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TELEWORK POLICIES

HEARING

BEFORE THE

SUBCOMMITTEE ON TECHNOLOGY AND PROCUREMENT POLICY

OF THE

COMMITTEE ON GOVERNMENT REFORM

HOUSE OF REPRESENTATIVES

ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

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TELEWORK POLICIES

THURSDAY, MARCH 22, 2001

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON TECHNOLOGY AND PROCUREMENT POLICY,
COMMITTEE ON GOVERNMENT REFORM,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:16 p.m., in room 2154, Rayburn House Office Building, Hon. Thomas M. Davis (chairman of the subcommittee) presiding.

Present: Representatives Tom Davis of Virginia; Jo Ann Davis of Virginia, Horn, and Turner.

Also present: Representatives Morella, Moran of Virginia, Capito, and Wolf.

Staff present: Melissa Wojciak, staff director; Amy Heerink, chief counsel; Victoria Proctor, professional staff member; David Marin, communications director; James DeChene, clerk; Trey Henderson, minority counsel; and Jean Gosa, minority assistant clerk.

Mr. TOM DAVIS OF VIRGINIA. I apologize for the delay. We have been voting on the floor. I call the meeting to order.

Good afternoon and welcome to the Subcommittee on Technology and Procurement Policy's first oversight hearing. I am pleased to chair this newly created subcommittee. I look forward to a long and productive relationship with my new ranking member, Congressman Jim Turner of Texas.

I ask unanimous consent that all Members' and witnesses' written opening statements be included in the record.

Without objection, it is so ordered.

I also ask unanimous consent that all articles, exhibits, and extraneous or tabular material referred to be included in the record.

Without objection, so ordered.

Mr. TOM DAVIS OF VIRGINIA. I think that today's hearing will be quite valuable. We will examine Federal Government agencies' efforts to create and promote telecommuting programs.

Telecommuting is an initiative which permits employees to work away from the traditional workplace, generally at home or in the work centers. Technological advances have made telecommuting an attractive choice for employees because it gives them the flexibility to work almost anywhere at any time.

The telework movement has gained momentum over the last 25 years and has become an option for Federal employees over the last decade. Today, approximately 19 million people telecommute, and the number is increasing, going up every day.

Telecommuting has gained popularity because it promotes a productive work force and increases employee morale and quality of life, often resulting in higher rates of worker retention. It reduces office distractions, thereby increasing work time. It also helps the environment by eliminating a significant number of vehicle trips during peak hours.

Telecommuting is an option that allows employees the flexibility to manage family responsibilities or health problems without giving up their careers.

In the information age, skilled human capital is critical to maintaining continuity and efficiency in the workplace. However, the Federal Government is experiencing a crisis in this area. It is costly to recruit, to hire, and train new staff on a constant basis. Therefore, the Federal Government needs to develop programs and policies to attract a skilled work force, and telecommuting is critical to its recruitment and retention efforts.

Telework is an area where the Federal Government should be a leader. Instead, we are lagging significantly behind the private sector. In recognition of this, Congress passed Public Law 106–346 last year, which requires Federal agencies to develop a plan by next month to allow 25 percent of the eligible Federal work force to telecommute. An additional 25 percent must be permitted to telecommute each year over the next 3 years.

I would like to take this opportunity to thank my friend and colleague, Congressman Frank Wolf, for being here. Congressman Wolf was the principal architect of the telecommuting provision.

Additionally, the subcommittee has invited to the hearing members of the local congressional district, in which General Services Administration operates 16 telework centers with its various partners. I would like to thank Congressman Jim Moran, Congresswoman Connie Morella, and Shelly Moore Capito for attending today, along with our subcommittee vice chairman, Jo Ann Davis, from the First District of Virginia, and Steve Horn, a Representative from California.

Telework can fundamentally alter the culture of the organization. Naturally, there are still many concerns associated with the Federal telework program that need to be addressed, including managers' concerns about maintaining office productivity with fewer workers in the main workplace; two, managers who assume that if they cannot see an employee working, they are slacking off; three, ensuring the necessary funding is available to support teleworkers; four, ensuring the security of government records if they are removed from the main workplace.

So we will assess the telecommuting training policies established by OPM and GSA and try to address these issues. Additionally, we will focus on what further actions are necessary in order to successfully complete the implementation of this initiative.

The subcommittee will hear testimony from Mr. Steve Cohen of OPM; Mr. David Bibb of GSA; Mark Lindsey, acting Director of the Federal Railroad Administration; Tony Young, Director of Government Activities from NISH, a Federal contractor; Dr. Braden Allenby of AT&T; and Jennifer Alcott of the Fredericksburg Regional Telework Center.

We anticipate having with us members of the full committee who are not on the subcommittee, as well as members who are not part of the full committee.

I ask unanimous consent that they be permitted to participate in today's hearing.

Without objection, it is so ordered.

I yield to our ranking minority member, Congressman Turner, for any opening statement he wishes to make.

[The prepared statement of Hon. Thomas M. Davis follows:]

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CHAIRMAN, TECHNOLOGY AND PROCUREMENT POLICY

OPENING STATEMENT

MARCH 22, 2001

OVERSIGHT HEARING

TOWARD A TELEWORK-FRIENDLY GOVERNMENT WORKPLACE: SUCCESSES AND IMPEDIMENTS IN MANAGING FEDERAL TELEWORK POLICIES

Good afternoon and welcome to the Subcommittee on Technology and Procurement's first oversight hearing. I am pleased to chair the newly created Subcommittee, and I look forward to a long and productive relationship with my new ranking member, Congressman Jim Turner.

I think that today's hearing will be quite valuable. We will examine Federal government agencies' efforts to create and promote telecommuting programs. Telecommuting is an initiative which permits employees to work away from the traditional workplace, generally at home or in telework centers. Technological advances have made telecommuting an attractive choice for employees because it gives them the flexibility to work almost anywhere, at anytime. The telework movement has gained momentum over the last 25 years and has become an option for Federal employees over the last decade. Today, approximately 19,000,000 people telecommute and the number is increasing rapidly.

Telecommuting has gained popularity because it promotes a productive workforce and increases employee morale and quality of life, often resulting in higher rates of worker retention. It reduces office distractions, thereby increasing work time. It also helps the environment by eliminating a significant number of vehicle trips during peak hours. Telecommuting is an option that allows employees the flexibility to manage family responsibilities or health problems without giving up their careers.

In the information age, skilled human capital is critical to maintaining continuity and efficiency in the workplace. However, the Federal government is experiencing a crisis in this area. It is costly to recruit, hire, and train new staff on a constant basis. Therefore, the Federal government needs to develop programs and policies to attract a skilled workforce and telecommuting is critical to its recruitment and retention efforts. Telework is an area where the federal government should be a leader. Instead, they are lagging significantly behind the private sector. In recognition of this, Congress passed P.L. 106-346 last year, which requires federal agencies to develop a plan by next month to allow 25% of the eligible federal workforce to telecommute. An additional 25% must be permitted to telecommute each year over the next three years.

I would like to take this opportunity to thank my friend and colleague, Congressman Frank Wolf, for being here. Congressman Wolf was the principal architect of the telecommuting provision. Additionally, the Subcommittee has invited to the hearing members of the local congressional district's in which the General Services Administration operates 16 telework centers with its various partners. I'd like to thank Congressman Jim Moran, and Congresswomen Connie Morella and Shelley Moore Capito for attending. Along with our Subcommittee Vice Chairwoman Jo Ann Davis from the First District of Virginia.

Telework can fundamentally alter the culture of an organization. Naturally there are still many concerns associated with the Federal telework program that need to be addressed including: (1) managers concerned about maintaining office productivity with fewer workers in the main workplace; (2) managers who assume that if they cannot see an employee working, then he is slacking off; (3) ensuring the necessary funding is available to support telecommuters; and (4) ensuring the security of government records if they are removed from the main workplace.

Today, we will assess the telecommuting training and policies established by OPM and GSA to address these issues. Additionally, we will focus on what further action is necessary in order to successfully complete the implementation of this initiative.

The Subcommittee will hear testimony from OPM; GSA; the Federal Railroad Administration; Tony Young, from NISH, a federal contractor; Dr. Braden Allenby of AT&T; and Jennifer Alcott of the Fredericksburg Regional Telework Center.

Mr. TURNER. Thank you, Mr. Chairman. Let me say at the outset I'm looking forward to the opportunity to work with you on this newly formed Subcommittee on Technology and Procurement Policy. I know that you have set forth an aggressive agenda and that your interest and leadership in the technology field will make this a very interesting committee for all of us to be part of.

It is, of course, appropriate that we have the hearing today on the subject of telecommuting. We all understand that there is a crisis in terms of attracting human capital to the Federal Government. This was pointed out in a January report from the General Accounting Office that described the Federal Government's human capital management practice as a high priority crisis.

Telecommuting is one way that we in the Federal Government can attempt to be competitive with the private sector by creating employment opportunities that are competitive with the private sector. We all understand that telecommuting can be a way of increasing productivity and morale and retention in the Federal Government, as well as recruitment. So this is a good opportunity for us to see what progress we have made or have not made.

As we all understand, there is a provision in Federal law that requires the development of a plan, and it is now in the process of being implemented. Of course, we are here today to review the progress that we have made.

I want to mention, Mr. Chairman, one of the members of our Committee on Government Reform, Representative Elijah Cummings, had an interest in this hearing today and wanted to be here and join us, but was unable to do so.

He introduced a bill last session, H.R. 4232, the Federal Workforce Digital Access Act, which provides for the development of a technologically proficient Federal work force by issuing all Federal employees a personal computer to facilitate e-learning, e-government, and telecommuting.

He is going to introduce this legislation again, and he asked that I mention his interest in his legislation, as well as the subject at hand before this subcommittee today.

I would request, Mr. Chairman, with your permission, that Mr. Cummings' prepared statement, that he was unable to be here to deliver, be included as part of the record.

Mr. DAVIS. Without objection, so ordered.

[The prepared statement of Hon. Elijah E. Cummings follows:]

STATEMENT OF CONGRESSMAN ELIJAH CUMMINGS AT

A TECHNOLOGY AND PROCUREMENT SUBCOMMITTEE HEARING

ON A TELEWORK-FRIENDLY GOVERNMENT WORKPLACE

Thursday, March 22, 2001

Chairman Davis, and Ranking Member Turner, thank you for scheduling this hearing and addressing an issue that is part of a broader initiative to create a wired federal workforce.

If the federal government is to be successful in the information age, *it must consider government to employee information applications*. The creation and development of a wired workforce is essential to e-government and to employee enrichment.

Given the large number of career civil servants who are approaching retirement age, and the increasing difficulty of recruiting younger talent into the civil service, the government should be thinking about ways to attract, hire, and train a technologically savvy workforce.

Last session, I introduced H.R. 4232, the Federal Workforce Digital Access Act. The Act provides that the federal government wire its workforce by providing federal employees with computers at home to facilitate e-learning, e-commuting, and e-government.

Federal employees should be able to work-at-home at any time, perform administrative tasks on-line (for example filing expense reports), and take advantage of web-based learning and training opportunities to enhance their personal and professional lives.

Private industry and foreign governments, are taking steps to wire their workforce. The federal government and its workforce should not be left behind. E-government depends on it and our ability to compete in the global market depends on it.

I plan to reintroduce the Federal Workforce Digital Access Act this session. Mr. Chairman, if this subcommittee is interested in e-commuting, e-government, or addressing the human capital crisis facing the government, I urge you and Rep. Turner, and all Members interested in these issues, to support the Federal Workforce Digital Access Act and its call to create a technologically proficient workforce.

Mr. TURNER. Thank you, Mr. Chairman. I look forward to hearing from each of our witnesses.

[The prepared statement of Hon. Jim Turner follows:]

Subcommittee on Technology and Procurement Policy Oversight Hearing: "Toward a Telework-Friendly Government Workplace: Successes and Impediments in Managing Federal Telework Policies"
March 22, 2001

Thank you, Mr. Chairman. In January 2001, the General Accounting Office listed the federal government's human capital management practices as a high-priority crisis. In light of the lucrative salaries that many federal employees can command in the private sector, Congress faces a tremendous challenge in making the federal government more competitive in the job market. The enhanced benefits that telecommuting provides in the areas of worker productivity, moral, retention, and recruitment could make it an effective remedy for our workforce problems.

Over the years, technological advances have made telecommuting a more feasible and attractive choice for employees, allowing them to work almost anywhere, at any time. Today, approximately 19,000,000 people telecommute and the number is increasing rapidly. Yet, despite the fact that telecommuting has been an option for federal employees over the last decade, as of October 1999, only 26,000 executive branch employees or less than 1% of the total executive branch workforce were teleworkers. Clearly, the federal government is behind the private sector in this area.

In an attempt to promote telework within the federal government, federal law now requires agencies to develop a plan to allow 25% of the eligible federal workforce to telecommute by April 23, 2001. An additional 25% must be permitted to telecommute each year over the next three years. We are here to ascertain the federal government's progress in developing telework-friendly policies and determine what Congress and the agencies need to do to make telecommuting a viable option to our federal employees.

I welcome the witnesses here this afternoon and commend the Chairman for his work on this important issue.

Mr. DAVIS. I recognize the vice chairman of the committee, the gentlewoman from the First District of Virginia, Mrs. Davis.

Mrs. JO ANN DAVIS OF VIRGINIA. Thank you, Mr. Chairman. I would like to take this opportunity to thank you for bringing this matter to the Subcommittee on Technology and Procurement Policy. I am looking forward to serving you and the subcommittee in this matter and in future oversights as we work to streamline government and make it more efficient and more effective.

I would also like to thank our witness panel for joining us today, and especially Jennifer Alcott, who traveled from my district to provide us with her insight and experiences as the manager of three telework centers run by the Rappahannock Area Development Commission.

Mr. Chairman, as you know, telecommuting and other quality-of-life issues are a major concern for our Federal work force. Recent reports have suggested that over half of our Federal employees will be eligible to retire within this decade.

The Federal Government has not kept pace with the private sector in compensation and in other benefits. That fact, coupled with the unpleasant honor of being known as one of the Nation's most congested cities, only hinders our efforts to attract and retain qualified Federal employees in the Washington metropolitan area.

Just yesterday morning a staffer of mine spent 3 hours on the road trying to reach Capitol Hill from northern Stafford within my district, a distance of only 42 miles. That is an average of 14 miles an hour. He represents just one of thousands of Federal commuters who leave their homes at dawn in an attempt to do battle with our highways and transit systems.

We expect this work force to show up for work and produce, and yet congestion stands in their way. We need to do better, Mr. Chairman. We know that telecommuting helps us get there.

I know the Washington metropolitan area has a world-class subway system and mass transit system and an extensive HOV program and growing rail utilization, but we must encourage alternatives to congestion when it comes to our valued Federal work force. Flex-time, 4-day week options, and of course telecommuting and other alternatives will assist us in creating more family friendly workplace environments and increase the quality of life for our hard-working Federal work force.

We must continue to encourage telecommuting.

Thank you again, Mr. Chairman, for making this our focus today.

Mr. TOM DAVIS OF VIRGINIA. Thank you very much.

[The prepared statement of Hon. Jo Ann Davis follows:]

Jo Ann Davis, Virginia's First District

Opening Remarks
"Toward A Telework-Friendly Government Workplace: Successes and Impediments in Managing Federal Telework Policies"
Committee on Government Reform
Subcommittee on Technology and Procurement
March 22, 2001

I would like to first take this opportunity to thank you, Mr. Chairman, for bringing this matter to the Subcommittee on Technology and Procurement. I am looking forward to serving you and the subcommittee in this matter, and in future oversight efforts as we work to streamline government and make it more efficient and more effective.

Additionally, I would like to thank Mr. Wolf for joining us today and for his commendable leadership on this issue. I would also like to thank our witness panel for joining us today. And especially for Jennifer Alcott who traveled from my district to provide us with her insight and experiences as the manager of three telework centers run by the Rappahannock Area Development Commission.

Mr. Chairman, as you know, teleworking and other quality of life issues, are a major concern for our federal workforce. Recent reports have suggested that over half of our federal employees will be eligible to retire within this decade. The federal government has not kept pace with the private sector in compensation and in other benefits. That fact coupled with the unpleasant honor of being known as one of the Nation's most congested cities, only hinders our efforts to attract and retain quality federal employees in the Washington Metropolitan Area.

Just yesterday morning a staffer of mine spent three hours on the road trying to reach Capitol Hill from Northern Stafford within my District, a

distance of 42 miles - that is an average of 14 MILES AN HOUR. He represents just one of thousands of federal commuters who leave their homes at dawn in an attempt to do battle with our highways and transit systems. We expect this work force to show up for work and produce and yet congestion stands in their way. We need to do better, Mr. Chairman, and we know that teleworking helps us get there.

I know the Washington Metropolitan Area has a world class subway system and mass transit systems, an extensive HOV program and growing rail utilization. But we must encourage alternatives to congestion when it comes to our valued federal workforce. Flex time, four day week options and of course teleworking, and other alternatives, will assist us in creating more family friendly workplace environments and increase the quality of life for our hard working national federal workforce.

We must continue to encourage Telecommuting, and I thank you again Mr. Chairman for making this our focus today.

Mr. TOM DAVIS OF VIRGINIA. I recognize the gentleman from California, Mr. Horn.

Mr. HORN. Mr. Chairman, I commend you. This is truly a good chance to look at this sort of spectrum between one end of this country and elsewhere, and we know it has worked very successfully in some agencies. It has done very fine with a lot of corporate situations.

In an era where mothers would like to raise their children and could also do some excellent work, I look forward to the conclusions you will make. Thank you for doing it.

Mr. DAVIS. Thank you very much.

I now recognize another champion of telecommuting, the gentleman from Alexandria, VA, Mr. Moran.

STATEMENT OF HON. JAMES P. MORAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VIRGINIA

Mr. MORAN. Thank you very much, Mr. Chairman. Thank you for championing telecommuting in every way to enhance the effectiveness of our Federal Government work force. As you know, Congressman Wolf has been very active on this, as well. But I particularly want to thank you for having this hearing, Chairman Davis.

As we will hear from our witnesses, telecommuting provides for a work arrangement that is beneficial both to employers and employees. Furthermore, telecommuting cuts down on traffic congestion and air pollution, two issues that affect all of us, especially constituents who commute from northern Virginia suburbs to work in the District every day.

We are way over on our air quality attainment standards, and that is one more very important benefit of telecommuting.

I want to touch upon another perspective that brings added weight to the importance of this issue. The impending work force shortage within the Federal Government promises to seriously cripple the ability of our government to meet the needs of our citizens unless personnel issues such as telecommuting are adequately addressed.

A few figures bring home this point. According to the Washington Post, about 30 percent of the government's 1.6 million full-time employees—and we are talking about approximately 500,000 people—will be eligible to retire within 5 years, and an additional 20 percent would seek early retirement.

Furthermore, 65 percent, two-thirds of the Senior Executive Service, will be eligible for retirement by the year 2004. These statistics represent a serious drain on our human capital that we cannot ignore. As the Federal work force faces the prospect of losing an unprecedented number of employees over the next 5 years, it is imperative that government policies encourage, rather than discourage, the retention of our most capable workers.

Many of the bills that we have introduced in this Congress and in past Congresses try to make the Federal Government a more attractive career option. Whether it is expanded transit vouchers to all Federal employees, granting overtime pay for Justice Department attorneys, ensuring retirement benefits are calculated equitably for Federal employees with part-time service, our policies

must proactively create a family friendly workplace if the Federal Government is to meet its responsibilities.

Telecenters undoubtedly further that goal as many work and life managers within Federal Government agencies actively promote the program.

While telecommuting can be done from home, telecenters offer many attractions that home telecommuting cannot match, including a quieter and better equipped work environment. Thus, for telecommuting to be a viable option, telecenters have to thrive.

I am encouraged by OPM's and the GSA's efforts to further family friendly workplaces through their support of telecenters. Yet, as you will probably agree, the results have not been spectacular by any measure. Although users appear to love telecenters, high costs and low utilization currently make the program a poor investment. Some of our witnesses will touch upon those points.

I look forward to discussing these issues with them during the question and answer period.

Again, thanks for having this hearing, Chairman Davis. I appreciate all my colleagues for being here, as well.

[The prepared statement of Hon. James P. Moran follows:]

James Oberstar

OPENING STATEMENT

Thank you for ~~giving me the opportunity to participate in~~ having this hearing this ~~important discussion~~ on the future of telecommuting. As we are hearing, telecommuting provides for a work arrangement that is beneficial both to employers and employees. Furthermore, telecommuting cuts down on traffic congestion and air pollution, two issues that affect all of us, especially many of my own constituents who commute from the inner Northern Virginia suburbs to work in the District every day.

But let me touch upon another perspective that brings added weight to the importance of this issue. The impending workforce shortage within the federal government promises to seriously cripple the ability of our government to meet the needs of our citizens unless personnel issues, such as telecommuting, are addressed. ~~Here are~~ a few figures ~~to~~ bring home this point: According to the Washington Post, about 30 percent of the government's 1.6 million full-time employees will be eligible to retire within five years, and an additional 20 percent could seek early retirement. Furthermore, 65 percent of the Senior Executive Service will be eligible for retirement by 2004.

These statistics represent a serious drain on our human capital that we simply cannot ignore. As the federal workforce faces the prospect of losing an unprecedented number of employees over the next five years, it is imperative that government policies encourage rather than discourage the retention of our most capable workers. Many of the bills that we have introduced ~~and policies for which I have advocated in this~~

~~Congress and in past Congresses~~ seek to make the federal government a more attractive career option. Whether it is expanding transit vouchers to all federal employees, granting overtime pay for Justice Department attorneys, or ensuring retirement benefits are calculated equitably for federal employees with part-time service, our policies must proactively create a family-friendly workplace if the federal government is to ~~move forward~~ meet its responsibilities.

Telecenters undoubtedly further that goal, as many work and life managers within federal government agencies actively promote the program. While telecommuting can be done from home, telecenters offer many attractions that home telecommuting cannot match, including a quieter and better-equipped work environment. Thus for telecommuting to be a viable option, telecenters will have to thrive.

I am encouraged by the efforts of the Office of Personnel Management (OPM) and the General Services Administration (GSA) to further a family-friendly workplace through your support of telecenters. Yet, as you would probably agree, the results have not been spectacular by any measure. Although users appear to love telecenters, high costs and low utilization currently make the program a poor investment. Some of our witnesses have touched upon these points, and I look forward to discussing these issues with our witnesses further during the question and answer period.

Mr. TOM DAVIS OF VIRGINIA. Thank you. Thank you for being here.

The gentlewoman from Maryland, Mrs. Morella.

Mrs. MORELLA. Mr. Chairman, I wouldn't mind—not relinquishing, but allowing Mrs. Capito to speak before me, since she arrived before me.

Mr. TOM DAVIS OF VIRGINIA. That will be fine. You are a member of the full committee. That is why you were recognized out of protocol.

I will be pleased to recognize another advocate for telecommuting, the gentlewoman from West Virginia, Mrs. Capito.

STATEMENT OF HON. SHELLEY MOORE CAPITO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WEST VIRGINIA

Mrs. CAPITO. Thank you, Congresswoman.

I would like to thank Chairman Davis for giving me the opportunity to share my views on telecommuting with the subcommittee today.

I represent the Second District of West Virginia, one of the largest congressional districts east of the Mississippi, but the Second District includes West Virginia's eastern panhandle, that part that goes like that, of Jefferson, Berkeley, and Morgan Counties.

The panhandle is just over an hour's drive from Washington, DC, and many Federal employees have relocated to West Virginia, for obvious reasons, in recent years in an attempt to improve the quality of life for themselves and their families. This is a trend that is likely to continue as the eastern panhandle is the fastest growing region of my State of West Virginia.

This influx of Federal workers to the panhandle has led to significant interest in the advantages of telecommuting. There is only one telecommuting center in West Virginia, located in the town of Ranson in Jefferson County. In fact, the director of that center, Niljde Gedney, is here in the audience today.

Through discussions with Nildje and others at the Ranson Telecenter, it is clear that interest in telecommuting is growing rapidly in that area. Presently there are no fewer than 79 Federal employees on a waiting list to use our telecommuting center in Jefferson County. There is an overwhelming employee interest in telecommuting, but minimal permission or support from the agency that they work for. From what I understand, other telecenters report similar situations.

Public interest in telecommuting should not come as a surprise. Telework saves time, thus contributing to a better balance between work and family needs. From the standpoint of worker productivity, it makes common sense. Less time in the rush hour traffic commute leads to less stress and increased employee output.

Telecommuting is not only beneficial to the employee, it is highly efficient and cost-efficient for the government. Savings comes in a variety of forms, including reduced office space, fewer sick leave absences, and energy conservation.

According to a recent report by Government Executive News, the U.S. Government Patent and Trademark Office conducted a telecommuting experiment designed to aid in employee retention and

help relieve office crowding. After 2 years, the agency found that telecommuting employees were 38 percent more productive than employees who work in the agency office.

As Chairman Davis said in his opening statement, telework is an area where the Federal Government should be a leader. Mr. Chairman, I strongly agree. Unfortunately, instead of leading the way, the Federal Government has lagged behind, preferring to linger among the 19th century ideas of bricks and mortar rather than to move into the 21st century, a century in which neither work nor opportunity is limited by geography or distance.

I would like to thank Representative Frank Wolf for his leadership in telecommuting initiatives, including his key role in the passage of the law which would require Federal agencies to permit more employees to telecommute.

I would like to thank Chairman Davis for organizing today's hearing and giving me the opportunity to address the subcommittee. I look forward to hearing the comments from today's witnesses, and I am confident that we can all work to make telecommuting a realistic and viable option for interested Federal employees.

Thank you.

Mr. TOM DAVIS OF VIRGINIA. Thank you very much.

[The prepared statement of Hon. Shelley Moore Capito follows:]

Rep. Shelley Moore Capito
Opening Statement

I would like to begin by thanking Chairman Tom Davis for offering me the opportunity to share my views on telecommuting with the subcommittee today. I represent the 2nd District of West Virginia – one of the largest Congressional districts east of the Mississippi. The 2nd District includes West Virginia's eastern panhandle, including the counties of Jefferson, Berkeley, and Morgan. The panhandle is just over an hour's drive away from DC - many federal employees have relocated to West Virginia in recent years in an effort to improve their quality of life for themselves and their families. This is a trend that is likely to continue, as the eastern panhandle is the fastest growing region of West Virginia.

This influx of federal workers to the panhandle has led to significant interest in the advantages of telecommuting. Presently, there is only one telecommuting center in the State of West Virginia, located in the Town of Ranson, in Jefferson County. In fact, the Director of that center, Niljde Gedney, is here in attendance today. Through discussions with Ms. Gedney and others at the Ranson telecenter, it is clear that interest in telecommuting is growing rapidly in that area. Presently, there are no fewer than 79 federal employees on a waiting list to use our telecommuting center in Jefferson County. There is overwhelming employee interest in telecommuting, but minimal support from the agency that they work for. From what I understand, other telecenters report similar situations.

Public interest in telecommuting shouldn't come as a surprise. Telework saves time, thus contributing to a better balance between work and family needs. Telecommuting is efficient and environmentally sound. From the standpoint of worker productivity, it just makes common sense…less time in the rush-hour commute leads to less stress and increased employee output.

Telecommuting is not only beneficial to the employee; it is also highly efficient and cost effective for the government. Savings come in a variety of forms, including reduced office space, fewer sick leave absences, and energy conservation.

According to a recent report by the Government Executive News, the U.S. Government Patent and Trademark Office conducted a telecommuting experiment designed to aid in employee retention and help relieve office crowding. After two years, the agency found that telecommuting employees were thirty-eight percent more productive than employees who worked in the agency office. This is truly amazing.

As Chairman Davis said in his opening statement, "Telework is an area where the federal government should be a leader." Mr. Chairman, I strongly agree. Unfortunately, instead of leading the way, the federal government has lagged behind, preferring to linger among the paper, bricks, and mortar of the 19th century rather than move forward into the 21st century – a century in which neither work nor opportunity is limited by geography or distance.

I would like to thank Representative Frank Wolf for his leadership in telecommuting initiatives including his key role in the passage of the law that will require federal agencies to permit more employees to telecommute.

I also would like to thank Chairman Davis for organizing today's hearing and giving me the opportunity to address the sub-committee. I look forward to hearing the comments from today's witnesses, and I am confident that we can all work to make telecommuting a realistic and viable option for interested federal employees. Thank you.

Mr. TOM DAVIS OF VIRGINIA. Mrs. Morella, would you like to make a statement now?

STATEMENT OF HON. CONSTANCE MORELLA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND

Mrs. MORELLA. Thank you, Mr. Chairman. I also thank you for holding this critical hearing on teleworking in the Federal workplace.

As you mentioned, I am on the full committee, not on your subcommittee, but I am on Civil Service and previously had chaired Technology in the Committee on Science; and it all comes together. So I very much appreciate your having this hearing.

With 25 Federal agencies located in my congressional district, this issue is of utmost importance to my constituents. I also want to add my thanks to Mr. Wolf for all of his efforts to ensure that the Federal Government's support of telework programs and incentives is coming about. Certainly the fact that he put into the DOT appropriation the requirement for the Federal agencies to move forward with teleworking is very important.

I look forward to the day that the entire Federal work force will telework to the maximum extent possible. That is why this hearing is so important, to find out what impediments there are and what barriers, and what we can do to make sure the process works.

I also want to commend Mr. Wolf for a bill that I am a cosponsor of—and I believe most of us here are; I know you are, Mr. Chairman—H.R. 1012, the Telework Tax Incentive Act. With its passage, individuals and companies will be eligible for a $500 Federal tax credit for expenses under a teleworking arrangement. The telework tax incentive will enable individuals to acquire the furnishings and electronic information equipment that are necessary to telework. I hope this critical piece of legislation moves quickly out of committee and onto the House floor.

While there is no magic bullet that will solve all of our Nation's problems, teleworking comes somewhat close, and as has been noted, for every 1 percent of the Washington metropolitan region work force that telecommutes, there is a 3 percent reduction in traffic delays.

Teleworking, in turn, benefits the environment by reducing the number of vehicles and the amount of their harmful emissions. Fewer vehicles also means less gas and oil consumption. I feel that teleworking programs and incentives should be a key component in any energy conservation program. Only when our Nation is less dependent on oil to fuel our economy will we be less susceptible to the influence of foreign oil producers.

Teleworking also removes barriers to stay-at-home parents, the elderly, and the disabled. These groups can make significant contributions to the business world, but are often unable to leave their homes. Eventually, telework will supplant our perception of "workplace location" as an essential to workplace productivity.

Finally, telework will serve many families well by allowing parents to spend more time with their children. A working parent no longer has to be an absent parent. Picking your children up from the bus stop should not be an anomaly.

Having been the chair of the Technology Subcommittee for 6 years, I know full well the impediments to making telework programs a success. I know my colleague, Steve Horn, who chaired the parallel committee here in this Committee on Government Reform, would agree.

Not every household has the space for a home office. Even if one did, an individual or company may not want to dedicate the necessary resources to furnishing it properly, at least until the Telework Tax Incentive Act passes. Broadband Internet access is also not available or even currently plausible in some neighborhoods. Without the ability to use the Internet and e-mail with minimal delays, an individual may waste valuable work time at home.

The ultimate impediment to telework's success, of course, is the issue of trust. The idea that an individual only works when seated in a cubicle is simply outdated. This hearing must convince the Federal agencies of the private sector claims that telework programs increase productivity.

These impediments will be overcome as technology advances. With laptops and palm pilots, our work force will be connected wherever they are.

Today we are acting as architects of a new, mobile work environment, and with the cooperation of the Office of Personnel Management and the General Services Administration, the Federal Government will once again be an example for the various States and also for the private sector.

Thank you again, Mr. Chairman, for the opportunity to be here at today's hearing. I look forward to hearing from our witnesses.

[The prepared statement of Hon. Constance A. Morella follows:]

CONGRESSWOMAN CONSTANCE MORELLA

TESTIMONY FOR THE SUBCOMMITTEE ON TECHNOLOGY AND PROCUREMENT POLICY
MARCH 22, 2001

Mr. Chairman, thank you for holding this critical hearing on teleworking in the federal workplace. With 25 federal agencies located in Montgomery County, this issue is of the utmost importance to my constituents.

I also want to thank

~~Thank~~ you as well, Mr. Wolf, for all of ~~your~~ his efforts to ensure the Federal Government's support of telework programs and incentives. I am eager to see the results of the telework provisions ~~you~~ you added to the DOT appropriations bill last year. I look forward to the day that the entire federal workforce will telework to the maximum extent possible. I look forward to that day, in part, because it will be the first day I will be able to drive to work without getting in a traffic jam.

want to commend Mr. Wolf

I also ~~commend~~ you for ~~your~~ his work ~~with~~ on H.R. 1012, the Telework Tax Incentive Act, of which I am an original cosponsor. With its passage, individuals and companies will be eligible for a $500 federal tax credit for expenses under a teleworking arrangement. The Telework Tax Incentive will enable individuals to acquire the furnishings and electronic information equipment that are necessary to telework. I hope this critical piece of legislation moves quickly out of committee and on to the House floor.

While there is no magic bullet that will solve all our nation's problems, teleworking comes pretty close. As Mr. Wolf has noted, for every 1 percent of the Washington metropolitan region workforce that telecommutes, there is a 3 percent reduction in traffic delays.

Teleworking, in turn, benefits the environment by reducing the number of vehicles and the amount of their harmful emissions. Fewer vehicles also means less gas and oil consumption. I feel that teleworking programs and incentives should be a key component in any energy conservation proposal. Only when our nation is less dependent on oil to fuel our economy will we be less susceptible to the influence of foreign oil producers.

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Having been the Chair of the Technology Subcommittee for six years, I know full well of the impediments to making teleworking programs a success. Not every household has the space for a home office and even if one did, an individual or company may not want to dedicate the necessary resources to furnish it properly--at least until ~~Mr. Wolf's~~ Telwork Tax Incentive Act passes. Broadband Internet access is also not available or even currently plausible in some neigborhoods. Without the ability to use the Internet and e-mail with minimal delays, an individual may waste valuable work time at home.

The ultimate impediment to telework success, of course, is the issue of trust. The idea that an individual only works when seated in a cubicle is simply out-dated. This hearing must convince the Federal Agencies of the private sector claims that telework programs increase productivity.

These impediments will be overcome as technology advances. With lap tops and Palm Pilots, our workforce will be connected wherever they are.

Today, we are acting as architects of a new, mobile work environment. With the cooperation of the Office of Personnel Management and the General Services Administration, the Federal Government will once again be an example for the States and private sector.

Thank you Mr. Chairman for the opportunity to attend today's hearing. I look forward to hearing from our witnesses.

Mr. TOM DAVIS OF VIRGINIA. Thank you very much, Mrs. Morella.

I would like to ask our witnesses to step forward now. I may interrupt you in the middle if Mr. Wolf comes, because he has been such a father of telecommuting, and allow him to make a statement, but I think we will proceed.

I would like each of you to step up and raise your right hands because, you know, in this subcommittee we swear our witnesses.

We have Steve Cohen, Acting Director, Office of Personnel Management; David Bibb, Acting Deputy Director, General Services Administration; Mark Lindsey, Acting Deputy Administrator, Federal Railroad Administration; Tony Young, Director of Government Activities at NISH; Dr. Braden Allenby, vice president, Environment, Health and Safety at AT&T; and Jennifer Alcott, director of the Washington Metropolitan Telework Centers.

[Witnesses sworn.]

Mr. TOM DAVIS OF VIRGINIA. To afford sufficient time for questions, if the witnesses could limit themselves to 5 minutes in their oral statements, and all the written statements are going to be made part of the permanent record.

We will start with Mr. Cohen and then we will move to Mr. Bibb, Mr. Lindsey, Mr. Young, Dr. Allenby, and Ms. Alcott.

Please proceed, Mr. Cohen. Thank you for being with us today.

I am sorry, Mr. Wolf is the father of telecommuting at the Federal level, so I will interrupt the witnesses.

Frank, we appreciate your being here. We would like to offer you the opportunity to make a statement. Everybody has noted the significant contribution you have made for the legislation. We appreciate your presence.

Mr. WOLF. I will be quiet and listen, but thank you, very much.

Mr. TOM DAVIS OF VIRGINIA. Go ahead, Mr. Cohen.

STATEMENTS OF STEVE COHEN, ACTING DIRECTOR, OFFICE OF PERSONNEL MANAGEMENT; DAVID L. BIBB, ACTING DEPUTY DIRECTOR, GENERAL SERVICES ADMINISTRATION; MARK LINDSEY, ACTING ADMINISTRATOR, FEDERAL RAILROAD ADMINISTRATION; TONY YOUNG, DIRECTOR OF GOVERNMENT ACTIVITIES, NISH; DR. BRADEN ALLENBY, VICE PRESIDENT FOR ENVIRONMENT, HEALTH & SAFETY, AT&T; AND JENNIFER THOMAS ALCOTT, FREDERICKSBURG REGIONAL TELEWORK CENTER

Mr. COHEN. Thank you, Mr. Chairman and members of the subcommittee. I am pleased to be here today to discuss the Office of Personnel Management's efforts to promote telework by Federal employees.

While OPM has been providing Federal agencies with guidance on telecommuting over the past decade, implementation has not been as quick as many would have liked, certainly not as quick as we would have liked.

We believe this is partly due to misconceptions about telecommuting as a viable work option. However, the Federal Government is now faced with the need to become more competitive in the job market, and of course there is a greater need to reduce traffic congestion, particularly in the Washington, DC, metropolitan area.

For these and for many other reasons the timing is right to accelerate efforts to help agencies recognize the value of telecommuting and increase its use as an important tool as we seek more efficient ways to work, to recruit and retain highly skilled employees, and to reduce traffic congestion and air pollution.

We know from research that telecommuting can enhance productivity, morale, retention, and recruitment efforts, and therefore, can be of much benefit to Federal agencies in accomplishing their missions. For their part, employees realize financial benefits and savings from reduced commuting costs as well as an improved quality of life.

We have taken a number of steps already to improve the utilization of telework. We are working with the General Services Administration to revise telework policies and issue new policy guidance that includes checklists and sample policies.

We are developing distance learning training modules for supervisors and managers that are easy to use and provide concrete examples demonstrating how telework can be used successfully.

We are posting telework information on a one-stop shopping page on our Web site. We are offering seminars on telework, such as our recent half-day seminar that was attended by over 300 participants.

We are developing a full-day conference this summer to train Federal managers and agency telecommuting coordinators on how to use telework successfully.

We are distributing a compendium of telecommuting success stories and other publications.

We are continuing to provide technical assistance to agencies and employees on telecommuting issues, and we are establishing an interagency working group that is addressing telework policy issues that need clarification. This group will serve as an important forum for dialog and problem-solving.

These efforts reflect our belief that a major educational effort is needed to teach managers and employees alike about the benefits of telework and what makes for a successful telework arrangement. We are working with a number of organizations to develop these training modules.

We are also in the process of developing guidance for agencies on evaluating the effectiveness of telework in a wide range of other work/life-wellness programs. Through these efforts, we will acquire a broader base of evidence concerning the effectiveness of these programs.

At this time, we are also collecting baseline data from agencies on the status of agency policy development and implementation. As you know, under the fiscal year 2001 Transportation Department Appropriations Act, all executive agencies are required to establish policies on telework and to increase each year the portion of the work force that is covered by such policies. We are surveying agencies to make sure that they have developed telework policies, and to see what those policies provide.

We have also asked agencies to identify barriers that may limit the number of employees engaged in telework. Agencies are to report to us in April. We are looking forward to completing this proc-

ess soon, and we are eager to analyze the data so that we can help agencies move forward.

In your invitation, you asked what OPM is doing to ensure consistency across agencies regarding certain elements of their telework policies. Our guidance provides checklists and sample policies to make sure that agencies do not overlook any essential elements of a sound telework policy.

For example, we have made it clear to agencies that their policies should address how to identify eligible employees, performance issues, time and attendance issues, provision of telecommunications equipment and services, and reporting requirements.

Finally, you asked about the role and operation of telecenters in the Federal Government. Since this is a responsibility of the General Services Administration, I defer to GSA on your questions concerning telecenters.

I can assure you, Mr. Chairman, that we at OPM are keenly aware that telework holds significant benefits for the Government and Federal employees, and that we are committed to doing all that we can to substantially increase the use of telework in the Federal Government. I think it is important to note, however, that while there is a lot we can and must do to promote telework by providing guidance, by educating managers, by monitoring agency implementation, by sharing best practices, the legislation that has been enacted gives to each agency the authority to develop and implement specific telecommuting policies.

Again, I appreciate the opportunity to speak with you today. I would be happy to respond to any questions you may have.

Thank you, sir.

Mr. TOM DAVIS OF VIRGINIA. Thank you very much.

[The prepared statement of Mr. Cohen follows:]

STATEMENT OF
STEVEN R. COHEN
ACTING DIRECTOR, OFFICE OF PERSONNEL MANAGEMENT

before the

SUBCOMMITTEE ON TECHNOLOGY AND PROCUREMENT POLICY
COMMITTEE ON GOVERNMENT REFORM
U.S. HOUSE OF REPRESENTATIVES

on

TELECOMMUTING IN THE FEDERAL GOVERNMENT

MARCH 22, 2001

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

I APPRECIATE BEING INVITED HERE TODAY TO DISCUSS WITH YOU THE EFFORTS OF THE OFFICE OF PERSONNEL MANAGEMENT TO PROMOTE TELEWORK BY FEDERAL EMPLOYEES. WHILE OPM HAS BEEN PROVIDING FEDERAL AGENCIES WITH GUIDANCE ON TELECOMMUTING OVER THE PAST DECADE, IMPLEMENTATION HAS NOT BEEN AS QUICK AS MANY WOULD HAVE LIKED. WE BELIEVE THIS IS PARTLY DUE TO MANY MISCONCEPTIONS ABOUT TELECOMMUTING AS A VIABLE WORK OPTION. HOWEVER, THE FEDERAL GOVERNMENT IS NOW FACED WITH THE NEED TO BECOME MORE COMPETITIVE IN THE JOB MARKET, AND, OF COURSE, THERE IS A GREATER NEED TO REDUCE TRAFFIC CONGESTION, PARTICULARLY IN THE WASHINGTON, DC, METROPOLITAN AREA. FOR THESE AND MANY OTHER REASONS, THE TIMING IS RIGHT TO ACCELERATE EFFORTS TO HELP AGENCIES RECOGNIZE THE VALUE OF

TELECOMMUTING AND INCREASE ITS USE AS AN IMPORTANT TOOL TOWARD MORE EFFICIENT WAYS TO WORK, TO RECRUIT AND RETAIN HIGHLY SKILLED EMPLOYEES, AND TO REDUCE TRAFFIC CONGESTION AND AIR POLLUTION.

WE KNOW FROM RESEARCH THAT TELECOMMUTING ENHANCES PRODUCTIVITY, MORALE, RETENTION, AND RECRUITMENT EFFORTS, AND THEREFORE CAN BE OF GREAT BENEFIT TO FEDERAL AGENCIES IN ACCOMPLISHING THEIR MISSIONS. EMPLOYEES ALSO REALIZE FINANCIAL BENEFITS IN SAVINGS FROM REDUCED COMMUTING COSTS, AS WELL AS AN IMPROVED QUALITY OF LIFE. WE HAVE ALREADY DEVELOPED GUIDANCE FOR AGENCIES TO USE IN ESTABLISHING THEIR TELECOMMUTING POLICIES AND PROCEDURES. WE ARE IN THE PROCESS OF DEVELOPING GUIDANCE FOR AGENCIES ON EVALUATING THE EFFECTIVENESS OF TELEWORK AND A WIDE RANGE OF OTHER WORK/LIFE AND WELLNESS PROGRAMS. THROUGH THESE EFFORTS, WE WILL ACQUIRE A BROADER BASE OF EVIDENCE CONCERNING THE EFFECTIVENESS OF THESE PROGRAMS.

WE ARE CURRENTLY COLLECTING BASELINE DATA FROM AGENCIES ON THE STATUS OF AGENCY POLICY DEVELOPMENT AND IMPLEMENTATION. UNDER THE FY 2001 TRANSPORTATION DEPARTMENT APPROPRIATIONS ACT, ALL EXECUTIVE AGENCIES ARE REQUIRED TO ESTABLISH POLICIES ON TELEWORK AND TO INCREASE EACH YEAR THE PORTION OF THE WORKFORCE THAT IS

COVERED BY SUCH POLICIES. WE ARE SURVEYING AGENCIES TO MAKE SURE THAT THEY HAVE TELEWORK POLICIES AND TO SEE WHAT THOSE POLICIES PROVIDE. WE HAVE ALSO ASKED AGENCIES TO IDENTIFY THE BARRIERS THAT LIMIT THE NUMBER OF EMPLOYEES ENGAGED IN TELEWORK. AGENCIES ARE TO REPORT TO US BY APRIL 2. IT IS VITAL TO MAKE SURE THAT WE HAVE SOLID BASELINE DATA TO DEVISE EFFECTIVE STRATEGIES FOR INCREASING TELEWORK. WE ARE LOOKING FORWARD TO COMPLETING THIS PROCESS VERY SOON AND ARE EAGER TO ANALYZE THE DATA SO THAT WE CAN HELP AGENCIES MOVE FORWARD.

WE ARE ALREADY DEVELOPING STRATEGIES – INCLUDING TRAINING MODULES – FOR PROMOTING TELEWORK. AFTER WE COLLECT THE BASELINE DATA, WE WILL REFINE OUR APPROACH TO ADVANCING TELECOMMUTING GOVERNMENT-WIDE.

OTHER STEPS WE HAVE TAKEN TO IMPROVE THE UTILIZATION OF TELEWORK INCLUDE–

- WORKING WITH THE GENERAL SERVICES ADMINISTRATION TO REVISE TELEWORK POLICIES AND ISSUE NEW POLICY GUIDANCE THAT INCLUDES CHECKLISTS AND SAMPLE POLICIES;
- DEVELOPING DISTANCE-LEARNING TRAINING MODULES FOR SUPERVISORS AND MANAGERS THAT ARE EASY TO USE AND PROVIDE

CONCRETE EXAMPLES DEMONSTRATING HOW TELEWORK CAN BE USED SUCCESSFULLY;

- POSTING TELEWORK INFORMATION ON A "ONE-STOP SHOPPING" PAGE ON OPM'S WEBSITE;
- OFFERING A RECENT HALF-DAY SEMINAR ON TELEWORK THAT WAS ATTENDED BY OVER 300 PARTICIPANTS;
- DEVELOPING A FULL-DAY CONFERENCE THIS SUMMER TO TRAIN FEDERAL MANAGERS AND AGENCY TELECOMMUTING COORDINATORS ON HOW TO USE TELEWORK SUCCESSFULLY;
- DISTRIBUTING OPM'S COMPENDIUM OF TELECOMMUTING SUCCESS STORIES AND OTHER PUBLICATIONS;
- CONTINUING TO PROVIDE TECHNICAL ASSISTANCE TO AGENCIES AND EMPLOYEES ON TELECOMMUTING ISSUES; AND
- ESTABLISHING AN INTERAGENCY WORKING GROUP THAT IS ADDRESSING TELEWORK POLICY ISSUES THAT NEED CLARIFICATION. THIS GROUP WILL SERVE AS AN IMPORTANT FORUM FOR DIALOGUE AND PROBLEM-SOLVING.

THE EFFORTS I JUST OUTLINED REFLECT OUR BELIEF THAT A MAJOR EDUCATIONAL EFFORT IS NEEDED TO TEACH MANAGERS AND EMPLOYEES ALIKE ABOUT THE BENEFITS OF TELEWORK AND WHAT MAKES FOR A SUCCESSFUL TELEWORK ARRANGEMENT. WE ALSO RECOGNIZE THAT IT IS

VITAL FOR EMPLOYEES WHO TELEWORK TO RECEIVE APPROPRIATE TRAINING AND EQUIPMENT. WE ARE WORKING NOW WITH A NUMBER OF ORGANIZATIONS TO DEVELOP TRAINING MODULES.

IN YOUR INVITATION, YOU ASKED WHAT OPM IS DOING TO ENSURE CONSISTENCY ACROSS AGENCIES REGARDING CERTAIN ELEMENTS OF THEIR TELEWORK POLICIES. WE HAVE ADVISED AGENCIES THAT AN EMPLOYEE SHOULD BE CONSIDERED TO BE TELECOMMUTING IF HE OR SHE IS WORKING FROM A LOCATION OTHER THAN THE OFFICE AN AVERAGE OF AT LEAST ONE DAY A WEEK. OUR GUIDANCE PROVIDES CHECKLISTS AND SAMPLE POLICIES TO MAKE SURE THAT AGENCIES DO NOT OVERLOOK ANY ESSENTIAL ELEMENTS OF A SOUND TELEWORK POLICY. FOR INSTANCE, WE HAVE MADE IT CLEAR TO AGENCIES THAT THEIR POLICIES SHOULD ADDRESS HOW TO IDENTIFY ELIGIBLE EMPLOYEES, PERFORMANCE ISSUES, TIME AND ATTENDANCE ISSUES, PROVISION OF TELECOMMUNICATIONS EQUIPMENT AND SERVICES, AND REPORTING REQUIREMENTS.

FINALLY, YOU ASKED ABOUT THE ROLE AND OPERATION OF TELECENTERS IN THE FEDERAL GOVERNMENT. SINCE THIS IS A RESPONSIBILITY OF THE GENERAL SERVICES ADMINISTRATION, I DEFER TO THE WITNESS FROM THE GSA ON YOUR QUESTIONS CONCERNING TELECENTERS.

I ASSURE YOU THAT WE AT OPM ARE KEENLY AWARE THAT TELEWORK HOLDS SIGNIFICANT BENEFITS FOR THE GOVERNMENT AND FEDERAL EMPLOYEES. WE ARE COMMITTED TO DOING ALL THAT WE CAN TO SUBSTANTIALLY INCREASE THE USE OF TELEWORK IN THE FEDERAL GOVERNMENT. HOWEVER, WHILE THERE IS A LOT WE CAN DO TO PROMOTE TELEWORK – BY PROVIDING GUIDANCE, BY EDUCATING MANAGERS, BY MONITORING AGENCY IMPLEMENTATION, BY SHARING BEST PRACTICES – THE LEGISLATION THAT HAS BEEN ENACTED GIVES THE AUTHORITY TO DEVELOP AND IMPLEMENT SPECIFIC TELECOMMUTING POLICIES TO EACH EXECUTIVE AGENCY.

AGAIN, I APPRECIATE THE INVITATION TO BE HERE TODAY. I WOULD BE HAPPY TO RESPOND TO ANY QUESTIONS YOU MAY HAVE.

Mr. TOM DAVIS OF VIRGINIA. Mr. Bibb.

Mr. BIBB. Thank you, Mr. Chairman and members of the subcommittee and committee.

I am David Bibb. I am the Acting Deputy Administrator of the U.S. General Services Administration. I also serve as head of the Real Property Policy Office in GSA's Office of Government-Wide Policy, and my testimony today will provide some information on that office's role.

Switching to the operational side, I will provide information about the Washington, DC, telecenters; and finally I will narrow the focus to show how GSA has done, implementing programs for our own employees.

GSA's Office of Government-Wide Policy's efforts to support the use of telework at the Federal level include an active outreach and communications program. We partner with professional organizations, such as the International Telework Association and Council, and we engage in numerous GSA and interagency initiatives that explore the benefits of telework.

For example, right now GSA and the Office of Personnel Management are leading a major governmentwide policy review to resolve issues that could impede the growth of Federal telework.

Switching from policy to operations, GSA-operated telecenters have provided an alternative that allows employees to perform office functions at a site close to their homes. The 16 telecenters operated by GSA's Public Buildings Service in the Washington metro area offer 339 work stations that were used by 362 employees last year from 17 executive branch agencies.

Of the 17 agencies that use the telecenters, 3 dominate and account for approximately 66 percent of Federal Government telecenter occupancy. Those are Defense, GSA, and Transportation.

To date, as a group, the telecenters are not breaking even economically. However, I believe that we must carefully track the impact of Public Law 106–346 and its charge to dramatically increase telework in assessing the future viability of the centers.

When we last performed an agency-wide count in GSA itself, 2 years ago, we had 750 teleworkers, which is about 7 percent of our eligible work force and one of the higher rates in the Federal Government. One of the things that was mentioned earlier was alternative work schedules, where a Federal employee works 9 hours a day or 10 hours a day and then receives 1 day off during that week, or 1 per pay period.

We have over 8,300 employees in GSA participating in alternative work schedules, 58 percent of our total work force. Of course, that means 8,300 persons are eliminating a commute once or twice a pay period, thanks to that program.

There are many examples of offices or organizations within GSA that have implemented successfully telework initiatives. A good example is our Public Buildings Service in the New England region, where the entire staff was offered the opportunity for telework in response to transportation problems associated with the Big Dig in downtown Boston.

Currently, 23 percent of eligible workers in the Boston area work from home on a regular basis.

Based upon our own experience at GSA, our work with other agencies, our ongoing networking with the private sector, and our own research, we would recommend a focus on four areas in order to improve the prospects for teleworking where increased usage is desired.

First, both management and staff need training on how to work in a telework environment, including a focus on results, rather than where the work gets done.

Second, potential users must continue ongoing initiatives that identify problems and find solutions, such as the OPM-GSA policy review, the technology barrier study requested by Congress in its last session, and greater use of the Internet to communicate policy guidance and exchange information and best practices.

Third, we need to recognize that greater numbers of telecommuters will require an increased investment in technology, connectivity, and training.

The typical benefits—we have heard some of those already: greater employee satisfaction and productivity, less traffic congestion and pollution, greater flexibility to achieve work/life balance, and a more technologically savvy work force. However, these benefits are difficult to measure in terms of traditional economic return. It is often difficult for an agency to allocate scarce funds toward startup costs.

Also, while it is possible that greater numbers of telecommuters might eventually decrease global real estate needs, so far there has been little reduction in space as a result of telework in either the government or in the private sector.

Finally, the most important mechanism to increase telework in any organization is cultural change. Top management must communicate that telework is encouraged, where practical, and it must convey the rationale for its use.

Again, Mr. Chairman, I appreciate having the opportunity to appear here today, and I would be pleased to answer any questions when that time comes.

Mr. TOM DAVIS OF VIRGINIA. Thank you very much.

[The prepared statement of Mr. Bibb follows:]

STATEMENT OF DAVID L. BIBB

ACTING DEPUTY ADMINISTRATOR OF GENERAL SERVICES

BEFORE THE

SUBCOMMITTEE ON TECHNOLOGY AND PROCUREMENT POLICY

COMMITTEE ON GOVERNMENT REFORM

UNITED STATES HOUSE OF REPRESENTATIVES

Thursday, March 22, 2001

Good morning Mr. Chairman, Mr. Ranking Member, and members of the Subcommittee on Technology and Procurement Policy. Thank you for inviting me to appear before you today to discuss the progress of Federal telecommuting initiatives. My name is David L. Bibb, and I am the Acting Deputy Administrator for the U.S. General Services Administration.

I also serve as the Deputy Associate Administrator for Real Property in GSA's Office of Governmentwide Policy. My office is concerned with promoting and supporting innovative real property and workplace practices on a Governmentwide basis, including telework. The office's Telework Team has been at the forefront in promoting the use of telework and alternative workplace strategies for the Federal government. Along with the Office of Personnel Management (OPM), our team provides Governmentwide policy guidance, best practices and advocacy for all telework-related issues in the Federal Government.

My testimony will provide some additional details about the telework role of the Office of Governmentwide Policy. Switching to the operational side, I will also provide information about the metropolitan Washington DC telecenters operated by GSA's Public Buildings Service. Finally, I will narrow the focus to how GSA is implementing telework policies and programs for our own employees.

Specific Steps to Promote Telework for Federal Employees

GSA's efforts to increase the use of telework at the Federal level include an active outreach and communications program. GSA uses a variety of media such as web sites, conferences, pamphlets, an electronic mail list serve, a network of interagency

telework coordinators, and personal briefings to keep Federal agencies informed about telework-related news, events, and issues.

Through partnerships with the International Telework Association & Council, the Metropolitan Washington Council of Governments, Telework America Day, and other organizations, GSA has supported and participated in educational workshops, conferences, and promotional events on telework aimed at the Federal audience. Along with OPM, GSA is leading a major Governmentwide policy review to resolve issues that could impede the growth of Federal telework. This effort also includes the development of a Federal agency telework tracking system.

The Office of Governmentwide Policy's Telework Team is highly engaged in numerous GSA and interagency initiatives that explore the cutting edge benefits of telework including telecommunications and technology issues; public-private cooperation to develop telework opportunities for the spouses of relocated Federal and military employees; continuity of operations issues; and hotelling and other case studies.

GSA's Actions Relating to the Requirements of Public Law 106-346 Section 359

GSA is working diligently to compile the information requested by OPM in their guidance to all Federal agencies addressing the 2001 Telework Law. GSA's internal policy calls for development of formal telework agreements in situations where employees are working away from the traditional office on a regular basis, but does not specify a requirement for the number of days away from the office. GSA employees participate in a wide range of "regular" telework arrangements, ranging from one day a pay period spent outside the traditional office, up to ten days during a pay period, or full time work away from the office. Policy does not require a formal agreement for intermittent or

occasional work away from the office. Although there is anecdotal evidence that many GSA employees participate in this type of telework, we have not to date tracked these types of work arrangements.

Currently GSA managers are advised to follow the parameters set forth on OPM's web site in regard to eligibility criteria, and focus on the suitability of the work of the position. Suitability is defined in broad terms, with the focus on job content rather than title or work schedule. OPM specifies that telework is feasible for work that requires thinking and writing, and for computer-oriented positions, but may not be suitable if the position requires extensive face-to-face contact with the supervisor or the general public, for example. Within GSA, police officers and wage grade workers have traditionally been looked at as positions that require an employee to be on-site and are therefore not appropriate for telework. We will be reviewing these eligibility criteria as part of the ongoing efforts required by the new legislation.

In response to OPM's recent request for data by April 2, 2001, and in recognition of the fact that our current tracking process has not captured the full range of telework participation within the agency, GSA plans to implement an electronic survey/questionnaire to all employees in order to establish a "baseline" from which to measure that participation. In addition, we are working with the interagency group convened as part of the OPM-GSA policy review on a wide range of telework issues including tracking. We recognize that one option for tracking actual hours spent in a telework situation is through the time and attendance system, and we are also exploring options that may address the broader issues of tracking mileage and environmental issues. At this point in time, the work of this interagency group is ongoing, and our plan

is to assess the options and recommendations coming out of that group in relation to GSA's particular needs in this area.

How GSA Incorporated Telecommuting into our Work Model

Telework at GSA has been both a case-by-case phenomenon and a programmatic effort. GSA has allowed participation in telework arrangements since the development of the pilot flexiplace program 11 years ago, and in fact allowed for work away from the traditional office on a case-by-case basis even before that. Many employees telework intermittently on an as-needed basis, due to the nature of specific assignments, travel requirements, or other factors.

There are many examples of offices or organizations within GSA that have implemented successful telework initiatives. The best example is GSA's Public Buildings Service in the New England Region, where the entire staff was offered the opportunity for telework in response to transportation problems associated with the major infrastructure redevelopment known as the "Big Dig." Currently, 23 percent of eligible workers work from home one or more days a month, and 30 percent use technology to perform their work outside the office. Another example, recognized by an award from the International Telework Association & Council, is the Greater Southwest Region's Energy & Water Management Center in Fort Worth, TX. In this example, a seven person staff works entirely from their homes, saving $30,000 a year in office space costs. My own office, the Office of Real Property, has conducted a successful telework effort that has resulted in over 50 percent of the staff teleworking regularly, including two employees who work from home full time.

The problem of middle management resistance to telework in the Federal Government, based on a lack of comfort with supervising employees who are not physically present, has been well publicized. What is less well publicized is that employees who telework also can be uncomfortable due to uncertainty about what is expected from them, technology problems relating to connectivity and remote access, and fear of being "out of sight, out of mind." Another fact that does not get mentioned enough is that all these problems – management and employee alike – are well-documented phenomena relating to telework in general across a wide variety of organizations in both the public and private sectors.

We would recommend a focus on four areas in order to improve the prospects for teleworking where increased usage is desired. First, both management and staff need training in how to work in a telework environment, including a focus on results rather than where the work gets done. Second, potential users must continue ongoing initiatives that identify problems and find solutions, such as the OPM-GSA policy review, the technology barriers study requested by Congress which is now underway, and greater use of the Internet to communicate policy guidance and exchange information and best practices.

Third, we need to recognize that greater numbers of teleworkers will require an increased investment in technology, connectivity, and training. The typical benefits are greater employee satisfaction and productivity; less traffic congestion and pollution; greater flexibility to achieve work/life balance; and a more technologically savvy workforce. However, these benefits are not measured in traditional economic return terms, and it is often difficult to allocate scarce funds towards start-up costs. While it is possible that greater numbers of teleworkers might eventually decrease global real

estate needs, there has been little reduction in space as a result of telework in either the Government or the private sector.

Finally, the most important mechanism to increase telework in the Federal Government is cultural change. All of the aforementioned efforts will contribute to this as more and more employees have the opportunity to telework, but for telework to increase in any organization top management must communicate that telework is encouraged where practical, and it must convey the rationale for its use.

Telework's Impact on GSA

GSA has not tracked the benefits that telework may have on employee performance and telework's financial benefits on a centralized basis. Anecdotal feedback indicates that employee performance often is enhanced when the opportunity to telework is available, and that morale and productivity are also bolstered. Within the agency, certain organizations have taken a strong business case approach to telework, such as the previously mentioned examples in the New England Region and the Greater Southwest Region. For the most part, however, telework has tended to be implemented on a case-by-case or employee-by-employee basis. Individual organizations determine the parameters of telework arrangements, including equipment purchase, space use, provision of supplies and phone lines, etc. We have struggled with the difficulty of providing a "model" for a business case study, based on the broad flexibility in implementation of telework throughout the agency.

Role of Telecenters in the Federal Government

Using innovative technologies, telecenters have provided an alternative that allows employees to perform office functions at a site closer to their homes. Telecenters offer

fully equipped ergonomically designed workstations and high-speed personal computers with separate data lines. Equipment includes fax machines, printers, copiers and local area networks. This technology allows employees full access to agency information networks subject to security restrictions. Centers are used for those tasks suitable to being performed outside of the usual agency workplace.

The 16 telecenters operated by GSA's Public Buildings Service in the Washington Metropolitan Area offer 339 workstations that were used by 362 Federal employees from 17 Executive Branch agencies during Fiscal Year 2000. Of the 17 agencies that use the telecenters, three dominate usage and account for approximately 66 percent of Federal government telecenter occupancy: Defense, GSA and Transportation. In general, GSA has underwritten the cost of development for the telecenters with investment capital provided by appropriations over the years. To date, as a group the telecenters are not breaking even economically. However, I believe that we must carefully track the impact of Public Law 106-346 in assessing their viability.

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

Mr. TOM DAVIS OF VIRGINIA. Mr. Lindsey.

Mr. LINDSEY. Thank you, Mr. Chairman. It is a pleasure to appear before you and the subcommittee today to address telecommuting. This is a very popular program at FRA. We have managed to make it work rather well. Telling you a little bit about FRA, I think will help to tell you why.

We are a relatively small agency of 735 people. Our basic mission is railroad safety. In addition, we oversee Amtrak, deal with railroad financial assistance, and the economics of the industry.

We have two different populations eligible for telecommuting, one at headquarters here in Washington, DC, and the other our safety field force, which is scattered throughout the country.

The needs of the employees in those two forces are quite different, and the way telecommuting has been handled in them differs accordingly. It is wildly popular with our safety inspectors in the field. We have 360 of those; 65 percent of them telecommute at this point. What it means is that they are able to locate their homes within the district that they cover in their inspections, and instead of traveling to a regional office or another FRA office every day and then going from there to do inspections, they can go from home. They do their administrative work at home, as well, and communicate with their supervisors then via either computer or telephone, or both. It is extremely important.

To be able to do that, though, we have been able to invest heavily in computer systems and telecommunications systems. Without them, this simply would not work.

It is equally vital for our headquarters population. In headquarters, largely we have professionals like economists, engineers, lawyers, human resources personnel, folk of that sort. We have very few full-time telecommuters in headquarters, but quite a few people who telecommute occasionally.

We have been flexible in establishing our policies, and I think that has been critical to make it work, to look at the nature of the work that each person does and to make eligible for telecommuting any work that is suitable for being done outside the office; so that, for example, if a lawyer is writing a large safety rule that requires spending time in isolation and focusing and concentrating carefully, that is a wonderful thing to do at home. It does not work quite as well on a day when the same person needs to meet with a wide variety of people. So at headquarters it has worked better to have people eligible to telecommute from time to time as the nature of their work has made it desirable to work on something in isolation and without interruption.

Overall in the agency, 38 percent of our employees telecommute four or more times a month. It is very popular with employees.

The popularity with supervisors is more mixed. Among the challenges that we had to face in putting together a successful telecommuting program was what happens with supervisors who have to do additional work to actually make this work.

It takes extra planning to make sure that you have a clear understanding with the employee as to what is to be done. It takes extra work to assure that the people necessary are present in the office when key meetings have to happen. It is extra work on the supervisor also when last-minute matters appear on a day when

the person who normally handles them is telecommuting, but something has to be done here and now.

We took all of that into account by involving both supervisors and employees in putting together plans specific to each office within the agency so that everyone's concerns were on the table; and we tried flexibly to work them out in a way that met everyone's needs. Thus far, that seems to be working quite successfully.

The program I think is meeting the goals that you have set for us. It definitely helps with issues like retention. It definitely helps to make us a more family friendly environment. We are able, for example, in headquarters, when someone has a sick child or an elderly parent in need of care to accommodate the family needs that way.

It often helps people with civic participation when perhaps the 2 to 2½ hours that they might spend commuting in the Washington, DC, area can be devoted, instead of commuting, to actually doing something in their communities.

For all of those reasons, I think it is a very valuable and very successful program. Thank you.

Mr. TOM DAVIS OF VIRGINIA. Thank you very much.

[The prepared statement of Mr. Lindsey follows:]

TESTIMONY OF S. MARK LINDSEY
ACTING DEPUTY ADMINISTRATOR
FEDERAL RAILROAD ADMINISTRATION
BEFORE THE
SUBCOMMITTEE ON TECHNOLOGY AND PROCUREMENT POLICY
COMMITTEE ON GOVERNMENT REFORM
UNITED STATES HOUSE OF REPRESENTATIVES

March 22, 2001

Chairman Davis and members of the Subcommittee, it is my privilege to appear before you today to discuss the Federal Railroad Administration's telecommuting program. We believe our telecommuting program contributes significantly to more efficient and effective agency operations and to an improved family and work life for our employees.

FRA's Mission and Structure

Before describing our telecommuting program, I would like to provide you with a brief background on our agency. The Federal Railroad Administration (FRA) is one of the operating administrations within the Department of Transportation (DOT). The primary mission of the FRA's 735 employees is to promote the safety of operations throughout the Nation's network of rail lines and to reduce railroad-related accidents. The country's vast network of railroad lines is systematically and strategically monitored by an FRA field force of 360 inspectors and supervisory personnel in eight regions, who are the front line of the agency's overall safety program. In addition, the regional force is supported by approximately 260 employees stationed in our Washington, D.C. headquarters who are responsible for policy direction, research and development, and development and promulgation of railroad safety regulations. The FRA has a Federal union, American Federation of Government Employees (AFGE), Local 2814, that is the exclusive bargaining representative of approximately 575 FRA employees.

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Background on Telecommuting

In 1994, DOT implemented a policy establishing telecommuting in DOT and encouraged all operating administrations to focus their efforts on development of their own telecommuting program. In 1995, FRA implemented a telecommuting program that has had a profound impact on the way FRA is accomplishing its mission as we proceed into the 21st century. The FRA's telecommuting program is structured to empower managers and employees to establish telecommuting arrangements that improve agency operations through increased productivity and responsiveness; and support environmental and energy conservation initiatives.

The FRA's implementation method of phasing in the program allowed sufficient opportunity for the necessary cultural change to take place and improvements to be made without disruption to the workforce. In cooperation with AFGE Local 2814, FRA developed and implemented the program without needing to conduct formal labor-management negotiations. With the assistance of the union, FRA continues to promote telecommuting and to encourage managers to provide telecommuting opportunities. A performance target of the FRA's Senior Executive Service (SES) members is to support and provide opportunities to participate in work/life family programs, which include telecommuting. Overall, FRA management's attitude toward telecommuting is positive in that it presents a creative option for employees to continue to work under many different circumstances.

FRA's program also includes a formal Alternative Dispute Resolution (ADR) process covering all telecommuting matters, thereby eliminating the need for external third-party intervention. However, the agency has strongly encouraged labor and management to find solutions at the local level, and the formal ADR process has been used rarely. As a result, the

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FRA's telecommuting program continues to contribute substantially to the mission of the Agency and to providing a great benefit to the employee - - an appropriate balance of work and family life.

Improved Operational Efficiency

The success of the FRA's telecommuting program is directly attributable to the creativity used in the design and implementation of the program. In the early stages of developing its program, FRA designed its telecommuting program to enable the agency to achieve a more productive and responsive workforce, thereby improving the FRA's safety mission and responsibility to the public.

The program differs from other Federal sector telecommuting programs in that the railroad safety inspector workforce may voluntarily telecommute from their homes to complete administrative duties rather than report to a traditional field office. Because the nature of the inspectors' work requires them to spend approximately 85 percent of their time inspecting railroad operations, they spend little time in a traditional office environment. In that regard, it has made good business sense to implement a program that could benefit the taxpayer by reducing facility space and at the same time improving the efficiency of operations. For example, inspectors who telecommute from their homes live, for the most part, within their work area, thereby improving their responsiveness to high volume traffic areas or other railroad safety hotbeds. As the railroad environment changes, the FRA is able through telecommuting to more efficiently allocate its resources to meet the needs of the industry and public. Approximately 65 percent of the FRA's safety inspector or specialist workforce telecommute and no longer report to a traditional office. During the past 5 years, the FRA has closed 18 field offices and reduced

space in 9 other field offices. Currently, the FRA is exploring additional co-location opportunities. Correspondingly, as we have implemented our telecommuting program, we have increased our investments in the tools and equipment our inspectors need to effectively perform their responsibilities, including installation of telephone communication lines, and acquisition of portable computers and updated information technology equipment.

Telecommuting Policy

The FRA's policy is broad-based in that the agency does not specifically exclude positions. Participation is based on job content (rather than job title) and the way the work is assigned, performed, and reviewed. In order to assist the FRA's program offices in implementing telecommuting in their respective offices, each office developed its own implementation plan and negotiated it with the union. The individual implementation plans established more definitive guidance and instruction for telecommuting. The primary reason to develop separate implementation plans was to obtain acceptance by the supervisors and employees in each office and provide a better level of comfort for both management and employees.

Generally, the agency's view is that tasks that can be performed away from the traditional office are suited for telecommuting. The two key criteria in applying telecommuting to a particular circumstance is whether telecommuting supports the mission of the agency and whether it provides a benefit to the employee. Management retains the right to limit an employee's participation for legitimate management reasons and for the needs of the FRA. For example, before approving telecommuting requests, FRA management takes into account the degree that an employee serves in a "customer service" role, the need for face-to-face interaction with his or her customers, and the need to maintain adequate office coverage. Because the FRA

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is a relatively small agency with a small administrative support staff, the administrative staff does not normally telecommute. However, because the FRA does not specifically exclude employees by position title, administrative staff have telecommuted from time to time in appropriate circumstances. The FRA also believes that telecommuting may be a useful tool to sustain or improve an employee's performance where the employee is involved in personal matters that are otherwise disruptive to his or her work and family life such as a divorce or a family illness.

Telecommuting in headquarters is on an "ad hoc" basis. All types of telecommuting arrangements may be established under FRA's definition of "ad hoc." Telecommuting has been used to maintain productivity for employees with temporary medical problems. Approximately 15 percent of headquarters employees participate an average of four times per month.

As referenced earlier, inspectors are afforded the opportunity to telecommute from their homes rather than from a traditional office location and an inspector who elects to do so is known as a "full-time" telecommuter. In the case of a "full-time" telecommuter, the city or town in which the employee lives becomes his or her official duty station. The term "full-time telecommuting" was coined by the FRA because telecommuting is voluntary and not a condition of employment (which is a criterion of the Federal telecommuting policy), and inspectors may elect to terminate their arrangement provided they give three months' advance notice. In this situation, the FRA must find an office for the inspector. Because the FRA provides the means and equipment for an inspector to efficiently work from home, only once has a telecommuting inspector requested to quit the program.

The FRA provides opportunities for employees to participate in telework centers around the nation. Generally, the employee and supervisor work together to develop a telecommuting

plan for working in a telework center. Before an employee begins telecommuting from a telework center, the employee's program office enters into a reimbursable agreement with the General Services Administration. In the past, the FRA only had a handful of employees use the centers. In addition, because of the vast improvements in FRA's informational technology infrastructure, employees find it more desirable to telecommute from home rather than from a telework center. The FRA does not have anyone currently using a telework center. However, FRA has designated telework centers in the Washington-Baltimore metropolitan area that would be used by employees to ensure continuity of essential functions of the FRA under emergency conditions when routine FRA operations have been impaired or cannot be conducted in the immediate Washington D.C. area. Essential FRA employees who cannot work from their home have designated a telework center which they will report to in case of an emergency.

Benefits and Challenges

FRA employees have reported through various evaluation processes (e.g., individual interviews, and round-table discussions) that telecommuting enriched the quality of their work life and improved morale. Employees reported having more time to spend with their children and being able to participate in community activities. Other identified benefits are similar to those reported by other Federal, state, local, and private entities that have implemented telecommuting programs such as improved productivity, a distraction-free work environment, reduced personal cost associated with commuting to work, and reduction in employee stress levels.

Telecommuting has also improved productivity in FRA's streamlined headquarters environment. Employees and supervisors have learned that telecommuting improves

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productivity in certain circumstances; e.g., meeting deadlines, completion of reports, assignments and projects. Telecommuting is working well across the regions with very few identifiable differences based on geography. Participation is higher in densely populated areas such as California, Houston, Atlanta, and Newark. Participation is lowest in the Northwest.

The FRA's telecommuting program has faced very few challenges so far. Communication issues and isolation are the primary challenges the agency continues to face. Because of the large number of inspectors who participate in the telecommuting program, regional managers and union officials often discuss ways in which to address these issues. The FRA's wide use of teams to accomplish mission needs has helped address feelings of isolation. The FRA's e-mail system has vastly improved since the implementation of telecommuting in 1995 and, as a result, employees frequently communicate through e-mail to keep up with current events and FRA internal correspondence. Effective communication also plays an important role in assisting supervisors in maintaining effective oversight. FRA has used conference calls, regional conferences and e-mail to communicate the agency's mission and goals to the employees and to maintain quality work products.

Conclusion

In closing, Section 359 of the Department of Transportation and Related Agencies Appropriations Act, 2001 (Public Law No. 106-346, October 23, 2000) requires that telecommuting be offered to 25 percent of the eligible Federal workforce, and to an additional 25 percent of such workforce each year thereafter. Approximately 38 percent of the FRA's total population telecommutes at least four times per month, including 65 percent of FRA's safety inspector workforce. Current FRA telecommuting goals focus on reducing facility space,

improving employees' well-being through maximizing participation, and improving overall operational efficiency through the use of telecommuting. In cooperation with the union, the FRA will conduct a comprehensive telecommuting program evaluation beginning in May 2001. Part of the evaluation will include obtaining feedback from each FRA employee and holding focus group meetings across the country.

The FRA has received many accolades for its ingenuity in design and implementation of a Federal telecommuting program, including former Vice President Gore's Hammer Award in 1998. The General Services Administration, which carries the lead responsibility for administering telecommuting programs throughout the Federal government, has described FRA's telecommuting program as a model for other Federal government agencies.

Mr. Chairman, this concludes my prepared statement. I appreciate the opportunity to appear before you today and am available to answer any questions you may have. Thank you.

Mr. TOM DAVIS OF VIRGINIA. Mr. Young.

Mr. YOUNG. Thank you, Mr. Chairman. I am Tony Young, director of Governmental Activities for NISH.

NISH is the central nonprofit agency designated by the Committee for Purchase from People Who Are Blind or Severely Disabled to assist Community Rehabilitation Programs interested in offering employment opportunities to people with severe disabilities through Federal contracts under the Javits-Wagner-O'Day program.

I learned some valuable lessons about telework in my job at NISH. I found that due to the nature of my disability, traveling daily to the office is an inefficient use of my time and personal resources. Instead, using a personal computer, Internet connection, telephone, and fax, I telework from home, and concentrate my external efforts where they are most needed.

Not everyone is as fortunate as I am to have a job and an employer with this flexibility. I am an advocate of telecommuting because I know it can work. It does for me.

At NISH we are convinced that government agencies need to do more to reach the underutilized work force of people with disabilities to meet their staffing needs. I am not aware of a single government contract that employs great numbers of individuals with disabilities through telework. There are still too many barriers to remove for that to happen. These barriers are similar to those found in the private sector.

I would like to share with you some of the telework lessons we have learned. Specifically, I would like to present the findings of one of our best community rehabilitation programs, ServiceSource, Inc., of Alexandria, VA. ServiceSource provides job training and employment to over 1,300 people with significant disabilities. They successfully operate 28 contracts that provide Federal agencies with services such as mail center and food service operations to document conversion and administrative support.

Sitting behind me is Janet Samuelson, president of ServiceSource. Janet is an outspoken advocate for individuals with disabilities and the use of telework as a viable employment option. She and her team began their efforts to promote telework in 1998, when they received funding from the Virginia Department of Rehabilitative Services to begin TIP, the Telecommuting Initiative Pilot. TIP was created to help determine the viability of telework as an employment option for those receiving vocational rehabilitation services.

When Janet and her team began the telework pilot project, they planned and implemented a four-pronged approach that includes working closely with participants to understand their needs; determining the most viable employment models for telework, including direct hire and job-sharing; understanding the current labor market and business needs for telework; and emphasizing job placement and positive employment outcomes.

To date, ServiceSource has contacted over 400 businesses in the Washington metropolitan area, out of which about 40 have participated in efforts to explore the potential for telework. From the start of the pilot, ServiceSource encountered significant barriers to telework. Commercial businesses cited the lack of accountability,

the need for management control, other priorities, and customer reluctance as the primary reasons why telework won't succeed in their particular business setting.

ServiceSource has learned that effectively removing those barriers requires technology, tools, and management techniques.

Also, like any population of workers, teleworkers need to be well managed. Work should be divided into manageable tasks, reviewed frequently, and measured to determine performance. Excellent communication tools are absolutely necessary to keep everyone informed. Finally, teleworkers need to be qualified. Not everyone has the skills and temperament to be a teleworker.

ServiceSource considers its telework project a success. Since December 1999, they have provided contract employment to teleworkers with significant physical and emotional disabilities. For instance, 10 workers are under contract to SoftZoo.com, an Internet startup firm in Reston, VA. These employees perform Web research and populate the SoftZoo.com data base with information on commercially available software packages.

These findings highlight the need for Congress to take additional steps to remove barriers to telecommuting and to encourage Federal agencies and private employers to offer telecommuting to their employees and contractors as a work option. Specifically, NISH recommends these actions: One, Congress should swiftly enact President Bush's New Freedom initiative; two, Congress should encourage agencies that outsource call center and similar operations to contract with the JWOD program; three, the Telework Tax Incentive Act, H.R. 1012, should be extended to offer a benefit to not-for-profit organizations equal to the $500 tax credit for businesses; four, the Small Business Telecommuting Act, H.R. 1035, should be extended to direct SBA to also raise telework awareness among not-for-profit agencies that offer employment services to people with disabilities.

Telework is an exciting way to work and to do business. I believe that telework has tremendous potential for many workers, including those with significant disabilities.

Telework must very soon offer a meaningful employment option to a much larger number of individuals with and without disabilities. Thank you for your interest and support on this issue. I will be happy to answer any questions you may have.

Mr. TOM DAVIS OF VIRGINIA. Thank you very much.

[The prepared statement of Mr. Young follows:]

Statement of Tony Young
Director of Governmental Activities
NISH

On

Telework

Before the Subcommittee on Technology and Procurement Policy

of the

House Committee on Governmental Reform

2154 Rayburn House Office Building

2 PM, March 22, 2001

Tony Young
Director of Governmental Activities
NISH
2235 Cedar Lane
Vienna, VA 22182
703-208-7489
tyoung@nish.org

Thank you, Mr. Chairman and members of the subcommittee, for the opportunity to testify on Telework. I am Tony Young, Director of Governmental Activities for NISH. NISH is the central nonprofit agency designated by the Committee for Purchase From People Who Are Blind Or Severely Disabled to provide assistance to Community Rehabilitation Programs (CRPs) interested in offering employment opportunities to people with severe disabilities through federal contracts under the Javits-Wagner-O'Day (JWOD) Program.

The JWOD Program is a mandatory source program created by the JWOD Act (41 U.S.C. 46-48c) and implemented through 41 CFR Chapter 51 and FAR Subpart 8.7. Under the JWOD Program, the Federal Government obtains certain needed products and services from not-for-profit agencies employing people who are legally blind or have other severe disabilities. Benefits to the Federal Government and the taxpayer include:

◊ Quality products and services
◊ On-time delivery
◊ Fair market prices, best value procurement
◊ Paperless acquisition through e-commerce portals such as www.jwod.com or www.gsaadvantage.gov and those of authorized JWOD distributors
◊ Multiple distribution channels
◊ Reduction of paperwork and pre/post-award costs through long-term contracts
◊ Availability of products that meet the Minimum Recycled Content Standard for Printing and Writing Paper as specified by Executive Order 13101
◊ Central points of contact that solve problems and facilitate action
◊ Reduced Government entitlement payments and increased tax revenues

NISH was established in 1974 and currently provides information and services to more than 2,200 CRPs nationwide; nearly 550 of which are presently providing services or producing products under the JWOD Program. NISH's role also includes working with Procurement Agencies which are the federal entities that purchase the products and services provided by the CRPs employing individuals with disabilities. The following figures reflect the results of 2000 data collected from NISH affiliated Community Rehabilitation Programs participating in the Javits-Wagner-O'Day Program:

- Average Hourly Wage: $7.70
- Wages paid to persons with severe disabilities: $199,477 Million
- Employees with severe disabilities employed: 35,525

My Telework Experience

In 1984, I acquired a secondary disability which restricted my sitting time in my wheelchair. Instead of being able to sit in my chair for fifteen to eighteen (15-18) hours per day, seven (7) days a week, I was restricted to sitting no more than eight (8) hours per day, four (4) days a week. This prevented me from working full-time in a traditional office setting.

Over the next few years, I tried to obtain part-time work in an office or full-time work I could do from home. Part-time work proved to be a dead end option for me. An individual with a

disability as severe as mine has few enough options to work fulltime; part-time opportunities proved to be even more scarce. Of the few opportunities I did find, none paid enough to supplant the benefits I was receiving, and none offered adequate medical insurance. I tried home-based work such as consulting and writing, but discovered that even this required sitting time and personal assistants that I couldn't afford.

In 1987, I read an article in a popular science magazine about telecommuting. This article described a new approach to working a fulltime job that center upon working part-time from home and part-time in an office, while maintaining communications between the two sites via personal computer (PC). I borrowed money from every relative I could, bought a PC, and taught myself to use it. After gaining some proficiency with my PC, I began doing volunteer PC and advocacy work with a local not-for-profit agency.

In 1989, I was offered an opportunity to manage a national Research Demonstration Program grant funded by SSA. My prospective employer agreed that telecommuting, along with personal assistance services and some adapted furniture, were reasonable accommodations for me, and I began working as a teleworker on January 1, 1990.

I still work as a teleworker. Using a personal computer, broadband internet connection, telephone, and a multifunction printer/copier/fax machine I work from my home about half the time; spend half my time in the office; and the remaining half time in meetings outside the office. I fully realize that those three halves are more than fulltime, but that is the reality of the workplace in the 21st Century.

Telework and Procurement

At NISH, we are convinced that government agencies need to do more to reach a previously underutilized workforce to help meet their labor and staffing needs. I'm disappointed that this afternoon I cannot tell you that I'm aware of any government contract that employs great numbers of individuals with disabilities through telework. There are still too many barriers that are in place that are prohibiting that outcome from occurring.

What I can share with you today is some of the telework lessons that I have learned from work that is being done in the private sector. Specifically, I would like to highlight the activities of one of our very best community rehabilitation programs, ServiceSource, Inc. of Alexandria Virginia. ServiceSource annually provides training and employment services to over 1,300 people with significant disabilities. They are a successful federal government contractor, operating 28 contracts that annually generate more than $20 million for services such as mail center and food service operations, digital document conversion and administrative support. Some of their government customers include the Departments of Transportation and Commerce, the Environmental Protection Agency, and the United States Marine Corps.

In the commercial sector, ServiceSource provides similar services to commercial business in Fairfax County and throughout the Washington metro area. Some of their commercial clients include Booz•Allen & Hamilton, Crestline Capital and Inova Health Care.

Janet Samuelson, President of ServiceSource, is an outspoken advocate for individuals with disabilities and the use of telework as a viable employment option. She and her ServiceSource team began their efforts to promote telework in 1998 when they received grant funding from the Virginia Department of Rehabilitative Services (DRS) to began TIP, the Telecommuting Initiative Pilot. TIP was created to help determine the viability of telework as an employment option for those receiving vocational rehabilitation services.

When Janet and her team began the telework pilot project, they planned and implemented a four-pronged approach that includes: 1) working closely with identified participants to fully understand their needs; 2) determining the most viable employment models for telework including direct hire and job sharing; 3) understanding the current labor market and business needs in respect to telework and; 4) emphasizing job placement and positive employment outcomes for people with severe disabilities.

To date, ServiceSource has contacted over 400 businesses in the Washington metropolitan area. Of those contacted, about 40 have participated in efforts to explore the potential for telework. Today, ServiceSource has 15 individuals with disabilities who meet their employment needs through full and part time telework.

From the start of the pilot, ServiceSource has encountered significant barriers to a wider teleworking acceptance. Commercial businesses often cite lack of accountability, management control, other priorities, and customer reluctance as the primary reasons why telework won't work in their particular business setting. From their experience, they have learned that removing those barriers requires the necessary technology, tools, and management technique.

Also, like any population of workers, those teleworking from their homes need to be managed. Work should be divided into manageable tasks, reviewed frequently and measurements must be made to determine performance. Excellent communication tools are absolutely necessary to keep all concerned "in the loop." Finally, teleworkers need to be qualified – not everyone has what it takes to be an efficient teleworker.

It hasn't all been bad news. In fact, ServiceSource considers its telework pilot project a success. For example, since December 1999, they have been providing contract employment to teleworkers with significant physical and emotional disabilities. Ten workers are under contract to Softzoo.com, a small Internet start-up firm located in Reston, Virginia. ServiceSource employees perform web research and are assigned to populate the SoftZoo.com database with information on commercially available software packages.

Several of the ten individuals that work on the SoftZoo project have significant physical disabilities and require extensive assistive technology to perform their jobs. Perhaps the most obvious indicator of the potential for telework is that all ten employees reside in the southwest portion of the Commonwealth.

These finding highlight the need for Congress to take additional steps to remove barriers to teleworking and to encourage federal agencies, large employers, and small businesses to offer teleworking to their employees and contractors as a work option.

Telework Recommendations

1. Congress should swiftly enact President Bush's New Freedom Initiative.

The "New Freedom Initiative" is a good next step toward the goals of integrating people with disabilities into the economic and social fabric of American society. The following employment and technology components of the Initiative are important to telework:

Increasing Access to Assistive and Universally Designed Technology:

- Federal Investment in Assistive Technology Research and Development. The Administration will triple the Rehabilitative Engineering Research Centers' budget for assistive technologies, create a new fund to help bring assistive technologies to market, and better coordinate the federal effort in prioritizing immediate assistive and universally designed technology needs in the disability community.
- Access to Assistive Technology. Assistive technology is often prohibitively expensive. In order to increase access, funding for low-interest loan programs to purchase assistive technologies will increase tenfold.

Integrating Americans with Disabilities into the Workforce:

- Expand Telework. The Administration will provide $20 million in federal matching funds to states to guarantee low-interest loans for individuals with disabilities to purchase computers and other equipment necessary to telework from home. In addition, legislation will be proposed to make a company's contribution of computer and Internet access for home use by employees with disabilities a tax-free benefit.
- Swift Implementation of "Ticket to Work." On February 1, 2001, President Bush signed an Executive Order that directs federal agencies to swiftly implement the law giving Americans with disabilities the ability to choose their own support services and maintain their health benefits when they return to work.
- Full Enforcement of the Americans with Disabilities Act (ADA). Resources will be provided to promote ADA compliance and to help small businesses hire more people with disabilities. The Administration will also promote the Disabled Access Credit, an incentive program created in 1990 to assist small businesses comply with the Act.

2. Congress should encourage agencies that outsource call center and similar operations to consider contracting with the JWOD Program.

Federal agencies that wish to outsource call center operations for customer service, help desk, or similar services should be reminded that the JWOD Program is a mandatory source program. Federal agencies need to do more to reach a previously underutilized workforce to help meet their labor and staffing needs. NISH is not aware of a government contract that employs great numbers of individuals with disabilities through telework. This option is a particularly attractive one to people with severe disabilities who have significant transportation barriers to employment or who live in areas where transportation options are limited.

3. The Telework Tax Incentive Act, HR 1012, should be extended to offer an equivalent benefit to the $500 tax credit for not-for-profit organizations.

Rep. Wolf recently introduced The Telework Tax Incentive Act, HR 1012. This legislation would provide a $500 tax credit ``for expenses paid or incurred under a teleworking arrangement for furnishings and electronic information equipment which are used to enable an individual to telework." For example, the cost of a computer, fax machine, modem, software, etc., as well as home office furnishings would apply toward the credit. An employee must telework a minimum of 75 days per year to qualify for the tax credit. Both the employer and employee are eligible for the tax credit, but the tax credit goes to whomever incurs the expense for the at-home worksite.

4. The Small Business Telecommuting Act, HR 1035, should be extended to direct SBA to also raise awareness among not-for-profit agencies that offer job training and other employment services to people with disabilities.

Rep. Udall of Colorado, along with several colleagues, introduced the Small Business Telecommuting Act, HR 1035, to assist small businesses in establishing successful telework programs for their employees. This legislation seeks to extend the benefits of successful telecommuting programs to small businesses. It establishes a pilot program in the Small Business Administration (SBA) to raise awareness about telecommuting among small business employers and to encourage those small businesses to establish telecommuting programs for their employees. It establishes the pilot program in five SBA regions and directs the SBA to develop educational materials; conduct outreach to small business; acquire equipment for demonstration purposes; and it requires the SBA to submit a report to Congress evaluating the pilot program.

An important provision in this bill directs the SBA Administrator to undertake special efforts for businesses owned by, or employing, persons with disabilities and disabled America veterans. At the end of the day, telecommuting can provide more than just environmental benefits and improved quality of life. It can open the door to people who have been precluded from working in a traditional office setting due to disabilities.

Background on Telework and People with Disabilities

The National Council on Disability (NCD) has stated, "for Americans without disabilities, technology makes things easier. For Americans with disabilities, technology makes things possible." Unfortunately, assistive and universally designed technologies that are needed by teleworkers are often prohibitively expensive.

Telework should be a regular part of the 21st century workplace. The best part of telework is that it improves the quality of life for all. Nearly 20 million Americans telework today, and according to experts, 40 percent of American jobs are compatible with telework. Telework reduces traffic congestion and air pollution. It reduces gas consumption and our dependency on foreign oil. Telework is good for families--working parents have flexibility to meet everyday demands. Telework provides people with disabilities greater job opportunities. Telework helps fill our nation's labor market shortage. It is also a good way for retirees to pick up part-time work.

Companies save significantly when they have a strong telecommuting program. At one national telecommunications company, nearly 25 percent of its employees work from home at least one day per week. The company found positive results in the way of fewer days of sick leave, better worker retention, higher productivity, and increased morale.

According to a George Mason University (Fairfax, VA) study, for every 1 percent of the Washington metropolitan region workforce that telecommutes, there is a 3 percent reduction in traffic delays. George Mason University completed another study which suggests that on Friday mornings there is a 2- to 4-percent drop in traffic volume in the Washington metro region, a so-called ``Friday effect." This is promising news because it means that with just a 1- to 2-percent increase in the number of commuters who leave their cars parked and instead telework just one or two days per week, we could get to the so-called ``Friday effect" all week long.

In a recently introduced bill, the ``Telework Tax Incentive Act", the sponsors recognized that:

(1) Federal, State, and local governments spend billions of dollars annually on the Nation's transportation needs.
(2) Congestion on the Nation's roads costs over $74,000,000,000 annually in lost work time, fuel consumption, and costs of infrastructure and equipment repair.
(3) On average on-road-vehicles contribute 30 percent of nitrogen oxides emissions.
(4) It is estimated that staying at home to work requires 3 times less energy consumption than commuting to work.
(5) It was recently reported that if an identified 10 to 20 percent of commuters switched to teleworking, 1,800,000 tons of regulated pollutants would be eliminated, 3,500,000,000 gallons of gas would be saved, 3,100,000,000 hours of personal time would be freed up, and maintenance and infrastructure costs would decrease by $500,000,000 annually because of reduced congestion and reduced vehicle miles traveled.
(6) The average American daily commute is 62 minutes for a 44-mile round-trip (a total of 6 days per year and 5,808 miles per year).
(7) The increase in work from 1969 to 1996, the increase in hours mothers spend in paid work, combined with a shift toward single-parent families resulted in families on average experiencing a decrease of 22 hours a week (14 percent) in parental time available outside of paid work they could spend with their children.
(8) Companies with teleworking programs have found that teleworking can boost employee productivity 5 percent to 20 percent.
(9) Today 60 percent of the workforce is involved in information work (an increase of 43 percent since 1990) allowing and encouraging decentralization of paid work to occur.
(10) In recent years, studies performed in the United States have shown a marked expansion of teleworking, with an estimate of 19,000,000 Americans teleworking by the year 2002, 5 times the amount in 1990.

Across America, numerous employers are responding to the needs of their employees and establishing telecommuting programs. In 2000, there were an estimated 16.5 million teleworkers. By the end of 2004, there will be an estimated 30 million teleworkers, representing an increase of almost 100%. Unfortunately, the majority of growth in new teleworkers comes from

organizations employing over 1,500 people, while just a few years ago, most teleworkers worked for small to medium-sized organizations.

By not taking advantage of modern technology and establishing successful telecommuting programs, small businesses are losing out on a host of benefits that will save them money, and make them more competitive. The reported productivity improvement of home-based teleworkers averages 15%, translating to an average bottom-line impact of $9,712 per teleworker. Additionally, most experienced teleworkers are determined to continue teleworking, meaning a successful telework program can be an important tool in the recruitment and retention of qualified and skilled employees. By establishing successful telework programs, small business owners would be able to retain these valuable employees by allowing them to work from a remote location, such as their home or a telework center.

In addition to the cost savings realized by businesses that employ teleworkers, there are a number of related benefits to society and the employee. For example, telecommuters help reduce traffic and cut down on air pollution by staying off the roads during rush hour. Fully 80% of home-only teleworkers commute to work on days they are not teleworking. Their one-way commute distance averages 19.7 miles, versus 13.3 miles for non-teleworkers, meaning employees that take advantage of telecommuting programs are, more often than not, those with the longest commutes. Teleworking also gives employees more time to spend with their families and reduces stress levels by eliminating the pressure of a long commute.

Telework is a new and exciting way to do business. I believe that telework has tremendous potential for many workers including those with significant disabilities.

Thank you for your interest in this important issue that will hopefully someday offer a meaningful employment option for a much greater group of individuals. I would be happy to answer any questions who might have.

Mr. TOM DAVIS OF VIRGINIA. Dr. Allenby.

Mr. ALLENBY. Thank you, Chairman Davis, Congressman Turner, and members of the subcommittee, for inviting testimony from AT&T on the topic of telework. We appreciate the opportunity to share the results of some of our experience with you.

AT&T started a pilot program in Los Angeles in 1989, and then in Phoenix in 1990, with a handful of employees. The benefits to the company, the employee, and the community then drove telework forward, as opposed to any formal incentives or goals.

Today 56 percent of our managers telework at least 1 day a month, 27 percent telework 1 day a week or more, and 11 percent telework 100 percent of the time from a virtual office.

It was, after all, only with the advent of the manufacturing economy of the industrial revolution that workers began leaving their homes each day, assembling together for employment, then returning home. That is because a manufacturing economy focuses on place, the factory, because that is where the productivity has to occur.

An information economy, on the other hand, focuses on knowledge, and that is produced independent of place, time, and disability challenge constraints.

Our research indicates that the benefits of telework increase and challenges decrease as participation rises. There seems to be a critical mass. The first teleworker in a work group is an oddity and has a difficult time succeeding. When practically all the people in a work group are virtual workers, as in my current environment, health, and safety organization, we begin to see rapid business improvement and higher performance.

How successful individual managers are in managing remote workers depends very much on how well they managed workers in a traditional office environment. Those who were successful with managing by objectives and evaluating output will have less problem. Those, however, who manage by TAD, time at desk, and by how busy they perceive an employee is, are going to have a difficult time.

One factor which we find shrinks the eligibility for telework is the digital divide between the home and the office. Our employee research has shown that lack of Broadband into the home is a major barrier to increased participation.

Going forward, we think that labor and employment issues, important to both the employee and employer, need to be addressed, including ADA, EEO, insurance and liability requirements, OSHA compliance, compensation laws, wage and hour lawsuits, and tax issues.

Telework is often seen as an employee benefit, and indeed it is. There are major business benefits as well, however. At AT&T we save about $25 million a year in real estate through our virtual office programs. Our telecommuters report being more productive. The teleworker, after all, has available the previously nonproductive commute time. We find that our office workers report 6.2 productive hours in an 8-hour day. Our telecommuters report 7.5 hours in an 8-hour day.

Our data show that not only are telecommuters more productive as individuals, they are more productive on a per-hour basis, as

well. Seventy-seven percent of all AT&T telecommuters reported higher productivity at home, a figure that was also reported by their managers, equating to about $100 million a year.

Recruitment and retention are other important benefits, and that has been mentioned. Sixty-seven percent of our AT&T managers report that not giving up an AT&T telework environment was a factor in their decision to remain with the company when they had other opportunities. In addition, 77 percent of our employees who work from home reported greater satisfaction with their current career opportunities.

In total, looking at the environmental benefits, we avoided 110 million miles of unnecessary driving, and eliminated the energy consumption and pollution that would have been associated with that.

We find that we have had experience in many different kinds of telework. Frankly, how it is set up does not matter because, of course, the purpose is really to separate place and time from the product, which is knowledge.

Members of the subcommittee, we feel that Congress can play a key role in accelerating the deployment of telework by considering certain legislative initiatives. Representative Frank Wolf recently introduced H.R. 1012, as I think was noted by Congresswoman Morella, giving tax credits for expenditures associated with teleworking. Additional consideration should be given to enhancing the proposed legislation to double the tax credit of each employee covered under the ADA and for each employee of a small business. We also think that favorable depreciation rates for Broadband facilities might be an important enabling function.

Mr. Chairman and members of the subcommittee, thank you for the opportunity to share the AT&T story on telecommuting and offer our company's resources to work with the committee. Thank you.

Mr. TOM DAVIS OF VIRGINIA. Thank you very much.

[The prepared statement of Mr. Allenby follows:]

Telework – The AT&T Experience

Testimony

by Dr. Braden Allenby
Vice President, Environment, Health and Safety
For AT&T

Before the House
Sub-Committee on Technology and Procurement

March 22, 2001

Telework – The AT&T Experience
by Dr. Braden Allenby
Vice President, Environment, Health and Safety
For AT&T

Thank you Chairman Davis and members of the subcommittee for inviting testimony from AT&T on the topic of Telework. For the past decade, AT&T 's management has made a commitment to the concept and made measurable gains in implementing a program across various departments of the company. We appreciate the opportunity to share the results of some of that experience with you.

AT&T started a pilot program in Los Angeles in 1989 and then in Phoenix in 1990 with a handful of employees trialing the idea of working from home several days per month, in part as a voluntary response to Title I of the 1990 Clean Air Act. We were motivated by the results of our pilot to expand the offer to more areas of the company. In 1992, AT&T introduced its formal telework policy; the program developed almost on its own from there. In other words, the benefits to the employee, company and community drove telework forward, as opposed to formal incentives and goals. Today, we find that over half of our managers (56%) telework at least one day a month, over a quarter (27%) of our managers telework one day or more per week, and 11% of our managers telework 100% of the time in a "Virtual Office".

It was only with the advent of the manufacturing economy of the Industrial Revolution that workers began leaving their homes in droves each day, assembling together for employment,

then returning home. Before the industrial revolution, the lines between work and family and education and entertainment were blurry. Everything blended just a little bit, because all activity in an agrarian economy tended to occur around the homesite. Then we drew clear, industrial age lines between everything, and spent time, energy and natural resources moving ourselves back and forth to keep work and family and education separate. Now, as we move into the information age, it seems telework is actually a return to a more organic way of balancing work and family. Blurry lines aren't bad -- that's a key learning behind our telework participation.

This leads us to an organic view of employee eligibility. In our case (except for contractual obligations with represented employees) we assume all employees are eligible to telework until proven otherwise. We do not start with a universe of jobs, and then segregate out the teleworkable ones; we begin by assuming all jobs are teleworkable. Nor do we identify different locations (e.g. telecenters vs. homes) for different types of work. We believe that location is irrelevant, given the right technology; the work comes to the worker, no matter where she or he is.

We see this same pattern across society. Telework is a predominantly informal or grass roots phenomenon. Two out of three teleworkers in the U.S. are not part of a formal, scheduled, company program. They simply work the arrangements out with their manager, as needed when needed. On a general note, this is why we see incentives for telework that require extensive documentation (such as auditable, detailed records of daily location tracking) as potential dis-incentives to participation by raising administrative hurdles and costs for both the firm and the teleworker. Our yearly, statistically valid telephone survey of AT&T employee teleworkers

allows us to drill deeply into the barriers and benefits of telework and measure participation to much better accuracy than a self-reported time system. In brief, a manufacturing economy focuses on place (the factory) because that's where productivity occurs; an information economy focuses on knowledge, which is produced independent of place and time constraints.

AT&T places the actual telework participation decision (along with many other tactical decisions such as specific equipment provided) into the hands of the local manager and the proposed teleworker. These two are in the best position to understand the unique job and environment involved, and manage the culture change involved with successful implementation of telework. They fill out a 'teleworker's agreement' and there are no further approvals required. This empowered, flexible approach allows an individual employee to work at home as needed, when needed, to meet the competing demands of work, family and society. What we have done is work to eliminate the structural barriers to telework… programs which require teleworker approval by Vice Presidents have less participation than programs which require teleworker approval by direct managers..

We have tools to help determine if a particular job or employee is suited for telework, but they are short in length and very broad in scope. There are examples published on our public telework website (www.att.com/telework). Essentially, a "good" employee or manager in the office is a good employee at home -- a person's work ethic or results focus (as examples) do not change when she or he changes her or his desk. The key issue is really trust. If the manager trusts the employee to be getting work done even when she or he can't be seen, and if the employee trusts the manager to take her or his needs into account even when they aren't right

outside the office door, then obviously there's a greater pool of 'eligible' teleworkers. If there's a lack of trust in either of these dimensions, then the eligible pool shrinks accordingly.

Another factor which shrinks the eligibility for telework is the digital divide between home and office. Our employee research has shown that lack of broadband into the home is the top barrier to increased participation. Lack of high speed access to the inter/intranet draws workers back into the office for the sake of productivity, in this age of larger and larger computer files and applications such as video conferencing.

Overcoming Challenges to the Telework Model

Our research indicates that benefits actually increase, and challenges decrease, as participation rises. Telework is an excellent example of network economics -- as the number of existing teleworkers grows, each new teleworker receives more benefit than the one before. Higher telework participation in a work group increases individual teleworker productivity and job satisfaction, which drives even higher participation, which increases the benefit, and so on, in a self-reinforcing cycle. A good example: Larger employers now lead in the adoption of telework, despite a slower start compared to small- and medium-sized businesses.

The first teleworker in a work group is an oddity, and has a difficult time succeeding. When half the people in that work group are working from home, the communication patterns change, and telework is no longer an unusual event. When practically all the people in that work group are virtual -- as in my AT&T Environment, Health and Safety organization -- we really begin to see

rapid business improvement and higher performance. The following AT&T-wide data are from the 2000 AT&T employee teleworker survey:

2000	1999	
56%	49%	AT&T Telework Participation (1x/month or more)
Percent of AT&T teleworkers describing as "major problem"		
16%	27%	Reduced visibility for the employee
15%	28%	Loss of camaraderie or a sense of being part of the team
15%	23%	Isolation of the telecommuter
7%	13%	Loneliness for the telecommuter

Part of the reason for AT&T's dramatic levels of telework is our management approach. We believe that telework should not be a separate and distinct area of the business. Instead, telework should be integrated into the business… almost every existing organization plays a role in terms of policies, processes and procedures within the existing business functions. For example, Real Estate takes telework into account when designing space. Security takes remote work into account when implementing new policies, processes and procedures. Information Technology Services takes telework into account when they build out our employee intranet. What this does is ensure a sustainable management system for telework.

Specific to the managerial attitudinal dimensions of telework, I've already spoken about our empowerment model and the trust that is needed between the worker and the manager. What we've learned is that many managers are already working with teams and individuals who work

elsewhere… perhaps on the other side of the globe, or maybe only the next building over. In other words, in today's environment, it is a basic expectation that managers are able to manage beyond their line of sight. Managers and workers who are sitting in an office working with managers and workers sitting in other offices are ideal candidates for telework.

Another managerial attitude factor is performance management. How successful managers will be in managing remote workers will depend very much on how well they manage workers in a traditional office environment. Organizations (and supervisors) that are successful with "managing by objectives" and outputs will have no problem making the transition. Those who manage by "TAD" (Time At Desk) and by how "busy " they perceive an employee is, will have a difficult time unless they can begin to identify and implement performance measures and success criteria. Measuring TAD is an anachronism from manufacturing days – in a manufacturing plant, time spent on the line is a reasonable correlate to productivity, but it is dysfunctional in an economy where knowledge is the desired product. But, of course, measuring TAD is easier, so a significant barrier to telework is managers who for whatever reason refuse to or cannot adopt more sophisticated performance measures. It is worth noting that these managers often perform poorly in a knowledge economy in other ways as well.

Nonetheless, old patterns which become embedded in culture are extremely resistant to change, even when external indicators argue that it is economically, socially, and environmentally preferable.[1] It's only when the documentation of productivity gains, real estate savings and employee retention begin to differentiate those companies who offer a more flexible workplace from an earnings perspective that senior management will take notice. In the interim,

progressive managers and employees are making their own telework policies.

A key part of this cultural change is the awareness and internal marketing of telework. We continually 'sell' telework so as to help create a culture in which telework is more than 'legal' -- telework provides business benefits and it ought to be part of the everyday fabric of our work. Interestingly, on the subject of knowledge transfer, we've seen decreasing demand for teleworker training. In fact, our classroom training for teleworkers and managers has been discontinued for lack of demand. Although an important part of our program ten years ago, before the rise of the knowledge economy, in this age of the PC and the internet people seem to be more confident in their ability to work from home. Once telework is established as part of the culture, the formal processes such as training are less critical.

A major challenge to telework, however, is the difficulty of getting started. The first day working at home can be a difficult day in terms of making all the different components -- the PC, the software, the network, and so on -- work together. Additionally, this first day at home must be preceded by the manager / teleworker discussion, the review of appropriate polices, and other foundational requirements. What we've done at AT&T is establish an employee telework portal on our intranet which provides links and information designed to streamline the process of beginning to telework. The employee has one-click access to all the different required content and e-enabled processes from across the firm… installing voice and data lines, or accessing the AT&T Telework Policy, or reviewing the standard hardware configurations, or downloading anti-viral software, or submitting an order for cable modem. We've seen quite an improvement in this particular area of our survey results since building the intranet portal.

Going forward, existing labor and employment issues important to both employer and employees that need to be resolved. These issues include the application of telework to the Americans with Disabilities Act, Equal Opportunity/Affirmative Action, insurance and liability requirements, OSHA compliance, application of workers compensation laws, wage and hour laws, and tax issues. This is not surprising: just as firms and managers are still optimized to a manufacturing economy, so are our public institutions, regulations, and laws.

Telework Benefits to the Company

Telework is often seen as an employee benefit, and it is. But there are major business benefits as well. For example, we estimate that we save about $25 million per year in real estate through virtual office programs. But that's just the tip of the iceberg.

Data indicate that teleworking enhances productivity, both because teleworkers report being more productive per unit time, and because the teleworker has available the previously non-productive commute time. For example, when asked about perceived productive work hours (when tasks are accomplished), office workers reported 6.2 productive hours in an 8 hour day, compared to the teleworker-reported 7.5 hours in an 8 hour day. Over three-quarters (77%) of all teleworkers reported higher productivity at home while only 6% reported higher productivity in the office. Seven-in-ten managers (72%) report being more productive when working from home. Only 5% of managers report higher productivity when working from the office. We calculate that this increased productivity of our teleworkers is worth about $100M per year.

Recruitment and retention are other important benefits. Because of the enhanced quality of life and personal freedom which teleworking fosters, firms are better able to retain valued employees, even when flattening hierarchies so that promotion opportunities are more rare. Among the AT&T teleworkers who have been offered other jobs, about two-thirds (67%) reported that giving up an "AT&T telework environment" was a factor in their decision to remain with the company. And, in the competitive market for high tech employees, firms are finding that it is the companies with more non-traditional work environments that are the most successful in recruiting the knowledge worker.

In fact, one of the most surprising statistics developed by my team is that virtual office managers are more likely to be rated in the very highest performance management category -- as measured by the formal, managerial appraisal -- than their office-bound peers. Whether the additional productivity from working virtual results in the higher rating, or whether the higher rating results in increased desire and ability to work at home full-time, is a 'chicken and the egg' question. The bottom line is that these higher-rated managers are turning down job offers because they are teleworking, resulting in direct business benefit to AT&T.

Of course, the benefits of telework to employees are well reported. Teleworkers are more satisfied with both their jobs and their personal/family lives. 77% of our employees who work from home reported much greater satisfaction with their current career responsibilities than before teleworking, while 84% said the same of their personal/family lives. Equally as interesting, not just the teleworker but their families also report enhanced quality of life: 81% of AT&T teleworkers reported their family members viewed the arrangements as positive, while

only 3% reported negative feelings from other members of their households and 16% reported neutral opinions.

In evaluating telework advantages, "balancing work and family life" and "improved productivity" were most frequently cited as major advantages. Six major advantages were cited by a majority of teleworkers:

84% Better balancing work and family life

80% Improved productivity

78% Showing the company cares about people

77% Helping the company keep and attract the best people

71% Gives employees more personal time by reducing their commuting time and

70% Making employees feel trusted

Environmentally speaking, the most cited benefits of telework done from home are the energy saved and concomitant reductions in carbon dioxide emissions, hydrocarbons and in NOx emissions. Since one gallon of gasoline produces 19 lbs. of carbon dioxide (CO_2), the 5.1 million gallons of gas our employee teleworkers didn't use in 2000 (by avoiding 110 million miles of driving by teleworking) equate to almost 50,000 tons of CO_2. Similar benefits result from reductions in NOx and hydrocarbons. Importantly, given the demographics of employment for AT&T and similar firms, these benefits tend to occur in or near major urban areas where air quality is an issue, so reduced emissions feed directly into better air quality – and less traffic congestion – for everyone. Obviously, these are estimates based on reasonable assumptions, but

they provide an idea of the magnitude of reductions in emissions which teleworking might support if engaged in on a global scale.

Most environmental assessments of telework, however, focus only on the direct effects, and fail to include the considerable indirect effects. Teleworking is thus not just an emissions reduction technology, but an energy efficiency technology as well, contributing to more efficient traffic patterns generally: less traffic congestion makes everyone more efficient. Moreover, to the extent telework reduces demands for additional infrastructure, it also leads to less material use in construction, and less land use impact. These results are difficult to quantify, but flow directly from the major characteristic of telework: because it lowers traffic congestion at peak periods, and infrastructure is designed based on such peaks, increased telework translates directly into decreased demand for infrastructure.

AT&T's Program – Making Location Independent of Work

AT&T has had experience with almost every type of teleworking arrangement. Our policy is generic and does not divide or structure telework based on location. In fact, the whole point of the telework policy is to make location - home, airport, telecenters, wherever -- independent of work. This allows alternate work arrangement decisions to be made locally. For example, some of our sales organizations have implemented hoteling arrangements, where space is checked in and out as needed, freeing up real estate and allowing consolidation. I would not doubt that some of our 35,000 or so teleworkers are using telecenters, but the home seems to be the most prevalent location for telework, by far.

But that's only our experience. In different organizational cultures, with different technology infrastructures, telecenters might find wide usage. One of the interesting facets to telework governance is that the employee gains decision making power over location (unless telework is mandated, which we do not recommend). The implication is that telecenters will probably rise and fall based on their ability to meet the needs of individuals, rather than purchasing managers. There will always be a need for socialization, and for face-to-face communication, and telecenters might be able to supply an environment for these interactions. Telecenters would also be a natural location for technical PC and software support.

Policies to Enable Telework

Members of the subcommittee, Congress can play a key role in accelerating the deployment of Telework by considering certain legislative initiatives including but not limited to legislation recently introduced by Rep. Frank Wolf of Virginia. **H.R. 1012** would "allow a credit against income tax for expenses paid or incurred under a teleworking arrangement for furnishings and electronic information equipment which are used to enable an individual to Telework." Additional consideration should be given to enhancing the proposed legislation to double the tax credit of each employee covered under the **Americans with Disabilities Act of 1990** ("ADA") and for each employee of a small business.

Building on Rep. Wolf's initiative, we would suggest giving an employer an annual Telework

tax credit of $500 for each employee who teleworks on a full-time basis, and a prorated amount for each employee who teleworks on a part---time basis. For each employee who is covered under the **ADA**, the maximum annual employer Telework credit would increase to $1,000.

According to numerous surveys, the primary obstacle that has prevented broad participation in Telework arrangements is the lack of remote employee access to broadband technologies. To overcome this barrier, we would suggest additional legislation that would offer companies tax incentives to invest in Broadband telecommunications equipment. With legislation that would allow a taxpayer to expense the cost of qualified broadband telecommunication equipment, the supply side of the equation would match the demand side being created by the telework tax credits.

I would also like to direct your attention to legislation passed during the 106th Congerss which will promote Telework:

Telecommuting and Air Quality Act (HR2556, S1521): Rep Frank Wolf & Sen. Rick Santorum bills that created a study of the feasibility of providing employers with tradable pollution tax credits for reducing exhaust emissions from cars by reducing Vehicle Miles Traveled (VMT) through the use of telework programs. Follow-up Legislation has passed Congress to move from the study phase to carrying out a 2-year program to implement such programs in 5 US cities – see HR4425/Public Law 106-246, Sec.2603. Pilot program cities are Washington, D.C., Philadelphia, Denver, Los Angeles and Houston.

DOT Appropriations Bill (HR4475, S2720 – Law # 106-346): Rep. Frank Wolf & Sen. Richard Shelby's Bills direct, under Sec. 359, that each executive agency establish a policy in which eligible employees may participate in telecommuting to the maximum extent possible without diminished employee performance. It requires the Director of the Office of Personnel Management (OPM) to provide that such requirements are applied to 25 percent of the Federal workforce, and to an additional 25 percent of such workforce each year thereafter.

Federal legislation introduced which should be reconsidered during the 107th Congress includes:

Digital divide Access to Technology Act of 2000 (HR4274): Rep. Jerry Weller's Bill to amend the IRS Code to provide that computers provided to employees for personal use are a nontaxable fringe benefit. This will prevent employees from having to pay tax on the computer packages that their employers have provided to them to increase their computer literacy/skills.

Small Business Telecommuting Act (HR3500): Rep. Mark Udall's Bill to direct the SBA, from up to 5 of its Regional Offices to conduct a pilot program "…to raise awareness about telecommuting among small business employers and to encourage such employers to offer telecommuting options to employees."

Rural Telework Act of 2000 (S2447): Sen. Paul Wellstone's Bill to provide assistance to individuals in rural communities to establish National centers for Distance Working, to support the use of teleworking in information technology fields.

Digital Empowerment Act (HR3897, S2229): Sen. Barbara Mikulski & Rep. Silvestre Reyes' Bill to establish a program for Community Technology Centers (CTCs) which would authorize computer centers in & around public housing allowing for a tax deduction for corporate donations of computer technology & equipment for educational purposes.

Additionally, Congress may want to turn to the states and localities to review innovative programs like the Metro Washington, D.C. program that provides telework consultants to corporations engaging in Telework initiatives. The San Francisco Bay Area & Metro Washington, DC Council of Governments have "1-in-5-in-5" target programs.

Conclusion

Mr. Chairman and members of the subcommittee, I thank you for the opportunity to share the AT&T story on telecommuting and offer our company's resources to work with the committee in developing programs that will allow more segments of the nation's workforce to realize the benefits of an important tool of the New Economy.

[1] Indeed, in the early 1990's environmental managers at AT&T, who might be expected to be the most open to teleworking, were among those most opposed, on the grounds that it weakened their ability to "properly manage" employees. In this light, it is worth noting that environmental organizations tend to have a culture dominated by engineering mental models, which tend towards such concerns.

Mr. TOM DAVIS OF VIRGINIA. Mrs. Alcott.

Ms. ALCOTT. Thank you, Mr. Chairman, members of the subcommittee, and guests. My name is Jennifer Alcott. I am here today to represent the Washington Metropolitan Telework Centers, which is a coalition of the local managing partners of the 15 Federal telework centers around Washington, DC.

I have been intimately involved with this program for almost 7 years now, and I manage three facilities that are located along Interstate 95 between the Capitol Beltway and Fredericksburg, VA.

The telework centers were established at the direction of Congress by the U.S. General Services Administration, beginning in 1993, in an effort to promote telework within the Federal Government. The centers provide workstation space, computers, phones, Internet access, and technical support to employees from Federal, State, and local governments and private sector companies that will allow their employees to make use of modern technology to perform their jobs at least part of the time in a facility closer to their home.

At present, the 15 centers are at about 54 percent capacity in terms of the number of workstation seats reserved full time. The utilization rates for any given center range from about 25 percent to about 80 percent, and some of the centers have been at 100 percent capacity at certain times.

The clientele base for the telework centers is currently composed of about 77 percent Federal employees and 23 percent non-Federal users, with non-Federal use being defined as use by a State or local government, a private sector company, a nonprofit organization, or an individual citizen.

Only a very small handful of Federal contractor employees make use of the telework centers, and an interesting number to tell you is that over 600 constituents made use of the telework centers in fiscal year 2000, and that includes Federal and non-Federal use.

Most of the telecommuters that use the centers use the facilities an average of two times per week and then they commute into the Washington, DC area the rest of the days of the week. At least 11 of the centers have performed formal surveys to measure customer satisfaction among their clientele, and at a recent survey that we conducted in the three centers that I manage about 95 percent of our customers reported that they are either extremely satisfied or very satisfied with the facilities.

Surveys of other northern Virginia centers report that 95 percent of their users are either satisfied or very satisfied and surveys conducted in southern Maryland show similar results. While the vast majority of the tens of thousands of telecommuters in the Washington, DC region work from home when they telecommute, my experience over the last 7 years with hundreds of telecommuters and their managers and employers has shown a variety of reasons of why a small but very important percentage of these telecommuters and their managers prefer center-based telework.

For example, many managers are more comfortable with the professional environment that a telework center provides, and they prefer to take advantage of the technical support that is available onsite rather than relying solely upon the technical support over the phone that their organization can provide.

In addition, a number of telecommuters simply do not have the space or the resources within their home to set up a home office. In addition, many employees prefer the distinct delineation between their work lives and their home lives that center-based telecommuting provides.

Center-based telework can also help avoid the feelings of isolation that some home-based telecommuters have reported. In addition, the centers currently serve as a resource for home-based telecommuters that don't need the amenities of the centers every day but would like to make use of them on occasion, and we feel very strongly that the telework centers fill an important market niche and are a valuable contribution in the overall promotion of the benefits of telework in our communities.

In order for the telework center program to continue successfully, it needs the full and long-term support of the General Services Administration, which is the Federal agency that currently oversees the program. Over the past 7 years the program has been shifted amongst several different divisions of GSA and even today the program is not funded and overseen by one central office at GSA. These functions are divided geographically between two regions.

In addition, in the past there has been no long-term commitment from GSA toward the program in terms of either management or funding, and the local managing partners never know from year to year whether the facilities will remain open in the next fiscal year or whether they will be forced to shut down. In spite of these obstacles, the local managing partners have remained committed to working with the Federal Government on this program because we firmly believe that telework works for the benefit of the citizens, the employers, the community and the Nation as a whole.

In an ideal world, the program involving the telework centers would be funded and facilitated by a division of either GSA or another Federal agency whose mission and focus is the implementation of innovative policies that benefit the employer, the employee and the community as a whole rather than viewing these centers as simple real estate. Effective, efficient and supportive management is the key factor in the success of any program, and when we combine this with the accountability that is now being required of Federal agencies by Public Law 106–349, we feel that the total work center program will be even more successful in the future than it has been to date, and I would be happy to answer any questions that you have.

[The prepared statement of Ms. Alcott follows:]

Testimony of

Jennifer Thomas Alcott

on behalf of the

Rappahannock Area Development Commission

and the

Washington Metropolitan Telework Centers

Before the

Committee On Government Reform,

Subcommittee on Technology and Procurement Policy

2154 Rayburn, Washington, DC 20515

March 22, 2001, 2:00 p.m.

Good afternoon, Mr. Chairman and members of the Subcommittee. My name is Jennifer Alcott, and I represent the Washington Metropolitan Telework Centers, which is a coalition of the local managing partners of the fifteen federal telework centers around Washington, DC. I have been intimately involved with this program for almost seven years, and I manage three centers for the Rappahannock Area Development Commission (RADCO) which are located between the Capitol Beltway and Fredericksburg, Virginia, along Interstate 95.

The telework centers were established at the direction of Congress by the United States General Services Administration beginning in 1993 in an effort to promote telework within the federal government. The centers provide workstation space, computers, phones, Internet access, and technical support to employees from federal and state governments and private sector companies that will allow their employees to take advantage of modern technology to perform their job, at least part of the time, in a facility closer to home.

At the present, the fifteen centers are at 54% of their capacity in terms of the number of workstation seats reserved. The utilization rates for specific centers range from 25% to 85%, and some centers have been at 100% capacity at certain times. The clientele base for the centers is composed of about 77% federal employees and 23% non-federal users, with non-federal use being defined as use by either a state or local government, a private sector company, a non-profit organization, or an individual citizen. Only a very small handful of federal contractor employees use the telework centers.

Most telecommuters that use the centers perform their job an average of 2 days per week from a center near their home and then commute to the Washington, DC area the other days of the week. At least eleven of the centers have conducted formal surveys to measure customer satisfaction. At a recent survey conducted amongst the customers of the centers that I manage, 93% of the survey respondents reported

that they are either "extremely satisfied" or "very satisfied" overall with the telework centers. Surveys of other Northern Virginia centers report that 95% of the users are either "satisfied" or "very satisfied" with the telework centers; and surveys conducted at the Southern Maryland centers show similar results.

While the vast majority of the tens of thousands of telecommuters in the Washington, DC region work from home when they telecommute, my experience with hundreds of telecommuters and their employers over the last seven years has shown me that there are a variety of reasons why a small but important percentage of telecommuters and their managers or employers prefer center-based telework. For example, many managers are more comfortable knowing that their employees are working in the professional environment provided by the telework centers, and prefer to take advantage of the on-site technical support at the centers, rather than relying solely on employer-provided technical support over the phone. A number of telecommuters simply do not have the space or resources in their home that are necessary for setting up a home office. Many employees prefer the distinct delineation between their work and their personal lives that center-based telecommuting provides, and center-based telework can help to avoid the feelings of isolation that some home-based telecommuters have reported. In addition, the centers can serve as resources for home-based telecommuters that need to take advantage of the centers' amenities. The telework centers fill an important market niche and are a valuable contribution to the overall promotion of the benefits of telework.

In order for the telework center program to continue successfully, it needs the full and long-term support of the General Services Administration. Over the past seven years, the program has been shifted amongst several different divisions of GSA, and even today, the program is not funded and overseen by one central office at GSA—those functions are split geographically between two regions. In addition, in the past there has been no long-term commitment from GSA toward the program in terms of either funding or management, and the local managing partners never know from year to year whether or not the telework center program will continue or be forced to shut down. In spite of these obstacles, the local managing partners (which, for the most part, are small, local, non-profit or educational organizations with strong ties to their communities) have remained committed to working with the federal government because we firmly believe that telework WORKS for the benefit of citizens, employers, the community, and the nation. In an ideal world, the program would be funded and facilitated by a division of either GSA or another federal agency whose mission and focus is the implementation of innovative policies that benefit the employer, the employee, and the community as a whole, rather than being viewed and managed as simple real estate. Effective, efficient, and supportive management is a key factor in the success of any program, and when combined with the accountability that is now being required of federal agencies by Section 359 of Public Law 106-349, we feel that the telework center program could enjoy even greater success than it has to date.

Mr. TOM DAVIS OF VIRGINIA. Thank you very much. Let me start the questioning down on my left with Ms. Capito.

Mrs. CAPITO. Thank you, Mr. Chairman. I have a question. I believe it is probably for Mr. Bibb. In my opening statement I stated in our Jefferson County telecommuting center we have 79 Federal employees that are on a waiting list who want to have this made available to them, and I was wondering what the holdup is or what you perceive to be the problem and why we are not able to fill our telecenters.

Mr. BIBB. Well, I think the overriding problem with filling the telecenters has simply been the pool of potential users who have been given the OK by their agencies, as you're intimating. There are reasons that agencies will cite in not giving authority to telework either at home or in a telecenter. Those include double costs, to provide a work space in the office and to repeat costs in a telecenter or to set up a home telecenter in some cases. There—also we've heard testimony that touches on this. There is some inherent management reluctance to have employees out of sight; how can you supervise? My experience has been if you can supervise in the office with proper performance measures you can do that in a remote location, but I think those two things, I think the cost and the reluctance on the part of some managers are the biggest problems we have, not just with the telecenters but with teleworking in general.

Mrs. CAPITO. Thank you. That's my only question.

Mr. TOM DAVIS OF VIRGINIA. Will the gentlelady yield for a second?

Mrs. CAPITO. Yes.

Mr. TOM DAVIS OF VIRGINIA. You heard the AT&T story, about basically you have to change the culture if you want to change that. I guess our question is these centers are out there, they're not operating at capacity, what are we doing to change the culture in these agencies?

Mr. BIBB. Well, there have been, and Mr. Cohen may want to jump in from the standpoint of OPM's efforts governmentwide, but there's been a lot of education, a lot of publicity. I venture to say there are very few Federal employees who don't know of the existence of telecenters.

Mr. TOM DAVIS OF VIRGINIA. Mr. Bibb, I think the problem is, I mean the employees I talk to are dying to be able to use this, but the agencies are just not giving them the encouragement and the go-ahead because they're just operating under an old mindset, an old model, and that's what's got to change.

Mr. BIBB. I would agree. There is a lot of the old mindset. The Federal Government's effort by and large over the last 6 or 7 years, particularly when home teleworking became feasible because of connectivity and the machines that could be placed in the home, was primarily: This is a great idea and it is going to catch on over time and there will be a natural growth in use. The numbers have shown that hasn't happened. The numbers are pretty low, so now we do have a different ball game. We have a piece of legislation that would require agencies to hit certain targets, and I believe that's going to change the playing field.

Mr. Cohen may want to add with your permission, Mr. Chairman.

Mr. TOM DAVIS OF VIRGINIA. Sure.

Mr. COHEN. Yes, sir. I totally agree that there needs to be an attitudinal, and mindset change within the Federal service and among supervisors and managers. This is something that is in fact going to take time. It is something that we're all working toward. We need to do a better job of demonstrating to our supervisors and our managers that telework can help. It can help in terms of mission accomplishment, it can help in terms of productivity. As a matter of fact, we'll be issuing a publication very shortly that will demonstrate some best practices, featuring agencies that have really done a good job of making telework work. We are holding seminars and conferences where we bring together both the supervisor and the employee so that individual stories can be told so that supervisors and managers throughout the Government will understand that these programs and this particular initiative is in fact helpful.

Mr. TOM DAVIS OF VIRGINIA. Let me take it one step further. There's a new report prepared by the National Academy of Public Administration at the request of the Federal Chief Information Counsel, and it portrays the government as lagging behind the private sector in treatment of high-tech workers. I mean this is not just about accomplishing the mission in productivity. This is about allowing employees the flexibility where they don't have to come in in traffic and they can make their child's play or they can make a doctor's appointment.

It is a huge retention issue, in my judgment. It has been a congressional priority. Mr. Wolf has put these items in the appropriations every year. It seems to me not fault, but it is not an executive branch priority. As a result, we have these centers out there, we've heard the testimony, that are vacant or just not being utilized to their capacity when they ought to be teeming with their people, and there are employees who want to use it but they are either not getting the encouragement or the permission or whatever and there ought to be a natural—this is seems like such a natural.

Mr. COHEN. We agree and we are committed to making this work if at all possible.

Mr. TOM DAVIS OF VIRGINIA. Thank you for yielding. Mr. Moran.

Mr. MORAN. Thank you, Mr. Chairman. When we have touched on the problems, the feedback that we get here is consistent with what has been raised. When I ask managers, the first thing they cite is that there they're afraid that you pay double rent for somebody to work in the telecommuting center and downtown, that at some point—if they try to save money by reducing that overhead cost for space, that at some point that telecommuting center is going to close down and then they don't have enough space for their employers. So there's some disincentive from management to take that risk of relying upon the perpetuation of a telecommuting center.

How many days do you have to telecommute to be considered a telecommuter, because most all of them spend at least 1 and sometimes 2 or 3 days a week in DC and the other 2 at a telecommuting center. How do you define a telecommuter?

Mr. COHEN. We would define the telecommuter as one who is available for telecommuting at least 1 day a week or more. At least 1 day a week, yes, sir.

Mr. MORAN. So you have to have a certain critical mass to share those facilities and if that 1 day a week is a Monday or Friday, and I wouldn't be surprised if it is not generally a Monday or Friday that we are talking about, then we are going to have—it may be full 1 day a week, they may choose the same day, and then the rest of the time it may very well be empty. Is that a problem?

Let me ask Mr. Bibb.

Mr. BIBB. I think Mr. Lindsey made some reference to the problem of a manager managing a telework force. It does take some planning so you don't have everybody out on Monday or Friday. So far the double cost is a problem for management. We have found in my own experience, in my own office, where over half my people telework, that—and we are not atypical of teleworking organizations—that when people are teleworking once a pay period, twice a pay period, you really don't pick up any space savings back in the home office. In my own office I have told my own people let's talk about teleworking 3 days a week and in return we are going to expect you to give up or share space, and to my surprise I'm getting considerable interest in that. I think, you know, if we reach the point where we do begin to get some space sharing then it becomes more economically viable, although I will say I think if people think hard about these retention issues and the competitiveness of the Federal Government to win people to come to work for the Federal Government and then keep them, the dollars for space may not be as significant as we think they are.

Mr. MORAN. You have to report, is it April 2nd or April 23rd? It is next month anyways. You have to have a report and it is not that you have a prerogative, it is mandatory that you have to have a plan for incorporating 25 percent of the agencies' work force into a telecommuting plan. Do you think you're going to meet that required objective, Mr. Cohen?

Mr. COHEN. Mr. Moran, if you're referring to the report itself, of course we will. We are compiling all of this data now from all of the Federal agencies. The agencies are due to report to us in April on the establishment of their particular policies, how many people they have teleworking, what barriers there may be to teleworking, and how in fact we can deal with them. We are committed to looking over those policies and dealing with them and if there are changes that are necessary to dealing with the agencies in terms of making those changes. We will of course be reporting to the Congress on the results.

Mr. MORAN. Well, I think Mr. Wolf is the one that put that language into the Transportation bill. I think he wants to go beyond the report. He wants your plan for how you're going to make it work. But we'll let him hold your feet to the fire. I don't know, I don't know that we can, we can really ask the kinds of questions that need to be asked until we get that report and see the specific problems.

Clearly, as Chairman Davis has said, it is a cultural, an attitudinal problem, and it is in the private sector. We are hearing AT&T does a good job, but I don't know that they are typical and I know

that most managers have a lot of reluctance to do this, but I think that the situation with regard to physical disabilities is particularly compelling. That makes so much sense and it is clearly a cost savings as well.

Do you think that we have enough telecommuting centers, would you suggest that we look for more space, or do you think that what we have now is sufficient until we change the corporate, the cultural attitude?

Mr. BIBB. Well, I think what we are going to recommend to our incoming Administrator is that we take a look at what the impact of this new law is on usage. I think that would be a prudent thing before we think about do we have enough or not. I think that's going to be the proof in the pudding.

Mr. MORAN. Thank you, Mr. Chairman.

Mr. WOLF. Would the gentleman yield? But it really doesn't impact on usage. This is the law and we didn't put civil penalties in or criminal penalties, but it is the law and my recommendation is that at the end of the year the agencies that are not complying ought to be held accountable. The agencies that come before the subcommittee that I'm the chairman of, we are going to look at it with regard to their budget and the same with regard to GSA and the Treasury bill. So it is really the law. Everything that most of you have said have all been, the charge will be, the intent will be. It is actually the law. It is the law of the land. A lot of things are, and we are obligated and duty bound to do them even if we don't like to do them, and so it is not, you know, we are going to see what kind of impact.

And, GSA, with all due respect, I don't believe that you have done that great a job. I have had citizens from my congressional district who have come to my town meetings who say I want to use the telework center and GSA won't allow me to use them. Y'all really have not gotten behind it. Maybe in your office you're doing it but overall. Every Federal employee should be surveyed. Do you have a Web page on this, does GSA have a Web page whereby any manager who wants to allow their people to telework can go on the Web page? Does every agency have a Web page? Does OPM have a Web page, so if I'm a manager I can go to it or if I'm an employee? But it is not just to see what the impact is. It is the law and it is 25 percent of those who are eligible, 50 percent the following year, 75 percent the following year and 100 percent the other year.

We will never be able to deal with traffic congestion in this region until we get with that program and do it. It also—you talk about space. This is not a space issue. If we are only to look at it from a green eyeshade space issue, we will never be successful. As the AT&T guy said, the first teleworker in the group is an oddity and has a difficult time succeeding. When half the people in that work group are working from home, the communication patterns change and the teleworker is no longer an unusual event.

The reason they're empty is because the agencies have not really participated and the definition of eligibility has been very, very narrow. Now, in all fairness, the telework centers should be packed because there won't be enough people that can fill this thing, but that's almost like black and white television. If you went out and

bought a television today, you wouldn't buy a black and white. You may even buy a digital. This is digital. We've got to move beyond it, but I think they ought to stay open for a number of years. You ought to be encouraging people to use them.

When the mixing bowl takes place, when the Woodrow Wilson Bridge construction takes place, you will literally have a difficult time getting from south of there up into the area. But it is not an impact. It is the law, and otherwise you all will be in violation of the law. I don't know what—and I am going to ask Attorney General Ashcroft, what is the impact of when agencies are violating the law. Maybe we just ignore the law or do we do something, and I think OPM has to make it clear. This is not a recommendation. It is the law of the land and, quite frankly, we are going to ask in the report to find out are the agencies really defining eligibility in a fair way or do they just say, OK, we've got two people eligible and one's teleworking, so we are 50 percent, so we are beyond, or are they really putting their heart and soul into it.

Nineteen million people in America telework. AT&T does it. Nortel does it. Mr. Davis is right, you talk about retention, you talk about recruitment. This is retention, recruitment, productivity. The productivity of people who telework is as high and sometimes—we don't like to say it—higher than somebody who is not. Give a mom the opportunity, and telework is not only just 1 day a week. It may be a half a day. You may come in in the morning and leave at 2 o'clock and finish the day at home. You're out of the traffic and you're home when your kids come home from school. But it is the law, and it is just not 1 day a week. It is many other difficult—and for people who have a difficult time, handicaps and others, recuperating from a heart attack, going through difficult times.

So I think you're really going to have to do it. I have written all the Cabinet officials. Only one has answered. Only one has answered and so—but it is the law.

Mr. TOM DAVIS OF VIRGINIA. If the gentleman would further yield just for a minute.

Mr. MORAN. I certainly would.

Mr. TOM DAVIS OF VIRGINIA. I think Mr. Wolf is right. It really comes down to priorities. You get hit with a lot of different requirements from government in terms of things that agencies have to do in sorting it out, and you know in the scheme of things, this has not been given the political push probably it needs to from this body, where they have recognized that there are rewards and punishments for not moving it along, but I think it is the right public policy. It is the public policy of the future. We have seen it adopted in the private sector on a consistent basis.

We are facing a time at the Federal Government level now when some of our top technology employees are at retirement age. What are we going to do to replace them? You can't offer them stock options, can't give them bonuses under civil service rules. Telecommuting is a great incentive for people who are concerned about lifestyle, but I can tell you, an hour commute from Woodbridge isn't, and that is the kind of issues that the government needs to start assessing and make a higher priority, and I recognize that you have a lot of rules and regulations you have to comply with, and this is just another one. Well, it is not just another one, as Mr.

Wolf said, and I think that's what we are trying to emphasize here, and let me yield now to the gentlelady.

Mr. MORAN. Mr. Chairman, I have to go to a Budget Committee meeting, but again I want to thank you very, very much for having this hearing.

Mr. TOM DAVIS OF VIRGINIA. Mrs. Davis.

Mrs. JO ANN DAVIS OF VIRGINIA. Thank you, Mr. Chairman.

Ms. Alcott, I think you said in your testimony that some of the telecommuting centers are like 25 percent and I think the highest you said was 54 percent.

Ms. ALCOTT. The highest is 85 percent. The average is 54 percent.

Mrs. JO ANN DAVIS OF VIRGINIA. Given the fact that two of those are in my district, some of the concern is the ADA, the OSHA, Workmen's Compensation and that sort of thing. How is that handled in the telecenter?

Ms. ALCOTT. The telework centers are really treated simply as an extension of their normal workplace. The telecommuting centers are all ADA compliant. We are compliant with OSHA regulations because they are currently under a GSA lease. So we are bound by all of the same laws and regulations that the Federal workplace is bound by and we must comply with them.

Mrs. JO ANN DAVIS OF VIRGINIA. So it is an extension of the actual workplace then. I don't know who said it was a problem, but why would it be a concern then? Why would it not just filter on down from the workplace to the telecommuting center, telework center? Why would that be a problem to the employer? I don't know who said it, but whoever wants to answer.

Mr. BIBB. What exactly would be the problem for the employer?

Mrs. JO ANN DAVIS OF VIRGINIA. Someone said the ADA was a problem.

Mr. ALLENBY. That was—in looking at it as an opportunity. I think that, among other things, telework makes age and disability transparent because what you're interested in when you get to telework is knowledge and that knowledge is not just captured in the people that you have working immediately in your facility.

Mrs. JO ANN DAVIS OF VIRGINIA. It is not a negative; it is a positive then?

Mr. ALLENBY. Absolutely it is a positive then, and I think also there was a mention of people who retire from the Federal Government. I wonder how many of those people would be willing to telework on a part-time basis to maintain the knowledge structure of the Federal Government, to maintain the transition.

Mrs. JO ANN DAVIS OF VIRGINIA. The other concern I think I heard about teleworking was—I'm not sure where I heard it—securing the information on the computers, I guess. How is that handled in the telework centers?

Ms. ALCOTT. In the telework centers it is incumbent upon the user or the employee to make sure that they are following the necessary safeguards. The centers all have local area networks, and as part of the local area networks the users are given a subdirectory on the server that only they are privy to along with the network administrator at the site. So rather than storing information on the

hard drive of the PC, it is incumbent upon the user to store the information in their subdirectory on the server.

On a couple of different other levels all of the networks do have user names and passwords that are required when you log in, and the agencies themselves have security in place in either their Web access or their dial-up access. So I would say that most of the agencies that we serve have multiple layers of security and in fact that is sort of a minor stumbling block. For some people they have about seven or eight different user names or passwords that they have to remember, so there's lots and lots of security in place.

Mrs. JO ANN DAVIS OF VIRGINIA. Thank you. I had one other question if I can figure out where I wrote it. I will have to yield, Mr. Chairman, because I don't know where I wrote it down.

Mr. TOM DAVIS OF VIRGINIA. Thank you very much. Mr. Horn.

Mr. HORN. Thank you, Mr. Chairman. I've been fascinated by the possibility here of different types of telecommuting and yours is very clear, Ms. Alcott, because you have got several group presentations there and people can perhaps learn something from the other. I'm interested in those that do it in the home because the GSA and the OPM and the Railroad administration, do you permit them then to take particular computers, fax, etc., and how do you check the work? Do you just, does she or he use a fax to say here's what we are working on and if the supervisor says, gee, we ought to add something to that can you fax it back? Is that a problem at all for the agencies?

Mr. COHEN. A fax would be one possibility. Of course another is just the computer itself, electronically sending the files and the messages back and forth and that works very, very well. There would be a variety of ways that we would support our own employees. We would provide the equipment, the computer, the fax, the phone line, if that in fact is necessary and desirable. Sometimes the individual has his or her own computer. We would provide whatever the software might be that would be appropriate. So there are a variety of ways of providing the equipment and also of course in making sure that the work is done and it is done the way it ought to be done.

Mr. HORN. What about the supervision? Do your supervisors get a little bit nervous or what?

Mr. COHEN. Well, that's really at the heart of some of the problems we are discussing today and we've been discussing for quite some time. This is a different way of managing work. And I suspect we know from all of the research that has been done, a very heavy percentage of our supervisors and managers are simply not comfortable with this different way of doing work. They haven't experienced it in the past. They don't know that in fact it can work well. It is an educational effort, as we've described before, and it is one that is absolutely essential but that's really at the heart of it. When an individual enters into an agreement with the supervisor, what we want to see is a clearly spelled out expectation on the part of the supervisor and on the part of the employee so they both know what it is that's expected of them, and the supervisor of course is then able to ensure that the work that's expected is done. But that really is at the heart. It is trying to make the supervisor

and the manager comfortable with this different way of managing the work force.

Mr. HORN. It seems to me we would get a lot of space that could be used by various agencies. With all due respect to GSA, I have great respect for GSA, but I must say some of the amortization of some of the buildings are really out of sight and an agency could save a lot of its lease rent, whatever it is called, money and if people did use it in their own homes and got the job done and they wouldn't—they at least have a parking place in their home and when it's downtown Washington, or Long Beach, CA, it is tough, really tough to find parking.

And the gentleman from Virginia is certainly right on this. This is a law and there ought to be a lot more work going ahead on this. Now can OPM encourage that with the people? Do you have training courses and everything else on being good supervisors, good administrators, all the rest of it?

Mr. COHEN. Exactly. We have developed telecommuting kits. We've developed guidelines, or guidance if you will. We are in the process of developing and working with the contractors to develop distance learning modules. We have seminars, conferences and the like. It is a major effort. It is also an effort that frankly we can't do by ourselves. It is one that the agencies will have to be involved with. We'll provide materials, we will provide guidance, but we have to expect that the agencies will pick up on these materials and do a lot of the training of their own supervisors and managers.

We are undergoing within our own agency a significant initiative. We've briefed our executive staff. We are holding a session with all of our supervisors and managers. We are doing the same thing with all of our employees. We've changed our own telecommuting policies, and we are making it quite clear within our own agency that this is really what's expected and that we are expecting to see significant increases in the numbers of individuals who are telecommuting. I think, frankly, that if we got the type of support that we are talking about in all agencies we'd see some of the dramatic changes that this committee wants to see.

Mr. HORN. Any comment on this, Mr. Bibb, in terms of the supervision and all?

Mr. BIBB. I think a number of things Mr. Cohen has said are correct. GSA does allow people to work at home in addition to telecenters, and in fact the vast majority of our people do work at home, and in the private sector that's been the same experience. Yes, there's a reluctance on the part of supervisors. We have found, though, that when you measure by results rather than whether standing over someone's desk and seeing whether they're actually working on something, it is the right way to manage anyhow, whether you're in the office or someone's not even anywhere close. So you hold the employee accountable for the results, and I do not see a problem with it.

I do think it is a culture change and people are used to being onsite and checking to see who's doing what, but I think ultimately what you produce and the job you get done is what counts.

Mr. HORN. Mr. Lindsey, do you want to add to that?

Mr. LINDSEY. Yes, Mr. Horn, I'd like to add a couple of things that I think are important. One is dealing with the motivation of

the supervisors. We have a pattern of having performance agreements inside the agency that carry our priorities all the way down and every supervisor is handling telecommuting as one of the priorities in his performance documents. So there's a motivator there that makes clear from the top of the agency down that this is expected to be handled well.

A second one that's important that's kind of facilitative, to make this work, you were talking about the technical systems a minute ago, computer systems and communications. This is very difficult. It's been very hard for many years to keep computer systems current and to develop them to the state that we need them. For us it is critical to have a wide area network that is very much up to date and very effective so that among employees who are out in the field someplace and who are telecommuting or otherwise gone, we can share a long and complex document effectively, and have the same software at each end, to make it work smoothly: For example, a supervisor and an employee can exchange a large document, have the supervisor review it, show the commentary on the document and fire it back to the employee at the distant locale. That can work well, but we really have to make the investment to make it happen, and it is critical that we do so.

Mr. HORN. Thank you. Thank you, Mr. Chairman, very interesting.

Mr. TOM DAVIS OF VIRGINIA. Thank you very much. Mrs. Morella.

Mrs. MORELLA. Thank you, Mr. Chairman. I very much value having heard the panel and the whole concept of this hearing. I think it is very important that we find out what the difficulties are that you're facing and how you have to move ahead with what Mr. Wolf stated. There is no choice and I think it is going to help all of us.

I'm curious, we talk a lot about the telework centers. How do you decide, Mr. Bibb, how do you decide where they will be located?

Mr. BIBB. We have tried to place them geographically around the metropolitan area where there are concentrations of Federal employees. In addition, the Congress has helped us with some of those decisions by giving us some direction on where some of those centers should go. But it is primarily where the concentration of Federal employees are in outlying areas.

Mrs. MORELLA. Maybe I could give you some direction.

Mr. BIBB. Sometimes in law.

Mrs. MORELLA. Well, I think the 8th district in Maryland has an awful lot of Federal employees. I think we have prime locations for a telework center. So can we have that be part of your personal records?

Mr. BIBB. I have made a note.

Mrs. MORELLA. Thank you. With regard to—and of course I hear about the fact that they're not utilized adequately and you've got someone—people who are trying to get into them, and yet 54 percent usage or even less than that in some instances. So a lot has to be done with those, too. But quite seriously, I was rather surprised to note that District 8 didn't have a telecenter, a telework center yet.

I want to ask you about whether or not you have pursued the top, the laptop docking station. You know, the laptop is there and employees can check it out if they are going to have their day working at the telework center or at home.

Mr. BIBB. It is a great solution. It keeps you from having to have a complete computer.

Mrs. MORELLA. You haven't done anything with it?

Mr. BIBB. No, we have. We are using that. We see more and more agencies using those as laptops get better, as docking stations get better, as the communications links improve. When you work at home, unless you have broadband it is very hard to be like in the office. But docking stations and laptops are a great idea. One machine: you plug it in at the office or you plug it in at home.

Mrs. MORELLA. So where are they used; do you know?

Mr. BIBB. I don't have a governmentwide count. I use them in my own organization in GSA. We have them within my own office. We intend to move as soon as we can to an entirely laptop docking station environment, as soon as we've amortized the cost of some of the equipment. We have and we'll move right on it.

Mrs. MORELLA. That might be one of the suggestions also that's offered to agencies, too, that they might look into. That brings up the issue of all the security, and I know there's been some reference to that. Does that present tremendous challenge to make sure there is adequate security?

Mr. BIBB. I would just say, and Mr. Cohen may want to add or any other panelist, it enters into the equation for a high security job. For some jobs it is not a big factor at all. Others where you're dealing with government contracts, etc., and information might get out, you have to be careful with it. But those things can be overcome with encryption, etc., and I think we are getting better and better at it.

Mrs. MORELLA. And I would hope that there's somebody in every agency that would be in charge of that.

Mr. BIBB. I would say each agency's CIO, Chief Information Officer, would be, yes.

Mr. COHEN. And I would agree. There are circumstances when, for security considerations, telecommuting does have a different challenge, but it would be the CIO's office that would be the one that would deal with those issues.

Mrs. MORELLA. I wonder how the private sector does that, too. I might ask AT&T what they do with regard to preserving the adequate security.

Mr. ALLENBY. It is a very good question. There's really two elements to security, I think, that are important to consider. The first is how to maintain security on the Intranet and associated systems, and the second is how to maintain control over the intellectual property of the agency or of the company. Those are related issues and they point, I think, to a more fundamental question, which is how to structure the infrastructure of the company for the 21st century as opposed to the 19th. It is not just a security issue as much as it is how do we take all of our e-enabled systems, our Intranet systems, our electronic systems, and move them to an environment where location and time are no longer critical.

I had an excellent worker a couple of years ago who liked to spend his time over in the Netherlands and he would file reports from cafes in the Netherlands. How do you maintain control of security when that's the kind of pattern that you're looking at? I think probably that the answers given up until now I would agree with. I think it is an issue that clearly needs attention, but I don't think that in any sense of the word it is a show stopper. We just need to continue to maintain vigilance, particularly over the structure of the internal networks.

Mrs. MORELLA. Do you all have problems getting people who are trained, adequately trained to be able to be involved with the security? Is that a problem that any of you know about?

Mr. ALLENBY. That's a significant problem, I think, across private industry as well as the Government. It is a very difficult area. It is often beyond the cutting edge and the people trying to breach security are sometimes as adept as the people trying to stop them. In addition, frankly there's a lot of sloppiness in systems. So you need to be careful how your system connects with other people's systems to make sure that you don't inherit the sloppiness.

Mrs. MORELLA. Did you want to comment on that, Mr. Cohen?

Mr. COHEN. I would agree. Obviously security is for all of us a very significant issue. But I can only really speak for our own agency and the efforts that we take to assure that there aren't breaches and the like. I'm not in a position to comment on what is happening in other agencies in this area.

Mrs. MORELLA. Just as we continue to work on the telework programs, I think it is a very important facet that should always be considered.

Thank you very much. Thank you, Madam Chairman.

Mrs. JO ANN DAVIS OF VIRGINIA [presiding]. Thank you. Mr. Wolf.

Mr. WOLF. Thank you very much. It's been a good hearing. I appreciate the committee holding it. It gives us kind of a baseline to operate from.

Just a couple of really fast thoughts. One, I am pleased that FRA is doing a good job, since as chairman of the Transportation Appropriations, it is good to see that and I appreciate that, and please take it back to the people at FRA that I'm glad that you're leading the way.

Second, I believe that you ought to consider bringing AT&T—I did not hear your testimony but I read it all. You ought to bring AT&T before all the human resources people in the government. I mean, they have done an outstanding job. If only half of what they have done is accurate, they have done an outstanding job, and I know Alice Perelly from AT&T. You all have really led the way. I'm going to have to change my speeches. I used to say 22 percent of your people were doing it. Here you're far beyond that. I was reading some old data. I think they ought to be brought in and put a half a day for all of the personnel officers in the Federal Government, particularly here in the Washington, DC area, but as you bring them in from around the country, and maybe you ought to just contract out with them and ask them to help you design a program because there's no sense in reinventing the wheel.

Last, I think you need a telework czar, perhaps for the government, but maybe for every agency. The reason I'm so interested in this, one, we are in gridlock in the region. We are the second most congested region in the Nation. The George Mason study shows that for every 1 percent of the people we get to take out of their cars, we reduce traffic congestion by 3 percent. Three percent, just 3 percent, AT&T is well beyond that, just 3 percent. Reduce traffic congestion by 10 percent. A survey of the traffic on Friday mornings, you know how Friday is lighter than any other day, Friday mornings is what they call the Friday effect. Friday traffic is down to 4; 4.5 percent on Monday, Tuesday Wednesday and Thursday. If we got 3 percent more to telework, we get beyond the Friday effect. We double the Friday effect, if you will, the goodness of it.

Second, it gives people control over their own lives. I had a person in my office the other day, a Federal employee, leaves his house at 5 a.m., gets home about 7 p.m. We cannot continue to have families living in conditions that people are on the road for an hour to an hour and a half each way. Now, you can do that for 2 or 3 days a week, but you can't do it 5 days a week and be a mom or a dad. You just can't do that. Physically you can't do it. You can rationalize you have quality time but no quantity time, but if there's no quantity there's no quality. Families are unraveling, and so in this area—also, if you read the AT&T testimony it deals with sprawl. It deals with growth and that's been an issue that everyone has been concerned about.

So from productivity, you maintain the bold statement in one of your pages here that the performance is actually higher, higher. Well, if it is higher, let's say it is not higher, it is as high, so there's almost no reason. So I think you really need to have a czar or a person who's responsible. If you believe the AT&T, as it gets going it will then take off on its own.

We had the same resistance. We did onsite child care. We had every reason why it couldn't happen. We asked you to do leave sharing. You told us you couldn't do leave sharing. I put an amendment and now leave sharing is the rule. We had job sharing. Couldn't share the same jobs. Now there is just a resistance, a resistance, and I maintain that the people would like to have that opportunity, and I'm constantly hearing, and I believe it to be true, that the recruitment and the retention in the number of senior people who will be leaving in the next 5 years is so overwhelming, maybe the Bush administration ought to have a Hoover Commission to look at the whole issue of how we retain and recruit good people to come in and work in government. Government service is important. It is really important. I mean whether it be, you know, the NIH or whether it be wherever the case may be, who you have makes all the difference. Personnel is policy and so we need the very best. This is a major, major tool.

So I think that OPM—is OPM close to appointing somebody to be the Administrator of OPM?

Mr. COHEN. Yes, sir. President Bush has indicated his intent to nominate an individual yesterday, Mrs. Kay Coles James.

Mr. WOLF. Well, she's an outstanding person. I know her very, very well. She was chairman of the national gambling commission we established and really—worked at HEW or——

Mr. COHEN. HHS.

Mr. WOLF. It was HEW when my wife worked there, but HHS now. If you could pass the word when she's confirmed or whatever, we'd like to sit down with her, but I think OPM is either going to have to lead on this and maybe force these other agencies or the other agencies do the same thing agencywide, and you know how you all intimidate people with your thermometer about how many people are giving to the UGF and the combined fund. You might do the same thing with regard to how we are doing with regard to telework. I think the employees will really grab on, the productivity will be higher. I think you ought to get AT&T and some of the other companies that are really doing it to come in and show you that it is not a danger. It is really a good, good thing.

I want to thank the committee for having the hearing.

Mr. TOM DAVIS OF VIRGINIA [presiding]. Thank you, Mr. Wolf, and thank you for your leadership on this issue. I'll just add, Mrs. James was my school board appointee when I was chairman of the county board. We used to appoint the school board members in Fairfax, unfortunately. So I look forward to working with her.

A couple of things from the AT&T testimony that stand out and I think complement what Representative Wolf just said. One is that among the AT&T teleworkers who have been offered other jobs, about two-thirds reported giving up an AT&T telework environment was a factor in their decision to remain with the company. So from a government retention point of view, I mean I think that's something we really need to look at because we are competing with a very aggressive private sector here, particularly in the Washington region, in some of these areas.

And second, the other fact noted is one of the most surprising statistics developed, is that virtual office managers are more likely to be rated in the very highest performance management category as measured by the formal managerial appraisal than their office bound peers.

And so we know at least in the private sector it works, and it works well, and we are just trying to bring some of the devices we see working around the globe in other areas to government.

Let me ask Mr. Young a couple of questions. Several constituents have told me that Federal contractors find the current Federal Government attitude toward telework is an impediment to their fulfillment of government contracts. I've drafted a bill that would to the maximum extent possible prohibit the government from restricting employees on a specific work site. In your personal and professional experience, have you found that such a bill might be helpful?

Mr. YOUNG. Oh, absolutely, sir. My experience over the last three jobs I've had in the last 10 years, I come in and as a reasonable accommodation I ask about being able to work from home part of the time. Typically what happens is as I start to show up at the office half the time and work half the time at home, many of my colleagues will say how do you do that, what's going on, gee, I'd really like to do that, and as soon as they go to their supervisors, they run into the same issues that we've heard here before: I don't know how to manage that. I want to see your face in here bright and early in the morning. I want to see you doing things, being ac-

tive. I don't know how to manage my objectives. I don't know how to give you these tasks, but then I measure when you get back to me with that task accomplished. So it is the same kind of fear. It is the same kind of lack of knowledge about how to manage the employee when you're not in a face-to-face relationship.

Additionally, a lot of managers aren't comfortable with the technology that many teleworkers use almost by instinct. There are ways to communicate with your supervisor that don't mean eyeball-to-eyeball kinds of interaction.

Mr. TOM DAVIS OF VIRGINIA. Is there a generation gap in some of this you think?

Mr. YOUNG. Yeah, I'm certain there is, but it is more of I'm comfortable with technology, I'm doing things and my boss has a black and white TV back at the homestead and, you know, they get four channels and they're happy with that. The rest of us go on HDTV with a connection with a satellite, and you know surfing through 1,000 channels, not at work I should add, but you know very comfortable with how technology works and working within the technology.

Mr. TOM DAVIS OF VIRGINIA. Thank you.

Ms. Alcott, I was intrigued by your testimony in terms of utilization. You talk to these people every day that use this.

Ms. ALCOTT. Yes.

Mr. TOM DAVIS OF VIRGINIA. What are the one or two things we can really do that—they'd like to be doing this more, wouldn't they, the people?

Ms. ALCOTT. Absolutely. I just yesterday spoke with a DOD employee who used to work in Crystal City, and then NAVSEA moved down to the Navy Yard, and he was talking about how much worse his commute is. And he currently is only allowed to telecommute 1 day per week, and he would very much love to telecommute more than 1 day per week. So I think that——

Mr. TOM DAVIS OF VIRGINIA. He would do it 4 or 5 days if he could?

Ms. ALCOTT. Oh, yeah. Encouraging an increase in the number of days per week that employees are allowed to telecommute would be a great benefit to both the agency and the employee because, as has been discussed, when one person does it 1 day a week it is an anomaly. When more than one person does it more than 1 day a week, it becomes part of the culture.

Mr. TOM DAVIS OF VIRGINIA. This may surprise some of you, but they are looking at local ordinances in jurisdictions around Washington that mandate telecommuting in private companies. Because of your Clean Air Act attainment standard, you've got to get people off the road, not just traffic related now, it is air relate d, and they're putting it on private companies and the companies grumble a little bit, but they're complying with it, and here we are at the Federal level who mandates these laws to the locality and what are we doing about it? We are talking about it.

Ms. ALCOTT. It is interesting to note that the Metropolitan Washington Council of Governments did some measurements on emissions and they found that teleworking by great degrees was the largest contributor to the reduction of emissions in all of the transportation mitigation measures.

Mr. TOM DAVIS OF VIRGINIA. We've got to get some environmentalists up here next time testifying, too. But I think we all understand and agree that we need to make this work, that there are just a lot of good can come out of this, there are a lot of people who can do their job as well or better telecommuting, gets them off the road, helps us maybe recruit some people and we will retain some people in government that we are currently not doing if we do this right. There's a fear of doing it wrong, of letting some people say, "Yeah, I'm at the telecommunications center and they're on the fourth tee."

I understand the fear. But as we have seen with the experience of AT&T and other companies that have tried this, the good really outweighs the bad if it is done appropriately. I think the key is just priorities. You have got to make it a priority, and my sympathy is to government managers who get just inundated with additional rules and regulations from Congress, from the executive branch telling them to do all this different, and it just becomes an item on a punch list.

But we are here today, and Mr. Wolf has made it clear, it is a part of the appropriations process, and that's CJS, that's a lot of agencies right there that they're going to be held accountable, and this is the time where with the appropriate leadership we can make a big difference in these areas by fostering more telecommuting.

Let me ask Mrs. Davis, do you have any other questions? I could prolong this, but I want to get everybody back. It is not Friday, is it, it is only Thursday so I want the make sure we get everything else. Anything else anybody wants to add for the record out here? Maybe you want to rebut something we said or react in any way.

If not, let me just say I want to take a moment to thank everybody for attending our subcommittee's first hearing. I want to thank the witnesses and I want to thank Congressman Turner, Congressman Wolf, other Members for participating. Mrs. Davis, thank you for being here, and thank you for bringing us this witness from Fredericksburg. I think she added a lot of the colloquy today. I want to thank my staff for organizing this. I think it's been a very, very productive hearing.

I'm going to enter into the record the briefing memo that was distributed to subcommittee members.

We will hold the record open for 2 weeks from this day for anybody who might want to forward additional submissions for possible inclusion, and these proceedings are closed.

[Whereupon, at 4:10 p.m., the subcommittee was adjourned.]

[Additional information submitted for the hearing record follows:]

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www.telecommute.org

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March 26, 2001

Honorable Tom Davis
Chairman
Technology and Procurement Policy Subcommittee
Committee on Government Reform
U.S. House of Representatives
2157 Rayburn House Office Building
Washington, DC 20516-6143

Dear Representative Davis:

I am writing as Executive Director of the International Telework Association and Council (ITAC) and at the request of our President, John Edwards, to express ITAC's appreciation to you for speaking on behalf of the federal telework initiative at the hearing held by the Committee on Government Reform, Subcommittee on Technology and Procurement Policy.

ITAC is a non-profit organization dedicated to promoting the economic, social, and environmental benefits of telework. Our members share information about the design and implementation of telework programs, the development of the worldwide telework sector, and research. Our recommendations for government policy to enable telework in both the public and private sectors are enclosed.

Traditionally, work linked us to a physical location. But advances in information technology and telecommunications now enable employees to work independent of their employer's location. The concept of a single assigned place to work is, for the majority of office workers, obsolete. It is costly, ineffective, and no longer matches the needs and desires of today's workforce.

Telework is an increasingly important part of the way that 21st century employers get their work done, meet customer demands, and attract and retain top-quality workers. It is a work option that is being used by savvy employers who want to take advantage of today's technology to bring out the best in today's workforce, and who want to escape the costs and burdens of yesterday's office infrastructure.

.../2

204 E Street, NE Washington, DC 20002 Phone: 202-547-6157 Fax: 202-547-6348 Email: tac4dc@aol.com

Honorable Tom Davis
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March 26, 2001

ITAC does not foresee the day when all skyscrapers will empty out and everyone will work at home in their pajamas; that is not a sensible or accurate view of telework. We know from more than twenty years of experience with all types and sizes of employers that when the best practices for implementation are followed, and telework is appropriately and carefully positioned, it is a powerful "win-win" solution for employers, employees, our "clients," society, and the environment.

We eagerly await the results of OPM's report on all federal agencies' progress in complying with Section 359 of Public Law 106-346.

ITAC endorses this legislation, which established a much-needed stimulus to promote a telework policy for federal employees and a reporting mechanism for the Office of Personnel Management to apply this program initially to 25 percent of the workforce, and believe it to be critical to the continued, long-term success of the federal workforce telecommuting program.

We respectfully ask that this letter and enclosures be submitted into the written record of the Hearing, as directed during the Hearings on March 22, 2001. Thank you for your continued support of telecommuting.

Sincerely,

Bonnie M. Aubin

Bonnie M. Aubin
Executive Director

Enclosure

cc: Victoria Proctor
Technology and Procurement Policy Subcommittee
B-349A Rayburn HOB
Washington, DC 20515

ITAC's BLUE RIBBON [ADVISORY] PANEL

The Blue Ribbon Panel (BRP) consists of business executives from leading organizations that recognize the changing nature of work, the workplace, and the worker. The BRP develops and refines "Recommended Practices for Telework Excellence" and operates as a committee of the International Telework Association and Council. These practices will serve as guidelines for development, implementation, and management of a comprehensive telework program and is intended to become the standard for all telework programs. The chair of this committee is Dr. Nancy L. deLay of Eli Lilly and Company.

Based on the work of the BRP, the "E-Work Guide" was published in October 2000.

Members of the Blue Ribbon Panel are executives from the following companies:

AgilQuest
American Management Association (AMA)
AT&T
Bell Atlantic (now Verizon)
BellSouth Business Systems
CISCO Systems, Inc.
Consumer Electronics Association (CEA)
COVAD
Discover Financial Services
Dun & Bradstreet
Eli Lilly and Company
Hale & Hackstaff, LLP
InnoVisions Canada
International Facilities Management Association (IFMA)
Lucent Technologies, Inc.
MCK Communications, Inc.
Metropolitan Washington Council of Governments (MWCOG)
Old Dominion University (ODU)
Susan Sears and Associates
Netifice Communications
Telework Analytics International
TManage, Inc.
USWest Telecommunications
U.S. General Services Administration (USGSA)

TELEWORK ENABLING GOVERNMENT ACTION

What can government do to facilitate telework?

A. Fiscal:

1. Provide accelerated tax allowances and/or tax credits on telework enabling invest-ments - hardware, software, and office furniture.
2. Remove tax authority bias against persons taking home-office deductions/allowances - employer issued "T2000" form to confirm that tax filer is a bona fide teleworker.
3. Define residency of teleworker for tax purposes - where is the "place" of work.
4. Clarify who is the taxing authority over work produced – transfer pricing and taxes.
5. Remove Fiscal Bias against telework – remove CGT levied on the sale of teleworker home if home office allowances have been taken.
6. Confirm tax status of teleworker – employee, not independent contractor
7. Continue moratorium on Internet taxes to encourage the wider use of computers, the primary tool of teleworkers.
8. Prevent imposition of cable "Right of Way" fees, taxes, or levies by local govern-ments - essentially a backdoor Internet tax, which discourages Telcos making bandwidth available to rural and disadvantaged (including urban) areas.
9. Provide grants to encourage the use of telework to create jobs in rural and disadvantaged (including urban) areas.
10. Provide matching grants for approved telework training programs.

B. Socio-economic:

1. Provide a "Telework Extension Service," similar to the USDA Extension Service, but using a telework non-profit as the provider, to help all sectors by providing telework coordination, certification, implementation, and advisory services. Funding should be jointly contributed from the transportation, labor, education, and technology budgets to insure apolitical decision-making and impartiality.
2. Governments must mandate that 20% of the government workforce, that is "telework eligible," will telework - please lead by example.
3. Promote telework as a creator of jobs and population stability in rural and disadvantaged (including urban) areas.
4. Expand the traditional definition and concept of "transportation" - the movement of people and/or goods from point A to point B –to include the electronic movement of information as it relates to the workforce and its workplace. Recognize that we are no longer moving people to work, but moving work to people.

5. Position teleworking as a vehicle for providing an increased deployment of information technology nationally, thereby continuing to maintain the momentum of the productivity gains that have driven the sustained growth and prosperity of the U.S. economy in the 90s (Federal Reserve Chairman's testimony before Congress, 6/99).
6. Provide Federal Agencies with an incentive to benefit from resulting real estate savings. Allow telework-related RE savings to benefit the budget of the agency that makes those savings and not be returned to the Department of the Interior or be obliged to spend those savings on RE, but on other line items such as to upgrade technology.
7. Agencies often do not budget for the implementation of telework programs, so that when they are urged/encouraged to telework, they ask themselves, "Why should I blow a hole in my budget by getting involved with Telework?" Suggest that agencies be provided with discretionary flexibility in their budgets to reallocate funds to accommodate the implementation of telework programs.
8. Recognize that widespread teleworking can help to lessen the "Digital Divide."
9. Recognize the potential impact of telework on the reduction of juvenile crime.
10. Provide incentives to encourage the use of flexible and time-shifted office hours to reduce peak travel congestion.
11. Provide incentives to encourage employers to reduce commuting to work - see A.1 above.
12. Prevent covenants and local zoning regulations from unreasonably prohibiting an employee from teleworking from a home office.

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