



The Hellman Company, inc.

13 March 1996

The Honorable Al Gore, Vice President of the United States of America  
The White House  
Washington, DC 20500

re: Virtual Adjacency® not Telecommuting  
Virtual Consolidation is preferable to Physical Consolidation:  
economic efficiency, reinventing cities, solving transportation problems

Dear Mr. Vice President:

There is an exceptional opportunity to achieve more for less. But it will not happen without your leadership. It involves how government goes about its daily business — processing and communicating information. I am writing to you because you are the leader seeking to 1) reinvent government, 2) make the NII the Superhighway to improving America's competitiveness, efficiency and quality of life, and 3) achieve meaningful environmental progress. **These are not three separate things — they are integral parts of one complex, non-linear, dynamic feedback system.**

A specific decision is in the process of being made now by the Securities and Exchange Commission (SEC). If done properly, it offers you a superlative opportunity to innovate, demonstrate and showcase your vision and your values. Their recent short term extension of their current lease affords the time to innovate intelligently.

The SEC is seeking new office facilities. But **their strategy is "physical consolidation"** — everybody and everything in one building (see exhibit 2). This is outdated and counterproductive. It is the paradigm of the paper-based manual labor workplace of the pre-NII world. **It is no longer a solution. It is the problem.**

In contrast, virtual consolidation (see exhibits 1 and 2) would permit **a network of office facilities to be conveniently located near workers' homes, with a strategic downtown centerpiece, all linked by powerful and affordable computer and communication technologies into a single unit.** In the SEC example, annual economic costs of \$29,000,000 vs. \$61,000,000 (see exhibit 3) are just the direct savings achievable. The larger context of quality of life, environmental and collateral economic benefits have not even been quantified yet. They are overwhelming.

Since 1980 I have been studying (with the benefit of 5 academic degrees from MIT) the impact of the evolution of technology on 1) the nature of work, 2) the physical attributes of buildings, and 3) patterns of land-use. This led me to the conclusion that virtual consolidation, achieved through virtual adjacency® (implemented via enlightened use of computer and communication technology) would lead to significant improvements in infrastructure functioning, in organizational effectiveness, in quality of life and in economy of operation.

You have powerful evidence that these ideas are attractive and workable (see exhibit 4). A federally sponsored (Hoyer Wolf program) demonstration project creating satellite workplaces has proven more successful than many expected. The InTeleWork Center in Charles County, MD, in particular, in concert with the Charles County Community College where the new Center for Business and Industry (CBI) is being built offers critical examples and workforce retraining facilities for expanding these ideas as suggested here.

Our cities and our suburbs should not be in competition with each other (as they too often are). They should be complementary. But today, the synergy is missing. The price we pay for this failure is considerable: traffic congestion, wasted energy consumption, air pollution. And the wasted time is costly, demoralizing and results in the breakdown of family structure.

Building configuration and size has changed dramatically as technology has evolved. In particular, the invention of central air conditioning allowed us to build large floor-size information processing factories. These are inhuman in scale. They are not delightful to experience from within or without. Based upon my research I have assembled the optimal site for the office building of the future — 500 New Jersey Avenue, NW. It's prominent location near the Capitol offers the ideal setting to showcase the myriad of benefits to be achieved through imaginative use of the NII. It is included here simply as an example of what our cities should be to give them new life, charm, energy, activity. The health of the suburbs depends upon a healthy center city. And Washington should set the example for the nation.

Virtual consolidation is based on complete system re-engineering. This involves people, real estate, information technology and transportation. The objective of virtual adjacency is placing people in the most advantageous work location — no one location is ideal for all things all the time.

Reinventing government means doing things differently. More intelligently. Which brings us back to the SEC. Who better to lead the way than an organization whose universe resides on the “information highway”. But this kind of innovation requires leadership, vision and courage. And this must come from the top. You are that leader.

In order for you to make meaningful progress in pursuit of your priorities:

- 1) reinventing government,
- 2) making the NII the Superhighway to improving America's competitiveness, efficiency and quality of life, and
- 3) achieving meaningful environmental progress,

I recommend that you encourage the SEC to consider virtual consolidation in their space planning decisions.

I am available to discuss this matter further at your convenience.

Sincerely,

Jay John Hellman, Ph.D.

enclosures: listed on following page

- enclosures:
- 1) Virtual Adjacency<sup>®</sup> and Washington, DC (1 page narrative)
  - 2) Virtual Consolidation vs. Physical Consolidation
    - graphic (1 page diagram)
    - economic analysis of the large floorplate building (1 page spreadsheet)
  - 3) Virtual Consolidation vs. Physical Consolidation — comparative analysis
    - table (broad scope qualitative comparison)
    - quantitative economic analysis (a Summary page and 2 pages of supporting detail)
  - 4) • The InTeleWorkNet Center , Charles County, MD
    - The Charles County Community College *Center for Business and Industry*
  - 5) letter to Lawrence A. Friend, Chief Accountant, Div. of Investment Management, SEC, 15 Mar 95
  - 6) • 500 New Jersey Avenue, NW (1 page brochure)
    - Valuation Matrix: a structured, quantitative analysis of the downtown centerpiece building in the distributed plan of virtual consolidation
  - 7) Table of Contents to draft of paper: *Re-engineering the Office Building Tool*
  - 8) Table of Contents to assembly of papers re 500 New Jersey Avenue Public Private cooperation
  - 9) letter from the Hon. Fred Schwengel, President, US. Capitol Historical Society  
re: the national significance of the plan to redevelop 500 New Jersey Avenue, NW
  - 10) bio of Jay John Hellman