed in October 2003 between the two agencies has helped to clarify the duties and responsibilities of each.

The second question you posed was why are some agencies falling short of the laws governing for teleworking. First some perspective. It is getting just a little better. Since the law passed in 2001, the number of teleworkers has increased 93 percent, from 53,389 in April 2001 to 102,921 in October 2003. We are actively working to understand and mitigate the real and perceived barriers agencies are encountering as they seek to implement and expand their telework programs.

In a focus group setting, we explored what the phrase "management resistance" actually means. That is, what are the specific aspects of telework that may lead to reduced usage? Participants were first-line supervisors from 25 agencies, some of whom currently or previously supervised teleworkers. Commonly expressed concerns from the survey included maintaining office coverage, especially with some employees already on compressed work schedules; finding times when everyone is available for meetings; nature of work; need to say no to some aspiring teleworkers while saying yes to others, with the attendant concerns about perception of unfairness; adequacy of employees, computer, and telephone systems; information security; perception of teleworkers that they would not advance professionally due to lack of direct contact with supervisors; evaluating employees without being able to see them working.

With that list in hand, OPM has used these findings to shape the training; we use that information to help us know where to target the training.

The third question was when will the law's goals be met. I believe we can expect greater progress through the rest of this decade. That is not nearly soon enough, does not satisfy me, and I know does not satisfy you as well.

With respect to the last question, what, if any, legislative steps are needed to further motivate agencies to comply with the law, our view is that further legislation is unnecessary at this time; however, should the Congress believe additional legislation is needed, we stand ready to provide any technical assistance that may be useful.

Mr. Chairman, telework is growing steadily in the Federal Government. Our goal is to make it a part of the new contemporary work force. I assure you that we will continue to champion telework as a key human capital strategy for the Federal Government.

I would be glad to answer any questions that you may have. Thank you.

[The prepared statement of Ms. James follows:]

STATEMENT BY THE
HONORABLE KAY COLES JAMES
DIRECTOR, U.S. OFFICE OF PERSONNEL MANAGEMENT

BEFORE THE

COMMITTEE ON GOVERNMENT REFORM
U.S. HOUSE OF REPRESENTATIVES

ON

THE STATUS OF TELEWORKING IN THE FEDERAL GOVERNMENT

JULY 8, 2004

Mr. Chairman, Members of the Committee, Congressmen Wolf and Hoyer. It is a pleasure to appear before you today to address the state of teleworking in the Federal Government and to address the questions you posed in your request for me to testify. In these highly challenging times, we increasingly view telework not just as an issue of personnel management, but as a matter of agency governance. Telework is more than an alternative work arrangement; it is a vital tool in agencies' accomplishment of their missions through the strategic management of their workforces. As agencies come to realize telework is not just about managing people, but about accomplishing their missions, we will see significant improvement in the use of this critical management strategy, especially as we prepare for the continuity of Government operations in a post September 11 environment.

In your invitation to testify, you asked me to address four critical questions. First, what is being done to encourage reluctant managers to adopt and implement telework policies? Second, why are some agencies falling short of the law's goals for teleworking? Third, when will the law's

goals be met? And finally, what, if any, legislative steps are needed to further motivate agencies to comply with the law? I hope to provide useful feedback and insights in my responses to those questions.

In response to the first question, let me begin by expressing our appreciation to Chairman Wolf and Rep. Hoyer and other members of the House Appropriations Committee for providing a special appropriation of $500,000 to help us focus efforts on agencies with less than 2 percent of eligible employees teleworking in 2002. OPM, in collaboration with the General Services Administration, undertook a number of strategic initiatives to address the situation. These initiatives included special consultation and training for those two-percent agencies, and a multifaceted educational campaign designed for them that could be equally useful to virtually all Federal agencies as they worked on developing and enhancing their programs.

With respect to my agency, energetic promotion and support of agency implementation of telework is and remains a critical priority for us. OPM has provided a continuous stream of policy guidance, information, training, products, and support to help agencies implement their telework programs. For example, I have before me today a sample "telework kit" that OPM has provided to agency telework coordinators that gives them professional promotional and informational materials on telework for use within their agencies.

With the recent establishment of a Chief Human Capital Officer for each agency, Congress has provided agencies another strategic tool for addressing critical human capital management issues. A few days before this hearing, I met with the CHCOs on the subject of telework. This

provided an excellent opportunity to reinforce the importance of telework to mission accomplishment and to discuss the solutions to the challenges they face in implementing telework. Perhaps the most visible indication of our efforts to help agencies implement telework is the information from the telework web site we maintain in collaboration with GSA – www.telework.gov – that shows the range of information, assistance, and resources available to agencies including our electronic manual for managers, supervisors, and telework coordinators. Those pages are attached to this testimony. I also have attached a list of OPM's 2003 and 2004 training activities, presentations, and products that promote telework. I will mention just a few as examples of the comprehensive range of information and assistance available to the agencies and will provide more detail on a few of them later in my testimony.

We now have two interactive electronic courses, one for managers and one for employees, available free on our GoLearn web site. And we are working with our Management Development Centers to add telework content to a wide spectrum of management courses they offer. This will give us the opportunity to connect with new supervisors and managers at the point they are moving into those positions and are beginning to acquire the knowledge and skills they need to be effective.

This past November, we conducted a day-long training conference for telework coordinators and human relations officials that included experiential training with a noted telework expert, policy and technology briefings by OPM staff, intensive sessions with a variety of experts from both the public and private sector, and special sessions for agencies with participation rates under two

percent. At this meeting, the telework kits were introduced and distributed, and participants were given guidance on how to use them effectively.

We have conducted a series of "Webinars", audio-visual conferences via the Internet and telephone, moderated by a noted telework expert. The most recent one last month was geared specifically to managers and focused on why telework works for them. Participation was at capacity – 300 people signed on.

We are also meeting four times a year with agency telework coordinators to bring them current information, answer their questions, facilitate the sharing of best practices, and make presentations to a broad range of groups interested in promoting telework regionally, nationally, in both the public and private sector.

In addition, we have made a range of products available to the agencies, as you will see on the attached list and have conducted research efforts to guide us as we develop training programs and products to help the agencies implement effective telework programs.

I emphasize our effective collaboration with GSA. Our staffs collaborate and consult on a near-daily basis, and senior staff meet at least four times a year. The Memorandum of Understanding (MOU) developed in October 2003 between the two agencies has helped to clarify the duties and responsibilities of each.

And, OPM is joining other agencies in an effort to encourage more telework among the 1.8 million Federal workers across the nation. This effort will include the development of public service announcements, educational material found on the agencies' websites along with substantial media involvement.

Commonly expressed concerns from the survey included:

- Maintaining office coverage, especially with some employees already on compressed work schedules
- Finding times when everybody is available for meetings
- Nature of work – information not available in electronic form or the work involves large data bases that most home computer systems can't handle
- Need to say "no" to some aspiring teleworkers while saying "yes" to others; with attendant concerns about perceptions of unfairness and effects on morale
- Adequacy of employees' computer and telephone systems; lack of agency funds to provide broadband and additional phone lines
- Information security
- Perception of teleworkers that they would not advance professionally due to lack of direct contact with supervisors or missing out on choice assignments
- Evaluating employees without being able to see them working

OPM has used these findings to shape training for managers and telework coordinators, offering concrete solutions to the problems identified by the focus group participants. At the day-long training event for telework coordinators in November 2003, that I mentioned earlier, expert

consultant Gil Gordon used scenarios derived from focus group results in experiential training on management consultation skills. Information from the focus groups also contributed to the managers' course on telework now available on GoLearn. It will also be factored into training enhancements on telework now being added to a wide spectrum of courses offered by OPM's Management Development Centers, as well as a revision of the USDA's management course on telework now under discussion.

With respect to the third question - when will the law's goals be met? - I believe we can expect greater progress through the rest of this decade. We have built a strong foundation for progress in the implementation of telework programs with the establishment of central and agency policy, the establishment of agency Chief Human Capital Officers, and the development of more flexible systems of civilian human resource management inaugurated by the Departments of Homeland Security and Defense in close collaboration with my agency. While Federal agencies have fallen short of congressional expectations, I believe it is useful to understand that in the world's largest workforce, there is a learning and acceptance lifecycle we are going through as we implement this important strategy.

It may also help to increase the participation of agencies by focusing on telework as a key component of emergency planning and preparation. As we increase our efforts to ensure the safety of Federal workers as well as the continuity of Government operations during the entire range of situations that can potentially interrupt work in the office environment – from local protests to a terrorist threat – it is becoming clearer to agencies there is, in fact, a business case

for telework from the agency perspective that goes beyond all of the other obviously important reasons for implementing effective programs. I think this message is being heard.

Another strategy we have suggested to agencies is to use situational telework, which we define as occurring on an occasional, non-routine basis, as an introduction and test phase for core telework, in which traffic is greatly disrupted and public transportation is taxed beyond its capacity. We define core telework in accordance with the statute, as occurring on a routine, regular, and recurring basis one or more days per week. Given that both employees and managers have concerns about working in a new and different way, situational telework provides an opportunity for both parties to "test the waters" before making a greater commitment. We have suggested the "test" period be for a pre-defined period of time after which, if both parties agree, a change in category is made and formalized in a telework agreement.

With respect to the last question - what, if any, legislative steps are needed to further motivate agencies to comply with the law? – our view is that further legislation is unnecessary at this time. However, should the Congress believe additional legislation is needed, we stand ready to provide any technical assistance that may be useful.

In 2001, President George W. Bush added telework to his New Freedom Initiative, which focused on expanding job opportunities for people with disabilities. In the aftermath of September 11, telework has attracted greater attention by Federal managers as an essential consideration in agencies' emergency planning efforts and telework has been integrated into the Federal Government's Continuity of Operations Plans (COOP). Telework is growing steadily in

the Federal Government. OPM's goal is to make telework an integral part of agencies' functioning, rather than a "new" or "special" program. I assure you we will continue to champion telework as a key human capital strategy and do everything possible to facilitate its acceptance and use.

I would be glad to answer questions you may have.

Chairman TOM DAVIS. Thank you both. I will just tell you where I come down on this. I think we may need additional legislation to get the word down to management. Despite your best efforts, Ms. James and Mr. Perry, to talk to some of these agencies, I think what Representative Wolf has proposed and what we may put on other appropriation bills may be something we need to do to get attention.

We are way behind the private sector in this. I have gone into some of the new companies locating out in northern Virginia, where they have cubicles for their employees and they are virtually empty, and they are saying they don't need to be here; they can be on the road, they can be doing a lot of other things than hanging around.

There are the traditional issues of how you get coverage and meetings and those kinds of things. You don't even need to be present for meetings anymore. I don't know if they know that or not, but the reality is that is why you have teleconferencing and everything else.

We are way behind the private sector, which thrives on efficiency, and American taxpayers deserve the same thing.

Second, I don't know if anybody has looked at traffic out there lately; I guess it dissipates a little bit in the summertime, but your average Federal employee commute here, it is not good in the Tidewater area. That is time they could be maybe at their home or someplace closer getting their work done. Just so many things I think we are missing out on.

Now, there are some important issues, and, Ms. James, as you talked about in your surveys with managers, there are always legitimate concerns. You need somebody to answer the phone; somebody is going to have to be somewhere to answer inquiries coming in. And there are employees, let us face it, that will take advantage of the situation; oh, yeah, I am working, and "your put" you can hear it in the back. So we have that any time we go to something new. We faced this with credit cards. There is always going to be some employee abuse, and we just have to adjust our oversight accordingly.

And what we found out as we have done these things, and I think you have seen this at GSA, Mr. Perry, is when we move to these areas, there is always a percent of employees who will try to gain the system and abuse, and they are not going to be with us forever in the private sector, the public sector, on Capitol Hill, and everything else. But the efficiencies that you gain by your good employees who then don't have to spend their time in traffic, who don't have to take off in the middle of the day to go to their kids' play, who, if they have a doctor's appointment, can be sitting there with their laptop and doing other things until they are called in far outweigh the abuse. And that is why the training and the kits are important, and why maybe Mr. Davis' suggestion that we set up some very established pilot programs and move quickly on this are so important.

I just think we are missing the boat on this. I agree with Frank Wolf on this. And living in this region and seeing the traffic mounting every day—it is not all Federal employees, to be sure, the people moving in the street, but we should not be following the private

sector and lagging way behind; we ought to be ahead of the curve on this kind of thing.

So that is kind of where I come down.

Mr. Perry, let me ask you as more eligible employees telework, do you think GSA can provide the technology and assistance to keep up with the Government's needs?

Mr. PERRY. Yes, we can. We, today, are able to provide some 4,000 virtual network facilities for people who telecommute from home, and our people tell me that we could expand that with a small investment, less than $200,000, to be able to provide for up to 75 percent of our work force, if that became necessary.

Chairman TOM DAVIS. The business model that we have had for so many years is you have office parks and people in offices and people driving to offices. As that model changes, we could save, theoretically, a lot of money on office space and stuff. I am talking about over the next 5, 10 years, if this gets implemented. Is that a possibility?

Mr. PERRY. Yes. One of the things we work on at GSA is what we call Workplace 20/20, and in the design of facilities for the future, you take into account alternative workplace arrangements, including telework, and you can actually occupy a smaller space and save the rent that would otherwise be paid. So there is no question there are benefits.

One of the, I think, issues that has to be considered is whether or not, even though this launch has been too slow, the question is whether or not the foundation has now been put in place such that the inertia will begin to erode away and we will see more progress in the next couple of years. That might be optimistic, but I do believe that there has been a lot of good foundational work put in place so that the accomplishment of the next year certainly should exceed what we have been able to do in the previous year.

Chairman TOM DAVIS. I guess my last question is as we take a look at the possibilities for teleworking, you really don't need telework centers. As broadband becomes available into homes, as you are able to get the laptops, people with cells and blackberries and everything else, the need for centers may not be as pronounced as we originally thought. Really, if you have an alert worker who takes their job seriously and pride in that, and wants to be efficient, in theory they could work out of their home; you don't need a center to report to.

What are each of your views on that?

Mr. PERRY. Well, one of the considerations is the issue of cost. There are many other considerations. On the basis of cost, telework centers are still the most efficient. In other words, even at roughly $6,600 to equip a household, assuming they have the right telephone lines and so forth, when you compare that to what it would cost to work at a telecenter, it is less costly to do that. That may change with the advent of new technology and so forth. And it also will be impacted once you consider other factors; in other words, the convenience of home versus the telecenter and so forth. But cost alone would say that, at least as of today, it is still more economical to use a telecenter as opposed to equipping an individual's home.

Ms. JAMES. Mr. Chairman, probably the largest hurdles that we have to overcome with the Federal work force in promoting telework are the attitudes and perceptions of managers. As a result of that, I believe that telework centers are an incredibly important necessary interim step. You cannot visit one of these centers without understanding the tremendous opportunity that they provide for workers to come there, and to get the job done in an efficient manner. And I think when we take managers and supervisors into these centers and they can see them, it may alleviate some of the fear or anxiety that they have about the whole notion of telework.

And, second, I think that the economy of scale is very important, because they provide far more than just a place to sit at a computer terminal; there are also the opportunities for conference rooms, there is also the opportunity to use other office machines that a person may not have at their own home. So if you need to fax something or copy something or put a document together or hold a meeting, you can in fact do those things in some of our telework centers as well.

So I think, with the opportunity to alleviate fear and anxiety with managers, and show and tell is still one of the best ways to do it, we need to get more of our managers out there and visiting these centers to understand exactly what they are and how they can benefit their mission, particularly in a post-September 11 environment.

Chairman TOM DAVIS. So the telesupport centers, to some extent, are like training wheels for management, basically, when you get down to it.

Ms. JAMES. That is a good way to put it.

Chairman TOM DAVIS. OK. Thank you very much.

Mr. Davis.

Mr. DAVIS OF ILLINOIS. Thank you very much, Mr. Chairman.

Director James, you have mentioned the attitudes of managers and supervisors. Are these attitudes a feeling of the inability to supervise, that is, to actually manage the quality of the work that is being done, is that what the fear is all about?

Ms. JAMES. I would say yes. It is managing in a different way, and our Federal work force, like most work forces are, is hesitant to change, and is cautious about new things. This is cutting-edge technology, or it was 10 years ago, but we are catching up, and people's attitudes have to grow and develop along with that. So I would say for a manager who is used to seeing 10 employees sitting near them that they can monitor and watch, the concept of having someone at a remote location is a little difficult for them to adjust to. So managers have to learn new skills; managers have to learn cutting-edge technology, and managers and supervisors have to learn what it is like to have a contemporary work force, and that takes time.

Mr. DAVIS OF ILLINOIS. Mr. Perry.

Mr. PERRY. I would agree completely. You know, the manager is in the position of being held responsible for delivering a certain volume of work by his or her team, and I think as Director James points out, there is a little bit of anxiety or nervousness as to whether or not they will still be able to maintain the same or expected level of productivity and accomplishment if their workers

are not there and they can observe the work happening. If you can put measurement systems in place that enable managers to be assured that the work is being done in a timely and accurate way, I think that fear will subside. But right now their "legitimate concern," if you will, is what will happen to my ability to be productive as a work team if I can't observe people doing the work?

Mr. DAVIS OF ILLINOIS. I have always maintained that a good part of work was the sense of being a part of a group, being a part of an activity, a part of what is taking place, I mean, the team concept. Are there any experiences which would suggest that workers might lose some of that? There are people who look forward to going to work because they are going to interact with other people in the office, or in the plant, or in the setting, or in the facility. Have we had any experiences which would suggest that there might be some impediment to that kind of relationship-building, which I think becomes a great part of productivity and a great part of the ability to get tasks accomplished?

Ms. JAMES. Well, very few of our teleworkers do it 100 percent of the time, so as a result of that you have the opportunity for both; you are still a part of a very active team and you are plugged into that team, but you also have the opportunity on several days a week or a month, depending on how often you do it, to use that particular efficiency as well.

I am sure that data exists out there, and perhaps some of the panels that come later can actually talk about that phenomena, I have seen it, I don't have it available in front of me right now, that talks about the kinds of things that happen in a work environment when people telecommute, and the data suggests that individuals who do that are able to maintain their sense of teamwork and camaraderie and mission. Of course, a lot of that depends, as I said, on how often a person actually telecommutes.

Some of that is overcome, by the way, again, when we go back to the centers, because they are not isolated and at home by themselves, but are in telework centers with other employees either from the Federal Government or the private sector, and I am sure those kinds of relationships develop as well.

Mr. DAVIS OF ILLINOIS. Thank you very much.

Chairman TOM DAVIS. Mr. Schrock.

Mr. SCHROCK. Thank you, Mr. Chairman. And thank you for holding this hearing.

Mr. Perry, it is nice to have you here. It is always interesting to hear what you have to say. And it is always good to have my long-term friend, Kay Coles James, with us. And I am guessing if Director James could telework herself, she would want it to be in a center directly next door to her brand new first and only grandchild, is that right?

Ms. JAMES. Absolutely.

Mr. SCHROCK. Absolutely. I know. That is the happiest woman on the face of the Earth.

Chairman TOM DAVIS. That is not a good argument, I don't think, here. I don't think that is a good argument, Ed.

Mr. SCHROCK. No, she won't do that; she has got a nice office now.

Chairman TOM DAVIS. She would be a doting grandparent, I know.

Ms. JAMES. However, I would say, Mr. Chairman, that in order to show some leadership, I have made a commitment to telecommute 1 day a month, and I do. And if you ask my staff about how efficient it is, everyone always knows when it is the day after, because I have read the reports and I am able to analyze the data, and I am able to do the writing, and always a day after my telework day is a very productive day for everybody else at OPM.

Mr. SCHROCK. Gee, I wonder if we want to go into that a little deeper.

Let me ask Director James, in your opinion, is the 2000 law realistic? And if not, what standards could make that more attainable?

Ms. JAMES. Well, I do believe that it is realistic, and I think we can get there. I think probably the only thing that is unrealistic is the timing, just how long it takes to change a culture, because that is what we are talking about fundamentally here, is a cultural change, to get people to think differently, to act differently. And when you have a work force of 1.8 million people and you are trying to institute cultural change, that can take longer than it does in some smaller organizations. So I believe that it is realistic, but it may take us a little longer to get there.

And I think Administrator Perry was absolutely on point when he says that the groundwork has been laid, and I think we are going to see some exponential changes in terms of the numbers as we look ahead in the future. It is not going to take as long because people are beginning to understand, the leadership is becoming more committed.

So I think that the goals that are there are attainable, but it may take a little longer than people anticipated.

Mr. SCHROCK. Mr. Perry, can I ask you the same question? Then I also want to followup with, in your view, why have the agencies failed to meet the telework goals that were set by Congress. I think Ms. James commented on that somewhat; I would be interested in your opinion as well.

Mr. PERRY. Yes. Well, first of all, with respect to my personal telecommuting, as I said to Director James, I tend to do that on Saturday and Sunday. But in all seriousness, I think this matter of cultural change is a big part of the reason why we haven't made more progress, because it is the case that cultural change does take time. I also, though, would say to you that what I believe is also a part of the issue is that agencies just haven't had this as a priority. Now, as a result of the education and training that has been done in this last year and a half, I think that too is now changing. I don't see that we have the same degree of resistance at the senior levels of agencies, and I see more and more cases where agency people are, as a result of this training and education, becoming more committed.

So I think the reasons for the slow take-up have been the cultural change and priority, and I believe that both of those are on a track toward resolution. The big question is are they on a track that will accelerate to the pace that we really need, or do we need another impetus to get to that pace. That question I don't know the answer to.

Mr. SCHROCK. Let me ask you, too, what IT concerns do—I keep wanting to say teletechnet, because that is what we have at home at Old Dominion University—telework pose and what is GSA doing to address those?

Mr. PERRY. Well, the issue of cost had been a concern, but that has been coming down. Now there is the issue of implementing newer technology now that wireless is no more secure——

Mr. SCHROCK. I was just reminded I left out a key word: IT security.

Mr. PERRY. IT security? Well, it is the fact that this kind of telecommuting is now more secure, can be made more secure when it needs to be, and in some instances the use of wireless technology can be done in a secure way. So as that kind of technology enhancement comes along, then people will become more comfortable with the issue of information security in a telecommuting situation.

Mr. SCHROCK. Let me ask Director James is the number of employees deemed eligible by agencies representative of the actual number of eligible employees, and do you recommend a governmentwide definition of eligible? And from what you learned, are employees even aware that they can do this?

Ms. JAMES. I would hesitate to implement any sort of Governmentwide definition of eligible because I believe that each agency, based on each agency's mission and based on how it orders its work, it could vary from agency to agency. One particular classification may be eligible in one agency, but not necessarily in another. So I would exercise some caution there and would like to look at any language that talks about any type of Governmentwide eligibility.

Having said that, a part of our mission has been to try to make every employee who is eligible know and understand that they are, and that is a part of our mission at OPM and it is also something that we are monitoring and working with our Chief Human Capital Officers in each of the agencies to make sure that every employee who is eligible knows and understands that they are.

Mr. SCHROCK. Are you getting a good response from that?

Ms. JAMES. I think the response has been good. I dare say you can still find Federal employees out there who are eligible who don't know that they are, and that is because our job isn't entirely done yet.

Mr. SCHROCK. Thank you, Mr. Chairman.

Chairman TOM DAVIS. Thank you.

Ms. Watson.

Ms. WATSON. I want to thank both of the administrators for being here and really formalizing for us the wave of the future. As I read through the projects that are already underway, I just would like you to clarify for me, No. 1, I notice most consistently it is 1 day a week. Would it be more opportune to allow them to have a work schedule more than 1 day a week? Because I can see this saving space in a location where they all would come to. If you want to utilize the facilities, I would think you would want more workers doing telework. So you might want to comment on that. The pilots I am sure will give you some results that will help you with that.

Then if it is a structured work day at home and you are looking at performance, how is the performance reported, and is it reported on a day-by-day basis?

Overall, would we be able to save the cost of infrastructure, a facility, let alone the benefit to the environment?

And I think it is an excellent program, period, particularly for family people.

So can you comment, either one?

Mr. PERRY. Well, I will start. The statistic that shows the prominence of the 1-day a week are the statistics for the use of telecenters. So those are the centers, as opposed to telecommuting from home. The guidelines that OPM has put out defines telework as you can be counted as a teleworker if you are teleworking at least 1 day a week. But many people do telework more often than that. That is not a limitation, it just says if you are telecommuting more than 1 day a week, you are not counted. And there are people who telecommute in the evening or maybe half a day or something, but in order to be counted in these statistics, it has to be at least 1 day a week; and there are many who telecommute more than that.

Your second point is certainly correct: as more and more people telecommute, even 1 day a week or certainly more than that, then it relieves the pressure on how much physical space you have to lease or construct to house your work force. And we haven't seen a big impact of that yet, but we do take that into account as we look at designing buildings and leasing facilities in the future, and our expectation is that, yes, our leasing cost will come down as more and more people work from alternative locations.

Ms. WATSON. May I just comment? Wouldn't the telecenters, if you expect them to go to a center, have the same problem as you have now in your regular structured environment?

Mr. PERRY. In terms of having to provide the physical space?

Ms. WATSON. Yes.

Mr. PERRY. Yes. And telecenters I think are an interim. It is not the ultimate, but it is a way of stepping into the process, sort of a low-cost approach before you might get to the ultimate, which would be each individual telecommuting from their individual location, where that is appropriate.

Ms. WATSON. Now, with the job market the way it is in many parts of the country, is it realistic to believe that if this kind of telework concept catches on nationally, is it realistic to think that people will have the equipment in their homes in order to telework? And is there a grant program, is there some financial assistance, if it is a governmental program, to supply them with the necessary equipment rather than a telework center?

Mr. PERRY. Yes, I think that is the trend, as the cost of equipping a home comes down, and to the extent that a person would regard their home as being the most appropriate place to work. There are some who would not prefer to do that because of children or other family members or what have you, but the trend seems to be that more people are moving toward telecommuting from home than telecommuting from centers. It has been our practice, at least at GSA, when a manager says yes to an associate who would like to telecommute, that a part of that saying yes is to equip the home adequately to provide for that telecommuting, if

that is where they decide the telecommuting has to be done from. So I think we will see more and more of that.

Ms. JAMES. Mr. Chairman, I think we shouldn't gloss over or move over too quickly that this is an expensive proposition and that there are issues related to paying for this in employees' homes, how you maintain upkeep the equipment in many different locations; and those are all questions that we have to address.

I did want to mention just for a minute the 1-day a week that you talked about. That is just the minimal in order to be counted. There are several categories of teleworkers. For example, there is the situational teleworker, who may telework for a period of time because of an illness or an incident or an event. Situational teleworkers averaged about 3 days a month; and for core teleworkers, those teleworkers average about 6 days a month. So it is far more than just the 1-day a week.

So I just wanted to make sure that you understood those distinctions.

Chairman TOM DAVIS. Thank you.

Ms. WATSON. Do I have any more time?

Chairman TOM DAVIS. Your time has expired.

Ms. WATSON. Thank you.

Chairman TOM DAVIS. We have another panel I want to move on to.

I want to thank you both for being here. We will continue to have dialog with you and your agencies, and I want to thank you both for your leadership in this.

We will take about a minute recess while we change panels.

I am going to call the next panel and, if it is all right with the participants, try to call everyone together, the second and third panel together, so we can get everybody up here together, both government and private sector. I think it will help expedite the questions.

So we will move to our next panel and take a very brief recess.

[Recess.]

Chairman TOM DAVIS. We move to our second panel, and I appreciate everybody going together, but given our vote schedule and trying to move everybody out of here and keep Members here, I think this is the best way to go.

Your entire testimony is in the record, so you don't have to use all of your 5 minutes if you don't want to; you can highlight the important factors. We have questions based on the written testimony that you submitted, and depending on what you highlight, we may change the questioning.

Our panel is Pamela Gardiner, who is the Acting Inspector General for Tax Administration at the Department of the Treasury. We have Scott Cameron, the Deputy Assistant Secretary for Performance, Accountability, and Human Resources, Department of the Interior. We have Scott Mihm.

Is that how you pronounce it? I am sorry, Chris Mihm.

Mr. MIHM. Yes, sir.

Chairman TOM DAVIS. The Director of Strategic Issues, General Accounting Office. Then we also have Dr. James Kane, who is the president and chief executive officer of the Software Productivity Consortium out in northern Virginia. We have Steven DuMont,

who is the vice president, Internet Business Solutions Group, at Cisco Systems, Inc.; Eric Richert, vice president for iWork Solutions Group, Sun Microsystems; and Carol Goldberg, who is the former telework program manager for the Fairfax County Government.

I thank all of you for being here. It is our policy we swear everybody in before your testimony; we are a major investigatory committee. Just rise with me and raise your right hands.

[Witnesses sworn.]

Chairman TOM DAVIS. Thank you very much.

Pamela, we will start with you, and we will move right on down the line. Your light will light up, after 4 minutes it will turn orange, and after 5 minutes red; and if we can move to summary if it turns red. And if you can beat that, all the better, then we can move to questions.

Thank you very much for being with us.

STATEMENTS OF PAMELA J. GARDINER, ACTING INSPECTOR GENERAL FOR TAX ADMINISTRATION, DEPARTMENT OF THE TREASURY; SCOTT J. CAMERON, DEPUTY ASSISTANT SECRETARY, PERFORMANCE, ACCOUNTABILITY, AND HUMAN RESOURCES, DEPARTMENT OF THE INTERIOR; AND J. CHRISTOPHER MIHM, DIRECTOR, STRATEGIC ISSUES, GENERAL ACCOUNTING OFFICE

Ms. GARDINER. I appreciate the opportunity to appear before you today to discuss the challenges and success that the Treasury Inspector General for Tax Administration [TIGTA], has experienced with telework. Much of the work we do at TIGTA, audits and investigations of the Internal Revenue Service, lends itself to being done in a virtual environment. We believe telework increases productivity, enhances employees' satisfaction, and saves American taxpayers' dollars.

As you may know, TIGTA has enjoyed tremendous success with telework and serves as an example of best telework practices for the Federal community. TIGTA was even recognized for excellence in telework by receiving the Commuter Connections Employer Recognition Award for Telework in 2003. Currently, 854, or 97 percent, of our total 884 employees are eligible to telework. Of these 854 eligible employees, 92 percent choose to participate in the program.

TIGTA offers employees four levels of participation. The participation level dictates the number of days a week the individual will telework and the associated costs that TIGTA will pay. The four levels of participation are defined as: full, which allows an employee to telework 4 to 5 days per week; expanded, which allows an employee to telework 2 to 3 days per week; limited, which allows an employee to telework 1 day per week; or episodic, which allows for situational or task-based telework.

While telework at TIGTA is very successful, we did experience challenges when first developing the program. In fiscal year 2000, TIGTA was one of the first Federal agencies to pilot and implement a telework program. There was no model to follow, so we developed our own. We experienced difficulty in finding resources available to answer questions, propose policy, and identify appropriate training. Apart from the policy aspects, a significant technical challenge was

in the area of broadband service. While availability has somewhat increased, it is still not available in all locations where TIGTA employees live. Additionally, at the time of implementation broadband technology was new to TIGTA, and non-standardization of service posed added complexity. Finally, gaining management buy-in to the program was a significant hurdle.

In addressing these challenges, TIGTA used information from our pilot program, private industry best practices, and conducted management training to address concerns. We developed a comprehensive network of technical and human resources support that shared organizational successes by communicating increases in productivity and work quality. There are several factors we have identified that we think other agencies may find helpful in developing their own programs: we timed our program rollout in conjunction with a technology upgrade to minimize expenses; we provided all employees with laptops, rather than desktop computers; we installed a virtual private network to ensure top-notch security; we required the use of high-speed broadband technology for participants at the full and expanded participation levels to ensure productive data transmission; we structured a flexible telework policy to meet the needs of the work environment; we provided training to all employees and managers before participation; and we provided employees on full-time telework with printers and other key tools.

Our Atlanta office demonstrated a high level of successful participation in telework, which led us to the next phase of our program: hoteling. This concept entails significantly reducing overall office space and the number of individually assigned work stations. Individuals use software to reserve a workspace when they need to be in the office. We anticipate rent savings of $100,000 from this one office in the first full year of operation.

TIGTA has also incorporated telework into our Continuity of Operations Plan [COOP], and it is an integral part of our business resumption planning activities. By having the policies and provisions in place, should activation of the COOP become necessary, TIGTA will be able to maintain a steady work force and quickly resume normal business operations overseeing the IRS and protecting tax administration.

In closing, telework is good for TIGTA because we believe we can get the job done quicker and less costly. It is good for our employees because we believe they can focus on doing their work instead of getting to work. And, most importantly, it is good for taxpayers because we believe Federal resources are at their optimal use.

This concludes my statement.

[The prepared statement of Ms. Gardiner follows:]

HEARING BEFORE THE U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON GOVERNMENT REFORM

July 8, 2004

Washington, DC

Pamela J. Gardiner
Acting Inspector General
Treasury Inspector General for Tax Administration

Testimony of Pamela J. Gardiner, Acting Inspector General for Tax Administration Before the U.S. House of Representatives Committee on Government Reform

July 8, 2004

Good morning Chairman Davis, ranking Member Waxman and distinguished Committee Members. I appreciate the opportunity to appear before you today to discuss the challenges and successes the Treasury Inspector General for Tax Administration, TIGTA, has experienced with Telework. Much of the work we do at TIGTA, audits and investigations of the IRS, lends itself to being done in a virtual environment. We believe Telework increases productivity, enhances employee satisfaction, and saves American taxpayers money.

As you may know, TIGTA has enjoyed tremendous success with Telework, and serves as an example of best Telework practices for the Federal community. TIGTA was even recognized for excellence in Telework by receiving the Commuter Connections Employer Recognition Award for Telework in 2003. Currently 854 or 97 percent of our total 884 employees are eligible to Telework. Of these 854 eligible employees, 92 percent choose to participate in the program.

TIGTA offers employees four levels of participation in our program. The participation level dictates the number of days a week the individual will telework and the associated costs TIGTA will pay. The four levels of participation are defined as:

Full - which allows an employee to Telework 4 to 5 days per week;

Expanded - which allows an employee to Telework 2 to 3 days per week;

Limited - which allows an employee to Telework 1 day per week; or

Episodic - which allows for situational or task-based Telework.

While Telework at TIGTA is very successful, we did experience challenges when first developing the program. In fiscal year 2000, TIGTA was one of the first Federal agencies to pilot and implement a Telework program. There was no model to follow so we developed our own. We experienced difficulty in finding resources available to answer questions, propose policy and identify appropriate training. Apart from the policy aspects, a significant technical challenge was in the area of broadband service. While availability has somewhat increased, it is still not available in all locations where TIGTA employees live. Additionally, at the time of implementation, broadband technology was new to TIGTA, and non-standardization of service posed added complexity. Finally, gaining management buy-in to the program was a significant hurdle.

In addressing these challenges, TIGTA used the information from our pilot program, private industry best practices, and conducted management training to address concerns. We developed a comprehensive network of technical and human resources support that shared organizational successes by communicating increases in productivity and work quality. There are several factors we have identified that we think other agencies may find helpful in developing their own programs.

We:

- timed our program rollout in conjunction with a technology upgrade to minimize expenses;

- provided all employees with laptops rather than desktop computers;
- installed a Virtual Private Network (VPN) to ensure top notch security;
- required the use of high-speed broadband technology for participants at the Full and Expanded participation levels to ensure productive data transmission;
- structured a flexible Telework policy to meet the needs of the work environment;
- provided training to all employees and managers before participation; and
- provided employees on full time Telework with printers, and other key tools.

Our Atlanta office demonstrated a high level of successful participation in Telework, which led us to the next phase of our program - hoteling. This concept entails significantly reducing overall office space and the number of individually assigned workstations. Individuals use software to reserve a workspace when they need to be in the office. We anticipate rent savings of $100,000 in the first full year of operation.

TIGTA has incorporated Telework into our Continuity of Operations Plan (COOP), and it is an integral part of our business resumption planning activities. By having the policies and provisions in place, should activation of the COOP become necessary, TIGTA will be able to maintain a steady workforce and quickly resume normal business operations overseeing the IRS and protecting tax administration.

In closing, Telework is good for TIGTA because we believe we can get the job done quicker and less costly. It's good for our employees because we believe they can focus on work and not their commute. And most importantly it's good for taxpayers because we believe Federal resources are at their optimal use.

Chairman TOM DAVIS. Thank you very much.

Mr. Cameron.

Mr. CAMERON. Thank you, Mr. Chairman and members of the committee, for the opportunity to testify before you today.

The Department of the Interior supports teleworking as part of our overall commitment to improving the quality of work life for our employees. Since 1994, the Department has encouraged managers to use telework as one of the flexible work arrangements that create a family friendly atmosphere.

We have encouraged our bureaus to use the extensive guidance material presented by OPM and GSA. While the majority of our bureaus have telework policies, the Department is in the process of formalizing the first Department-wide policy. That will be in place this October.

We also encourage the use of telework when employees may face difficulties in commuting. Because of our proximity to the World Bank, for instance, and other financial institutions, we have encouraged employees with approved telework agreements to telework during meetings of the International Monetary Fund or when there are other major events in downtown Washington such as the NFL kickoff last year on the national mall and the day before the World War II Memorial dedication this spring.

The Department of the Interior employs over 70,000 employees—actually, it is 70,000 FTE, but about 80,000 employees—at over 2,400 worksites around the country. Many of these worksites are in remote locations, in very small offices of 10 employees or less. Many employees in our national parks and wildlife refuges, for instance, are in jobs that require them to be at a park or a refuge, providing service directly to the public. Also, Interior has the third largest number of law enforcement personnel for protecting many of the Nation's important monuments and dams. Since September 11 and during periods of heightened security, their responsibilities have not been conducive to teleworking.

We do realize, Mr. Chairman and members of the committee, that we have a long way to go; there is more we can do at Interior in terms of providing teleworking opportunities. We plan to hold focus groups to bring our successful managers together to share their best practices and identify the obstacles they have overcome. We think that will help.

I would like to reflect, if I could, for the balance of my time, on a number of points, Mr. Chairman. First of all, with the new emphasis on outcomes and results under the Government Performance and Results Act over which this committee has jurisdiction, we feel that increasingly the performance agreements with individual employees will be outcome- and results-oriented, less process-oriented. That should raise a comfort level of managers, to simply say, "deliver on the outcome and the results that we want, that you are accountable for under the strategic plan, and we don't need to watch you 8 hours a day." If you deliver the results, that is what we are interested in; that is what counts. So I think over time the new improved GPRA plans will help facilitate teleworking.

The second point I wanted to observe relates to, I think, a very astute observation of Mr. Davis from Illinois earlier in the hearing when he talked about how employees want to be part of a team,

how they get inspiration from being in a group setting. Mr. Schrock and I participated at a dedication at Chincoteague National Wildlife Refuge of a visitor center honoring former Congressman Herb Bateman from Mr. Schrock's district, and he and I both noticed half a dozen really bright young Fish and Wildlife Service employees, probably in their 20, in their Fish and Wildlife Service uniform. Well, they were probably all biologists, and the reason they are working for the Fish and Wildlife Service is they like being in the field; they want to have the waders on, they want to be out there banding the ducks, they want to be doing sampling of fish populations. Telling somebody like that, guess what, you get to spend a day, a week sitting at home in front of a computer is like giving them a sentence. They would hate that. In fact, real world experience is whenever we try to drag our employees in from the field to a regional office or headquarters, they come kicking and screaming. They want to be out there in the national parks, they want to be out there on the wildlife refuges, because that is where they get inspiration, Mr. Davis. That is what is fun.

So while some folks might be eligible for teleworking, you would have a hard time convincing them that they ought to be sitting at their home on a computer instead of out with the waders on, walking around the marsh. So that point I think is worth making.

About 72 percent of Interior's employees, in fact, work in the field. That is almost the converse, for instance, of the Education Department, where around 72 percent work in Washington, DC. So the vast majority of our employees are working in the field; they need to be interacting with the public on a daily basis. Think of Great Falls National Park, think of Chincoteague, Yorktown, Jamestown. We need our employees there to talk to the public; they want to talk about Old Faithful Geyser, they want to provide interpretation. So while they may have the legal opportunity to telework, you might have a hard time dragging them out of the marsh, I guess is part of the point I would like to make.

We are trying to lead by example, recognizing our problems. In my own office, I have several employees who work for me who are teleworking, and, frankly, it is more productive; they get a lot more work done than when they are sitting there in the office and I am interrupting them every couple of hours. So we are trying to lead by example, Mr. Chairman, but we realize we have a long way to go.

[The prepared statement of Mr. Cameron follows:]

Testimony
Scott J. Cameron
Deputy Assistant Secretary –
Performance, Accountability, and Human Resources
Status of Telework at the Department of the Interior
House Government Reform Committee
July 8, 2004

The Department of the Interior supports teleworking as part of our overall commitment to improving the quality of worklife for our employees. We have actively promoted telework for our employees for several years. Since 1994, the Department has encouraged managers to use telework as one of the flexible work arrangements that create a family-friendly workplace.

We have encouraged our bureaus to use the extensive guidance material issued by the Office of Personnel Management and the General Services Administration. Consequently, the majority of our bureaus and offices have telework policies. The Department is in the process of finalizing a formal agency telework policy, consistent with provisions of Section 359 of P.L. 106-346. We plan to have the policy in place by October 1, 2004.

Telework is one of the tools that we use to help us attract and retain a highly talented and diverse workforce. It is one of a suite of flexible personnel policies that create a desirable workplace that appeals to a wide range of employees. It is one element that will be recommended in our strategic diversity plan that is nearing completion.

We also encourage the use of telework when employees may face difficulties in commuting. Because of our proximity to the World Bank, we have encouraged employees with approved telework agreements to telework during meetings of the International Monetary Fund when significant traffic congestion was expected. Similarly, we encourage the use of approved telework for other events in the downtown area of Washington, DC that are expected to cause significant traffic congestion. Recently, these included the National Football League Kickoff on the National Mall last fall, and the day before the dedication of the World War II Memorial in May.

Our employees with approved telework agreements are also encouraged to use telework during times of heightened security threat levels. This helps us to prepare to execute contingency procedures that may require moving to alternate work sites or dispersing the workforce. With increasing commute times and distances that are exacerbated during times of winter weather, we encourage employees to telework during times of adverse weather conditions.

We face many of the same barriers to teleworking as other agencies. One of greatest barriers is the willingness of managers to allow employees to participate. Similar to other agencies, many of our managers fear that they will not be able to meet organizational demands if employees are teleworking. In addition, the Department of the Interior employs over 70,000 employees at over 2,400 worksites. Many of these worksites are in remote locations and are in very small offices of ten employees or less. Many employees in our national parks and wildlife refuges are in jobs

that require them to be at a park or refuge providing service directly to the public. Also, Interior has the third largest number of law enforcement personnel in the government who have significant responsibilities for protecting many of the nation's important monuments and dams. Since 9/11 and particularly during periods of heightened security, their responsibilities have not been conducive to teleworking.

We appreciate OPM's efforts to address managers' concerns. Particularly, we find events such as OPM's full day discussion and brainstorming session regarding best practices and success stories from a manager's perspective to be helpful. One of our managers from the Minerals Management Service took part in an OPM video promoting telework that was then shown throughout the bureau. Another manager served as a panel member on an OPM/GSA-sponsored Webinar in June 2004, sharing best practices, solutions to issues, and responding to frequently asked questions.

As we find managers who are successful, we are trying to match them up with managers in similar situations to share success stories and help identify ways to overcome barriers. Because of the diversity of the missions and locations of our bureaus and offices, we are finding that "one size fits all" solutions don't always work across the board. We plan to hold focus groups to bring our successful managers together to share their best practices and identify the obstacles they have overcome. This will help us in promoting telework to other managers.

While we face many challenges, we are committed to expanding the use of telework across the Department. We will work with our managers to increase their understanding and use of this and other workplace flexibilities that will help us to recruit and retain a highly skilled and diverse workforce.

I would be happy to answer any questions that the Committee may have.

Chairman TOM DAVIS. Basically, you are saying the statistics don't apply when you have 70 percent of your people in the field.

Mr. CAMERON. Yes. I think that is right, Mr. Chairman. I would say if you looked at the employees in our regional offices and our headquarters office, just at them, we are probably at around the 10 percent level, which is not where we need to be, granted, but it looks a lot better than if you count all the field level employees.

Chairman TOM DAVIS. OK.

Mr. Mihm, thanks for being with us.

Mr. MIHM. Chairman Davis, members of the committee, it is a pleasure to be here today to discuss how we can increase Federal teleworking. As has been noted that telework has received significant attention, of course, here in Congress and across the executive branch and is a popular flexibility among Federal employees, a successful telework program has a number of benefits that we have discussed this morning, including improving employee morale, reducing traffic congestion, pollution, and the rest.

Moreover, in the aftermath of September 11, there has been a growing appreciation that teleworking is not just a good thing, but a very important thing. This is exactly the point, Mr. Chairman, that you were making in your opening statement. We reported in a report that we did back in April that telework can help employees continue to contribute to the agency in the event of a disruption, and these disruptions, as Mr. Cameron just noted, can cover a wide range of events are not just the horrific incidences of terrorism.

OPM and GSA guidance has underscored that the ability to telework has been and will continue to be important in times of emergency situations, and, for example, OPM suggests, and our work certainly confirms, that agencies should make telework a consistent and concerted part of their continuity of operation planning.

This last May OPM released its annual telework report of its survey of 74 agencies last fall. OPM reported that the percentage of telework-eligible employees grew from 35 percent in 2002 to 43 percent in 2003. And as has been noted, this is a positive development to be sure, but still well below Congress' expectations.

Importantly, however, the report also indicated that the percentage of telework-eligible employees who actually telework, as opposed to eligibility, those who were actually engaging in telework remained roughly stable between 2002 and 2003 at about 14 percent, although, of course, the number increased from about 90,000 in 2002 to 103,000 in 2003.

On your first panel this morning, OPM Director James and GSA Administrator Perry discussed the efforts that their agencies are taking to increase telework. We in GAO have attempted to play a constructive role in this regard as well, and to help agencies develop successful telework programs, we identified a set of key practices for the implementation of telework. These practices, developed as part of a report that we did for you last year, Chairman Davis, are shown in my written statement on page 4 and on the boards over here to my right. And they are not designed to be read by you but they are in the written statement. OPM and GSA have distributed these practices to agency telework coordinators and rec-

ommended that the agencies use them to self-assess their programs.

Our report also discussed these practices in more detail and provided illustrations of their implementation. We found last year, when we reviewed the progress of several agencies, that these individual agencies needed additional guidance, guidelines, and/or individualized technical support to fulfill many of these practices, thus underpinning the importance of the successful implementation of the initiatives that Director James and Administrator Perry discussed today. For example, we found, in the agencies that we studied, that they had not established program goals, were not providing full funding to meet the needs of their telework programs, nor had they established eligibility criteria to ensure that teleworkers were selected on an equitable basis. Obtaining support from top management for telework, addressing managerial resistance to flexibility, and providing training and information on the telework program were also identified as challenges at the agencies that we examined.

Mr. Davis raised today the issue of being connected, and that is that in a Federal work environment that is increasingly knowledge-based and team-based, it is important that employees feel and actually are connected to the larger work around them, a vital point. I would also note, though, that as part of that telework can actually help with this view of connection. In our own experience in GAO, where we have had disruptive events that have required us to evacuate parts of the building, we have found that the ability to telework increased the feeling of connection. In this case it was employee at home computer talking to employee at home computer rather than employees talking, one at a home computer talking to people at work. So telework can have this vital connecting effect as well.

A final point, and this is in regards to making sure that we keep an expansive view of exactly what telework is, and this is what Ms. Watson was asking in some of her questions. We need to be clear that telework can both be the continuing telework that Chairman Davis discussed at your district office manager has, a short-term telework, which is what your staff director had, and as well as episodic telework, which is what Ms. Gardiner says they are doing at TIGTA and that we have at the GAO. And I didn't get a chance to ask Ms. Gardiner about this, but our experience at GAO is that this episodic telework is going to be the largest amount of telework that you actually have, that is, that certain parts of each person's job over the period of a year, there are points at which it makes more sense than less for them to be working at home. That is the key flexibility that employees like to have. That is the advantage to telework.

Let me, with that, conclude my statement. I would welcome any questions that you may have.

[The prepared statement of Mr. Mihm follows:]

United States General Accounting Office

GAO

Testimony

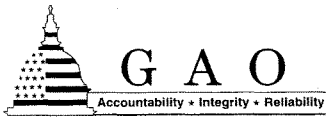
Before the Committee on Government Reform, House of Representatives

For Release on Delivery
Expected at 10:00 a.m. EDT
Thursday, July 8, 2004

HUMAN CAPITAL

Key Practices to Increasing Federal Telework

Statement of Christopher Mihm
Managing Director, Strategic Issues



GAO-04-950T

July 8, 2004

GAO
Accountability·Integrity·Reliability
Highlights

Highlights of GAO-04-950T, a report to Chairman, Committee on Government Reform, U.S. House of Representatives

HUMAN CAPITAL

Key Practices to Increasing Federal Telework

Why GAO Did This Study

Telework has received significant attention in Congress and the executive branch and is an increasingly popular flexibility among federal employees. In July 2003 GAO reported on the use of telework in the federal government (GAO-03-679). Not only is telework an important flexibility from the perspective of employees, it has also become a critical management tool for coping with potential disruptions in the workplace, including terrorism.

This statement highlights key practices GAO research identified as important to implementing successful telework initiatives. The statement then discusses efforts to coordinate and promote telework, and concludes with a review of OPM's May 2004 telework report.

What GAO Recommends

This testimony includes no new recommendations, but it does underscore prior GAO recommendations to which additional attention is needed. GAO has encouraged individual agency leaders to make use of all appropriate administrative authorities available to them, such as the telework initiative, to manage their people for results.

www.gao.gov/cgi-bin/getrpt?GAO-04-950T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact J. Christopher Mihm at (202) 512-6806 or mihmj@gao.gov.

What GAO Found

Much work remains to ensure that federal employees have the opportunity to telework. While individual agencies, the Office of Personnel Management (OPM), and the General Services Administration (GSA) are making progress, each has a role to play in expanding the use of this flexibility. Federal agencies can do more to ensure that as many employees as appropriate are provided an opportunity to participate in telework. The testimony highlights:

- To help agencies develop and implement a successful telework program, GAO identified a set of key practices for the implementation of successful telework programs at the agency level in our July 2003 report. However, some of the practices in particular merited additional attention from the agencies we examined. For example, agencies we studied had not provided full funding to meet the needs of their telework programs, nor had all established eligibility criteria to ensure that teleworkers were selected on an equitable basis. Obtaining support from top management for telework, addressing managerial resistance to the flexibility, and providing training and information on the telework program were also identified as challenges at the agencies we examined.

- As lead agencies for the governmentwide telework initiative, both GSA and OPM offer services and resources to support and encourage telework in the federal government. GAO noted in its July 2003 report that although OPM and GSA share responsibilities for the governmentwide telework initiative, past efforts were not well coordinated. In an October 2003 letter describing progress made since the issuance of the GAO report, GSA and OPM reported that a number of actions had been taken to improve coordination. The letter notes that the agencies signed a memorandum of understanding to reflect their unified approach to implementing telework. Revisions to the telework Web site were also noted in the letter, including the posting of a revised telework guide for managers. Additionally, training modules for managers and employees were developed. GAO did not evaluate how well coordinated efforts have been since the issuance of the July 2003 report.

- OPM's May 2004 telework report indicated that the percentage of eligible employees teleworking did not increase between 2002 and 2003, remaining at approximately 14 percent. This outcome, in light of the increased action taken by OPM and GSA, suggests that individual agencies, OPM, and GSA should seek to more fully understand the barriers to telework and take action to remove those barriers.

Chairman Davis, Mr. Waxman, and Members of the Committee:

Telework, at times referred to as "telecommuting" or "flexiplace," has gained widespread attention over the past decade in both the public and private sectors as a human capital flexibility that offers a variety of potential benefits to employers, employees, and society. The term telework refers to work that is performed at an employee's home or at a work location other than their traditional office. Mr. Chairman, at your request we reported almost 1 year ago on the progress federal agencies have made in implementing telework initiatives and identified a set of key practices that agencies can use to develop and strengthen their telework programs.[1]

In the aftermath of the terrorist attacks on September 11, 2001, there is growing awareness of the importance of telework as a critical management tool for coping with potential disruptions in the workplace, including terrorism. Disruption of normal operations challenges an organization to use the dedication and flexibility of its people to its advantage. We reported in April 2004 that organizations may use approaches such as telework to increase the ways in which employees may contribute to the organization in the event of a disruption.[2]

The Office of Personnel Management (OPM) May 2003 guide on implementing telework noted that the ability to telework has been, and will continue to be, important in times of emergency situations. OPM suggests, and our work confirms, that agencies should make telework part of their continuity of operations planning. OPM's guide advises that part of planning for the use of telework in an emergency situation can include conducting an inventory of equipment, discussing contingency plans with staff, and periodically assessing emergency procedures. Additionally, the guide proposes that routine emergency exercises be held to assess the potential effectiveness of emergency plans, including plans for teleworking.

A General Services Administration (GSA) report, published in 2000, likewise notes that unplanned work stoppages caused by disasters or

[1]U.S. General Accounting Office, *Human Capital: Further Guidance, Assistance, and Coordination Can Improve Federal Telework Efforts*, GAO-03-679 (Washington, D.C.: July 18, 2003).

[2]U.S. General Accounting Office, *Human Capital: Opportunities to Improve Federal Continuity Planning Guidance*, GAO-04-384 (Washington, D.C.: Apr. 20, 2004).

weather shutdowns can be overcome by the use of telework. The GSA report describes telework as a practical strategy that serves both emergency response and emergency preparedness functions. As an emergency response strategy, GSA notes that telework can be used to put disrupted organizations and their employees back in a work status prior to the actual resolution of the cause of the work stoppage.

Since maximizing performance and assuring accountability are at the heart of our mission at GAO, we believe it is our responsibility to lead by example, especially in the human capital area. On June 21, 2004, we completed revisions to the telework program available to GAO employees. This revision provides our staff the opportunity to apply to telework on an episodic, short-term, or continual basis.

My statement today will first provide an overview of key practices our research identified as important to implementing successful telework efforts. Next, I will discuss our past analysis of OPM and GSA efforts to coordinate and promote telework in the federal government, and discuss how that coordination has improved. Finally, I will comment on the issues raised in OPM's May 2004 report titled *The Status of Telework in the Federal Government.*

Implementation of Key Telework Practices Can Ensure Successful Agency Programs

Overall, telework has received significant attention in Congress and the executive branch and is an increasingly popular flexibility among federal employees. Federal employees' interest in telework has been highlighted in a number of studies. For example, based on its 2000 Merit Principles Survey, the U.S. Merit Systems Protection Board reported that, of all the family-friendly programs studied, telework showed the greatest gap between importance and availability. According to a more recent survey, OPM's 2002 Federal Human Capital Survey, almost 74 percent of federal employee respondents said that telework was at least somewhat important to them. Despite this level of importance, more than 59 percent of the respondents reported that this flexibility was not available to them. We have reported that much of the authority agency leaders need to manage their people strategically already is available under current laws and regulations and we have encouraged leaders to make use of all appropriate

administrative authorities available to them, such as the telework initiative, to manage their people for results.[3]

To help agencies develop a successful telework program, we identified a set of key practices for the implementation of successful telework programs (see fig. 1). Regular attention to these practices can help to foster program growth and remove barriers to telework participation. In October 2003, OPM and GSA reported they distributed these practices to agency telework coordinators and recommended that agencies use them to self-assess their programs. These practices are:

[3]U.S. General Accounting Office, *High-Risk Series: Strategic Human Capital Management*, GAO-03-120 (Washington, D.C.: January 2003).

Figure 1: Key Telework Practices for Implementation of Successful Federal Telework Programs

Program planning • Designate a telework coordinator. • Establish a cross-functional project team, including, for example, information technology (IT), union representatives, and other stakeholders. • Establish measurable telework program goals. • Develop an implementation plan for the telework program. • Develop a business case for implementing a telework program. • Provide funding to meet the needs of the telework program. • Establish a pilot program.
Telework policy • Establish an agencywide telework policy. • Establish eligibility criteria to ensure that teleworkers are selected on an equitable basis using criteria such as suitability of tasks and employee performance. • Establish policies or requirements to facilitate communication among teleworkers, managers, and coworkers. • Develop a telework agreement for use between teleworkers and their managers. • Develop guidelines on workplace health and safety issues to ensure that teleworkers have safe and adequate places to work off-site.
Performance management • Ensure that the same performance standards, derived from a modern, effective, credible, and validated performance system, are used to evaluate both teleworkers and nonteleworkers. • Establish guidelines to minimize adverse impact on nonteleworkers before employees begin to work at alternate work sites.
Managerial support • Obtain support from top management for a telework program. • Address managerial resistance to telework.
Training and publicizing • Train all involved, including, at a minimum, managers and teleworkers. • Inform workforce about the telework program.
Technology • Conduct assessment of teleworker and organization technology needs. • Develop guidelines about whether the organization or employee will provide necessary technology, equipment, and supplies for telework. • Provide technical support for teleworkers. • Address access and security issues related to telework. • Establish standards for equipment in the telework environment.
Program evaluation • Establish processes, procedures, and/or a tracking system to collect data to evaluate the telework program. • Identify problems and/or issues with the telework program and make appropriate adjustments.

Source: GAO-03-679.

Our telework report discusses these practices in more detail and provides illustrations of their implementation. We found that individual agencies

may need additional guidance, guidelines, and/or individualized technical support to fully implement these practices.[4] For example, agencies we studied had not established program goals, provided full funding to meet the needs of their telework programs, nor had all established eligibility criteria to ensure that teleworkers were selected on an equitable basis. Obtaining support from top management for telework, addressing managerial resistance to the flexibility, and providing training and information on the telework program were also identified as challenges at the agencies we examined.

OPM and GSA Are Working to Coordinate Their Efforts to Help Agencies Meet Statutory Telework Requirements

A statutory framework for the use of telework in the executive branch began to develop in 1990. The framework includes requirements for agencies to take certain actions related to telework, provides agencies with tools for supporting telework, and designates leadership roles for OPM and GSA in governmentwide implementation efforts. The most significant piece of legislation, passed in 2000, requires each executive branch agency to establish a telework policy "under which eligible employees of the agency may participate in telecommuting to the maximum extent possible without diminished employee performance."[5] OPM issued guidance in 2001 related to the implementation of this law. However, that guidance did not include a specific definition of what it meant to provide eligible employees the opportunity to telework. After we discussed this issue with OPM officials, they reacted promptly by issuing new telework guidelines that defined the difference between identifying which positions are eligible to telework and informing employees they have the opportunity to telework.

As lead agencies for the governmentwide telework initiative, both GSA and OPM offer services and resources to support and encourage telework in the federal government. Some of the services are offered jointly by GSA and OPM; some are offered individually by both agencies; and others are offered uniquely by either OPM or GSA. Our report found that although OPM and GSA share responsibilities for the governmentwide telework initiative, past efforts were not well coordinated. To illustrate the lack of coordination, a GSA official told us that agencies had expressed concern

[4]We did our detailed work at four agencies: the Department of Education, GSA, OPM, and the Department of Veterans Affairs.

[5]Section 359 of the Department of Transportation and Related Agencies Appropriations Act, 2002, Pub. L. No. 106-346 (Oct. 23, 2000).

about conflicting messages they received from OPM and GSA on several topics, including dependent care. Officials from both agencies confirmed that there were different policies at the time of our review. GSA's position was that employees could care for dependents when teleworking, as long as it does not interfere with accomplishing tasks, while OPM's position was, until recently, that dependents should not be in the home when an employee was teleworking. After discussing the conflicting messages with OPM officials, OPM revised its position in new telework guidelines it released shortly thereafter. These guidelines state that while teleworkers should not generally be engaged in caregiving activities when working at home, teenagers or elderly dependents might be at home when the employee is teleworking, as long as those dependents are independently pursuing their own activities.

Our report recommended that the Administrator, GSA, and the Director, OPM ensure that offices with responsibility for the governmentwide telework initiative better coordinate efforts to provide federal agencies with consistent support and guidance related to telework. To accomplish this we suggested that the agencies clearly delineate their responsibilities for this initiative. After we discussed the issues created by a lack of coordination between GSA and OPM with both agencies, a GSA official indicated that the two agencies had a new commitment to coordination. We have not evaluated how this commitment has manifested itself in the past year since the issuance of our report. However, such a commitment reflects a promising start for better assisting federal agencies in improved implementation of their telework programs. We reported that the key to success will be sustained efforts by both agencies to work together in assisting agencies and providing consistent and straightforward guidance, services, and resources on the governmentwide telework initiative.

In an October 14, 2003, letter describing progress made since the issuance of our report to you, Chairman Davis, GSA, and OPM reported that a number of actions had been taken to improve coordination. The letter notes that the agencies signed a memorandum of understanding to reflect their unified approach to implementing telework. Revisions to the telework Web site were also noted in the letter, including the posting of a revised telework guide for managers. Additionally, training modules for managers and employees were developed and are available through www.golearn.gov, the federal government's e-training Web site.

OPM Reports That the Percentage of Eligible Employees Who Actually Telecommute Has Not Increased

In May of this year, OPM released its annual report, titled *The Status of Telework in the Federal Government*, summarizing the findings from its October 2003 survey of federal agencies. According to OPM, 74 agencies responded to the survey. The OPM report identified a number of findings from its 2003 survey.

- The percentage of telework-eligible employees grew from 35 percent in 2002 to 43 percent in 2003. This translates to a change from 625,313 employees in 2002 to 751,844 employees in 2003.
- Sixty-nine percent of teleworkers have their primary place of duty outside the greater Washington D.C. area. Comparatively, 84 percent of the federal workforce is located outside the greater Washington D.C. area.
- Use of federal telework centers declined by 5 percent from 2002 to 2003, despite the availability of increased funding. This translates to a change from 459 users in 2002 to 435 users in 2003.

Importantly, the report indicated that the percentage of eligible employees actually taking advantage of telework remained roughly stable between 2002 and 2003 at approximately 14 percent. The number of employees increased from 90,010 in 2002 to 102,921 in 2003, while the percentage of eligible employees actually taking advantage of telework remained at 14 percent because of the increase in the number of employees eligible to telework, despite the efforts of GSA and OPM that are cited in OPM's report. For example, OPM reported that it and GSA provided assistance to agencies in which 2 percent or fewer employees telecommute, including help in developing policies, providing workshops, and developing promotion materials. Training modules, a video, and materials for agency publications were also developed for all agencies to use. The lack of growth in the percentage of employees teleworking, in light of the increased action taken, suggests that each agency, OPM, and GSA should seek to more fully understand the barriers to telework and take action to remove those barriers.

The OPM report additionally described in some detail the nature of agency telework policies. According to survey respondents, telework policies are in place in 73 of the 74 agencies that completed the survey. OPM acknowledges, however, that the presence of a policy does not provide a viable telework program. Survey results indicate that only 34 agencies

have a procedure in place for giving employees formal notification of their eligibility to telework. The report also notes that 52 agencies have established a minimum performance rating for teleworkers that would provide a clear indication to employees regarding whether they are eligible to telework and 36 agencies specify occupations in which telework can or cannot be used. Additionally, it was noted that 46 agencies provide for telework for employees with health problems and 46 allow employees to use alternative work schedules in conjunction with telework.

In conclusion, much work remains to be done to ensure that federal employees have the opportunity to telework. While progress is being made by agencies, OPM, and GSA, all have a role to play in expanding the use of this flexibility and more work remains to be done. Specifically, the recent OPM report shows that federal agencies can do more to ensure that as many employees as appropriate are provided an opportunity to participate in telework. Telework should be viewed as a key tool in an agency's effort to manage its human capital strategically, and implemented as an investment in the organization's people and the agency's capacity to perform its mission. The telework practices that we identified and distributed by OPM and GSA should assist agencies in strengthening their telework efforts.

Mr. Chairman, Mr. Waxman, and members of the committee, this completes my statement. I would be pleased to respond to any questions that you might have.

Contacts and Acknowledgments

For further information on this testimony, please contact J. Christopher Mihm, Managing Director, Strategic Issues, (202) 512-6806 or at mihmj@gao.gov. Individuals making key contributions to this testimony include Boris Kachura, Ellen V. Rubin, Joyce Corry, Ellen Grady, and Tiffany Tanner.

GAO's Mission

The General Accounting Office, the audit, evaluation and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's Web site (www.gao.gov). Each weekday, GAO posts newly released reports, testimony, and correspondence on its Web site. To have GAO e-mail you a list of newly posted products every afternoon, go to www.gao.gov and select "Subscribe to Updates."

Order by Mail or Phone

The first copy of each printed report is free. Additional copies are $2 each. A check or money order should be made out to the Superintendent of Documents. GAO also accepts VISA and Mastercard. Orders for 100 or more copies mailed to a single address are discounted 25 percent. Orders should be sent to:

U.S. General Accounting Office
441 G Street NW, Room LM
Washington, D.C. 20548

To order by Phone: Voice: (202) 512-6000
TDD: (202) 512-2537
Fax: (202) 512-6061

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: www.gao.gov/fraudnet/fraudnet.htm
E-mail: fraudnet@gao.gov
Automated answering system: (800) 424-5454 or (202) 512-7470

Congressional Relations

Gloria Jarmon, Managing Director, JarmonG@gao.gov (202) 512-4400
U.S. General Accounting Office, 441 G Street NW, Room 7125
Washington, D.C. 20548

Public Affairs

Jeff Nelligan, Managing Director, NelliganJ@gao.gov (202) 512-4800
U.S. General Accounting Office, 441 G Street NW, Room 7149
Washington, D.C. 20548

PRINTED ON RECYCLED PAPER

Chairman TOM DAVIS. Thank you very much.

Dr. Kane, thanks for being with us.

STATEMENT OF JAMES A. KANE, PRESIDENT AND CHIEF EXECUTIVE OFFICER, SOFTWARE PRODUCTIVITY CONSORTIUM; STEVE DUMONT, VICE PRESIDENT, INTERNET BUSINESS SOLUTIONS GROUP, CISCO SYSTEMS, INC.; ERIC RICHERT, VICE PRESIDENT, IWORK SOLUTIONS GROUP, SUN MICROSYSTEMS; AND CAROL GOLDBERG, FORMER TELEWORK PROGRAM MANAGER, FAIRFAX COUNTY, VA, GOVERNMENT

Mr. KANE. Thank you. Chairman Davis, members of the committee, guests and committee staff, I appreciate the opportunity to be here with you this morning to share our perspectives on telework.

It is very appropriate that this committee is looking at telework, given the history of this committee and your initiatives specifically, Chairman Davis. How we acquire technology is dramatically different in the last 10 years because of FARA and FASA. How we invest in technology, rather than look at it as a cost element, is totally different because of the Information Technology Management Reform Act. And how citizens and business interact with government is very different just over the last few years because of the Electronic Government Act. So, in fact, we have seen dramatic changes in government over the last 8 to 10 years, and as we look at telework, we have the option to either sort of solve the problem or seize an opportunity.

In looking at why there has been a low rate of adoption in telework, we have looked at three issues: cost, technology, and policy. It is not cost. The Federal IT budget this year, as you know, Chairman Davis, is about $59.1 billion. Typically, agencies spend about 30 to 40 percent of their IT on infrastructure. So with those numbers, it is not a cost issue.

Technology. A lot of what we have heard this morning has an implicit comment that the technology is sort of a 1980's, early 1990's vintage technology; that what telework allows is sort of the solitary worker doing individual types of tasks. It doesn't account for the types of collaboration that current technology allows. Technology are much more enabling now, and so the types of eligibility that is associated with current technology are greatly expanded.

Third, in the area of policy, the policies that we have largely reflect that 1980's, 1990's vintage technology, and so, therefore, as we start to look at policy, we have to change from sort of like a policy that is sort of like telework is enabled if it doesn't diminish productivity. We know that it increases. We look at it from a standpoint of eligibility. It is not just the solitary worker, but it is also the manager, the executive because I can see you. Session cost: the desktops are there, the network access is there; the session costs are minimal, and so the technology is there.

And finally in terms of an approach to telework, an awful lot of what we see in terms of existing policy has been one of containment, as opposed to necessarily one of enablement; so that as we develop new policies toward telework, I would strongly encourage the policy approach that sort of seizes the opporutnity here and really lets us move forward with it.

In recommendations which we have put forth in our written testimony, let me highlight three. First of all, policy approach. Policies that sort of take advantage of contemporary technology, policies that are adaptive, and policies that are dynamic, because as I said in my written testimony, pardoning the slang, you ain't seen nothing yet. I mean, the technology is going to be dramatic as it changes over the next few years.

Second, you can't manage what you can't measure. OMB keeps track of expenditures for information technology. We know how much is going on to infrastructure, we know how much in security, and we know how much in architecture. Why don't we know how much is being spent by agencies to support telecommuting and distributed work?

And finally we heard this morning that this is a complex problem, there are cultural issues, there are business issues, that we are behind the curve. Well, I would encourage the committee to consider creation of some type of national center for telework and distributed work so that individuals with diverse disciplines of technology, business, human resource management can come together and, instead of being behind the curve, we can get ahead of the curve.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Kane follows:]

The Testimony of
James A. Kane Ph.D.
President and Chief Executive Officer
Software Productivity Consortium
Herndon Virginia

To

Committee on Government Reform
Congress of the United States
House of Representatives
July 8, 2004

Mr. Chairman, Members of the Committee, distinguished guests, and Committee Staff Members, thank you for inviting me here today to share our views of the adoption of telework within the Federal government.

About SPC and the Telework Consortium

I am Dr. Jim Kane, President and CEO of the Software Productivity Consortium, or SPC. SPC was founded under the National Cooperative Research Act in 1985 to enable U.S. companies to collaborate, in a noncompetitive and nonproprietary way, on solutions to common challenges faced in building high-quality, reliable software systems. We are a nonprofit organization, and our membership of 80 companies, government agencies, and universities includes the eight largest federal prime contractors.

Our focus on helping our members to implement best practices within their own, large companies around the country, along with our expertise in managing technology insertion and our position as a national "open forum" all dovetailed with the interests of the Honorable Frank Wolf, our Congressional representative, in the summer of 2001.

As we all know, Mr. Wolf has long been a champion of promoting telework within the federal government. In our conversations with Mr. Wolf three years ago, we recognized that SPC's focus on collaborative solutions for distributed workers and work teams aligned well with the federal telework mission. Mr. Wolf sponsored our formation of the Telework Consortium during the summer and early fall of 2001.

The terrorist attacks of September 11 occurred during our formation of this telework initiative, and served to make absolutely clear our pressing national need for a more distributed and secure workforce, able to continue the nation's business in the face of catastrophic disruptions.

Since its opening in October 2001, the Telework Consortium has facilitated numerous pilot projects and demonstrations of technologies and business practices that enable high-bandwidth collaboration and information-sharing between workers, regardless of their physical location.

I hope that background helps explain why we're here today.

Mr. Chairman, thanks to the efforts of this Committee, its Subcommittees and staff, and your own personal efforts to further the cause of government reform, many government activities are fundamentally improved today over where they were eight to ten years ago. Legislation such as FARA (Federal Acquisition Reform Act) and FASA (Federal Acquisition Streamlining Act) has enabled the federal government to overcome long-standing obstacles and begin to procure productivity-enhancing information technology faster and at better prices. As the result of ITMRA (Information Technology Management Reform Act), information technology is now viewed throughout the federal government as an investment driven by a business case, rather than a cost element driven by technology. And as a result of the Electronic Government Act of 2002, citizens now routinely turn to the Internet to conduct millions of transactions with the federal government, from paying their taxes to reserving campsites at our national parks.

This committee as a force for positive change

We salute you all for those successes. But we also believe that we face a fundamental choice today: we can continue to work hard to "solve a problem," or we can work hard to "seize an opportunity." While many employers and employees, citizens and taxpayers, have gained from the legislative initiatives I just mentioned, we believe that many government employees lag behind the private sector with respect to telework.

Government lags behind in telework

A broader view of telework

What we call "telework" is in fact a key enabler of where we — as a nation — need to go: toward the systematic deployment of highly distributed forms of collaboration, where the physical location of our workforce matters far less than it does today.

Last month I chaired a technology panel of leading experts from industry (Cisco), government (DoD, DARPA and TSA) and academia (Carnegie Mellon). At the end of the session I asked, "if we were to reconvene this panel three or four years from now, what would we be talking about that we didn't discuss today?"

The immediate response from the industry representative was, "location will be irrelevant"; the former CIO of the Department of Defense immediately said "collaboration". Those comments indicate where the world – and more specifically the world of work – is going.

Toward distributed government

From your viewpoint on this Committee, this trend might translate into "Distributed Government." How can we work in a world where the "place" in "workplace" is less relevant, where access to the information is the essence of worker productivity, and where collaboration among workers at multiple locations is the norm? Enabling that vision of how government operates is where this Committee can have a significant and lasting impact.

Three factors drive adoption

From our experience with our members in industry, we see three primary factors that can speed the adoption of the distributed, collaborative activity we call "telework":

- A solid business case and adequacy of funding;
- An understanding and adoption of the business processes and technologies that enable collaboration among distributed workers; and
- Enlightened management policies that support and facilitate, rather than restrict and impede, this adoption.

Telework is already generating savings

As we consider how these three factors play out in the federal government space, we conclude that the first two don't represent insurmountable barriers to telework adoption. In terms of the business case and available funding, there is very positive news.

Enlightened business leaders are already realizing the benefits of distributed work and distributed operations for their companies. They are doing it because it makes good sense. They are able to attract and retain workers, operate in lower-cost areas, minimize the effect of any disruption in their operations, and increase productivity.

Our research indicates that we can save up to $2,800 per teleworker, per year in infrastructural costs[1], not counting the additional savings from a cleaner environment. And the same technology that reduces congestion and pollution in urban areas can be used to bring jobs to people in more rural locations.

You'll find more cost and benefit analysis of telework in our supporting materials — but suffice it to say that the business case for telework is quite solid. Likewise, current government funding also represents good news. The current OMB forecast for spending on information technology for GFY 2004 is $59.1 billion[1]. Agencies typically allocate at least 30-40 percent of their information technology funds for infrastructure, as opposed to direct support of specific mission areas and programs. This level of spending for computing and network infrastructure would seem sufficient to support employee remote work initiatives that reduce commuter traffic and help ensure continuity of operations for agencies.

The technology is here now

As regards the availability of telework-enabling technology, we believe that most of what we need is largely in place, or quickly becoming so. As one example, Mr. Wolf has developed and supported the GSA Telework Centers and numerous work-from-home initiatives for years. The Telework Consortium has worked with leading technology suppliers to enable employees to work *and*

[1] The *Budget of the United States Government Fiscal Year 2005*, is available on OMB's website at http://www.whitehouse.gov/omb/budget/fy2005/. These figures are taken directly from the supporting document entitled, *Report on Information Technology (IT) Spending for the Federal Government*.

collaborate from the home. The results are in: appropriate, cost-effective technology is here today.

The telecommunications industry has made huge investments to provide high-speed access to the Internet. Desktop applications provide workers with all they need to get access to information, jointly work on the same document, see one another, and expedite routine workflow.

NBC 4 recently filmed a story at the Telework Consortium that illustrated the availability of this technology.[2] I witnessed a totally unscripted interchange among participants in Leesburg, Herndon, and Sweden about how they work. It was all done over the public Internet with the conversation and visual presentation of information as if we were all in the same location.

Policies and practices are the disabling factor

So, with a solid business case, ample funding, and available technology, what obstacles remain to impede the adoption of distributed work within government? From our view, it's the third factor in the equation I mentioned earlier: the lack of management understanding and support.

[2] See the segment dated June 18, 2004, on the "NBC4 Digital Edge" CD ROM submitted with this testimony. A transcript is available on the NBC4 website at http://www.nbc4.com/technology/3443835/detail.html.

I believe other speakers this morning are highlighting current policies and management practices, and their effects upon the broader adoption of distributed work. As the Committee evaluates this input, I'm certain it will be attentive to current federal policy that reflects more of an "industrial-era" mindset rather than an "information age" one.

Throughout our history, our government has adopted appropriate laws, policies, and regulations to help our economy move from the field, to the factory, to the office. Now, as "people and information" have replaced "plant and equipment" as our most important assets, government can also help to facilitate our continued transformation to an economy where work has precedence over place; where the *concentration* of operations doesn't jeopardize their *continuity*; and where our nation attains the financial benefits of distributed business through improved productivity, higher employee satisfaction, and lower space costs.

Limits of current federal policy

We believe that a contributing factor to low teleworking in government follows from various agency interpretations of promulgated OPM policies, which themselves tend to limit agency options in implementing telework solutions.

As one example, the language of PL 106-346, the enabling legislation for current OPM telework policy guidelines, states that agencies "may participate in telecommuting to the maximum extent possible ***without diminishing employee***

performance." This flies in the face of telework experience indicating that worker productivity and employer cost savings actually increase with telework.

As another example, OPM policy guidelines state "telework is a management option, not an employee benefit." This statement misses the true "win-win-win" nature of telework: agencies, their employees, and taxpayers all benefit from increased productivity, reduced traffic, and more effective agency operations.

Other OPM guidelines governing the "duty hours" of teleworkers are similarly counterproductive, focusing on superficial or misleading work metrics such as time and attendance, rather than true work performance results.

Toward new federal policy

It is our view that a more supportive government policy that reflects current technologies and is adaptable to changing business and security conditions can help us achieve the substantial benefits of a distributed government.

We would recommend that new federal telework policies be modeled after proven successes already in place. At the Department of the Treasury's Inspector General office, for one example, 97% of all employees are teleworking, on average, 37% of the time.

As I said earlier, our choice is to either solve a problem or seize an opportunity. The changes we are experiencing in information technology, telecommunications, and the security of our working environment are continuing to change our lives at an increasingly faster pace. We encourage the Committee to consider a new model of government operations that responds to today's realities and enables the economic benefits, operational efficiency, managerial flexibility, and enhanced security of effective teleworking. The time is right to implement a fundamental change in how and where we work.

Seize the opportunity for change

Toward this end, we propose the following three steps for your consideration: **First: Significantly Revise Current OPM Telework policy.** We recommend a federal policy that provides a more effective way for agencies to promote a distributed workforce, and encourages agencies to optimize telework implementations to more fully attain their agency mission. New federal policy should also raise the bar on our teleworking goals: with current technologies, virtually *all* federal employees are eligible for telework.

Policy Recommen-dations

Second: Explicitly Account for Federal Expenditures that Promote Distributed Government.

As we tell our member companies, "you can only manage what you measure." We believe the Committee would be well served by knowing how much annual funding actually goes to support "*Distributed Work.*"

Accounting Recommen-dations

The OMB currently accounts for IT spending in numerous categories — "Development, Modernization and Enhancement" vs. "Steady State"; "Infrastructure" vs. "Mission Support"; and so on. We could all benefit from a similar view of how much the government invests in telework solutions.

Third, Promote National Awareness and Use of "Distributed Work" Best Practices.

Research & Development Recommen-dations

The potential benefits of government-wide adoption of teleworking are significant. Even with the small staff, modest budget and limited charter of the Telework Consortium, we have already demonstrated impressive accomplishments. We have also developed a robust glimpse of our near-term potential.

If government, industry and society as a whole can more quickly adopt workforce strategies where "place" is less relevant, and where a secure, high-capacity communications infrastructure is ubiquitous, our nation will benefit as a whole.

In our work over the past few years, we have seen government and industry struggling with the transformation from centralized, hierarchical, "place-specific" operations to a distributed, horizontal and "place-independent" enterprise. As I have described, most of this struggle occurs at the management level—yes, there are technological challenges, but management awareness, understanding and adoption of telework solutions remains our largest hurdle.

We believe this national challenge merits a national initiative in response. Our third recommendation to the Committee is to consider the establishment of a "National Institute for Distributed Work" where promising approaches can be developed, best practices and lessons learned can be shared, where experts with diverse backgrounds in government and industry can help keep us ahead of the curve, and where we as a nation can benefit from an increasingly safe and productive national working environment.

In closing, I thank you again, Mr. Chairman, the entire Committee, and your staff members for allowing us to speak with you today.

Respectfully Submitted:

_____
James A. Kane Ph.D.
July 8th, 2004

July 8, 2004 Telework Hearings

Additional References

Continuity of Operations	"Convincing the Feds" by I.J. Hudson (NBC4 Digital Edge, June 18, 2004) http://www.nbc4.com/technology/3443835/detail.html
	"Protecting Business Continuity" by Dr. William Mularie (Telework Consortium, Nov. 2003) http://radio.weblogs.com/0125927/stories/2004/01/09/protectingBusinessContinuity.html
	"Head for the Hills? It Won't be Easy" by Christian Davenport (Washington Post, March 16, 2003) http://www.washingtonpost.com/ac2/wp-dyn/A23839-2003Mar14
	"A Scenario Where Questions Linger" by Christopher Lee (Washington Post, June 22, 2004) http://www.washingtonpost.com/wp-dyn/articles/A58886-2004Jun21.html
Technologies for Collaborative Telework	"Commuting Online - Local Magazine Experiments With Telework Platform" by David Hughes, Editor in Chief (Loudoun Business, June 2004, page 1) http://www.loudounbusiness.com/june04/
	"Trial by Fire" [sidebar to above article] (Loudoun Business, June 2004, page 9) http://www.loudounbusiness.com/june04/
	"Teleworking as Common Sense" by David Hughes, Editor in Chief (Loudoun Business, June 2004, page 36) http://www.loudounbusiness.com/june04/
Economic Development	"Telework and Economic Development", by John Starke, President (Telework Consortium, October 15, 2003) http://radio.weblogs.com/0125927/stories/2003/10/15/teleworkAndEconomicDevelopment.html
The Future of Work	"The Declustering of America" a commentary by Joel Kotkin (The Wall Street Journal, August 15, 2002) Available from the Milken Institute at http://www.milkeninstitute.org/publications/publications.taf?function=detail&ID=190&cat=Arts

The Business Case for Telework

(Partial excerpt from forthcoming Telework Consortium report)
June 2004

Executive Summary

Telework Consortium research indicates that telework conveys *substantial* benefits for an organization, both governmental and private, especially in the areas of performance, employee morale, real estate and travel.

Data indicate that there are performance benefits of 10% or more for workers who accomplish their jobs, at least some of the time, remotely. Organizations can gain benefits when they focus on increasing worker performance as well as improving worker morale.

Our data and research also point to the fact that organizations that change their business processes to increase the use of telework will gain the most in terms of improved worker performance and real estate savings. That is, the more pervasive telework is in the organization, the greater the benefit to the organization.

Changing business processes is often cited as a barrier to adopting telework. The organizations that have changed processes in support of telework, however, find that the improved performance and savings compensate for the costs of process change. In fact, the benefits associated with employee performance increases overwhelm traditionally cited cost reduction benefits.

The intangible benefits from telework, however, may be as important as the quantifiable benefits. Telework, allowing distribution of workers, can be a critical element in business continuity and emergency response. Remote workers can significantly assist their companies during times of crisis. A distributed workforce makes it possible for an organization to continue operations in the face of disaster at a central location. Other intangible benefits, such as faster and better decision-making, and ability to tap into sources of specialized skills, certainly are hard to assess accurately in the short-term, but savings will multiply as organizations increase teleworking.

Introduction& Summary

Telework is suffering because many managers fear that employee performance will deteriorate when they cannot see their workers. Organizations need quantitative business cases to justify changing established business processes.

In the past, telework proponents' claims of benefits for improved morale and reduced road congestion were often dismissed because the benefits were not considered significant when compared to the risks of a performance failure. The Telework Consortium reviewed over eighty telework cases, and found that organizations can derive *substantial* quantifiable benefits from telework. The tables in this report set out a framework for evaluating telework benefits.

The benefit an organization realizes depends on the maturity of telework processes. Teleworkers can do many types of jobs with basic processes for performance measurement. However, teleworkers can perform more types of jobs when the organization provides communications processes that support rich collaboration with co-workers. Many jobs require more information exchange with co-workers and thus need more communications support, such as broadband Internet. Still other workers require face-to-face meetings with co-workers and need high quality video tools.

The review of the telework cases found that organizations with more mature telework processes realized more benefits. The basic telework model allows telework and provides training; the focus is on increasing employee morale and thereby reducing costs associated with employee recruitment, retention and relocation. The other model focuses on increasing employee performance as measured by productivity, cycle time and quality, and decreasing real estate costs.

Employee Morale Focused Telework

A basic telework program has processes that permit telework, provides telework training and seeks to improve employee morale. For such an organization, a typical business case presentation takes the form of the Table below. The average benefits shown in the right column are representative of the preliminary findings from the report. The costs of supporting telework include training and basic home office support.

.

Employee Morale Telework Model	Preliminary Findings Average Amount
Cost per teleworker to set up and maintain telework program	($ 2,000) per year
Employee Recruitment Retention Relocations savings	$10,000 per year
Gross Benefit per teleworker from reduced HR costs	$10,000 per year
Net Benefit per teleworker	**$8,000 per year**

Performance Focused Telework

When organizations decide to use telework to enhance performance, the benefit case strengthens. The telework case findings support a conservative estimate of a ten percent performance improvement. A worker earning $50,000 can cost the organization $100,000, including benefits and indirect costs; for this worker, the benefit increases by $10,000 per year.

Reported real estate savings ranged from a few thousand dollars per year to nearly $20,000 per year. Based on the telework cases that looked at the total cost of providing office support for workers, we believe that a conservative estimate of real estate savings is $10,000 per teleworker per year. A key process change is that organizations used office hoteling to save real estate costs. The visible cost real estate cost savings substantially increased the value of telework, and the real estate savings could pay for additional collaboration costs.

Additional costs for broadband and additional collaboration tools are relatively small compared to the value of the enhanced performance. A presentation including these costs and benefits will have the following form:

Telework Performance Model	Preliminary Findings Average Amount
Cost per teleworker to set up telework program and provide collaboration support	($2,000) per year
Cost per teleworker to provide office hoteling and process improvement	($1,000)per year
Employee savings (Recruitment, Retention & Relocations)	$9,000 per year
per teleworker from real estate savings	$10,000 per year
Performance Benefit (Productivity, Cycle Time & Quality)	$5,000 per year
Total gross benefits per teleworker per year	**$30,000 per year**
Net benefit per teleworker	**$27,000 per year**

Intangible and Public Telework Benefits

More mature telework processes substantially increase telework benefits, which we can measure. However, there are additional benefits that are hard to measure or are public benefits that indirectly flow to the organization. An organization with dispersed workers and telework business process can continue to operate during and after an emergency. How much this benefit is worth to the organization may be beyond mere quantification, but it certainly is high.

Business continuity is a real benefit, but attempting to quantify the value of low probability of a large loss as a purely statistical measure does not do justice to the problem. In other words, a dispersed workforce may reduce insurance costs, but the value of surviving a terrorist attack is much greater than simply reduced costs. For this presentation, we suggest making the benefit visible to decision makers for them to evaluate.

Similarly, the ability to increase the velocity of decision making, thus getting to market faster will have high value, which may be difficult to measure. In both business continuity and faster decision-making, intangible benefits should be included in the business case and be visible to the senior management.

Finally, organizations must be aware of the public benefits from telework. Major employers (such as the Federal Government in Washington, DC) bear the public costs of pollution and road congestion in the form of higher taxes, health costs or road subsidies. Academic and transportation experts have quantified these public costs. The public benefits shown in the table below are representative of the annual cost savings per teleworker, assuming the teleworker avoids a fifteen mile commute.

Intangible Benefits	**Amount/Value**
Business Continuity	**High**
Assess Trust and Performance using Mature Telework Processes	**High**
Public Benefits	
Road Congestion	$ 3,000 per year
Pollution	$ 1,500 per year
Total Public Benefits	**$ 4,500 per year**

The foregoing are proforma calculations of telework costs and benefits, to provide a framework for organizations to make specific calculations. Benefits and costs will vary among organizations, but all organizations will need to answer similar questions. The analysis of the telework cases supports the argument that organizations will benefit from changing processes to use telework and that more mature telework processes provide greater benefits.

Loudoun Magazine Telework Pilot
Preliminary One-Month Findings

by Dana Dolan and Priscilla Arling, June 2004

In the spring of 2004 the Telework Consortium initiated a series of pilot programs in Loudoun County, Virginia to study the use of advanced collaborative tools to facilitate remote work. This paper provides an overview of one of those pilots, with Loudoun Magazine, which is currently in progress.

The Loudoun Magazine pilot focuses on the implementation and use of personal virtual presence (PVP) tools. A key goal of these tools is to enable a *wide variety* of types of work to be accomplished in a distributed manner, not just the solitary tasks such as reading and writing that are commonly considered when working from remote locations. PVP tools are computer-based and use Internet communication channels to facilitate remote collaboration by providing live, integrated video, audio, text-based, and graphical (electronic whiteboard) communication between individuals, regardless of their location.

About Loudoun Magazine. Loudoun Magazine, illustrated in Figure 1, is a high quality, full-color magazine published quarterly by Amendment I Publishers. In the spring of 2004 the magazine team lost its leased office space in Leesburg, VA and found themselves without a publishing home. Unable to move into the parent company's building for at least 6 months, and with the deadline for their summer issue fast approaching, a new way of working had to be adopted. The magazine turned to the Telework Consortium, which provided the displaced staff with the technology and guidance needed to work effectively from home offices and other remote locations during the pilot period.

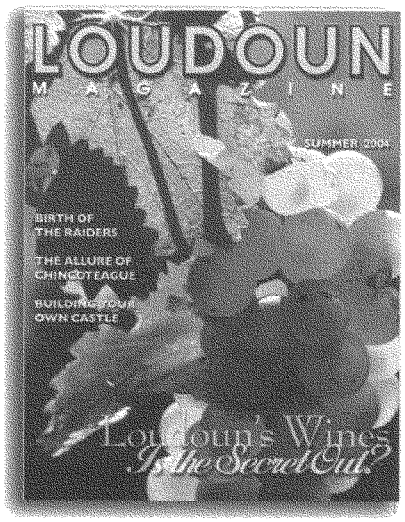


Figure 1. Loudoun Magazine's Summer 2004 issue, produced by the newly distributed team, was pronounced by Amendment I's CEO as "simply brilliant in every respect."

Pilot Participants. Loudoun Magazine has an editorial staff of four people, three of whom are working from home during the pilot, while the fourth is located in the parent company offices. These primary pilot participants were provided with collaborative software, laptops, web cameras, printers, networking hardware, and cell phones.

An area map illustrating the locations of the distributed team in relationship to each other and to D.C., the nearest major metropolitan area, is shown in Figure 2.

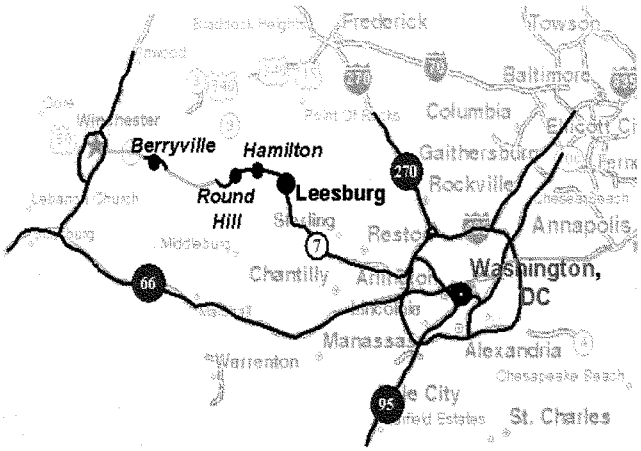


Figure 2 – Primary Work Locations. During the pilot, primary work locations for the Loudoun Magazine team included Leesburg (main office) and home offices near Hamilton, Round Hill, and Berryville, Virginia. Berryville, the work site furthest from the main office, is 28 miles from Leesburg. Washington, DC, is the nearest major city, with Baltimore, MD nearby.

Pilot by Fire – The Magazine Business Processes. Just as the pilot began, the magazine's editorial staff started in on the most intense phase of its publishing cycle, its three-week production cycle for the summer issue. This production stage of work takes all the editorial text, photography, and advertising graphics that has been created and collected over the preceding weeks, and organizes it into the final layout of the printed magazine. Multiple versions of the articles are created and passed through a series of internal reviews and edits to smoothly and artistically transform the raw inputs into a final magazine that can be sent to the printer for publishing. Close and frequent collaboration between staff during this phase is the keystone to a successful outcome. Traditionally a highly paper-based process, this stage of the development cycle was expected to present the greatest challenge for the geographically dispersed editorial team.

With the summer issue now on newsstands (as of mid-June), the magazine team has begun the early work on the next issue, which stands in some contrast to the production phase of the development cycle. Each issue begins with a team planning session to set the theme of the issue. Staff assignments are made, and work begins on a number of fronts. The editorial staff contacts freelance writers and photographers for some articles; and begins researching, interviewing, and writing for others. The advertising staff works independently of the editorial staff, booking

advertising space and working with the art director to create required graphics. All these inputs are reviewed as they are collected with an eye towards final placement in the finished magazine; however, collaboration during this period is more episodic than it is during the production cycle. Team members look to each other for advice and assistance in between periods of solitary or small group activities. The magazine is currently in this phase of the development cycle and is expected to begin a new production cycle in late July to produce the Fall 2004 issue.

Preliminary Findings – Reduced Commuting Miles. During the three-week production cycle, the three home-based teleworkers avoided close to ***1000 miles*** of commuting. Some travel to and from the office or to other work-related locations was still necessary, but time was often saved since travel could be scheduled to avoid the congestion of peak rush hour periods.

Near the end of the production cycle, however, a spike in travel occurred. This travel was due to a need for staff to drive to each other's homes to hand off the paper-based, formatted sections of the magazine for review and editing. Following the same process as when they were co-located in the office, the art director pulled together the collected articles, photographs, and graphics and printed a "black and white proof" for the first round of editorial review. Each member of the editorial staff, in turn, reviewed the black and white proof, marking it up by hand before passing it on to the next reviewer. This sequential process allows the editors to review each other's notes and reconcile any conflicting edits before the fully reviewed section was returned to the art director and incorporated into a new version.

Figure 3 shows a mock-up of a black and white proof, illustrating sequential hand editing marks for incorporation in the next revision.

At the start of the pilot it was anticipated that the editorial staff would exchange these proofs via their color fax machines. This plan, however, failed to consider the loss of fidelity that occurred as each page was scanned, printed, and hand marked, over and over again. Given the impending deadline for the summer issue, the magazine editorial and Telework Consortium staff did not have time to explore other options for electronic delivery of the black and white proof. However just such a process improvement has been developed for testing with the next issue.

Preliminary Findings – Improved Productivity. All three home-based participants felt that their productivity increased. Prior to the pilot their work at home had been limited to solitary tasks such as writing, editing, or researching articles. The magazine staff did not have access to their work e-mail at home and only occasionally returned work-related phone calls while they were outside of the office. The implementation of PVP tools greatly expanded the type of work that could be accomplished from home including the highly collaborative and visual tasks associated with publishing a magazine. Working remotely enabled the quiet time needed for individual tasks while the tools facilitated the interpersonal interaction also required. In addition the PVP tool also allowed them to snatch productive minutes whenever and wherever they could – including in their cars, in each other's homes and even in the bleachers waiting for a Little

League game to start. Two staff members commented that they could not have met their publication deadline without the increased productivity that was afforded due to working remotely.

Preliminary Findings – High Satisfaction. Productivity gains like those described above can come at the cost of lower satisfaction both with the job and with individual work/family life balance. This pilot group however felt that the increased flexibility in their schedules and the ability to more effectively manage both their work and family lives was well worth the increase in working hours. The staff felt that much of the increased work time merely substituted for what would have been time spent driving to and from work, and that it did not interfere with personal activities. In addition, they enjoyed the ability to take care of work tasks as they thought of them, even if it meant performing those tasks on a weekend or late at night. It was better to get things done and over with than to have the thoughts continue to bother them during otherwise personal time. Just as importantly, the CEO of Amendment I was thrilled with the product delivered during the first month of the pilot. He pronounced the 132-page summer issue, the largest issue ever published, "simply brilliant in every respect."

Figure 4. Standard commercial-off-the shelf hardware and software and a broadband Internet connection are all that are needed to enable Personal Virtual Presence (PVP). Here, Marratech Pro is running on a wireless laptop computer and standard web cam.

Preliminary Findings –Leveraged Technology. With the implementation of PVP tools, the staff was able to not only perform almost all aspects of their jobs from home, they were able to optimize the use of different technologies to suit a task and fit their individual needs and preferences. Instant messaging was used for quick, to the point information exchange; personal video was used for group meetings; graphics and other documents were reviewed with the electronic whiteboard. One participant remarked that the variety of features was critical to successfully meeting the deadline for their summer issue.

Preliminary Findings – Opportunities for Improvement. As with any organizational change, the implementation of remote work at Loudoun Magazine has not been without its stumbling blocks. As mentioned earlier, the traditionally paper-based review process for the black and white proofs is already being examined and must be converted to a more electronic-based process in order for the staff to further reduce their travel demands. Additionally, while satisfaction for the home-based magazine staff has been high, the one magazine employee who moved into the parent company offices has been less satisfied with this new way of working. Simply put, this staff member has experienced some of the disadvantages of remote work with few of the benefits. In particular, the same flexibility and autonomy that has facilitated increased productivity and satisfaction for the home-based workers has made communication with those workers more difficult for the in-office staffer. This employee has noted a need for establishing new communication processes and conventions that will electronically replicate customs associated with being in the office. This includes the ability to see if someone is in their office, notification when someone leaves the office and the ability to knock on an office door to interrupt an otherwise private office conversation. Other employees as well have remarked that the change in work location offers a great opportunity to revisit existing processes, even those

not directly related to working remotely, and to make improvements that will further increase efficiency and effectiveness.

Changing the Way Work Gets Done. Perhaps the most valuable finding from the Loudoun Magazine pilot to date is that unlike traditional *telework programs*, leveraging the most from ***remote work means changing the way that work gets done***. The successful implementation of remote work goes beyond merely implementing technology and changing the location of where work is accomplished. Implementing remote work means re-examining the business processes and making changes to those processes that leverage the new capabilities that are afforded. This means not only taking advantage of technological advances but also capitalizing on geographically and temporally dispersed staff. For Loudoun Magazine this took the form of a reduction in travel time, which translated into an increase in both the number of hours spent working and the availability of time in which work was possible. Overall the magazine is an excellent example of how even a regional business can increase productivity while maintaining high quality by leveraging the ability of a small staff to work anytime and anyplace. Such gains do not come without careful consideration of the underlying business processes, however, and Loudoun Magazine's opportunities for improvement are illustrative of that. Yet it is just such process improvement that is the best hope for continued competitiveness and financial success for companies both large and small throughout this region and the United States.

Figure 5. An extended selection team in 5 different locations met online to choose the cover image for Loudoun Magazine's Summer issue. CEO Brett Phillips (left) and Deputy Editor Elizabeth Wilmer (just off screen to the right) confer with Managing Editor Rita Mace Walston (right side of computer screen) while debating pros and cons of a candidate magazine cover that was later declined in favor of the cover shown in Figure 1. Additional electronic meeting participants can be seen at the upper left of the computer screen, two of whom can be seen, while 3 others had their cameras turned off. All participants could page through and discuss the candidate covers.

Study Focus: Estimating Highway Commuting Subsidies

Study Background. The study, *An Economic Analysis of Telework: Social Benefit Estimates Based on Commuting Cost and Tolls*, by Dr. Anthony Yezer (Oct 2003), is designed to illustrate how much tax money is currently spent on new highway construction, Metrorail extensions, or optimal toll roads in the Northern Virginia area, just outside of Washington, D.C. The substantial cost of additional commuters emphasizes the importance of making telework a priority for both business and government.

There are, of course, other benefits of telecommuting or telework. A few examples include time and cost savings for employees because of reduced commuting, real estate cost savings to employers, the potential to increase worker productivity and to reduce risk by encouraging a dispersed workforce, enhanced employee retention and recruitment, and the well-known environmental benefit of reduced air pollution that accompanies reduced traffic congestion.

Purpose of This Focus Paper. In the study, government subsidies for highway construction projects are calculated by analyzing four recent projects in Northern Virginia. This focus paper looks at one of these projects in detail, using diagrams to illustrate how the subsidy is calculated. See the full report for an algebraic method of calculating the subsidy for this project and three others.

Calculating Additional Passenger Capacity. First, the additional passenger capacity is calculated by taking into account the type of lanes added and their length in miles. Figure 1 graphically illustrates this calculation for the first project in the study, I-66 Outside the Beltway. In the figure, existing traffic lanes are shown in light gray, while newly constructed lanes are shown in dark gray. Peak commuter traffic flows in only one direction each rush-hour period; therefore, only one of the two new general-purpose lanes is included in the calculation. Both barrier-separated HOV lanes are included because they are reversible to carry the peak flow of

© 2003 Telework Consortium, Herndon, VA

traffic, regardless of direction. Using the Transportation Research Board's estimate of 2,000 cars per mile as the maximum capacity of a single lane of traffic provides a morning or evening peak capacity of 216,000 additional passengers that can be served by the new construction.

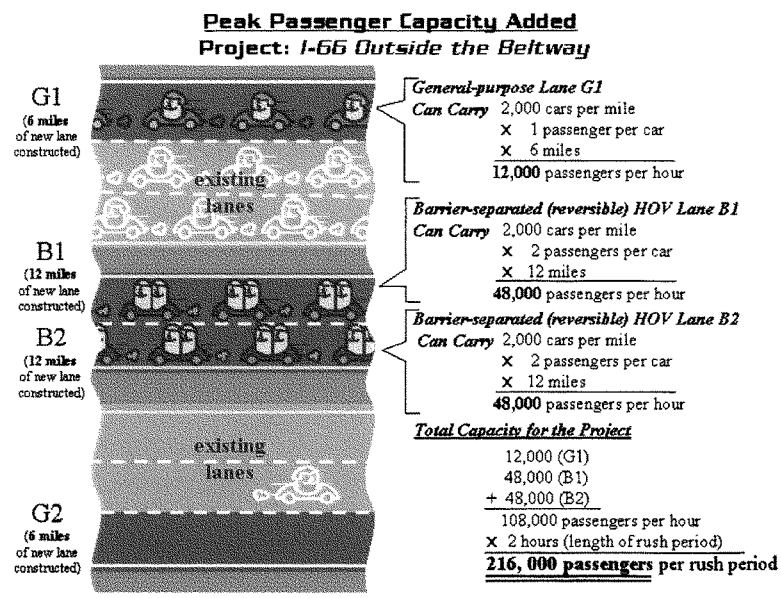
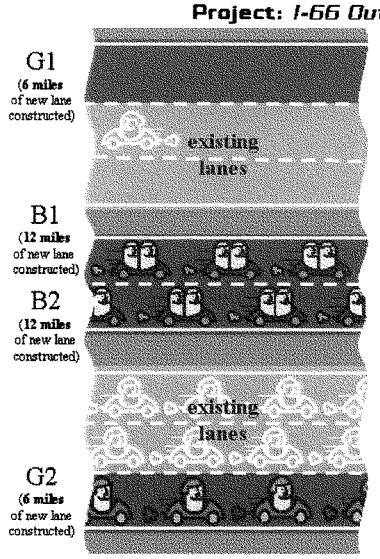


Figure 1. Peak capacity added for the project *I-66 Outside the Beltway*: 216,000 passengers. New construction (shown as dark gray lanes) adds 2 new general-purpose lanes, G1 and G2, and 2 new barrier-separated (reversible) HOV lanes, B1 and B2. Peak rush-hour capacity can use only one general-purpose lane but both barrier-separated HOV lanes, regardless of the direction of traffic flow.

Calculating Total Annualized Cost. The next step is to calculate the total cost of the project. Figure 2 shows the calculations for each component of total annualized cost: the annualized capital and engineering costs, annualized maintenance, and annualized right-of-way costs.

Capital and engineering costs are found in the highway project data and annualized using 4% annual accounting depreciation and a 5% interest rate. Right-of-way costs also are provided in the project data, and a 5% interest rate is applied (no depreciation is required). The Northern Virginia Transportation Coordinating Council planning document estimates highway annual operating costs at $17,000 per lane-mile. The total annualized cost for the *I-66 Outside the Beltway* project is $45,762,000.

Annualized Cost
Project: *I-66 Outside the Beltway*



Annualized Cost of Capital

.04 annual depreciation rate
.05 annual interest rate
.09
x $460,000,000 capital and engineering costs
$41,400,000 per year

Annualized Maintenance Costs

$ 17,000 operating costs per lane-mile
x 36 miles of new lanes
$612,000 per year

Annualized Right-of-Way Costs

.05 annual interest rate
x $75,000 right-of-way cost
$3,750,000 per year

Total Annualized Cost for the Project

$41,400,000 (capital)
612,000 (maintenance)
+ 3,750,000 (right-of-way)
$45,762,000 per year

Figure 2. Annualized cost of the project *I-66 Outside the Beltway*: 45,762,000 per year. The total annualized cost of the project is the sum of the annualized capital and engineering costs for the project, annualized maintenance costs for the four new lanes (shown in dark gray), and annualized cost of the right-of-way.

Calculating the Subsidy. The third step is simply to divide the total annualized cost, $45,762,000, by the peak passenger capacity, 216,000, to get the annualized subsidy cost of $211.86 per commuter per mile for this highway construction project.

Finally, to put the per mile subsidy into perspective, the study applies it to a representative commute of 15 miles each way. Multiplying $211.86 by 15 yields an average subsidy of $3,178 per commuter per year.

Similar calculations are made to estimate the subsidy for three other highway construction projects, as shown in Table 1. Averaging the four calculations provides an estimated subsidy of just **over $2,800 per commuter per year**.

Highway Construction Project	**Subsidy** (per commuter per year)
I-66 Outside the Beltway	$3,178
I-95 Newington to Occoquan	$2,760
I-95 Fairfax County HOV	$3,164
I-95 Prince William County HOV	$2,132
Average subsidy	**$2,809**

Table 1. Subsidies for the four highway construction projects range from a low of $2, 132 to a high of 3, 178, with an average subsidy of just over $2,800. These subsidies represent the tax dollars spent per commuter, per year, using a representative commute of 15 miles one way.

Additional Information. You can find the full report and related information on the Telework Consortium's website, at: http://www.teleworkconsortium.org/Theory_and_Practice/economics.asp#PublicCost

Chairman TOM DAVIS. Thank you.

The bell is going off. We have three votes on the floor, but I think we have time at least for Mr. DuMont to get your statement in. Then afterwards we will come back and pick yours up and get to questions.

Thank you for being here.

Mr. DUMONT. Mr. Chairman, distinguished members, it is a pleasure and a privilege to be with you here today to share both our experience and the experience of many of our clients around the world in facing the challenges associated with change management. Clearly, that is the issue that is on the table.

Today we still have the attitude that work is someplace you go rather than something you do, and that obviously is not supportive of telecommuting. My organization, my group is involved at this point in time as a trusted advisor on a pro bono basis with about half of the global 500 companies and over 100 major government agencies around the world. The problem is a recurring problem, that is, how do we effect change.

We did a study last year of 300 companies and asked the question of what challenges did they face in attempting to implement change. The going-in assumption would be that the problems of today are primarily associated with technology. What we discovered is that the No. 1 challenge in implementing change is indeed cultural; No. 2 is a lack of buy-in from leadership; No. 3 is the fact that the processes are not conducive to change; and on the fourth position in this study was the fact that there are still some lingering challenges associated with technology, but it was by far the least significant factor.

Let me relate a little bit of our experience, and one of the things that we have learned about change management is it typically only occurs when there is a crisis; otherwise, people resist change. In 1992 we faced a challenge, we faced a crisis. The problem we were having is that our growth rate could not be sustained by available people to hire in Silicon Valley. We needed talented engineers; there were essentially none available. The approach that we took was to formulate a policy, a guideline to use telecommuting in order to expand our recruitment area well beyond Silicon Valley so that we could go to the engineers wherever they were, and if they weren't willing to relocate, we would allow them to work on a telecommuting basis.

So we have over 10 years of experience deploying this kind of technology, and today, with our global human resources distributed over 81 countries, we are at a point where in excess of 90 percent of all of our employees, regardless of their job function, are telecommuting. They are telecommuting with broadband access from their residence. So we find that this indeed can be accomplished.

We measured the financial impact in terms of hard dollars for our last fiscal year ending July of last year, and our direct benefits associated with telecommuting were $187 million.

Today we are embarking upon a new generation of telecommuting. We have a pilot underway in our organization where 600 individuals are using a new generation of technology to telecommute. One of the challenges we faced in the past is that our people have said we don't want to be deprived of any of our applications, and

we are at the present time not able to provide full access to video, to e-learning, and those types of applications. With the new generation technology we will be able to do that. We will start this fall and we will convert essentially 100 percent of our people to new generation technology at their homes.

In terms of recommendations for how the U.S. Federal Government might move forward, No. 1, we would recommend that the focus not be on who is eligible, but that the focus be on who is ineligible, because we think that should be a far smaller number of people, and we believe that if people focus on the question of, well, why couldn't an individual telecommute, you will discover that there are very few who can't telecommute or, in the case of the folks out in the marshes, they should, in our opinion, be connected so that they can commute from the marsh.

We, at the present time, have an interesting policy, and our policy today is if you don't telecommute, we will subsidize you. So the current program is that we pay you up to $100 a month in order to get into a carpool or to ride the Metro to a location where, in reality, I think we have agreed we don't want you. We would suggest that we broaden the concept of commuting to include telecommuting, so that if you are willing to stay home, perhaps we could reimburse you for the broadband service so that you could be more effective at home.

We do believe that continuation of operations should have a very significant component in the form of telecommuting. We believe that we need to reinvent the processes in such a fashion that they are digitized. So if you look in my office, I have one file in my office, and only one file. It contains receipts so that in the event that the IRS should want to come visit, they could have something to look at. Other than that, I have no paperwork in the office, so I can commute from anywhere.

We think that metrics are important. We ought to be able to measure the work that is accomplished rather than the time that is put in. That will change the attitude of management. We don't believe in building second facilities; we believe that homes are probably the ideal place for most people to commute from. And we believe that it is important for the Federal Government to become competitive in attracting new people, because over 50 percent of the U.S. Federal Government employees will be eligible for retirement in the next 5 years and will face a challenge attracting new people.

So we personally find that telecommuting does lead to a competitive advantage in attracting people and continue forward with the next generation of telecommuting.

Thank you very much.

[The prepared statement of Mr. DuMont follows:]

Testimony of Stephen R. Du Mont
Vice-President, Global Public Sector Practice
Internet Business Solutions Group
Cisco Systems, Inc.

Hearing Before the

House Committee on Government Reform

"Beneficial or Critical: The Heightened Need for Telework Opportunities in the Post – 9/11 World"

July 8, 2004

Testimony of Stephen R. Du Mont, July 8, 2004

Chairman Davis, Ranking Member Waxman, and other Distinguished Members: Thank you for the opportunity to testify today regarding the value of telecommuting and the important role it plays in helping our employees perform their jobs with a high level of efficiency, security, and customer satisfaction.

My name is Stephen Du Mont, and I am Vice-President and Managing Director of Cisco's Global Public Sector Internet Business Solutions Group (IBSG). This role provides me with the opportunity to collaborate with a global team of in-depth experts, to share best practices with government entities around the world and to assist these entities in developing technology related public policies and implement plans aimed at creating maximum public value. The common thread in my career has been developing strategies, facilitated by networking technology, which enable organizations to become more responsive at lower cost. This allows for continuous and accelerated improvement in productivity and can result in higher levels of customer and citizen satisfaction. Two years ago, our IBSG Team defined these strategies and identified successful usage models in a book entitled, "The Network Virtual Organization (NVO)".

During the past year, our Team has been collaborating with a number of global government leaders to explore the question: What will the next wave of e-Government look like? It is our conclusion that the comprehensive application of NVO strategies will form the basis for this next wave and we have just completed a book entitled, "The Connected Republic". There are a number of examples cited which demonstrate how leading governments are indeed starting to achieve greater mission accomplishment with less expenditure of taxpayer proceeds, by deploying robust broadband networks. These networks facilitate the redefinition of government processes to deliver superior service to citizens at lower cost, as well as, enabling progress in the area of e-Democracy.

Cisco's telecommuting policies and procedures not only reduce our overall cost of operations, but also afford us uninterrupted access to mission critical corporate data and resources in the event of a natural disaster, homeland security threat, or other

continuity of operations interruption. Our widespread acceptance and encouragement of telecommuting, or teleworking, for all eligible employees is not only integral to our overall business continuance plan, but also supports the President's goal of national broadband availability by 2007. Not only does teleworking help achieve the goal; it becomes a benefit of the goal.

Today, over ninety percent (90%) of all Cisco employees worldwide utilize residential broadband services and telework a portion of their time. In 2003, the financial impact of this capability was $187 million dollars in increased employee productivity for the organization. That figure, coupled with the financial impact of Cisco's other employee and customer-facing network applications and services, resulted in over $2.1 billion dollars to the organization last fiscal year alone or approximately ten percent (10%) of Cisco's annual revenues.

Today I will focus my comments on productivity gains through strategic technology deployment, specifically as it relates to teleworking, and its natural evolution as a key enabler of any continuity of operations plan.

Teleworking: A Practitioner's Approach

In 1992, Cisco's rapid growth was exerting pressures on both Recruiting and Facilities to accommodate staff expansions, and the expansions were expected to continue for several years. Our new product development initiatives required the hiring of many new engineers, and the local labor market in the Bay Area could not fulfill all of the company's needs. While many qualified engineers were available in other regions, these workers were not always willing to relocate. Consequently, a number of key engineers in remote cities were hired under teleworking arrangements, whereby they made major contributions while maintaining their current residences. At the same time, there were some key engineers who wanted to move to other locations. By offering them teleworking arrangements, we were able to retain their services at their new desired location. As a side benefit at the time, we realized major savings on relocation

expenses, office expenses, and improved the quality of life for many of its key intellectual capital contributors.

So in 1993, Cisco became one of the first companies in Silicon Valley to develop Telecommuting Guidelines for both managers and employees, as well as a Telecommuting Agreement to standardize policies and procedures for teleworkers. Today, over 20,000 our employees worldwide have high speed remote access for teleworking, and over 90% have some form of remote access and telework a portion of their time. Why is high speed remote access important to teleworkers, and what benefits does it deliver to the enterprise and the employee?

Extending Corporate Applications

Early Cisco telework initiatives offered employees traditional remote access to data applications, primarily using our Virtual Private Network (VPN) client solution. To those who only needed email and basic web applications, this proved to be a viable solution. However, many employees demanded access to the same applications in their home office as they had access to from their campus office. Applications including collaboration tools, IP Telephony (VoIP), audio conferencing, E-learning using video on demand, and executive video broadcasts using what we call the IP/TV® solution. These applications do not function optimally over a VPN client-based software solution. It was important that we extend corporate applications to the home, without compromising corporate security or IT management policies.

Challenges

Security: Protecting remote small offices and workers connected to the enterprise network requires the same degree of security as the main entrances. A 2003 security study conducted jointly by the Computer Security Institute and the FBI concluded that 78% of network attacks come through the Internet -- the remote mobile worker's primary method of network entry. End-to-end security is critical as remote employees may be opening up unguarded "back doors" into the corporate network. It is imperative to not

only have strong authentication features and policies to ensure who is accessing the network, but that the device accessing the network is healthy. Virus infection on data networks has become a serious problem and the health of the device must be established before network access is granted and viruses have a chance to be propagated.

Central IT Management: Typically, the mobile environment exists outside the control and sight of corporate management. This introduces complexity in remotely managing, supporting and applying policies over a network of widely distributed remote access points. In many cases, IT staff, wanting to do the right thing, will try to assist do-it-yourself users having problems even though the equipment is not supported. This can result in shadow IT projects, special configurations, and a significant drain on limited resources. The hidden cost can be substantial.

Enterprise Class Teleworker Trial Solves Challenges

In order to extend advanced applications to the home with Quality of Service, while incorporating end-to-end security and IT-management polices, Cisco deployed a pilot teleworker hardware solution. The trial consisted of approximately 600 employees with residential-class cable and DSL broadband access services, VPN routers, and IP Phones. Based on the results of this trial, we are rolling out this solution to employees worldwide this fall.

The router in the home provides advanced end-to-end security features, such as proxy authentication, which establishes the identity of the person logging in. In addition, Network Admission Control establishes the health of the device, before the user is granted access. This helps prevent viruses from propagating on the network. In addition, as legislation to protect personal data is on the rise, all data must be encrypted. The hardware device facilitates this encryption without causing jitter or delay for voice or video applications. IT can manage these remote routers and ensure that security policies are not left in the hands of individuals.

Business Results

Return on Investment / Lower Total Cost of Ownership:

- Participating groups reported an average cost savings of $100 per month in phone charges per employee by using IP Telephony technology in the home
- Aggregated savings were almost $430,000 per month with a payback period of less than two months
- Possible real estate savings were not calculated into the measurement, but prove considerable for other organizations that are new to supporting telecommuting in the workplace

Productivity:

- Participating trial users gained an average of 30 minutes per day based on no commute time
- Users also noted an additional four hours per day gained per month, as they were able to continue to work despite inclement weather, sick family members, or traffic delays

Policies that Facilitate Success:

- Employees are eligible for a monthly reimbursement up to $100 for Internet Service Provider (ISP) access to telework. Employees can select the ISP of their choice
- Employees can expense up to $500 for one-time installation and equipment fees associated with ISP access for teleworking
- Approval for teleworking and a monthly reimbursable account require a one-time Manager approval

Business Continuance: Our Experience

Teleworking is an essential and integral part of Cisco's Business Continuance or Continuity of Operations Plan. As an example, the major ice storms and snow last winter impacted one of our major Research and Development facilities in Raleigh, North Carolina. Our Cisco campus was without electricity for several days, resulting in the complete displacement of more than 2,500 employees until power was restored and roads were safe. Approximately 50 of the North Carolina employees, including several

members of the Technical Assistance Center (TAC), were participating in the teleworker pilot program. These employees found that when their homes had power, their teleworker setups were functional, offering them access to the full suite of corporate applications required to maintain business operations.

Some employees, when notified that their homes would be without power for an extended period, simply transported their hardware setup to a location with power and broadband service and continued working. The cost savings were measurable, tangible and substantial. Business continuity was not based on the number of employees who had four- wheel drive, but rather on a secure, managed and fully functional solution.

Business Continuance and the Federal Government

The Presidential Directive PDD 67, issued by President Clinton in October of 1998, directs all levels of government to plan for and be able to continue minimum operations in any potential national security situation. It assigns specific, essential functions to federal agencies based on their existing statutory authorities and capabilities. Each agency must publish a Continuity of Operations Plan; support the program by maintaining the necessary planning and budgeting processes; and ensure their ability to respond during a national emergency through training, testing, and evaluation.

In addition to PDD-67, the Federal Preparedness Circular 65, Federal Executive Branch Continuity of Operations (COOP), provides guidance for agencies as they plan for continuing essential functions when emergencies disrupt normal operations.
EPA Order 2030.1, Continuity of Operations Plan Policy, establishes a uniform policy for developing and implementing COOPs within the Agency. It also ensures that Agency's internal organizations are able to continue essential operations during man-made, natural, technological, and national security emergencies.

Many Federal agencies are in the early stages of establishing teleworking capabilities that could easily integrate with a continuity of operations plan. The objective is to provide continuity of operations based on home broadband connectivity or telework

versus connectivity from a remote site or alternative disaster recovery site. The premise is that, in the event of a natural disaster or homeland security threat, a large number of government employees will 1) not likely be able to travel to an alternate site due to traffic congestion or 2) not wish to leave their families during the threat. Additionally, avoiding ever having all of the individuals capable of performing a particular function in the same physical location can dramatically reduce terrorist threat vulnerability.

Cisco is in discussions with organizations to develop workable demonstrations of this capability, modeled after our own deployed solution. The demonstrations leverage two critical components, residential broadband access and telecommuting solutions, to ensure access to the host organization's rich array of networked business applications including video for real-time command and control decision making. It also includes home office use of fuel cell technology which provides an alternative fuel source in the event of a power grid failure. So in the event of a man-made, natural, technological, or national security emergency, the host organization's internal employees will be able to continue essential operations from their home sites or alternate locations securely and under the control of the internal Information Technology department. The main tenets of PDD-67 as well as the Federal Preparedness Circular 65 and EPA Order 2030.1 will have been met.

Working with and Recruiting Employee Talent from Remote Locations

Cisco leverages talent in many locations and it is critical to the success of our business model for these employees to be able to work together seamlessly with their peers, colleagues, customers, and managers as a type of Networked Virtual Organization.

The U.S. Federal government, like many governments around the world, is facing a demographic challenge. Over half of the current federal team will be eligible for retirement in the next five years. The percentage in the area of IT professionals is even higher. It will be exceedingly challenging to recruit and retain adequate numbers of qualified individuals to overcome the anticipated talent losses. It is our experience that offering a robust telecommuting solution dramatically increases the attractiveness of

joining the team and would place the federal government in a much stronger position to compete for these resources. The higher level of productivity, which can be achieved with the right telecommuting solution, will also help in alleviating the replacement demands.

Providing employees with access to equivalent and common sets of applications and services in geographically dispersed locations creates a built-in backup plan to keep business processes functioning in unforeseen circumstances.

Summary

After more than ten years experience, our company still adheres to the same basic policy of using broadband technologies and teleworking to improve the productivity and quality of our workforce. Support for Telecommuting by business and government provides an additional incentive for Americans to obtain broadband services. The President has recognized the importance of universal broadband connectivity to our nation's security, productivity, educational achievement, and quality of life which is why he has called for universal availability of broadband by 2007. Enhancing the federal government's use of telecommuting can be an important driver in achieving the President's goal.

I would like to thank you, Mr. Chairman and other committee members, for inviting me here today. I am happy to answer your questions.

Chairman TOM DAVIS. Thank you very much.

And, Mr. Richert, Ms. Goldberg, we will get back to you after—why don't we take about a half hour recess, allow you to get something to eat, and we will come back. Thank you very much.

The hearing is in recess.

[Recess.]

Mr. SCHROCK [assuming Chair]. Thank you all for indulging us. We are victims to these bells, and when they go off, you have to go, because if you don't vote, 2 years hence somebody will say he didn't vote. So I want to thank you all again.

Mr. DuMont, before we start, is your compound in Santa Clara County?

Mr. DUMONT. I am sorry?

Mr. SCHROCK. Is your head office complex in Santa Clara County, CA?

Mr. DUMONT. We are in Silicon Valley in San Jose.

Mr. SCHROCK. San Jose.

Mr. DUMONT. Right next to Santa Clara.

Mr. SCHROCK. Did you take an old campus and convert it, is that where you are?

Mr. DUMONT. Yes. We are down Tasmine Boulevard. We started a number of years ago with a very clever scheme of building buildings and calling them A, B, C, D, not recognizing that when you get beyond 26 buildings it becomes challenging. So we are now up to about Z+25.

Mr. SCHROCK. I think I have been there. I think I know where you are.

Mr. Richert, thank you for your patience, and the floor is yours.

Mr. RICHERT. Just to clarify, I think that it was Sun that developed the campus that you are talking about, the old development mental hospital.

Mr. SCHROCK. Yes. OK. It was a mental hospital.

Mr. RICHERT. It was appropriate for our organization.

Mr. SCHROCK. Is that right? Your words, not mine. It is amazing what you did with that campus.

Mr. RICHERT. Thank you.

Mr. SCHROCK. Just amazing. That is where my parents live, and my dad would drag me through there for years while you were constructing it, and when it was done it was just amazing. Good use of an old property.

Now that we are done with that, the floor is yours.

Mr. RICHERT. Thank you.

First of all, I would like to say that in all the comments that have preceded mine, clearly the Government and various agencies have a very good idea, a good grasp of the benefits of telework programs, as well as the challenges, so I am not going to repeat those now. I will just say that we have a very broad implementation, so I am going to make several comments based on that broad implementation.

To give you an idea of the breadth of the implementation so far at Sun, we have 43 percent of our work force who are what we call flexible or home-based workers. And when I say 43 percent, that is the number of people who have given up an office of their own so that they work from home or they work from multiple locations

around the world, really, anywhere that they want to work. We hope that will go up to 58 percent in this coming year.

So there are several comments I wanted to make just based on what the discussions this morning were. I absolutely agree with Steve DuMont's recommendation that if it is as all possible to change the policy wording from identifying eligible employees to identifying ineligible employees, I think you will have much better luck in gaining participation. At Sun, 100 percent of Sun's employees are, in this terminology, eligible. But then what we have built is a suitability assessment tool, essentially, a Web-based, portal-based assessment tool so that any employee can go in, assess his or her ability, express their willingness and preferences, analyze their support, whether from a technology perspective or management perspective, and basically analyze whether they are suitable for such an arrangement and the scope of that arrangement.

I will say that the vast majority of people, much as has been stated here earlier, choose to do this arrangement and work from home 1 to 2 days a week. I think that is very consistent with what has been stated here earlier, a smaller percentage working primarily from home 3 to 5 days per week. And I will also say, though, the key to all this is it is not only a home to primary location thing, it is a Sun location to Sun location phenomenon as well. So, in other words, if you are a flexible employee at Sun, you can work literally from anywhere, from any Sun location, from home. We do have drop-in locations because there are employees who simply cannot work from home because of various circumstances. Remember, we are talking about a worldwide program, so there are some situations where that is just not practical, and yet they want the advantages of telework.

The second point I would like to make in response to questions about—matter of fact, I think, Mr. Schrock, you brought up the questions of technology security. Clearly, Sun is very concerned about that, and in response to that Sun has provided two primary ways to connect to its network. One is a way in which I think probably many of the Federal agencies do, as a matter of fact, we use Cisco technology to do it, it is VPN technology, virtual private network. So if you have what is called in the industry a fat client, which is a laptop or a PC, the way you could gain access to the network is through VPN.

But a much more secure way, and where we are headed for all of Sun's employees, and I know that the Department of Defense is beginning to use it as well, and other governmental agencies, is what we call a thin client technology, and the product line is what we call Sunrays. But the beauty of Sunrays is that there is additional security through a smart card, in our case it is a java-based card, which identifies its holder on the network, and then, of course, all the applications, all the information, all the data resides in the data center, not on the device. So if somebody steals the device, if it is lost, it is of no circumstance.

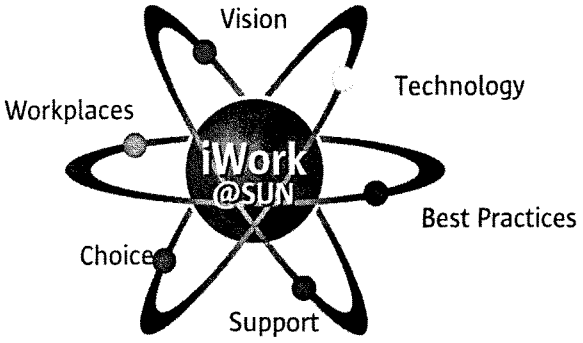
The third thing I would just like to point out or suggest is around manager resistance. The primary thing we started with, which was enormously useful, was collecting data on work and work practices. Managers who believe that they need to see their employees all the time, and there are managers who believe that,

are surprised when they realize that in fact today they are not seeing their employees all the time, that today employees are doing what they need to do to get their work done, and the way to demonstrate that is through a rigorous program of data collection on work and work practices and work profiling.

And final comment is Mr. Davis mentioned the importance of group affiliation. We absolutely agree; it simply takes some new techniques, some new discipline, some new skills to assure that group affiliation is maintained.

Thank you.

[The prepared statement of Mr. Richert follows:]



STATEMENT OF
ERIC RICHERT
VICE PRESIDENT, IWORK SOLUTIONS GROUP
SUN MICROSYSTEMS, INC.

BEFORE THE
HOUSE COMMITTEE ON GOVERNMENT REFORM

HEARING ON
"BENEFICIAL OR CRITICAL? THE HEIGHTENED NEED FOR TELEWORK OPPORTUNITIES IN THE POST-9/11 WORLD"

THURSDAY, JULY 8, 2004

"iWork at Sun"

The following is a high level overview of Sun Microsystem's "iWork at Sun" initiative, focusing on background, key components, implementation tools, success indicators, lessons learned, and current challenges.

I. What is iWork at Sun?

iWork is an internal workforce solutions initiative that has profoundly impacted the company's work, and its workforce. It consists of a solution suite of products, policies, and support tools that enable Sun's employees to work effectively wherever their work may take them; whether at the office, at home, or in many places along the way. To do this, iWork provides a distributed work environment that includes "Flexible" Sun workspaces, Drop-in Centers, Employees' homes, "on-the-road," a variety of group work settings, as well as traditional workspaces for those who need them.

iWork at Sun integrates edge and web technologies, forward thinking work and management practices, and new workplace ideas to support employees' work needs and preferences, optimize resources, control costs, and enable business agility. Key to this is the work infrastructure – technology, workplaces, best practices, and support – which Sun has been steadily rebuilding during the past 10 years to support an increasingly mobile and distributed employee population.

Today, about 43% or 17,000 of Sun's 40,000 employees and on-site contractors particpate in iWork at Sun. This participation includes employees from all of Sun's Businesss Units, representing nearly all job types within Sun: Sales, Service, Engineering, Marketing, Operations, and Corporate. In fact, to some degree, roughly 70% of all employees in the company are "mobile" (travel frequently from place to place to do their jobs) or "distributed" (choose to work in locations some or much of the time that are away from their main work groups). These figures continue to grow, reflecting a phenomenon found in businesses today wherever "knowledge workers" are found.

II. What drove the development of iWork at Sun?

iWork's roots can be traced to changing assumptions about the work practices of knowledge workers, and the unique characteristics of a knowledge-based business. Today's knowledge workers have widely varying needs that stem from different kinds of job types and work tasks, geographically distributed customers and partners, personal and family situations, and work styles. The nature of knowledge work, which relies on thought and information rather than muscle and machinery, allows for greater freedom for individuals to choose where and when to work, but only if the work infrastructure accommodates such choice.

Business organizations also have diverse and dynamic requirements based on rapidly

evolving and globally dispersed product and labor markets, changing rates of organizational growth, and product innovations generated from within and without. These dynamic needs inevitably challenge the organization's work infrastructure to evolve in concert with changing business environments, with little or no lag time.

Against this background, Sun has collected a variety of workforce and work pattern data confirming that traditional work infrastructure does not match many employees' actual work patterns. Rather than supporting the way people are already working, traditional workplace and technology provisioning and management practices are ineffective for many employees. In a Sun study 5 years ago, roughly 35% of all employees were not even badging into their assigned buildings on a typical work day. And those who did were often in meetings, or travelling between Sun locations to engage with colleagues and partners. Clearly, there is a pent up demand for a different work infrastructure solution to better support an increasingly mobile and distributed workforce. Since data confirms that employees are, to a large extent, mobile, distributed, and often "out of the office", the need to rethink design of the work environment is a business imperative, both to better support employees as well as to make more efficient use of dollars devoted to work infrastructure.

III. What is the iWork Value Proposition?

A. Value To The Company:

1. A flexible workforce with flexible infrastructure enables agility in all parts of the company
2. Sun's iWork infrastructure supports business continuity when the unexpected happens
3. iWork positions Sun to quickly, effectively respond to "next waves" of growth in the industry with manageable capital expenditure
4. Cost control results from highly efficient use of iWork's technology and real estate infrastructure.

B. Value To Business Units and Managers:

1. Helps attract and retain the best people globally, regardless of their location
2. Uses the Net to organize, expand and integrate work groups across the company, breaking down traditional organizational, physical, and technological barriers
3. Employees who choose a flexible work arrangement report higher morale, higher productivity

C. Value To Employees:

1. Having choice in when and where to work enables more efficient and effective use of time
2. Provides greater flexibility in planning work and meeting commitments
3. Has positive impact on self-reported productivity and job satisfaction
4. Fosters improved work / life balance. iWork saves time!

IV. What are the key components of iWork at Sun?

The basis of iWork's success lies in its integrated IT, physical, and policy infrastructure, developed and "bundled" to meet rigorous objectives for performance, customer acceptance and satisfaction, scalability, and cost effectiveness. The following is a list of the essential components of the iWork infrastructure:

A. Three Primary Work Arrangment Choices: Sun's employees can choose, with managers' approvals, from three distinct, high value work arrangements. **"Sun Assigned"** provides employees who need a single primary work location within a Sun building with a traditional "assigned" office. **"Home Assigned"** provides employees the ability to work from home 3-5 days per week. These employees benefit from avoiding commutes or attending to family needs, while doing work that can be done "at a distance" from their main work groups. **"Flexible"** provides employees with the ability to work "from anywhere," including support for work from home up to 2 days per week, in "drop-in centers," on the road, with colleagues at other Sun locations, and at main Sun locations as and when needed.

B. A Network of Places: A variety of workplace types are used to meet the needs of Sun's diverse, "Flexible" workforce. Employees can work from any number of "Flexible Offices" around the world, where offices are shared, and workspace can be reserved in advance through Sun's web based reservation system, SunReserve. Drop-in Centers and "Flex Zones" are also provided; their distribution based on work patterns and employee need. In addition, Sun provides a robust support system for employees who want to work from home, either part time or full time. Today, nearly 2,000 Sun employees work primarily from home, and any of Sun's 15,000 Flexible employees are able to work from home up to 2 days per week, when they need to or choose to do so.

C. Technology Solutions: Sun's technologies make it possible for employees to stay *securely* connected and be productive, whether on Solaris, Linux, Mac or Windows, using a variety of desktop and mobile devices. Sun hardware, software and network intelligence are crucial to the success of iWork, providing secure access to information, data, applications, and services "anywhere, anytime". Essential iWork technologies include the Java Card, Sun Ray thin client, JES portal, directory, web and identity servers, and JDS on Linux, Sun's affordable open source desktop software. These technologies enable anywhere access to computing services securely and easily, minimizing the risks of data loss and viruses.

D. Distance Collaboration: Communication, knowledge sharing, collaboration, and team work take on new dimensions within distributed organizations. Sun has established a Distance Collaboration program to improve the ability and ease with which Sun employees' work with colleagues from a distance –whether across town, or around the world. The program drives improvement in collaboration tools and best practices needed for effective distributed work.

E. iWork Policy & Provisioning: Explicit policies, outlining the guiding principles and "big rules" for employee participation and management approval are crucial to the success of iWork at Sun. When endorsed by upper management, and made readily available to employees, such policy statements have an important stabilizing affect, especially in the areas of change management and user acceptance. Equally important are the policy statements addressing provisioning of furniture and equipment, and reimbursement of employee incurred iWork costs.

F. Education & Training: In order to learn about iWork, prepare themselves for change, and to quickly become effective in the new work environment, people require easy access to information. Relevant, effective education and training programs are essential aspects of change management and user acceptance. Therefore, Sun has established various web-based and classroom iWork training courses for both employees and managers, whose needs differ. Focal areas include time management and personal organization, remote management, staying connected to colleagues, and distance collaboration.

V. What tools support the expansion of iWork at Sun?

A. Services & Support: Scalable, effective, user-friendly tools and services are required to make employee participation in iWork at Sun a quality experience. The following are considered to have high impact on employee acceptance of, and satisfaction with, iWork:

1. **SunWeb portal:** The comprehensive internal employee portal, featuring up-to-the-minute information on news, life and work at Sun. The portal provides personalization capabilities for users, making it a model for delivery of web services.

2. **iWork website:** A site on the SunWeb portal that provides Sun employees and managers with a "one stop" source of services and information about all aspects of iWork. Users are able to easily find links to detailed information about iWork at Sun, as well as to tools and support, policies, and iWork reports.

3. **iWork Select:** A web service for employees and their managers, iWork Select enables users to learn all about iWork, take an on-line iWork Suitability Assessment, and initiate an automated Category Change process. iWork Select provides a standard methodology for determining which work arrangement – "Sun-Assigned", "Flexible", or "Home-Assigned" – is the best fit for each individual, and, upon manager approval, also facilitates all aspects of the category change.

4. **SunReserve:** A Sun web-based tool that enables employees to reserve Flexible Workspace in advance, and locate mobile colleagues, anywhere around the world.

5. **Accessline:** A communication management system chosen by Sun to enable employees to manage their telephone calls and faxes in the iWork environment. Accessline gives mobile employees the ability to direct calls to multiple locations and devices, making it easy to stay in touch with colleagues regardless of distance or location. Accessline will soon be supplemented by Voice over IP on the Sun Ray thin client.

B. Change Management: Sun's ability to expand iWork hinges on the use of effective change management tools. Employee and Manager awareness, readiness, and acceptance are three distinct areas of change management upon which the success of iWork at Sun depends. Robust communications planning, socialization of issues, education and training are equally important in achieving these goals.

Two of the most valuable tools Sun uses in Change Management are:

1. **Sun CAP methodology:** The Change Acceptance Process (CAP) is Sun's standard approach to managing change effectively in our business, enabling change capability across the company. Sun CAP facilitates change by identifying obstacles – such as stakeholder resistance, or lack of alignment – and providing tools for analyzing and overcoming those obstacles.

2. **Engagement Agreement:** The iWork Engagement Agreement is the primary tool delineating the standardized roles, responsibilities and expectations for delivery of an iWork Project. It is the service level agreement, or "contract", between members of the iWork project team (Sun WR, IT and HR) and the local management team representing end users. Each entity is responsible for specific deliverables, and each is evaluated / scored based on the quality and timeliness of those deliverables.

VI. How is the impact of iWork at Sun measured?

A variety of metrics indicate the impact iWork has on people, business, and cost:

A. iWork Scorecard Survey: An on-line survey administered annually to all employees working in iWork environments. Data collected reflects levels of satisfaction with iWork in specific areas such as technology, work space, and management support. Current data indicate that, overall, employee satisfaction with iWork at Sun stands at 73% vs a desired target of 80%. Sun's Corporate, Engineering, and Americas Field employees rate their satisfaction at over 80%. Our European and Asian employees (where all components of the program are not yet fully available) rate satisfaction at about 65%. Scorecard data is used to identify and prioritize continuous improvement efforts each year.

B. Business Impact: Currently, our primary measure of business impact is

infrastructure costs saved or avoided. In FY04, implementation of Sun Ray thin clients resulted in $53 million of savings. Reductions in our real estate portfolio through the Flexible Office program allowed Sun to avoid/save $71 million in FY04.

Though impacts on business are often difficult to quantify, they are nonetheless evident through observation in the areas of Business Continuity, Organizational Agility, and Productivity.

1. **Organizational Agility:** Our Sales organization in the U.S. was able to reorganize its market coverage model from a geographic to an industry and customer focus, without incurring the time and dollar costs normally associated with moving people based on new reporting, work group, and customer relationships.

2. **Business Continuity:** iWork has played a significant role in Sun's ability to respond to emergency situations, supporting rapid recovery of operations, and enabling work despite debilitating events. The loss of a major Sun facility at the World Trade Center, the impact of SARS on travel and work arrangements, and a shut-down blizzard in Colorado are all events which Sun was able to quickly mitigate with its networked, flexible iWork infrastructure.

3. **Productivity Indicators:** Information about employees' perceptions of Work, and how the initiative affects their jobs, are gleaned from a variety of sources:

    - **Performance Reviews:** analysis of annual performance reviews indicate that Sun Assigned, Flexible, and Home Assigned work arrangments, when matched to an employee's work needs and preferences, each results in the demanding performance ratings "profile" that Sun targets each year. The key to impact on performance is not the specific work arrangement, rather, it is the proper match of arrangement to an employee's work and preferences.
    - **Employee Turnover:** Voluntary turnover data indicate some higher-than-normal voluntary turnover during the first months of implementing the iWork program within a business group, and then rapidly declining to significantly lower-than-average turnover as the group goes through the change process. Employees who are able to choose their work arrangements show voluntary turnover at a rate that is ½ of the company average.
    - **Employee Choice:** Self reported productivity scores are very high for those employees who are able to choose their work arrangement, and are supported in that arrangement by their managers.
    - **Time Saved:** Data on time saved through flexible and home

options indicate that Sun's employees typically give Sun 60% of the time saved, and "take" 40% of the time saved for themselves and their families...a real win-win outcome.

VII. Lessons Learned

The level of success of Sun's iWork Initiative has, from the beginning, relied on continuous improvement efforts driven largely by lessons learned through implementation. Many factors contribute to Sun employees' positive perception of iWork, but we have found the following themes to be critically important in delivering quality iWork solutions inside Sun:

A. Collect Data: Sound data is the most pursuasive argument for change, and forms the foundation for decision making and commitment. iWork at Sun has essentially been built on data that sheds new light on employee attitudes, work effectiveness, and infrastructure cost and functionality. This data, and resulting strategies for improvement of Sun's work environment, has given iWork credibility and viability throughout the company, and has had a strong influence on people's willingness to accept and embrace change.

B. Understand "Ability": The migration toward new ways of working, triggered by new business realities and evolving technologies, is made possible by knowing exactly how people work, and what they need to succeed in their jobs. In particular, understanding the "work profiles" of individuals and groups has enabled us to help employees and their managers properly match work arrangement with the work they do.

C. Understand "Willingness": In addition to being *able* to work in new ways, people need to be *willing* to adopt new arrangements as well. To that end, Sun's iWork program provides clear but differentiated value within each arrangement: Sun Assigned, Flexible, and Home Assigned. Employees are able to choose the arrangement that not only fits their work needs, but also their personal and family needs and preferences. Within Sun, approximately 20% prefer Sun Assigned, 20% prefer Home Assigned, and 60% prefer Flexible, particularly including the ability to work from home or from a drop-in location 1-2 days per week.

D. Provide Operational Support: For flexible work solutions to succeed, thoughtful development and implementation must be followed by effective operational support. This means establishing support services for technology set-up and troubleshooting, providing training on how to use new technologies, and offering education on best practices and organizational skills. In addition, since many offices and other work resources are shared amongst Flexible workers, proactive support on issues of "rules of etiquette," cleanliness, and office supplies has proven to be a key to the success of the program.

E. Manager Support and Acceptance: One of the most important issues when rolling out flexible or telework programs has to do with management perception. To many

managers, the value of organizational agility, hiring "anywhere," supporting customers wherever they are, and employee satisfaction is apparent. To others, particularly to managers who "supervise" rather than "lead," this kind of program can be a challenge. Certainly, some new skills and management techniques are required to assure group productivity and cohesion. We have learned the importance of enabling managers to help structure the overall program, assuring that they maintain reasonable "control" through approval of work arrangements and manager-employee agreements, as well as providing necessary training and sharing of best practices.

VIII. Summary

Sun has developed its iWork program over a number of years. Currently, 43% of its workforce are active participants. We have developed tools, processes, policies, and the needed IT and Real Estate infrastructure for an effective program. Development and improvements will continue in the years to come. We now have the capability to help Sun's customers develop and implement similar programs to support their mobile and distrubuted workforces, whether for purposes of cost control, employee benefit, customer benefit, business continuity, or environmental concerns. These are all important needs that an effective, flexible work program can address, and that we are now ready to offer Sun's customers.

For more information on Sun's internal iWork initiative, contact:

Eric Richert, Vice President, iWork Solutions Group
Sun Microsystems
eric.richert@sun.com

Mr. SCHROCK. Thank you very much.

And all the way from Fairfax County, Ms. Goldberg. Thank you for your patience, and the floor is yours.

Ms. GOLDBERG. Thank you for the opportunity to be here. I want to mention that Chairman Davis supported telework early on when he was chair of the Fairfax County Board of Supervisors, and he continues to do so today, and we are all very, very grateful for that.

Given all the testimony, and being last, but not least, I want to focus on three points from my written statement. Fairfax County Government, first of all, think about the scale here. We are talking about 11,000 permanent employees. We did exactly what has been discussed today, and it worked for us. We determined who wouldn't be eligible; and it was never who, it was the kind of work, what kind of work wouldn't fit telework. Then we did develop an assessment tool so people could look and see whether they actually did fit the other category. We determined that there were at least 5,000 jobs. We wanted to hit 20 percent of those 5,000.

But backing up a bit, let me tell you what I want to focus on. We followed the Federal Government's lead 10 years ago, and it sounds today as though we are still very much in concert with you and following as well.

I also want to mention a couple of our perspectives on the challenges we still face. We are like a lot of employers. We did a pilot program, very small, 50 employees, 14 different agencies. Even that small pilot in 1 year saved 180,000 commuting miles—remember, everyone is in this region—and 6,000 commuting hours. When we hit our goal of 1,000 teleworkers, 20 percent of the 1,000—and that is just an interim goal—we are going to be saving almost 1.8 million driving miles, and it factors out to something like 800,000 pounds of pollutants removed from the air. We also saw measurable productivity increases, and that managers and teleworkers were really satisfied with the arrangement.

We did start an expansion campaign, as the Federal Government has done, that relied on marketing and training. That was also mentioned today. We tried everything; Web presence, face-to-face. I mean, it truly was marketing to all employees, as well as training for those that would be potential teleworkers and their supervisors. It really paid off. We had less than 150 teleworkers when we started the expansion program in January 2002. By October 2003 we had 550, and the latest report is 729. Now, it is all scale; remember we are much smaller, but we are really getting growth in telework. We have had over a 400 percent growth since January 2002. So Fairfax is very close to its goal. They will reach their goal, they will exceed their goal, and they will continue to grow telework.

Some of the challenges: support from the top of the organization is absolutely essential. That said, just because it is there doesn't mean everybody really believes it. It isn't enough to make the success happen; it just isn't enough. So people have talked about incentives as well as maybe even penalties. We would rather stick to the incentive side.

The devil is in the details of taking top-level pronouncements and support and advocacy, and translating it into operations. It really takes persistence. Sometimes we thought it was a really hard sell when it seemed like such a logical thing to do and such

a positive thing to do. But I can't emphasize enough that you have just got to stick with it; you have to stay on message. What you are trying to do is reach critical mass so that telework can become as ordinary as a compressed work week. I am old enough to remember 20 years ago when a compressed work week was heretical. It was scary; people weren't going to really work those extra hours when the supervisor wasn't there to watch them. We are really having the same dialog, it is just focused in a different area.

Managers are a key constituency, and we view them as a constituency. They need support. If they haven't managed a distributed work force, then they need support to be able to do it. Our police officers and library people and social service people got it because they manage a distributed work force. So they were quick to identify jobs and tasks that could be done. Even though you wouldn't necessarily think public safety could be included, but in fact there are jobs in public safety that can be included. So we really do want to help them find the ways to do the measuring and reporting that is necessary. And essentially that question: "how do I know they are working if I am the supervisor, how do I know they are working if I can't see them?" And rhetorically, but honestly, the answer is: "how do you know they are working when you can see them?" I mean, they can be totally checked out; you don't really know. So you have to measure the outcomes.

I would like to mention, although I will defer to others on the panel about this, but technology is a challenge. Most of the people that telework are not technical people; they know how to do certain things, that it is different when they are working without tech support. The technology can be uneven. There are wonderful things out there; they cost money. Also, management isn't always aware of how to use even what they have. Fairfax County uses a thin client, as you were discussing. In other words, the data for security is residing on the computers in the county's network, in its area. People are—it is almost like back to the future, they are using a dumb terminal to get into those data; and that definitely works. We are finding—and it wasn't mentioned much today, telecommunications is still a challenge. Everybody doesn't have a cell phone. We can't afford cell phones for everybody. We need to keep phone numbers private and we need ways to handle long-distance calls and so forth. So we are still working on that.

And last, no matter how easy and attractive you make this arrangement, some people don't want to do it. And they need to be able to combine it with compressed schedules and also with options for vanpooling and carpooling so that we can still address those traffic issues. Fairfax is making progress, and we will continue to do so.

[The prepared statement of Ms. Goldberg follows:]

Committee on Government Reform – Hearing Testimony for July 8, 2004

THE BEGINNING OF TELEWORK IN FAIRFAX COUNTY GOVERNMENT

Fairfax County government has been involved with telework since 1994 when the board of supervisors asked staff to look into the feasibility of telework for the organization. I was the staff person assigned to that project and the subsequent pilot program.

For its research, Fairfax drew heavily on the work of the federal government General Services Administration, the Office of Personnel Management, and other federal agencies with telework programs in place. In addition, Arlington County, Virginia, the Commonwealth of Virginia, and Montgomery County, Maryland offered information and insight based on their experience with telework.

In 1995, Fairfax established a one-year telework pilot program for 50 teleworkers from 14 agencies. Based on the federal government's example, the program was evaluated based on data gathered throughout the pilot. The results were positive. Overall, managers were satisfied with the telework arrangement. They reported that customer service was the same or improved, as was communication between the teleworkers and their supervisors. Problems with telework arrangements turned out to be few and were quickly resolved.

Teleworkers reported that they got more work done on a telework day than on a typical day at the office. Managers agreed. Teleworkers also said their morale was higher and they felt trusted and valued as good performers.

Telework was cost effective. Minimal start-up expenses were off-set by demonstrated productivity increases. And one year of this small pilot saved 180,000 commuting miles and 6,000 commuting hours.

Based on these results, the board of supervisors approved telework as a work option in April 1996. But despite interest in the pilot program, and increased enrollment for several years thereafter, telework didn't really take off.

THE NEED TO EXPAND TELEWORK

In the fall of 2000, the board of supervisors endorsed the Metropolitan Washington Council of Governments (COG) goal---to increase telecommuting in the region to twenty percent of the eligible workforce by 2005.

For Fairfax, this meant reaching a goal of 1,000 or more teleworkers---twenty percent of the approximately 5,000 jobs suited for telework.

In January 2002, the county began an effort to expand telework and "reintroduce" it to the workforce. (For clarification regarding my role, I retired in 2001and was asked to return on a part-time basis as the telework program manager.)

We developed a marketing campaign directed to all county employees and training sessions targeted to potential teleworkers and their supervisors.

The marketing relied heavily on communication---both formal and informal---to publicize the county's commitment to telework. The methods of communication included:

- Briefings for employees at all levels;
- Discussions with department heads and senior managers;
- A telework web site on the county's intra-net;
- An e-mail box for questions and comments;
- Announcements in the daily electronic news bulletin;
- Features in the biweekly employee newsletter;
- "Recruitment" Posters and flyers posted in each department;
- A telework procedural memorandum from the county executive – basically the Standard Operating Procedure for telework in the county. And the county executive's challenge to department heads to telework at least one day a month;
- Special events such as a Telework Expo and;
- Coverage in local newspapers including the Washington Post.

The training provided information on why the organization supports telework; what telework is (and is not), and who is eligible. It showed potential teleworkers how to craft a "business case" for telework, plan and organize work, maintain communication with coworkers and supervisors, and use the available technology for best results. For supervisors, training also addressed ways to manage workers they didn't see every day.

The expansion effort more than tripled the number of teleworkers. By October 2003, the county was past the half-way mark towards its goal of 1,000 teleworkers. When Fairfax reaches that goal, county teleworkers will save 59,000 commuting hours and 1.8 million commuting miles in a year. This equates to more than 800,000 pounds of pollutants removed from the air.

THE FAIRFAX TELEWORK PROGRAM TODAY

The Fairfax county government program is much like other programs offered by public and private sector employers. It began as a successful pilot, showed promise, reached a plateau, declined, and now demonstrates the potential for renewed growth.

The definition of telework in Fairfax is reflective of other programs nationwide. It is: *Work performed from home or another location during an employee's normal work hours and on a regular basis such as one day a week. Telework can also be set up on a variable schedule for special projects, or for periods of recuperation or family and medical leave.*

It is a structured program. A work agreement is signed by the teleworker and supervisor and approved by the department head. Departments have the flexibility to implement telework within basic program guidelines.

Eligibility is determined at the department level based on established criteria regarding the suitability of the work and the worker, and the ability of the work unit---the division, branch, or team---to operate with some workers off-site.

The teleworker provides the home office space and pays for utilities, Internet service provider (ISP), additional phone line or cell phone, and other equipment as needed.

The county provides loaner PCs, pagers, long distance access, and basic office supplies as needed. Employees can also use the county's telework site in the human services building in Alexandria, Virginia. This site, known as the south county center, is particularly useful to employees who live or work in that part of the county.

The profile of Fairfax teleworkers is reflective of the county's workforce. For example:

- The average age is 46;
- The average salary is $58,000 (20 percent above the average $49,000 for the total workforce);
- The average years of county service are 13;
- Teleworkers spend and average of 1 hour and 20 minutes to commute 38 miles to and from work.

Diversity among teleworkers mirrors the composition of the county workforce in terms of race and ethnicity. In terms of gender, however, there are three times as many women as men teleworking, while the workforce is evenly divided.

Every department participates in telework and teleworkers' jobs fall into various categories:

- Not surprisingly, the majority---58 percent---are in management, staff, fiscal, and technology positions;
- 14 percent work in health and human services;
- 13 percent are in administrative support positions;
- 7 percent hold uniformed or sworn public safety jobs and;
- 8 percent are in engineering and inspections.

THE CHALLENGES AND LESSONS LEARNED

Support from the top levels of the organization is absolutely essential but it is not enough to guarantee success.

It takes persistence and time for telework to take hold in a large, public sector organization. It's crucial to stay on message. It's necessary to do a lot of hand holding to reach critical mass and enable telework to become as common a work option as flexible schedules or compressed work weeks.

Managers are a key constituency. Telework can be viewed as one more thing to manage and one more potential employee relations problem. Supervisors need support to develop the skill and confidence to manage a distributed workforce. We need to recognize that their resistance comes from real concern about accountability---their own and that of the teleworker.

Technology remains a challenge. Most teleworkers are non-technical people who have to learn new things about technology to succeed. At the office, employees have access to on-

site technical support. Employees working at home forego the proximity and comfort of tech-support. A positive result of Fairfax's telework expansion is hands-on technology training and help-desk support for all teleworkers.

Fairfax has secure, reliable, web-enabled access to e-mail and network applications. (The county uses Citrix Metaframe technology.)

But we face challenges with telecommunications support. We need uniform, cost effective ways to handle long distance calls, privacy of the teleworker's home phone number, access to department cell phones, and services like unified messaging for call forwarding and voicemail.

Finally, we must take into account that telework doesn't appeal to all employees--- regardless of the type of work they do. Some employees and supervisors prefer a flex-schedule or compressed work week. Some employees ***want*** to come to the office every day and, if they are not already doing so, could be encouraged to use a car pool arrangement. Employees should be able to choose and to combine options.

Despite these challenges, Fairfax is making progress and remains committed to telework as one strategy to reduce traffic and air pollution in the region. I am personally convinced that telework is a viable way to improve the quality and productivity of the workforce.

A Great Way to Work
FAIRFAX TELEWORKS

The Fairfax County Government Telework Program

FAIRFAX TELEWORKS - Quick Facts

- **Telework means working from home or another location during your regular work hours.** County employees telework one or more days a week, biweekly, monthly. Or, telework may occur on a variable schedule for special projects, and for periods of recuperation or family and medical leave.

  ✓ Telework is voluntary on the part of the manager and teleworker. Telework requires management approval.

  ✓ Telework is structured---for example, there's a work agreement signed by the teleworker and manager.

  ✓ Telework is not for everyone and doesn't fit every job. Eligibility for telework is determined at the department level based on the suitability of the work, the worker, and the work unit (branch, section). The question to ask is: *Are there 8 or more hours of work that can be done effectively from another location once a week, biweekly, monthly, or on a variable schedule?*

  ✓ Telework focuses on work results rather than where the work is performed.

- **Telework benefits the region, county, teleworkers, and managers.**

  ✓ **It's good for the environment**. It reduces pollution from vehicle fuel emissions. It reduces traffic congestion. Telework is one strategy for meeting air quality standards.

  ✓ **Telework makes good business sense.** On average, teleworkers are 20% more productive on telework days. Teleworkers save commuting time and miles. Many employees say telework decreases stress and increases overall job satisfaction.

  ✓ **Managers can strengthen their skills** by 'tele-managing' remote workers. Telework is also a way to assure the continuation of business operations when weather or other events disrupt travel to the main work site.

- **Response to telework is positive from employees at all levels.**
  ✓ There are over 500 teleworkers in county government as of October 2003.
  ✓ A recent survey shows that 96% of teleworkers are very satisfied with it.
  ✓ Most county departments have teleworkers.

- **The Department of Information Technology provides secure and dependable** remote access to the county's network. Teleworkers can assess the applications they use at the office.

FAIRFAX TELEWORKS IS SPONSORED BY THE OFFICE OF THE COUNTY EXECUTIVE

Committee on Government Reform – Hearing Testimony for July 8, 2004
Attachment 2 – Text of Washington Post article featuring Fairfax County Telework Program

Working From Home Gains Converts

Governments Warming To Telecommuting Option

By Lisa Rein
Washington Post Staff Writer
Sunday, December 8, 2002; Page LZ03

To policymakers aching to break up Northern Virginia's traffic gridlock and reduce the region's dangerously high car emissions, Richard Sleeman's home office means one less vehicle clogging roads between his subdivision in Sterling and the Fairfax County Government Center.

To Sleeman, 48, a computer systems administrator assigned to cubicle 838.7 in the Pennino Building on Government Center Parkway, working from home one day a week means a more productive day, more time with his wife and daughter and a lot less stress. He doesn't have to crawl through 20 miles of traffic along Route 7 and Fairfax County Parkway.

"I can do virtually everything at home short of a face-to-face meeting," said Sleeman, a 20-year veteran of county government who keeps track of billing and clinical information for the Community Service Board, which serves the mentally disabled and substance abusers in Fairfax. "And I get so much more done. People don't pop by to distract you."

Sleeman's work arrangement, dubbed telework, has become the norm for 350 county workers in Fairfax, the Washington area local government leading the way in encouraging flexible work arrangements. Although teleworking has for years been the domain of private companies and, slowly, the federal government, county governments are starting to recognize that salespeople and entrepreneurs aren't the only ones who can work from home.

The region's other county governments are slowly starting telework programs, too. In Maryland, about 40 Montgomery County employees work from home, 27 in Rockville and fewer than 50 in Anne Arundel County.

Loudoun County has 60 teleworkers, Arlington about 20 and Alexandria is looking into a program, according to the Metropolitan Washington Council of Governments, which tracks teleworking in the region. Prince George's and Prince William counties do not have formal programs but allow some employees to work from home on an as-needed basis.

"It's a major behavior change for people who think, 'We work for the taxpayers, we're public servants and I need to be seen to be at work,' " said Carol Goldberg, the county's telework program manager, who devotes her workday to recruiting new converts, training

them and their bosses and making sure their home computers are hooked up with the county's system.

Goldberg was managing the county's payroll department in 1995, when she was asked by the county Board of Supervisors to launch a pilot telework program for 50 employees. Now, she tries to round up 15 new teleworkers every month from a pool of 5,000 potential candidates in the county's workforce of 11,000 -- employees whose jobs lend themselves to independent, computer-based work.

The county has a teleworking goal. By 2005, 20 percent of the eligible employees should be logging on to computers from home at least one day a week. The target was set for the region two years ago by the Metropolitan Washington Council of Governments at the direction of Supervisor Gerald E. Connolly (D-Providence), who served as the planning agency's chairman. The target in Fairfax is 1,000 workers.

"We've been more hidebound in the public sector, where employees are concerned that if they're out of sight they'll be overlooked," Connolly said. "But local government employment is substantial and can make a big difference. We're hypocrites if we don't get into this game in a serious way."

The current crop in Fairfax is as diverse as the county's workforce: accountants, administrative assistants, analysts, buyers, cable producers, engineers, librarians, planners, real estate appraisers, social workers, human services workers, tax specialists, paralegals and police officers.

Police officers?

Not every cop walks a beat. Lt. Brett Reistad, for example, transferred last May to the internal affairs division, where he inspects command stations and other police buildings to ensure that policies and procedures are uniform. It's largely independent work, writing up inspection reports. Reistad, who worked patrol for a decade and criminal investigations for eight more years, is setting up an office in his Manassas home, where he plans to telework at least two days a month.

"It's a matter of taking a floppy disk home and working on the same document from home," he said.

The benefits he anticipates? A break from his 50-minute commute between Prince William and the Judicial Center and flexibility to be available should one of his four children and step-children get sick and need to stay home from school.

"The difference is taking a day of sick leave, versus sitting behind the computer and being productive," Reistad said.

Fairfax, the region's largest local government, is also the most proactive in encouraging teleworking one or two days a week. Managers are encouraged to suggest the arrangement to self-motivated employees whose jobs don't always require them to report to an office. Everyone gets a manual with tips on setting up a home office, accessing the county's computer network, forwarding phones and staying by the phone.

Bosses are encouraged to telework themselves, Sleeman, the systems administrator, supervises two computer analysts, both of whom telework.

Fairfax officials have a bureaucratic term for the ideal telework arrangement: transparency. It means that when an employee is talking on the phone or communicating electronically with a vendor, client or someone outside of county government, the person on the other end, ideally, has no idea the employee is at home, possibly in bathrobe or slippers.

"You could be a buyer in the department of purchasing and you could be in your cube and the vendors don't know where you are, and that's a good thing," Goldberg said.

The system is not for everyone.

Maha Bichay, a county accountant who works two days a week from her Springfield home, said she has encountered managers who oppose giving their workers such wide latitude in their workday.

"I run into people who say, 'Do you really work when you're at home?' " Bichay said. "But really, an employee can play here or there."

Bichay was one of the pioneers to test telecommuting seven years ago, when her two children were toddlers and she wanted to spend as much time as possible with them. Her husband's job requires a lot of travel, she said. Now, she is behind her computer at 7:30 a.m. so she can pick up her kids from school at 3:20 p.m., two days a week.

"When I get my kids, I consider that my lunch break," Bichay said.

Her job is suited to independent work on the computer. She reconciles tax payments by Fairfax residents with the county's financial accounts. Besides a flexible schedule, the change to teleworking boosted Bichay's self-esteem at work, she said.

"It starts with your supervisor trusting you," she said. "They want to see that you can produce. You want to prove to them that you could do better when you're home. It becomes your responsibility."

© 2002 The Washington Post Company

Mr. SCHROCK. Thank you. I can be away from the office, but I am not away from the office when I have this. And the miles you said they save, especially in a gridlock area like Fairfax County, it is worth it from that standpoint alone. And any time there is change, no matter what organization it is in, people are reluctant, especially government. Nobody trusts government, local, State, or Federal, and when they think they are doing something for you to help, you are telling them you are helping them, it takes a long, long time to get people on board; but they will. And if industry does it and it works, I think the Government will get on board at some point.

Thank you very much.

Ms. Gardiner, of the 92 percent of employees that telework, can you describe the frequency to which TIGTA employees participate?

Ms. GARDINER. Yes. We have what we call the four levels, and so people who telecommute 4 to 5 days a week, that is 112 people, that is about 13 percent; for people who do it 2 to 3 days as week, that is 217 people, 25 percent; limited is just the 1-day, that is 61 people; and then episodic is 397. So 1 or more days a week is 390 people; the episodic has 397.

Mr. SCHROCK. Your Atlanta office participates in this program, but what other locations do you have that are participating? Is this a regional issue? I would be curious to know where else they are participating.

Ms. GARDINER. Actually, that is our total staff. We telework all across the country. We have more than 70 offices nationwide. I brought up the Atlanta office because that was one where they really bought into it more than most cities. We had a large presence there because IRS had previously had a large regional office and a service center and district offices there. We had a lot of folks in those offices, and since they were teleworking so frequently, we would find that the office space just was not utilized, that people would all the time be complaining, you know, I went down to visit and there was nobody there but two people. So that is where we decided to experiment with the hoteling, where we share workstations and people reserve them. So we were able to turn back 50 percent of the space in just one of the offices and reduce the number of workstations. That has worked very effectively.

Mr. SCHROCK. If you were trying to sell this program to other agencies, what would be your pitch? And, by the way, your agency should be commended for the incredible results you have in making this thing work. But how would you pitch this?

Ms. GARDINER. That it really does work; that it does improve morale, it does improve employee productivity, it saves money. It actually creates better managers, too. The points that the other panel members have said, and I believe are true. That just because somebody is sitting in front of you doesn't mean anything, and that is what we have been trying to get people away from that mentality.

Now, I will say that the occupations that the people in our office are in, auditors, investigators, data programmers, we know what they are doing, we know about how long it should take. We can very easily measure productivity and whether they are doing what they are supposed to be doing. So whether they are sitting at a desk in front of us or they are traveling or they are in a hotel or

they are at home or in a Starbucks, it really doesn't matter as long as they produce results.

Mr. SCHROCK. Scott, thank you for mentioning the Herbert Bateman Center and, I guess as a way of a plug, the Herbert Bateman Education Center is in the Chincoteague Wildlife Reserve, and it absolutely has to be the most incredible education center of its kind in the world, and I think it is so stated; it is just incredible.

So if you are thinking about a vacation this summer, might I suggest the eastern shore of Virginia and Chincoteague. The folks in Chincoteague and the eastern shore will love that, I can assure you.

Scott, you explained that the nature of many of the Interior positions makes telework impossible, but even the rate of those who can participate is fairly low. So how does your department determine what employees are eligible to telework?

Mr. DUMONT. Frankly, Mr. Schrock, that has been a problem. We have largely left it up to our bureaus, our eight bureaus, Park Service, Fish and Wildlife, Geological Survey, and so on, to come up with their own policy and their own criteria up until now. But we have noticed, in looking at the results from one bureau to another, there are some really obvious anomalies. So that is one reason why we are coming up with the departmental policy and trying to get more consistency to try to get people to apply definitions in a common way, and we will have that in place end of September, early October.

Mr. SCHROCK. It is clear the nature of Interior work is you are out in the wild, which is a wonderful thing, but you still have a big old building down here on Constitution, I think it is. I would think some of those people would relish the thought of not coming into this gridlock everyday.

Mr. DUMONT. You are right, Mr. Schrock. In fact, I suspect it is Interior employees, main Interior building employees or we have two or three other office buildings where we have space here in downtown D.C. that are disproportionately represented among the 2,000 or so of our employees who in fact are teleworking. Just walking down the hallways talking to people in the normal course of my daily work experience, I hear all the time that Joe is teleworking today from home, so it seems to be, for the Washington, DC. employees at least, not a particularly unusual situation.

Mr. SCHROCK. Mr. Mihm, what recommendations would the GAO suggest to better encourage folks to telework?

Mr. MIHM. I think one of the things that is most important, and Director James was pointing to this, was making sure that we have a good understanding of exactly what the barriers are, and she said we have that because of the surveys that she has done, as well as kind of other work that we have all been discussing here today, and then train exactly off of that with a real leading practice or best practice approach. As you know, Mr. Chairman, they have the Chief Human Capital Officers Council, which is, in our view, just a great vehicle that she could be using with her kind of parts or her colleagues in each of the executive branch agencies to identify leading practice, identify very specific cases where agencies have said we have a barrier, have been able to overcome it, have cost savings and all the rest, and then show that to agencies. Nothing

works better in Washington than being able to show a specific example.

Second thing that I think they ought to do, and we spent a lot of time on the practices that are key to successful programs, and they have already distributed those to agencies as well as GSA, is to continue to train off of those and show that you do need to have a good performance management system in place, you do need to be thinking of a whole series of issues that are policy-related and support-related and the rest.

And then third and what I think is very important, if what gets measured gets done in most organizations, here in Washington what gets overseen gets done. And so congressional oversight, this hearing will send clear messages back to agencies.

Mr. SCHROCK. We hope.

Mr. MIHM. Just simple conversations in the other context of, oh, by the way, how are we doing at telework at your agency. That is the type of thing that goes from the secretary and filters right down.

So I think those are really the three keys.

Mr. SCHROCK. If you had to recommend to Congress about a new legislation or new initiatives, what would you recommend?

Mr. MIHM. At this point it is not so much that we see the need for new legislation. I mean, there may be the need for that eventually. We think that there is so much that agencies need to do with the current authorities that they have been given. Congress has sent a message on what we want to have done in terms of eligibility for telework. There really needs to be the need.

Now, I know that Mr. Danny Davis is considering legislation or dropping legislation that would be looking at considering additional pilot programs. Something like that is certainly worthy of consideration, but in terms of broad, across-the-board additional guidance to agencies, you have said what you need to say; it is now up to the agencies to step up.

Mr. SCHROCK. I would certainly think the more of these hearings you have, the more people start to get the message, hey, Congress isn't going to ease up on this thing, so, frankly, probably new legislation isn't necessary.

Mr. MIHM. Absolutely. And, sir, as Carol was saying, there comes a point of critical mass or the tipping point of where an organization gets it, where they see and managers see that it is possible to manage, that you don't lose control, that work gets done and productivity increases, and then that is where you get to the launch point. I don't think we are there yet governmentwide. We may be approaching it, but I think sharing some best practices and training very specifically off of some of the weaknesses is exactly the way to go.

Mr. SCHROCK. Ms. Gardiner's organization is the key organization, they are the showcase, I would think.

Mr. MIHM. We enjoyed the opportunity during the break. I was pumping her for information on episodic, because it is something that we are just entering into at GAO.

Mr. SCHROCK. So it was good we were gone for a half hour.

Mr. MIHM. Well, I would never say that to a Member, sir.

Mr. SCHROCK. No problem.

Dr. Kane, again, thank you for your indulgence, and thanks for bringing my friend, Tim Hugo, with you; appreciate that. You have discussed how the current commercial technology has changed, the type of work that can now be done by using telework. Can you give us some specific examples of that technology and what it makes possible?

Mr. KANE. I think a good example was a recent clip on Channel 4 here in Washington where, instead of just sort of workers connecting simply, we had basically Leesburg, VA, connected to Stockholm, Sweden, actually out of Stockholm. It was all in realtime; we were able to see one another, we were able to sort of share a common document. So this whole idea of sort of having face time——

Mr. SCHROCK. That is a teletechnet approach, isn't it?

Mr. KANE. Yes. And it was all commercially available technology. It was all over the public Internet, so there was no additional telecommunications cost, and it was really a combination of that desktop application as well as Internet access. That, to me, sir, is one of the points that I think a lot of how we are thinking of telecommuting is sort of like, well, I can be remote and sort of maybe do email or access a file, but what we see at the Consortium is the technology now is so rich that the work experience is very much as if I were sitting here looking at you directly and talking with you directly.

Mr. SCHROCK. It is amazing. The Navy does a lot of that because the commanders sitting in Norfolk can see their people on the ships at sea and have meetings. It is just incredible.

Mr. KANE. Exactly.

Mr. SCHROCK. I guess we need more and more of that inside the Beltway here.

Mr. DuMont, thanks for coming from California. Do you live in California?

Mr. DUMONT. No, sir. I have my office in California. Depending on the depth of the snow in northern Utah, I either telecommute from northern Utah or from Chicago. So it is between 700 and 2,000 miles, and, once again, I have no real necessity to be in my office in California, which is a shared conference room because it only has one file in it.

Mr. SCHROCK. I set myself up for that, didn't I? So you telecommute.

Mr. DUMONT. I telecommute, spending half of my time out of the country as well.

Mr. SCHROCK. In a society that is very concerned with terrorist attacks, as we should be, are we certain that confidential information like Social Security numbers, military secrets, etc., is not vulnerable to hacking through these telework systems?

Mr. DUMONT. We can be reasonably assured of that, although I think it is conservative to say that there is probably no network in the world that is totally non-vulnerable. But in reality what we now have is technology which enables us to connect thousands of points—i.e., home residences—through to networks with the same degree of security that we would have if we put all of this into a single building. So the answer is yes. We can do encryption, and the new exciting thing that we are discovering is that we now have the ability to put low-cost technology in these thousands of loca-

tions that enables encryption of video and data and voice traffic simultaneously with high levels of security.

Mr. SCHROCK. Just like the military, I guess. How integral is telework to your organization's continuity of operations plans?

Mr. DUMONT. We automatically inherit a high level of continuity of operations. When you think about the fact that over 90 percent of all of our employees, that is 34,000 people distributed across approximately 100 countries, that over 90 percent of those individuals are fully equipped with broadband connectivity in their homes, if we were suddenly of all of our office facilities, we would still find that we have the vast overwhelming majority of people in a position where they can continue to function as if nothing had happened.

Mr. SCHROCK. I have heard stories that Osama bin Laden, although he rides horses, can communicate with one of these and a laptop; he needs nothing more. Same kind of concept, except you are the good guy, I want to make that real clear.

Mr. DUMONT. Absolutely. I think the same applies to good guys and bad guys, that those that want to telecommute can. And I think the point is with the newest technology we are in fact able to address this socialization issue, because in our new technology package that we will be rolling out this fall to essentially all employees worldwide, they will have, and every employee today has a laptop, but they will have that connected with broadband connectivity so it will respond very rapidly; they will have a color high resolution video conferencing telephone available to them, so when you just make a telephone call, dial someone's number on the assumption that they have the same equipment, you will automatically have a video conference; and all of the information with regard to data bases is instantaneously available and as manipulatable as if you were in an office location somewhere. So essentially it becomes one and the same.

Mr. SCHROCK. It kind of follows me to the last question I was going to ask you. What additional technology would you like to incorporate into your telework programs in the future?

Mr. DUMONT. Well, I think the big jump that we are talking about is the whole concept of video for e-learning, for interaction, as well as video in what we call executive communication context, so that people can download those video modules whenever they are available to view them.

Mr. SCHROCK. Mr. Richert, thank you for being patient, and you really do have a magnificent campus. Why anybody would want to telework away from there is a mystery to me, but that is what this hearing is all about.

How do you determine the productivity of an employee who works through the iWork program?

Mr. RICHERT. How do we determine the productivity? It is very difficult to directly measure productivity; I think everybody would tell you that and would say that. So we do a variety of things. First of all, on an individual basis, the primary thing is setting goals, setting objectives, and measuring people's results against those objectives in the aggregate so that when we, as a program office, are looking at the effects on productivity, we look at the aggregate of performance reviews, we look at voluntary turnover, we look at in-

dicators of productivity or impacts on productivity. Until some genius figures out how to measure directly the productivity of knowledge workers, we look at the intermediates.

Mr. SCHROCK. Which is kind of interesting. Just because you are in an office somewhere being watched over, sometimes can make you less productive.

Mr. RICHERT. Right.

Mr. SCHROCK. When I was in the Navy, I was stationed in Florida one time, and there was a lieutenant colonel in the Marine Corps who would always tell the boss I am leaving. He would say, where are you going? He would say I am going to coordinate. And he got by with it. And he got more done, whatever he did, out there somewhere than if he was sitting in the office twiddling his thumbs, waiting for 5 to come. So being out there sometimes makes you more aware of what is going on in the real world than if you sit in a cloistered office somewhere. So it makes a lot of sense.

Mr. RICHERT. Absolutely. The point is, and all of our data shows it, is that a very large percentage of our work force is on the move in one way or another, working in multiple venues in one way or another. It is simply better if we support them in doing that, which is what the iWork program is about.

Mr. SCHROCK. I agree.

Ms. Goldberg, I have one final question. It sounds like you are excited about what Fairfax is doing, and obviously it is working. And if it works for Fairfax, that should be an example for everybody. How would you recommend Congress motivate agencies to telework? The big stick, huh?

Ms. GOLDBERG. Well, remember I said that top level support is essential, but it is not enough. And I think what Chris was saying is so true: the information is out there, but departments, agencies, and individual managers and employees who are potential teleworkers really do need that hand-holding, whether it is on the technology piece, or how they are going to record their productivity; and we have done it in very, very simple ways. I think the focus needs to be on the translation piece, from the policy, to the actual implementation, to operations. So it has to be somebody's job and somebody needs to be accountable for it.

Mr. SCHROCK. If every Federal agency would let most of their employees telework on Fridays, it would sure help me get home a lot quicker to Virginia Beach, I can assure you. Fridays are a nightmare.

I appreciate your being here, all of you. It is very important to hear what you all have to say. This is a very important topic that is going to continually be revisited, because it is clearly the wave of the future, and when you have something that is so far-reaching, sometimes people can't comprehend and don't want to participate. But the testimony you have given us here and the dialog we have had back and forth has been very important. I appreciate your all coming, and we may see you here again. Thank you very much.

This hearing is adjourned.

[Whereupon, at 12:05 p.m., the committee was adjourned, to reconvene at the call of the Chair.]

[The prepared statements of Hon. Elijah E. Cummings, Hon. Dennis J. Kucinich, and additional information submitted for the hearing record follow:]

Statement of Congressman Elijah E. Cummings
House Government Reform Committee
On
"Beneficial or Critical? The Heightened Need for Telework Opportunities in the Post-9/11 World"
July 8, 2004 at 10:15 a.m.
Rayburn House Office Building 2154

Thank you, Mr. Chairman, for holding this hearing, which will serve as an opportunity for us to discuss the status of current measures to implement telework practices, otherwise known as telecommuting, in the federal government.

In October of 2000, Public Law 106-346 was enacted. This law requires that each executive branch agency establish a telework policy "under which eligible employees of the agency may participate in telecommuting to the maximum extent possible without diminished employee performance." The law required that by April 2001, 25 percent of the federal workforce should telecommuting and an additional 25 percent of federal employees would begin telecommuting during each subsequent fiscal year. Mr. Chairman, by the end of this year, 100 percent of the federal workforce should be telecommuting, yet only 13.7% of those eligible are actually telecommuting. We are currently far behind our mandated figure of 75% for 2003 and will be even further behind by the time this year closes out.

Since 1990, Congress has passed laws encouraging and funding the implementation of a federal telework system because of its many benefits. Not only does telecommuting save the federal government money with a decrease in space requirements, but it also adds productivity because of a drop in commute time, and provides better retention and recruitment because of telecommuting incentives. Telecommuting also lends to a better quality of life, with decreased stress levels from driving in rush hour traffic, less time and money spent on commute, parking, and lunch, as well as a friendlier family environment. Teleworking also serves to reduce the overall pollution and general traffic congestion posed by daily commuting.

With the heightened security and Congress' desire to implement solid and effective continuity of operations planning, it is even more pressing that we do all we can to make sure that federal workers have the ability to telecommute. As we saw with the anthrax incident in 2001, office displacement can be devastating to office operations. In my office, staffers were displaced for several months and much of our computer information was lost. Congress needs to insure that, in the event of a similar occurrence, federal employees are prepared and valuable information is protected. The urgency of better telework practices is not just beneficial for cost savings

purposes and employee contentment, but more importantly, it is crucial for the continued operations of the federal government in the result of a disaster.

I look forward to hearing from today's witnesses. I hope their testimony will help us to better uncover the reasons for the current low level of employee participation and understand what can be done to compel agencies to allow and encourage more federal employees to telework on a more frequent basis.

Mr. Chairman, thank you for holding this hearing.

I yield back the balance of my time.

Possible Questions:

PANEL I.
These questions can be directed at the witnesses in panel one.
Kay Coles James, Director, Office of Personnel Management
Stephen Perry, Administrator, General Services Administration

1. In July 2003 a GAO report found that the Office of Personnel Management (OPM) and the General Services Administration (GSA) had difficulty coordinating their telework efforts, but as a response to this report resolved to commit themselves to improve coordination. How were these discrepancies resolved and what steps have been taken to assure future coordination?

PANEL II.
These questions can be directed at the witnesses in panel two.
Pamela J. Gardiner, Acting Inspector General for Tax Administration, Department of the Treasury
Kathleen J.H. Wheeler, Deputy Chief Human Capital Officer, Office of Policy, Management and Budget, Department of the Interior
J. Christopher Mihm, Director, Strategic Issues, General Accounting Office

2. A study performed by the Merit Systems Protection Board shows that telework is one of the most desired but least available family-friendly programs. What is the best method to employ to assure that these programs are implemented in an efficient manner?

PANEL III.
These questions can be directed at the witnesses in panel three.
James A. Kane Ph.D., President & Chief Executive Officer, Software Productivity Consortium
Steve DuMont, Vice President, Internet Business Solutions Group, Cisco Systems, Inc.
Eric Richert, Vice President for iWork Solutions Group, Sun Microsystems
Carol Goldberg, Former Telework Program Manager, Fairfax County (VA) Government

3. How do you overcome the management barriers tied to telecommuting, such as assuring accountability in your workers without a manager physically present?

Statement of Rep. Dennis J. Kucinich
U.S. House of Representatives
Committee on Government Reform

Hearing on "Beneficial or Critical? The Heightened Need for Telework Opportunities In the Post-9/11 World"

July 8, 2004

Since 1990, Congress has passed several laws that have helped to implement telework opportunities for federal employees. According to a law sponsored by Rep. Frank Wolf in 2000, 25% of the federal workforce was supposed to be eligible for telework in April 2001, 50% in 2002 and 75% in 2003. However, according to an Office of Personnel Management report in May 2004, less than 4% of the federal workforce telecommuted in 2003 – a figure far below the 75% that was mandated by law.

The benefits of telework are great. In addition to the numerous logistical benefits such as reduced traffic congestion and pollution, reduced commuting time for employees, increased productivity, reduced need for office space, lower transportation, parking and food costs for employees, telework improves quality of life. It is a family-friendly work option that allows employees flexibility and comfort, and it is an option that employees desire. Moreover, telework allows federal organizations to better engage in continuity of operations in the case of an emergency.

Why has telework not been better implemented? There are various barriers that have prevented the full realization of telework, including concerns over data security, funding for equipment technology, and management resistance. While some measures have been taken to address these challenges, more must be done to achieve the much-needed higher percentage of telecommuting federal employees. Telework is an important option for both emergency preparedness and employee satisfaction. I hope this hearing will address the challenges of implementing telework and provide ideas for viable solutions to these challenges.

STATEMENT OF COLLEEN M. KELLEY
NATIONAL PRESIDENT
NATIONAL TREASURY EMPLOYEES UNION

to the

COMMITTEE ON GOVERNMENT REFORM
U.S. HOUSE OF REPRESENTATIVES

July 8, 2004

1750 H Street, N.W. • Washington, D.C. 20006 • (202) 572-5500

STATEMENT OF COLLEEN M. KELLEY
NATIONAL PRESIDENT
NATIONAL TREASURY EMPLOYEES UNION

to the

COMMITTEE ON GOVERNMENT REFORM
U.S. HOUSE OF REPRESENTATIVES

July 8, 2004

Good morning Chairman Davis and members of the House Committee on Government Reform. My name is Colleen M. Kelley and I am National President of the National Treasury Employees Union (NTEU). NTEU represents 150,000 federal workers in 30 agencies and departments. NTEU appreciates the opportunity to present this testimony to the Committee.

Under your leadership, Chairman Davis, as well as other members of Congress, particularly Representative Frank Wolf, the issue of telework has been brought to the forefront of discussion. In the fall of 2000, Congress passed legislation requiring each executive agency to establish a policy under which eligible employees of the agency may participate in telecommuting to the maximum extent possible without diminished employee performance. Further, each participating agency was to develop criteria to be used in implementing telework and ensure that managerial, logistical, organizational, or other barriers to full implementation and successful functioning of the policy are removed.

Experience has shown that telework has many advantages. Telework can bring about increased productivity due to uninterrupted time for employees to plan work, reduce tension levels by eliminating difficult commutes and improve quality of life due to time saved not commuting. The benefits are not just to the employee and the employer. There is a social dimension as well. Telework saves energy, improves air quality, reduces congestion and stress on roads and bridges, and enhances the quality of family life.

Mr. Chairman, in surveying the thirty agencies represented by NTEU, I can certainly say the results are mixed. NTEU represents some agencies that are models for the federal sector. I will mention the Internal Revenue Service (IRS) and the Patent and Trademark Office (PTO) as two examples that I will discuss in more detail later. Additionally, NTEU has contractual agreements regarding telework or, as some describe it, flexiplace, with the Customs Service, the Federal Communications Commission (FCC) and the Food & Nutrition Service of the USDA . Nevertheless, there are also some clear laggards. The Alcohol, Tobacco and Firearms bureau (ATF) of the U.S. Department of Justice, the Securities & Exchange Commission (SEC) and the Treasury Department's Office of the Comptroller of the Currency (OCC) are agencies that have not developed effective programs.

At the IRS, NTEU negotiated a telework agreement in October of 1996. This program has been maintained in all subsequent contracts and is today a model for the federal sector. The agreement makes clear both employee and employer responsibilities and criteria for participation in telework. In IRS approximately 24,000 bargain unit

employees and 6,500 non-bargaining unit employees participate in telework. At the IRS, 6,369 NTEU represented employees and 228 non-bargaining unit employees (NBU) work full time from a telework location. IRS also has 11,434 NTEU represented employees and 770 NBU employees who work part of the time and on a regular schedule from a telework location and 6,552 bargaining unit and 5,574 NBU telework on an occasional or sporadic basis. This not only assists with employee morale and productivity but creates a considerable cost savings to the Treasury Department by saving on rent or office space expenses.

While I applaud this Committee for its actions to prod federal agencies to implement telework programs, I do not mean to suggest that such programs can be developed without meaningful thought and consideration. The IRS program works well, in part, due to the intense discussions between management and employees prior to its implementation.

NTEU also represents the trademark attorneys at the U.S. Patent & Trademark Office (PTO). The Trademark Office serves as another model agency. Over 60% of the trademark attorneys at this northern Virginia based agency participate in telework. Another 40 NTEU members have requested telework and are awaiting the availability of equipment. The NTEU-PTO collective bargaining agreement details the telework program. A Trademark Work at Home Partnership Working Group (TWAH Partnership) administers the program. The TWAH Partnership has equal employee and management representation. Management supplies participating employees with all physical

equipment needed. Employees are on a strict production schedule and PTO management has never expressed to us any problems with accountability. Employees with a fully satisfactory performance are eligible to participate and are generally selected on a seniority basis. Employees tell us they are satisfied with the equipment management provides. The only employee complaint has been regarding the servicing of malfunctioning equipment.

Standing in contrast to IRS and PTO is the U.S. Department of Justice's Bureau of Alcohol, Tobacco and Firearms (ATF). Based on the most recent information provided to the union, ATF has 14 employees on telework, out of a bargaining unit of almost 1,500 employees. NTEU has repeatedly asked to negotiate telework with ATF. Our most recent request was in October, 2003. Management requested a delay in this negotiation until February of this year. NTEU reluctantly agreed to management's request. It is now July and we have heard nothing but promises of "we will get back to you" every time the Union makes an inquiry. The section of ATF that was left in the Treasury Department when the major portion was moved to the Justice Department (Tobacco, Tax & Trade) has a working telework program. The conclusion I reach, Mr. Chairman, is that that management commitment is the key to success. Equally critical is the involvement of employees in designing the program. Moreover, what has been determined in the implementation of the program must be guaranteed to the employees by an enforceable collective bargaining agreement.

The Securities & Exchange Commission (SEC) presents another case. Here, NTEU was able to negotiate a fair agreement implementing telework. I believe that SEC's negotiators had a good faith commitment to telework. Our negotiations were collaborative and management affirmed its commitment to telework. We had a point of difference as to if specific job classifications should be deemed appropriate for telework or if managers would have discretion over determining their subordinates' eligibility for telework even if that meant that employees in the same job classification would be either eligible or ineligible depending on their supervisor. The union preferred the former but reluctantly agreed to management's insistence on the latter. We made this concession for the sake of the overall telework program.

Unfortunately, the result at SEC has been an uneven implementation of what otherwise is a good program on paper. Telework participation varies greatly depending on the openness of particular supervisors to the program. Some SEC offices have high levels of participation while others have not allowed a single employee to participate in telework. Some SEC employees have told the Union they feel intimidated by their supervisors and therefore do not even request telework. Others at SEC have had their requests for telework denied. This year, NTEU filed two grievances on behalf of employees denied telework. In both cases, the arbitrator sided with the employee, agreeing that the managers inappropriately denied the employee request for telework.

Congress appears ready to use its appropriations authority to prod agencies to better comply with the mandate to allow telework. NTEU commends Congress for

taking such action and particularly thanks Representative Frank Wolf of Virginia for his leadership. NTEU does note however, that agencies and offices not subject to the appropriations process need attention from Congress as well.

NTEU's experience with the Office of the Comptroller of the Currency (OCC) has been mixed. OCC is a non-appropriated agency, yet part of the same Department of the Treasury as the IRS is. It has a designated telework coordinator and allows employees to telework occasionally and to perform task-based assignments while teleworking. The employee must execute an agreement each time. Our members tell us that in practice, some supervisors are adamantly against telework, others are mildly supportive and few have enthusiastically embraced telework. OCC management does not seem to acknowledge many of the benefits of telework to the agency, the employee, the economy, or the environment. It has been reported to us that one of the OCC's senior officials said in a public forum some time ago that he did not think the law imposed a penalty for not complying with the telework mandate.

NTEU strongly believes that the success of several agencies in implementing telework programs proves that the merits and effectiveness of telework are real. We believe that honest and meaningful collaboration with employee representatives can resolve any reservations about telework. What is needed is leadership, openness and a sense of innovation from managers and agencies. Where that does not exist, Congress must use its authority to see it is created.

NTEU appreciates this opportunity to present our views and will be happy to respond to any question members of the Committee may have. Thank you.

Testimony of

KEVIN SHANNON
Executive Director
Association for Commuter Transportation

On behalf of
THE ASSOCIATION FOR COMMUTER TRANSPORTATION (ACT)

Before the
House Government Reform Committee

On
Beneficial or Critical? The Heightened Need for Telework Opportunities in the Post-9/11 World
July 8th, 2004

INTRODUCTION
Mr. Chairman, Members of the Committee, thank you very much for the opportunity to participate in this dialogue on the role of telecommuting in the federal workplace. My name is Kevin Shannon; I am the Executive Director of the Association for Commuter Transportation – commonly known as ACT.

Before I start, I would like to express ACT's appreciation to Chairman Davis (R-VA) for holding this hearing. Congressman Davis' (R-VA) commitment to viable transportation solutions is evident through the actions of this committee. Congressman Davis clearly is a strong advocate for commuters in the DC region and has helped provide federal employees with real options on how to commute. I would also like to thank Congressman Frank Wolf (R-VA) who has long been a champion of teleworking. Congressman Wolf understands the virtues of teleworking and we could not ask for a better leader on Capital Hill.

The 800 plus members of ACT represent a broad coalition of organizations around the country – from major private-sector businesses and institutions to transportation agencies – but we all have one thing in common -- we are all working cooperatively to make transportation work better by making it more efficient and less costly.

ACT members understand that addressing the nation's transportation challenges requires investment in a comprehensive multi-faceted approach – not just the way we build our transportation systems, but the way we use our transportation system. Through programs and services that enhance and promote real transportation choices, ACT members and their partners are developing innovative solutions designed to ensure personal mobility, maximize the performance, security and safety of transportation facilities.

With that said, ACT has a very large interest in telecommuting, and thus has been very active in promoting the concept. ACT has been so involved with telecommuting that several years ago, it created it's own telework council which now has over 50 members. The council is chaired by Shirazi and Randi Alcott. Mrs. Alcott runs the telework program for Valley Metro in Phoenix, Arizona. Teleworking in Arizona has grown by 40% in the past three years in part to Mrs. Alcott.

BENEFITS OF TELECOMMUTING

Telecommuting is one of the programs that our members offer that enhance and promote real transportation options. There are many benefits associated to telecommuting for employers, employees and the general public.

Benefits to Employers

- Increase in productivity
- Increase in employee moral
- Decrease in operating costs
- Decrease need for office space
- Enhance recruitment and retention

Benefits to Employees

- Greater work flexibility
- Lower commuting costs
- Lower stress levels
- Higher quality of life

Benefits to the General Public

- Decreased congestion
- Improved air quality

With emerging technology, more and more Americans are able to work from their home and have the same tools at their disposal that they would at their workplace. ACT has found that employees choose how to get to and from work based upon policies and programs offered by their employers. Employers who offer telecommuting options find that many who are able to take advantage of the program do in fact telework. In addition, there are large numbers of informal teleworkers at all types of employers further demonstrating the demand for this work arrangement.

However, many employers do not allow their employees to telework for a variety of reasons. Many of those reasons are based upon misconceptions of telecommuting. Oftentimes, workshops and educational seminars held with employers help ease those misconceptions. It is important that the federal government promote and encourage teleworking through administrative procedures, policies, and existing legislation that would foster an environment that would make it easier for public – private partnerships related to on telecommuting initiatives. Unfortunately, the Federal Government is failing to lead by example, despite existing legislation requiring federal agencies to promote telecommuting.

TELEWORKING IN THE POST 9-11 WORLD

September 11th, the Capitol Hill anthrax incident, and even the events corresponding with the passing of President Reagan showed us that teleworking is not only beneficial, but critical. In each of the events listed, Federal employees, and employees of the Congress itself, were in large part unable to commute as they usually would. Despite this fact, the government has a need to function. Many on September 11th did not have the capability or instructions to telework. The ability for Federal employees to telecommute is not only a matter of convenience, but one of security and preparedness. In these times, creative and functioning telework programs can keep the government running efficiently. Creating and developing effective telework programs within the Federal government can be critical during major events, terrorism related or not, and should be further investigated by this committee and by the Federal government.

TELECOMMUTING IN THE FEDERAL GOVERNMENT

Public Law 107–217 provided that the General Services Administration (GSA) may acquire space for, establish, and equip telecommuting centers for use by federal employees for the purpose of telecommuting. The law stipulated that for each of the following departments and agencies, in each fiscal year at least $50,000 of amounts made available for salaries and expenses is available **only** for carrying out a flexiplace work telecommuting program:

- Department of Agriculture.
- Department of Commerce.
- Department of Defense.
- Department of Education.
- Department of Energy.
- Department of Health and Human Services.
- Department of Housing and Urban Development

However, this law has been overlooked by some of these agencies. ACT believes that GSA should more heavily increase promotion, visibility, and even expansion of Washington, DC telework centers. This enhanced focus would spur more serious consideration of their use by Federal agencies as well as local governments and the private sector. ACT believes that these telework centers would be more fully utilized.

Federal policy requires that eligible members of the Federal government workforce be allowed to telecommute, however, many are forbidden from doing so by their management. Federal employees who are already successful teleworkers also tell ACT that they are often unnecessarily being pulled away from teleworking based on the whims of managers when there is a change of managers. .This appears to us to be highly disruptive, unproductive, and costly, since these successful and clearly eligible teleworkers are being prohibited from teleworking. A commitment to a strong teleworking policy, implemented consistentlyacross all management levels, will reassure employees.

It is also important to note that a large number of Federal contractors are still unable to telework. Federal agencies would benefit a great deal from cost savings if they did not have to house contractors. ACT commends this Congress for passing legislation that would prevent agencies from penalizing contract bids from contractors who have their own telework policies.

In the Metropolitan Washington Council of Government's 2001 "State of the Commute" report, 14.6% of commuters in the Washington DC metro area telecommuted. However, only 9% of Federal

employees telecommuted, well below the regional average. Federal employees telecommuted at the lowest rate of any employment group.

In the 2001 'State of the Commute', 26% of Federal employees who currently do not telecommute stated that they were both willing and eligible to telework. This is to say that their job responsibilities could allow for telecommuting and they would telecommute if given the option. This shows that Federal employees have 'untapped' telecommuting potential. Requiring agencies to follow the Federal policy allowing eligible commuters to telework would provide a great benefit and cost savings to the Federal Government.

ACT has also analyzed the Office of Personnel Management (OPM) report on telecommuting and is confused by their eligibility numbers. It seems that some agencies with large numbers of employees had relatively small percentages of their workforce listed as 'eligible', to telecommute. Some of these agencies also had high participation rates since these rates were based on the percentage of eligible employees. However, the bottom line is that they had relatively few teleworkers, but were promoting high participation rates. ACT finds this somewhat deceiving. Also in the OPM report, OPM defined core and situational teleworkers. As ACT understands it, the core telework definition is based on the definition agreed upon by Congress and OPM. The participation rates for core telework (which are substantially lower than the 14% promoted in the report) should be the benchmark measure for Federal progress in telework. Also, it is the core teleworkers that will make the most impact on the congestion, pollution, and other benefits associated with teleworking. ACT believes that if Congress were to clarify the definition of who is eligible to telecommute and to more clearly require reporting of 'core telework' is, much of this confusion could be cleared up.

DESIRED OUTCOME

The Metropolitan Washington Council of Governments is in the process of increasing the number of telecommuters in the region. The region's transportation system is stressed in coping with the rapid growth in the Washington metro region. The region has been forced to look at alternative ways to fight the increasing congestion. One such effort is to increase the number of those who telecommute. Currently, 400,000 commuters telecommute in metro Washington. The Metropolitan Washington Council of Governments has started a campaign to increase that number by 113,000. Achieving this goal with ultimately provides congestion relief and air-quality benefits to the region. Increasing the number of federal workers who telecommute is paramount to achieving this goal.

- ACT hopes that GSA, OPM and DOT will make **real** efforts to increase the number of teleworkers in the federal workforce through focused and committed programs that effectively implement policy and legislation.

- We also encourage this Committee and Congress to reissue and clarify federal policy towards telecommuting.

ACT looks forward to working with Congress and the Executive branch to make certain that these goals are achieved. If you have any questions or comments, please contact Jason Pavluchuk, ACT's Government Affairs staff at 202-775-0079 or Elham Shirazi, Co-Chair of ACT's telework council, 310-474-2325.

WRITTEN TESTIMONY OF THE TELEWORK COALITION (TelCoa)
http://www.telcoa.org

PRESENTED TO COMMITTEE ON GOVERNMENT REFORM
(HONORABLE TOM DAVIS, CHAIRMAN)
U.S. HOUSE OF REPRESENTATIVES, 2154 RAYBURN OFFICE BUILDING
JULY 8TH, 2004.

Presented by: John M. H. Edwards, Managing Director, TelCoa
(Can be reached at JEdwards@TeleworkNetwork.com)

Telework (sometimes called Telecommuting) has been more widely applied, for financial, socio-economic and National Security reasons. However, it has become increasingly obvious that many of our laws, having their origins in neutralizing abuses of the Industrial Revolution, have become outdated by the work practices made possible by the Digital Revolution, thus unwittingly becoming barriers to more telework. TelCoa respectfully suggests that the following legislation, initiatives and incentives be considered or be vigorously be supported and/or not allowed to die by the Committee.

HR1588 (National Defense Authorization Act 2004), SEC.1428 – Authorizes Federal Contractors to include telecommuting employees in the performance of contracts, and so must not be removed from HR1588. New technologies, not envisaged by earlier lawmakers, make it possible to work productively and securely away from the traditional office.

Nexus (defined as the existence of presence in a State for tax or other purposes) Issues Threaten Interstate Telecommuting and so could thwart Government Laws and threaten National Security and Employment:--

Because a telecommuter's home state may also tax the income he or she earned while working at home without being allowed a credit for the tax also paid to the employer's State, the interstate telecommuter may be subject to double taxation solely because he or she telecommutes across State lines some days/week or month. This potential disincentive could thwart:

1. **Homeland Security/Assuring Continuity of Government in the Event of Disaster.** Telecommuting is an essential component of both public and private sector employers' contingency plans. The passage of H.R. 2844, the Continuity in Representation Act of 2004, reflects the nation's commitment to assuring that government can proceed with its work even in dire circumstances. Similarly, as part of its Continuity of Operations Program, the Federal Emergency Management Agency (FEMA) requires that all Federal agencies designate alternate operating facilities and has encouraged agencies to consider telecommuting locations, including work at home, as viable alternative facilities. Additionally, the recent GAO report (GAO-04-160) describes the extent to which the Federal Government is not being made more resilient to external events.

2. **Compliance with Public Law 106-346**, which requires that telework is offered to 100% of eligible federal workers. For some federal employees, the prospect of taxation by both their employer's state and their home state, without double taxation relief, may deter them from participating in the agency's telework program. States should not be permitted to thwart the federal government in its effort to comply with federal law and make telework available to *all* its eligible workers.

3. **Integration of the Disabled into the Workforce.** A primary goal of the New Freedom Initiative is to integrate "Americans with Disabilities into the Workplace." By subjecting disabled interstate telecommuters to the possibility of double taxation, would be the same as demanding that they pay a premium for exercising their reasonable accommodation rights, which may be prohibitive for some disabled individuals. (The EEOC has issued guidelines on how telework can be used as an accommodation.)

4. **Rural Economic Development/Stemming the Loss of Jobs to Offshore Locations.** This administration has also encouraged the use of telework to help rural communities expand and stabilize their economies. Public Law 107-171 contemplates, through the SBA, federal support for private sector businesses that employ rural [tele]workers. Interstate double taxation would make such telework unnecessarily costly for business and so obstructs this law. Among the workers threatened are call center agents working from home offices. The bottom line benefits of 'Virtual Call Centers' are very compelling for American businesses, and their wider use would help to stem the loss of jobs to offshore locations.

Because interstate double taxation threatens national interests in the ways identified here, remedial federal legislation to defuse this potential barrier to telework must become a federal priority.

HR2548 (Federal Property Asset Management Reform Act), SEC.4. sub.572 – provides "Incentives for Real ...Property Management Improvement". Because Agencies currently can not benefit financially from the more efficient use of real property, there is little or no incentive for agencies to adopt "flexible officing/hoteling" strategies as part of the bottom-line benefits resulting from telework/telecommuting programs. HR2548 will allow agencies to retain some or all of the value of their real estate savings, which would allow such funds to be reallocated for a vigorous adoption of more telework/telecommuting. It is a barrier against the establishment of telework programs that they are essentially unfunded mandates, because the requirement to have such programs was not envisaged during an earlier budgetary process.

OSHA's assumed authority to be able to regulate white collar home offices must be ended by legislation. A continuing perceived barrier against telework is that the current OSHA Directive[1], that employers are not responsible for their employee's home offices and are not expected to conduct home inspections, could be reversed by a new administration. The potential for renewing such inspection activity must be permanently removed.

[1] Dated, 25th February 2000

However, health and safety in the home office continues to remain the general responsibility of employers, who can carry out their due diligence both through their own in-house training programs and through Computer-Based Training (CBT), such as the new interactive "Ergonomics for Teleworkers" course[2], funded by a CDC/NIOSH[3] grant. Again, new technologies, not available when the original law was written, make it possible to work in a safe and healthy environment anywhere.

CMAQ (Congestion Mitigation & air Quality Improvement Program) fund allocation processes must be adjusted, streamlined and accelerated to prevent such Federal funds from not being spent/obligated and to allow needed resources to reach Counties with traffic & air quality problems more quickly. These funds could be used:

- To provide telework/telecommuting training and consulting services such as the eCommute and Telework!VA programs.
- Incentives to employers for high-speed connectivity, computers, ergonomic office furniture, and lighting.
- To pay for opt-in services and associated required hardware that confirm work-from-home activity, such as the EPA's Pay As You Drive (PAYD) car insurance discount program, the NURIDE[4] teleworkers/telecommuter affinity program, services that aggregate employee data of miles-NOT-driven (because of telework/telecommuting activities) to calculate valuable Mobile Emissions Credits[5].

Tax Allowances should be adjusted to include:

- Pre-tax deductions for employee-paid telework/telecommuting-related expenses, such as high-speed connectivity, computers, ergonomic office furniture, lighting, related training, and opt-in services and associated required hardware that confirm work-from-home activity.
- Accelerated employer tax deductibility and/or tax credits on telework enabling investments - hardware, software, connectivity, and office furniture.
- Remove the 'claw-back' Capital Gains Tax (CGT) levied on the sale of a teleworker's home if home office allowances have been taken, where telecommuting is a condition of employment.

Closing Comment: As we have listed above, digital technology has made certain existing laws demonstrably in need of being updated, and that Government can make adjustments to laws to encourage a greater numbers of employers to adopt telework/telework strategies and employees to be able and willing to be included in such programs.

---

[2] Currently available on CD, and soon to be offered as www-based training.
[3] National Institute for Occupational Safety & Health.
[4] www.nuride.com
[5] For example www.TeleTrips.com – currently used as part of the EPA/DOT eCommute Pilot.

July 2003

GAO
Accountability·Integrity·Reliability
Highlights

Highlights of GAO-03-679, a report to the Chairman, Committee on Government Reform, U.S. House of Representatives

HUMAN CAPITAL

Further Guidance, Assistance, and Coordination Can Improve Federal Telework Efforts

Why GAO Did This Study

Telework—work done at a location other than a traditional office—has gained widespread attention over the past decade as a human capital flexibility offering various potential benefits to employers, employees, and society. Using such flexibilities as management tools can help the federal government address its human capital challenges. GAO did this study in response to a congressional request to assess the federal government's progress in implementing telework programs and to determine what else can be done to give federal employees the ability to telework under appropriate circumstances.

What GAO Recommends

GAO makes recommendations to the Director, OPM, and the Administrator, GSA, regarding further guidance and assistance they can provide to executive agencies in implementing telework programs. In joint comments, the administrator and director generally agreed with our recommendations and committed to taking steps towards their implementation. Both agencies disagreed with several findings on both their governmentwide and internal telework efforts. Comments from the Secretary, VA, and Director, Human Resources Services, Education, also generally agreed with our report, but VA disagreed with several findings. Our characterizations were generally accurate, but we made changes in response to agencies' comments, as appropriate.

www.gao.gov/cgi-bin/getrpt?GAO-03-679.

To view the full report, including the scope and methodology, click on the link above. For more information, contact J. Christopher Mihm at (202) 512-6806 or mihmj@gao.gov.

What GAO Found

The statutory framework for federal telework requires agencies to take certain actions related to telework, provides agencies with tools for supporting telework, and provides both the Office of Personnel Management (OPM) and the General Services Administration (GSA) with lead roles and shared responsibilities for the federal telework initiative. Both agencies offer services and resources to support and encourage telework in the federal government. However, these agencies have not fully coordinated their telework efforts and have had difficulty in resolving their conflicting views on telework-related matters. As a consequence, agencies have not received consistent, inclusive, unambiguous support and guidance related to telework.

After we discussed the issues created by the lack of coordination between GSA and OPM with both agencies, a GSA official then indicated that GSA and OPM expressed a new commitment to coordination. Such a commitment reflects a promising start for better assisting federal agencies in improved implementation of their telework programs. However, the key to success will be sustained efforts by both agencies to work together in assisting agencies and providing consistent and straightforward guidance, services, and resources on the governmentwide telework initiative.

GAO identified 25 key practices in telework-related literature and guidelines as those that federal agencies should implement in developing telework programs and grouped these practices under seven categories (see reverse side for these categories and practices). While the four selected executive agencies we reviewed—the Department of Education (Education), GSA, OPM, and the Department of Veterans Affairs (VA)—have taken at least some steps to implement most of the key practices, only 7 of the 25 key practices, such as establishing a cross-functional project team and establishing an agencywide telework policy, had been fully implemented by all four agencies.

Although some telework-related resources from GSA and OPM provide federal agencies with information on how to implement several of the key practices we identified, agencies may need additional guidance, guidelines, and/or individualized technical support to fully implement these practices.

Key Telework Practices for Implementation of Successful Federal Telework Programs

Program planning • Designate a telework coordinator. • Establish a cross-functional project team, including, for example, information technology (IT), union representatives, and other stakeholders. • Establish measurable telework program goals. • Develop an implementation plan for the telework program. • Develop a business case for implementing a telework program. • Provide funding to meet the needs of the telework program. • Establish a pilot program.
Telework policy • Establish an agencywide telework policy. • Establish eligibility criteria to ensure that teleworkers are selected on an equitable basis using criteria such as suitability of tasks and employee performance. • Establish policies or requirements to facilitate communication among teleworkers, managers, and coworkers. • Develop a telework agreement for use between teleworkers and their managers. • Develop guidelines on workplace health and safety issues to ensure that teleworkers have safe and adequate places to work off-site.
Performance management • Ensure that the same performance standards, derived from a modern, effective, credible, and validated performance system, are used to evaluate both teleworkers and nonteleworkers. • Establish guidelines to minimize adverse impact on nonteleworkers before employees begin to work at alternate work sites.
Managerial support • Obtain support from top management for a telework program. • Address managerial resistance to telework.
Training and publicizing • Train all involved, including, at a minimum, managers and teleworkers. • Inform workforce about the telework program.
Technology • Conduct assessment of teleworker and organization technology needs. • Develop guidelines about whether the organization or employee will provide necessary technology, equipment, and supplies for telework. • Provide technical support for teleworkers. • Address access and security issues related to telework. • Establish standards for equipment in the telework environment.
Program evaluation • Establish processes, procedures, and/or a tracking system to collect data to evaluate the telework program. • Identify problems and/or issues with the telework program and make appropriate adjustments.

Source: GAO analysis of telework-related literature and guidelines.