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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

United States Senate

Committee on Environment and Public Works

Washington, D.C.

The committee, met, pursuant to notice, at 10:07 a.m. in  
room 406, Dirksen Senate Office Building, the Honorable John  
Barrasso [chairman of the committee] presiding.

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

STATEMENT OF THE HONORABLE JOHN BARRASSO, A UNITED STATES  
SENATOR FROM THE STATE OF WYOMING

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

In just the past six 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 four 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.

[The prepared statement of Senator Barrasso follows:]

STATEMENT OF THE HONORABLE THOMAS R. CARPER, A UNITED STATES  
SENATOR FROM 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. 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, ten fifteen 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 six 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 on our sleeves, practicing social distancing, and a whole lot more. For millions of Americans, one of the biggest changes and challenges had 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 Service 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 a total of 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? Aren't 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.

[The prepared statement of Senator Carper follows:]

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 five 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 workstyle that best fulfills their needs in 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 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 four 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 strategies, 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 five 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, 20 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:]



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 four 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 of 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 one 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 seven in ten 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 two to three 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, 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. Predictably, 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 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 cancelled their telework program and then surveyed employees nine 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 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 total work 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:]

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, member 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 of 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 six 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 than 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:]

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 five 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 ten 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, 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 five 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 five 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 that ultimately, we enabled the employees to have 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 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 travelling 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 monies 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. Okay. 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 five days a week, some people will be two or three 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, 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. Okay, 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 D.C. 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 D.C. 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, the 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 D.C. 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 D.C., 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, okay, 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 ten 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 you 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 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 how to make 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't 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 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, Wal-Mart 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 analysts 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 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, and other mandatory spending impressed 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 culture 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 individuals 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 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 towards, very rapidly, towards 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 Web-X 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 D.C. 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 D.C. 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 D.C., 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 D.C.

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 D.C., 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 by a 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 two 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.]