TELECOMMUTING: A 21ST CENTURY SOLUTION TO TRAFFIC JAMS AND TERRORISM

HEARING

BEFORE THE

SUBCOMMITTEE ON THE FEDERAL WORKFORCE AND AGENCY ORGANIZATION

OF THE

COMMITTEE ON GOVERNMENT REFORM

HOUSE OF REPRESENTATIVES

ONE HUNDRED NINTH CONGRESS

SECOND SESSION

JULY 18, 2006

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TELECOMMUTING: A 21ST CENTURY SOLUTION TO TRAFFIC JAMS AND TERRORISM

TUESDAY, JULY 18, 2006

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON FEDERAL WORKFORCE AND AGENCY ORGANIZATION,
COMMITTEE ON GOVERNMENT REFORM,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:24 p.m., in room 2247, Rayburn House Office Building, Hon. Jon C. Porter (chairman of the subcommittee) presiding.

Present: Representatives Porter, Davis of Virginia, Issa, Schmidt, and Norton.

Staff present: Ronald Martinson, staff director; Chad Bungard, deputy staff director/chief counsel; Shannon Meade, professional staff member; Jessica Johnson, OPM detailee; Chad Christofferson and Alex Cooper, legislative assistants; Tania Shand, minority professional staff member; and Teresa Coufal, minority assistant clerk.

Mr. PORTER. I would like to thank everyone for being here today.

With an increase in traffic congestion, fuel prices, time away from one's family, and terrorist and pandemic threats, the time is right for the subcommittee to examine the Federal Government's use of telecommuting for our Federal employees. Years ago, many of us used to watch with awe when a member of the Enterprise crew from Star Trek would "beam them up," thus, allowing them to travel instantly from one location to another. Imagine how life would change if you could literally be anywhere at one time.

Today, with affordable broadband access, Web casting, e-mail, Instant Messaging, and digital-quality video streaming, the only thing which separates the fantasy world of Star Trek and our modern world is that no one has to actually travel anywhere. As technology races ahead, it has become necessary for the Government to adapt and take advantage of these changes. Taking advantage of available and reasonable technology has the potential to save millions of dollars in routine operations, as well as saving the Federal Government from spending potentially millions more in the event of a national disaster.

The effective use of telecommuting will provide for continued Government operations during an emergency or disaster situation, increased efficiency and productivity in the Federal Government, and an increase in the quality of life of Federal employees. All of this becomes more relevant when we consider the world in which we currently live. To insulate the daily operations of the Federal Government from the disruption caused by an emergency situation,

it is imperative that the Federal Government have an effective telecommuting policy that will allow employees to work offsite in a critical time.

Considering the constant threat of terrorist attacks, natural disasters, and wide-spread sickness, for example, the Avian flu, the Federal Government should be able to maintain operations even in times of a crisis. The importance of continuity of operation planning was again underscored recently when the massive flooding forced the Internal Revenue Service headquarters building to be closed until next year, which I think everyone is happy about. No, just kidding.

We will hear today from the IRS as to how they have responded to the disaster. I know that my good friend and Ranking Member Danny Davis has done a lot of work on improving the continuity of operation planning for the Federal Government, and I look forward to learning from him in the future, if not today, with some of his written testimony.

Telecommuting can also have a huge impact on the traffic problems plaguing the major metropolitan areas nationwide. In my home State of Nevada, a Federal employee commuting from his or her house in Green Valley to an office in Boulder City could take over an hour. With the national price per gallon average of approximately $3 and energy costs rising everywhere in our Nation, consumers and various levels of Government are increasingly looking at new ways to be more frugal.

While various solutions are currently being explored, such as hybrid cars, alternative fuels, and expansion of public transportation, the simple reduction of the number of travelers on the road is an idea that usually does not come up. Public transportation and hybrid cars are great, but nothing uses less fuel than not traveling at all.

Of course, if people are not traveling into work, then they are not in the offices. Office space, especially in major metropolitan areas, is incredibly expensive. Not only must you pay for the actual space itself, you must also pay utilities, purchase furniture, hire cleaners, and, in many cases, maintain security. All of this adds up rapidly. The U.S. Patent and Trademark Office [PTO], reduced annual real estate expenditures by $1.5 million, as its aggressive telecommuting program for its trademark attorneys has reduced the need for three floors of office space in its former Arlington, VA headquarters.

In addition, PTO has seen an increase in production and output by 10 percent since implementing its telecommuting program. If all functions of a particular employee's job can be performed remotely, and there is a clear means by which the employer can determine that work is getting done to a measurable standard and even more efficiently, isn't it unfair to American taxpayers to not pursue telecommuting aggressively for the Federal Government?

The benefits of telecommuting are not strictly related to energy, economics, and emergency preparedness. Numerous studies have shown that teleworking employees tend to be happier in their jobs, and more productive as a result. Telecommuting can be instrumental in serving the needs of the family. By allowing parents to build their lives around their families and not their long commutes, the

Federal Government puts productive parents at home to attend Little League games and school recitals.

I fully understand that every employee is not eligible for telecommuting. But the truth is that there are many employees in a given office setting who are perfectly suited to be telecommuters, yet agencies are not currently taking advantage of it. This may be due to management fears, cultural change, or perhaps lack of awareness of the available technology or even a lack of central leadership pushing agencies and managers to the many advantages of telecommuting.

Notwithstanding the excuses, this has to improve. In his testimony before the subcommittee last November, Congressman Frank Wolf testified that "roughly 60 percent of the jobs in [the] region are jobs whereby people could telework." While 60 percent of all jobs found with the National Capitol Region qualify for telecommuting, only 12 percent actually do as of today.

Therefore, nearly 180,000 out of 300,000 employees could work at a location other than their official work site. Offices and cubicle spaces can be eliminated, downsized, or shared as employees come to the official work site less and less. It is absolutely essential that all Federal employees and agencies implement an effective telecommuting policy to be prepared in the event of an emergency, to increase production and efficiency, and to improve the quality of life of its employees. The American taxpayers deserve nothing less.

I look forward to the testimony of all the witnesses that we have today and I would especially like to thank the IRS for its willingness to testify on short notice, while under very hectic and, I know, very difficult circumstances.

[The prepared statement of Hon. Jon C. Porter follows:]

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"Telecommuting: A 21st Century Solution to Traffic Jams and Terrorism."

Subcommittee on the Federal Workforce and Agency Organization
Chairman Jon C. Porter

July 18, 2006

I would like to thank everyone for being here today.

With an increase in traffic congestion, fuel prices, time away from one's family, and terrorist and pandemic threats, the time is ripe for the Subcommittee to examine the federal government's use of telecommuting. Years ago, many of us used to watch with awe when a member of the Enterprise crew from Star Trek would "beam up;" thus, allowing them to travel instantly from one location to another. Imagine how life would change if you could be literally anywhere at once?

Today, with affordable broadband access, webcasting, e-mail, Instant Messaging, and digital-quality video streaming, the only thing which separates the fantasy world of Star Trek and our modern world is that nobody has to actually travel anywhere. As technology races ahead, it becomes necessary for the government to adapt and take advantage of these changes. Taking advantage of available and reasonable technology has the potential to save millions of dollars in routine operations, as well as saving the federal government from spending potentially millions more in the event of a national disaster.

The effective use of telecommuting will provide for continued government operations during an emergency or disaster situation, increased efficiency and productivity in the federal government, and an increase in the quality of life of federal employees. All of this becomes more relevant when we consider the world in which we currently live. To insulate the daily operations of the Federal Government from disruption caused by an emergency situation, it is imperative that the Federal Government have an effective telecommuting policy that will allow

employees to work off-site in a critical time. Considering the constant threat of terrorist attacks, natural disasters, and wide spread sickness (i.e. Avian flu), the Federal Government should be able to maintain operations even in times of crisis. The importance of Continuity of Operation Planning (COOP) was again underscored recently when massive flooding forced the Internal Revenue Service headquarters building to be closed until next year. We will hear how the IRS has responded to this disaster today. I know that my good friend and Ranking Member Danny Davis has done a lot of work on improving the continuity of operation planning for the federal government and I look forward to learning from him today.

Telecommuting can also have a huge impact on the traffic problems plaguing the major metropolitan areas nationwide. In my home state of Nevada, a federal employee commuting from his or her house in Green Valley to an office in Boulder City could take over an hour. With the national price per gallon average of gasoline reaching upwards of $3.00 per gallon and energy costs rising everywhere in our nation, consumers and various levels of government are increasingly looking at new ways to be more frugal. While various solutions are currently being explored, such as hybrid cars, alternative fuels, and expansion of public transportation, the simple reduction of the number of travelers on the road is an idea that usually does not come up. Public transportation and hybrid cars are great, but nothing uses less fuel than not traveling at all.

Of course, if people are not traveling into work, then they are not in the offices. Office space, especially in major metropolitan areas is incredibly expensive. Not only must you pay for the actual space itself, but you must also pay utility fees, purchase office furniture, hire cleaners, and in many cases, maintain security. All of this adds up rapidly. The United States Patent and Trademark Office ("PTO") reduced annual real estate expenditures by $1.5 million annually – as its aggressive telecommuting program for its trademark attorneys has reduced the need for 3 floors of office space in its former Arlington, VA, headquarters. In addition, PTO has seen an increase in production and output by ten percent since implementing its telecommuting program. If all functions of a particular employee's job can be performed remotely, and there is a clear means by which the employer can determine that work is getting done to a measurable standard and even more efficiently, isn't it unfair to American taxpayers to not pursue telecommuting aggressively for the federal government?

The benefits of telecommuting are not strictly related to energy, economics, and emergency preparedness. Numerous studies have shown that teleworking employees tend to be happier in their jobs, and are more productive as a result. Telecommuting can be instrumental in serving the needs of the family. By allowing parents to build their lives around their families and not their long commutes, the Federal government puts productive parents at home to attend Little League games and school recitals.

I fully understand that every employee is not eligible for telecommuting. But the truth is that there are many employees in a given office setting who are perfectly suited to be telecommuters, yet agencies are not currently taking advantage of it. This may be due to management fears, cultural change, or perhaps a lack of awareness of the available technology or even a lack of central leadership pushing agencies and managers to the many advantages of telecommuting. Notwithstanding the excuses, this has got to improve. In his testimony before the Subcommittee last November Congressman Frank Wolf testified that "roughly 60% of the

jobs in [the] region are jobs whereby people can telework." While 60% of all jobs found with the National Capitol Region qualify for telecommuting, only 12% actually do. Therefore, nearly 180,000 out of the 300,000 employees could work at a location other than their official work site. Offices and cubicle spaces can be eliminated, downsized, or shared as employees come to the official work site less and less. It is absolutely essential that all federal agencies implement an effective telecommuting policy to be prepared in the event of an emergency, to increase production and efficiency, and to improve the quality of life of its employees. The American taxpayers deserve nothing less.

I look forward to the testimony of all the witnesses we have today and I would like to especially thank the IRS for its willingness to testify on such short notice, while under very hectic and difficult circumstances.

Mr. PORTER. I would now like to recognize the Congresswoman from the District of Columbia for opening comments.

Ms. NORTON. Thank you.

I appreciate this hearing, Mr. Chairman, and believe that Mr. Davis, who would otherwise be here unless unavoidably detained, would say so as well, because it is vitally important, and increasingly so, to the future of the Federal work force in terms of emergency preparedness, keeping Federal employment competitive, and making sure it evolves with new technologies and new times.

Representative Danny Davis could not be here, but this hearing concerns a hearing of true importance to him in particular. Mr. Davis' pending H.R. 3566, the Continuity of Operations Demonstration Project Act, takes an important step in addressing the issues we are here to talk about today.

The core issue is this: the great benefits—proven benefits—that telework has to offer are simply not being realized by the Federal Government.

Telework is a prudent response to probability. With hurricanes and other natural disasters, the threat of terrorism and a flue pandemic all on our radar, we must be prepared to continue operations in the face of damage and disruption. Just this month we saw the Internal Revenue Service headquarters close for 6 months as the result of flooding from severe summer storms. I know we are happy that apparently the IRS is open. I am not sure if the taxpayers of the United States are as gleeful as we are.

To ensure continuity of operations in these situations, we need a sound telework of telecommuting infrastructure. For an agency to pick up where nature or an emergency made it leave off, Federal workers must be able to work from other locations and must have the technology practice and support necessary to do so.

This means investments in training, equipment, and facilities. It means that workers should have telework experience, and, most of all, it means that careful planning has to be done to ensure any transition is a smooth and effective one.

Yet, despite how important telework is to the continuity of operations planning, agency plans continue to be underdeveloped, and the necessary time and resources have not yet been committed. Only 43 percent of agencies have telework integrated into their COOP plans, and only 20 percent provide related training.

The problem is not only at this step in the chain. Government studies have concluded that the specific guidance needed to incorporate telework into COOP plans is lacking and that this lack of direction continues to hinder progress.

Such a status quo is unacceptable. While better guidance needs to be provided, agencies should not have to be chided. Research shows that program investments in telework will more than pay for themselves.

COOP aside, telework brings a second set of benefits. Telework benefits employers. It has been proven to boost productivity and reduce absenteeism. In its annual surveys from 2003 and 2004, AT&T found that teleworking saves them approximately $150 million a year, and that it is a first-order recruiting tool. It also benefits employees. It saves commuting time and costs for workers and

enhances family life and morale. And it serves the environment, too, by reducing auto emissions and pollution.

But telework lags its potential here. For far too many employees, their desire is met with resistance, and their desire turns to frustration. This is all in the face of the most significant congressional mandate on telework, Section 355 of Public Law 106–346, which requires agencies to increase participation to the maximum extent possible.

Despite requirements on each of these points, agency policies have not fully evolved. Barriers have not been sufficiently identified, and steps to overcome them have not been sustained. Investment is under-provided and allotted in a manner that lacks a strategic focus. Agencies in charge of Government-wide implementation have not gone far enough in pressuring agencies to comply with the law, in collecting the data necessary to understand where we stand and what needs to be done, or in helping agencies to get there.

In short, telework is essential for both emergency preparedness and being prepared to build the workplace of the future. But these are not two separate goals. Instead, COOP is yet another reason to build a basic telework capacity, and telework must be structured with COOP needs in mind.

I look forward to today being at the start of a real march toward this type of integrated policy and toward realizing telework's true potential.

I also note, in closing, that Representative Davis is submitting a statement for the record on these points further.

Mr. PORTER. Thank you very much.

Chairman Davis.

Mr. TOM DAVIS OF VIRGINIA. Thank you, Mr. Chairman.

Telework leverages the latest technology to give significant flexibility to managers and workers alike. It can serve to reduce traffic congestion, which, as we all know, is a major problem in this region. But telework isn't just common-sense efficiency. It is also an important national security consideration as well.

The decentralization of Federal agency functions inherent in a healthy telework strategy can greatly increase the survivability of those agencies in the event of a terrorist attack or other disruptive crisis. Therefore, I have consistently advocated that telework needs to be an integral part of every Federal Government agency continuity of operation plan [COOP].

To promote my strong commitment to telework and its inclusion in COOP planning, the full Government Reform Committee has held numerous hearings under my chairmanship. We have also engaged the GAO to evaluate the Government's COOP planning process, the inclusion of telework in that process and the adequacy of Government-wide exercises of COOP plans and telework.

Our efforts have focused on a number of aspects of telework. A primary concern has been the status of telework in the Federal Government. We have encouraged the responsible agencies for implementing telework policies for Federal employees, the Office of Personnel Management, to increase its efforts to increase the availability of telework programs for Federal workers.

With regard to telework and the COOP planning process, we have monitored agencies' identification of their essential functions

and their adherence to Federal Emergency Management Agency COOP guidelines. We directed GAO to issue annual score cards to assess how agencies were performing their COOP planning responsibilities. We also obtained GAO's annual evaluations of agencies' inclusions of telework in their COOP plans.

The findings consistently recognize that progress has been made, but that most agencies needed additional guidance and should take steps to assure that telework was a more prominent component of their COOP program. Testing of COOP plans is an essential component of assuring that a plan is realistic and effective.

In June, 63 agencies engaged in a combined exercise to test the Government's readiness to respond to disaster, called Forward Challenge 2006. I have a pending information request with the Department of Homeland Security to obtain extensive documents about preparation of the exercise and Hotwash After-Action reports for each agency's exercise. I am also engaging GAO in expanded post-exercise evaluation.

Post-Forward Challenge 2006 reports and evaluations will provide us with the tools to assess how effective that exercise was and how effectively telework was utilized. Once I have received those evaluations, we will be in a better position to determine the appropriate role that the committee and Congress can play in assuring that telework is more effectively utilized by every Federal Government agency and is widely available to Federal employees.

Similarly, we will assess how the committee and Congress can assure that telework becomes an integral part of every agency's COOP plan and that future exercises properly test their telework capability.

I want to thank you, Mr. Porter, for convening this hearing. I look forward to continuing to work with your subcommittee on expanding telework opportunities for all Federal employees.

[The prepared statement of Hon. Tom Davis follows:]

Opening Statement
Federal Workforce Subcommittee Hearing on Telework
Chairman Tom Davis
July 18, 2006
2:00 P.M.

Telework leverages the latest technology to give significant flexibility to managers and workers alike. It can serve to reduce traffic congestion which, as we all know, is a major problem in this area. But, telework is not just common-sense efficiency, it is an important national security consideration as well. The decentralization of federal agency functions inherent in a healthy telework strategy can greatly increase the survivability of those agencies in the event of a terrorist attack or other disruptive crisis.

Therefore, I have consistently advocated that telework needs to be an integral part of every Federal Government agency Continuity of Operation (or COOP) plan.

To promote my strong commitment to telework and its inclusion in COOP planning, the full Government Reform Committee has held a number of hearings under my chairmanship. We have also engaged the Government Accountability Office to evaluate the Federal Government's COOP planning process, the inclusion of telework in that process, and the adequacy of government-wide exercises of COOP plans and telework.

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encouraged the responsible agency for implementing telework policies for Federal employees, the Office of Personnel Management, to increase its efforts to increase the availability of telework programs for Federal workers.

With regard to telework and the COOP planning process, we have monitored Federal agencies' identification of their essential functions and their adherence to Federal Emergency Management Agency (FEMA) COOP guidelines. We directed GAO to issue annual "scorecards" to assess how agencies were performing their COOP planning responsibilities. We also obtained GAO's annual evaluations of agencies' inclusion of telework in their COOP plans. The findings consistently recognized that progress had been made, but that most agencies needed additional guidance and should take steps to assure that telework was a more prominent component of their COOP program.

Testing of COOP plans is an essential component of assuring that a plan is realistic and effective. In June, 63 agencies engaged in a combined exercise to test the Federal Government's readiness to respond to disaster, called Forward Challenge 06. I have a pending information request with the Department of Homeland Security to obtain extensive documents about preparation of the exercise and Hotwash/After-Action reports for each agency's exercise. I also am engaging GAO in an expanded post-exercise evaluation. Those post-Forward

Challenge 06 reports and evaluations will provide us with the tools to assess how effective that exercise was and how effectively telework was utilized.

Once I receive those evaluations, we will be in a better position to determine the appropriate role that the Committee and Congress can play in assuring that telework is more effectively utilized by every Federal government agency and is widely available to Federal government employees. Similarly, we will assess how the Committee and Congress can assure that telework becomes an integral part of every Federal agency's COOP plan and that future exercises properly test their telework capability.

I thank Subcommittee Chairman Porter for convening this hearing and I look forward to continuing to work with the Subcommittee on expanding telework opportunities for all Federal employees.

Mr. PORTER. Thank you, Mr. Chairman. We appreciate it.

Mr. Issa.

Mr. ISSA. Thank you, Mr. Chairman. Thank you for holding this important hearing. You know, when you get to be the last one to make an opening statement, you certainly don't want to repeat everything that has been said so well, particularly by our chairman. But I do think that there are some other important issues that have not yet been brought up.

Obviously, we have talked about homeland security and the ability to have continuity of Government even if a physical facility has been damaged. But I believe that when we speak about the congestion and the fact that you are going to get a one-time savings by telecommuting out of Washington, DC, but if we continue to concentrate in and around the District of Columbia government agencies, we will revisit the exact same problem in the foreseeable future.

So as we look at telecommuting and the need for telework, we need to also recognize, and this committee particularly needs to recognize, that we have over-concentrated in the greater District of Columbia area—northern Virginia, Maryland, and the District of Columbia—we have over-concentrated the seat of Government. There are agencies galore, including the Internal Revenue Service, that did not need to be close to Congress or close to the President. The work, in fact, of the Patent and Trademark Office, the work of the Internal Revenue, both of them could be located, and I am certain that Senator Byrd has planned to have them located in West Virginia for some time. [Laughter.]

But in fact, as we look at that, we need to recognize that locations of the few workers—fewer, the better—that actually have to be in a facility give us the flexibility to begin looking at decentralizing our facilities and having less and less people who call the District of Columbia and northern Virginia and Maryland their home. This, in the case of an attack on America, would dramatically improve our ability to have sustainability of our critical people.

I certainly want to commend the work you are doing, though, on the prime issue here today.

Two more anecdotal comments. One of them, of course, being that except for that nasty Constitution, I would be advocating that Congress start telecommuting a little bit. But unfortunately, we did ratify in the Constitution the requirement that we meet together and, in fact, meet here.

Last, but not least, as we are going into how, where, what, and why we telecommute, I hope that we will all recognize that proper telework technology employed broadly throughout the Government would prevent the unfortunate, but fortunately no permanent damage, loss of that laptop by the Veterans Administration. Unnecessary for that kind of data to be compromised by being removed from the secure location, and proper telework would not require that tens of thousands of sensitive documents or sensitive Social Security numbers be taken out of a facility. So hopefully that also will fit into today's hearing, and I look forward to listening to our witnesses.

Mr. PORTER. Thank you, Mr. Issa.

I guess, as a side note, decentralizing Government because of——

Mr. ISSA. Nevada ring a bell as I was speaking?

Mr. PORTER. I was going to talk about Yucca Mountain, but maybe we can talk about that some other time. [Laughter.]

Mr. ISSA. You want it located here?

Mr. PORTER. I think it would be a great place for storage of nuclear waste. Anyway. [Laughter.]

Instead of Nevada. [Laughter.]

Again, thank you for your comments. I think this is of great interest to this committee, and we have brought some experts today. But first I would like to do some procedural matters.

Ask unanimous consent that all Members have 5 legislative days to submit written statements and questions for the hearing record and any answers to written questions provided by the witnesses also be included in the record. Without objection, it is so ordered.

Ask unanimous consent that all exhibits, documents, and other materials referred to by Members and the witnesses may be included in the hearing record, all Members be permitted to revise and extend their remarks. Without objection, it is so ordered.

It is also the practice of this committee to administer the oath to all witnesses, so if you would all please stand and raise your right hands.

[Witnesses sworn.]

Mr. PORTER. I also would like to have the second panel now stand. And we are going to do this one more time. If you would raise your right hands.

[Witnesses sworn.]

Mr. PORTER. Let the record reflect that all the witnesses have answered in the affirmative. You can, of course, please be seated.

The witnesses will each have 5 minutes, and we would like you to please summarize your comments. As I note, you have submitted full statements for the record.

Today we will be hearing from Daniel Green, Deputy Associate Director for Employee and Family Support Policy with the U.S. Office of Personnel Management; Danette Campbell, the Senior Telework Advisor for the U.S. Patent and Trade Office; Carl Froehlich, the Chief Agency-Wide Shared Services with the Internal Revenue Service.

So I would like to thank, again, all of you for being here, and we will begin with Mr. Green for 5 minutes. Thank you.

STATEMENTS OF DANIEL GREEN, DEPUTY ASSOCIATE DIRECTOR, EMPLOYEE AND FAMILY SUPPORT POLICY, U.S. OFFICE OF PERSONNEL MANAGEMENT; DANETTE CAMPBELL, SENIOR TELEWORK ADVISOR, U.S. PATENT AND TRADE OFFICE; AND CARL FROEHLICH, CHIEF OF AGENCY-WIDE SHARED SERVICES, INTERNAL REVENUE SERVICE

STATEMENT OF DANIEL GREEN

Mr. GREEN. Thank you, Mr. Chairman. Mr. Chairman and members of the subcommittee, I am pleased to be here today on behalf of the Office of Personnel Management to talk about telework. I would like to start by expressing OPM's continued support for telework in the Federal Government.

OPM continues to work with Federal agencies to support their efforts to implement telework to the broadest extent possible. OPM staff members have provided agencies with individualized guidance and technical support through onsite visits, as well as providing one-on-one consultation to agency telework coordinators on an ongoing, as-needed basis.

We have revised the annual agency survey to streamline the questions and enhance data collection, and are currently in the process of gathering the data for our next report.

Continuity of operations and pandemic health crisis planning have continued to increase interest in telework. As required by the President's National Strategy for Pandemic Influenza Implementation, OPM is updating its telework guidance to include information about emergency planning. We are adding modules to the existing online training courses for managers and teleworkers, and we are substantially revising the telework guide that resides on the Interagency Telework Web site.

To assist Federal agencies with their emergency planning, OPM is preparing a legislative proposal that would allow the head of an agency to require employees to work from home or another alternate work site during a pandemic health crisis, if necessary, to achieve the agency's mission or a performance goal.

Some widely reported security challenges have also increased the focus on telework. In our updated telework guide, we tell Federal employees and their managers that they are responsible for the security of Federal Government property and information regardless of their work location. When employees telework, agency security policies do not change, and should be enforced at the same rigorous level as when they are in the office.

Our plans for future activity include a redesign of the Interagency Telework Web site, continued agency visit, and continued agency telework coordinator meetings addressing the developing issues and questions. As part of the redesign of the Telework Web site, we will be developing online telework materials designed to assist telework coordinators in promoting telework in their agencies. We will also be adding to our training with the development of classroom style sessions for managers and supervisors that will be offered to all agencies and interactive Web-based courses facilitated by a telework expert.

All of this activity is in support of Federal agencies and agency coordinators to provide them the information, materials, and training they need to grow effective telework programs. All of it is fairly basic because telework is not really a complicated program. Telework is simply an extension of what most employees already do, which is to use technology for remote communications. The barriers are more perceived than real.

Management resistance is often cited as the reason that telework is not working in an agency or workgroup. For some managers, managing teleworkers may seem difficult or outside of their experience. In our guidance about telework, we tell managers that they need to manage by results, not by presence. The same set of skills that managers must develop in order to meet the goals of performance management is what they need to manage teleworkers. Managers who have mastered performance management techniques

have the skills in place to easily manage a mixed or all-teleworking workgroup without difficulty.

In summation, I would like to make two main points. First, telework is not new or mysterious or difficult. It is simply a way of getting work done that uses the same kinds of technologies that enable work to be achieved in an agency office. Second, telework is not a panacea for all our ills. It is certainly one way to reduce traffic congestion, but it can only be one piece of a much broader approach to the problem.

Similarly, for terrorism or other emergency situations, telework represents one method of mitigating the impact of such events on the ability of agencies to accomplish work, but can by no means be considered by itself a solution. What telework can be, has proven to be, is an effective tool to support Federal employees in balancing their work life and to help Federal agencies meet their performance objectives.

That concludes my remarks. I would be pleased to respond to any questions the subcommittee may have.

[The prepared statement of Mr. Green follows:]

STATEMENT OF DANIEL A. GREEN
DEPUTY ASSOCIATE DIRECTOR
CENTER FOR WORKFORCE PLANNING & POLICY ANALYSIS
STRATEGIC HUMAN RESOURCES POLICY DIVISION
OFFICE OF PERSONNEL MANAGEMENT

before the

SUBCOMMITTEE ON THE FEDERAL WORKFORCE
AND AGENCY ORGANIZATION
COMMITTEE ON GOVERNMENT REFORM
UNITED STATES HOUSE OF REPRESENTATIVES

on

"Telecommuting: A 21st Century Solution to Traffic Jams and Terrorism"

July 18, 2006

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today on behalf of the Office of Personnel Management (OPM) to talk about telework. I would like to start by discussing OPM's continued support for telework in the Federal Government and the progress that we've made in the six months since our last testimony, which focused on using telework to mitigate the impact of high gas prices. The dominant themes in this period have involved the use of telework in agency Continuity of Operations Plans (COOP) and pandemic health crisis, and I will discuss these issues shortly. I will also address some of the questions that have been raised about the best ways to encourage the use of more telework by Federal agencies.

OPM continues to work with Federal agencies to support their efforts to implement telework to the broadest extent possible. OPM staff members have provided agencies with individualized

guidance and technical support through on-site visits, as well as providing one-on-one consultation to agency telework coordinators on an ongoing, as-needed basis.

We have revised the annual Agency survey to streamline the questions and enhance data collection, and are currently in the process of gathering the data for our next report. We met with agency telework coordinators last month to present the new survey and answer questions and concerns in advance of its release. We expect that over time this revised survey will enable us to better understand the status of agency telework programs and provide the support necessary to meet our legislative mandate.

Continuity of Operations Plans (COOP) and pandemic health crisis planning have continued to increase interest in telework. As directed by the Federal Emergency Management Agency (FEMA) for COOP and by the President's National Strategy for Pandemic Influenza Implementation Plan, OPM is updating its telework guidance to include information about emergency planning. We are adding modules to the existing online training courses for managers and teleworkers, and we are substantially revising the telework guide that resides on the Interagency Telework Website.

The recent flooding in downtown DC highlighted the need for agencies to integrate telework into their COOP planning. In addition to relocating employees to alternate worksites, the affected agencies used home-based telework in some cases, and with GSA's recent offer of free telework center space, will use those options as well.

Some widely-reported security challenges have also increased the focus on telework. In our updated telework guide, we tell Federal employees and their managers that they are responsible for the security of Federal Government property and information, regardless of their work location. When employees' telework agency security policies do not change and should be enforced at the same rigorous level as when they are in the office. We refer to guidance from Office of Management and Budget and NIST for further explication of security requirements and their application in a telework environment.

Our plans for future activity include a redesign of the Interagency Telework Website, continued agency visits, and continued agency telework coordinator meetings addressing developing issues and questions. As part of the redesign of the telework website, we will be developing on-line telework materials designed to assist telework coordinators in promoting telework in their agencies. The materials will be formatted as templates and reproducible documents. We will also be adding to our training, with the development of classroom-style sessions for managers and supervisors that will be offered to all agencies, and interactive web-based courses ("webinars") facilitated by a telework expert.

All of this activity is in support of Federal agencies and agency coordinators, to provide them the information, materials, and training they need to grow effective telework programs. All of it is fairly basic because telework is not really a complicated program. There are certainly nuts-and-bolts issues of equipment, connectivity, security, and so forth, but none of these should represent substantial barriers to the broad implementation of telework. Telework is simply an extension of

what most eligible employees (and here I use "eligible" loosely to represent those who have work that is portable) already do, which is using technology for remote communications. E-mail, voicemail, teleconferencing and even videoconferencing and instant messaging are part of the modern workplace. We use them whether we are sitting at a desk, at the office, at a telecenter or at home. The barriers are more perceived than real.

"Management resistance" is often cited as the reason that telework is not working in an agency, division, or workgroup. Section 359 of Public Law 106-346 requires that agencies have telework policy and that they implement telework to the greatest extent possible, but in the end, arrangements are really made between employees and their managers. For some managers, managing teleworkers may feel uncomfortable. Again, they need to be reassured that telework is not a radical departure from the way that work is being done already. In addition, the Federal Government is working very hard at implementing effective performance management. In our guidance about telework we tell managers that they need to manage by results, not by presence. The same set of skills that managers must develop in order to meet the goals of performance management is what they need to manage teleworkers. OPM provides excellent performance management resources, including a publication available on the OPM website entitled "A Handbook for Measuring Employee Performance." Managers who have mastered performance management techniques have the skills in place to easily manage a "mixed" (i.e., some teleworking and some not) or all-teleworking workgroup without difficulty.

In summation, I would like to make two main points. First, telework is not new, or mysterious, or difficult. It is simply a way of getting work done that uses the same kinds of technologies that

enable work to be achieved in an agency office. Second, telework is not a panacea for all our ills. It is certainly one way to reduce traffic congestion, but in big metropolitan areas like the Washington, DC region, the traffic issue is multidimensional, and telework can only be one piece of a much broader approach to the problem. Similarly, for terrorism or other emergency situations, telework represents one method of mitigating the impact of such events on the ability of agencies to accomplish their work, but can by no means be considered, by itself, a solution. What telework can be, has proven to be, is an effective tool to support Federal employees in balancing their work and life and to help Federal agencies meet their performance objectives.

That concludes my remarks. I would be pleased to respond to any questions the Subcommittee may have.

Mr. PORTER. Thank you, Mr. Green. We appreciate your testimony.

Next we will hear from Danette Campbell.

Appreciate your being here, Danette. Thank you very much.

STATEMENT OF DANETTE CAMPBELL

Ms. CAMPBELL. Thank you. Chairman Porter, Ranking Member Davis, and members of the subcommittee, my name is Danette Campbell, and I would like to thank you for inviting the U.S. Patent and Trademark Office to testify today. I commend you for holding today's hearing and for working hard to ensure that our Federal Government is in the vanguard of telecommuting efforts.

As PTO's Telework Coordinator, I am responsible for overseeing the implementation and operation of telecommuting programs, and I serve as a point of contact on such programs for the Committee on Appropriations.

As you are aware, the workplace today goes beyond the walls that surround an office building. Changing the boundaries of old workplace patterns allows for decreased commute time, greater control over workloads, and even a more balanced lifestyle. This all translates into increased employee productivity and satisfaction, as well as higher employee retention.

At the U.S. PTO, we are expanding our telework programs to create a work force that can work anywhere, any time. We believe that U.S. PTO's decision to implement telework as a corporate business strategy will help reduce traffic congestion in the national capital region and, in a very competitive job market, allow the U.S. PTO to hire over 3,000 new examiners in the next 6 years.

During my brief tenure at the Patent and Trademark Office, I have had an opportunity to witness a commitment by PTO leadership to support the telework initiative, encourage employee participation, and supply remote workers with the tools they need to be successful.

Prior to participating in a telework program, each employee receives instruction on how to access PTO systems remotely. We have an extensive IT security infrastructure and strong security policy that work together to ensure that both personally identifiable information and business sensitive information are adequately protected from loss or theft. These protections have been implemented throughout the PTO telework initiative and help to prevent the possible occurrence of a sensitive information security breach.

Recently, the Trademark Work at Home program received the Telework Program with the Maximum Impact on Government award from the Telework Exchange. This award recognized that Trademarks has created an extremely successful telework program that can serve as a model for other Government agencies. This telework program was praised as an innovative telework prototype by showing other agencies how to incorporate measurable performance goals in evaluating the performance of its teleworkers.

As part of this telework program, 80 percent of eligible examining attorneys make electronic reservations for their time in the office and perform the majority of their trademark examination duties at home. Each employee is provided with the necessary equipment to establish a secure connection to the agency's network and

automated systems enable users to perform all of their examination duties electronically.

Trademark Work at Home combines management by objective with hoteling, which translates into documented space and related cost savings for the PTO. By incorporating measurable performance goals in the evaluation of worker performance, Trademarks has created a model of extremely successful telecommuting programs for Government agencies.

The Patents Hoteling Program provides participants with the option to perform officially assigned duties at home. Major elements of this program include remote online access to all relevant PTO business systems, job performance tools, patent information, patent application documentation, and incorporates the use of collaborative communication technologies. Program participants can remotely reserve workspace for required time spent in hoteling suites located throughout PTO's Alexandria campus. To date, approximately 320 patent examiners have relinquished their office space to work from home 4 days a week.

The Patents Hoteling Program positions the agency to hire new patent examiners without incurring additional real estate costs, eliminates 4 days of commuting time, and has made patent examining in the Washington metropolitan region more attractive to potential candidates who currently reside outside of the region. This telework program will enable PTO to recruit from a highly qualified hiring pool and retain existing valuable employees.

I believe that the U.S. PTO telework programs are progressive efforts that will continue to serve as models for Federal agencies and that they are some of the best telework programs that the Federal Government has to offer.

In conclusion, a successful telework program can mean better employee morale, higher levels of sustained performance, and reduce traffic congestion and air pollution. The U.S. PTO has demonstrated that telework works and is a winning proposition for our employees, our agency, and for the American public.

We appreciate this opportunity to testify before this committee on this important issue. Thank you.

[The prepared statement of Ms. Campbell follows:]

STATEMENT OF

DANETTE CAMPBELL

SENIOR ADVISOR FOR TELEWORK
UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE

SUBCOMMITTEE ON THE FEDERAL WORKFORCE AND AGENCY ORGANIZATION
COMMITTEE ON GOVERNMENT REFORM
United States House of Representatives

"Telecommuting: A 21st Century Solution to Traffic Jams and Terrorism"

July 18, 2006

Introduction

Chairman Porter, Ranking Member Davis, and Members of the Subcommittee:

My name is Danette Campbell. I would like to thank you for inviting the United States Patent and Trademark Office (USPTO) to testify today. I commend you for holding today's hearing and for working hard to ensure that our Federal government is in the vanguard of telecommuting efforts.

As PTO's "Telework Coordinator," I am responsible for overseeing the implementation and operations of telecommuting programs, and I serve as a point of contact on such programs for the Committees on Appropriations.

The USPTO is strongly committed to teleworking. As cited in the 2007 Science, State, Justice, Commerce, and Related Agencies Appropriations bill passed by the House, 220 trademark examining attorneys are working from home, representing 80% of the total trademark examining corps. We are working to increase the number of patent examiners teleworking from home to at least one day per week. In addition, 255 patent examiners have relinquished their office space to work from home four days per week.

USPTO Corporate Business Strategy

As you are aware, the workplace today goes beyond the walls that surround an office building. According to the International Telework Association and Council, 44 million Americans worked from home at least part of the time in 2004. And, according to the Metropolitan Washington Council of Governments 2004 *State of the Commute Report,* 12.8%, or 320,000 of the region's workers are currently teleworking at least 1.5 days per week.

Changing the boundaries of old workplace patterns allows for decreased commute time, greater control over workloads, and even a more balanced lifestyle. This all translates into increased employee productivity and satisfaction, as well as higher employee retention.

At the USPTO, we are expanding to create a workforce that can be anywhere, any time. The nature of our patent and trademark work certainly facilitates robust telework programs. But we hope our telework programs have an even broader impact. We hope that the USPTO's decision to incorporate telework as a corporate business strategy and

for human capital flexibility will help reduce traffic congestion in the National Capital region and – in a very competitive job market - enable the USPTO to hire approximately 3,000 new examiners over the next 6 years.

During my brief tenure at USPTO, I have had an opportunity to witness a commitment by USPTO leadership to support the telework initiative, encourage employee participation, and supply remote workers with the tools they need to be successful.

Intensive planning goes into deploying our telework programs and we view telework as an innovative approach to Federal work. The USPTO telework and hoteling programs are strategies for recruiting and retaining valuable employees and are models for other Federal agencies that would like to do the same.

Prior to participating in a telework program, each employee receives instruction on how to access USPTO systems remotely. In addition, each teleworking employee must be fully versed in the USPTO's "Rules of the Road"- a guide that explains employee responsibilities when using USPTO information technology resources. The USPTO has an extensive IT security infrastructure and strong security policy that work together to ensure that both personally identifiable information and business sensitive information are adequately protected from loss or theft. These protections have been implemented throughout the USPTO Telework Program and help to prevent the possible occurrence of a sensitive information security breach.

Trademark Work at Home

On June 15, 2006, the Trademark Work at Home program received the **"Telework Program with Maximum Impact on Government"** award from the Telework Exchange. This award recognized that Trademarks has created an extremely successful telework program that can serve as a model for other government agencies. Further, Trademark's telework program was praised as an innovative telework prototype by showing other agencies how to incorporate measurable performance goals in evaluating the performance of its teleworkers.

Established in 1997, the Trademark Work at Home program began as a feasibility pilot of eighteen teleworkers partnered to share physical offices and alternate days at home with days in the Office. Nine years later, this program is a leading, comprehensive program involving more than 220 employees (80% of eligible examining attorneys) who spend the majority of their workweek at home and share reservable space in the office through a hoteling arrangement. Employees make electronic reservations for their time in the office and perform the majority of their trademark examination duties at home. Each employee is provided with the necessary equipment to establish a secure connection to the agency's network, and automated systems enable users to perform all of their examination duties electronically.

As a leader in the development of government telework programs, the Trademark Work At Home program has proven to be an innovative telework prototype. It combines management-by-objective with hoteling, which translates into documented space and

related cost savings for the USPTO. By incorporating measurable performance goals in the evaluation of worker performance, Trademarks has created a model of an extremely successful telecommuting program for government agencies.

Agencies facing budgetary issues, facilities dilemmas, and staffing shortfalls can follow the USPTO's lead in expanding its workforce without acquiring additional physical space. The Trademark Work At Home program also demonstrates that flexibility of both time and location enables employees to maximize efficiency of working hours and is reflected by an increase in an examining production gain by its teleworkers. The phenomenally low attrition rate experienced with these program participants establishes that agencies facing recruitment and retention problems can offer similar telecommuting options to attract and retain qualified workers.

Patents Hoteling Program

The Patents Hoteling Program, introduced in 2006, is a flexible telecommuting program that provides participants with the option to perform officially assigned duties at an alternative worksite during paid working hours. Major elements of this telework program include remote online access to all relevant USPTO patent business systems, job performance tools, patent information, patent application documentation, and incorporates the use of collaborative communication technologies. The Patents Hoteling Program includes a hoteling component whereby participants can remotely reserve workspace for required time spent in hoteling suites, located throughout the USPTO's Alexandria campus. To date, approximately 320 Patent examiners have relinquished their

office space to work from home four days per week. At this rate, 3000 Patent examiners will be working from home by 2011.

Using USPTO-supplied equipment, participants can remotely connect to PTOnet, and view patent applications, perform prior art searches, create and electronically sign necessary documents, access timesheet reporting, email and other support systems available at the USPTO.

In addition to serving as a future model for Federal telework and hoteling, the Patents Hoteling Program is providing employees with an improved quality of life by reducing their commute, giving them more options to balance work and family, as well as reducing stress. The Patents program is realizing a reduction in USPTO office space requirements associated with increased hiring goals and achieving innovative means of flexibility and responsiveness of the Patents organization to meet its mission with respect to increasing workloads and changing technology.

The Patents Hoteling Program positions the agency to hire new Patent examiners without incurring additional real estate costs, eliminates four days of commuting time, which translates into weeks of additional time for the employee to achieve an improved balance between work and home, and has made Patent examining in the Washington metropolitan region more attractive to potential candidates who currently reside outside of the region. This telework program will enable the USPTO to recruit from a highly qualified hiring pool and retain existing valuable employees.

In addition to providing superior technology for an effective and productive telework environment, the Patents Hoteling Program provides comprehensive training to hoteling examiners and to their supervisors. The examiner training includes information about using remote access tools, equipment set-up, collaboration tools, and troubleshooting for hardware/software problems. Supervisory training addresses supervisory responsibilities, techniques, and strategies for managing the performance of employees in a hoteling environment, and emphasizes performance-based management and communication techniques for successful employee performance. To date, 310 supervisors have participated in this training.

A Progressive Model

I believe that the Trademark Work at Home Program and the Patents Hoteling Program are progressive efforts that will continue to serve as models for Federal agencies and that they are some of the best telework programs that the Federal government has to offer.

A USPTO employee recently sent the following note, which I thought, might be of interest to the Committee:

"Since I have been on telework, I have found that my initial apprehensions were unfounded and that I am now an enthusiastic supporter of telework, including managing staff remotely. Arranging to get the equipment, to set it up and to learn to use it was no problem at all. I don't feel isolated when working at home. I find that I have no problem staying in touch with and productively interacting with staff or co-

workers. When I need help, help is always readily available. As for keeping the work flowing, I am at least as productive as I was when working full time at the Office, and in many ways, more productive. With all of my normal Office tools available and working just as well at home as at the Office, I find myself in a familiar Office setting doing the same kinds of work I do at the Office. In addition, it has been great to be more available to help at home when the need occurs. That availability, plus the time saved, and being freed from a difficult commute cannot be underestimated. Whatever my initial expectations were with respect to going on the Patent Managers Telework Program, those expectations were far exceeded when it came time to actually participate in the program. "

Conclusion

In conclusion, a successful telework program can mean better employee morale, higher levels of sustained performance, and reduced traffic congestion and air pollution. The USPTO has demonstrated that Telework works and is a winning proposition for our employees, our agency, and the American public. We appreciate this opportunity to testify before the Committee on this important issue.

Thank you.

Mr. PORTER. Thank you, Ms. Campbell. We appreciate your testimony.

Next we will hear from Mr. Froehlich, who is the Chief of Agency-Wide Shared Services at the IRS. And, again, I understand you have had some major challenges down the street, and I appreciate all the efforts to get everything up and running again.

STATEMENT OF CARL FROEHLICH

Mr. FROEHLICH. Yes, sir. We have been quite busy, so thank you, Mr. Chairman and members of the subcommittee for having me here today to talk about the recent flooding in the IRS headquarters building at 1111 Constitution.

Just as background, as Chief of Agency-Wide Shared Services, I manage a portfolio of shared services across IRS: real estate, procurement, employee support services such as timekeeping and payroll and travel, and also equal opportunity management and case processing. That is how we provide our service to our clients, the clients being the taxpayer-facing side of IRS.

What happened on June 25th and 26th, as you well know, we had significant rains, turning Constitution Avenue essentially into a river. That water came down Constitution Avenue and flooded into the basement of the IRS. The IRS basement was flooded to a depth of 5 feet. The sub-basement, which holds all of our infrastructure, was flooded to a depth of 20 feet. This is what has caused the major damage. We pumped the first 2 days about 3 million gallons of water out of the basement of IRS.

The fact that IRS, as it was constructed in the 1930's, placed all the infrastructure in the basement, the electrical switchboards, the air handlers, the chillers for the air conditioning, and what have you, is the reason why we had the significant delay to move back into the building. That is really the long lead element, to get the employees back to work in the building.

We have completed the initial phase of clean-out and decontaminated. That was completed on July 15th. All the things, lessons learned you have heard from Katrina, about moving drywall to prevent mold and what have you, all that effort was done. It was an absolutely superb effort done by GSA to get their teams on there on the third day of ripping out the drywall, the furniture, the carpets, the flooring to keep the mold problem down. As a matter of fact, we have eliminated that now. We are in the dry-out mode of what is going on.

GSA is in the process of completing their damage assessments for the building. GSA is responsible for the capital investment side of the building; the IRS is responsible for the maintenance and the upkeep and the cleaning. That is our agreement. We will have those estimates by the end of this month. We anticipate, however, for the building to be 100 percent back, it will take, as you mentioned, until the end of the year, so January timeframe. We are hopeful, however, that we will be able to do a phased return back to the building for some of our employees as we bring some of the systems back up again.

I would be remiss, however, to say that we are also very concerned that we preclude recurrence of the same incident. We know basically the means of how the water got in is how the building

was constructed was a contributing factor, and we are working with GSA now on what are the options to guard against, either harden the building or perhaps do some sort of mitigating thing to move some of the infrastructure out of the sub-basement to prevent such damage again.

Of note, we have never had, in the 70-some odd years of this building's existence, this type of flooding. But that doesn't mean we will just assume it doesn't happen again. We will take that further action.

That is where we are in the building.

As far as business resumption, Agency-Wide Shared Services, as I mentioned, is a portfolio of those services. As such, we also provide the cross-business work on a routine basis, geographically based. In other words, if a business unit in Philadelphia has an issue, we provide the what is it we need to do with the union negotiations, what do we need to do with real estate, what do we need to do with procurement. We provide that service inside AWSS.

As such, when this incident happened, we established an incident command center in our new Federal building in New Carrollton. We have 14 buildings in the D.C. area, and that is one of them. The command center was charged and provided the authority to make very quick decisions on what is needed for business resumption, to implement the COOP plan for the short-term continuity of operation, and then bring in the business needs as far as prioritizing our resources as we apply to the casualty to bring the business of IRS back up again.

We have been fairly successful with maintaining continuity. As a matter of fact, the taxpayer-facing aspects of IRS are not headquartered in the IRS building at 1111 Constitution; those are out in the field. Those were unaffected, obviously, by the flood.

Even so, by January 5th, which is the next week—or, excuse me, July, we had 1142 employees back up to work, about 50 percent. And that included all of our critical employees that were on the COOP operation plan.

On Monday, yesterday, as a matter of fact, we had 96 percent of all our employees back to work. Of those, 873, or about 29 percent, were via telework, which provided a wonderful flexibility for us as far as bringing those people back that were already equipped with the laptops and the infrastructure. The telework brought them back immediately, so it was not an issue with them.

I am sure we will have some questions, but I just want to give you a couple of quick lessons learned.

As we learned from Katrina, COOP is but one element, and that is the near-term continuity of operation. The business resumption side is really the hard slug of work, and that goes on what is best planned and then do you have the right people in the right place to make the business decision. We will learn that again on this one and we will get better, and hopefully, if this ever happens again, we will be better again.

That concludes my opening remarks. I am available for questions.

[The prepared statement of Mr. Froehlich follows:]

TESTIMONY OF CARL T. FROEHLICH
CHIEF, AGENCY WIDE SHARED SERVICES
INTERNAL REVENUE SERVICE
BEFORE THE
HOUSE COMMITTEE ON GOVERNMENT REFORM'S SUBCOMMITTEE ON FEDERAL WORKFORCE AND AGENCY ORGANIZATION

JULY 18, 2006

Good morning Chairman Porter, ranking Member Davis and members of the Subcommittee. My name is Carl T. Froehlich. I am the Chief of Agency Wide Shared Services. Thank you for the opportunity to update the Subcommittee on the current state of operations within the headquarters of the Internal Revenue Service following the late June floods and the subsequent closure of the IRS Main Offices at 1111 Constitution Avenue.

Let me begin by assuring members of the subcommittee and all taxpayers that the work of the IRS is continuing while we take actions to repair the damage to the building and implement our business resumption plans for the headquarters operations. The public should not notice any significant change in their interactions with the agency based on temporary closure of our main office.

This morning I would like to do two things. First, I want to update you on the current state of the damage assessment. Secondly, I want to update you on the implementation of our business resumption plan. This is a dynamic process as we find and place more than 2400 people that worked in the main offices in other locations and restore the building to an operational status.

Damage Assessment

The heavy rains that pelted the Washington area on June 25 and 26 resulted in severe damage to significant components of our building infrastructure. Critical parts of the building's electrical, heating and air conditioning systems were destroyed or heavily damaged during the record rainfall. The equipment is located in the building's subbasement, which was submerged in more than 20 feet of water, and basement, which was submerged in 4-5 feet of water.

The subbasement holds all of the building's electrical and maintenance equipment such as electrical transformers, electrical switchgears, and chillers. The basement contained our fitness center, food service canteens, offices, systems furniture, carpet, ceiling tiles, computer equipment and vehicles garaged in the building, all of which were destroyed.

It took nearly five days for six to twelve pumps running constantly to completely remove all the water from the basement and subbasement. An initial clean-up and decontamination crew began cleanup efforts in the basement level on Wednesday, June 29, approximately 48 hours after the rain had stopped.. By Friday, July 1, two crews of 50 people each began working 24 hours a day, seven days a week. They will continue to work until the cleanup is complete.

The initial cleaning and decontamination of the building was completed on July 5th. Final cleaning and decontamination were completed on July 15. All of the damaged equipment, office furniture and supplies stored in the basement, as well as the drywall was completely removed, but it will take approximately 30 days for the infrastructure to completely dry before rebuilding can begin.

Work continues on assessing which systems can be repaired and which need to be replaced. Total damage estimates are not yet complete.

I would be remiss if I did not recognize the support and cooperation of the General Services Administration as we have attempted to cope with this ordeal. Their employees and contractors have been onsite working hard to restore operations as soon as possible.

Resumption of Business Operations

On June 27, 2006, the IRS DC Metro Area Incident Management Team established an Emergency Operations Center (EOC) at the New Carrolton Federal Building to coordinate all recovery efforts relative to the flooding of the IRS Main Building. Using specific guidelines developed and used during IRS recovery efforts after Hurricanes Rita and Katrina, the EOC Incident Commander and a command staff became responsible for collecting and evaluating information, directing all recovery and business resumption activities, coordinating administrative issues, and tracking of costs. The EOC was extremely proactive in working many issues and identifying processes to facilitate asset retrieval and placement. It also ensured managers and employees were kept informed on a daily basis through the creation of a website and electronic and voice messages.

Once it became obvious that the damage was significant and that operations in the building could not continue for an extended period of time, we implemented our business resumption processes. There were two key elements to this process. First, we needed to place all of our employees in one of the other IRS facilities in the Washington metropolitan areas and assign them temporary space or equip them with laptop computers that will enable them to telecommute.

Commissioner Everson announced last week that we had successfully implemented our Continuation of Operations (COOP) plan. By July 5, 2006 all critical employees were assigned workstations or authorized to telecommute. This reflects a total of 1,142 critical employees, of which 950 are working at assigned temporary space and 176 are telecommuting. The placement of non-critical personnel (1089 employees and 210

contractors) takes place during three phases, the first starting on July 13, 2006 with completion on July 28, 2006.

The second component of resuming business operations was to divert activities that would normally be performed at the main building to other facilities. This would include such things as mail or messenger delivery of taxpayer requests for rulings, requests for determination letters, Applications for Change in Accounting Method (Form 3115), and similar requests that are permitted to be hand-delivered to the main IRS Headquarters Building.

Until further notice, these requests and applications will be delivered to the IRS offices at 950 L'Enfant Plaza, 5th Floor, Washington, DC 20024. Complaints, subpoenas or any other service of process, as well as public comments on published guidance such as proposed regulations, normally delivered to the main IRS Headquarters Building, will also be temporarily delivered to this same address.

We also created a special procedure for processing requests for certain expedited letter rulings for reorganizations and section 355 distributions. Rather than faxing a copy of the requests to (202) 622-7707 as described in Revenue Procedures 2005-58 and 2006-1, taxpayers or their representatives are being asked to call the office of the Associate Chief Counsel (Corporate) at (202) 283-7930 and speak to an attorney regarding the temporary procedures for submitting these ruling requests.

The Internal Revenue Service has established a pilot program for processing requests for letter rulings for reorganizations and section 355 distributions on an expedited basis, provided certain requirements are met.

Outlook

Along with GSA, we announced last week the results of our initial assessment of the extensive damage resulting from the floods. According to the GSA assessment, complete building restoration may not be complete until next January. It is estimated to take at least six months to complete the acquisition and installation of the building's electrical and mechanical systems. The primary reason for the extended timeframe is that several of the high voltage electrical components required for the operation of the heating and air conditioning systems must be manufactured prior to delivery, installation and testing.

The IRS and GSA are also developing plans for a possible phased-in return of employees to the building over the course of the fall. We are exploring the use of temporary equipment to shorten the time constraints for full equipment replacement.

We are also conducting a review to determine what steps need to be taken to ensure this type of damage would not occur again in a comparable storm. Results of this review and a final re-occupancy schedule should be completed by early August.

Mr. Chairman, I wish I could provide further information, but as I said earlier, this is a dynamic process. We are continuing to place employees and assess the total damage.

However, I want to emphasize that despite the setbacks we have experienced in the last few weeks, the service provided taxpayers and enforcement against those that refuse to pay their fair share has continued unabated.

Thank you Mr. Chairman and I will be happy to respond to any questions.

Mr. PORTER. Thank you. We appreciate all your testimony. Where are your auditors located, are they out in the field?

Mr. FROEHLICH. They are out in the field, exactly correct.

Mr. PORTER. We appreciate, again, being able to pick on you, since you're the IRS. We want 10 percent improvement in efficiency at the IRS.

Mr. FROEHLICH. Yes, sir. Revenue that runs our country. That is what we do.

Mr. PORTER. Thank you. And, again, not to make light of a very serious situation. We appreciate all of your efforts. Again, thank you very, very much.

I have a question or two. I will begin with Mr. Green.

You said there is 12 percent of the potential 60 percent of Federal employees in the national capital region telecommuting. How do you suggest the agencies increase their telework numbers? Do you have a plan in place? What are you doing now?

Mr. GREEN. We are there to help them. We have a plan for the year. We are starting off. In 3 weeks we will be issuing a new guide to Federal agencies that is coming out concurrent with the guidance from OPM on pandemic influenza and personnel issues stemming from that, from the potential from that.

Our new telework guide gives guidance on that and to all Federal agencies on how best to, in our estimation, implement telework programs that involve management and employees, and the planning and development of those programs, and it can be sustainable programs that not only help in the situation of a COOP planning for a pandemic or for a terrorist attack, but also to help with work-life balance, to help productivity, and to help further the mission of the agency, because, after all, that is what each agency is primarily interested in, is meeting its mission objectives.

The second thing that we will continue to do is to offer onsite visits in consultation to Federal agencies. We conducted 20 such visits in the past year, and my staff is available to help any Federal agency that requests it. In fact, we go out of our way to offer our services to agencies to help them implement their programs effectively.

We are also going to be revamping our training. We are, right now, working on adding a pandemic module to our online telework training program, which will soon be available on Go Learn to all Federal agencies on a free basis while they develop their programs.

Then we are going to look into, as you know, OPM puts on a wealth of management training. We are going to work with those program managers to add robust telework guidance and management training, because we think that is where the biggest bang for the buck, reaching out to local managers and helping them understand how telework works, how it works in coordination with performance management, and help ease them through what they may see as a mysterious process. It shouldn't be anymore, it has been around a while, but I think that is where—another cliche—the rubber hits the road, is between the manager and the employee.

All agencies have telework policies. We think that by reaching out to managers and helping telework coordinators at agencies reach out to managers and employees is the way that we can most effectively increase the numbers of teleworkers.

Mr. PORTER. Do you think that agencies have enough legal authority, assuming there was an emergency, to require employees to telecommute in a state of chaos, possibly?

Mr. GREEN. There are programs available currently which would help agencies manage to continue operations and continue employees working. There is evacuation pay programs and all. Nonetheless, we believe that after consultation with the CDC and understanding about, should a pandemic occur, the need for social distancing, the experts call it, not having people congregate together in an office or other setting, that it would be appropriate to give individual agency heads the authority to require employees to work at home or in some other distributed location. So we are preparing legislation right now that we are going to offer to you that would help accomplish that goal.

Mr. PORTER. Congresswoman, questions?

Ms. NORTON. Thank you, Mr. Chairman.

It is hard to know how to approach what would seem to be a natural desire of employees, to avoid the traffic, the hustle of getting on that highway. You know, for those of them who don't live in the District of Columbia, I don't know how they can resist it. But according to the GAO report, there have been problems on all ends.

Just let me say to my good friend from California, while I was out of the room, I understand there was some Capital lust expressed. [Laughter.]

Don't start me on what would happen if you moved substantial parts of the Government to California, with its earthquakes. Even my good friend, the chairman, who would have the IRS employees off gambling in Reno. [Laughter.]

Mr. ISSA. You know, there is a reason that the pioneers kept moving West.

Ms. NORTON. Yes. But, indeed, I just want to say that George Washington and Thomas Jefferson would turn over in their graves if they thought anybody would want to take the Capital and piece it out to the provinces. [Laughter.]

Mr. ISSA. I note that you noted two prominent Virginians. The Bostonians may have disagreed even at the founding. [Laughter.]

Ms. NORTON. You notice they didn't get the Capital of the United States, though.

Mr. PORTER. Of course, she missed the part about Yucca Mountain. [Laughter.]

Ms. NORTON. You wanted to move the Capital there, Mr. Chairman?

Mr. PORTER. No, we were going to move Yucca Mountain here.

Ms. NORTON. Oh, I see. [Laughter.]

I do want to say for the record, because I think it would bring some comfort to my two friends to know, that while there are about 2 million Federal employees, most of them are out there. There are, you know, perhaps 200,000 or so in this region. That leaves the rest of the country with all the rest of them. This is a profoundly decentralized Government, but no great country fails to have its own great capital where, yes, it keeps and husbands its great agencies. So you all are going to have to live with it. Get over it.

We all agree that, in the abstract, this is a wonderful thing and we would like to see it happen more often, and two parent families,

one parent families, everybody hustling. Golly, you would think people would hurry to do it. And there are many reasons, frankly. Because the incentives to do it are so great on the employee end, there is no question where the problem lies. It has to lie on the Government end.

You say to a mother who has to leave her child off at day care and then get on these roads, 295, 395, 95, to get to Washington. She would rather die than do that. If she does it, there has to be some sense that she doesn't know what would happen, she doesn't have enough incentives. So I just want to say there is no way for this not to be working if the Government were pressing it—Federal Government, OPM and company, including OMB—were doing all they were supposed to do.

Now I fear the opposite. It does seem to me that there is going to be a huge chilling effect. If you were thinking about teleworking and you heard about what has just happened to these laptops, you would think again. First of all, I am sure, I am almost positive that these were employees who, like many professionals in the private sector, were just trying to do their work and to just take work home, or perhaps even to do teleworking.

Lo and behold, something happens to the computer and it is front page news. And in the age of identity theft, everybody can understand why. And when our soldiers in Iraq are among those who have had their identity gone, you can understand how this employee must feel.

Well, my question is really a single question to all of you. I think that most employees have every reason now to say just one moment, I am not going to be involved in this; can't be sure this stuff is secure, can't be sure that my laptop won't be stolen. And yet, really, in your testimony I didn't hear—that is why I ask the question—much to assure their confidence that it is all right, it is all right to do.

For example, in the testimony of Mr. Green, we learn that when employees telework, agency security policies do not change. Hear that? They do not change, and should be enforced with the same rigor as when in office. Well, that is bull. That, if anything, says, OK, tell me how to do that. And who is going to be blamed if there is either a theft or a security risk?

Then it says we refer to guidance from the Office of Management and Budget and NIST for further explication of security requirements and their application to the telework environment, like look it up, employees, and then you will understand what to do.

For PTO, even more serious. You are dealing with people's intellectual property, you are dealing with patents. And I was very impressed with how much computer work goes on. And, indeed, you say on page 2 we are expanding to create a work force that can be anywhere at any time. Well, before I submit my patent to the PTO, I want to know all about that.

Ms. CAMPBELL. OK.

Ms. NORTON. And before I take home any work, I want to make sure that if my patent gets stolen inadvertently because of security problems, either there in the Government, you are going to take care of me.

Ms. CAMPBELL. Let me——

Ms. NORTON. No, ma'am, I am just going to make the point, then you all can answer.

Ms. CAMPBELL. OK.

Ms. NORTON. Mr. Froehlich, am I pronouncing that correctly?

Mr. FROEHLICH. Froehlich.

Ms. NORTON. Froehlich. Now, nobody, of course, wants anything to happen to their income tax returns. That is guarded with very heavy penalties. So my question to you, of course, largely has to do with can anybody even take home anything that could lead back to one's tax returns? And how does teleworking work in an agency where that kind of security is almost like the security we attach to secure agencies that guard us against terrorism?

So, Mr. Green, I will just ask, beginning with you, why should anybody take any work home, given what looks to be rather vague notions that if they would read the regulations, they would understand how to keep their work out of the office secure? And I want to know how do they. I take my work home; I am a supervisor; I want to get it all done. How am I assured that it will be secure?

Mr. GREEN. Thank you. Every agency has its own security policies in place and every Federal employee is required by law to have security training every year.

Ms. NORTON. But the GAO just told us that—first of all, we know that teleworking and taking home work, simply as a professional matter, is probably going on where neither you or others don't know about it. I understand what the requirements are, Mr. Green. I am asking you another question.

Suppose a hard-working Federal employee looks to the manual, does what the manual says, takes her work home. I am going to give you the hard question about it being stolen. There are ways, of course, to protect work that is stolen by the way it is—what do you call it?

Mr. GREEN. Encrypted?

Ms. NORTON. Encrypted. But leave that aside for a moment. I simply want to know if I take it home to some part, to my own home, how do I know it is secure? Is it secure is what I really want to know.

Mr. GREEN. It should be secure if the agency's security policies are in place and if the employee——

Ms. NORTON. What are those policies? There are no Government-wide agency security policies, is that your answer?

Mr. GREEN. No, ma'am. There are——

Ms. NORTON. Should there be? Should there be, Mr. Green?

Mr. GREEN. And there are. There are standards. The NIST has issued several sets of standards and guidance on how to encrypt data, how to have the inflow of electronic information and exercise——

Ms. NORTON. Well, if the data is not encrypted, you are saying that the employee should not take the work home?

Mr. GREEN. I am saying that employees should follow the security policies, the securities in place depending upon the type of data that they have, and if they do that, then the data should be safe. Nothing is 100 percent safe in this world.

Ms. NORTON. So there is no agency-wide policy and each agency can decide for itself what that policy could be?

Mr. GREEN. Each agency has its own policies, yes, ma'am.

Ms. NORTON. I want to just go on record right here saying you take home your work at your own risk. And I also want to know if an employee can be punished if in fact something happens.

Mr. GREEN. I am sorry, I don't think I said that, ma'am.

Ms. NORTON. I am saying it.

Mr. GREEN. OK.

Ms. NORTON. This is the Congresswoman saying, warning, all Federal employees, if your agency does not assure you, one, that everything you have has been encrypted and, two, that you will not be personally punished if there is a security breach, then you are forewarned that you should not take your work home. And I think you should issue them that warning. Since you say each agency has the right to do it, you ought to tell employees up front, the ones who are in fact reaching out to do work, what their responsibility is and what they should do if the agency has not in fact met its responsibility.

Mr. GREEN. OPM has done that to its own employees. We were all issued such a policy statement just a couple of weeks ago and given guidance on how to handle data when they are teleworking.

Ms. NORTON. Ms. Campbell, perhaps you can talk about intellectual property.

Ms. CAMPBELL. I can speak to our telework programs and how the information is secure. Our telework systems have many features that ensure the security and the protection of sensitive data. However, to address your concern with employees simply taking hard copy information home, that is a very difficult thing, I would think, to control unless in fact——

Ms. NORTON. I wasn't talking about hard copy. I am talking about taking a computer home.

Ms. CAMPBELL. Again, I can speak to the telework initiative at the Patent and Trademark Office and tell you that our servers are connected to a series of network switches and routers that are connected to a virtual private network which protects the servers from outside attack.

Ms. NORTON. So if an employee were to take work home, would it be on a disk or something, that would be encrypted? Or how would an employee take work home from PTO?

Ms. CAMPBELL. Well, when our workers telework, they are actually remoting into their system at the Patent and Trademark Office, so they are not transporting a disk, they are not transporting a file, per se. They are remoting in.

Ms. NORTON. OK, this is important to note. So nobody at PTO can just take their own laptop home and do work there out of their own laptop, but they have to have a secure computer at home that in fact links in to PTO?

Ms. CAMPBELL. Well, actually, we provide the employee with the laptop. When they are working at home and they remote in to this system at the office, their hard drive is in, sometimes it is called a rack and stack, so that when that information is coming through, it is not residing on that laptop, it is just passing through. So if that laptop were stolen——

Ms. NORTON. So your own rules—not the rules, excuse me. What is important about what you are saying——

Ms. CAMPBELL. Our systems?

Ms. NORTON. Your systems, as opposed to your rules—because we heard from Mr. Green about the rules—you are saying your systems do protect against security breaches.

Ms. CAMPBELL. Yes, ma'am, as much as can possibly be in place.

Ms. NORTON. If in fact people are using only your systems, I would agree. And it does seem to me that is the kind of thing, particularly after the recent thefts and problems, we don't want to have.

Now, Mr. Froehlich, you work in an atmosphere that has always been extremely high security. Would you tell me how, particularly people's income tax returns, are protected? Can anybody telework, telecommute, whatever, on anybody's income tax material from any date forward or back?

Mr. FROEHLICH. As you point out, this is not a trivial task. At IRS, it is taken very seriously. Taxpayer information is all classified as sensitive information. We do have a fairly lengthy period of time, however, of experience on this because we have field agents that work in small businesses and work in, you know, General Motors and what have you, that are used to remote.

Those applications, as pointed out by Ms. Campbell, are run encrypted. They are exchange information encrypted.

Now, the slug of work that is important and, really, lessons learned from Veterans Administration are where are the gaps. Payroll, for example. Are payrolls encrypted with National Finance Center. Are those transactions encrypted? Are Equal Opportunity case files, are those encrypted? And as we go through a very systematic approach of all the information that one of our employees could touch, are we taking precautions?

The utopia where every hard disk is fully encrypted is where we need to go. At some point we are going to get there. I think we are going to get there pretty soon.

Ms. NORTON. Very important what you are trying to do, Mr. Froehlich, but you are saying to me that all the financial information is encrypted, except perhaps for payroll information?

Mr. FROEHLICH. Payroll information right now is all encrypted, yes, ma'am. That is one of my personal operations and I have verified that.

Ms. NORTON. Personal information,

Mr. FROEHLICH. These are for employees.

Ms. NORTON [continuing]. Once that information goes to you from me, is encrypted?

Mr. FROEHLICH. For taxpayer information the answer is yes. The question is where are the gaps. And, you know, for employee records, do we have those fully encrypted? Are those removed from hard drives, where they shouldn't be? Those types of guidance, it is a mixed approach. We have technology as far as one solution, but there is also operator requirements, what are you allowed to have on your laptop; what are you not allowed to have on your laptop?

There is a shared responsibility between agency and employee, and how that is defined is really the training piece of work that is so critical so people know their roles and responsibilities. That effort has gone underway with IRS and continues today. To say that we are done on that would be premature, but we have gone

a long way down this road, learning lessons from the Veterans Administration.

Ms. NORTON. So you are saying that your goal at IRS, you have a plan to encrypt all of your records and material?

Mr. FROEHLICH. That is the ultimate goal. What I can't tell you today is when we will get there and——

Ms. NORTON. You have a plan to do—I can understand that will take a very long time. But I am saying is there a plan that says the IRS has a plan—I don't know, 10 years from now, whatever it is—to have encrypted all of our records?

Mr. FROEHLICH. Right. You have gone about three layers out of my area of jurisdiction in IRS, but I would be happy to come back with a formal question on that.

Ms. NORTON. Would you submit to the chairman within the next 30 days whether there is a plan? I think they will be particularly interested to the IRS to encrypt all your work. I appreciate what you are saying, because sometimes you can get tax information on other than somebody's tax form. So it does matter that your records be encrypted to the greatest extent possible.

Mr. FROEHLICH. And we have had several years of managing the paper, how is that coded, how is that managed, how is that destroyed. So there is some, you know, process behind this, and the question is how do we now apply that to the electronic side, especially in the world of telecommuting, where we now have far more people carrying information with them on a routine basis. It is not a trivial problem.

Ms. NORTON. Thank you very much.

And thank you, Mr. Chairman.

Mr. PORTER. Mr. Green, Ms. Campbell, Mr. Froehlich, we appreciate your testimony today. Thank you very, very much.

Mr. GREEN. Thank you.

Ms. CAMPBELL. Thank you.

Mr. PORTER. Mr. Froehlich, don't worry about losing alphabet P, it is OK.

Mr. FROEHLICH. I don't do taxes, I do everything else.

Mr. PORTER. Thank you.

If the next panel, please, could come forward.

The witnesses will now be recognized for approximately 5 minutes of testimony. On our second panel today we will hear from Dr. William Mularie, who is chief executive officer of the Telework Consortium; Joslyn Read, assistant vice president of regulatory affairs, Hughes Network Systems, a Limited Liability Co., who will be speaking on behalf of the Telecommunications Industry Association; and finally hear from Mr. Jerry Edgerton, president of business and Federal marketing, Verizon Communications.

Doctor, welcome.

STATEMENTS OF WILLIAM MULARIE, CHIEF EXECUTIVE OFFICER, THE TELEWORK CONSORTIUM; JOSLYN READ, ASSISTANT VICE PRESIDENT, REGULATORY AFFAIRS, HUGHES NETWORK SYSTEMS, LLC, ON BEHALF OF THE TELECOMMUNICATIONS INDUSTRY ASSOCIATION; AND JERRY EDGERTON, PRESIDENT OF BUSINESS AND FEDERAL MARKETING, VERIZON COMMUNICATIONS

STATEMENT OF WILLIAM MULARIE

Mr. MULARIE. Thank you. Chairman Porter and members of this subcommittee and your excellent committee staff, too. They were very helpful. I thank you for this opportunity to share my perspectives. I have submitted my written testimony, so I will expand on some of the main points.

I was really interested in the title of this hearing, and I suspect a year or two previous to this, when you talked about telework and terrorism in the last sentence, nobody would really understand. But I think through the work of the Committees on Government Reform and Chairman Tom Davis and yourself, and my Congressman, Frank Wolf, that the public better understands now the connection.

So I represent the Telework Consortium. I am funded by the Department of Commerce to accelerate the adoption of telework in Government and in business sectors. And although we have been involved in the advocacy issues in telework, most of our focus has been to advance the practice of telework through pilot demonstrations, using advanced technologies, with Federal agencies, some local and State governments and businesses.

So today I would like to speak briefly on three issues. One is briefly on the financial burden upon automotive commuters and taxpayers. And, Mr. Chairman, I think you fundamentally stole my punch line on this, but I will go through with it anyway. The second, telework is the core of continuity of operations planning; and, last, based upon our experiences in the Telework Consortium pilot demonstrations, the imperative of broadband access to homes, certainly for all the Government workers, to every manager and every worker who is tasked with maintaining the delivery of goods and services in an agency.

So, the financial burden of commuting. I had the privilege of testifying, Mr. Chairman, before your subcommittee on November 16th on the issue of mitigating the impact of high gasoline prices on the American work force. And I did orally a calculation there, and it is in the written record, but for someone with a salary of, say, $65,000 commuting 40 miles round trip, that at $1.25 a gallon, the worker has to spend 2 months of his take-home pay—take-home pay—to pay for the cost of commuting. At $3 a gallon, it takes a few weeks more.

Now, the purpose of that testimony was to show that it is not the cost of gas, per se, but it is the act of commuting. And as you have said, Mr. Chairman, in your opening statement, not traveling is really the right solution to this. And also the taxpayer obviously gets stuck with supporting these commuters. Road capacity now is really built to try to accommodate this morning and evening commute, and I think we, for example, the Wilson Bridge here locally.

We funded a study by Professor Tony Yezer, of George Washington University, that concluded the taxpayers subsidized each commuter in the northern Virginia area about $3,000 a year through the additional infrastructure building and maintaining necessary for these people to commute. So the taxpayer gets stuck with this issue of commuting, not only individual.

But as the subject of this hearing is there is a more critical reason than cost to rethink our commuter society, namely, continuity of operations. Washington, DC, area is a target-rich environment, and the targets not symbolic like the Washington Monument, but they are the human lives here in the District, and disrupting the functioning of this Government. I was just noticing in the paper this morning that they said, for example, half of the riders, the commuters on the Metro are Federal employees, and there are 50 agency buildings within—on the Metro stops.

So it is a tremendous presence in this beautiful Washington, DC, city. So the core of the continuing of operations problem is that the daily population of Washington, DC, increases by over 70 percent each day, and the preponderance of the Federal agencies, the judicial branch, legislative and executive branches here in the District.

The World Trade Center in New York was not hit in 1993 and 2001 because it was symbolic, but that because, on the average, it housed over 40,000 people daily in key services like our key financial institutions. And, likewise, the Pentagon was not hit here because it was symbolic, but because it held tens of thousands of people whose critical mission in the Department of Defense was important to this country.

So my views are that in the aftermath of a terrorist attack in the District, we have really two problems. One is an evacuation plan, getting these large number of Federal employees, legislative and executive branch personnel, out of the District safely. The second problem, though, is really the continuity of operations problem, having dispersed now, what means do we have for intra and interagency communication so that the critical work of this Government can continue.

And how long will this have to continue? As we heard in the opening statements, a terrorist attack, the time scale is probably unknown with respect to recovery. A pandemic, perhaps up to 6 months. Or in the case of a very simple radiological dirty bomb, a pea-sized grain of cesium 137 and 10 pounds of dynamite in the wind, and you can make parts of the District here uninhabitable for decades.

And so I am concerned that the evacuation of the District is problematic and that the current continuity of operation plans, the Federal agencies are not adequate for the disruption.

Now let's talk about solution. And, again, rather than calling it telework, let me call it a distributed government. And it sounds very much like decentralization, so I apologize. But I think I can best explain a distributed government by an example.

In 2004, actually, in preparation for Congressman Tom Davis' hearings, I talked to the chief technical officer of a New York financial institution which, before September 11th, occupied 23 floors of the World Trade Center. And I said, well, what is your reaction now? He said, post-September 11th, they understood that to ensure

continuity of operations, they had to disperse their people geographically, out of Manhattan, into several adjoining States, and also have data, their records in redundant locations on separate power grids, tied by robust communications.

And his claim now is that any one of their nodes can be hit and put out of business for whatever reason, and it is business as usual. He said, our old model used to be that after an event, the plan was quick recovery. He said that is no longer possible in this world.

So business as usual. And I wish this would be the motto of our Government agencies.

So how do we proceed? Well, call it telework or distributed government, but we need a pre-event-wide geographical dispersion of a critical asset of agency workers, home-based assets, broadband. And I think that eligibility has to be looked at in a different way. Eligibility by the agency heads, they have to ask themselves a question: do I have remote to this site I am sitting in now, sufficient people with sufficient knowledge, with sufficient assets and data to sustain the operations of this agency if this building disappears now or if this building is no longer accessible? I think that is a criterion for eligibility for telework.

And the technology here exists to do all of this in a very secure manner. The way we started with the Telework Consortium was with pilot demonstrations. From our experience, you cannot institute a successful telework program without a small-scale project. We have been at this 5 years now, and I am a technologist, but what I did not understand is that telework is disruptive to organizations.

And thinking about it, since the industrial revolution, management science has been well studied. You go into a bookstore and you see thousands of books on management science. And I remember when I was active in corporations, they even had a book called Dress for Success. What does dress for success mean in a telework environment? Or management by walking around.

So my claim is that it disrupts organization in the sense that it changes our notion of what work is, particularly people my age. So we have to have pilot demonstrations to develop metrics to look at processes and change organizational processes to accept this new way of doing business.

The last thing is the imperative, which is broadband access. In our pilot demonstration projects, mostly in northern Virginia, the surprise that we had was the lack of broadband access to homes. So we would get an agency and we would try to outfit people with the telework equipment, and we found out that they only had dial-up access. So I would suggest and I would hope that the Federal Government would step in and really push ubiquitous broadband as an important element of continuity of operations.

Thank you.

[The prepared statement of Dr. Mularie follows:]

The Testimony of

William Mularie, Ph.D.
Chief Executive Officer
Telework Consortium Inc
Herndon, Virginia

To

Committee on Government Reform
Subcommittee on Federal Workforce and Agency Organization
Congress of the United States
House of Representatives
July 18th, 2006

Chairman Porter and Members of this Subcommittee:

I thank you for this opportunity to share my perspectives on an extremely timely and important subject "Telecommuting: A 21st Century Solution to Traffic Jams and Terrorism."

I represent the Telework Consortium, a non-profit Virginia 501(c) 3, funded by the Department of Commerce (NIST) to accelerate the adoption of telework in government and business sectors. Although we have been involved in advocacy issues for Telework over the past 4 years, our principal focus has been to advance the *practice* of Telework, through pilot demonstration projects, using advanced telecommunications technologies.

Today, I would like to speak briefly to three issues:

First, from the previous testimony to this body, we have heard from major US corporations who have quantified the benefits of Telework, such as increased

productivity, office space savings and employee retention. I would like to affirm these but leave for this record a sense of the tremendous financial burden that commuting to work places upon individuals and the American taxpayer.

Secondly, I will say a few words about the "telework and terrorism" relationship explicit in the title of this hearing, particularly in the context of Continuity of Operations (COOP) for the Federal government. It should be noted that, previous to the efforts of Congressman Tom Davis' Committee on Government Reform and the efforts of Congressman Frank Wolf, the juxtaposition of "traffic jams" and "terrorism" in a title of a hearing would make no sense.

Now people see telework as a critical component in addressing both of these problems.

Lastly, based upon our experiences in our Telework pilot demonstrations projects, in Federal and local governments and in businesses, I would like to address an *imperative* without which significant Telework and COOP initiatives are not possible—that is broadband access to the home, government office and business.

The Financial Burden of Commuting:

Mr. Chairman, I had the privilege of testifying before this subcommittee on November 16th, 2005 on the issue of "Mitigating the Impact of High Gas Prices on the American Workforce".

From an affordability standpoint, one can do a back of the envelope calculation to examine the costs for a commuter with the following profile:

- Commutes 20 miles one way (40 miles roundtrip)
- A salary of $65,000, 23% Federal tax rate, 9% state
- Take home about $750/week ($1250 gross)

Using AAA's most recent "Cost of Driving" figures and assuming gasoline costs of $1.25 per gallon, it takes the worker *two months of take-home pay to pay for commuting...* At $3.00/gallon it takes over *9 weeks take home pay* to cover his commuting costs. So we are placing a tremendous financial burden upon individuals in our commuting workforce.

Commuters also place a great burden upon the taxpayer, through funding the construction, maintenance and constant upgrading of our highway system infrastructures to essentially accommodate the morning and evening commute. The Telework Consortium funded a study by Professor Anthony Yezer of the George Washington University, *The Public Cost of Increased Commuting in Northern Virginia,* that concluded that taxpayers provide a transportation subsidy of over $3000/year for each commuter car, with a 15 mile commute, in the Northern Virginia highway system. So we are also placing a large financial burden upon the taxpayer, to build and maintain infrastructure for the commuting workforce.

Terrorism, Pandemics and Continuity of Operations:

Washington DC is a target-rich environment. It is not only the symbolic center of the country—indeed of the Free World—but it is where the work of our Federal Government and government-provided services emanate.

It is my opinion, based upon the history of terrorist attacks on our military, embassies, and our nation, that the underlying assumptions of current government COOP plans--principally "quick recovery" and "maintenance of minimal critical services" of agencies--are perhaps valid for snowstorms and other natural disasters, but not for terrorist attack, pandemics or other disasters in this Washington Capitol region. The impacts of these events and the time scale for recovery are greatly underestimated in these plans.

While the Federal COOP plans generally call for resumption of critical services within 12 hours and the ability of agencies to sustain remote emergency operations for 30 days, the experiences of the recovery time from terrorist attacks from the 9/11 World Trade Center

were months, years and, in some cases, never. We also understand that there is the capability in WMD attacks to make areas uninhabitable for decades.

It is improbable, in the wake of a terrorist attack, that a large urban area like Washington, DC can be evacuated according to any pre-determined plan and timescale. After my retirement from the civilian sector in 1996, I had the privilege of serving with outstanding military officers at the National Imagery and Mapping Agency and DARPA. They counseled me, from their warfare experiences, that the first causalities of engaging the enemy were the "plan" and the ability to "communicate" with each other. I suggest that this will be case in this area in the event of another terrorist attack.

The Strategy for COOP: Distributed Government

There are excellent models for Government COOP in some of the post-9/11 plans of the financial Institutions who were tenants of the WTC at the time of the disaster. These companies have since geographically dispersed their people and critical records, have established redundant communications systems, and eliminated dependencies on common power grids. Talking to one of the chief architects of this transformation in preparation for this testimony, he said that 9/11 changed the fundamental strategy from "quick recovery" after a disaster to "business as usual," i.e., that a localized event will not perturb the operations of the business.

I suggest that the Government COOP plans focus on "business as usual" and not the heroic deeds necessary to get the government functioning again. This requires a culture shift, by decoupling the concept of "work" and "place". It requires the adoption of the concept of a "distributed government", so there are not single points of failure (like co-location in common building).

The Role of Telework: Getting serious about implementing telework would substantially reduce the risks associated with the current COOP. Elements of a fundamental COOP and Telework have common implementations:

- Pre-event wide geographical dispersal of a critical set of agency workers, with preferably home-based assets (the virtual office);
- Provide Broadband (non-dial up) home access;
- Geographical dispersal of server sites for data, records;
- Pilot Demonstration Projects: From our experiences in the Telework Consortium, www.teleworkconsortium.org, the successful implementation of Telework in any organization starts with small-scale pilot projects. Telework is disruptive in the sense that it changes our notion of work as being associated with a "place," it changes the organizational work processes (usually toward greater efficiency) and it values results rather than process. It also has a technology component that requires new IT training. The pilot allows "lessons learned" by the organization to be integrated into larger-scale deployments.

I believe that a model for Federal agencies is that of the Treasury Department Inspector General (TIGTA), where, through adoption of these principles, they currently can "reconstruct' their agency from laptops.

Lastly, an Imperative: Broadband

The ability for remote workers to communicate and collaborate using desktop PC multi-media services and other applications is essential for carrying out the mission of any agency or business for events which deny access to the workplace. The global Internet is the fundamental communications infrastructure that we will rely upon to insure COOP for government and business.

This requires a broadband "last mile" reach to the Internet from the home of every worker involved in critical work for government or business.

Unfortunately, the lack of broadband access and/or high cost of bandwidth to home workers in the Washington Capitol Region are the most difficult problems with which we have dealt in our many Telework Consortium pilot demonstration projects over the last

four years. Many of our local urban, suburban, and rural areas are "third world" in terms of continued reliance on dial-up Internet access.
No serious Telework or COOP effort can succeed without addressing the issue of home-based broadband access for employees.

These conclude my comments.

Mr. Chairman, Committee Members and Staff, I thank you for this opportunity to share these perspectives with you today.

Respectfully submitted,

William Mularie, PhD
Telework Consortium Inc.
July 18, 2006

Mr. PORTER. Thank you very much for your testimony.

Next we will have Ms. Read, again, assistant vice president of regulatory affairs at Hughes Network Systems, Limited Liability Co., who is speaking on behalf of the Telecommunications Industry. Thank you.

STATEMENT OF JOSLYN READ

Ms. READ. Thank you, Mr. Chairman, members of the subcommittee. I would like to thank you for holding this hearing today on telecommuting and for inviting us to share our perspectives for your consideration.

My name is Joslyn Read. I am here to speak on behalf of the Telecommunications Industry Association, as well as Hughes Network Systems.

TIA provides a forum for over 600 member companies, the manufacturers and suppliers of global communications products and services, including telecommuting. Broadband access can be provided over a number of different technologies, including satellite, cable, fiber, DSL, and terrestrial wireless technologies, all of which hold great promise and in various stages of development and deployment. Although TIA members are involved in all of these technologies, I am most familiar and active in the satellite area and will focus my remarks regarding telecommuting to the benefits that satellite broadband offers.

As background, Hughes Network Systems is the global leader today in providing broadband satellite networks and services for large enterprises, governments, small businesses, and consumers. Throughout the United States today, there are approximately 300,000 consumer and small business subscribers, and over 200,000 large enterprise and Government locations using Hughes satellite broadband technology for day-to-day networking.

So, Mr. Chairman, my testimony, simply put, today is as follows: First, teleworking is critical to American productivity and, as part of continuity of operations plans, is critical to American readiness during emergencies.

Second, satellite communications is an essential element to successful implementation of teleworking, as it is the only communications vehicle that can reach anyone, anywhere, any time.

Third, Government should support teleworking and do so in an inclusive manner that recognizes the unique contribution that satellite has and will continue to make in this effort.

Recent reports have estimated that 28 million Americans telecommute in some form today. The author of a recent study has defined teleworking as an advanced form of telecommuting, which goes beyond simply allowing employees to work from home or an alternative location a couple days a week and, instead, enables them to work at any time or place that allows them to successfully complete their work. The benefits of teleworking to organizational efficiency and long-term effectiveness for both Federal and non-Federal enterprises has been well documented by this panel, and I won't go into those today.

Attaining the benefits of teleworking is only possible, much as Dr. Mularie has just stated, if teleworkers have access to high speed broadband communications where they need to do the work.

Satellite broadband is uniquely positioned to solve many of the teleworking needs of today. Satellite broadband network infrastructure serves rural, suburban, and urban customers ubiquitously and equally throughout the United States. Our speeds today are very comparable to terrestrial offerings. High speed broadband services by satellite are reliable, scalable, and cost-effective.

Teleworking plays a critical role, as we have heard today, in the continuity of operations planning [COOP], for the Federal Government and non-Federal enterprises. During emergencies, managers and workers need to maintain critical functionality from highly distributed home offices and alternate locations. Teleworking by satellite provides an additional layer of vital diversity in communications modes to ensure continuity of operations in business.

Let me explain a little about satellite communications. Satellite networks are comprised of spacecraft orbiting 22,300 miles above the Earth, with ground-based switching stations, a few of them, dispersed throughout the United States or relevant service areas. This distributed national, space-based network service architecture makes satellite networks extremely durable and reliable during manmade and natural emergencies.

Satellite communications played a critical role during the response and recovery efforts resulting from the manmade disasters of September 11th and the natural disasters we witnessed last year in this country and abroad. When the terrestrial Internet, telephone, and broadcast networks went down, satellite communications maintained business and residential connectivity for weeks until other damaged communication systems were restored.

The Federal Government clearly and urgently needs to accelerate the realization and investment in continuity of operations plans for working from diverse and alternate locations. For many employees within the Washington metropolitan area and beyond to achieve the benefits of teleworking, a highly effective option is to utilize high speed broadband services by satellite.

Many, many customers in this area still do not have access to high speed services, as Dr. Mularie mentioned. Satellite broadband services constitutes a critical and often sole option for many workers in the Washington area to participate in emergency-based COOP preparedness, as well as teleworking during non-emergency times.

So, in conclusion, we fully endorse the steps already taken by the Federal Government to introduce teleworking programs for ongoing operations and emergency preparedness. We emphasize the high speed broadband connections are critical to effective teleworking and that broadband by satellite is one of the key high speed technologies available to teleworkers everywhere throughout the National Capital Region right now.

In closing, we would like to make the following recommendations: that the Federal Government agencies accelerate the implementation of teleworking programs and that the Congress and the Federal Government define and expand teleworking programs to include satellite communications as a required element in all formal teleworking and COOP plans; compensation to teleworkers for their monthly high speed broadband services, this would upgrade customers from dial-up to alternative technologies; compensation to

teleworkers for the broadband customer premises equipment needed to perform their online duties; and, last, tax credits for non-Federal employers and employees who engage in teleworking programs.

Mr. Chairman and members of the subcommittee, I would like to thank you again for inviting the Telecommunications Industry Association and Hughes Network Systems to present today. Thank you.

[The prepared statement of Ms. Read follows:]

Written Statement of

Joslyn Read
Assistant Vice President, Regulatory Affairs
Hughes Network Systems, LLC
and
representing the
Telecommunications Industry Association (TIA)

Hearing on
"Telecommuting: A 21st Century Solution to Traffic Jams and Terrorism"

Before the
House Subcommittee on the Federal Workforce and Agency Organization
of the
Committee on Government Reform

July 18, 2006
2:00 pm

OPENING

Mr. Chairman, Members of the Subcommittee, I would like to thank you for holding this hearing today on "Telecommuting: A 21st Century Solution to Traffic Jams and Terrorism" and for inviting the Telecommunications Industry Association and Hughes Network Systems to provide our perspectives for your consideration.

My name is Joslyn Read. I am here today in my role as a member of the Telecommunications Industry Association (TIA), and as Assistant Vice President for Regulatory Affairs for Hughes Network Systems.

TIA provides a forum for over 600 member companies, the manufacturers and suppliers of products, and services used in global communications. Many TIA members manufacture and supply products and services used in the deployment of the broadband infrastructure that enables a vast array of communications services, including telecommuting. Broadband access can be provided over a number of different technologies, including satellite, cable, fiber to the premises (FTTP), DSL, and various wireless technologies, all of which hold great promise and are in various stages of development and deployment. Although TIA companies are involved in all of these technologies, I am most familiar with satellite and will focus my remarks regarding telecommuting to the benefits that satellite broadband offers.

Hughes Network Systems is the global leader in providing broadband satellite networks and services for large enterprises, governments, small businesses, and consumers. To date, Hughes has shipped more than one million satellite broadband systems to customers in over 100 countries. Throughout the United States today, there are approximately 300,000 consumer and small business subscribers that are customers of HughesNet™ high-speed satellite Internet access, with new subscribers joining at approximately 10,000 per month. In addition there are over 200,000 large enterprises locations using Hughes satellite technology for day to day data networking. Hughes is headquartered in Germantown, Maryland.

Overview

Mr. Chairman, my testimony, simply put, is as follows. First, teleworking is critical to American productivity and as part of continuity of operations plans is critical to American readiness during emergencies. Second, satellite communications is an essential element to successful implementation of teleworking as it is the only communications vehicle that can reach anyone, anywhere, at any time. Third, government should support teleworking and do so in an inclusive manner that recognizes the unique contribution that satellite has and will continue to make in that effort.

Importance of Teleworking

Recent reports have estimated that 28 million Americans telecommute in one way or another, from working at home to working on the road with no office at all. "Teleworking" takes "telecommuting" a step further. The author of a recent study has defined teleworking as "an advanced form of telecommuting which goes beyond simply allowing employees to work from home or an alternative location a couple of days a week and instead enables them to work at any

time or place that allows them to successfully complete their work. In short, it means bringing the work to the worker instead of the worker to the work."[1]

The benefits of teleworking to organizational efficiency and long-term effectiveness – for both federal and non-federal enterprises - is being increasingly documented. Briefly, these benefits include:

1. Improvement in organizational resiliency and continuity of operations during security threats, natural disasters and health pandemics
2. Improvement in organizational and individual productivity
3. Reduction in traffic congestion, energy consumption and vehicular pollution
4. Reduction in enterprise facilities costs
5. Improvement in opportunities for disabled, rural and older workers
6. Improvement in employee satisfaction, motivation and retention

Broadband Connectivity Is Critical for Teleworking

Attaining the benefits of teleworking is only possible if teleworkers have access to a high-speed broadband communications – where they need to work.

High speed broadband services have been deployed to many areas of the United States using many technologies, but estimates of the number of homes without high-speed availability still range from 10-15 million U.S. homes. In its annual report on broadband deployment in April 2006,[2] the Federal Communications Commission (FCC) reported that for the twelve month period ending June 30, 2005, the number of broadband connections used by homes and small businesses for Internet access that exceed 200 kbps in at least one direction increased by 32% to almost 43 million lines. For the same period, the number of lines transmitting at speeds that exceed 200 kbps in both directions increased by 60% to nearly 38 million lines. The most widely reported technologies reported by the FCC's Zip Code measure were satellite (with subscribers reported in 86% of Zip Codes), asymmetric DSL (in 78% of Zip Codes), and cable modem (in 62% of Zip Codes).

High speed broadband services by satellite are reliable, scalable, and cost-effective. Satellite broadband network infrastructure serves rural, suburban and urban customers ubiquitously throughout the United States. Satellite service prices are distance-insensitive. Satellite broadband speeds today are very comparable to DSL offerings and in some cases can be superior.

As a result, satellite broadband is uniquely positioned to solve many of the teleworking needs of today.

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[1] See "Washington, D.C. Ranked Best City for Teleworking," Sperling's Best Places. March 30, 2006.

http://www.bestplaces.net/docs/studies/Telework06.aspx.

[2] See Federal Communications Commission, "High-Speed Services for Internet Access: Status as of June 30, 2005." Industry Analysis and Technology Division, Wireline Competition Bureau. April 2006.

Importance of Teleworking during States of Emergency

Teleworking plays a critical role in Continuity of Operations Planning (COOP) for both the federal government and non-federal enterprises. During emergencies, managers and workers will be able to maintain critical functionality from highly distributed home offices and alternate facilities. Teleworking by satellite provides an additional layer of vital diversity in communication modes to ensure continuity of operations and business.

Let me explain. Satellite networks are comprised of spacecraft orbiting thousands of miles above the earth using a small number of ground-based hub switching stations dispersed throughout the network service area (usually the continental United States and often beyond). This distributed national space-based network service architecture makes satellite networks extremely durable and reliable during manmade or natural emergencies.

Satellite communications have played a critical role during the response and recovery efforts resulting from the manmade disasters of September 11th, and the natural disasters we witnessed last year in this country and abroad. When the terrestrial Internet, telephone and broadcast networks went down, satellites remained on the job. Satellites connected emergency personnel and other first responders. Satellites reunited families and communities. Satellites maintained business and residential Internet connectivity for weeks until other damaged communications systems were being restored.

Satellite communications equal redundancy, ubiquity and resiliency.

Need for Government Support

For many employees within the Washington Metropolitan area and beyond to achieve the benefits of teleworking, a highly effective option is to utilize high-speed broadband services by satellite.

In May 2006, the General Accountability Office (GAO) found that for terrestrial broadband facilities, it is more costly to provide broadband services to areas with low population density and rugged terrain and that it also may be considerably more costly to serve locations that are a significant distance from a major city. As a result, broadband infrastructure has not been well deployed to many rural and even suburban parts of the country. The GAO also noted that because the cost of building land-based infrastructure is so high in some rural areas, satellite broadband technology may be the best for addressing a lack of broadband in those regions.

The federal government should provide economic support to encourage the take-up of broadband communications essential for teleworking and COOP contingencies. In May of this year, the U.S. General Services Administration's (GSA) "Telework Technology Cost Study" concluded that:

> "In order to telework, employees often leverage surplus and personally-owned equipment, and manage with limited access to agency systems. Accordingly, … basic services and technologies need to be provided to teleworkers. … Rather than cost being a barrier to

telework, significant cost savings and benefits can be realized from investing in telework solutions and from optimal expansion of their telework programs."

In April 2006, the GAO reported[3] to the Chairman of the House Committee on Government Reform that there was significantly more progress needed on federal agency COOP plans to designate alternate facilities, prepare personnel for unannounced relocation to these facilities, and on the use of telework in their continuity plans.

The federal government clearly and urgently needs to accelerate the realization of Continuity of Operation plans for working from diverse locations. Satellite broadband services constitutes a critical and often sole option for many workers in the Washington Metropolitan area to participate in emergency-based COOP preparedness as well as teleworking during non-emergency times. As the only truly diverse communications medium in the event of an emergency, satellite communications should be a requirement in any formal teleworking or COOP plan implemented by Government.

Conclusions and Recommendations

In conclusion, we fully endorse the steps already taken by the federal government to introduce teleworking programs for ongoing operations and emergency preparedness. We emphasize that high-speed broadband connections are critical to effective teleworking, and that broadband by satellite is one of the key high-speed technologies available to teleworkers everywhere throughout the National Capital Region – right now.

We recommend that:

1. Federal Government agencies accelerate the implementation of teleworking programs for all the reasons outlined above and by this panel.

2. In recognizing that teleworking brings enormous efficiencies and resiliency to federal missions, Congress and the individual agencies of the Federal Government define and expand its teleworking programs that include:
    a. Compensation to teleworkers for their monthly high-speed broadband services.
    b. Compensation to teleworkers for the broadband customer premises equipment needed to perform their online duties, particularly for those teleworkers that are involved in essential agency functions, and for those that reside in locations that are rural, remote, and are less able to travel into a centralized workplace.
    c. Tax credits for non-federal employers and employees who engage in teleworking programs.

Chairman and Members of the Subcommittee, I would like to thank you again for inviting the Telecommunications Industry Association and Hughes Network Systems to present our views at this hearing today.

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[3] See General Accountability Office, "CONTINUITY OF OPERATIONS: Selected Agencies Could Improve Planning for Use of Alternate Facilities and Telework during Disruptions." GAO-06-713. May 2006.

Mr. PORTER. Thank you, Ms. Read. We appreciate your testimony.

Next, Jerry Edgerton, president of business and Federal marketing, Verizon Communications. Welcome.

STATEMENT OF JERRY EDGERTON

Mr. EDGERTON. Thank you, Chairman Porter and members of the subcommittee. I appreciate the opportunity to speak with you today on the teleworking solutions for the Federal Government. I am pleased to tell you that fast, reliable, secure telecommunications technology is in place today for the National Capital Region. At the opportunity to be quite controversial with my colleagues at the table, we believe that this capability will further deploy of teleworking throughout the Federal Government.

I am president of the Verizon Federal, which is a unit of Verizon Business that is dedicated to serving the Federal Government. Verizon Business was created through the merger of MCI and Verizon, and is focused solely on the enterprise customer, including the Federal Government. We are one of the three business units of Verizon Communications.

Verizon Business today supports more than 75 Federal agencies, and we have designed and deployed some of the most complex government networks in the world. Through the FTS 2001 contract, we are the premier provider of advanced communications solutions to the Federal Government. And through the Washington Interagency Telecommunications Systems [WITS], Verizon Business delivers voice, video, and data solutions to the Federal agencies in the Washington, DC, area.

We are proud of our track record in helping Government agencies meet the business requirements, and look forward to working with our Federal customers and the GSA to implementing teleworking solutions that are reliable, secure, and cost-effective to a greater number of Federal employees.

The need for teleworking in the Federal Government is greater than ever before, and it goes far beyond enabling employees to work remotely. Teleworking should be the cornerstone of every agency's business continuity plans, especially here in the National Capital area with its high concentration of Federal employees.

It doesn't take a major national disaster or national emergency to close down a Federal office building, as was witnessed in the last weeks when several days of rain showed us what can happen at the IRS. It is important that the agency's have a well defined and executed business continuity plan so that operations continue seamlessly and that Federal employees, regardless of where they are located, are able to perform critical job functions.

Through the evolution of traditional communication services, wireless communications and advanced applications, the definition of teleworking is rapidly broadening. Agency specialists can handle constituent calls from their own homes. Federal employees can attain training sessions via Net conferencing. Large agency meetings can take place via collaboration capabilities.

The tools available today make these important functions entirely possible, helping to improve productivity and reduce cost, and many agencies are already using these capabilities. Through our

FTS bridge contract and ultimately, and ideally, through the networks contract, we will offer additional collaboration services that will further enhance the teleworking experience of Federal workers.

Technology is leading to a virtualization of the Government work force that will yield tremendous pay-backs and reduce direct costs, recovery of lost time, favorable environmental impacts, reduced infrastructure costs, and, more importantly, improved service to the citizens. Done properly and with the right technology solutions, teleworking Federal employees will function as well or better than they would in their agency's offices.

Undoubtedly, barriers remain that prevent agencies from reaping the full benefits of telecommuting, but technology is not one of those barriers. Existing technology fully enables workers to work remotely today.

Verizon recognizes the vital role that communications technology continues to play in sustaining our Nation's economy, improving productivity, and providing Federal agencies with the tools needed for effective constituent services and efficient operations. Broadband technologies enable many new applications that are revolutionizing the workplace. Nationwide, Verizon has made billions of dollars of network investments that have resulted in new products, services, and integrated services over fiber optic cables, wireless networking, and digital subscriber services that enable high speed connections.

Our services include fiber to the premise, or what we call FIOS; a personal broadband wireless service, or EVDO; and DSL, or digital subscriber lines, all of which are available today and making ubiquitous high speed access a reality. Our wireless, wireline, and global networks create a web of connectivity that supports Federal employees as they move throughout their day through the different roles in all of their different environments.

We believe that the keys to success for any Federal teleworking program are security, reliability, and agency endorsement.

Security must be a top priority for agencies, for employees and for service providers. At Verizon, we deploy end-to-end network security, meaning that no matter where the work is located, no matter what information they are seeking, no matter how they are getting online, we provide the same high levels of network security for teleworking employees.

Establishing and managing high security levels eliminates the need for teleworkers to keep confidential data bases on their work-at-home computers, making data more secure and employees more effective while working remotely.

A telework employee is only as effective as his or her broadband connection, so network reliability is critical to the success of any teleworking program. These new communications technologies are highly reliable and cost-effective means of increasing employee productivity by using high speed broadband access.

A successful teleworking program is one in which remote working looks no different than the time spent in the office, where a teleworker's day is spent in meetings, doing research, using the phone or the computer, the same tasks that they would be doing in the office. For those workers with a need for the social inter-

action that an office provides, collaboration tools, such as instant messaging and video conferencing, are helping fill that gap, as well as serving as an effective management tool.

Teleworking is the right thing to do for the greater good. To name a few, it increases employee productivity; it helps protect the environment by reducing traffic congestions and demands; it helps agencies retain seasoned workers by providing an alternate workspace and a quality of life; it provides disabled workers with increased ability to work from remote locations; and, finally, it provides a basis for continuity of operations by dispersing the work force.

When savings on office space and utilities and so forth are factored in, I believe that the cost to agencies is more than offset by the benefits. In fact, I would urge the subcommittee to continue to conduct regular oversight on agencies' teleworking initiatives and conduct periodic reviews on their process. A teleworking and continuity of operations scorecard will continue to be an effective tool to help ensure that the potential benefits of teleworking are fully realized by the Federal agencies and their employees.

At Verizon Business, we are committed to working with our Federal customers to make continuous improvements in the delivery of governmental service. We look forward to working with the Congress and our agency customers to drive innovation in the business of Government.

Thank you, and I look forward to your questions.

[The prepared statement of Mr. Edgerton follows:]

Testimony of Jerry Edgerton

Group President Verizon Federal

Before the Subcommittee on the Federal Workforce and Agency Organization

House Committee on Government Reform

"Telecommuting: a 21st Century Solution to Traffic Jams and Terrorism"

July 18, 2006

Mr. Chairman and Members of the Subcommittee, thank you for offering me the opportunity to speak with you on teleworking solutions for federal government employees. I am pleased to tell you that fast, reliable and secure telecommunications technology is in place in the National Capital Region that would enable the spread of teleworking throughout the federal government.

My name is Jerry Edgerton, group president of Verizon Federal, the unit within Verizon Business dedicated to serving the federal government. Verizon Business was created through the merger of Verizon and MCI. Verizon Business is focused solely on enterprise customers – including the federal government – and is one of three business units that make up Verizon Communications.

About Verizon Business

Verizon Business today supports more than 75 federal agencies, and we have designed and deployed some of the most complex government networks in the world. Through the FTS2001 contract, we are the premier provider of advanced communications solutions to the federal government. And through the Washington Interagency Telecommunications System – or WITS – contract, Verizon Business delivers voice, video and data solutions to federal agencies in the Washington, DC, metropolitan area.

We are proud of our track record of helping government agencies meet their business requirements, and look forward to working with our federal customers and the GSA to implement teleworking solutions that are reliable, secure and cost effective to a greater number of federal employees.

Need for Teleworking Solutions

The need for teleworking in federal government is greater today than ever before, and it goes far beyond enabling employees to work remotely. Teleworking should be a cornerstone of every federal agency's business continuity plans, especially here in the National Capital area with its high concentration of federal employees.

It doesn't take a major natural disaster or a national emergency to close down a federal office building and displace thousands of workers, as several straight days of rain showed us last month. It is important that agencies have a well-defined and executed business continuity plan so that operations continue seamlessly, and that federal employees – regardless of where they are located -- are able to perform their critical job functions.

Through the convergence of IP (Internet Protocol) technology, wireless communications and advanced applications, the definition of "teleworking" is rapidly broadening. Imagine:

- Virtual call center agents being able to handle constituent calls from their own homes – improving agency responsiveness and consolidating scarce resources.
- Federal employees attending training sessions via Net conference – improving employee productivity.
- Large agency meetings taking place via video conference – greatly reducing employee travel costs.

Corporate America is increasingly embracing these types of teleworking solutions, and federal agencies should embrace them as well. Done properly and with the right technology solutions, teleworking federal employees will function as well or better than they would in their agency's offices. Collaboration, consultation, data resources, supervision — are all part of the telework solution.

The tools available today make these important functions entirely possible. The technology is leading to a "virtualization" of the government workforce that will yield tremendous paybacks in reduced direct costs, recovery of lost time, favorable environmental impacts, reduced infrastructure costs—and improved service to citizens.

Undoubtedly barriers remain that prevent agencies from fully reaping the benefits of telecommuting. **Technology is NOT one of those barriers**. Existing technology fully enables employees to work remotely, today.

Ubiquitous Broadband Access

Verizon recognizes the vital role that communications technology continues to play in sustaining our nation's economy, improving productivity, and providing federal agencies with the tools needed for effective constituent service and efficient operations. Broadband technologies enable many new applications that are revolutionizing the workplace. Nationwide, Verizon has made billions of dollars in network investments that have resulted in new products and services in integrated services over fiber optic cables, wireless broadband networking, and digital subscriber line services that enable high speed connections.

These services include FIOS (fiber broadband), EVDO (wireless broadband), and DSL (digital services), all of which are available today and are making ubiquitous high speed access a reality. Our wireless, landline and global IP networks create a web of connectivity that supports federal employees as they move throughout their day, through all their different roles and all their different environments.

FiOS

FiOS – fiber optic services – is the latest in technology that we are deploying, providing blazing-fast broadband Internet access utilizing laser-generated pulses of light, riding on hair-thin strands of glass fiber.

Verizon is building this advanced fiber network in close to 800 communities in 16 states around the nation. By the end of 2005, Verizon made FiOS access available to 3 million homes, with another 3 million expected this year, or somewhere around 20 percent of current Verizon served households.

FiOS speeds and service capabilities provide a tremendous boost for potential teleworkers. Our unique fiber architecture has the two-way capabilities and multi-megabit speeds to support teleworkers needed access to advanced applications. FiOS delivers broadband speeds from 5 up to 50 megabits downstream, and up to 10 megabits upstream. This allows real time video conferencing, collaboration and data sharing. There are great advantages to the FiOS technologies for teleworkers including almost unlimited bandwidth, reliable service that is less susceptible to inclement weather, easier to maintain, and is extremely flexible to meet customer preferences - new products and services can be activated remotely, either permanently or on-demand.

Last month, Congress took a big step in removing regulatory barriers, by overwhelming voting to pass the Communications Opportunity, Promotion and Enhancement Act, to speed deployment and access to these services. We look forward to working with the Senate to finish the legislative process to have a bill signed into law. In the National Capital Region FiOS is available and has received regulatory approval for video services in the following areas:

- Quantico Marine Corps Base and Ft. Belvoir
- Herndon, VA
- Fairfax County, VA
- City of Fairfax, VA

- Falls Church, VA
- Dumfries, VA
- Prince William County, VA
- Arlington County, VA
- Loudoun County, VA
- Leesburg, VA
- Anne Arundel County, MD
- Bowie, MD
- City of Laurel, MD
- Henrico County, VA
- Howard County, MD

EVDO (Wireless Broadband)

EVDO utilizes 3G, or third generation cellular technology, to deliver high speed data connectivity over a traditional cellular network. EVDO works virtually anywhere your cell phone does, providing federal workers with wireless high speed Internet access. The technology has been deployed and is available today in the National Capital Region and is available coast-to-coast, covering half of all Americans where they live.

With EVDO, government employees can download complex files and send e-mails at 400-700 kilobits per second. Unlike Wi-Fi, EVDO covers whole metropolitan areas, which makes this service truly mobile. EVDO is quickly becoming the gold standard for wireless broadband. Verizon Wireless' (Verizon is the majority owner) investment in network speed, coverage, quality and security is transforming the wireless experience for customers to work unteathered from a telephone jack.

DSL (Digital Subscriber Lines)

In places that FiOS has not been deployed, DSL fills the need for broadband service that utilizes a user's existing phone line to deliver high speed Internet access for millions of Americans nationwide. DSL is widely deployed in the Washington Metropolitan area allowing additional broadband options for federal workers.

The Keys to Success

We believe that there are three keys to success for any federal teleworking program – security, reliability and customer support.

Regardless of the technology used, security must be a top priority for agencies, for employees and for service providers. At a minimum, teleworking security must include anti-fraud and denial of service protection, end-user protection utilizing firewalls and IP (Internet Protocol) VPN (Virtual Private Network) integration, strong user authentication procedures, and centralized system administrator controls.

At Verizon, we've integrated security into our global network. We continue to install technologies that can alert network operators of security threats to speed action to stop potential breeches. By employing end-to-end network security, we can provide the same security mechanisms for teleworking employees that we do to protect agency data. This will eliminate the need for teleworkers to keep confidential databases on their work or home computers, making data more secure and employees more effective when working remotely.

A teleworking employee is only as effective as his or her broadband connection, so network reliability is critical to the success of any teleworking program. Technologies such as FiOS, EVDO and DSL are highly reliable and a cost effective means of increasing employee productivity by using high-speed broadband access.

Successful teleworking programs will require that federal teleworkers have real time access to technical assistance via help desks and on-site assistance when needed. Verizon Business provides a toll free number for federal teleworkers and has a program that rapidly sends technicians to help when there are problems.

The Right Thing to Do

Teleworking is the right thing to do. Benefits of teleworking include:

- Increased employee productivity.
- Helping protect the environment by reducing traffic congestion and miles driven.
- Worker retention – providing federal workers with an incentive to continue government service.
- Enabling disabled workers by providing them with the increased ability to work from remote locations.

Verizon has the communications technologies that allow successful teleworking. At Verizon Business, we are committed to working with our federal customers to make teleworking a reality. We look forward to working with Congress and our agency customers to drive innovation in federal government communications and constituent service.

Mr. PORTER. Thank you very much. The three of you are very lucky today, since the balance of the panel isn't here, so I promise I will be easy on you, OK?

Is there a profile—maybe that is not the right term, but is there a particular type of employee that we should be looking for? I know we are talking numbers. There are 300,000 whatever numbers and 12 percent—and I am not going to quote the numbers right—that probably could telecommute, but is there a certain employee we should be looking for that should be doing this? Because I know some folks today that work via technology, and they are not very happy with this type of arrangement. I think they are more on the people side and prefer to have the atmosphere.

But is there a profile, is there a type of person we should be looking for? Or is there a science yet to help us determine who that person is?

Mr. MULARIE. I interviewed yesterday Mr. Joe Hungate, who is CIO of the Department of Treasury Tax IG, and they have had a tremendous successful telework program. Ninety-five percent of their people are eligible for telework, and not only workers in the sense of GS–whatever, but also managers and directors telework. So the culture of the agency is really being transferred from sort of coming to a place to really a virtual agency organization. In this case they do audits, so this is a reasonable thing to do in a distributed manner.

Mr. PORTER. A reasonable thing to do what?

Mr. MULARIE. To have a dispersion of these people, because they are out usually in the field doing audits. But as a result of this, they have been able to shrink their space here within the District; they don't need the space they originally did. And I think that the lesson I learned from the Treasury Department is that the managers, the executives should be out as part of the telework experience. So in answer to your question, I think the total agency should view itself as eligible in that sense for telework.

Mr. PORTER. And I have to come back to this, but it seems to me the manager is really the hub of this, to make sure that they are comfortable also, and understanding how to do appraisals and performance standards. I think that would be critical. But has there been research done—and, again, not that I am opposed to this; I am just asking questions, because I think there are a lot of folks that would probably flourish in this environment.

But are there studies that have been done as far as performance? Again, I don't necessarily think that 95 percent really would be eligible from that type of personality without the proper coaching, the proper encouragement, the hands-on management. Some individuals need that, and left on their own, aren't necessarily going to be as efficient. So have there actually been studies done?

Mr. MULARIE. Well, there are two ways to view that. One is current telecommunications technology and, as Mr. Edgerton said, services. From my laptop, Mr. Chairman, I can talk to you, I can see you with full video, I can hear you, obviously, good voice, and we can collaborate on a document or show the latest in cartoons or whatever. So technology allows for a great degree of socialization, as opposed to the old way of telework, where you had a fax machine and a telephone and your computer. So the advances in

technology make this remote experience more real and more like it would be in an office environment.

With respect to studies done with this, the study I saw talked about this cultural issue with respect to telework and really destroying this whole idea we have built up since the industrial revolution of what work is, and I think that is the core reason for managers being resistant, because that is not the way they were trained and raised. Management science is 150 years old. So I think that is why we talk about pilot demonstrations so they can look over their shoulder and really experience this new world.

Mr. PORTER. I just think it would be difficult for Coach Tom Osborne, when he was with the Cornhuskers, to telecommute from a coaching perspective from a football team.

Mr. MULARIE. I think Coach Tom Osborne could have won at home from a telephone. [Laughter.]

Mr. PORTER. Well, probably a bad example. [Laughter.]

Tom could do it well.

But I think that there is a certain science, and I expect that, as it evolves, we will learn. And I would expect that the telecommute individual is going to be—in my opening comments—in many cases coming into a bricks and mortar office periodically. But I do know that there is a certain amount of that interaction, and motivation I think is critical. I would hope we wouldn't swing too far away from the hands-on coaching that I think is critical on performance.

Mr. MULARIE. Yes, mentoring is important, sir.

Mr. PORTER. The rest of you, what do you think?

Mr. EDGERTON. Well, I would like to contrast this to today's office environment, which basically is a series of cubes filled with terminals. And I don't think that is necessarily a conducive environment for work. I think the advent of applications and computer technology and so forth have changed the metrics by which we measure and manage the work force. So I think a cube at home would certainly be a more desirable environment than a cube in the office. So I think there is a lot to be said for——

Mr. PORTER. Especially if you saw the movie Office Space. [Laughter.]

Mr. EDGERTON. Well, same concept, except on the words.

Mr. PORTER. I understand. Thank you.

Ms. Read.

Ms. READ. Yes, thank you. I actually would probably come in between the answers here on both of my flanks, in the sense that, speaking from Hughes' perspective, we are a global company. I can't speak exactly to the personalities of individuals, but the personality of companies, and certainly companies are becoming more and more global, so I believe that ours is not a bad example.

We have offices in Beijing, in India, in Brazil, in London, in Germany. We are in many, many countries. Our offices, our sales force is always on the run. Everybody is moving, everybody is communicating. Even our operations center is fully redundant. If something were to happen in one place, we can operate from another. And we are very well connected.

I have been with the company for 6 years now. There are some people that I have collaborated with substantially on projects who I have actually never seen; wonderful people. We produce great

things together, but we do this all by telephone, computers, whatever.

So I think as companies become more dispersed and more in—at least I can speak for the enterprise side, not so much, perhaps the Government side—that the telecommuting is actually just another step of the same thing.

Mr. PORTER. I guess I should probably have a picture taken of my office at home and carry it with me wherever I go, make sure that the camera is always on the picture I carry with me to the beach or whatever. [Laughter.]

And I make light. I think this is a tremendous tool with some obstacles because of a cultural change. But technology is in dog years, as you probably know better than I, and it is changing rapidly, as are the techniques and tools. But I see this as a great opportunity for us to be more efficient. I hope we don't lose that hands-on management skill that I think really can make or break a superstar.

But from the technology side, what are some of the things that are on the horizon to even help more? I know we talked about the two-way cameras and having the interaction, but what else is on the horizon, from a technological standpoint, that is going to make it even easier to do telecommuting and advancements? Is there something that is happening we should know about?

Mr. EDGERTON. Well, I think the Verizon commitment to its fiber to the home and fiber to the premise project is probably the best example of that in the sense that we have made a corporate commitment to build to over 6 million homes in the next year, and that basically is putting I guess the fastest possible service to the home level, which really now enables the capability not only from video, but the fastest possible applications. It should be no different than sitting in your office or sitting next to the mainframe, exactly. So just that kind of capability and investment.

The applications will then follow. Then the work suites that have to then accommodate the higher speed. I am not sure what the weakest link in the chain here is, but we have certainly made that investment and are encouraging it. We see that as a significant opportunity, a significant change.

Mr. PORTER. Ms. Read.

Ms. READ. Yes. I would echo that, again, broadband is really the backbone of this whole experience. If you can't communicate, whether it is by fiber or DSL or satellite or what have you, cable modem, it is all-critical to have that connection or mobility. And we haven't mentioned BlackBerries, but, of course, that has been pretty significant as well.

Mr. PORTER. Terribly. [Laughter.]

Ms. READ. But in terms of advancements coming on the horizon, we do see a lot of retrenching additional infrastructure being built on the terrestrial side. Satellites cover the entire country. What is interesting and we are very excited about at Hughes is a new satellite system that is about to be launched in the first quarter of next year. This is a program called Spaceway; it will bring dramatically higher speed broadband service to the entire country by satellite. So for those homes that find that the options in front of them are not suitable, for whatever reason—can you hear me?

Mr. PORTER. Speaking of technology. [Laughter.]

Ms. READ. Technology, yes.

Mr. EDGERTON. I think that is a satellite connection. [Laughter.]

Ms. READ. You have my mic. [Laughter.]

Certainly, we have the new technologies coming in for satellite broadband as well. So there will be great complementary services coming out in the satellite arena within the next 6 months, 6 to 12 months.

Mr. PORTER. Doctor?

Mr. MULARIE. Mr. Chairman, I shall not be deferred from my excitement over video, audio, and electronic whiteboard on your PC over the public Internet the same way you can send an e-mail. I look at and I speak with and I share the morning cartoon out of the Wall Street Journal or New York Times or something with my colleagues in Northern Sweden, and they are there. I meet their children.

And as Ms. Read said, I had the experience of having this relationship with a physician at Tulane University for many months, where we would look at different medical applications, and I went down to Tulane, physically walking down the hall and I said, hi, Bill. He said, we haven't met formally. What he meant is we haven't shaken hands.

Seventy to 80 percent of what human beings transmit is nonverbal, so seeing is really an important part of this. And the broadband technology as an enabler allows you to do this thing just beautifully now.

Mr. PORTER. Well, as we talk about telecommuting, my wish is that, as the business community is advancing its technology, that our educational community would also latch on. As you mentioned, the office space has not changed in 150 years. The classroom has not changed in 150 years. And I think to be competitive—and this is just editorial comment—for us to be competitive in the global market, we are going to need to do more of this.

And I would hope that your companies and your associations could get more engaged, if you are not already, in the educational community and helping some cultural changes there, which comes back to the satellite access and the broadband access is limited for education as it is, I think, in the business community parts of the country, but you see satellite becoming a more and more beneficial part of this.

Also, from a security perspective, I know the problem we faced with September 11th, when the only things that worked here was BlackBerries. My fear, again, without a redundant system, is what happens if a substantial part of our work force is in fact telecommuting and the systems are down. Then what happens? Please.

Mr. MULARIE. The public Internet is a wonderful robust infrastructure, if our friends at Verizon can get us the broadband reach to that infrastructure. The Internet worked beautifully on September 11th. We were doing video conferencing from California to the Naval Research Lab here in Washington. So you are right, the things that are—the public telephone systems, which are oversubscribed, are useless in terms of emergency, but riding this Internet is really a robust communications infrastructure.

Mr. PORTER. Ms. Read.

Ms. READ. I would like to echo the points of Dr. Mularie. During September 11th, the satellite networks were absolutely functional. The Internet was functioning perfectly well. Our plug-ins to the Internet were no problem and our customers were finding seamless communications. So, again, it wasn't an issue of the particular link that satellites provide as being something that was congested or disrupted as a result of emergencies.

Mr. EDGERTON. It probably is not well known, but there has been a significant effort throughout the National Capital Region to improve the wireline and the fiber optic infrastructure servicing most of the buildings. Most Government agencies now have multiple access and fiber rings serving their facilities so that you are not limited to single points of failure.

Also, a significant development has occurred in the area of what we call broadband wireless, or EVDO, where about 161, 180 metropolitan areas now have PC-accessible broadband, which is not like BlackBerry and is not like cellular, but runs on similar systems. So we actually have broadband access available now in those locations. So there are significant ways, other than what we saw in the last few instances for alternative services.

I am reminded of the fact that I may be a technology freak, but I do have satellite at home. I have Direct TV, I have satellite access for data, but I also have cable. And I do have BlackBerry. [Laughter.]

Ms. READ. Which do you like better?

Mr. EDGERTON. Well, I like them all. And my wife still uses dial-up. [Laughter.]

She is the Luddite in the family.

Mr. PORTER. Well, I appreciate your testimony today, the first panel and the second panel. And I mentioned hopefully into education we can learn and the cultural change, also into the area of health care. Technology can save so many lives, especially in rural parts of the country. But also I want to make sure that, as we move forward, we do it for the betterment of our customer service as Federal employees and the Federal Government. And I know that our constituents are demanding faster and more efficient, accurate service. I think this can be a great tool and this is a part of that process.

So let me again say thank you very much for your testimony. I see great things happening for the Federal Government.

Thank you all, and the meeting is adjourned.

[Whereupon, at 4:07 p.m., the subcommittee was adjourned.]

[The prepared statement of Hon. Elijah E. Cummings and additional information submitted for the hearing record follow:]

U.S. House of Representatives
109th Congress

Opening Statement

Representative Elijah E. Cummings, D-Maryland

"Telecommuting: A 21st Century Solution to Traffic Jams and Terrorism"

Subcommittee on Federal Workforce and Agency Organization
Committee on Government Reform

July 18, 2006

Mr. Chairman,

Thank you for holding this important hearing to examine the benefits of telecommuting for federal employees.

Our federal workforce serves the vital function of running the government every day and it is perhaps more vulnerable than we are willing to admit.

We need only look to the recent example at the Internal Revenue Service's Constitution Avenue office building, where extreme storms last month caused tens of millions of dollars worth of damage, displacing about 2,400 IRS employees.

Among the displaced workers were several top officials, including Commissioner Mark W. Everson, and many tax attorneys, law enforcement agents, and administrative staff.

Those IRS employees whose work was deemed "vital" returned to work in mid-July—almost a month after the June 25 storm. More than 800 of them will work out of leased offices at Crystal Plaza in Arlington until repairs at the flooded building are complete. The rest will either report to an IRS satellite office, or telecommute.

The telecommuters will save the IRS both time and money involved with renting additional office space and moving around employees at satellite offices to make more space.

From a good government perspective, telecommuting is an ideal solution to the problem the IRS is facing. But some obstacles exist.

Most IRS employees cannot access their IRS e-mail accounts from home, and confidentiality rules prevent them from accessing certain information on non-government computers.

We understand from the recent security breach at the Department of Veterans Affairs that there is a compelling reason to enforce security measures; however, I understand that there are strategies that could be implemented to protect sensitive information while allowing government employees to work from home at the same time. I look forward to hearing more about these options from today's witnesses.

At the IRS, for example, many employees working from home were issued IRS computers that contain taxpayers' personal information in encrypted form.

The example of the IRS's recent disaster brings to light the possibility that other vital government functions could also be shutdown—by something as devastating as a terrorist attack, or even as commonplace as a storm.

We must do all in our power to ensure that the government will function effectively and efficiently under even the most trying of circumstances.

For that reason, as a cosponsor of Ranking Member Danny Davis's proposed "Continuity of Operations Demonstration Project Act" (H.R. 5366), and I am interested to hear from today's witnesses more about how this bill will improve the way we do business.

I look forward to the testimonies of today's witnesses and yield back the balance of my time.

TOM DAVIS, VIRGINIA,
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INDEPENDENT

August 16, 2006

Daniel Green
Deputy Associate Director,
Employee and Family Support Policy
United States Office of Personnel Management
1900 E Street NW
Washington DC 20415-1000

Dear Mr. Green,

I would like to thank you once again for appearing before the Subcommittee on Federal Workforce and Agency Organization for our hearing entitled, "*Telecommuting: A 21st Century Solution to Traffic Jams and Terrorism.*" I appreciate your willingness to testify before the Subcommittee regarding how your agency is incorporating telecommuting into its agency, and to offer your insight with regards to what more can be done to streamline telecommuting in the federal government and the National Capital Region.

As discussed during the hearing, I have attached to this letter a list of questions that I would like to be added to the hearing record. This letter and attachment were sent electronically by fax and e-mail on August 16, 2006. Inserted with our questions will be a separate group of questions from the Minority committee.

I request that these questions be answered and submitted electronically to the following e-mail address no later than August 30, 2006: alex.cooper@mail.house.gov. If this deadline cannot be met, I ask that my Subcommittee staff be informed as soon as possible.

Once again, I thank you for your assistance on this important subject. If you have any questions, please do not hesitate to contact me.

Sincerely,

Jon C. Porter
Chairman
Subcommittee on Federal Workforce
and Agency Organization

Only 12% of the potential 60% of federal employees in the National Capital Region telecommute. How do you suggest that agencies increase their telework numbers?
-What has OPM done to promote telecommuting in the federal government?
-What kind of top down support can OPM provide to other agencies?

It is essential that support for telecommuting comes from the top level of an agency. What work has the Chief Human Capital Officers Council done on not only promoting the use of telecommuting among federal agencies, but making it a priority? Is this a major initiative of the council?

Do agencies have enough legal authority to require employees to telecommute in the event of an emergency?

Federal law requires that "[e]ach executive agency shall establish a policy under which eligible employees of the agency may participate in telecommuting to the maximum extent possible," (Public Law 106-346).
-What is OPM doing to ensure that all agencies do in fact have telecommuting policies in place?
-Does OPM evaluate agency telecommuting policies for Effectiveness?
-Are there any agencies that do not have telecommuting policies in place in violation of the law? Which ones? What is OPM doing about it?

What kind of telecommuting training currently exists for managers/employees?

What has been OPM's experience with the productivity of agencies that have been proactive in the implementation of telecommuting practices?

What sorts of jobs in the federal government are most suited to adaptation to telecommuting?

What is the percentage of employees eligible for telecommuting throughout the federal government who actually are taking advantage of the program?

What reasons can you think of that all telecommuting-eligible employees would not be taking advantage of the programs?

Is there anything additionally that we in Congress can do to make it easier for federal employees to take advantage of telecommuting?

I know that OPM has been working diligently on human capital planning in the event of a pandemic influenza outbreak. Please explain what OPM is doing in this regard and how agencies are responding?

If an outbreak occurred tomorrow in the National Capital Region, do you feel that all federal agencies would be able to respond effectively and continue operations without much more than a hiccup in operations? If not, why not?

Because the technology which is relevant to telecommuting is rapidly evolving in this day and age, how often are continuity of operations practices reviewed or updated to ensure that we are using the best and most cost effective technology which is reasonably available?

Minority Questions for the Record

(1) Recent events have made clear that functioning COOP and Telework plans are an absolute necessity. In addition to our long-standing concerns about fallout from terrorism, natural disasters, and pandemics like the bird flu, damage from a storm just this month has shut IRS headquarters for up to half a year.

OPM's most recent survey reveals that lots of work must be done to integrate COOP and telework programs. The data report that telework was incorporated into the COOP plans of only 43% of agencies. Of these, only 33% provided equipment and only 20% provided related training.

On top of this, GAO has concluded that agencies do not have the specific guidance needed to incorporate telework into their COOP plans, and that it is this lack of direction that continues to hinder progress.

Q: What strategic plan does OPM have with respect to providing effective and ongoing guidance in building this capacity? How does it differ from past approaches that GAO found incomplete?

(2) To stimulate lagging progress in COOP development, GAO has recommended that OPM find a way to help agencies identify essential functions, staff, and resources for emergency situations and then test their plans.

For large agencies especially, this is no easy task of analysis and coordination.

Even helping individual agencies to conduct tests may only mean fitful cycles of lessons learned. As an alternative, it would seem that a well-planned demonstration effort might just provide the concrete building blocks necessary to expedite and improve these efforts.

Q: As opposed to guidance by paper and testing by individual agency, would OPM recommend a planned and coordinated demonstration exercise conducted by the best prepared agencies in order to provide a real baseline for guiding the entire effort?

(3) In addition to COOP, we also know that telework has significant independent benefits for employees, employers, and the environment. We know that productivity is raised and cost savings realized; that family life is enhanced and clean air promoted; and that government jobs are made that much more competitive.

As a recent study concluded, however, building telework for all the reasons above is also essential for COOP itself. The idea is that only when an organization has a core of regularly scheduled teleworkers, and allows them learn how to work remotely through frequent experience, can it then leverage or effectively use the telework capability in an emergency situation.

Q: To what extent does COOP planning view telework as something to be called upon only when disaster strikes?

Q: How can COOP and telework strategic planning be integrated further down the line, so that COOP can be another reason to enhance agency telework programs and be another factor in shaping that process?

(4) GAO's most recent report on COOP development shows that, of the 23 agencies consistently surveyed, only three had documentation to show that at least some of the necessary preparations had been made to use telework effectively in such an event.

The importance of this kind of preparation would seem to be utterly inconsistent with these performance figures.

Q: Is there a role for legislative mandates on this most important issue? Should Congress hold agencies accountable for everybody's sake for not even addressing this issue?

Q: What is the most important non-legislative step you would recommend to expand and improve COOP planning?

(5) In September 2005, GAO reported on the telework methodologies of five agencies who also appear in OPM's annual status report. GAO found, despite the fact that these agencies had long been reporting participation data to OPM, that "none...could report the actual number of employees who telework and how often they do so, because none had fully implemented the capability to track this through their time and attendance systems."

OPM's data on tracking practices suggests that GAO's findings apply broadly to agencies within OPM's reports. In presenting its participation data, however, OPM makes no mention of this issue.

In short, reliable tracking of the number of participating employees and the number of days they telework is absolutely essential to understanding the state of this program, and it seems to be lacking.

Q: How can participation numbers and figures on the number of teleworking days be considered reliable given these tracking deficiencies? Should Congress or OPM mandate that agencies improve their tracking capabilities?

Q: Will OPM also formulate a definition as to what constitutes a teleworker? Does one day a month count? What steps can be taken so that this issue is handled consistently and doesn't cloud the real picture of telework?

(6) GSA recently issued a "Telework Technology Cost Study" in which it found that investments in telework infrastructure are markedly cost beneficial – that an investment of $16 million for a large agency would result in total benefits of $36.2 million.

GSA found, however, a lack of adequate and strategic investment being made across agencies, concluding the efforts to be "detrimental to telework success."

Under legislative mandate, agencies are required to provide "adequate human resources, technical, and logistical support" to enable expansion of telework to the maximum extent possible. But even OPM's own data indicates that only 24.4% of agencies make equipment-related investments.

Q: How can OPM jumpstart agency policy improvements, so that we see an increase in the provision of equipment and services, and so that we see it offered in the context of strategic, agency-wide IT planning?

(7) Paralleling legislative language, OPM's official guidance requires agencies to "take a fresh look at the barriers that currently inhibit the use of [telework] and act to remove them."

Helpfully, OPM collects basic survey data on these points, so we know what barriers have been identified and what kind of steps are being taken.

From an oversight perspective, however, we would really like to know about the extent, structure, and success of agency efforts, not just the label they carry. In particular,

it is important to be able to evaluate agencies' remedial steps against what studies have shown is possible and cost-beneficial in terms of eliminating barriers.

Q: Why aren't OPM's surveys designed to get at this extremely important and useful information?

Q: What can OPM do so that it knows, and so oversight committees know, not just that an agency invested in telework technology, but also how much it invested, how it did so, and what resulted? Is this not the only way to measure real progress and derive best practices?

(8) Agencies are required to "identify positions that are appropriate [for telework] in a manner that focuses on broad objective criteria." According to OPM's 2005 status report, however, only 52% of agencies specified such eligibility criteria.

In an important initiative, OPM announced on June 6th of this year that it "expects agencies to pinpoint and report on jobs that are conductive to telecommuting and other modern career patterns" by the beginning of next year.

Q: What accountability structures, legislative or from OPM, would ensure that OPM gets what it expects? Does this effort suggest that active support, engagement, and accountability represent a model for the promoting the other telework mandates?

(9) OPM representatives indicated to Subcommittee staff in a conference call yesterday that they would initiate action to provide the full data summarized in their annual status reports. This specific data is vital so that the Subcommittee can fulfill its oversight role vis-a-vis individual agencies.

Post-Hearing Questions for the Record
Submitted to Daniel A. Green

by the

Subcommittee on the Federal Workforce and Agency Organization
Committee on Government Reform
U.S. House of Representatives

following the hearing entitled

"Telecommuting: A 21st Century Solution to Traffic Jams and Terrorism"

July 18, 2006

1) Only 12% of the potential 60% of federal employees in the National Capital Region telecommute. How do you suggest that agencies increase their telework numbers?

a) What has OPM done to promote telecommuting in the federal government?

As we testified on July 18, the Office of Personnel Management (OPM) has, in the past several months:

- provided agencies with individualized guidance and technical support through on-site visits, as well as providing one-on-one consultation to agency telework coordinators on an ongoing, as-needed basis;
- revised the annual survey to better represent telework participation and increase agency accountability;
- continued to meet with agency telework coordinators quarterly for training and discussion; the most recent meeting introduced the changes to the annual telework survey; and
- continued to work with the General Services Administration (GSA) to keep information current on the telework.gov website;

And we plan:

- a complete redesign of the telework.gov website, with enhanced guidance and information for agencies, telework coordinators, managers, and employees;
- development of online telework materials designed to assist telework coordinators in promoting telework in their agencies;
- development of classroom-style sessions for managers and supervisors that will be offered to all agencies; and
- interactive web-based courses ("webinars") facilitated by a telework expert.

Since that testimony, OPM has:

- released a new telework guide, which in addition to enhancing our current guidance, includes information about integrating continuity of operations plan (COOP) and pandemic flu planning into agency telework programs and emphasizes the importance of maintaining the security of agency records; and
- updated our online manager and teleworker training modules, added pandemic flu and COOP information to those modules, and posted them on the telework.gov website so that they could continue to be offered to agencies free of charge.

b) What kind of top down support can OPM provide to other agencies?

OPM's role in telework has been to promote the program Government-wide, to provide support and assistance to agencies as they grow their telework programs, and to help agency telework coordinators address any issues and questions they have. Director Linda Springer, an advocate of telework, has led OPM in these efforts. This past February, Director Springer met with 70 telework coordinators and heard the challenges they faced when promoting telework in their agencies. She offered continued assistance from OPM and foreshadowed the new career patterns strategy and the critical role of telework in that effort.

2) It is essential that support for telecommuting comes from the top level of an agency. What work has the Chief Human Capital Officers Council done on not only promoting the use of telecommuting among federal agencies, but making it a priority? Is this a major initiative of the council?

As you know, the Chief Human Capital Officers (CHCO) Council was created to provide a forum to advise and coordinate the activities of agencies on cutting edge human resource issues. In the past, the Council has discussed telework opportunities for Federal employees during Council meetings and other forums. For example, on July 6, 2004, former CHCO Council Chairman Kay Coles James invited Council members and their designees to the Fairfax Telework Center in Fairfax, Virginia to see firsthand how telework centers operate and how they contribute to the effectiveness and the quality of the Federal workforce. The visit provided key representatives from 16 Federal agencies the opportunity to learn how to better implement their own telework programs. The event included presentations by representatives of Lockheed Martin and George Mason University and featured information on NoCommute.org, an umbrella organization that operates several of the 16 Washington metropolitan telework centers. More recently, the Council's Emergency Preparedness Subcommittee has been actively engaged with OPM on our human capital guidance for a pandemic influenza.

3) Do agencies have enough legal authority to require employees to telecommute in the event of an emergency?

Agency managers do not have the authority to require Federal employees to telework. OPM believes telework should remain a voluntary program. We also

believe, however, agency managers should have the authority to require employees to work from home in a pandemic emergency and are preparing a legislative proposal that would provide for this. The authority would apply to all employees, not just those working under telework agreements.

4) Federal law requires that "[e]ach executive agency shall establish a policy under which eligible employees of the agency may participate in telecommuting to the maximum extent possible," (Public Law 106-346).

a) What is OPM doing to ensure that all agencies do in fact have telecommuting policies in place?

On the annual telework survey, initiated in 2001, OPM always asks whether agencies have telework policies in place. The most recent results have shown that all Federal agencies now have telework policies and programs in place.

b) Does OPM evaluate agency telecommuting policies for effectiveness?

One of the requests OPM receives is to review an agency telework policy. In doing so, OPM can make recommendations to strengthen a policy.

c) Are there any agencies that do not have telecommuting policies in place in violation of the law? Which ones? What is OPM doing about it?

Based on the information that agencies provide in the annual telework survey, all agencies have telework policies in place.

5) What kind of telecommuting training currently exists for managers/employees?

OPM created online training modules, one for managers and one for employees, which in the past were available free of charge on www.usalearning.gov. Those modules were recently moved to create better access and were updated, and are now available, still free of charge, on www.telework.gov.

OPM has also offered webinars, web-based learning, to managers and supervisors at several agencies, and will continue to do so in the future. We are in the process of developing classroom-style sessions for managers and supervisors that will be offered to all agencies.

Finally, some agencies offer their own training, tailored to the needs of their workforce.

6) What has been OPM's experience with the productivity of agencies that have been proactive in the implementation of telecommuting practices?

At the 20 agency visits OPM has conducted in the past year, the agencies with the most robust telework programs are those that have formal telework training programs.

7) What sorts of jobs in the federal government are most suited to adaptation to telecommuting?

As with all employers, jobs most suited for telework in the Federal Government are those that have the most portable work. Portability of work includes many factors, including the sensitivity of information handled on a daily basis, the need for access to proprietary systems and paper information that cannot be removed from the main office, and the need for face-to-face interaction with co-workers and customers, etc.

8) What is the percentage of employees eligible for telecommuting throughout the federal government who actually are taking advantage of the program?

The most recent data, from the 2005 telework survey report, showed that in 2004, 19 percent of eligible Federal employees were teleworking. We are in the process of collecting updated information and will issue a new report after the new survey data has been analyzed.

9) What reasons can you think of that all telecommuting-eligible employees would not be taking advantage of the programs?

There is no simple answer to this question. Telework has grown steadily over the last several years, and we have every expectation that the growth will continue.

Agencies have policies and procedures for telework, but for the most part, decisions about teleworking happen at the very local level, between managers and employees. On the employee side of the equation, some individuals may not wish to telework – not everyone enjoys or works well in a telework environment. Others may not have home situations conducive to telework, or there may not be a telework center proximate to their home.

On the manager side of the equation, some managers may be concerned about issues like accountability, access, and office coverage. Through our training modules and through the planned classroom training, OPM is working to help managers understand that telework is just an extension of the way they should already be doing business.

10) Is there anything additionally that we in Congress can do to make it easier for federal employees to take advantage of telecommuting?

Congress' ongoing interest in telework and attention to the annual telework report helps agencies understand that telework continues to be a high priority.

11) I know that OPM has been working diligently on human capital planning in the event of a pandemic influenza outbreak. Please explain what OPM is doing in this regard and how agencies are responding?

The President's Implementation Plan for the National Strategy for Pandemic Influenza, issued on May 3, 2006, called on OPM to provide guidance to Federal departments and agencies on human capital management and continuity of operations planning criteria related to pandemic influenza. In addition, the Implementation Plan required OPM to update its Telework Guide to provide guidance to Federal departments and agencies regarding workplace options during a pandemic.

In response to the President's directive, OPM has developed a guide, Human Capital Planning for Pandemic Influenza: Information for Departments and Agencies, which was issued in three installments beginning in June 2006, with the final installment issued on August 3.

The Guide was developed in coordination with the Emergency Preparedness Subcommittee of the Chief Human Capital Officers Council, including representatives from the Departments of Defense, Health and Human Services, Homeland Security, and Labor. While the Guide has been prepared specifically with the possibility of a pandemic influenza in mind, most of the information is equally applicable in other pandemic health crisis situations as well as in many other emergency situations. OPM will continue to update and expand the Guide to address emerging issues and strategies, as well as unforeseen circumstances.

12) If an outbreak occurred tomorrow in the National Capital Region, do you feel that all federal agencies would be able to respond effectively and continue operations without much more than a hiccup in operations? If not, why not?

The Federal Emergency Management Agency (FEMA) has been working intensively with Federal agencies to prepare for such an event, and would be better able to assess general readiness.

13) Because the technology which is relevant to telecommuting is rapidly evolving in this day and age, how often are continuity of operations practices reviewed or updated to ensure that we are using the best and most cost effective technology which is reasonably available?

FEMA's Federal Preparedness Circular (FPC-65) recommends agencies review their COOP plans annually. OPM recently reviewed and updated its own COOP plan but does not receive and review other agency COOP plans; as the designated Executive Agent for Federal Executive Branch COOP activities, FEMA issues relevant policy.

Minority Questions for the Record

1) Recent events have made clear that functioning COOP and Telework plans are an absolute necessity. In addition to our long-standing concerns about fallout from terrorism, natural disasters, and pandemics like the bird flu, damage from a storm just this month has shut IRS headquarters for up to half a year.

OPM's most recent survey reveals that lots of work must be done to integrate COOP and telework programs. The data report that telework was incorporated into the COOP plans of only 43% of agencies. Of these, only 33% provided equipment and only 20% provided related training.

On top of this, GAO has concluded that agencies do not have the specific guidance needed to incorporate telework into their COOP plans, and that it is this lack of direction that continues to hinder progress.

What strategic plan does OPM have with respect to providing effective and ongoing guidance in building this capacity? How does it differ from past approaches that GAO found incomplete?

> OPM's guidance directs managers and employees to incorporate COOP planning into telework agreements and into their telework implementation. The new "Guide to Telework in the Federal Government" (www.telework.gov) counsels agencies to increase the number of employees with telework capability and the frequency with which they practice their telework skills so their agency operations can more readily switch to telework mode in the event of a pandemic or other emergency. FEMA, however, would be the lead agency on establishing guidance that specifically addresses requirements for agency continuity of operations plans.

2) To stimulate lagging progress in COOP development, GAO has recommended that OPM find a way to help agencies identify essential functions, staff, and resources for emergency situations and then test their plans. For large agencies especially, this is no easy task of analysis and coordination. Even helping individual agencies to conduct tests may only mean fitful cycles of lessons learned. As an alternative, it would seem that a well-planned demonstration effort might just provide the concrete building blocks necessary to expedite and improve these efforts.

As opposed to guidance by paper and testing by individual agency, would OPM recommend a planned and coordinated demonstration exercise conducted by the best prepared agencies in order to provide a real baseline for guiding the entire effort?

> FEMA coordinates Federal Executive Branch interagency COOP exercises and would be better equipped to assess this proposal, however we do believe such an exercise would be beneficial, and recently Director Springer initiated such testing at OPM.

3) In addition to COOP, we also know that telework has significant independent benefits for employees, employers, and the environment. We know that productivity is raised and cost savings realized; that family life is enhanced and clean air promoted; and that government jobs are made that much more competitive. As a recent study concluded, however, building telework for all the reasons above is also essential for COOP itself. The idea is that only when an organization has a core of regularly scheduled teleworkers, and allows them to learn how to work remotely through frequent experience, can it then leverage or effectively use the telework capability in an emergency situation.

a) To what extent does COOP planning view telework as something to be called upon only when disaster strikes?

OPM telework guidance counsels agencies to expand the number of employees who are telework-enabled and the frequency of use of telework to better be prepared for an emergency.

b) How can COOP and telework strategic planning be integrated further down the line, so that COOP can be another reason to enhance agency telework programs and be another factor in shaping that process?

The new OPM telework guide stresses the importance of a broad-based, well-utilized telework program in providing the necessary structure for emergency response. The guide instructs managers and employees to integrate COOP expectations into telework agreements as appropriate. Managers are also directed to allow essential personnel who might telework in the case of an emergency to telework regularly to ensure their functionality.

4) GAO's most recent report on COOP development shows that, of the 23 agencies consistently surveyed, only three had documentation to show that at least some of the necessary preparations had been made to use telework effectively in such an event. The importance of this kind of preparation would seem to be utterly inconsistent with these performance figures.

a) Is there a role for legislative mandates on this most important issue? Should Congress hold agencies accountable for everybody's sake for not even addressing this issue?

Agencies need to determine, based on their mission, workforce, essential functions, etc., how best to plan for continuity of operations in case of an emergency or catastrophic event, including telework as they deem appropriate given these parameters. OPM would recommend legislation not constrict agency flexibility necessary to meet their unique circumstances, but rather focus on agency COOP plan testing.

b) What is the most important non-legislative step you would recommend to expand and improve COOP planning?

OPM believes it is already taking important steps to educate agencies on the importance of expanding and improving telework for COOP planning. This is accomplished at quarterly telework coordinator meetings, through Government-wide memos, and during agency consultations. Also, for the past few years, questions about COOP planning and preparation have been included in the annual telework survey.

5) In September 2005, GAO reported on the telework methodologies of five agencies who also appear in OPM's annual status report. GAO found, despite the fact that these agencies had long been reporting participation data to OPM, that "none...could report the actual number of employees who telework and how often they do so, because none had fully implemented the capability to track this through their time and attendance systems." OPM's data on tracking practices suggests that GAO's findings apply broadly to agencies within OPM's reports. In presenting its participation data, however, OPM makes no mention of this issue.

In short, reliable tracking of the number of participating employees and the number of days they telework is absolutely essential to understanding the state of this program, and it seems to be lacking.

a) How can participation numbers and figures on the number of teleworking days be considered reliable given these tracking deficiencies? Should Congress or OPM mandate that agencies improve their tracking capabilities?

Agencies are aware of the issues of reliability and efficiency in tracking telework data, and many have implemented or are in the process of implementing more effective solutions. OPM has facilitated discussions in several quarterly telework coordinator meetings about this issue, and agencies have shared best practices. We are also in the process of exploring solutions that would use time and attendance systems; some agencies have already implemented this approach.

b) Will OPM also formulate a definition as to what constitutes a teleworker? Does one day a month count? What steps can be taken so that this issue is handled consistently and doesn't cloud the real picture of telework?

OPM updated the telework survey this year, partly to ensure consistency in the definition of "teleworker" and frequency of telework. For purposes of the survey, telework is defined as "any arrangement in which an employee regularly performs officially assigned duties at home or other work sites geographically convenient to the residence of the employee," and frequency is counted in the following three categories: 3 or more days per week on a regular and recurring basis, 1 or 2 days per week, and less than once per week but at least once a month.

6) GSA recently issued a "Telework Technology Cost Study" in which it found that investments in telework infrastructure are markedly cost beneficial – that an investment of $16 million for a large agency would result in total benefits of $36.2 million. GSA found, however, a lack of adequate and strategic investment being made across agencies, concluding the efforts to be "detrimental to telework success."

Under legislative mandate, agencies are required to provide "adequate human resources, technical, and logistical support" to enable expansion of telework to the maximum extent possible. But even OPM's own data indicates that only 24.4% of agencies make equipment-related investments.
How can OPM jumpstart agency policy improvements, so that we see an increase in the provision of equipment and services, and so that we see it offered in the context of strategic, agency-wide IT planning?

> In commissioning and publishing this study, GSA provided a valuable resource for agency telework planning; agency telework coordinators were notified of the results and the study is available through www.telework.gov, via a link to the GSA website.
>
> The new telework guide tells managers to "make good decisions about equipment" – specifically, that within the constraints of agency policy, budget, and security, managers should support teleworkers with the technology they need to accomplish their work effectively. At the agency level, the issues are similar. Individual agencies, within the constraints of their work, budgets, and priorities, must make choices about information technology (IT) infrastructure and equipment that work best for them.

7) Paralleling legislative language, OPM's official guidance requires agencies to "take a fresh look at the barriers that currently inhibit the use of [telework] and act to remove them."

Helpfully, OPM collects basic survey data on these points, so we know what barriers have been identified and what kind of steps are being taken.

From an oversight perspective, however, we would really like to know about the extent, structure, and success of agency efforts, not just the label they carry. In particular, it is important to be able to evaluate agencies' remedial steps against what studies have shown is possible and cost-beneficial in terms of eliminating barriers.

> a) Why aren't OPM's surveys designed to get at this extremely important and useful information?
>
> OPM's survey asks what the barriers are and what is being done to address them (with specific choices for each, touching on the most important and frequent issues). The list provided for "actions to address barriers" includes those that are known to be most effective, including training, marketing, and IT resources. With this information, OPM can determine whether or not Federal agencies are, in general, addressing the most pressing barriers effectively.
>
> b) What can OPM do so that it knows, and so oversight committees know, not just that an agency invested in telework technology, but also how much it invested, how it did so, and what resulted? Is this not the only way to measure real progress and derive best practices?

OPM could work with both the CHCO and CIO councils to determine how resources are applied toward telework. In addition, expenditure on technology is not necessarily a good measure of progress with a telework program. Depending on the work of an organization, the investment in technology may be minimal, even with a well-developed program.

8) Agencies are required to "identify positions that are appropriate [for telework] in a manner that focuses on broad objective criteria." According to OPM's 2005 status report, however, only 52% of agencies specified such eligibility criteria.

In an important initiative, OPM announced on June 6th of this year that it "expects agencies to pinpoint and report on jobs that are conductive to telecommuting and other modern career patterns" by the beginning of next year.

What accountability structures, legislative or from OPM, would ensure that OPM gets what it expects? Does this effort suggest that active support, engagement, and accountability represent a model for the promoting the other telework mandates?

The program referenced here is OPM's Career Patterns initiative, which is intended to help agencies transform the Federal hiring process to meet the needs of the future workforce. One of the dimensions of these career patterns is flexible arrangements, which includes flexible schedules, job sharing and part-time work, and telework. OPM will use its existing annual telework survey as the mechanism to collect any additional information on the use of telework as a recruitment and retention tool.

9) OPM representatives indicated to Subcommittee staff in a conference call yesterday that they would initiate action to provide the full data summarized in their annual status reports. This specific data is vital so that the Subcommittee can fulfill its oversight role vis-a-vis individual agencies.

The 2004 data, which is the most recent currently available, was already shared with Subcommittee staff. The 2005 data will be shared as soon as it is available.

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INDEPENDENT

August 16, 2006

Danette Campbell
Senior Telework Advisor
U.S Patent and Trademark Office
U.S. Department of Commerce
Washington D.C. 20231

Dear Ms. Campbell,

I would like to thank you once again for appearing before the Subcommittee on Federal Workforce and Agency Organization for our hearing entitled, "*Telecommuting: A 21st Century Solution to Traffic Jams and Terrorism.*" I appreciate your willingness to testify before the Subcommittee regarding how your agency is incorporating telecommuting into its agency, and to offer your insight with regards to what more can be done to streamline telecommuting in the federal government and the National Capital Region.

As discussed during the hearing, I have attached to this letter a list of questions that I would like to be added to the hearing record. This letter and attachment were sent electronically by fax and e-mail on August 16, 2006. Inserted with our questions will be a separate group of questions from the Minority committee.

I request that these questions be answered and submitted electronically to the following e-mail address no later than August 30, 2006: alex.cooper@mail.house.gov. If this deadline cannot be met, I ask that my Subcommittee staff be informed as soon as possible.

Once again, I thank you for your assistance on this important subject. If you have any questions, please do not hesitate to contact me.

Sincerely,

Jon C. Porter
Chairman
Subcommittee on Federal Workforce
and Agency Organization

What are the most critical components of a successful telework program?

What could other federal agencies do to increase their telework numbers?

How do you suggest that agencies increase their telework numbers?

The trademark attorneys at PTO who telecommute had a 19% higher production output than the non-telecommuting trademark attorneys during 2005. This is an amazing statistic and a pure example of how telecommuting can improve the bottom line for an agency. Please explain how PTO has achieved these results?

The U.S. Patent and Trade Office claims that within its trademarks department, it has an 80% rate participation from those eligible employees. Why is that number so high? What is being done, and what factors are involved, that are different from what other agencies which have less success with telecommuting?

How much money would you estimate has been saved directly and indirectly as a result of a successful telecommuting program with such high participation?

Has there been any negative impact on "customer service" to taxpayers as a result of the implementation of this telecommuting program?

Roughly how much does it cost your agency to train new telecommuters each year?

The big issues which has come to the forefront of mainstream media in recent weeks has had to do with security issues. By now, most of us are familiar with the Veterans Affairs situation, involving an employee who brought home personal information of 26.5 million Veterans and managed to get burglarized, thereby compromising security in a serious way. Telecommuting presents issues of security that many agencies need answered. What has been USPTO's experience with security? Have there been any breaches or infiltrations?

What does it take to meet the requirements to be an eligible telecommuter a the USPTO?

Minority Questions for the Record

(1) The trademark side of your agency especially has been hailed as an example of the potential for telework in the federal government. What was the single most important element of your success?

(2) What type of managerial support exists for telework and how was it developed? How important is it for the success of your efforts?

(3) What were the main barriers you faced in growing your telework program, and how did you overcome them?

(4) What investment strategy did you pursue, how was it integrated into overall IT or facilities planning, and what returns did you experience?

(5) What is the status of your COOP plan, and what was required to turn successes in basic telework into an emergency preparedness plan?

(6) Did OPM provide helpful guidance in both your COOP and telework planning?

Questions For The Record

July 18, 2006 Testimony

What are the most critical components of a telework program?

1. Top-level management support
2. Tools for employees to access documents and files remotely
3. Training for teleworkers and managers
4. Results-based management strategies to evaluate employees (teleworkers and non-teleworkers
5. Secure remote access software/hardware
6. High-speed Internet access
7. Measurable performance standards for employees so that expectations are clear

What could other federal agencies do to increase their telework numbers?

1. Define position eligibility for telework. This requires clear direction, commitment and strong leadership from the head of the agency.
2. Top-level managers should be encouraged to telework, showing that it is part of the agency culture.
3. When agencies are tasked with refreshing equipment, they should consider portable equipment (laptops) to replace existing desktop computers.
4. Consider re-engineering current work processes. USPTO is moving away from a paper-based environment to an electronic one to improve business processes. Data security is a must when incorporating this process.
5. Educating senior leadership in agencies regarding the benefits of telework is critical. Whenever executive, senior, and supervisory training is provided, a component of that training must include a session on managing remote workers.
6. Clearly define the performance management system in order that managers can establish a comfort level with encouraging their employees to work anywhere, anytime.
7. Telework should not be considered the exception, but should be considered a human capital flexibility and work method that supports business strategies.

The Trademark attorneys at PTO who telecommute had a 19% higher production output than the non-telecommuting Trademark attorneys during 2005. This is an amazing statistic and a pure example of how telecommuting can improve the bottom line for an agency. Please explain how PTO has achieved these results.

Trademark examining attorneys who telecommute had 19% higher production than similar graded trademark examining attorneys working in the Office based on 2005 performance data with 66% of eligible examiners participating. This is due in large part because the number of hours worked on average per position was 18% higher, 16% more for regular work hours and 43% more for overtime. The difference in hours worked support some of the benefits of the program, that is, examiners claim to need less leave, and retention and job satisfaction is higher for those participating in the program.

In addition, the trademark examining attorney performance plan rewards high production output. It is believed that this incentive contributes to the higher production output among teleworkers over those who come into the Office.

The U.S. Patent and Trademark Office claims that within its trademarks department, it has an 80% rate participation from those eligible employees. Why is that number so high? What is being done, and what factors are involved, that are different from what other agencies which have less success in telecommuting?

Trademarks has been able to achieve a participation rate of 80% of eligible employees by developing electronic systems that create a work environment at home that is virtually identical to the one available working from within the Office. From the earliest days of the telework program, it has been the goal of the agency to provide all tools and materials to those working from home that are available to the employees working in the USPTO headquarters. Systems were developed to allow teleworkers to securely access the Office's computer network to give them access to all of the USPTO's electronic tools and programs. The Office also provided a telephone system, which allows teleworkers to stay in touch with coworkers, managers and customers. Furthermore, the agency has converted virtually all of the paper records for the pending trademark applications into fully electronic records, making the materials on which the teleworkers rely instantly accessible from anywhere in the world.

When the electronic systems were first developed, a small number of teleworkers piloted the program, and it was an immediate success. While there were technical issues early in the program, employees saw that the Office was committed to not only quickly fixing problems, but also to upgrading the system as the technology advanced. Employees saw

how well the program worked and the Office's commitment to it, and demand to join the program has remained high since that time.

How much money would you estimate has been saved directly and indirectly as a result of a successful telecommuting program with such high participation?

The USPTO is currently working on developing a model to determine the Return on Investment for its telework programs. This model should be complete in September 2006.

Has there been any negative impact on "customer service" to taxpayers as a result of the implementation of this telecommuting program?

No. In fact, performance plans and telework guidelines provide that quality customer service is maintained.

Roughly how much does it cost your agency to train new telecommuters each year?

The Trademarks organization uses in-house training provided by the USPTO Information Technology staff so there are no direct costs associated with the Trademark telework training. A total of 5 hours is spent on orientation and technical training for new trademark teleworkers.

The Patents organization utilizes the support of Information Technology Resource Providers to conduct its technology training. In addition, Patents incurs the costs associated with the development, printing and collating of training materials for program participants. Information Technology Hotline (Help Desk) support is also incorporated into training costs. Therefore, the "fully loaded" costs associated with training one Patent telework program participant are approximately $1363. In fiscal year 2006, Patents trained 506 examiners at an approximate total cost of $662,000.

Comment [MNB1]:

The big issues which have come to the forefront of mainstream media in recent weeks has had to do with security issues. By now, most of us are familiar with the Veterans Affairs situation, involving an employee who brought home personal information of 26.5 million Veterans and managed to get burglarized, thereby compromising security in a serious

way. Telecommuting presents issues of security that many agencies need answered. What has been USPTO's experience with security? Have there been any breaches of infiltrations?

Our telework systems have many features to ensure security and the protection of sensitive data. The servers are connected to a series of network switches and routers that are connected to a Virtual Private Network which protects the servers from outside attacks. All traffic going out of the Virtual Private Network is encrypted, making it very difficult for anyone to see what is being transmitted. In addition, the computer equipment which is used in the field to access data is merely a remote device for viewing data that is housed at the secure, USPTO Data Center. No data is stored on the computer equipment that is out in the field. If a laptop used for remote access was lost or stolen, no secure data would be compromised.

No breaches or infiltrations have taken place.

What does it take to meet the requirements to be an eligible telecommuter at the USPTO?

In order to be eligible to participate in a telework program, an employee must have a fully successful rating, meet performance requirements, have no performance or disciplinary actions within 12 months of application to the program for Patent examiners or within 18 months for Trademark examiners, complete telework training and sign a telework agreement and safety checklist. In addition the Trademark attorneys must have full signatory authority and the Patent examiners must have passed their most recent Certification or Registration exam.

Additionally, teleworkers must have access to a high-speed Internet service provider in order to perform their duties just as they would if they were in the office.

Minority Questions for the Record

The trademark side of your agency especially has been hailed as an example of the potential for telework in the federal government. What was the single most important element of your success?

The single most important element of the success of the trademark program was the existence of measurable, well-defined performance measures that allow both employees and managers to know what is expected and to measure results no matter where the work is performed.

What type of managerial support exists for telework and how was it developed? How important is it for the success of your efforts?

Managerial support for telework is strong for several reasons. At the outset of the program, specific guidelines allow both managers and employees to understand expectations and requirements. Managers were able to see that performance results were successful and that employees' satisfaction with the benefits of telework is high. In addition, managers attended a "change management" course which dealt with many of the challenges that managers experience when working with teleworking employees. Finally, managers have had the opportunity to telework one day per week and are able to experience the benefits first-hand.

What were the main barriers you faced in growing your telework program, and how did you overcome them?

The main barrier the Office faced in growing the telework program was the development of reliable and secure computer systems. The Office's computer network is relied upon by employees to conduct virtually all of the agencies work. Teleworkers need to be able to rely on these systems as if they were working from within the Office. Over the years since the program first started, the Office has worked to fix problems as they occurred and to create new systems as our needs grew and the technology developed. The agency started with a program where approximately eighteen employees needed to remotely access a few network programs requiring a relatively low bandwidth, but we foresaw the need to allow for hundreds of employees to access a large number of programs requiring high bandwidths and instant response. As the telework programs needs grew, the agency developed systems that would meet those needs and continues to develop new systems to meet future needs. From the beginning, the Office has continuously improved the security, capacity, speed and reliability of the system, which has allowed us to continue to expand the program.

What investment strategy did you pursue, how was it integrated into overall IT or facilities planning, and what returns did you experience?

Overall Program IT investment Objectives

- Recover office space and the associated cost thereof
- Increase the number of employees who can Telework
- Increase the productive time employees can Telework
- Develop and deploy a reliable and consistent IT work-at-home solution that provides the same desktop functionality, communication protocols, and integrated user access as presently available within the USPTO office environment without a significant performance degradation.
- Expand the work-at-home geographical flexibility to achieve full remote access to all electronic patent examination tools and informational resources needed to fully perform job duties.
- Provide and maintain secure online access to sensitive data stored at USPTO and accessed remotely.
- Provide work-at-home employees with an automated tool to remotely schedule hotel time within the USPTO campus.
- Provide work-at-home employees with the capability to collaborate remotely with supervisors and other employees on a face-to-face basis.

Telework allows for decreased commute time, greater control over workloads, and even a more balanced lifestyle. This all translates into increased employee productivity and satisfaction, as well as higher employee retention.

The Patents Hoteling Program positions the agency to hire new Patent examiners without incurring additional real estate costs, eliminates four days of commuting time, and has made Patent examining in the Washington metropolitan region more attractive to potential candidates who currently reside outside of the region. This telework program will enable the USPTO to recruit from a highly qualified hiring pool and retain existing valuable employees.

The Trademarks Work at Home program involves more than 220 employees (80% of eligible examining attorneys) who spend the majority of their workweek at home and share reservable space in the office through a hoteling arrangement. Employees make electronic reservations for their time, which translates into documented space and related cost savings for the USPTO.

The USPTO's decision to incorporate telework as a corporate business strategy will help reduce traffic congestion in the National Capital region and – in a very competitive job market - enable the USPTO to hire approximately 3,000 new patent examiners over the next 6 years.

What is the status of your COOP plan and what was required to turn successes in basic telework into an emergency preparedness plan?

The USPTO COOP plan is currently being updated to reflect the incorporation of a telework component. As telework continues to expand at the USPTO, more employees are therefore prepared to work remotely in the event of a pandemic or COOP-related event.

Did OPM provide helpful guidance in both your COOP and telework planning?

The Patent and Trademark Office uses the OPM website to obtain information about online telework courses, the 2005 Annual Telework Survey, announcements regarding guidelines for new initiatives, and updated Federal Reports to Congress.

In the early stages, the original Trademark pilot used OPM guidelines for a Flexiplace Workplace Pilot, developed during the 1990's. This was used as a framework to develop the Trademark guidelines, which were then negotiated with the Union.

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BERNARD SANDERS, VERMONT,
INDEPENDENT

August 16, 2006

Carl Froehlich
Chief of Agency-Wide Shared Services
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224

Dear Mr. Froehlich,

I would like to thank you once again for appearing before the Subcommittee on Federal Workforce and Agency Organization for our hearing entitled, "*Telecommuting: A 21st Century Solution to Traffic Jams and Terrorism.*" I appreciate your willingness to testify before the Subcommittee regarding how your agency is incorporating telecommuting into its agency, and to offer your insight with regards to what more can be done to streamline telecommuting in the federal government and the National Capital Region.

As discussed during the hearing, I have attached to this letter a list of questions that I would like to be added to the hearing record. This letter and attachment were sent electronically by fax and e-mail on August 16, 2006. Inserted with our questions will be a separate group of questions from the Minority committee.

I request that these questions be answered and submitted electronically to the following e-mail address no later than August 30, 2006: alex.cooper@mail.house.gov. If this deadline cannot be met, I ask that my Subcommittee staff be informed as soon as possible.

Once again, I thank you for your assistance on this important subject. If you have any questions, please do not hesitate to contact me.

Sincerely,

Jon C. Porter
Chairman
Subcommittee on Federal Workforce
and Agency Organization

Are there things that the IRS has learned, or is currently adapting to and learning, that would change the way in which you implemented a COOP program like this in the future? Were there any extraneous operations of hindrances in getting your agency up and running at an acceptable capacity?

Is there anything additional that federal agencies need in order to be better suited to handle emergency situations like this in the future?

Because the work of the IRS is at times very sensitive and of a private nature, what sorts of security risks does your agency face which you had to consider when creating your emergency continuity of operations program?

There currently is no authority for agency heads to order employees to telework. Has this restriction served as a barrier to the IRS during the flood recovery process?

Before the flood, how many IRS employees at headquarters engaged in telecommuting regularly?

-What sorts of telework technologies did the IRS have in place before the flood? How was that working for the agency?

How much of your operation can realistically be done through telecommuting employees? In other words, what kinds of jobs can be done remotely, and what jobs absolutely cannot be transferred?

Why hasn't the IRS implemented a more aggressive telecommuting program?

Has IRS called upon OPM to ask for their assistance in implementing a telecommuting problem since the flood? If so, was OPM helpful in providing training and guidance? What have you found that has been particularly effective in your transition?

The Patent and Trade Office has testified to how they have saved significant amounts of money as a result of switching to telecommuting practices in a major way. Are there things that you have learned from your experience that you could offer to other agencies faced with a similar situation that you feel could reduce the cost or increase efficiency?

Minority Questions for the Record

(1) What lessons are offered by your experience in making this emergency transition to alternative work arrangements?

(2) Was OPM helpful in providing guidance or help on the ground? What more needs to be done?

(3) How did IRS prepare for this contingency? How would it make future plans knowing what it knows now?

(4) The IRS also has been active in refining and moving forward on basic telework policy and provision. How important was that experience in making the COOP transition?

(5) IRS performed a July 2005 review entitled "Improved Policies and Guidance Are Needed for the Telework Program." What were the major problems and solutions identified? Why did IRS take the important step of producing this audit?

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INDEPENDENT

August 16, 2006

William M. Mularie, PhD
CEO
Telework Consortium
SSC Building
2214 Rock Hill Rd
Herndon VA, 20170

Dear Dr. Mularie,

I would like to thank you once again for appearing before the Subcommittee on Federal Workforce and Agency Organization for our hearing entitled, "*Telecommuting: A 21st Century Solution to Traffic Jams and Terrorism.*" I appreciate your willingness to testify before the Subcommittee regarding how your group is advancing the telecommuting industry, and to offer your insight with regards to what more can be done to streamline telecommuting in the federal government and the National Capital Region.

As discussed during the hearing, I have attached to this letter a list of questions that I would like to be added to the hearing record. This letter and attachment were sent electronically by fax and e-mail on August 16, 2006. Inserted with our questions will be a separate group of questions from the Minority committee.

I request that these questions be answered and submitted electronically to the following e-mail address no later than August 30, 2006: alex.cooper@mail.house.gov. If this deadline cannot be met, I ask that my Subcommittee staff be informed as soon as possible.

Once again, I thank you for your assistance on this important subject. If you have any questions, please do not hesitate to contact me.

Sincerely,

Jon C. Porter
Chairman
Subcommittee on Federal Workforce
and Agency Organization

For those of you in the service provider industry, what sorts of technological advances have been made in the last 5 years that would make telecommuting easier for people?

Please discuss the cost ramifications of implementing an aggressive telecommuting policy in the federal government? In other words, is it cost effective in that it will improve the bottom line of an agency, and if so, how?

From the standpoint of everyday operations, how is the available technology today being applied?

In your opinion, does having a smooth telecommuting operation within an agency better prepare it for a disaster or a Continuity of Operations type scenario? In other words, is it prudent for an agency to have telecommuting operations, even if on a small scale, so that it knows what works for it in the event that it has to work and operate remotely?

What is your experience with telecommuting and COOP? What sorts of impacts has the move towards telecommuting within various groups and organizations had? Has it been an overall positive, or does it really depend on who is using it?

Minority Questions for the Record

(1) Agencies continually identify barriers to improving telework such as data security, technology requirements, and management resistance. What implementation or policy solutions can overcome these?

(2) What is the role of an implementation guidance or oversight agency in promoting telework?

(3) Is there room for expanded private consultation in building telework policies and infrastructure?

(4) What turnarounds have you produced, and what were the most important factors in driving change?

(5) What lessons can we learn from the private sector? Is there any reason we cannot replicate its telework statistics?

(6) What is the most important strategic point you would offer in using telework to prepare for COOP situations? As an expert consultant, how would you make sure resources and planning was adequate?

To: **Alex Cooper**
Legislative Assistant
Committee on Government Reform

Comments for Record: Dr. William Mularie, Telework Consortium Inc.

OPM has recently stated in its Human Capital Plan Report on the Pandemic Flu that there is no authority for agency heads and managers to order employees to telework.

Q. ***Is this a reasonable reading of the law?***

Q. If so, do you believe that this lack of authority serves as a major barrier to agencies in implementing telecommuting policies?

A. OPM is taking a rather incomprehensible stance. I believe that the evidence, discussed below, is that people may be, through government quarantine or choice, home bound during most of the 3-6 months of a pandemic flu outbreak. Even if this is not the case, there will be no use of mass transit (like the Metro), because of intimate person-to-person contact, to allow Federal government workers to commute to work.

Given this scenario, it should be the expectation that home bound federal workers should be required to do their normal agency work.

Background:

The Centers for Disease Control and Prevention (CDC) estimates that, in the United States alone, up to 200 million people will be infected, 50 million people will require outpatient care, two million people will be hospitalized, and between 100,000 and 500,000 persons will die.

Accordingly, the Government and agency heads have 2 major responsibilities:

1) Minimize illness and deaths.

2) Insure the delivery of critical government services.

According to a simulated flu pandemic, conducted under the auspices of the *World Economic Forum*, it was concluded that the pandemic would severely challenge governments and the private sector to maintain essential services and that governments would likely impose quarantine, directing people to stay home and minimize social contact.

Further, there is dim prospect of an agency maintaining continuity of operations in the normal commuter model for its workers: Washington DC federal workers, make up more than half of rush-hour Metro subway riders, commuting to (according to Congressman Tom Davis) more than 50 Federal Agencies buildings clustered around Metro stops. It can unequivocally be said that, due to close physical contact among passengers, mass transit will no longer be a commuting option.

So, we must conclude that the greatest number of Government workers will be home bound, not by choice, for perhaps 3 to 6 months. The question is then, "How does the work of the agency continue in delivery of critical services?"

I would suggest a more serious look at a robust, **mandated** telework program. It is not a matter of choice, but survival.

Q. In your opinion, is there a lack of central leadership of telecommuting in the federal sector?

Yes. There is no central leadership for telecommuting in the federal sector. Simply writing telework policy, as a suggested guideline for agencies to interpret as they wish, is not sufficient to drive telework. Writing policy is easy; implementation of a telework program requires more effort.

In spite of the potential of a flu pandemic to shut down government, telework is still viewed as an employee benefit, or simply a means of reducing traffic congestion or gasoline usage, rather than a key strategic element in government survival. Currently it resides in Human Resources departments. Not being pejorative, but Government survival strategies must be driven from a different level of responsibility.

It is the responsibility of Agency heads to insure the delivery of goods and services to the American people in spite of natural disaster, pandemic or terrorist events.

Given that, a reasonable criterion for "eligibility" for Telework should be that, on any day, there are in remote locations (home-based, telework centers,) a critical core of employees who can maintain the work of the agency if the home office were not habitable (for months or years!).

Only central leadership can develop and oversee execution of a coherent, operational telework plan across the government. The current patchwork of individual agency efforts, as recently audited by GAO, leaves our government at great risk.

Q. In terms of an effective telecommuting policy, where do you think that the federal government as a whole can still brush up? What do we need that we don't already have?

Briefly, there are two problems with the current telework policy:

1) It is predicated upon 1990 computer and telecommunications technology. The fundamental assumptions in current policy are that people, especially management, cannot "see", interact and collaborate with employees in a remote setting. None of that is true anymore. Writing policy based upon new technological capabilities would greatly increase the "eligible' worker pool-including managers.

2) Current policy does not address COOP. For example, a telework policy and program that defines a teleworker as one who teleworks a few days a week, or a month, does not address COOP.

The Federal telework policy should be re-written with an understanding of the multi-media and other telecommunications services that are now available in the workplace and in the home.

Q. Is there anything that Congress needs to do to promote the use of telecommuting even further?

There are a number of issues I have spoken to above:

1) Congress should require agency heads to certify that their agency is able to deliver critical services (which agencies have currently defined for FEMA), even in event of terrorist attack, pandemic or natural disaster.
(A simple way of testing this is certification would be to lock the doors of agency headquarters for a period of time, and monitor the delivery of services).

   This requirement would be more than symbolic. It would raise the issue of compliance with COOP requirements (and telework) to the right level—the agency head.

2) Congress should establish a central authority for Telework Operations: the design, implementation and verification of a robust cross-agency computer and communications infrastructure for sustaining the business of government.

   Writing agency telework employee policies should reflect the capabilities of the telework operational infrastructure.

3) Congress must insure agency-level budgets exist, and are adequate for support of the telework program. These budgets should be adequate for support of broadband network access to its home-based workers, purchase computer systems and peripherals with mobile communications capabilities, etc.

The technological parts of these recommendations are quite straightforward. The commercial telecommunications and computer markets are tested and ready. The security and interoperability solutions are also well exercised.

4) Fundamentally, for the sake of our National security, the Congress must lead the transition to a geographically dispersed government, with robust inter- and intra-agency communications, so that localized catastrophic events does not cripple the ability to govern.

Minority Questions for the Record

Q. Agencies continually identify barriers to improving telework: such as data security, technology requirements and management resistance. What implementation or policy solutions can overcome these?

These objections to telework, such as data security reflect a lack of understanding of the current state of commercial secure computer and network architectures and telecommunications capabilities. An example of a secure government (thin client) telework architecture is that being implemented by the Patents and Trademarks Office (PTO). Security is not solely a government issue. Global businesses depend upon these secure architectures as the foundation of their livelihood.

On the other hand, poor internal security controls, such as some the recent stolen "laptop" cases, will compromise the most secure architectures.

The management resistance to current telework implementation, I believe, has a valid foundation. Current technology to manage remote workers, such as telephone or VPN access to files and e-mail are not adequate to meet the traditional managers role of: face-to-face interactions, real time concurrent inputs from many staff (meetings, collaboration on documents), motivation and socialization.

The work of the Telework Consortium www.teleworkconsortium.org in our pilot demonstrations, has demonstrated that these management functions, as well as rich employee collaboration, can take place independent of employee or manager location from PC's using modern video, audio, data collaboration software. "Place" is no longer important in getting work accomplished.

In summary these objections to telework simply reflect the current state of technology, mainly 20th century, being utilized by government agencies.

Q. What is the role of an implementation guidance or oversight agency in promoting telework?

A. It is critical (see also above). The current model of writing policy and throwing it over the transom for agencies to implement produced a failed patchwork of efforts. If we truly believe that telework has implications for continuity of operations for the Federal government, then it must be planned, budgeted and implemented in a coherent manner across government, not as an agency option.

Q. Is there room for expanded private consultation in building telework policies and infrastructures?

A. Indeed there is! There are many options to pursue. For constructing a distributed workplace infrastructure, the many NYC financial institutions that suffered personnel and business losses in the WTC on 9/11 have undergone metamorphosis into geographically distributed businesses. There are also government entities that, driven by COOP, have developed excellent telework policies and infrastructures—I would mention the Department of Treasury, IG for Taxes (TIGTA). I would of course offer the experience of the Telework Consortium in this matter.

Q. What turnarounds have you produced, and what were the most important factors in driving change?

A. Our thesis, in establishing the Telework Consortium, was that current telework technology was not adequate to support or drive wider acceptance of telework. I believe, through the results of our pilot projects using state-of-the-art multi-media desktop technologies, that we have shown a path to meeting the needs widespread telework deployments.

Q. What lessons can we learn from the private sector? Is there any reason we cannot replicate its telework statistics?

The private sector has an advantage, because they are being "bottom line" driven, the cost savings realized by instituting corporate-wide "distributed or

mobile" work programs can be readily recognized. The government is not driven by the same "profit" metric.

However in COOP they have a common interest with government. As I stated above, the infrastructures that some commercial entities have adopted in response to the potential threats (and driven by executive management responsibilities under Sarbanes-Oxley) are excellent models for government.

Lastly, we should perhaps not view this new model as "telework". When up to 70% of an entities workforce is permanently remote and/or mobile (as for Sun Microsystems or CISCO) it stretches the traditional "telework" label.

Q. What is the most important strategic point you would offer in using telework to prepare for COOP situations? As an expert consultant, how would you make sure that resources and planning was adequate?

The first principal of survivability is "distribution of value'. A corollary is that the more value is concentrated in one place, the more resources the adversary will commit to destroy that value.

"Value" can be people, money, data, organizations, public services...

Washington, the seat of our Federal Government, is a target-rich environment with a daytime population that swells by 73% due to principally in incoming government employee traffic. These factors, I believe makes it unlikely the any COOP plan that is not predicated upon a geographical distribution of agency workers cannot insure the survivability of critical government functions in event of terrorist attack, pandemics or natural disasters. A robust telework program is the first step toward this goal.

In terms of consultancy, generating a phased plan with a resource estimate seems to be the "easy" part—the hard part is the Congressional actions necessary to make it happen.

I hope that my perspectives have been somewhat helpful.

Sincerely

William Mularie, PhD
CEO
Telework Consortium Inc
Herndon, VA

August 30, 2006

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BERNARD SANDERS, VERMONT,
INDEPENDENT

August 16, 2006

Joslyn Read
Hughes Network Systems, LLC
11717 Exploration Lane
Germantown, MD 20876

Dear Ms. Read,

I would like to thank you once again for appearing before the Subcommittee on Federal Workforce and Agency Organization for our hearing entitled, "*Telecommuting: A 21st Century Solution to Traffic Jams and Terrorism.*" I appreciate your willingness to testify before the Subcommittee regarding your company's incorporating telecommuting into its operations, and to offer your insight with regards to what more can be done to streamline telecommuting in the federal government and the National Capital Region.

As discussed during the hearing, I have attached to this letter a list of questions that I would like to be added to the hearing record. This letter and attachment were sent electronically by fax and e-mail on August 16, 2006.

I request that these questions be answered and submitted electronically to the following e-mail address no later than August 30, 2006: alex.cooper@mail.house.gov. If this deadline cannot be met, I ask that my Subcommittee staff be informed as soon as possible.

Once again, I thank you for your assistance on this important subject. If you have any questions, please do not hesitate to contact me.

Sincerely,

Jon C. Porter
Chairman
Subcommittee on Federal Workforce
and Agency Organization

For those of you in the service provider industry, what sorts of technological advances have been made in the last 5 years that would make telecommuting easier for people?

Please discuss the cost ramifications of implementing an aggressive telecommuting policy in the federal government? In other words, is it cost effective in that it will improve the bottom line of an agency, and if so, how?

From the standpoint of everyday operations, how is the available technology today being applied?

In your opinion, does having a smooth telecommuting operation within an agency better prepare it for a disaster or a Continuity of Operations type scenario? In other words, is it prudent for an agency to have telecommuting operations, even if on a small scale, so that it knows what works for it in the event that it has to work and operate remotely?

What is your experience with telecommuting and COOP? What sorts of impacts has the move towards telecommuting within various groups and organizations had? Has it been an overall positive, or does it really depend on who is using it?

Minority Questions for the Record

(1) How can data security be assured in remote work experiences?

(2) What kind of access and networking problems stand at the front of technological solutions that agencies need to undertake? What solutions exist?

(3) How can investments in telework technology be maximized, so that duel use components are purchased and so that the infrastructure also exists for emergency situations?

(4) GSA has concluded that effective telework requires home office components, like personal computers; services components, like data and voice communications; and enterprise components, like secure network access. Do we have the technological solutions, suitable for a broad reach of agencies, to meet these technological needs in a practical and cost effective manner? What implementation support is needed for this to happen?

(5) What special technologies or strategic IT planning would you say is necessary for effective COOP and Telework integration?

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DISTRICT OF COLUMBIA

BERNARD SANDERS, VERMONT,
INDEPENDENT

August 16, 2006

Jerry Edgerton
Group President
Verizon Federal
1300 North 17th Street, Suite 1200
Arlington, VA 22209-3801

Dear Mr. Edgerton,

I would like to thank you once again for appearing before the Subcommittee on Federal Workforce and Agency Organization for our hearing entitled, "*Telecommuting: A 21st Century Solution to Traffic Jams and Terrorism.*" I appreciate your willingness to testify before the Subcommittee regarding how your group is advancing the telecommuting industry, and to offer your insight with regards to what more can be done to streamline telecommuting in the federal government and the National Capital Region.

As discussed during the hearing, I have attached to this letter a list of questions that I would like to be added to the hearing record. This letter and attachment were sent electronically by fax and e-mail on August 16, 2006. Inserted with our questions will be a separate group of questions from the Minority committee.

I request that these questions be answered and submitted electronically to the following e-mail address no later than August 30, 2006: alex.cooper@mail.house.gov. If this deadline cannot be met, I ask that my Subcommittee staff be informed as soon as possible.

Once again, I thank you for your assistance on this important subject. If you have any questions, please do not hesitate to contact me.

Sincerely,

Jon C. Porter
Chairman
Subcommittee on Federal Workforce
and Agency Organization

Jerry Edgerton, President Business/Federal Marketing, *Verizon Communications*

- From Verizon's perspective, what sorts of technological advances have been made that would better assist agencies in meeting their goals through telecommuting? Do you have any success stories from either the public or private sector that you can share with the Subcommittee?
- Due to the recent security problems at the Department of Veterans Affairs, what measures has Verizon taken to ensure that secure information used by telecommuters away from one's official work station is safe and is not breached in any way?
- What is Verizon's experience with Continuity of Operations Planning? Is Verizon able to service the National Capitol Region during a natural or terrorist disaster? Will an increase in telecommuters improve the performance of a COOP situation?
- Is Verizon able to handle volume increase in broadband usage due to telecommuting?
- How has the move towards telecommuting, with the public and private sector, impacted your business? Has it been an overall positive experience, or are there still challenges that Verizon faces in supporting telecommuters?

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