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FACILITIES LOCATION

Progress and Barriers in Selecting Rural Areas and Using Telework

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Highlights of [GAO-03-1110T](#), a testimony to Committee on Small Business, House of Representatives

Why GAO Did This Study

The location of an organization's facilities has far reaching and long-lasting impacts on its operational costs and ability to attract and retain workers. The Rural Development Act of 1972 has required federal agencies to give first priority to locating new offices and other facilities in rural areas. Rural areas generally have lower real estate and labor costs, but agency missions often require locations in urban areas.

Telework, also called telecommunicating or flexiplace, is a tool that allows employees to work at home or another work location other than a traditional office. Benefits of telework include reducing traffic congestion, improving the recruitment and retention of workers, and reducing the need for office space. Telework could allow federal workers who live in rural areas to work in or near their homes, at least some of the time.

This testimony summarizes and updates work GAO has previously done on the progress in and barriers to the federal government's efforts to locate its operations and workers, when possible, in rural areas.

www.gao.gov/cgi-bin/getrpt?GAO-03-1110T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Bernard Ungar at ungarb@gao.gov.

FACILITIES LOCATION

Progress and Barriers in Selecting Rural Areas and Using Telework

What GAO Found

Even though federal agencies have been required since 1972 to develop policies and procedures to give priority to locating new offices and other facilities in rural areas, this requirement has not been an important factor in location decisions. In September 1990 we reported that there were multiple laws and regulations to guide federal agencies in selecting facility locations, but they did not always provide for consideration of the best financial interest of the government as a factor in the decision-making process. In July 2001 we reported that many agencies had not issued policies and procedures to give rural areas priority when considering the location of new facilities. Only about 12 percent of federal workers were located in nonmetropolitan statistical areas, a percentage that remained unchanged from 1989 to 2000. Agencies said the need to be near clients, primarily in urban areas, dictated the location of most operations in urban areas. In spite of not having policies to give priority to rural areas, agencies sometimes locate their operations in rural areas to serve clients in those areas. Also, some functions, such as research and development, supply and storage, automated data processing, and finance and accounting, can be located in rural areas. Rural areas can offer lower real estate costs, improved security, reduced parking and traffic congestion problems, and better access to major transportation arteries. Potential barriers to locating in rural areas include the lack of public transportation, lack of available labor, location far from some other agency facilities, and sometimes insufficient infrastructure for high-speed telecommunications. In our July 2001 report, we made several recommendations to the General Services Administration and Congress to improve location decisionmaking. Congress and the General Services Administration subsequently took action to stress the requirements of the Rural Development Act.

Congress has promoted telework in several ways, including authorizing of telework centers in the Washington, D.C., area, requiring agencies to establish a policy under which employees may participate in telecommuting to the maximum extent possible, and encouraging the development of high-speed Internet access in rural areas. However, only about 5 percent of the federal workforce is currently teleworking. In our July 2003 report, we recommended that the General Services Administration and the Office of Personnel Management improve their coordination and provide agencies with more consistent guidance on telework and assist agencies in implementing key practices we identified. The agencies generally agreed with our recommendations and committed to implement them. In addition, the Congressional Research Service reported in July 2003 that about 85 percent of U.S. households have broadband access, although rural, minority, low-income, inner city, tribal, and U.S. territory consumers are particularly vulnerable to not receiving this service. Technological barriers, such as the lack of access to high-speed Internet connections, could have a detrimental effect on the ability of some federal workers in rural areas to take advantage of telework.

Mr. Chairman and Members of the Committee:

We are pleased to be here to testify on federal agencies' efforts to consider locating facilities in rural areas, as required by the Rural Development Act of 1972 (RDA), and to use telework¹ as a way of allowing workers to live in rural areas. My testimony is based on our September 1990 and July 2001 reports on facilities location² and subsequent actions by the General Services Administration (GSA) to address our recommendations; selected agencies' responses to a requirement in a fiscal year 2002 appropriations act directing Inspectors General to report on policies and procedures their agencies have to give first priority to the location of facilities in rural areas; and our July 2003 report on telework³ and other GSA, Office of Personnel Management (OPM), and Congressional Research Service (CRS) reports on telework. My testimony focuses on the progress federal agencies have made and barriers they face in locating federal buildings, when possible, in rural areas and making telework available to federal workers who live in rural areas.

Summary

Although RDA has required federal agencies to establish policies and procedures giving first priority to the location of new offices and other facilities in rural areas since 1972, RDA has not been an important factor in federal location decisions. Many agencies have not issued policies and procedures regarding RDA, and there is little evidence that agencies consider RDA's requirements when locating new federal facilities. Agency officials said requirements to be near clients in urban areas to accomplish their missions dictated the location of most operations in urban areas. However, some agencies locate operations in rural areas to serve rural populations, and functions such as research and development, supply and storage, automated data processing, and finance and accounting can often be located in rural areas. Benefits of rural areas can include improved

¹Telework, also referred to as telecommunicating or flexiplace, is work that is performed at an employee's home or work location other than a traditional office.

²U.S. General Accounting Office, *Facilities Location Policy: GSA Should Propose a More Consistent and Businesslike Approach*, [GAO/GGD-90-109](#) (Washington, D.C.: Sept. 28, 1990); and U.S. General Accounting Office, *Facilities Location: Agencies Should Pay More Attention to Costs and Rural Development Act*, [GAO-01-805](#) (Washington, D.C.: July 31, 2001).

³U.S. General Accounting Office, *Human Capital: Further Guidance, Assistance, and Coordination Can Improve Federal Telework Efforts*, [GAO-03-679](#) (Washington, D.C.: July 18, 2003).

security, reduced parking and traffic congestion problems, and better access to major transportation arteries. Potential barriers to locating in rural areas include the lack of public transportation, location far from some other agency facilities, the lack of available labor, and insufficient infrastructure for high-speed telecommunications. In 2000, about 12 percent of federal workers were located in nonmetropolitan statistical areas.

In 2002, about 5 percent of the federal workforce was teleworking. In 2003, we assessed the federal government's progress in implementing telework programs and found that, while recently improved, OPM and GSA have not always coordinated their efforts; as a result, agencies have not always received consistent, unambiguous support and guidance related to telework. We identified 25 key practices, including 5 relating to technology (such as providing technical support for teleworkers), that federal agencies should implement in developing telework programs. We found that the agencies we reviewed had fully implemented 7 of the 25 practices but had generally implemented the 5 practices relating to technology. CRS reported in July 2003⁴ that about 85 percent of U.S. households have access to high-speed Internet connections, but rural, minority, low-income, inner city, tribal, and U.S. territory consumers are particularly vulnerable to not receiving this service. Technological barriers, including the lack of access to high-speed Internet connections, could have a detrimental effect on the ability of some federal workers in rural areas to take advantage of telework.

In our July 2001 report on federal location policies, we suggested that Congress consider requiring agencies to consider real estate, labor, and other costs, and applicable local incentives when making location decisions and to amend RDA to clarify the definition of "rural area." We made similar recommendations to GSA and also recommended that GSA require agencies to provide a written statement that they complied with RDA and to justify their decision if they did not select a rural area. Subsequent to our report, Congress has required agency inspectors general to report on what policies and procedures are in place at their agencies to comply with RDA, and GSA has issued additional guidance and policies on RDA. In our July 2003 report on telework efforts, we recommended that GSA and OPM improve coordination of their efforts to

⁴Congressional Research Service, The Library of Congress, *Broadband Internet Access: Background and Issues* (Washington, D.C.: Updated July 1, 2003).

provide agencies with enhanced guidance on telework and to assist agencies in implementing key practices we identified. GSA and OPM generally agreed with our recommendations and committed to take steps towards their implementation.

The Rural Development Act and Other Federal Location Policies

When considering areas in which to locate, RDA directs the heads of all executive departments and agencies of the government to establish and maintain departmental policies and procedures giving first priority to the location of new offices and other facilities in rural areas. Any move by an agency to new office space in another location would be considered a new office or facility covered by RDA.

Two primary executive orders on federal facility location decisions are Executive Order 12072, Federal Space Management, dated August 16, 1978; and Executive Order 13006, Locating Federal Facilities on Historic Properties, dated May 21, 1996. Executive Order 12072 specifies that when the agency mission and program requirements call for federal facilities to be located in urban areas, agencies must give first consideration to locating in a central business area and adjacent areas of similar character. Executive Order 13006 requires the federal government to utilize and maintain, wherever operationally appropriate and economically prudent, historic properties and districts, especially those located in the central business area.

Agencies Generally Locate in Urban Areas and Lack Policies and Procedures for Considering RDA

In 1990, we reviewed whether federal agencies give rural areas first priority in location decisions as required by RDA and whether any changes in federal location policies were warranted. We reported that RDA had not been an important factor in federal facility location decisions. In fiscal year 1989, about 12 percent of federal civilian workers were located in nonmetropolitan statistical areas. Agency officials attributed mission requirements, the need to be in areas where the populations they serve are located, political considerations, and budget pressures as reasons why urban areas received more facilities than rural areas. Those agencies that did locate in rural areas said it was more because they served rural populations than because they were following the requirements of RDA.

We also reported that a growing number of private sector corporations were moving to suburban and rural settings to take advantage of incentives offered by localities to attract jobs and the ability to separate functions resulting from changes in telecommunications technology. We concluded that there were multiple laws and regulations guiding federal

agencies in selecting facility locations, but they do not always provide for consideration of the best financial interest of the government as a factor in the decision-making process. We recommended that GSA develop a more consistent and cost-conscious governmentwide location policy that would require agencies, in meeting their needs, to maximize competition and select sites that offer the best overall value considering such factors as real estate and labor costs.

In 2001, we performed follow-up work on our 1990 report including identifying what functions lend themselves to being located in rural areas. We reported that since our 1990 study, federal agencies continued to locate for the most part in higher cost, urban areas. The percentage of federal employees located in nonmetropolitan statistical areas in 2000 remained virtually unchanged from 1989, at about 12 percent. Eight of the 13 cabinet agencies we surveyed had no formal RDA policy, and there was little evidence that agencies considered RDA's requirements when locating new federal facilities. Further, GSA had not developed a cost-conscious, governmentwide location policy as we recommended in 1990 and the definition of rural used in RDA was unclear.

We reported in 2001 that agencies chose urban areas for most (72 percent) of the 115 federal sites acquired from fiscal year 1998 through fiscal year 2000. Agencies said they selected urban areas primarily because of the need to be near agency clients and related government and private sector facilities to accomplish their missions. The agencies that selected rural areas said they did so because of lower real estate costs. Agencies that relocated operations tended to relocate within the same areas where they were originally located, which were mainly urban areas; newly established locations were almost equally divided between urban and rural areas. Private sector companies surveyed said they select urban areas over rural areas largely because of the need to be near a skilled labor force.

Agencies said the benefits of locating in urban areas were efficiency in agency performance as a result of the ability to share existing facilities, close proximity to other agency facilities and employees, and accessibility to public transportation. Agencies that chose rural sites said that benefits included close proximity to agency support facilities, improved building and data security, and better access to major transportation arteries, such as interstate highways. Barriers reported for urban sites included the lack of building security and expansion space. For rural areas, barriers included the lack of public transportation, location far from other agency facilities, and insufficient infrastructure for high-speed telecommunications.

The functions that were located predominantly at urban sites during 1998 through 2000 were loans/grants/benefits administration processing, inspection and auditing, and health and medical services. The functions that were located predominantly in rural areas in that period were research and development, supply and storage, automated data processing, and finance and accounting. Some functions, such as law enforcement, were placed in both urban and rural areas, although this particular function was located more often at urban sites.

For our 2001 study, we contracted with a private sector consultant, John D. Dorchester, Jr., of The Dorchester Group, L.L.C., to assist us in a number of tasks. One task was to identify functions the private sector might locate in rural areas. The consultant identified the following functions:⁵

- Accounting
 - Account representative
 - Appraisal/market research
 - Clerical/secretarial
 - Data processing
 - Distribution/warehousing
 - Education/training
 - Enforcement and quality control
 - Field service operations
 - Human resources and social services
 - Information technologies services
 - Legal support
 - Logistical support
 - Manufacturing and assembly offices
 - Operations centers
 - Printing and publishing
 - Records archiving
 - Repairs and servicing
 - Scientific studies and research and development
 - Technical functions and support
 - Telemarketing, order processing, and communications
- We also asked our consultant to identify the benefits and challenges associated with rural areas for selected functions. (See table 1.)

⁵The Dorchester Group, LLC., *Office Location Considerations of Large U.S. Corporations: U.S. Government Potentials* (Scottsdale, AZ: Mar. 31, 2001).

Table 1: Benefits and Challenges Associated With Rural Areas for Nine Functions

| Function | Benefits | Challenges |
|---|--|---|
| Accounting | Lower wages and operating costs | Data security and quality control |
| Data processing | Reduced costs of office and labor | Needs skills more often found in metropolitan areas |
| Distribution and warehousing | Savings on labor and real estate | Needs good transportation links |
| Education and training | Fewer distractions and recreation opportunities | None identified |
| Enforcement/quality control | None identified | Needs good regional access |
| Printing and publishing | None identified | Needs good transportation links |
| Records archiving | Lower costs for real estate and wages | Limited access to records |
| Scientific studies/research and development | Better security; in some cases, access to universities | Specialized employees may have to be recruited nationally |
| Telemarketing, order processing, communications | Operating cost efficiencies | Sufficient and sustainable labor pool |

Source: The Dorchester Group, L.L.C., Office Location Considerations of Large U.S. Corporations: U.S. Government Potentials (Scottsdale, AZ: Mar. 31, 2001).

Our July 2001 report suggested that Congress consider enacting legislation to (1) require agencies to consider real estate, labor, and other operational costs and local incentives when making a location decision; and (2) clarify the meaning of “rural area” in RDA. We also recommended that GSA revise its guidance to agencies to require agencies making location decisions to consider real estate, labor, and other costs and local incentives. In addition, we recommended that GSA require agencies subject to its authority to provide a written statement that they had given first priority to locating in a rural area and to justify their decision if they did not select a rural area. We also recommended that GSA define rural area until Congress amended RDA to define the term. Subsequent to our report, GSA took action on our recommendations; actions which are described in greater detail below.

Policies to Consider RDA Have Been Strengthened but Procedures are Still Lacking

The Fiscal Year 2002 Treasury and General Government Appropriations Act, Public Law 107-67, required the inspectors general (IG) of departments and agencies to submit to the appropriations committees a report detailing what policies and procedures are in place requiring them to give first priority to the location of new offices and other facilities in rural areas, as directed by RDA. These reports were due in May 2002. A similar requirement was included in the Consolidated Appropriations Resolution for Fiscal Year 2003, Public Law 108-7. However, because the IGs had until August 20, 2003, to report on this, we did not have the opportunity to review those reports required by Public Law 108-7 for this testimony.

GSA's May 2, 2002, response to the Public Law 107-67 requirement described the policies that GSA had in place to give first priority to the location of new offices and other facilities in rural areas, as well as what actions GSA had taken in response to our July 2001 recommendations. GSA took the following actions:

- The Federal Management Regulation, section 102-83.30, was revised to require federal agencies to also consider real estate, labor, and other operational costs and applicable incentives in addition to mission and program requirements when locating space, effective December 13, 2002.
- The Public Buildings Service Customer Guide to Real Property was revised to require agencies to provide GSA with a written statement affirming that they have given first priority to locating in a rural area as required by RDA when requesting space from GSA.
- The Federal Management Regulation, section 102-83.55, effective December 13, 2002, was revised to define "rural area" as a city, town, or unincorporated area that has a population of 50,000 inhabitants or fewer, other than an urban area immediately adjacent to a city, town, or unincorporated area that has a population in excess of 50,000 inhabitants.⁶
- GSA published a recommendation in the *Federal Register* on January 21, 2003, that federal agencies with their own statutory authority to acquire real property use the above definition of rural area and demonstrate

⁶We noted in our 2001 report that the definition of "rural area" in RDA was unclear. In 2002, the RDA definition was repealed in its entirety, and currently there is no statutory definition of rural area in RDA. In 1972, RDA defined rural as any area in a city or town with a population less than 10,000 inhabitants.

compliance with RDA by including a written statement in their files affirming that they have given first priority to the location of new offices and other federal facilities in rural areas.

These actions responded to all of our July 2001 recommendations with the exception of one. We had recommended that GSA require agencies, when selecting a new facility location, to provide a written statement that they had given first priority to locating in a rural area. If a rural area was not selected, agencies were to provide a justification for the decision. GSA's new guidance does not require agencies not selecting a rural area to justify their decision.

We also reviewed the IG reports detailing the policies and procedures in place regarding giving first priority to rural areas as required by Public Law 107-67 for the Departments of Energy, the Interior, Justice, Transportation, and Veterans Affairs. According to GSA data,⁷ these agencies, along with the Department of Defense and the United States Postal Service, have the largest amount of owned and leased building square footage in the federal government. We excluded sites acquired by the Defense Department because it has so much vacant space available at its bases nationally that it has no choice but to give priority consideration to its existing vacant space when locating new or existing operations. We excluded Postal Service sites because the Postal Service advised us it had little or no discretion in deciding where to locate most of its facilities in that they needed to be in specific locations to serve customers or near airports. In addition, the Postal Service is exempt from federal laws relating to contracts and property and it has authority to acquire space independently of GSA.

The IG reports for the five departments said that only two departments had written policies regarding RDA, and only one of these two had issued procedures. However, the departments said that in spite of not having written policies or procedures, they had located many of their facilities in rural areas.

The Energy IG reported that Energy had no specific policies or procedures, but it reported that a preponderance of the department's activities are located in remote parts of the United States.

⁷U.S. General Services Administration, *Federal Real Property Profile, as of September 30, 2002* (Washington, D.C., 2002).

The Interior IG reported that Department of the Interior and the U.S. Geological Survey, 1 of 35 bureaus and offices in the Department of the Interior, had policies regarding RDA. However, neither the department nor any of the bureaus and offices had procedures to ensure compliance with the policies. The IG reported that of the 270 locations established in the last 5 years, 197 (73 percent) were located in rural areas. The IG said that the decision to place facilities in rural areas was influenced by Interior's mission rather than by the requirements of RDA.

The Justice IG said Justice had no specific policy or procedures on RDA, but department bureaus, offices, boards, and divisions were instructed to implement all applicable federal regulations. The Justice IG cited the GSA regulation requiring agencies to give first priority to the location of new offices and other facilities in rural areas. The IG said it relies upon GSA for most of its space needs, and GSA is responsible for compliance with RDA. Further, the IG said the locations of its facilities are ultimately determined by mission and operational requirements, which predominantly require locations in major metropolitan areas. For example, U.S. Attorneys Offices and the U.S. Marshals Service need to be located near federal courthouses to accomplish their missions. The Bureau of Prisons is located in rural areas to decrease land costs and increase security. The Immigration and Naturalization Service⁸ is stationed in both urban and rural areas along the borders of the United States. The Federal Bureau of Investigation and the Drug Enforcement Administration are law enforcement agencies, and their missions and operational requirements determine the location of facilities. The IG also pointed out that the Federal Bureau of Investigation's data center is located in a rural part of West Virginia.

The Department of Transportation policy on RDA was the most complete of the agencies we reviewed in that Transportation has procedures that require a discussion of the considerations given to rural areas and requires an explanation if a rural location is not selected. However, the Transportation IG said the department does not provide any guidance on decision criteria or factors to be considered, such as cost-benefit analysis, access to public transportation, or effects of relocation on the workforce. Of 33 site location decisions made from October 1997 through February

⁸The Justice Inspector General report is dated July 30, 2002. Since the report was issued, part of the Immigration and Naturalization Service is now in the Department of Homeland Security.

2002, the Transportation IG found that 24 had no documentation in the files to indicate compliance with RDA.

According to the Veterans Affairs IG, the department had no written policy or procedures regarding RDA. The IG said priority is given to locating new Veterans Health Administration medical care facilities in locations convenient to veteran patients and to collocating Veterans Benefits Administration regional offices on Veterans Affairs medical center grounds.

Federal Telework Efforts are Improving but Limited

Telework could be used to allow federal workers who live in rural areas to work in or near their homes, at least on a part-time basis. For over a decade, telework, also called telecommuting or flexiplace, has gained popularity because it offers the potential to benefit employers, including the federal government, by reducing traffic congestion and pollution, improving the recruitment and retention of employees, increasing productivity, and reducing the need for office space. Employees can benefit from reduced commuting time; lower costs for transportation, parking, food, and clothing; and a better balance of work and family demands, which could improve morale and quality of life. Other benefits might include removing barriers for those with disabilities who want to be part of the work force and helping agencies maintain continuity of operations in emergency operations.

Congress has enacted legislation that has promoted the use of telework in several ways, including authorizing GSA telework centers, requiring each agency to consider using alternate workplace arrangements when considering whether to acquire space for use by employees, requiring each agency to establish a policy under which eligible employees may participate in telecommuting to the maximum extent possible, and encouraging the deployment of high-speed Internet access in rural areas. Congress has provided both GSA and OPM with lead roles and shared responsibilities for advancing telework in the federal government.

Under the telework centers program, GSA supports 15 centers located in the Washington, D.C., metropolitan area. These centers make alternative office environments available to federal employees to perform their work at a site closer to their homes.

According to a recent OPM report,⁹ federal agencies reported in November 2002 that about 90,000 employees, or about 5 percent of the workforce, were teleworking, compared with about 74,500, or 4.2 percent, reported in 2001. OPM reported that about 625,300 employees, or 35 percent of the federal workforce, were eligible to telework in 2002, and 68.5 percent of the total eligible federal workforce had been offered the opportunity to telework. In 2002, 14.4 percent of eligible employees teleworked. OPM reported that the rise in the number of teleworkers was due to a number of factors, including intensified efforts by agencies to encourage telework and a decline in management resistance to telework after training and education efforts. OPM did not report on the number of federal workers who resided in rural areas who were able to telework. We did not verify the accuracy of the OPM data.

OPM reported a change in the ranking of major barriers to telework from an April 2001 survey of agencies to the November 2002 survey. As shown in table 2, security became the main barrier in 2002, replacing management resistance, which had been the main barrier in 2001.

Table 2: Ranking of Major Barriers to Telework

| April 2001 Barriers | November 2002 Barriers |
|-------------------------------|-------------------------------|
| Management resistance | Data security |
| Funding | Information technology issues |
| Employee resistance/concerns | Funding |
| Information technology issues | Employee resistance/concerns |
| Data security | Management resistance |

Source: OPM.

In July 2003 we reported on the federal government's progress in implementing telework programs. We found that although OPM and GSA offer services and resources to encourage telework in the government, they have not fully coordinated their efforts and have had difficulty in resolving their conflicting views on telework-related matters. As a result, agencies have not always received consistent, inclusive, unambiguous support and guidance related to telework. We recommended that OPM and GSA improve the coordination of their efforts to provide federal agencies with enhanced support and guidance related to telework and to assist

⁹U.S. Office of Personnel Management, *Report to the Congress: The Status of Telework in the Federal Government* (Washington, D.C.: Jan. 2003).

agencies in implementing 25 key practices we identified. After we discussed the issues created by the lack of coordination between GSA and OPM, a GSA official indicated that GSA and OPM would commit to improved coordination. The 25 key practices we identified by reviewing telework-related literature and guidelines that federal agencies should implement in developing telework programs are listed in table 3.

Table 3: Key Telework Practices for Implementing Successful Federal Telework Programs

| Program | Telework practices |
|--------------------------|--|
| Program planning | <ul style="list-style-type: none"> • Designate a telework coordinator • Establish a cross-functional project team, including, for example, information technology (IT), union representatives, and other stakeholders • Establish measurable telework program goals • Develop an implementation plan for the telework program • Develop a business case for implementing a telework program • Provide funding to meet the needs of the telework program • Establish a pilot program |
| Telework policy | <ul style="list-style-type: none"> • Establish an agencywide telework policy • Establish eligibility criteria to ensure that teleworkers are selected on an equitable basis using such criteria as suitability of tasks and employee performance • Establish policies or requirements to facilitate communication among teleworkers, managers, and coworkers • Develop a telework agreement for use between teleworkers and their managers • Develop guidelines on workplace health and safety issues to ensure that teleworkers have safe and adequate places to work off-site |
| Performance management | <ul style="list-style-type: none"> • Ensure that the same performance standards, derived from a modern, effective, credible, and validated performance system, are used to evaluate both teleworkers and nonteleworkers • Establish guidelines to minimize adverse impact on nonteleworkers before employees begin working at alternate work sites |
| Managerial support | <ul style="list-style-type: none"> • Obtain support from top management for a telework program • Address managerial resistance to telework |
| Training and publicizing | <ul style="list-style-type: none"> • Train all involved, including, at a minimum, managers and teleworkers • Inform workforce about the telework program |
| Technology | <ul style="list-style-type: none"> • Conduct assessment of teleworker and organization technology needs • Develop guidelines about whether the organization or employee will provide necessary technology, equipment, and supplies for telework • Provide technical support for teleworkers • Address access and security issues related to telework • Establish standards for equipment in the telework environment |

| Program | Telework practices |
|--------------------|--|
| Program evaluation | <ul style="list-style-type: none"> • Establish processes, procedures, and/or a tracking system to collect data to evaluate the telework program • Identify problems and/or issues with the telework program and make appropriate adjustments |

Source: GAO analysis of telework-related literature and guidelines.

We found that the four agencies we reviewed for that report, the Departments of Education and Veterans Affairs, GSA, and OPM, had implemented 7 of the 25 practices and had generally implemented the 5 practices relating to technology. Nevertheless, technological issues, such as not being able to access to high-speed Internet connections, could have a detrimental effect on the ability of some federal workers in rural areas to take advantage of telework.

CRS reported this year on the ability of users to take advantage of high-speed, or broadband, Internet access. CRS reported that although many, but not all, offices and businesses now have Internet broadband access, a remaining challenge is providing broadband over “the last mile” to consumers in their homes. Congress has required the Federal Communications Commission (FCC) to determine whether advanced telecommunications capability is being deployed to all Americans in a reasonable and timely fashion and, if not, to take immediate action to accelerate deployment by removing barriers to infrastructure investment and by promoting competition in the telecommunications market.¹⁰

In August 2000, FCC concluded that advanced telecommunications capability was being deployed in a reasonable and timely fashion overall, although rural, minority, low-income, inner city, tribal, and U.S. territory consumers were particularly vulnerable to not receiving service in a timely fashion. In February 2002, FCC concluded that the deployment of advanced telecommunications capability to all Americans was reasonable and timely and investment in infrastructure for most markets remained strong, even though the pace of investment trends had slowed. According to CRS, about 85 percent of households have access to broadband.

CRS also reported that the President’s Council of Advisors on Science and Technology concluded in December 2002 that although government should not intervene in the telecommunications marketplace, it should apply existing policies and promote government broadband applications

¹⁰47 U.S.C. 157 note.

and telework, among other actions. CRS also noted that much broadband legislation introduced in the 107th Congress sought to provide tax credits, grants, and/or loans for broadband deployment, primarily in rural and/or low income areas. It also noted that Public Law 107-171, the Farm Security and Rural Investment Act of 2002, authorized a loan and loan guarantee program to entities for facilities and equipment providing broadband service in eligible rural communities. The purpose of this legislation is to accelerate broadband deployment in rural areas.

Mr. Chairman, this concludes my prepared statement. I would be happy to respond to any questions you or other Members of the Committee may have at this time.

Contacts and Acknowledgments

For further information on this testimony, please contact Bernard L. Ungar on (202) 512-2834 or at ungarb@gao.gov. Key contributions to this testimony were made by John Baldwin, Frederick Lyles, Susan Michal-Smith, and Bill Dowdal.

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