United States of America

BEFORE THE FEDERAL SERVICE IMPASSES PANEL

In the Matter of

NATIONAL TREASURY EMPLOYEES UNION, CHAPTERS 213 AND 228

And

U.S. DEPARTMENT OF ENERGY

Case Nos. 23 FSIP 041

ARBITRATOR'S OPINION AND DECISION

BACKGROUND

This case concerns a request for assistance filed by the United States Department of Energy (Agency, Management, or DOE), with the Federal Service Impasses Panel (FSIP or Panel) over a proposed policy meant to address office sharing, a.k.a., "hoteling." The Agency filed this request pursuant to Section 7119 of the Federal Service Labor Management Relations Statute (the Statute).

The Agency is an executive department of the U.S. federal government that oversees U.S. national energy policy and manages the research and development of nuclear power and nuclear weapons in the United States. Its headquarters is in Washington, D.C. with its main facility located at the James V. Forrestal Building (Forrestal location) in Washington D.C. However, the Agency's headquarters has an additional smaller location in Germantown, Maryland (Germantown location). Both locations have employees whom are represented by the National Treasury Employees Union (NTEU or Union). Between two chapters, NTEU represents approximately 1,400 bargaining unit employees with most of them located at the Forrestal location. The parties are governed by a collective bargaining agreement (CBA) that was executed in January 2022.

BACKGROUND AND BARGAINING HISTORY

Article 47 of the parties' CBA covers the topic of telework. This article contains the following language in Section 47.09 on the subject of office sharing, a.k.a., "hoteling:"

Employees whose work schedules (e.g., AWS, FWS) and/or telework agreement results in being out of the office for fifty percent (50%) or more may be subject to office/workspace sharing ("Hoteling"). With the exception of singular working elements provided in Section 47.09.C below, absent a government- wide rule or regulation, DOE order or Headquarters wide policy which do not conflict with the contract and over which all bargaining responsibilities have been fulfilled, prior to any organization implementing a Hoteling arrangement that impacts bargaining unit Employees, the organization's department head, or designee, will provide the appropriate Chapter President with notice and the opportunity to bargain a Hoteling Agreement applicable to the respective organization. Such bargaining will be pursuant to Article 13 of this Agreement. The Hoteling Agreement may change the fifty percent (50%) threshold indicated above but may not supersede any other provision of this Agreement. Unless otherwise expressly agreed to by the parties negotiating the Hoteling Agreement, the term of the Hoteling Agreement will run concurrently with this Agreement.

On August 6, 2022, the Agency issued a memorandum from its Chief of Staff in which the Agency announced it intended to implement an Agency wide hoteling policy at the headquarters level at both the Forrestal and Germantown locations. With regards to the Union, the memo stated:

The requirement for Federal employees to be in the office six or more days a pay period to have a dedicated workspace is also included in Article 47 in the [parties' CBA]. The [DOE] has notified NTEU to begin impact and implementation bargaining and develop a Memorandum of Understanding (MOU) on hoteling at Headquarters. The MOU will apply to all Departmental Elements with NTEU covered employees at Headquarters.

The Union requested to negotiate over the MOU. The parties negotiated and exchanged several proposals from September 2022 through January 2023. In particular, the parties attempted to hammer out the threshold number of days an employee would have to be physically present within their office space in order to maintain a dedicated office. This disagreement came to a head in February 2023 with the parties unable to make movement on this topic. Accordingly, the parties proceeded to mediation with the assistance of the Federal Mediation and Conciliation Services (FMCS).

At mediation the Union raised additional issues, but the parties resolved them with FMCS assistance. However, they could not reach agreement on the issue of hoteling after approximately 3 hours of mediation on April 24, 2023. Accordingly, on the same day the Commissioner released the parties from mediation and the Agency promptly sought FSIP assistance.

On June 13, 2023, the Panel voted to assert jurisdiction over this matter and to resolve it via a Mediation-Arbitration. I held a virtual mediation on August 2, 2023, and, despite the best efforts of all parties involved, resolution of all outstanding issues was not possible. Accordingly, on September 7 and 18, 2023, I conducted a virtual arbitration hearing. The parties submitted post-hearing briefs on October 10, 2023. The record is hereby closed and I am now obligated to issue a final award resolving all remaining issues.

PRELIMINARY ISSUE

At the arbitration portion of the proceeding the Agency attempted to offer the testimony of its Director of Administration (Director), who was also a member of the Agency's bargaining team. The Union objected to this testimony on the grounds that the Agency did not timely disclose this witness in a pre-hearing exchange of exhibits and witness lists that I ordered the parties to submit by July 28, 2023. The Agency claimed it misunderstood my instructions and believed witnesses were to be disclosed only if those witnesses were not a part of the parties' bargaining teams. After consideration I permitted the Director to testify on limited grounds on September 7th, granted the Union until September 18 to prepare for a cross examination of the Director that was conducted on the 18th, and also permitted the Union to provide witness rebuttal testimony on the 18th. Despite the foregoing accommodations, at the hearing the Union raised a standing objection to the consideration of the Director's testimony. The Union does not address this objection in its post hearing brief; indeed, the Union directly addresses the testimony on the merits. Nevertheless, to the extent the Union continues to object, I will address the Union's objection as part of my resolution of this matter below.

SUBSTANTIVE ISSUE AND PARTIES' ARGUMENTS

The only issue before me concerns the number of days an employee must be physically present at their duty station in Washington, D.C. or Germanton, MD before they are subject to the Agency's hoteling program. The Agency argues that employees should be physically present 6 days per pay period in order to retain an office space; the Union counters that it should be only 5 days. During negotiations the parties agreed to include the following language in their hoteling MOU concerning the definition of the term "hoteling":

Reporting onsite in the office 10 workdays a pay period is considered a typical work schedule. *Bargaining Unit Employees whose work schedule (e.g., AWS, FWS) and telework agreement result in being out of the office (i.e., the Bargaining Unit Employee is not required to report onsite) five workdays (50%) or more a pay period may be subject to office/workspace sharing (Hoteling).* Annual leave, sick leave, holidays, number of hours worked per day, etc. are excluded; Hoteling is based on a Bargaining Unit Employee's typical schedule of reporting onsite during a pay period. Attachment A provides a non-exhaustive list of sample work schedules and telework agreements where BUEs may be subject to Hoteling in accordance with provision B. Based on a management-initiated or employee-initiated determination, if a Bargaining Unit Employee's work schedule and telework agreement changes to require reporting onsite in the office for more than five (5) workdays in a pay period, the Bargaining Unit Employee will transition to a dedicated, non-Hoteling workspace.¹

The parties agreed that bargaining unit employees could be subject to hoteling if they are out of the office for "five workdays (50%) or more a pay period." However, the parties disagree on the meaning "(50%) or more," and that disagreement resulted in competing proposed employee work schedule charts that would be attached to the hoteling MOU as Attachment A. These charts are meant to demonstrate different types of work schedules – e.g., alternative work schedules (AWS) – and how often employees on those types of schedules would have to be physically present in order to retain an office. The competing charts are displayed and discussed below.

1. <u>Agency Position</u>

The Agency's position is that an employee should retain a dedicated office space – and therefore be exempt from hoteling – *only* if they are physically present at their office at least 6 days per pay period. To support this position, the Agency prepared the following chart of various types of employee work schedules as part of its final offer. The chart – labeled as Attachment A to the MOU – demonstrates how many days employees under different schedules could work in order to avoid hoteling:

Attachment A²

1. Example of Straight 8 Schedule

¹ Agency Final Offer at 1-2 (emphasis added); Union Final Offer at 1-2 (emphasis added).

² Agency Final Offer at 6.

Employee may be subject to Hoteling (employee may telework an additional 3 days highlighted in yellow)

Monday Week 1	Tuesday Week 1	Wednesday Week 1	Thursday Week 1	Friday Week 1
Telework (offsite)	Telework (offsite)	Telework (offsite)	Onsite	Onsite
Monday Week 2	Tuesday Week 2	Wednesday Week 2	Thursday Week 2	Friday Week 2
Telework (offsite)	Telework (offsite)	Onsite	Onsite	Onsite

Employee retains their own dedicated, non-Hoteling space

Monday Week 1	Tuesday Week 1	Wednesday Week 1	Thursday Week 1	Friday Week 1
Telework (offsite)	Telework (offsite)	Onsite	Onsite	Onsite
Monday Week 2	Tuesday Week 2	Wednesday Week 2	Thursday Week 2	Friday Week 2
Telework (offsite)	Telework (offsite)	Onsite	Onsite	Onsite

2. Example of 5/4/9 Schedule

Employee may be subject to Hoteling (employee may telework an additional 3 days highlighted in yellow)

Monday Week 1 Regular Day Off (offsite)	Tuesday Week 1 Telework (offsite)	Wednesday Week 1 Telework (offsite)	Thursday Week 1 Onsite	Friday Week 1 Onsite
Monday Week 2	Tuesday Week 2	Wednesday Week 2	Thursday Week 2	Friday Week 2
Telework (offsite)	Telework (offsite)	Onsite	Onsite	Onsite

Employee retains their own dedicated, non-Hoteling space

Monday Week 1 Regular Day Off (offsite)	Tuesday Week 1 Telework (offsite)	Wednesday Week 1 Onsite	Thursday Week 1 Onsite	Friday Week 1 Onsite
Monday Week 2	Tuesday Week 2	Wednesday Week 2	Thursday Week 2	Friday Week 2
Telework (offsite)	Telework (offsite)	Onsite	Onsite	Onsite

3. Example of 4/10 Schedule

Employee may be subject to Hoteling (employee may telework an additional 3 days highlighted in yellow)

Monday Week 1 Regular Day Off (offsite)	Tuesday Week 1 Telework (offsite)	Wednesday Week 1 Telework (offsite)	Thursday Week 1 Onsite	Friday Week 1 Onsite
Monday Week 2	Tuesday Week 2	Wednesday Week 2	Thursday Week 2	Friday Week 2
Regular Day Off	Telework (offsite)	Onsite	Onsite	Onsite

Employee retains their own dedicated, non-Hoteling space

Monday Week 1 Regular Day Off (offsite)	Tuesday Week 1 Telework (offsite)	Wednesday Week 1 Onsite	Thursday Week 1 Onsite	Friday Week 1 Onsite
Monday Week 2 Regular Day Off (offsite)	Tuesday Week 2 Telework (offsite)	Wednesday Week 2 Onsite	Thursday Week 2 Onsite	Friday Week 2 Onsite

The Agency's arguments rely heavily upon the testimony of the Director. He testified about two areas concerning hoteling: costs and disruptions.

As to costs, the Agency's argument begins with the premise that each dedicated workspace costs the Agency approximately \$100 per day, or about \$25,000 per year.³ Further, assuming employees use on average .83 or 1.33 days of leave per pay period.⁴ the Agency maintains that employees who are in the office six days per pay period would have dedicated workspaces that are utilized only approximately 47% of the time per period. This 47% figure, however, does not account for items like unscheduled leave, work travel, and training. Thus, even under the Agency's proposal there would be minimal office usage. By contrast, the Agency estimates that adopting the Union's position would result in only a 35% or 45% space utilization.⁵ Adopting the Union's position would require the Agency to need two to three times more total office seats and would result in an extra \$25,000 to \$50,000 per year per seat despite lower total office usage. The Agency also notes that in 2022 the Agency "released 194,431 square feet of leased space, saving approximately \$9.7 million annually."6 The Agency is further looking to decrease its physical footprint and increase staffing: the Agency cannot provide physical office space in the same manner it did prior to the onset of the Covid-19 pandemic.

As to the topic of disruption, the Director testified that hoteling in itself is not inherently disruptive. Indeed, he testified that a number of hoteling offices include private offices with doors and large cubicles. And, noises would be mitigated because less employees are on site due to various workplace flexibilities such as telework. Additionally, employees may request to work in dedicated hoteling workspaces. These spaces have equipment and supplies, and noise issues are promptly addressed.

In addition to the above considerations, the Agency notes that the Federal government is under widespread pressure to address space utilization issues. Currently, the Agency's space utilization is under review by the General Services Administration, the Government Accountability Office (GAO), and the National Capital Planning Commission. For 2023, the GAO concluded that the Agency was utilizing only 25% of its capacity.⁷

In its post hearing brief, the Agency vigorously rejects the Union's position. The Agency characterizes the Union's position as one that is based upon employee preference rather than empirical data. For example, one of the Union witnesses was one of the two local Union chapter presidents who testified about a survey the Union administered to its bargaining unit concerning 5 or 6 day preferences. The Agency concedes that employees found 5 days preferable, but it also contends that

³ See Agency Brief at 5.

⁴ In its post-hearing brief, the Agency used both of these figures to claim average per pay period leave usage of employees. *See* Agency Brief at 5, 6. The Agency did not explain this difference.

⁵ See Agency Brief at 6.

⁶ *Id.* at 7.

⁷ Agency Brief at 6.

the survey did nothing more than collect preferences and offered no analysis about whether 5 days is actually "appropriate." Further, the Agency felt the questions posed in the survey were unclear and occasionally contradictory.

The Agency also took issue with testimony offered by one of the Union's attorneys who testified about contract language involving hoteling from other NTEU-represented Federal agencies. The Agency notes that the Union provided no testimony linking those agreements to the Agency. Moreover, the Union attorney was unable to provide specifics, such as the expiration date of those agreements or when they even went into effect. And, at least two proffered CBA's undercut the Union's claims. The Union offered an Environmental Protection Agency-NTEU CBA that states employees "will" share office space; by contrast, the Agency's proposal states that they "may" share space.⁸ The Agency also notes that the Union offered an NTEU-Federal Communications Commission agreement that has the exact same requirement as the Agency.⁹

2. <u>Union Position</u>

The Union's position is that employees should be permitted to retain dedicated office space so long as they are physically present at their office for at least *five* days per pay period. The Union offers its own version of Attachment A to the MOU:

Attachment A¹⁰

1. Example of Straight 8 Schedule

Employee may be subject to Hoteling (employee may telework an additional 3 days highlighted in yellow)

Monday Week 1	Tuesday Week 1	Wednesday Week 1	Thursday Week 1	Friday Week 1
Telework (offsite)	Telework (offsite)	Telework (offsite)	Onsite	Onsite
Monday Week 2	Tuesday Week 2	Wednesday Week 2	Thursday Week 2	Friday Week 2
Telework (offsite)	Telework (offsite)	(Offsite)	Onsite	Onsite

Employee retains their own dedicated, non-Hoteling space.

Monday Week 1	Tuesday Week 1	Wednesday Week 1	Thursday Week 1	Friday Week 1
Telework (offsite)	Telework (offsite)	Offsite	Onsite	Onsite

⁸ See Agency Brief at 10.

⁹ See id. The Agency also rejects the Union attorney's reliance upon a chart the Union offered at the hearing concerning different types of employee work schedules. See id. at 9. According to the Agency this chart is immaterial because it only addresses work schedule types, not how many days an employee must be physically present in the office space.

¹⁰ Union Final Offer at 6.

Monday Week 2	Tuesday Week 2	Wednesday Week 2	Thursday Week 2	Friday Week 2
Telework (offsite)	Telework (offsite)	Onsite	Onsite	Onsite

2. Example of 5/4/9 Schedule

Employee may be subject to Hoteling (employee may telework an additional 3 days highlighted in yellow)

Monday Week 1 Regular Day Off (offsite)	Tuesday Week 1 Telework (offsite)	Wednesday Week 1 Telework (offsite)	Thursday Week 1 Onsite	Friday Week 1 Onsite
Monday Week 2	Tuesday Week 2	Wednesday Week 2	Thursday Week 2	Friday Week 2
Telework (offsite)	Telework (offsite)	Offsite	Onsite	Onsite

Employee retains their own dedicated, non-Hoteling space.

Monday Week 1 Regular Day Off (offsite)	Tuesday Week 1 Telework (offsite)	Wednesday Week 1 Offsite	Thursday Week 1 Onsite	Friday Week 1 Onsite
Monday Week 2	Tuesday Week 2	Wednesday Week 2	Thursday Week 2	Friday Week 2
Telework (offsite)	Telework (offsite)	Onsite	Onsite	Onsite

3. Example of 4/10 Schedule

Employee may be subject to Hoteling (employee may telework an additional 3 days highlighted in yellow)

Monday Week 1 Regular Day Off (offsite)	Tuesday Week 1 Telework (offsite)	Wednesday Week 1 Telework (offsite)	Thursday Week 1 Onsite	Friday Week 1 Onsite
Monday Week 2	Tuesday Week 2	Wednesday Week 2	Thursday Week 2	Friday Week 2
Regular Day Off	Telework (offsite)	Offsite	Onsite	Onsite

Employee retains their own dedicated, non-Hoteling space.

Monday Week 1 Regular Day Off (offsite)	Tuesday Week 1 Telework (offsite)	Wednesday Week 1 Offsite	Thursday Week 1 Onsite	Friday Week 1 Onsite
Monday Week 2 Regular Day Off (offsite)	Tuesday Week 2 Telework (offsite)	Wednesday Week 2 Onsite	Thursday Week 2 Onsite	Friday Week 2 Onsite

The only difference from the Agency's proposed Attachment A is that, for each work schedule illustrated, employees are able to retain their office so long as they are within that space five days in a pay period.

The Union begins its argument in its brief by outlining the standard of review it believes should be used to resolve this dispute. Citing a prior FSIP arbitration decision, the Union claims that imposition of proposals should be governed by "demonstrated need" and "comparability."¹¹ Moreover, examining the Statute, the Union argues that FSIP decisions should also be guided by: (1) a desire for balanced decisions in the form of "amicable settlements;"¹² (2) an adoption of "modern and progressive" work practices¹³; and (3) principles of "effective and efficient Government."¹⁴ All of these taken together demonstrate the necessity of an equitable and effective labor relationship between Federal agencies and unions, and that any entity seeking to disrupt a status quo should have the burden to demonstrate why that change should occur.

Applying the above framework, the Union contends that its proposal and position is comparable to other Federal agencies. At the hearing the Union presented testimony about contractual language from other agencies involving office sharing, and those agreements established in person requirements of 2 to 4 days or less.¹⁵ Thus, the Union claims the Agency's 6-day approach would be a departure from Federal precedent.

The Union also argues its proposal is more equitable for employees on different types of AWS's. For example, under the Agency's proposal, an employee on a 4/10 compressed work schedule (CWS)¹⁶ would have to be physically present 60 out of 80 hours in a pay period in order to retain an office; by contrast, under the Union's proposal an employee on a 4/10 CWS need only be present 50 hours in a pay period. The Union rejects the Agency's suggestion that employees could request a different AWS or abandon AWS altogether: many employees selected particular AWS's to address their particular circumstances and abandoning such schedules now would be overly burdensome.

The Union also conducted a survey of its workforce and discovered that 90% of respondents indicated a preference for a 5-day policy versus a 6-day one. Respondents cited concerns about losing dedicated office space because, among other things, they would not have a dedicated space to store files or whiteboards. Although the Agency offered solutions – such as storing items in the building's gym locker room – employees rejected those suggestions as too cumbersome and inconvenient. The Union maintains employee concerns should not be dismissed.

The Union rejects the Agency's arguments in favor of its proposal as based upon "conjecture rather than concrete evidence." The Union maintains the Agency failed to meet its burden to prove that the Union's proposal would produce more burdensome costs or would otherwise be more inefficient. Although the Director

¹¹ Union Brief at 4 (*citing Environmental Protection Agency, Region 7, Kansas City, Kansas and Local 907, American Federation of Government Employees, AFL-CIO,* 12 FSIP 79 and 12 FSIP 81 (2012)).

¹² Id. (citing 5 U.S.C. §7101(a)(1)(C)).

¹³ Id. (citing 5 U.S.C. §7101(a)(2)).

¹⁴ *Id.* (citing 5 U.S.C. §7101(b)).

¹⁵ See Union Brief at 6.

¹⁶ Under this type of CWS an employee is on duty 4 days each work week for 10 hours a day.

offered testimony about costs and figures associated with alleged space savings, the Union contends that his methodology is unclear as neither he nor the Agency offered supporting data. The Agency never provided empirical data or a precise forecast: instead, it provided only anecdotal data.

Additionally, the Union found that the Director's position lacks consistency with the emerging philosophy of the Federal government. The Director determined in 2022 that the "sweet spot" for office utilization should be a 6-day in person requirement because, among other things, it accounted for decreased office usage due to increased telework. Yet, in 2023 the federal Government has called for an increased in person footprint on two separate occasions: Office of Management and Budget guidance issued in April 2023¹⁷ and an August 2023 White House directive to Cabinet heads to increase in person attendance in the fall of 2023. The position of the Federal government to move towards an increased in person presence undercuts the Director's 2022 "sweet spot" analysis that relied upon enhanced telework. The Director also testified that the Agency has received inquiries about subletting its office space. Given this expressed interest, in conjunction with a potential diminished Federal government reliance upon telework, the Union believes it is prudent to ensure employees have as many dedicated office spaces as possible.

ANALYSIS AND CONCLUSION

Having reviewed the parties' arguments and their submissions, I conclude that it is appropriate to impose the Union's language in full to resolve this dispute. The Agency initiated this matter by proposing the implementation of a hoteling policy. As the Agency instigated the process, it is appropriate to place the burden upon the Agency to demonstrate the necessity for the adoption of its position, i.e., a 6-day in person requirement. The Agency's efforts on this front were lacking.

The Agency offers several rationales in support of its position, the most prominent of which is a reliance upon financial data. To wit, the Agency argues that its proposal is necessary because any other option results in a significant financial hardship upon the Agency. In support, the Agency places a heavy emphasis on the testimony of the Director and the figures he provided at the hearing to buttress his conclusions. As discussed above he testified that a single dedicated workspace costs the Agency \$25,000 per year and, as such, leaving office spaces open creates costly unutilized office spaces. Yet, both the Agency and the Director failed to provide any sort of empirical data or methodology to establish how the Director arrived upon his financial figures. Indeed, at the hearing I questioned the Director about the foregoing and he was unable to offer any sources for his computations. Similarly, the Agency failed to provide supporting data in either its submitted documents or its briefing. Bereft of any information, I am essentially invited to speculate as to

¹⁷ Union Brief at 9 (citing OMB Memorandum M-23-15, Measuring, Monitoring, and Improving Organizational Health and Organizational Performance in the Context of Evolving Agency Work Environments (Apr. 13, 2023)).

how the Director and the Agency arrived at the figures discussed above. I am unwilling to accept this invitation.

Moreover, the difference in the parties' proposals is that of 1 day. Yet, it is not apparent how, or even if, the Agency's calculations factor in this relatively minor difference. To be sure, the Agency claims that the Agency's 6-day requirement results in a 47% space utilization rate whereas the Union's 5-day requirement produces a 35% to 45% utilization rate. However, it is unclear what, if any, financial disparity this difference creates. More importantly, the Agency's own range of numbers show a possibility of a difference between 47% and 45% space utilization rate, or a simple 2% difference. Thus, even the Agency's own figures – which again, are unsupported – demonstrate similarity to the Union's proposal.

In addition to the foregoing deficiencies, I also note that the Agency offered little in the way of explanation regarding how its proposal is intended to be implemented within its facilities. The Agency consists of dozens of Departmental Elements, or divisions. Yet, the Agency offered no specific information about when, or even if, any hoteling policy would go into effect for each division. Would it go into effect Agency wide upon the execution of the hoteling MOU? Or would divisions be permitted to piecemeal implementation at staggered times they deem appropriate? Although information presented at the hearing seemed to indicate implementation throughout divisions would not be a uniform approach, the Agency presented no conclusive information. If implementation is indeed piecemeal and/or delayed, does that not leave the Agency's avowed cost and spacing concerns in place at some level for some unspecified amount of time? This lack of clarity does not assure me that imposition of the Agency's proposal is a must rather than a want.

At the hearing and in its post hearing brief the Agency offered a vigorous rebuke of the Union's arguments that the Union offered in favor of its proposal. I need not address the merit of the Agency's attempts to rebut the Union's claims because the Agency has not satisfied its own initial duty to demonstrate why its proposal warrants imposition. The parties offered no other options aside from the 6 and 5-day options, and no other alternatives are apparent to me. Yet, the nature of the parties' hoteling MOU calls for *some* language involving defining hoteling. Accordingly, I find it appropriate to conclude that the Union's proposal should be imposed to resolve this dispute.¹⁸ In reaching this conclusion, I take no position on future actions concerning Agency space utilization or office space. Rather, this award is limited to the topic of the implementation of the Agency's proposed hoteling policy.

¹⁸ Based upon this conclusion, I find it unnecessary to resolve any Union objection concerning my consideration of the Director's witness testimony.

DECISION

Having carefully considered the arguments and evidence presented in this case, as the Statute requires, I hereby order the imposition of the Union's proposal to resolve this dispute.

Wynter Allen /Wynter Allen/ Wynter Allen Panel Member

October 19, 2023