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LESSONS LEARNED FROM REMOTE WORKING DURING COVID-19: CAN THE GOVERNMENT SAVE MONEY THROUGH MAXIMIZING EFFICIENT USE OF LEASED SPACE?

HEARING

BEFORE THE

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

UNITED STATES SENATE

ONE HUNDRED SIXTEENTH CONGRESS

SECOND SESSION

JULY 29, 2020

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COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

ONE HUNDRED SIXTEENTH CONGRESS

SECOND SESSION

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LESSONS LEARNED FROM REMOTE WORKING DURING COVID-19: CAN THE GOVERNMENT SAVE MONEY THROUGH MAXIMIZING EFFICIENT USE OF LEASED SPACE?

WEDNESDAY, JULY 29, 2020

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, DC.

The Committee, met, pursuant to notice, at 10:07 a.m. in room 406, Dirksen Senate Office Building, Hon. John Barrasso (Chairman of the Committee) presiding.

Present: Senators Barrasso, Carper, Capito, Braun, Rounds, Boozman, Ernst, and Cardin.

OPENING STATEMENT OF HON. JOHN BARRASSO, U.S. SENATOR FROM THE STATE OF WYOMING

Senator BARRASSO. Good morning. I call this hearing to order.

In just the past 6 months, the COVID-19 pandemic has completely upended our everyday way of life. One of the most sudden, stark, and significant transitions has been to the way that all of us work. Millions of Americans have been unable to go to the office each day.

As a result, we have had to find a way to get our jobs done and keep our economy going. The financial hit to small and larger businesses has been devastating during this crisis. Reducing expenses is increasingly important for individuals and businesses as the country struggles with the unexpected costs of the coronavirus pandemic. Such cost savings are likely to persist after the pandemic.

Nearly one in five private sector chief financial officers plans to keep at least 20 percent of their workforce working remotely after the COVID-19 pandemic ends in order to cut costs. I believe the Federal Government should also be looking for opportunities to save taxpayer money wherever and whenever possible.

The private sector is leading the way in reducing expenses. In recent years, private sector companies have consolidated and reduced their real estate footprint in order to save money. They have been able to do this because modern telecommunications technologies have enabled them to adopt remote work options and other flexible work strategies.

By 2016, Dell Technologies had already shifted one-quarter of its employees to work from home, either full time or a few days a week. Dell Technologies was able to consolidate office space, reduce

square footage, and implement more flexible workspace strategies, saving roughly $12 million each year.

American Express has saved up to $15 million annually on real estate costs through flexible work options. Aetna provides flexible workspace and work from home options for 47 percent of its employees, decreasing its need for office space by 2.7 million square feet and saving the company $78 million each year.

On the Federal side, the General Services Administration, the GSA, is the most advanced agency in the Federal Government, pursuing remote work options and other innovative work strategies.

GSA's Total Workplace Program improves the use of office space through various workplace strategies. These include enabling and supporting mobile work, reconfiguring support spaces, desk sharing, and shifting from traditional office space to more flexible, open plan workplace environments.

The top priority of the GSA is to maximize the use of owned Federal space, eliminate costly lease arrangements, and dispose of under-utilized assets. GSA has decreased the square footage of its own usable office space by 32 percent. It has cut its operations and maintenance costs by $10 million in the last 4 years.

The Office of Personnel Management reported to Congress that over 900,000 Federal employees were eligible to telework in the fiscal year 2018. Now, that is 42 percent of all Federal employees.

The consulting firm, Global Workplace Analytics, determined that if all Federal employees eligible for telework had telecommunicated just half the time, the Federal Government could reduce its need for office space by 25 percent.

Taxpayers could save $1.75 billion in real estate costs alone and over $11 billion in total costs. Through such telework, Federal employees would also save on personnel experiences and expenditures, such as food, commuting, gas, and dry cleaning.

Today's hearing is an opportunity to examine how the lessons the private sector has learned about cost savings from telework can be translated to the Federal Government. These lessons will allow the Government to reduce its footprint and save American taxpayer money.

I look forward to hearing from our witnesses today, and will now turn to Ranking Member Carper for his statement.

OPENING STATEMENT OF HON. THOMAS R. CARPER, U.S. SENATOR FROM THE STATE OF DELAWARE

Senator CARPER. Thank you, Mr. Chairman. I am happy to be here with you in person, live, and in person.

We welcome our witnesses from far away as, I understand, Texas, and California, two in California. We thank you all for joining us.

In California, I used to spend some time there in the Navy, and right about, what is it? Ten, 10:15 here? It is a little earlier than that in California, so thank you very much for getting up early.

It goes without saying that just about every aspect of our lives has radically changed over the last 6 months. As individuals and as a country, we have been forced to adapt to what is really a new normal in our lives wearing masks, coughing in our sleeves, practicing social distancing, and a whole lot more.

For millions of Americans, one of the biggest changes and challenges has been adjusting to the new normal of telework.

When it comes to finding solutions for tough problems, I often say that we should find out what works and do more of that. The sudden shift to implementing flexible work strategies like telework across the Federal Government has given us an opportunity to examine how those alternative methods actually work or don't work.

This is our opportunity to find out what works and do more of that. What we learn about telework today will fundamentally change and shape how we view and implement telework as a country, from now and well into the future.

One of the agencies under the jurisdiction of our Committee is, of course, the General Services Administration, affectionately known as GSA, which operates Federal building space.

I hope that the testimony we hear today will shed some light about the use of private space, like people's homes, that the Chairman has alluded to, during telework, which could provide new, important insights about how we operate Federal buildings.

After, all, we have more than, I'm told, 350,000 buildings that the Federal Government uses. They consume energy; in fact, I am told the Federal Government is the largest consumer of energy.

What we learn about telework today could help us figure out how to occupy and operate Federal building space more efficiently, and ultimately, reduce our Nation's carbon footprint.

Another area of concern for this Committee is the impact of telework on our environment, specifically on our air quality. As our witness from California will describe in greater detail, across the country, communities that are normally cloaked in smog are now breathing cleaner air and experiencing the positive effects of widely reduced travel.

For too long, we have witnessed the harmful effects of air pollution on public health and quality of life for so many Americans, especially those in our most vulnerable communities.

I believe we should be doing whatever we can, as soon as we can, to reduce emissions associated with how we travel. That can include reducing travel demand during rush hour through telework policies.

It also includes reducing vehicle emissions through fuel economy standards and through the electrification of the cars, the trucks, and the vans that we drive, which are the largest source of global warming pollution in our country.

Another important way to reduce travel related emissions is by investing in multi-modal, low emission transportation choices such as transit, biking, and walking. Put together, these policies of telework, of transit, of CAFE standards, and electrification can make a major difference in alleviating smog, easing congestion, and reducing climate changing emissions, both during a pandemic and later on, when this scourge is a fading memory.

Mr. Chairman, you have heard me quote Albert Einstein probably more than you want to remember, when I say, "In adversity lies opportunity." I have been thinking about that quote a whole lot over the last couple of months, because of our Nation's adversity that we are facing, tremendous adversity we are facing.

While extremely challenging and tragic, this pandemic has also provided us with a real life case study on the effects of reduced travel related emissions. I look forward to learning more about how we can translate those successes into long term strategies to help us address climate change.

Finally, Mr. Chairman, the Homeland Security and Government Affairs Committee, on which I serve, and which has jurisdiction over Federal workforce issues, held a hearing yesterday on issues quite similar to some of the ones that we are going to be taking up today.

I look forward to drilling down on it again today with you, Mr. Chairman, with members of our Committee in person, and over the Internet. Maybe we could even work with some of our friends on the Homeland Security Committee as we continue to adjust to this new normal.

I will close with this. A decade or so ago, folks from Discover Card had to do a fair amount of financial services in Delaware. The folks from Discover Card called me and said, We are thinking of doing something different at the Dover Air Force Base. I said, Well, what would that be? Are you going to put up, like, a branch or something? No, they said, we are going to hire spouses of military personnel, the dependents, to work for us from their homes on the base. I said, Really? And they said, Yes, really, and they did.

And I think today, there are still over a hundred spouses working there remotely. It is a good second income for themselves and their families.

Discover Card actually wins a lot of kudos for the quality of their customer service the State provides. So find out what works, do more of that. That is what we are trying to do.

Thanks, Mr. Chairman.

Senator BARRASSO. Well, thank you so much, Senator Carper, and we do have really some outstanding witnesses with us today. We are going to hear from them, all of whom are joining us remotely.

Mark Pringle is here; he is the Senior Vice President of Corporate Real Estate, Global Facilities and Environment Health and Safety with Dell Technologies. He will be joining us remotely from Round Rock, Texas, a few miles north of Austin.

Also joining us is Kate Lister, the President of Global Workplace Analytics, who is joining us from Carlsbad, California.

And finally, Michael Benjamin, who is the Chief of Air Quality Planning Division for the California Air Resources Board. He is joining us from Sacramento, California.

Welcome, all three of you today.

I would like to remind the witnesses that your full written testimony will be made part of the official hearing record today. We ask that you please try to keep your statements to 5 minutes so that we may have time for questions. We look forward to the testimony.

We are going to start with Mr. Pringle, then go to Ms. Lister, and then Mr. Benjamin.

With that, Mr. Pringle, please proceed.

STATEMENT OF MARK PRINGLE, SENIOR VICE PRESIDENT OF CORPORATE REAL ESTATE, GLOBAL FACILITIES AND ENVIRONMENT, HEALTH AND SAFETY, DELL TECHNOLOGIES

Mr. PRINGLE. Good morning, Chairman Barrasso and Ranking Member Carper.

My name is Mark Pringle. I am the Senior Vice President of Corporate Real Estate, Global Facilities, and Environment, Health and Safety for Dell Technologies. For the record, my biography is attached to the statement.

Thank you for inviting me here today to discuss flexible workspace strategies and the ways the Federal Government might integrate these strategies in the future. In addition, I will address the implications a flexible workplace approach might have on the need for physical office spaces and how Dell has approached these workspace strategies.

Beginning in 2009, Dell Technologies established our Connected Workplace Program, which allows our employees to choose the work style that best fulfills their needs on the job and in life in a highly mobile, collaborative, and flexible work setting. The program has positively impacted our business, our approach to talent acquisition, and our environmental footprint.

But more than just a policy, this program is about a change in how we think about work, where work is not anchored to one place and time, and instead is focused on outcomes.

In 2013, after an initial 3 year implementation of Connected Workplace, Dell Technologies established a goal to enable 50 percent of our workforce to work flexibly by 2020, at times in an office, but also from home and on the road. Earlier this year, before the onset of COVID-19, we had surpassed that goal, with approximately 65 percent of Dell Technologies employees leveraging work flexibility in their jobs.

Dell Technologies Connected Workplace encouraged employees to design their local working arrangement, including remote work, flexible hours, and job sharing. It also involved supporting flex workers' needs through enhanced technology infrastructure, training opportunities, and an employee resource group.

From an environmental impact study in 2016, approximately 10,000 U.S. employees who worked remotely reduced their travel by 136 million miles a year and emitted 35,000 less metric tons of greenhouse gases from having fewer commuters on the road. That is the equivalent of taking nearly 7,400 cars off the road each year.

We estimate that positive impact has increased two to three times as our U.S. remote workers have increased significantly over the last 4 years.

From 2013 to 2016, our Connected Workplace solutions have avoided an estimated 25 million kilowatt hours, and we were able to realize approximately $12 million a year in real estate cost savings, driving over $50 million in total savings.

In 2017, as Dell Technologies continued to evolve and grow as a company, our real estate footprint changed dramatically due to acquisitions and divestitures.

As a result, our real estate overhead costs and strategy the last few years has been tied primarily to supporting our business strat-

egies, which includes growth of sites, reducing or eliminating sites, and workplace investments for employee productivity.

In 2020, the onset of COVID-19 required that we convert, nearly overnight, 90 percent of our employees to "work from home" status, which has us looking forward on how best to support our employees' work style, and effectively manage our real estate portfolio. We are estimating Dell Technologies can achieve 20 to 30 percent real estate savings over the next 5 years as we assess our future requirements.

While the overnight transition to a remote workforce was a feat, we know coming out of this crisis that many of our employees won't need or desire to return to our corporate offices, at least not on a full time basis. As we began our return to site process, we surveyed our employees on how and when they felt comfortable to return to the office.

The results were fascinating. Across the different regions, countries, and organizations, the result were consistent. On average, 60 percent of employees desired to work from home with the flexibility to go to the office for collaboration and meetings a few days a week. Twenty to 30 percent of employees desired to work from home full time, and 10 to 20 percent of employees desired to work in the office full time.

We actually see this as an opportunity to reinvent and redefine work in the new world, and we are looking at ways to enable and innovate new ways of working with high levels of employee engagement and productivity. We need to evolve the dated mindset that being in an office full time is an actual business imperative.

In conclusion, we are rarely afforded the opportunity to make such dramatic changes to our businesses in such a short period of time. Even rarer still is the ability to do so in a way that will better prepare our teams for the changing digital landscape by helping us achieve organizational goals around sustainability, diversity, and innovation.

COVID-19 has exacted a devastating public health and economic toll on our country. One of the best ways to recover from both catastrophes is to reimagine work in ways that genuinely improve the quality of life for our Nation's workforce. We look forward to that journey, and thank you for inviting me here today.

[The prepared statement of Mr. Pringle follows:]

Testimony
of

Mark Pringle
Senior Vice President, Corporate Real Estate,
Global Facilities, and Environment, Health & Safety

Dell Technologies

Before the United States Senate
Committee on Environment & Public Works

Washington DC
July 29, 2020

Good morning Chairman Barrasso and Ranking Member Carper. My name is Mark Pringle. I am Senior Vice President of Corporate Real Estate, Global Facilities, and Environment, Health and Safety for Dell Technologies, Inc. For the record, my biography is attached to this statement. Thank you for inviting me here today to discuss flexible workspace strategies and the ways the federal government might integrate these strategies in the future. In addition, I will address the implications a flexible workplace approach might have on the need for physical office spaces and how Dell has approached these workspace strategies.

Dell Technologies Connected Workplace

Beginning in 2009, Dell Technologies established our Connected Workplace program as a strategic component of our company's culture and operations. Our Connected Workplace program allows our employees to choose the work style that best fulfills their needs on the job and in life in a highly mobile, collaborative, and flexible work setting. The program has positively impacted our business, our approach to talent acquisition and our environmental footprint. But more than just a policy, this program is about a change in how we think about work - where work is not anchored to one place and time and instead is focused on outcomes.

In 2013, after an initial three-year implementation of Connected Workplace, Dell Technologies established a goal to enable 50% of our workforce to work flexibly by 2020, at times in an office but also from home and on-the-road. Earlier this year, before the onset of COVID-19, we had surpassed that goal, with approximately 65% of Dell Technologies employees leveraging work flexibility in their jobs (meaning in the office just a couple of days a week) and 30% of our employees working remotely on any given day.

Dell Technologies Connected Workplace encouraged employees to design their ideal working arrangements, including remote work, flexible hours and job sharing. It also involved supporting flex workers' needs through enhanced technology infrastructure, training opportunities and an employee resource group. From an environmental impact study in 2016, approximately 10,000 US employees who worked remotely reduced their travel by 136 million miles a year and emitted 35,000 less metric tons of greenhouse gases from having fewer commuters on the roads. That is the equivalent of taking nearly 7,400 cars off the road each year. We estimate that positive impact has increased two-to-three times as our US remote workers have increased significantly over the last four years.

Savings

From 2013 to 2016, our connected workplace solutions have avoided an estimated 25M kilowatt hours (kWh), and we were able to realize approximately $12 million a year in

real estate cost savings driving over $50M+ in total savings. In 2017, as Dell Technologies continued to evolve and grow as a company, our real estate footprint changed dramatically due to acquisitions and divestitures. As a result, our real estate overhead costs and strategy the last few years has been tied primarily to supporting our business strategies which includes growth of sites, reducing or eliminating sites and workplace investments for employee productivity. Enabling 90%+ of our employees to work from home productively during the covid-19 crisis has us looking forward on how best to support our employee's workstyle and effectively manage our real estate portfolio. We are estimating Dell Technologies can achieve 20-30% real estate savings over the next five years as we assess our future requirements.

Near Overnight Scaling for COVID-19

While Dell Technologies has had 65% of our employees working flexibly, the onset of COVID-19 required that we convert, nearly overnight, 90% of our employees to "work from home" status. Building on our Connected Workplace strategy and the services we provide to our customers that choose to build a remote workforce we accomplished this task through the establishment of our Corporate Crisis Management Team. Our first step was to assure the health and well-being of our teams, partners, and the customers that we serve. Those objectives remain our top priority.

Our second step was to quickly enable our large, globally diverse workforce to effectively work remotely while scaling our infrastructure to help ensure business continuity and availability. At the same time, we were, and we continue to help our customers through *their* digital implementation to enable our customers' employees to be an effective remote workforce. In less than two weeks we:

- Enabled 90% of employees to work-from-home (WFH)
- Supported the tripling of virtual private networks (VPN) with no loss of service
- Enabled 30,000 call center operators and call center technicians to work from home with softphone cloud connections
- Distributed 4,000 notebooks to employees that were working in-office and had no network-secure way to continue their work at home
- Maintained required service level agreements with customers in March when we had 2.5-fold increase in customer service contacts equating to 110,000 calls in March alone.

Helping Employees Adjust to Work-From-Home

In order to bring our team up to speed quickly on what they needed to know about working from home, we were lucky to be able to guide everyone to our existing Connected Workplace site to learn helpful tips. We found having an existing resource for employees was a huge help in reducing inquiries so we could focus on the most serious issues our employees were facing.

Return to Site Strategy & Connected Workplace Post-COVID:

While the overnight transition to a remote workforce was a feat, we know coming out of this crisis that many of our employees won't need or desire to return to our corporate offices, at least not on a full-time basis. As we began our return-to-site (RTS) process, we surveyed our employees on how and when they felt comfortable to return to the office. The results were fascinating, across the different regions, countries and organizations, the results were consistent. On average:

- 60% of employees desire to work from home with the flexibility to go to the office for collaboration and meetings a few days a week
- 20-30% of employees desired to work from home full time
- 10-20% of employees desired to work in the office full time

As I said at the beginning of my statement, the health and safety of the Dell Technologies family, our communities and customers are our top priority and our RTS strategy follows this objective. We actually see this as an opportunity to reinvent and redefine "work" in the new world and we are looking at ways to enable and innovate new ways of working with high levels of team member engagement and productivity. We are changing how we think about spaces, cybersecurity, meetings, travel, events and policies, and we mustn't forget the ways employees find balance through their family, volunteer work, hobbies and more. We need to evolve the dated mindset that being in an office full-time is an actual business imperative. Our objective is to create a stronger customer and team member experience by leveraging technology and being culturally committed to increasing our work-from-home footprint and team member flexibility and choice. Our hope is to be a leader in workplace flexibility with more employees in flexible work arrangements or working from home long term. What we have learned is proximity to a specific location will not be a priority post-COVID-19. With 90%+ of our employees now working from home successfully, this has opened up opportunities to reimagine how we work in the future.

Although this is specific to our own approach and goals established before the pandemic arrived, we're confident it's a strong framework for customers to consider as they adapt their own goals, along with the right technology to accelerate innovation and growth.

Conclusion

While Dell Technologies has, for more than 10 years, utilized a flexible, but connected workforce and regularly implements the use of a connected workspace for our customers, COVID-19 has accelerated redefining the way we think about work. We're rarely afforded the opportunity to make such dramatic changes to our businesses in such a short period of time – even rarer still is the ability to do so in a way that will better

prepare our teams for the changing digital landscape while helping us achieve organizational goals around sustainability, diversity and innovation.

COVID-19 has exacted a devastating public health and economic toll on our country. One of the best ways to recover from both catastrophes is to reimagine work in ways that genuinely improve the quality of life for our nation's work force. We look forward to that journey.

Thank you for inviting me here today. I am happy to answer your questions.

###

Senate Committee on Environment and Public Works
Hearing entitled, *"Lessons Learned from Remote Working during COVID-19: Can the Government Save Money Through Maximizing Efficient Use of Leased Space?"*
July 29, 2020
Questions for the Record for Mark Pringle, Senior Vice President, Dell Technologies

Chairman Barrasso:

1. Mr. Pringle, rural states like Wyoming could benefit from an increase in remote working opportunities. Does Dell require their remote working employees to live in the immediately surrounding areas of one of their headquarters?
    a. No. Many of our employees do not live near a major facility. As more employees choose workplace flexibility this creates opportunities to support our team members' needs and positively impact our business, our approach to talent acquisition and our environmental footprint. We do require, however, that all remote team members have access to internet so they can do their job. More remote work opportunities will likely come up as we invest more in broadband for rural communities.

2. What challenges and benefits has Dell Technologies encountered while making the shift to remote work, innovative workspace planning, and consolidation of real estate property?
    a. From our experience, the biggest benefit is the flexibility and choice our employees are allowed. For more than a decade, we've built a culture of diverse thinking, inclusivity, and around the idea that work is outcomes based and not anchored to a specific place or time. This has created a culture that puts a premium on flexibility, innovation, opportunity, sustainability and, ultimately, cost savings. It has also enabled our sales team to expand customer reach and support to our customers including federal government.

    The challenge we face is creating the new tools and enhancing our offices to enable greater collaboration and areas that support our employees when they are on-site. We have already begun developing new technological innovations to support employees.

3. Dell Technologies is one of the leaders in successful integration of innovative workplace strategies. What factors influenced Dell's decision to implement a remote work strategy? Were there unforeseen benefits as a result of this shift?

    a. Beginning in 2009, Dell Technologies established our Connected Workplace program as a strategic component of our company's culture and operations. Our Connected Workplace program allowed and continues to allow our employees to choose the work style that best fulfills their needs on the job and in life in a highly mobile, collaborative, and flexible work setting. The program has positively impacted our business, our approach to talent acquisition and our environmental footprint. But more than just a policy, this program is about a change in how we

think about work - where work is not anchored to one place and time and instead is focused on outcomes.

Unforeseen benefits: Based on our FY21 Dell employee survey, 96% of team members believe flexible work arrangements at Dell Technologies contribute positively to our performance as a company (e.g., working remote, mobile, telework, etc.). As more employees choose workplace flexibility this creates opportunities to support our team members' needs and positively impact our business, our approach to talent acquisition and our environmental footprint.

4. Technological innovations like cell phones, computers, and high-speed Internet provide the backbone for "working at home" and other flexible work options. What are some of the greatest technological breakthroughs that could occur to accelerate the shift to "working from home" in the future?
    a. From our perspective, the adoption of 5G and WiFi 6 bring next-level, seamless functionality to the wireless world (faster speeds and lower latency for minimal delay); the expansion of broadband to bridge the gap of the digital divide; the new collaboration software tools, such as video technology, MS Teams (collaboration), Smartsheets (a solution to optimize their workflow), and more technologically advanced health-focused home office equipment will accelerate the shift to working from home.

5. Mr. Pringle, if you were advising the federal government on a transition to a more remote work friendly environment, what advice would you give them?
    a. We view this as an opportunity to reinvent and redefine "work" and we're rarely afforded the opportunity to make such dramatic changes in such a short period of time that genuinely improve the quality of life for our nation's work force. Based upon Dell's experience, I would advise ensuring alignment across the different government organizations for a common telework process; enable data to drive your decisions around employee preferences and ultimately cost saving opportunities in real estate management (leases, utilities, facilities management, investments required to implement, etc...) and a robust change management process.

Senator Boozman:

6. Comparing the federal government to the private sector is like comparing apples to oranges.

    a. The private sector is usually more efficient, innovative and quicker to make changes. This is especially true of the tech sector.

    b. If the federal government were seeking to incorporate a flexible workplace strategy, such as remote work or innovative workplace planning, into their framework what advice would you give them?

    We view this as an opportunity to reinvent and redefine "work" and we're rarely afforded the opportunity to make such dramatic changes in such a short period of

time that genuinely improve the quality of life for our nation's work force. Based upon Dell's experience, I would advise ensuring alignment across the different government organizations for a common telework process; enable data to drive your decisions around employee preferences and ultimately cost saving opportunities in real estate management (leases, utilities, facilities management, investments required to implement, etc...) and a robust change management process.

Finally, I would advise that everyone remembers that this is a journey that starts with driving a telework solution which can be implemented within the next year and drive a great employee experience and productivity, however, the real estate cost savings will occur over time as leases expire or terminate.

c. What hurdles could the federal government potentially face?

The biggest hurdles would be:

- Common alignment across the different government organizations for a telework solution
- Ensuring a consistent change management communication process
- Tracking and management of cost savings, investments required for returning leased sites to pre-lease conditions, site utilization for pre and post telework solution

7. Do you have software that monitors if employees stay on task?
   a. No. Dell employees have established performance metrics to measure their productivity. These metrics feed into an annual Goals and Objectives process through which all employees are assessed.

8. Have any union issues cropped up from making the change to remote working?
   a. No. Dell employees have not raised any union-related issues as a result of our work from home program.

Senator BARRASSO. Thank you very much, Mr. Pringle. We are very grateful for you to take the time and join us and to be part of the testimony.

We are now going to turn to Ms. Lister.

Please proceed.

STATEMENT OF KATE LISTER,
PRESIDENT, GLOBAL WORKPLACE ANALYTICS

Ms. LISTER. Thank you, Chairman Barrasso, Ranking Member Carper, all the members of the Committee for inviting me to comment here today.

I have been a telework advocate for 15 years. Why? Because I go where facts lead me. In the case of telework, they lead me to the conclusion that the employer, employee, and environmental benefits are just too compelling to ignore.

The COVID-19 crisis forced, as you said, over 95 percent of office workers to become teleworkers practically overnight, and now more than 4 months into this global telework experiment, it looks like the experience is going to fundamentally reshape the future of where, how, and when people work.

The results of a survey conducted by PWC released in June 2020, just a month ago, showed that 89 percent of executives expect more than 30 percent of their employees to continue to work at home at least 1 day a week, and 55 percent expect more than 60 percent to do so.

I know that is a lot of numbers, but this is going to change things. The employees want it, too, in spite of less than ideal conditions at home, working at home during the pandemic, nearly 7 in 10 want to continue to do so. The number is even higher in Government.

This is based on a survey that Dr. Anita Kamouri of Iometrics and I recently fielded to 2,800 global employees. It said that, just as we heard from Mark, that 2 to 3 days a week seems to be the sweet spot, so it is not all in or all out, it is part of the time.

The pandemic didn't start the telework trend, but it is going to accelerate it. So what is that going to mean to office space? The fact is much of office space in this country is inefficient and ineffective.

For more than a decade, occupancy studies around the globe have consistently shown that people are not at their desk the majority of the time. They are working in conference rooms, they are at customer locations, coworking centers, working at home, really anywhere that they can get availability of broadband.

So, regardless of what you call it, employees are already mobile. All of the things that we need to do to support teleworkers are the same things we need to do to support a 21st century workforce.

The majority of employers have let remote work happen, rather than making it happen. Those that have been intentional about it have coincidentally transformed their offices into places that support a wide range of activities. These leaders have reaped the benefits in terms of lower overhead, happier and more productive employees, and less waste.

Your success lies in the integration of policies, practices, and a choice of places and spaces of work that includes home. Predict-

ably, the organizations that have prioritized cost reduction over people, cramming more people into smaller spaces, have been disappointed by the results.

Telework programs need to be supported from the very top of the organization chart. They need to be deployed as a collaboration between human resources, real estate, IT, and other stakeholder groups.

When we don't have that cross-functional approach, outcomes suffer. When deployed strategically, we have seen across the public and private sector that the potential benefits of telework are real. The Chairman mentioned some in his opening comments.

In Government, some of the numbers that we have seen, Social Security Administration reported $900 million in annual real estate savings. U.S. Patent and Trademark Office reported $50 million in annual real estate savings, and an almost 100 million mile reduction in vehicle miles traveled.

There are many more examples in Government. The Federal Work-Life Survey and Federal Employee Viewpoint Survey also documented significant positive impacts on people. Compared to non-telecommuters, telecommuters are more engaged, more satisfied, and less likely to leave the agency.

Further evidence for how important telework is to Government employees was revealed when the Department of Education canceled their telework program and then surveyed employees 9 months later.

The vast majority of those polled said that it didn't do what it was supposed to, which is enhance collaboration and improve customer service. In addition, it decreased productivity, hurt morale, increased absenteeism, and potentially increased turnover.

There are lots of examples of private sector successes in telework as well. Cisco, one of the earlier companies to get involved in this, showed a 30 percent reduction in real estate in spite of a 15 percent increase in workforce. It closed 241 buildings. They saved another $200 million in operation expenses, and they produced about $300 million in income from the sale of other owned real estate.

Mazda showed 33 percent greater occupancy in the same space. ADP saved $6,000 per part time remote worker per year, and the cost is only $500 per remote worker per year.

Across the pond, British Telecom shows $150 million reduction in annual real estate costs with their telework program.

Plantronics reduced their real estate needs by more than half, and interestingly, the U.K. Government shed over 120 properties in central London. It reduced their government owned buildings from 180 properties to just 63 in central London.

It is important to note that all of these impacts and these examples have taken the integrated approach, not simply adopting telework.

The potential for bottom line in Government is clear. In 2016, the U.S. Accountability Office was charged by Members of Congress with investigating methods and tools for quantifying the impact of telework in Government.

As part of that investigation, they evaluated our telework savings calculator, which the Chairman mentioned in his opening

statement. They called it comprehensive and based on solid research.

Based on the conservative assumptions in that calculator, as the Chairman said, we estimate that Government could save over $11 billion per year, or $13,000 per half time teleworker per year. Over $1.7 billion of that would come from a reduction in real estate.

We need to go beyond thinking about telework as a tactical solution to the problem du jour, and start seeing it as a strategic imperative.

In a world where brains, not brawn or machinery or land ownership are the creators of wealth, we need to break loose of the 20th century framework that keeps us tethered to the concept of work as a place rather than what we do.

In the words of, from my understanding, Benjamin Franklin, "Out of adversity comes opportunity," and this is our opportunity to fundamentally reframe the where, when, and how of work in a way that is markedly better for people, planet, and performance.

Thank you again for this opportunity, and I look forward to your questions.

[The prepared statement of Ms. Lister follows:]

Global Workplace Analytics

July 27, 2020

Dear Chairman Barrasso, Ranking Member Carper and Members of the Senate Committee on Environment & Public Works:

For nearly five decades, workplace flexibility has been promoted as a solution to some of our nation's most vexing problems. Many leading employers embraced the concept prior to the pandemic, but the majority did not—at least not for a large portion of their workforce.

The COVID-19 crisis forced over 95% of U.S. office workers to become regular telecommuters practically overnight.[1] Now, more than four months into a global telework experiment, it looks like the experience will fundamentally reshape the future of where, when, and how people work.

The results of a survey by consulting giant PWC, released in June of 2020, showed 89% of executives expect more than 30% of employees will continue to work remotely at least one day a week post-COVID-19; 55% expect more than 60% to do so.[2]

Unfortunately, the work-from-home experience has been less than ideal for many. In addition to the threat of illness, employees struggle with home-schooling, finding a quiet place to work, inadequate broadband, inferior technology, and more. Surprisingly however, the majority of managers and employees have quickly adapted to this new way of working.

With the help of industry associations including the International Facility Management Association's 'Workplace Evolutionaries', Global Workplace Analytics and a partner firm, Iometrics, fielded a *Global Work-from-Home Experience Survey* in late March of this year, just weeks after the shelter-in-place order was given.[3] The purpose of the survey was to learn who was working from home during the pandemic, understand what was working and what was not, and provide insight into the impact it was likely to have on the future of telework. Nearly three-quarters of the 2,800 respondents agreed with the statement "I feel very successful working from home."[4] Another 20% said they felt moderately successful. And an overwhelming majority of both managers and employees said they want to continue working from home at least part of the time. The pandemic did not start the telework trend, but it will dramatically accelerate it.

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Companies including Dell, Cisco, Citrix, Accenture, American Express, ADP, and others had adopted aggressive telework programs long before COVID-19. Even in government, agencies including USDA, SSA, GSA, and USPTO institutionalized telework years ago and have documented the benefits including reduced real estate costs.

Years of occupancy studies around the globe show workspaces are vacant a large part of the workday and meeting rooms are substantially underutilized. The reality is, like Elvis, the workers have left the building (or at least their desk). Whether people are nine floors, nine miles, or nine time zones away, they are already working remotely. Leading employers have already transformed their workplaces to better support how and where people are actually working; recreating their offices to best support the kind of work people actually do in them, offer a choice of spaces, and including the option to work remotely.

For the record, I have no skin in the office game. Aside from fewer traffic jams which I can usually avoid by traveling during non-peak hours, having more people work remotely wouldn't make any difference in my life. But I have been working with private and public sector employers and conducting primary and secondary research on telework and on-site workplace strategies for nearly fifteen years, and it's that experience that brings me here today as an advocate for not just telework, but a new attitude toward where and when people work. The advantages for employers, employees, and the environment are just too important to ignore.

Benefits of Telework

Over the past five decades employers have primarily looked to telework as a way to reduce real estate and related costs. Since the last recession, many have prioritized it as a strategy for attracting and retaining talent. Other common drivers include increasing agility, enhancing productivity, reducing greenhouse gases, improving employee engagement, reducing employee stress, and improving disaster preparedness. In nearly all of the cases I've seen, saving money may have kick-started the program, but the people and productivity benefits have proven significant too.

Our research shows they people so expensive that an increase of just fifteen minutes of additional productivity per day would entirely offset their annual office costs.[1]

Telework has proven to increase productivity in many ways.

- Telecommuters voluntarily give back about 50% of the time they would have otherwise spent commuting (in government, that amounts to about 30 minutes of additional productivity per day).[5]
- They save 35 minutes per day due to unwanted distractions (50 minutes/day in government).[6]
- They are more highly engaged—a factor that Gallup research shows can increase productivity by 17% (81 minutes/day).[7]

[1] Average government salary of $90k plus 44% for benefits = $131k or $1.25 per minute over 217 workdays a year. Average office lease cost of $30/s.f. and assumed 125 s.f. per person = $3,750 per year.

Predictably, organizations that have prioritized cost reduction over people—cramming more people into smaller spaces—have been disappointed by the results.

To maximize the people, planet, and profit benefit, employers must embrace telework and workplace flexibility as strategic imperatives. These programs need to be supported from the top and deployed as a collaboration between human resources, real estate, information technology, sustainability, risk management, communications, labor unions, employee groups, and other stakeholders. Absent this cross-functional approach, outcomes suffer.

Public and private sector telework success stories demonstrate the potential benefits of telework are real.

Government Telework Examples

The Telework Enhancement Act of 2010 required agencies to annually report their progress in establishing employee eligibility and program participation. It *encouraged*, but did not require, agencies to establish telework goals and measure program impacts. The 2017 telework data call (summarized in the *2018 Telework Report to Congress*) was the first official request for agency data regarding outcomes.

Although the 2018 and 2019 reports to Congress indicated that many agencies were not able to comply with the new requirements, largely because they did not know how to measure results, the agencies that did report showed real financial savings. Among them:[8]

- Social Security Administration reported $900M in annual real estate savings
- Securities and Exchange Commission reported $870k in annual transit subsidy savings
- Agency for International Development reported $495k in annual real estate, technology, and transit subsidy savings
- U.S. Patent & Trademark Office reported $50M per year in annual real estate savings and a 93M reduction in vehicle miles traveled (VMT) by employees with associated energy and greenhouse gas savings
- U.S. General Services Administration reported a 40% reduction in space, $25M in annual real estate savings, $6M in administrative costs, and a 50% reduction in energy
- Department of Education reported $6M per year in annual real estate savings
- Department of Homeland Security reported $7M per year in annual real estate savings
- Department of Justice reported $3M in annual real estate savings

The Federal Work-Life Survey (FWLS) and Federal Employee Viewpoint Survey (FEVS) also document significant positive impacts on people.[9] Compared to non-telecommuters, telecommuters are more engaged (+16%), more satisfied (+19%), and less likely to leave their agency (-11%).

Teleworking supervisors and non-supervisors say telework:

	Supervisors	Non-Supervisors

Improves performance	63%	76%
Increases desire to stay with agency	65%	76%
Improves morale	77%	83%
Improves health	58%	67%
Helps employees manage stress	67%	74%

Only 15% of managers disagreed with the statement that telework programs help people get their work done.

Further evidence of how important telework is to government employees was revealed in a Department of Education survey conducted nine months after the agency recalled their teleworkers in 2018—ostensibly to enhance collaboration and improve customer service.[10] The vast majority of those polled felt the move decreased productivity, hurt morale, increased absenteeism, and potentially increased turnover.

- 87% of respondents said the telework rollback had hurt morale, only 2% felt it had a positive effect
- 75% did not feel being back in the office had improved collaboration
- 86% said they knew someone who had left or was considering leaving the agency because of the telework rollback
- Agency supervisors widely agreed they saw none of the intended benefit from the reversal.

Private Sector Examples of Telework Impacts

Pre-COVID-19 private sector adopters of telework have also demonstrated substantial triple-bottom-line benefits.

BT (British Telecom)[11,12]
$150M/year reduction in annual real estate costs
Compared to non-teleworkers, teleworkers showed:
- 20% greater productivity
- 4% turnover vs. 17% for the industry
- 5% higher customer service ratings
- 63% reduction in absenteeism

Cisco[13]
30% reduction in real estate in spite of 15% increase in workforce
Closed 241 buildings
Saved $196M annual OPEX savings
Produced $288M in income through the sale of owned real estate
Achieved a $806M increase in productivity through mobile devices and applications
Compared to non-teleworkers, teleworkers showed:
- 17% higher engagement
- 17% higher workplace satisfaction
- 15% higher work-life balance

Mazda[14]
33% greater occupancy in same space
51% reduction in paper

ADP[15]

Saving $6k per part-time remote worker per year
Cost to support each is $500/year

University of Phoenix (Apollo Group)[16]
$3M in annual real estate savings
34% increase in productivity
Compared to non-teleworkers, teleworkers showed:

- 12% higher employee engagement
- 88% decrease in unapproved absences
- 56% reduction in turnover

National Equity Fund[17]
Reduced real estate by 25% saving $2.5M over their 10-year lease

U.K. Government[18]
Shed government of over 120 properties in central London. Reduced government owned buildings from 180 properties in central London to 63.

Plantronics (UK)[19]
Reduced real estate needs by more than half
Reduced absenteeism and voluntary turnover by 75%

Vodophone (UK)
Saved over £40M over 5 years
Grew staff from 3.5k to 5k with no additional space needs

It's important to note the impacts in all of these examples are the result of an integrated workplace change strategy, not simply the adoption of remote work.

The Potential Bottom Line on Telework in Government

My company has been cataloging academic research, case studies, and other data on the impact of workplace strategies on people, planet, and organizational outcomes for more than a decade. Our digital library of over 6,000 documents includes more than a thousand that pertain specifically to telework. That database informs our proprietary Telework Savings Calculator™ which includes over 125 variables and performs over 600 calculations to quantify the employer, employee, and environmental impact of telework.

In 2016, the U.S. General Accountability office was charged by members of Congress with investigating methods and tools for quantifying the impact of telework in government. As part of that investigation, they evaluated our calculator and referred to it in their final report as "comprehensive and based on solid research."[20]

Based on conservative assumptions, the calculator estimates the government-wide impact of half-time telework could total over $11B per year—nearly $13k per teleworker per year. Over $1.7B of that would come from reductions in real estate costs.

Potential Financial Impact of Federal Telework*

Impact on:	Assumption	$ Impact
Productivity	+15% on telework days	$6,369M
Real Estate	-25%	$1,753M
Absenteeism	-31%	$1,189M
Continuity of Operations	5 days/year	$1,957M
Voluntary Turnover	-10%	$352M
		Total $11,620M

* Assumes 906k eligible teleworkers (per the 2018 Telework Report to Congress)
* Assumes 25% reduction in space with half-time telework

Other Benefits

Telework also contributes to the federal government's progress toward wide range of priorities and directives including:

- Reducing its real estate footprint (2010, Presidential Memorandum—Disposing of Unneeded Federal Real Estate)
- Enhancing resilience (Telework Enhancement Act of 2010)
- Creating a lean, accountable, efficient government (2017, OMB Memorandum M-17-22)
- Accommodating disabled workers (2009, Executive Order—Federal Leadership in Environmental, Energy, and Economic Performance, Rehabilitation Act of 1973 (Rehabilitation Act), *as amended*, 29 U.S.C. Â§ 791 *et seq.*)
- Reducing waste; modernizing government (2010, 25-Point Implementation Plan to Reform Federal Information Technology Management; 2009, Executive Order—Federal Leadership in Environmental, Energy, and Economic Performance)
- Promoting efficient spending (2011, Executive Order 13589—Promoting Efficient Spending)

Additionally, telework programs can help solve a number of broader national problems such as:

- Expanding the talent pool
- Improving diversity and inclusion
- Slowing the brain drain due to retirements
- Providing employment opportunities for military spouses, residents of rural areas, the disabled, caregivers, and other unemployed and under-employed populations
- Taking pressure off our transportation infrastructure
- Reducing traffic congestion and accidents
- Saving employees money and time and improving their health
- Addressing the eldercare crisis
- Revitalizing communities where significant industry has been lost
- Reducing the outbound migration of talent in rural areas
- Reducing the high cost of living in urban areas
- Reduce business travel as employees get comfortable communicating virtually

Given the far-reaching benefits of telework, governments should be promoting it both through its own adoption and through broader legislation.

The Tipping Point for Telework

Based on the results of that survey, others like it, and other factors, we feel certain COVID-19 will be a tipping point for adoption of remote work for the following reasons.

- **Increased demand for work-from-home from employees**
  Employers have long ignored the fact that employees are desperate for flexibility in where and when they work. Gallup studies indicate a third of employees would to take a pay cut in exchange for the option. Yet while 70% of employers said they offered work-from-home in 2019,[21] only 7% offered it to all or most of their people.[22] For the most part, telework has been offered as a privilege to more senior, higher salary employees.[23]

  While the experience of working at home during the crisis has been far from ideal as whole families sheltered in place, it has given people a taste of what could be. The genie is out of the bottle and it's not likely to go back in. Only 3% of U.S. respondents to our Global Work-from-Home Experience Survey (5% in government) said they would not want to work from home at all after the crisis. Seventy-six percent said they wanted to do so at least once a week, (85% in government). The preferred frequency was 2.5 days a week.[24]

- **Reduced fear about work-from-home among managers and executives**
  Historically, one of the biggest holdbacks of remote work has been trust—managers simply did not trust their people to work untethered. This has been particularly true in government. Managers are used to managing by counting heads and hours, rather than by results. But research shows managers who have worked from home themselves are more likely to endorse it. As they and their people get used to using virtual tools, their worries about not being able to collaborate are proven wrong. They see for themselves how much more productive, happier, and engaged *they* are without the stress of commuting, with improved work-life balance, fewer workplace interruptions, etc.

- **Increased pressure for work-from-home as disaster preparedness (continuity of operations) strategy**
  COVID-19 publicly exposed just how unprepared organizations were for an event like the pandemic. The bottom-line impact to the economy will total in the billions of dollars. Were it not for telework, a federal shutdown would be costing taxpayers over a billion dollars a day.

  It's not a question of if another natural or man-made event will force people to work from home, it's a matter of when. Organizations that were not ready this time will be compelled to be better prepared in the future.

- **Increased awareness of cost-saving opportunities in work-from-home**
  The COVID-19 experience is already reshaping how employers think about the "where" and "how" of work. In the economic downturn that will inevitably follow the crisis, the potential for work-from-home to reduce real estate costs, increase productivity, and enhance scalability will increase adoption.

- **Increased attention to the potential impact of work-from-home on sustainability**
  During COVID-19 cities saw a dramatic increase in air quality. Having seen the potential for work-from-home as a sustainability strategy, it will be hard to ignore in the future.

The Telework Savings Calculator™ estimates the annual environmental impact from just a reduction in commuter travel from half-time telework among U.S. employees who both want to work remotely and have a compatible job, would be the greenhouse gas equivalent of taking the 100,000 cars off the road. Further environmental benefits would come from reduced travel and a smaller real estate footprint.

The Counter Arguments

While thousands of organizations have successfully deployed telework programs, critics are quick to point to the high-profile reversals at Yahoo, Best Buy, and IBM. What isn't said is that all three were in deep financial trouble at the time of the rollback. There's a common tendency of wanting the 'circle the wagons' when things get tough. But other factors were likely at play as well. Eager to reverse their misfortune, they saw the recall as an easy way to shed salaries by getting people to quit.

In the case of IBM, where the recall actually only involved only 6% of employees, the company's motives were highly suspect. The targeted teleworkers, many of whom had been working remotely for years, were told they needed to move to one of twelve cities and report to an office. The thinking, presumably, was that younger, lower cost employees would likely make the move and the older, higher salaried workers would quit.

These reversals also demonstrate the need for organizations to be intentional about their telework programs. Rather than just letting remote work happen, as most have, organizations need to make it happen. That means, among other things:

- Formalizing remote work policies and practices
- Teaching managers how to manage by results
- Providing the training people need to be successful
- Ensuring cultural and technological readiness

Other common arguments against telework include worries that collaboration, innovation, on-boarding, and esprit de corps will suffer. Research shows otherwise with respect to the first two. The last two have proven to be more difficult, though not unsurmountable as many companies have been successful with a fully remote strategy.

For the most part, telework is not an all or nothing proposition. Both employers and employees want a mix of in-office and remote time.

Overcoming Barriers and Avoiding Unintended Consequences

There are numerous barriers to telework in government and the private sector. Government should address the following to encourage both widespread adoption and equal access to telework.

To advance federal telework, government should:

- Incentivize agencies to reduce real estate costs; let them share in real estate related savings

- Require agencies to demonstrate telework efforts as a prerequisite to lease renewals or new space allocations
- Require agencies to track and report financial, human capital, and sustainability outcomes of telework
- Make all federal employees eligible for telework and put the onus on managers to prove them ineligible
- Require agencies to provide justification for recalling teleworkers
- Make telework goals part of agency performance goals
- Train managers to manage by results
- Make it easier for agencies to fire underperformers
- Ensure government employees have access to leading-edge remote technology
- Require training for teleworkers and telework managers

To advance telework in government and the broader population, government should:

- Prioritize ubiquitous broadband to ensure access to equal access to education and employment
- Prioritize telework in federal, state, and local transportation demand management strategies
- Encourage policies that reward less driving
- Reduce the complexity of state and local laws, tax rules, workers compensation regulations, and sales tax nexus rules as they relate to where people work
- Encourage employers to establish workplaces, work practices, and work policies that are good for people
- Support the disclosure of human capital metrics in financial reporting
- Take a stand in protecting remote employees from invasions of privacy from activity tracking
- Provide funding and/or incentives for upskilling and reskilling the workforce for remote-compatible jobs
- Provide protections against unequal treatment of teleworkers in terms of career advancement, job security, activity monitoring, compensation, etc.
- Be a leader in a holistic, cross-functional approach to telework

Conclusion

The way we've been working for the last several decades is unsustainable. We need to go beyond thinking about remote work as merely a tactical solution to the problem du jour.

In a world where brains, not brawn or machinery or land ownership are the creators of wealth, we need break loose of the 20th Century framework that keeps us tethered to the concept of work as a place rather than what we do.

"Out of adversity, comes opportunity," said Benjamin Franklin, and this is our opportunity to fundamentally reframe the where, when, and how of work in a way that's better for people, planet, and organizational performance.

About Kate Lister

Kate is president of Global Workplace Analytics (GWA), a research and consulting firm that helps employers understand and prepare for the future of work. Her expertise is focused on workplace, workforce, technology, and other trends that are changing the

who, what, when, where, and how of work.

Kate is one of the leading authorities on remote and flexible work. She has:

- Worked with public and private sector employers and community leaders to make the business case for telework and other flexible work strategies
- Co-authored an e-learning course called *The Case for Change* which has been used to transition over a hundred-thousand public and private sector employees to remote work.
- Written or contributed to two books on the topic, the most recent of which, "Telework in the 21st Century (Edward Elgin, 2019), profiles telework practices around the globe (Kate was selected to write the U.S. chapter)
- Contributed to the evolution of telework programs in Washington state, California, Maryland, Texas, and Calgary CA
- Published a wide range of white papers on the topic including two specific to telework in the federal government
- Participated, as an invited expert, in a federal government roundtable on the ROI of telework
- Delivered speeches and conducted workshops about remote work for dozens of organizations

Working with some of the world's most respected product and service providers, Kate collaborates to publish a wide range of original and secondary research on the future of work. She has written or co-authored five business books, numerous white papers, and scores of articles for major media outlets. Her firm's research has been cited by hundreds of publications including the *Harvard Business Review, New York Times, Wall Street Journal, Washington Post*, and many others.

Kate is a member of the strategic advisory board and leadership team of Workplace Evolutionaries (WE), a global group of leading workplace thinkers and doers who are "changing the world one workplace at a time."

Footnotes to Kate Lister's Testimony to the Senate Committee on Environment & Public Works, Submitted July 29, 2020

[1] Global Work from Home Experience Survey, Global Workplace Analytics & Iometrics, 2020
[2] PWC US Remote Work Survey, June 25, 2020
[3] Global Work from Home Experience Survey, Global Workplace Analytics & Iometrics, 2020
[4] Global Work from Home Experience Survey, Global Workplace Analytics & Iometrics, 2020
[5] Global Work from Home Experience Survey, Global Workplace Analytics & Iometrics, 2020
[6] Global Work from Home Experience Survey, Global Workplace Analytics & Iometrics, 2020
[7] State of the American Workplace, Gallup, Inc., 2017
[8] Telework Report to Congress, OPM, 2018 and 2019
[9] Federal Employee Viewpoint Survey and Federal Work-Life Survey, OPM, 2018 and 2019
[10] After telework cuts Education Dept. staff see little benefit from more office time, Federal News Network, November 28, 2019
[11] Employers for Carers website, BT—Senior Manager's View

[12] Case Study summary provided by Andrew Lake, Managing Director of Smarter Working (UK), author of Smart Flexibility (Gower, 2013) and author of British Standards Institute Code of Practice for Smart Working (PAS 3000); Smart Working Handbook, 2nd Edition, Flexibility.co.uk, 2015
[13] Cisco Connected Workplace, Cisco, 2017
[14] IFMA Conference, Iometrics presentation, 2018
[15] Email to Kate Lister from Amy Freshman, Senior HR Director, ADP
[16] Balanced Business Case: Using Human Capital Metrics to Drive Workplace Change, Iometrics case study, 2013
[17] Why remote working succeeds at some companies and not others, Chicago Tribune, August 6, 2017
[18] Government Estate Strategy, Cabinet Office, July 2018
[19] It's Work, But Not As We Know It, Andy Lake and Tim Dwelly, 2014
[20] GAO-16-551, Better Guidance Could Help Agencies Calculate Benefits and Costs, GAO-16-551
[21] Leave and Flexible Working, SHRM Employee Benefits, 2019
[22] Bureau of Labor Statistics, Quality of Life Benefits (Table 39), March 2019
[23] Telework in the 21st Century, Jon Messenger, Edward Elgar 2019
[24] Global Work from Home Experience Survey, Global Workplace Analytics & Iometrics, 2020

Senate Committee on Environment and Public Works
Hearing entitled, *"Lessons Learned from Remote Working during COVID-19: Can the Government Save Money Through Maximizing Efficient Use of Leased Space?"*
July 29, 2020
Questions for the Record for Ms. Lister, President, Global Workplace Analytics

Chairman Barrasso:

1. Ms. Lister, Rural states like Wyoming could benefit from an increase in remote working opportunities. However, not all jobs can be performed remotely. Could you explain the different options of remote working including full time remote working and flexible remote working?

In general, there are three categories of remote work:[1]

-Full-time remote: Employees who rarely or never come into the office. They may or may not live near their employer. Only about 9% of remote workers do so all the time.
- Hybrid remote: Employees who work remotely on a regular basis, but not all the time. They may or may not have an assigned space at the office. The average U.S. employee preference is 2.5 days a week.
- Ad hoc remote: Employees who work from home on occasions when the need arises. For example, they might have car trouble, need to meet a repair person, care for a family member, etc.

In addition, some employees may, because of the nature of their job, travel routinely.

Employees who work partial days at home are not generally considered remote.

2. As illustrated by Global Workplace Analytics' Telework Savings Calculator, the financial benefit from shifting a company to remote work can be significant. In your years of research, what would you say contributes to the largest reduction in overhead costs for companies, after they have incorporated remote working into their workplace?

The largest reduction in overhead comes from reduced real estate needs. As organizations adopt remote work, they are often able to convert some of their assigned seating to unassigned and therefor reduce their overall space needs. Over the past decade, may large organizations have made the shift to an entirely unassigned space model. Even those employees who work in the office full time do not have an assigned space. GSA successful did this at 1800F and was able to accommodate over 4,000 employees in a space that was originally intended for only 2,500.

3. Can you provide some additional examples of real estate savings that companies, government agencies, and other organizations have captured by shifting to "work from home?"

[1] Numbers are sourced from Global Work-from-Home Experience Survey, Global Workplace Analytics /Iometrics, May, 2020

Although the 2018 and 2019 reports to Congress indicated that many agencies were not able to comply with the new requirements, largely because they did not know how to measure results, the agencies that did report showed real financial savings. Among them:[i]

- Social Security Administration reported $900M in annual real estate savings
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- 86% said they knew someone who had left or was considering leaving the agency because of the telework rollback

- Agency supervisors widely agreed they saw none of the intended benefit from the reversal.

Private Sector Examples of Telework Impacts
Pre-COVID-19 private sector adopters of telework have also demonstrated substantial triple-bottom-line benefits.

BT (British Telecom)[iv,v]
$150M/year reduction in annual real estate costs
Compared to non-teleworkers, teleworkers showed:
- 20% greater productivity
- 4% turnover vs. 17% for the industry
- 5% higher customer service ratings
- 63% reduction in absenteeism

Cisco[vi]
30% reduction in real estate in spite of 15% increase in workforce
Closed 241 buildings
Saved $196M annual OPEX savings
Produced $288M in income through the sale of owned real estate
Achieved a $806M increase in productivity through mobile devices and applications
Compared to non-teleworkers, teleworkers showed:
- 17% higher engagement
- 17% higher workplace satisfaction
- 15% higher work-life balance

Mazda[vii]
33% greater occupancy in same space
51% reduction in paper

ADP[viii]
Saving $6k per part-time remote worker per year
Cost to support each is $500/year

University of Phoenix (Apollo Group)[ix]
$3M in annual real estate savings
34% increase in productivity
Compared to non-teleworkers, teleworkers showed:
- 12% higher employee engagement
- 88% decrease in unapproved absences
- 56% reduction in turnover

National Equity Fund[x]
Reduced real estate by 25% saving $2.5M over their 10-year lease

U.K. Government[xi]
Shed government of over 120 properties in central London. Reduced government owned buildings from 180 properties in central London to 63.

Plantronics (UK)[xii]
Reduced real estate needs by more than half
Reduced absenteeism and voluntary turnover by 75%

Vodophone (UK)
Saved over £40M over 5 years
Grew staff from 3.5k to 5k with no additional space needs

4. Ms. Lister, if you were advising the federal government on a transition to a more remote work friendly environment, what advice would you give them?

- Make telework goals—participation, not just eligibility—part of agency and manager performance goals
- Make all federal employees eligible for telework and put the onus on managers to prove them ineligible
- Train managers to manage by results
- Incentivize agencies to reduce real estate costs; let them share in real estate related savings
- Require agencies to demonstrate telework efforts as a prerequisite to lease renewals or new space allocations
- Require agencies to track and report financial, human capital, and sustainability outcomes of telework
- Require agencies to provide justification for recalling teleworkers
- Make it easier for agencies to fire underperformers
- Ensure government employees have access to leading-edge remote technology
- Establish context-based security measures; security as long been a convenient excuse for resisting telework.
- Require training for teleworkers and telework managers
- Shift to unassigned desks for all or most employees
- Aggressively transition data and systems to the cloud

Senator Boozman:

5. One issue that my staff and I have been paying attention to since the COVID-19 pandemic began is the passport backlog.

    a. In fact, last month, I joined a letter sent to Secretary Pompeo expressing our concern about the backlog and asking the Department of State to gradually resume operations.

    b. While many federal agencies and their employees have telework capabilities, some do not because of security and privacy protections.

c. In your opinion, is there a way to implement telework policies that could have helped prevent situations like the passport backlog?

Security is often just a smokescreen for underlying manager resistance. The Patent and Trademark office was able to substantially reduce their backlog through telework. Data can be made secure. The proper systems and protocols simply have to be in place.

6. While companies like American Express and Dell shifted to flexible work options years ago, many companies have been slow to incorporate telework strategies into their workplace.

    a. In your years of research, what would you say is the biggest impediment to companies incorporating remote working? And;

Manager mistrust is the largest barrier to remote work. Presenteeism has become the barometer for hard work. Government needs to shift to managing by outcomes. This is the only true measure of productivity in the information age. Managers need training in how to establish employee goals and measure results.

    b. Generally, how long does it take for a company to successfully incorporate remote working?

The majority of global organizations were forced to do overnight what many employers spent months and even years preparing to do and, for the most part, the forced work-from-home experiment has proven successful. In a survey of 2,800 global employees conducted in late March and early-April—still very early in the crisis—eighty six percent of respondents indicated they were *very* productive working from home.[2]

The experience of working from home during the pandemic will pave the way for an easier transition to a permanent schedule of remote work. Most employees are already doing it. The trick now will be to take advantage of the momentum and avoid returning to old ways of working.

7. How would the federal government handle exempt and non-exempt employees with overtime?

This is outside of my area of expertise, but the customer service industry and others have successfully overcome this issue.

8. Have you noticed any sort of workmen's comp or disability type health problems that are occurring?

[2] Global Work-from-Home Experience Survey Report, Global Workplace Analytics/Iometrics, May 2020

In the 16 years I've been working in this space, I have seen less than a handful of WC/disability abuses. There is no reason to expect any more from remote workers than from on-site workers provided they have ergonomically correct set-ups.

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[i] Telework Report to Congress, OPM, 2018 and 2019
[ii] Federal Employee Viewpoint Survey and Federal Work-Life Survey, OPM, 2018 and 2019
[iii] After telework cuts Education Dept. staff see little benefit from more office time, Federal News Network, November 28, 2019
[iv] Employers for Carers website, BT—Senior Manager's View
[v] Case Study summary provided by Andrew Lake, Managing Director of Smarter Working (UK), author of Smart Flexibility (Gower, 2013) and author of British Standards Institute Code of Practice for Smart Working (PAS 3000); Smart Working Handbook, 2nd Edition, Flexibility.co.uk, 2015
[vi] Cisco Connected Workplace, Cisco, 2017
[vii] IFMA Conference, Iometrics presentation, 2018
[viii] Email to Kate Lister from Amy Freshman, Senior HR Director, ADP
[ix] Balanced Business Case: Using Human Capital Metrics to Drive Workplace Change, Iometrics case study, 2013
[x] Why remote working succeeds at some companies and not others, Chicago Tribune, August 6, 2017
[xi] Government Estate Strategy, Cabinet Office, July 2018
[xii] It's Work, But Not As We Know It, Andy Lake and Tim Dwelly, 2014

Senator BARRASSO. Well, thank you so very much.

Senator Carper, do you want to check in on these quote sources?

Senator CARPER. Oh, no, it was Franklin who said, who was asked coming out of, I think, Independence Hall, and he was asked, What have you created, in terms of this new country? And he said, "A republic, if we could keep it," but he never said, "In adversity, lies opportunity." He said, "Einstein said that," and he is right.

[Laughter.]

Senator BARRASSO. We will give you a chance to rebut after the other testimony.

But we would like to turn, Ms. Lister, to Michael Benjamin, who is the Chief, Air Quality Planning Division of the California Air Resources Board, joining us from Sacramento, California.

Thanks so much for being with us today, Mr. Benjamin.

STATEMENT OF MICHAEL T. BENJAMIN, CHIEF, AIR QUALITY PLANNING AND SCIENCE DIVISION, CALIFORNIA AIR RESOURCES BOARD

Mr. BENJAMIN. Thank you.

I am Michael Thomas Benjamin, Chief of the Air Quality Planning and Science Division at the California Air Resources Board.

Chairman Barrasso, Ranking Member Carper, members of the Committee, thank you for inviting me to testify today on lessons learned from COVID-19 regarding the potential for remote working to improve air quality and climate change.

The COVID-19 pandemic has had a devastating effect on California's people and economy. To date, more than 450,000 Californians have contracted the virus, and 8,500 people have died.

At the same time, the State is confronting a $54 billion budget deficit and has seen more than 6.5 million unemployment claims since mid-March.

To address the public health emergency, on March 19th, Governor Newsom issued an executive order directing all Californians to stay at home except under limited circumstances.

Recognizing the potential long term benefits of telework, Governor Newsom has launched an economic recovery task force that has prioritized, alongside addressing climate, air quality, and equity, exploring a statewide telework strategy. He has directed 75 percent of the 235,000 State employees work from home at least part time for the foreseeable future.

The demand for travel has significantly changed in response to the Governor's executive order, as well as other factors. Between mid-March and late April 2020, statewide vehicle miles traveled dropped by approximately 75 percent relative to January. This reduced travel has had observable impacts on overall emissions from vehicles as well as air quality.

In the first 6 weeks of the stay at home order, reductions in passenger vehicle usage resulted in a 15 to 30 percent reduction in smog forming pollutants and a 50 percent reduction in fine particulate and greenhouse gas emissions statewide. California's network of more than 250 air quality monitors detected a reduction in statewide ambient concentrations of nitrogen dioxide, carbon monoxide, and fine particulate of approximately 35 percent.

At the same time, average concentrations of ground level ozone decreased by a statewide average of about 12 percent compared to the same time period in 2015 to 2019.

This is good news for air quality and public health, especially given recent research from Harvard demonstrating a link between fine particulate exposure, which disproportionately impacts communities of color, and increased COVID-19 deaths.

More recently, as stay at home orders have been relaxed in California, vehicle miles traveled have begun to rebound. As of late June, Californians were driving about 35 percent fewer miles than in January.

With this continued reduction in travel, emissions of smog forming pollutants from passenger vehicles are still down 5 to 15 percent relative to January, while emissions of fine particulate and greenhouse gases are 25 percent lower. These ongoing reductions in tailpipe emissions are reflected in lower measured concentrations of air pollutants across much of California.

While reduced travel and increased teleworking have had some benefits for air quality and climate, they have also resulted in negative impacts on transit and shared modes of transportation that will likely make it difficult to maintain emission reductions as the country recovers from the pandemic and more people return to work. Local transit agencies reported that ridership dropped as low as 10 percent of normal after stay at home orders, and is slow to recover as travel increases.

Other shared mobility services, such as pooled rides and car sharing, have been reduced or discontinued, further limiting affordable options for essential trips. The immediate observed decreases in public transit use and shared or pooled services have led to an increase in personal vehicle use, when travel does occur, and could lead to a preference for personal vehicle use longer term, reversing observed gains in air quality and congestion.

This is of particular concern because according to a recent University of Chicago study, only about 37 percent of U.S. jobs can be performed at home. Furthermore, for many essential workers, public transit is often the only transportation option.

Surveys have shown that currently, more that 90 percent of riders are using transit to commute to work, with more than 20 percent employed in health care services and almost 20 percent in food preparation.

Looking beyond COVID-19, it is hard to predict what travel will look like or how many employees will continue to telework.

Although California's experience with COVID-19 highlights the potential environmental benefits of expanded teleworking, I would note that many jobs, particularly low wage jobs, are not conducive to telework, and many of those workers do not have access to a car. Our economy depends on these people getting to work.

In order to take advantage of the air quality and economic benefits of telework, we need to continue investing in a range of affordable and clean transportation options, including walking, biking, and transit, that will enable all workers to get where they need to go while continuing to decrease air pollution and greenhouse gas emissions.

As we recover from COVID-19, we also know that people will begin to drive more. When they do, let's ensure those vehicles are zero emissions so that we can continue to enjoy the benefits of cleaner air.

That concludes my testimony. I would be happy to answer any questions.

[The prepared statement of Mr. Benjamin follows:]

Testimony of Michael Thomas Benjamin
Chief of the Air Quality Planning and Science Division
California Air Resources Board
Before the Senate Committee on Environment and Public Works
Hearing on COVID-19 and Remote Working, July 29, 2020

I am Michael Thomas Benjamin, Chief of the Air Quality Planning and Science Division at the California Air Resources Board. Chairman Barrasso, Ranking Member Carper, members of the Committee, thank you for inviting me to testify today on lessons learned from COVID-19 regarding the potential for remote working to improve air quality and climate change.

The COVID-19 pandemic has had a devastating effect on California's people and economy. To date, more than 450,000 Californians have contracted the virus and 8500 people have died. At the same time, the state is confronting a $54 billion budget deficit and has seen more than 6.5 million unemployment claims since mid-March. To address the public health emergency, on March 19, Governor Newsom issued an Executive Order directing all Californians to stay at home except under limited circumstances.

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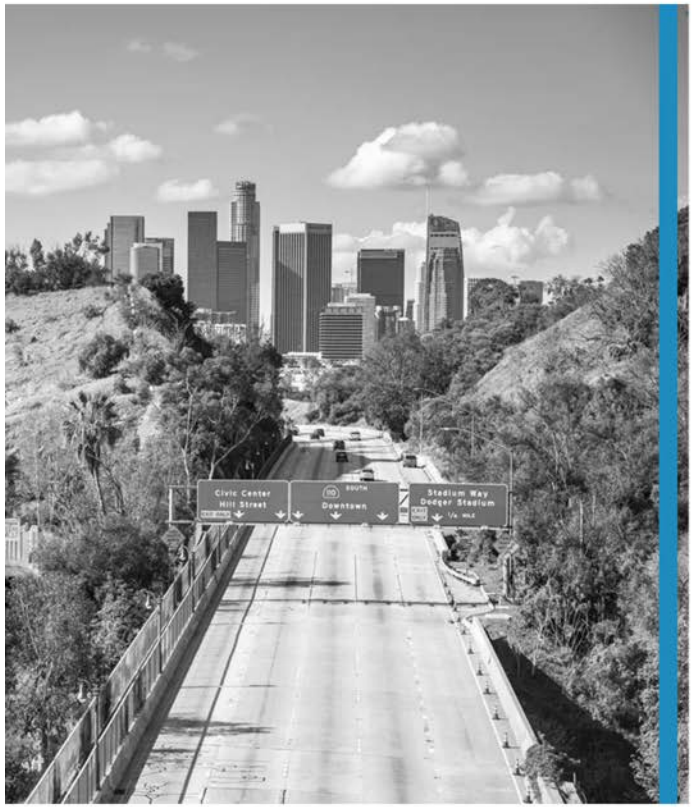
Looking beyond COVID-19, it is hard to predict what travel will look like or how many employees will continue to telework. Although California's experience with COVID-19 highlights the potential environmental benefits of expanded teleworking, I would note that many jobs, particularly low-wage jobs, are not conducive to telework and many of those workers do not have access to a car. Our economy depends on these people getting to work. In order to take advantage of the air quality and economic benefits of telework, we need to continue investing in a range of affordable and clean transportation options, including walking, biking, and transit that will enable all workers to get where they need to go while continuing to decrease air pollution and greenhouse gas emissions. As we recover from COVID-19, we also know that people will begin to drive more and when they do, let's ensure those vehicles are zero emissions so that we can continue to enjoy the benefits of cleaner air.

That concludes my testimony. I would be happy to answer any questions.



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AIR RESOURCES BOARD

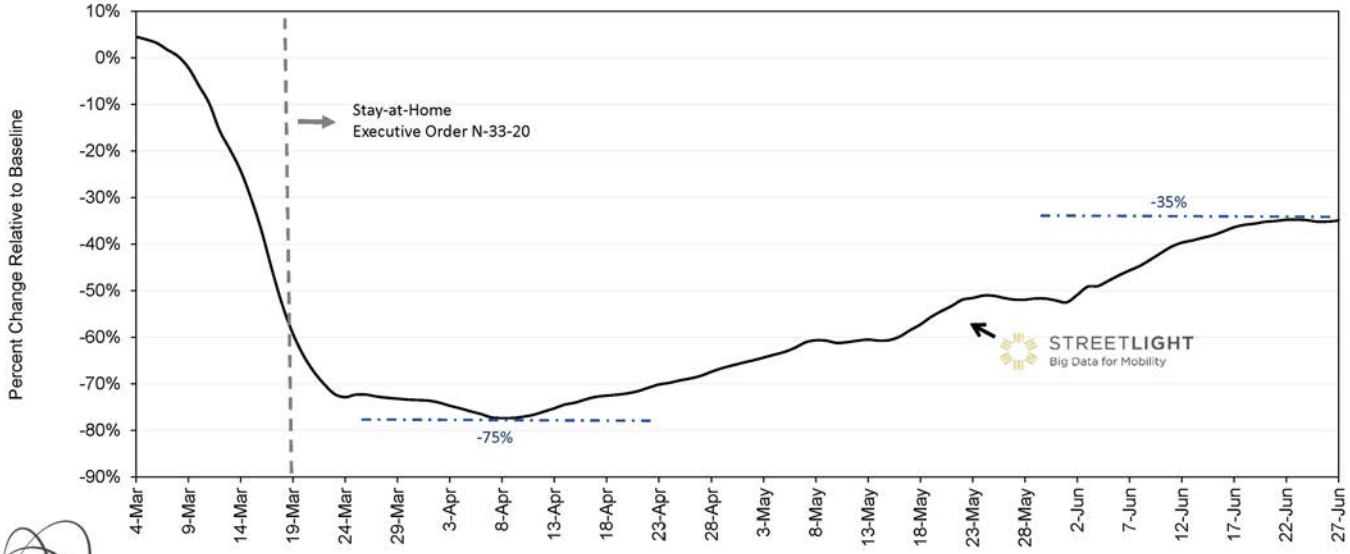
COVID-19 Impacts on Passenger Vehicle Travel, Emissions, and Air Quality in California

Dr. Michael Benjamin
Air Quality Planning and Science Division
California Air Resources Board

US Senate EPW Committee Meeting July 27, 2020

Trend in Statewide Vehicle Miles Traveled

Change Relative to January 2020 Baseline, 7-Day Moving Average



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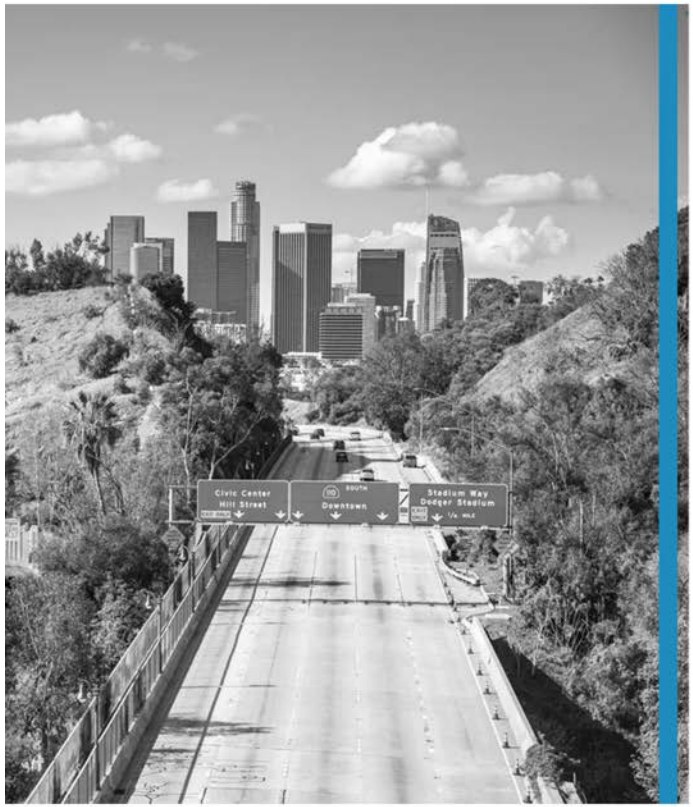
Data Source: Streetlight



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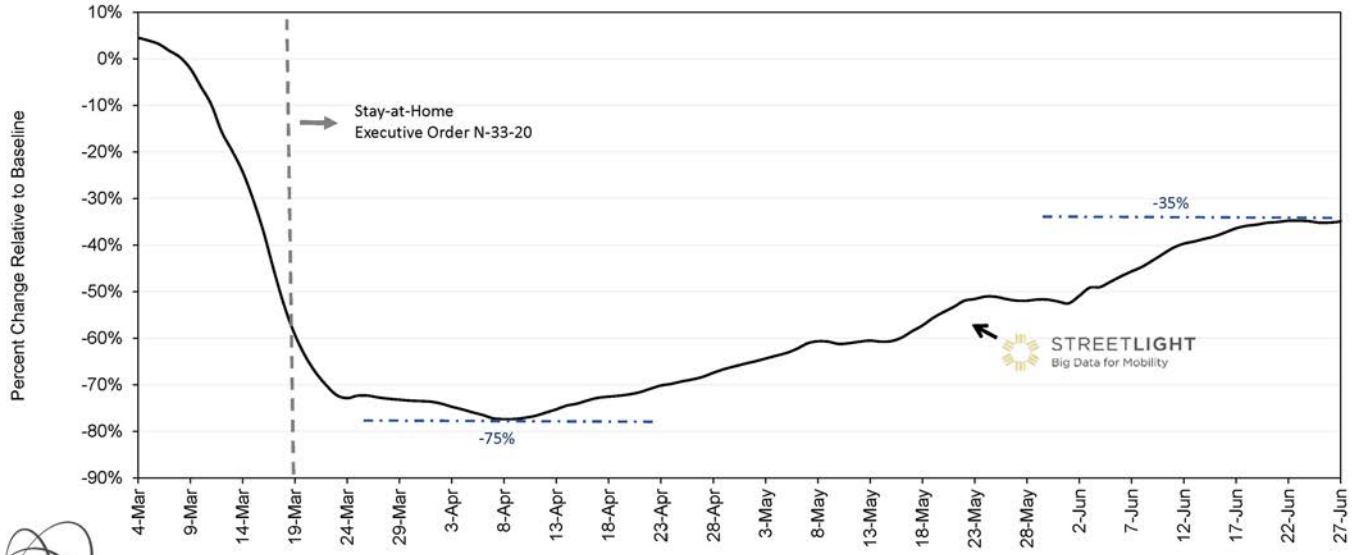

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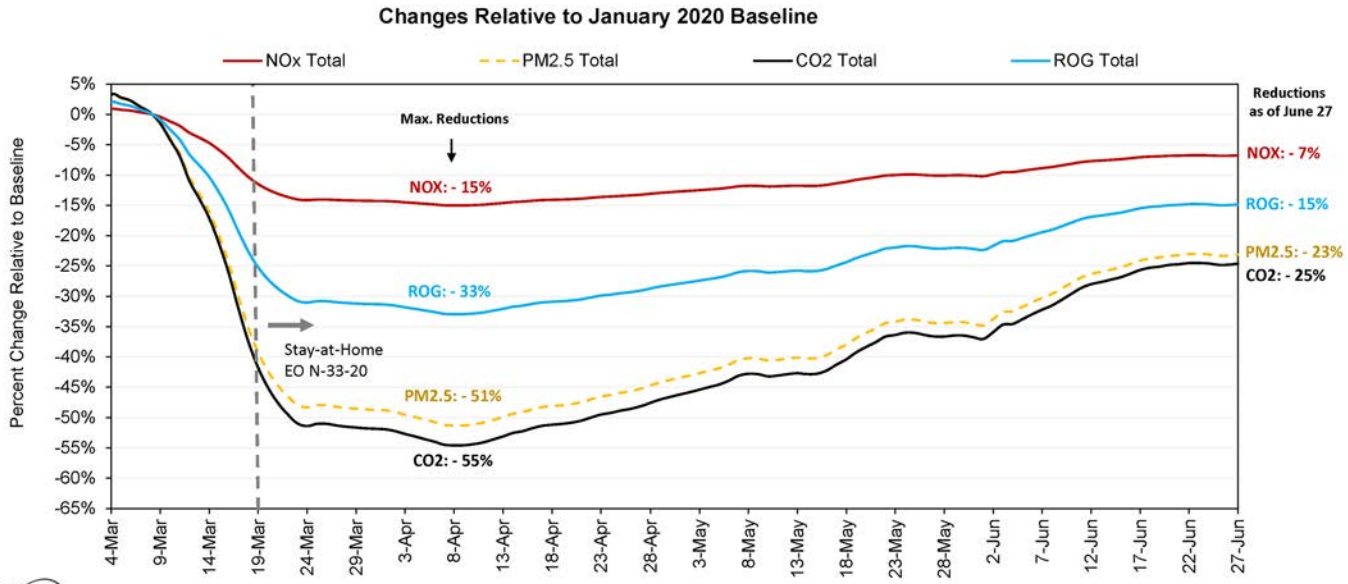
Data Source: Streetlight

Trends in Statewide Light Duty Vehicle Emissions



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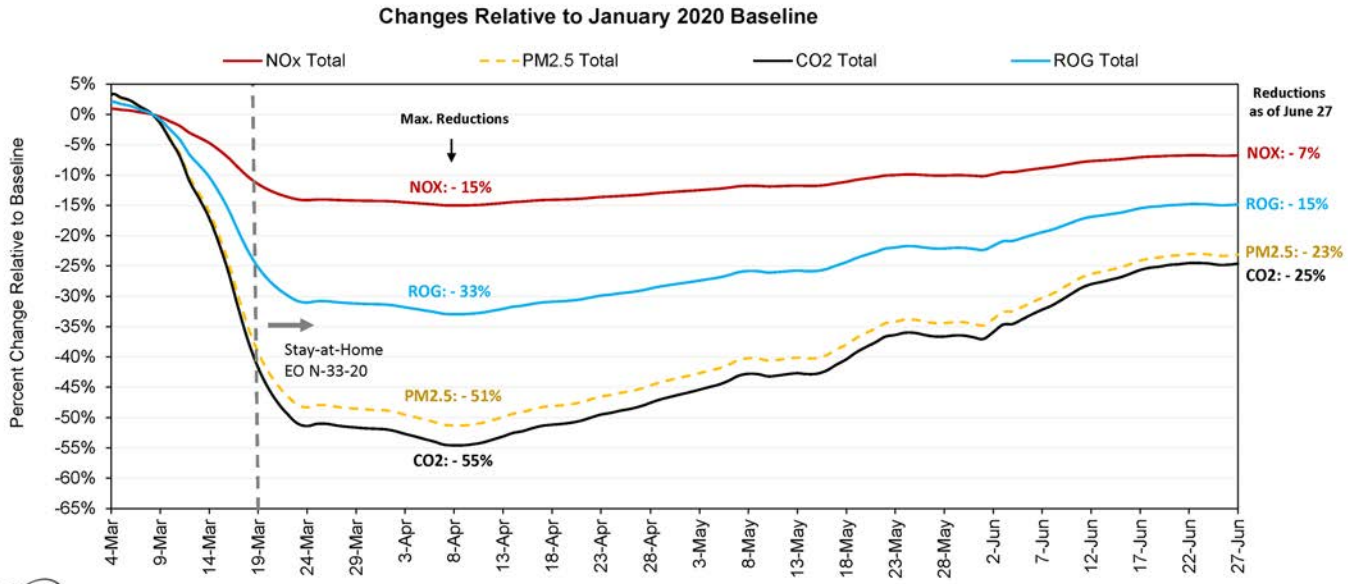
Data Source: CARB's EMFAC2017 on-road mobile source emissions inventory model and Streetlight

Assumptions: Streetlight represent trends of light-duty activity

Trends in Statewide Light Duty Vehicle Emissions



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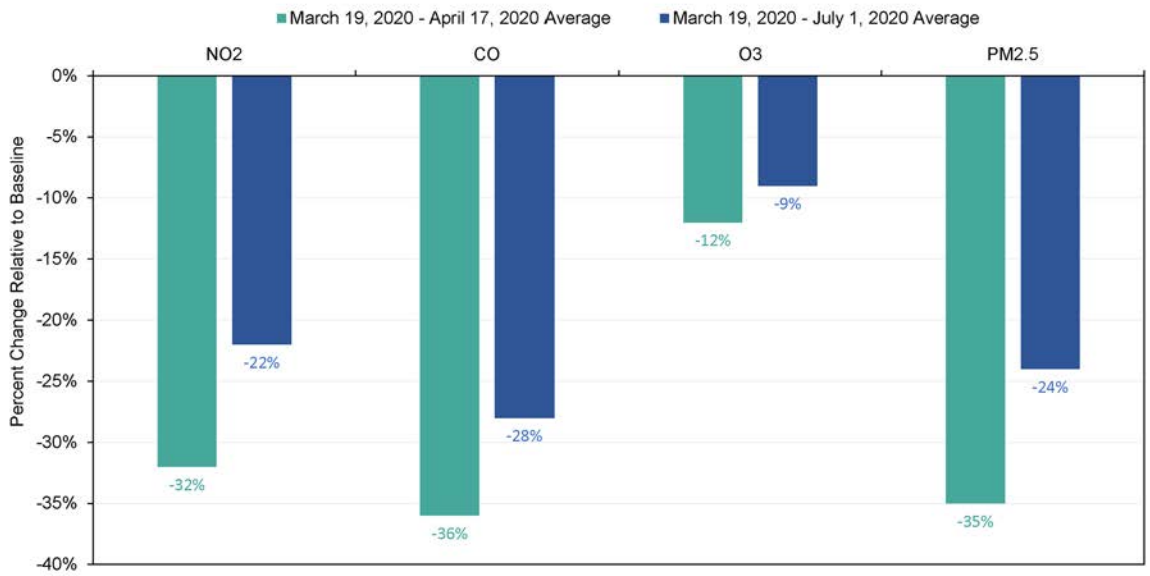
Data Source: CARB's EMFAC2017 on-road mobile source emissions inventory model and Streetlight

Assumptions: Streetlight represent trends of light-duty activity

3

Statewide Observed Air Quality Impacts

Reduction in Ambient Concentrations Relative to 2015-2019 Baseline



Data Source: CARB and local air district ambient air monitoring network

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Data Sources

- Caltrans PeMS
- Streetlight
- CARB's EMFAC2017 Model
- CARB and district air monitoring

Passenger Vehicle VMT Trends

- Reduced up to 75% in total VMT in early April
- As of late June, total VMT is about 35% below baseline activity

Emissions Changes

- Generally, CO_2 reductions track observed overall VMT reductions
- Up to 55% CO_2 reduction and up to 15% NOx reduction at statewide level from light-duty vehicles under stay at home orders

Air Quality Changes

- The time period with maximum average observed pollution reductions coincide with observed maximum overall VMT reductions.

CALIFORNIA AIR RESOURCES BOARD

Summary

Senator BARRASSO. Well, thank you very much to the three of you for your thoughtful testimony. We are going to start with a series of questions.

We are going to have rounds of 5 minutes each, and I will start.

To Ms. Lister and Mr. Pringle, I will go to Ms. Lister first, the question is for both of you. I will ask Ms. Lister to answer first.

If the Federal Government more aggressively adopted telework, could we significantly reduce the office space requirements for the Federal Government without harming productivity? Over a decade, how much money do you think taxpayers could save?

Ms. LISTER. Absolutely, you can reduce the footprint. Your footprint is already bigger than in the private sector with average office space. Many of your buildings are older, so there is a great opportunity to reduce that real estate.

The numbers that we came up with of that $1.7 billion a year are based on just a 25 percent reduction in real estate for people working remotely half of the time. That is only your eligible population. I would question whether or not there are many more that are eligible, even based on how many are working at home right now.

So, I think the potential is there, at $11 billion a year, times 10 years, $110 billion over the decade.

Senator BARRASSO. That is a lot of money.

Ms. LISTER. It is substantial. Lots of zeroes.

Senator BARRASSO. Thank you.

Mr. Pringle.

Mr. PRINGLE. Thank you, Mr. Chairman. From our experience at Dell Technologies, I think the first part, in regard to without impacting productivity, we have seen higher employee satisfaction with workplace flexibility without harming the productivity.

And to align with Ms. Lister, yes, we do absolutely think that as you have more Federal employees telework or work from home, you ultimately could have—what you are going to see is lower utilization rates on the buildings. You will be able to assess the buildings; do you need them, do you not need them. And you will have less office requirements in regards to that.

Also, one of our April employee surveys also had 96 percent of our team [indiscernible] flexible [indiscernible] Dell Technologies contributed positively to our performance [indiscernible] don't think that is going to impact your workforce productivity.

Your question in regard to over a decade, how much money could the taxpayer save, I think there are two parts. Based upon my experience, the Government obviously needs to assess the job function, utilization rates of each site.

To what Ms. Lister talked about, some people are going to want to work in the office a couple days; other people are going to want to work from home full time.

You have to look at those utilization rates, how the people are going to utilize it. And then as we look at this based upon my testimony,

[Indiscernible] we look forward over the next 5 years, I do think, without all the details of the data behind the GSA use of buildings, I think ultimately you could save 30 percent or 20 percent [indiscernible].

Senator BARRASSO. If I could just dig down a little bit deeper into this, because in terms of Dell and the overhead costs that you saved since you integrated remote work and innovative workplace planning, obviously some of that has been real estate and real estate related costs, but there is also just a general overhead savings as well.

Can you talk a little bit about how much of that, how much you have saved, how much of that has been just real estate and real estate related costs, and then the other part of it as well?

Mr. PRINGLE. As we dig into this, I think there is a couple different parts. Ultimately, you know, you saw in our testimony that from 2013 to 2016, we attributed to our Connected Workplace telework program, approximately $12 million a year in real estate savings, which is up to $48 million.

It was a little bit more challenging to track and manage that 2017 to 2020, just because of our acquisitions and divestitures. Obviously we have had, as we consolidated buildings and things for different savings, I think the biggest part is we looked forward into 2020 and into the next 5 years. That says we have looked at it based upon teleworking for our Connected Workplace savings. We think we can get close to [indiscernible] percent [indiscernible] savings.

Senator BARRASSO. Thank you.

Senator Carper.

Senator CARPER. Thanks, Mr. Chairman.

Let me just ask a question, and just a short answer from each of you. Why do you think it took so long for us as a Nation to move in this direction for telework? Why did it take so long? Why only now?

Ms. LISTER. I will jump in there. The biggest holdback since the 1970s when Jack Nilles invented the term "telework" has been that managers simply don't trust their employees to work untethered.

I think the biggest thing that we are going to learn coming out of this, we already have learned, is that now they realize that their people are productive, and they can tell that they are productive. But we still need a lot of training on managing by results, rather than butts in seats. I think that will make the biggest difference.

[Indiscernible] that have experienced it.

Senator CARPER. Good; thank you.

Others.

Mr. PRINGLE. Ranking Member Carper, what I would say probably the biggest challenge we have seen is, I think it is a dated mindset. I think it is the managers' perception.

That is why we launched this about 10 years ago. We thought by driving a teleworker connected workplace program that ultimately, we enabled the employees to have workplace flexibility and choice.

I think the biggest challenge has just been more [indiscernible]. What has been interesting with COVID-19 as it has driven everybody to—Dell Technologies, who had over 90 percent of our workforce working from home, it has basically dispelled that notion that we can't have individuals work from home and be productive.

Mr. BENJAMIN. In California, at the Air Resources Board, back in March, we actually conducted an employee survey of our staff.

We have 1,700 staff. Our survey results yielded results very similar to what Ms. Lister and Mr. Pringle mentioned in their surveys.

Really, one of the things that we have learned is, I think very much echoing what Ms. Lister just said, which is that I think some of the inertia previously about teleworking related in large part to trust. I think that the current experience that we are having is indicating that it actually is very feasible for an institution or an agency to work effectively and to manage people remotely.

So I think this has been a big learning experience for us as an agency, as well.

Senator CARPER. All right, thank you. A couple of you, several of you have mentioned people still needing to have access to transit in order to get to work. We have seen significant drop offs in Amtrak in ridership, and we have seen significant drop offs in people traveling by air.

Talk to us, each of you, if you would, about why it is important that we continue to provide support for transit for people to get to work.

Mr. Benjamin, do you want to go first?

Mr. BENJAMIN. Yes. So, when we look at the data for public transit usage, it is very similar to what you just said, Senator Carper, which is that relative to personal vehicle usage, it is down about 15 percent more.

Our concern is that, as I mentioned in my testimony, that many lower income workers rely on public transit to get to their jobs. They are essential workers, and there will always be a large segment of the economy that requires hands on work that is not amenable to telework.

We are going to need to figure out collectively how best to enable those individuals to get to the workplace in ways that are both affordable and accessible, but also have the lowest environmental impact.

Senator CARPER. All right.

Others, please. Anything that either of you would like to add to this, Ms. Lister, Mr. Pringle, on this subject?

Ms. LISTER. Yes. I think it is important to continue all of the modes of transportation that reduce our greenhouse gases and energy usage. But I think for a very long time, more than a decade, telework has been ignored in the transportation demand management community.

So I think some of the moneys that have gone to the public transit issues, we need to think about what is getting people off the road altogether. We absolutely have to support it.

But I think that there has to be a blend, and I think that this crisis has proven we need to be able to work remotely for continuity of operations, and it is absolutely critical.

This is not the last time this is going to happen, so I am not saying, I am not dissing public transportation, we need to do that, but we also need to recognize that telework is not just something that happens. It is something that has to be made to happen, and it is going to take some effort and some money to make that happen.

Senator CARPER. OK.

Mr. Pringle. Anything you want to mention on this?

Mr. PRINGLE. Yes, Ranking Member Carper. I think in regard to that, it is important to what Ms. Lister was talking about. As you do telework, either individuals are going to be, one of the key challenges will be how do you collaborate. So a lot of people working from home, some people 5 days a week, some people will be 2 or 3 days a week.

As you see that, I do think it is important that we continue to support the public transportation and such. To help enable that, obviously, as we go [indiscernible].

I think, as you look at this, there are opportunities as people to work through this, the telework, especially around technology and innovation, especially around 5G broadband that will help enable the [indiscernible].

Senator CARPER. All right, thanks to all of you, especially our friends out in California. I am surprised that some of you are not in your pajamas from California. That would have been acceptable.

Thank you very much.

Senator BARRASSO. Well, thank you, Senator Carper.

We have a number of members who are participating remotely as well, and Senator Capito is next up with the questions.

Senator CAPITO. Thank you, Senator Barrasso, and I want to thank the panelists.

Give me the thumbs up if everybody can hear me here.

OK, good.

I am glad to see Senator Cardin on, as well. We share a border, in that West Virginia and Maryland border one another.

Back when we were in the House together, he and I worked on an issue, because of the DC area and the availability of Federal telework, we worked on that with our friend Tom Davis from Virginia.

We tried to expand those opportunities, and just as the panelists said, it never really took off. There were suspicions around it, and I am glad to know that we are having this healthy discussion again, because I think it is absolutely what we know.

In West Virginia, we have the IRS, we have NOAA, we have FBI, NASA, Coast Guard, all kinds, that encompasses telework at the same time as relocating Federal employees out into more of the more rural parts of what would be the greater DC area.

One of the issues that I have talked about a lot, and that is an issue that, before we can get to this for everybody and have equal access, we have this connectivity problem.

Mr. Pringle, certainly during this pandemic, it is been very obvious not just to the telework space, but telehealth, and also the educational space.

I have worked to introduce some legislation like the E-Bridge Act under this Committee to help get us some flexibility for some of the Federal agencies to work with private entities to expand our capabilities.

So, where do you see this in terms of, is this going to enhance our digital divide if we go to more telework, and yet our rural communities are still not connected?

How critical is this, and what can we do to jumpstart this in conjunction with the private sector?

Mr. PRINGLE. Thank you, Senator. I think to your point, the home is traditionally been used for like, TV media content, and then especially with COVID-19, basically, each home has become an enterprise.

So I think there are two parts. First of all, how do we bridge that digital divide, as you talked about it. Then I think as you look forward, it is really going to be, how do you ensure bandwidth capacity in a secure way that enables the home or the router to kind of manage and prioritize the workloads via tunneling, which is how do you prioritize work versus school versus media or gaming, along with application of AI to drive more intelligent device features from always connected, [indiscernible] devices.

Most importantly, I think it is really the adoption of 5G, Wi-Fi, 6E, you know. As you look at 5G, they have fixed wireless access points that are coming that will allow people to bridge that digital divide. You put out a fixed wireless access that can help enable that.

I think it is really investing, supporting the 5G, the Wi-Fi, 6E, along with ensuring as we manage this from the home router, the security, the managing, and the prioritization of the workload to help enable that.

Senator CAPITO. Well, I look forward to working with all of you on that as we have continued to do, obviously, with Federal resources, in combination with private entities.

One of the benefits I see, at least having my State be part of the larger DC metropolitan area, it is the savings for a Federal employee. Say, for instance, the average cost of a home in my State would be $110,000 where in DC, it is $600,000.

I think from your experience, are employees able to enjoy significant cost savings when it comes to housing as a result of an increased emphasis on telework, because they can really locate to more low cost areas, maybe more rural areas.

Then as you look at what we see with the disease spread and pandemic, these areas are going to become much more desirable. They are always desirable to me, but even more desirable, because you can work there, and you can also avoid the congestion that we see has been contributing to a lot of the spread.

I don't know if you have, if you or Ms. Lister have an opinion on that.

Ms. LISTER. Yes, Senator.

Mr. PRINGLE. Go ahead, Ms. Lister.

Ms. LISTER. I think it is a very good question. We need to not create a nation of haves and have nots, to your first question. This is a real opportunity for rural communities to upgrade their employment opportunities, if we make the investment in the information highway, as we did the superhighways. That is our means of transportation to work now.

To your question about saving money, a typical employee saves between $2,500 and $4,000 a year, just in sort of the surface stuff, the getting to work, the dry cleaning, the $3, $4, $5 coffee, depending on where you are.

And then, as you say, if they have the opportunity to move outside the area, there is even more savings.

About 16 percent of the population that we surveyed said they would like to work remotely full time. You kind of have to get to that, if you are going to make a dramatic move out of the city.

We are also hearing in the private sector, OK, so does that mean I am going to take a pay cut? If I am making San Francisco wages, and I move to Alabama, do I make the same amount?

I think there are a lot of these questions that we don't have answers to that I think Government can help start to set the example.

Senator CAPITO. I think that is a significant point. I had not quite processed it in that way. So I think that that will be a good part of the conversation.

The other issue I will say, just in closing, having been the appropriator for GSA, looking at just incredible, billions of dollars we spend every year for buildings that are not fully occupied. As you said, space, the way that it is spaced out, very inefficiently.

For instance, the IRS building out in Martinsburg, which I believe has several hundred people there, they have been teleworking for years. Any one day, only between 7 percent to 10 percent of the workforce is actually in a building that was built for 10 times that amount of people.

So it is something that we really need to look at, and I look forward to working with all of you on the Committee.

Thank you.

Senator BARRASSO. Thank you, Senator Capito.

Senator Cardin.

Senator CARDIN. Well, Mr. Chairman, thank you very much, and Ranking Member, I appreciate very much this hearing.

I am going to first underscore the point that Mr. Benjamin made and Senator Carper. We have all noticed during COVID-19, the environment has been a lot more friendly. I take morning walks, and the amount of wildlife we see, we have certainly seen a major improvement in our environment.

But I am also one of those Senators who commutes to work here in Washington. I live in Baltimore, and I am on the route between Baltimore and Washington daily. The commute time has been cut in half as a result of less traffic on the roads, as it should.

My point is this, and Mr. Benjamin, I totally agree with your point, if we set up the ideal way of telework, and I hope we do, I hope we learned the lesson that many workers can be much more efficient working from home and save a lot of time and help our environment, there will be still those who need to get to work physically. Therefore, our commitment to transit must continue. Our commitment to the transportation alternative programs that allow us to have the bike paths must continue.

So I appreciate that point. I just wanted to underscore that from one of the lessons learned from COVID-19.

I am going to ask a question related to Senator Capito, I couldn't agree more with her point on connectivity. Connectivity is going to be critically important if workers are going to be able to telework. If you don't have connectivity, you really are not able to compete in our current economy.

Yes, we have specific programs that deal with connectivity. The Department of Agriculture has a program that deals with rural

America. The Federal Communications Commission has set up funds to deal with connectivity. Then under our Committee jurisdiction, the EDA Program could be more targeted and more flexible to allow communities to get that last mile connection.

And I want to thank Senator Capito. The two of us have worked together in the EDA to try to modernize that program to make it more accessible to local governments to do what they need for their economies, which include connectivity. But we want to make it easier for them to be able to use those funds for connectivity.

But we have, I think, an incredible opportunity right now. There has been an underscore of the inequities where you do not have connectivity for students, who have had to do distant learning as a result of COVID-19.

Senator Capito is absolutely correct. That is very prevalent in rural America, where connectivity is much more challenging.

But it is also true in our urban centers, where, for economic reasons, homes do not have connectivity. Private providers aren't even providing the service, because they are in business, and they don't have enough customers. Therefore, they are not providing the infrastructure necessary for broadband Internet service.

So, it is true, Senator Van Hollen and I did a survey of our Boards of Education and our superintendents of schools. We have 24 subdivisions, school districts. Every one of those school districts have challenges on connectivity.

I mention that, because as we are talking about having a sensible telework policy, we need to use every avenue available to advance connectivity, and today, we are talking about the next round of COVID stimulus.

I do hope, like the House bill, we include significant resources for connectivity for our students. If we do that, it will help their parents, who will have the opportunity to telework in the future, they will have the connectivity that we need in our community.

I think I will start off with Ms. Lister, as to the need to deal with connectivity as it relates to having the right balance on those who can telework moving forward, those who have to go in person, or the hybrid system, where you work some days at home, some days from work. How do you do that if you don't have connectivity?

Ms. LISTER. You are absolutely right, Senator. You can't. It has to be a priority to make connectivity available to everybody.

I think there have been some examples during this of companies that take buses, I don't know what it is, a repeater, or some Internet availability and park them in places where there is not connectivity, so that children can continue to do homeschooling.

I think we have to, I hope we will get past this, and we won't have this huge load on the home. Some of it will go back to the schools, we won't all be sharing in one small place. So some of that may sort itself out, but one has to go with the other, you are absolutely right.

Senator CARDIN. It is not just having connectivity; it is also the affordability of connectivity. As we have seen, as you said, where you have everyone home at the same time, you have to upgrade your connectivity so that everybody can get the service that they need. For many families, they don't have the economic ability to do that.

So it really is necessary for us to figure out how we can have an equitable availability of Internet service in this country. Part of it is rural problems, part of it is economic problems, part of it is just outreach and education, and part of it is the economics that we have to deal with in regulating the industry.

But to me, this needs to be a high priority so we can get the right balance for education, schools, and commerce for families, but the right balance from telework and having to go into work. You can't do that unless you have connectivity.

That saves us money on wasted time on transit, also saves us, as Senator Capito said, we don't need as much rental space; we can save money for the taxpayers in the country.

Thank you, Mr. Chairman. I appreciate it.

Senator BARRASSO. Thank you very much, Senator Cardin.

Senator Braun.

Senator BRAUN. Thank you, Mr. Chairman, and thank you for bringing up the topic.

In the year and a half I have been here, when we are talking about cost savings and doing things that are going to save the Government money, it is refreshing to hear and see that, maybe one of the silver linings of this crisis we are going through is not only telecommuting, but telehealth as well.

I want to put into perspective, I am on the Budget Committee. I would be remiss not to bring it up, that we run trillion dollar deficits, structurally, here in this Federal Government.

Also, to put it into perspective, Walmart is the largest company in the world in terms of sales volume, at about $524 billion. So the Federal Government is roughly nine times that size. Each year, in just our operating needs, we borrow 23 percent of our budget.

According to Global Analytics, when the workplace analytics did the amount of savings by telecommuting, half of the Federal employees, which are just under a million, did do that half of a year, it would save maybe $11 billion to $12 billion. Of course, if you did it all the time, you could double that.

It puts into perspective how big the problem is that we try to address piecemeal. The other thing the public needs to know is that the driver of these deficits would be basically Social Security and Medicare, other mandatory spending, interest on our debt, that comprises between 65 percent and 70 percent of what we spend.

So I am glad to see we are taking some effort here to find savings. We need to do it, but we need to have the political will to look more deeply into what drives this Government each year into really a irresponsible place of running trillion dollar deficits.

We have heard a little bit today about the benefits of telecommuting; I would like to hear from the three panelists. We have done this in our own business to some extent. I am not involved with it anymore, but I know that it works. We have used telehealth for a long time before it became in vogue just due to crisis again.

But I would like to hear from the three panelists what might be some negatives or drawbacks, if any, if we are working from home more and more. Anyone can jump in and start.

Ms. LISTER. I will start out with that, Senator. What we have seen from companies that have been doing this the longest is that

they struggle with the sense of esprit de corps, of maintaining the company culture, of having people feel connected to the purpose.

I think some solutions to that will come out of Silicon Valley. I think about the day of holograms making it more rich. But having that hybrid, having that part time working in the office and part time at home, helps to solve some of those problems.

We also have examples in the private sector of companies that are 100 percent remote, companies with 1,500 employees. So they have overcome some of these problems. I think that we really have to dig deep and start thinking about, how do we not just replicate the way we did things in the office? How do we make it better?

Senator BRAUN. Anyone else?

Mr. PRINGLE. Yes, Senator. This is Mark Pringle.

I would concur with Ms. Lister. I think it is a couple different things. I think it is ultimately, as people telework, they continue to work from home, I think there could be a combination, a hybrid model.

Collaboration, I think, is a critical aspect to innovation. I think there are tools and such that are continuing to evolve and innovate to help facilitate that. But ultimately, you will need some type of collaboration and engagement.

I think the other part is the culture. You need to ensure a culture of inclusivity. Typically, people, as they worked in the buildings, it was easy to drive inclusivity through that. But I think as people telework, as people continue to stay home from the office, it is, how does the leadership and the different managers and the individuals share the drive to inclusivity. and I think ultimately, as we get to this model, you will start to see more and more of that evolve. I think those are some of the challenges we have got to go manage.

Senator BRAUN. Thank you.

Dr. Benjamin.

Mr. BENJAMIN. I would agree with Ms. Lister and Mr. Pringle. As an agency, we are right now, going through exactly the type of transformation that Ms. Lister described, which is from an organization that has worked primarily in the workplace to one that is now migrating toward, very rapidly, toward primarily telework.

So for us, a key priority is how do we maintain that organizational culture, how do we onboard people, and how do we maintain high morale, given that we are now working in really a very different way that we have in the past.

Senator BRAUN. Thank you.

Senator BARRASSO. Thank you, Senator Braun.

Please, Senator Ernst.

Senator ERNST. Thank you, Mr. Chair, very much, and thanks to our panelists for joining us through Webex today, as well.

During my time in the Senate, I have made it a priority to find ways to save taxpayer dollars and make the Federal Government work more efficiently. I am glad that we are taking this opportunity to examine the topic here today.

I have long been a proponent of moving more Federal jobs outside of Washington, DC. In the past two Congresses, I have introduced the Strategic Withdrawal of Agencies for Meaningful Placement Act, the SWAMP Act.

Currently, we see that the headquarters of nearly all of our executive branch agencies are clustered in and around Washington, DC. That concentrates hundreds of thousands of jobs in the region.

The SWAMP Act creates a competitive bidding process that allows States, cities, and towns across the country to compete to be a Federal agency's new home. During the COVID-19 pandemic, many of our Federal workers have successfully done their jobs from outside of DC, showing us that they don't necessarily need to be in Washington to do their jobs.

I think this bolsters my argument that we can and should move more jobs out of Washington and closer to the folks who know the needs of their States, their farms, and their businesses best. In the process, we will see more job creation and greater opportunities for communities across the country, and not just in DC.

I would echo the sentiments of my colleague, Senator Capito, in that there are a number of us that choose the rural areas. We agree that there is great opportunity in those rural communities.

Mr. Pringle, if we could start with you, please. Clearly, Dell's connected workforce has been successful and had your company well prepared to adapt to the remote work environment that has been brought on by COVID-19. What challenges has Dell encountered in its implementation of the Connected Workplace Program, and then how have you been able to overcome those?

Mr. PRINGLE. Sure. We implemented the Connected Workplace Program, as you work through it. Obviously, the benefits, one of the biggest unforeseen benefits we saw was how quickly it grew over the years. Obviously, we are at 65 percent, obviously, today we are working at 90 percent.

I think in terms of challenges, really, I think the biggest challenge will be as you look at it and make a [inaudible], how do you manage the real estate, how do you manage the collaboration.

I think one of the other benefits we are really starting to pursue, which is what you mentioned, is we have an opportunity to go out and drive talent acquisition, which allows us to access diverse talent, drive more inclusivity across the U.S. that we probably would not have been able to access if we were locked to a specific location.

Senator ERNST. Yes. To that end, saving the dollars as well has been really important.

As you mentioned, the talent, and finding talent for Dell, if we look at the talent that would be available if the SWAMP Act were to be fully implemented, moving Federal agencies like USDA outside of Washington, DC, and actually out into the areas that they represent, like a place like Iowa, where you have innumerable men and women that have worked with agriculture their entire lives, studied at many of our fine universities, agricultural programs.

So the talent is in those areas. We could see the usage of remote work and relocation, we think it would be very, very beneficial.

With your program, Mr. Pringle, do you think that could be duplicated for Federal agencies, and perhaps be as successful as what you have seen at Dell?

Mr. PRINGLE. Based on Dell's experiences, yes, we have used the Connected Workplace and Telework Program to help support the Federal Government, to support the State governments.

Ultimately, you can leverage different ways to support different organizations in different States with teleworking. It allows you to access more diverse talent in rural localities to support it.

Senator ERNST. Well, thank you very much. I look forward to learning more about teleworking as we move into the future. I think this is a way that we can save some of our taxpayers some dollars and allow them to keep more of their hard earned cash.

So I look forward to exploring it further, Mr. Chair. Thank you for the opportunity.

Senator BARRASSO. Thank you very much, Senator Ernst.

Ms. Lister, we are kind of winding down to see if other Senators have any other additional questions.

I have a question for you about advancement in the workplace. I have working with me now this summer, four wonderful interns. Paige is here, and Brooke, and Malachi, and Vinny. We are getting a chance to take a look at them, they look at us, is this something that they have the will and the skill to work, is it a good fit, and they can prove their value.

The question is, are there advantages across the board? You have written a lot about this, I have read some of your work for advancement in the workplace in terms of proving value, in terms of being able to promote oneself, standing out.

Are there advantages that you have seen basically to be physically present to make the best case for you? What have you seen along these lines, as we are moving to more and more people working remotely?

Ms. LISTER. That is a very good question. It is one of those areas that companies are struggling with. Anecdotally, I have heard onboarding is not working as well, that converting interns to employees is not working as well. So that subtle grooming that takes place at the office is important, too.

I talked to a New York Times reporter who said, I learned how to interview sitting in the bullpen, listening to other people interview. I think that we need to somehow replicate that, or improve on it through in virtual world.

But I think, there again, it is not all or nothing, and I think there are ways to do mentoring and matching people to help solve some of these problems.

There are also, as I said, companies that do this all virtually. GET Lab hires everybody via chat. They become an employee, never having talked to a person live, or seen them, so there are solutions out there.

But again, I am a big fan of a hybrid mode, and I think we just need to feel our way through this.

In terms of the data, we show that the media, perhaps, overemphasizes the problem of career advancement. We find only about 25 percent of people say that they feel that they will not advance as quickly, or that they will be penalized in terms of salary.

Senator BARRASSO. Well, I want to thank all of you for your time and your efforts today to join us from around the country. We have had good participation by Senators.

There may be more members asking questions, so they are going to be able to submit written questions for the record, so we will

keep the record open today, the written record, for 2 weeks, so please try to respond back to them.

I want to just thank all of you for your time and your testimony, and at this point, the hearing is adjourned.

[Whereupon, at 11:18 a.m., the hearing was adjourned.]

[Additional material submitted for the record follows:]

HEARING BEFORE THE UNITED STATES SENATE
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

July 29, 2020
Statement for the Record
Facebook, Inc.

COVID-19 has had a profound impact on many of us. At Facebook, it's changed how we work and led us to explore changes to how we work in the long term too. Since March 2020, 95% of people who work at Facebook have been working from home. It hasn't been perfect, but it's going pretty well. Our teams are busy and productive, working hard to support the people, businesses and communities using our platforms, including launching new products like Rooms and Shops. We've already learned a lot from the experience.

As we've become accustomed to working outside the office, it's become clear that we don't need everyone to be physically present to do great work. Of course, while many people can't wait to get back to our offices, there are also many who prefer working in this new way. In a recent internal survey, we learned that more than 40% of people are interested in full-time remote work. About 45% of those people say they'd relocate if they could do so while continuing in their current roles at Facebook.

From now on, we are moving toward making remote work a more permanent part of our culture. This change isn't just about our employees. We are doing this because it's the right thing for our company to build the products that best serve the communities on our platforms over time.

We hope remote work will help us find and keep the best talent, no matter where they are located. Like many of our peers, we've built sites in places where lots of talented people live. While this is efficient and has allowed us to build lively offices that support collaboration and creativity, it has made it difficult for people to manage the high cost of housing, long commutes and the pressure to leave their hometowns and communities to grow their career. It has also limited our opportunity to hire great talent in places that are more diverse.

Over the past few decades, economic growth has been concentrated in a handful of metropolitan centers with major companies hiring in the most expensive and competitive locations in the world. At scale, remote work can help spread economic opportunity and ease local pressures on housing and commutes. It gives people more choice in building the life that works best for them and their families in the communities they love. Imagine being able to choose where your children go to school without worrying about whether it's close to the office, or living close to elderly parents so you don't need to travel to see them. As more companies build remote workforces, more opportunity will spread beyond big cities around the world. Arguably, this change is long overdue.

Remote work isn't a new concept. So what's changed? For us, it's innovations in technology that can make remote work a success at a scale it wasn't before. At Facebook, our mission is to give people the power to build community and bring the world closer together. Our employees have always harnessed our own tools to collaborate virtually. Even before we launched Workplace,

we used Facebook as an enterprise tool by using Groups and Messenger to drive much of our internal communication. With a richer portfolio of products in the Facebook family, now we're even more connected. We use Workplace as our primary tool for internal communication, Portal for meetings, Facebook Live for internal broadcasts and Messenger Rooms for team socials. And with our investments in remote presence and video technology, our products mean we are well-positioned to work together, remotely.

Working well remotely will require some big changes to our company culture, so we are going to roll this out in stages, considering the needs of everyone in our community. We need to set ourselves up to support people remotely and in the office to preserve the collaboration and creativity, that is core to our culture. We'll need to be more structured in how we work and how we communicate. We'll need to rethink how we onboard people, support their career development, and make sure everyone is heard, seen and valued -- regardless of where they're working.

To make remote work a success, a lot will have to change so we aren't going to do this all at once. This month, we began opening remote hiring for senior engineers in the US. We'll hire more widely around our existing engineering offices, meaning we can immediately tap into talent pools in places like Portland, San Diego, Philadelphia and Pittsburgh. In time, we will also start to hire in places across North America where we don't have offices, including Atlanta, Dallas and Denver – and as we continue to learn and scale remote work, we expect most of our workforce to be spread across large parts of the US and beyond. We've also opened up opportunities for some current employees to work remotely so that we can learn from their experience to help us get this right.

Our employees at Facebook will have a voice and stake in making this work. We expect to continue to grow rapidly, so our goal is to create opportunities while maintaining what we love about the vibrancy of our offices. Offices will continue to play an important role in the future of work. It's where new grads will start their careers so they can learn, grow and easily access a network of support. It's where people will come together to build community and solve problems, and it's where our culture will be brought to life in a physical space. This is about supplementing offices, not replacing them. At Facebook, we learn by doing, collecting feedback, evaluating and iterating. And that's how we will approach remote work, too.

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