



## HIGHLIGHTS

### **DOT Highlights**

Secretary Mineta has called for a safer, simpler and smarter transportation system for the benefit of all Americans. Safer because we will place greater emphasis on saving lives, simpler because we will improve the management of our resources by consolidating and streamlining programs, and smarter because we will focus on improving efficiency, achieving results and increasing accountability. We have used these principles to develop the reauthorization of Federal surface and air transportation programs to ensure viability in our transportation system.

### **Presidential Management Agenda (PMA) Highlights**

FY 2003 was an important year in DOT's PMA effort. We have a more rigorous process in place to benchmark our progress and make the effort to "get to green" by July 1, 2004.

### **Competitive Sourcing**

In FY 2003, DOT initiated or completed competitions on approximately 3000 positions. FAA performed substantial planning activities for a competition covering 2700 positions. MARAD and FRA completed competitions covering a total of over 200 positions. In all cases, the government retained the work in-house. Several other OA's completed streamlined competitions or direct conversions covering another 100 or so positions.

### **Improving Financial Management**

In CY 2003, DOT completed implementing a new accounting system, Delphi. DOT has again received a clean audit opinion in FY 2003. However, DOT remains red in status as a result of material weaknesses that have not yet been fully resolved. We anticipate resolving these by July 2004.

### **Integrating Budget and Performance**

DOT issued performance-based 2004 budget justifications for a number of agencies, and senior management has started using performance data in allocating resources. DOT is continuing to refine its measures to better connect spending to outcomes.

### ***Human Capital***

DOT's Human Capital Planning process is aligned to the Human Capital Standards for Success, the comprehensive framework

prepared by the Office of Management and Budget (OMB), the Office of Personnel

Management (OPM), and the General Accounting Office (GAO). DOT's strategic workforce planning uses flexible tools to recruit, retain, and reward employees and will result in a high-performing workforce. DOT prevents gaps in mission-critical occupations and hard-to-fill positions. The Department has a Human Capital Council that is led by the Office of the Secretary and a Human

Resources (HR) Strategic Action Plan that is aligned with DOT's Strategic Plan, charting the direction for managing human capital resources.

## E-Government

The Office of the CIO E-Government Division is responsible for monitoring and reporting on Departmental progress in complying with the requirements of the Government Paperwork Elimination Act, which requires government agencies to automate their interactions with outside partners and customers by October 21, 2003 to the extent practicable. IT security has been found to be a material weakness in FY 2003, and the Department is in the process of updating its policies and procedures that define the Federal and legislative requirements for IT security.

The following table summarizes the President's FY 2003, key performance targets DOT will strive to achieve, and the Department's present status and progress in implementing the President's Management Agenda.

### US Department of Transportation President's Management Agenda Scorecard

#### KEY TO FY 2003 STATUS:

**The "status" column measures where DOT is in satisfying the initiative. Agencies receive a green rating by reaching the required score. Agencies must maintain scores between evaluations to maintain a green.**

Green: Indicates that the agency has met all of OMB's core criteria for the initiative.

Yellow: Indicates achievement of some but not all of OMB's core criteria for the initiative and that the agency has no "red" conditions.

Red: Indicates that at least one of the conditions identified by OMB for that initiative is in need of correction.

The "progress" column measures the rate at which DOT are moving toward green. Agencies get a green rating when implementation is advancing according to plan.

| INITIATIVE   | FY 2003 STATUS | FY 2003 PROGRESS | HOW DOT IS MEETING PMA CHALLENGES   |
|--|----------------|------------------|---|
| <i>Human Capital:</i> Develop a DOT-wide human capital workforce strategy to address future workforce gaps, eliminate skill gaps in critical occupations, develop performance-based incentives for the workforce, remove unneeded management layers, and develop the right mix of skills in the workforce. | Yellow         | Green            | <p><i>Human Capital Plan:</i> DOT continued to implement its <i>Human Capital Plan</i> that will strategically guide human capital planning efforts and lead to <i>Green</i> in Status. In FY03, DOT was upgraded to a <i>Yellow</i> in Status based on progress in implementing the initiatives and milestones outlined in the <i>Human Capital Plan</i>, including development and implementation of:</p> <ul style="list-style-type: none"> <li>• Succession Planning Framework;</li> <li>• DOT-wide Diversity Action Plans;</li> <li>• Performance management policy to ensure</li> </ul> |

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|  |               |              | <p>linkage to strategic goals;</p> <ul style="list-style-type: none"> <li>• DOT-wide Mentoring Program-<i>Leaders for Tomorrow</i></li> <li>• Automated staffing system, "QuickHire";</li> <li>• Corporate Recruitment Plan;</li> <li>• Integration of human capital with DOT Strategic Plan;</li> <li>• Human Capital Planning Council</li> <li>• Accountability System;</li> </ul> <p>In addition, OAs continued to conduct workforce planning for mission-critical occupations.</p>   |
| <p><b>Competitive Sourcing:</b></p> <p>Each department must submit a Strategic Competition Plan and compete "commercial reimbursable support services" on a recurring basis.</p> | <p>Yellow</p> | <p>Green</p> | <p><b>Strategic Competition Plan:</b></p> <p>DOT submitted an approved FY2003 Yellow Competitive Sourcing Plan. Yellow Plan implementation results include completing two full competition studies of 203 Full-time Equivalent (FTE) positions combined, and having a combined identified annual saving of over \$1M; completing four streamlined competition studies (10 FTE combined); and, direct converting 61 FTE positions to contracted source. All of the aforementioned competitions were completed prior to September 30, 2003. Additionally, DOT has two standard competitions (2,716 FTE) and one streamlined competition (7 FTE) in process, per accepted Plans and schedules with the Office of Management and Budget (OMB).</p> <p>An additional streamlined study (8 FTE) is schedule to be announced in January 2004. All streamlined studies have been completed on schedule and in 90 days or less and no competitions have been cancelled, although one standard and two streamlined studies were delayed in part by new policy changes with publishing of revised OMB Circular A-76.</p> <p>DOT has also made several improvements in the Department's FAIR Act Inventory process in CY03 (OMB approved for justifications on October 3, 2003), and has made procedural changes to help bring greater consistency and accuracy in the CY04 Inventory across the Operating Administrations for future competition consideration.</p> |
| <p><b>Improved Financial Management:</b> Develop</p>   | <p>Red</p>    | <p>Green</p> | <p><b>Integrated Financial Systems:</b></p>  |

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| <p>financial management systems capable of producing more timely and accurate information, and maintain a record of unqualified opinions on our financial statements.</p> |  | <p><i>Federal Personnel and Payroll System (FPPS):</i> Initiated in FY 2003, in April 2004, DOT's payroll and HR will both be migrating to Department of Interior's (DOI) Federal Personnel and Payroll System (FPPS). that will be re-hosted and new interfaces developed to FPPS and Delphi. This migration will also improve DOT's labor distribution system and support managerial cost accounting.</p> <p><i>E-Travel Management:</i> In FY 2003, DOT began the implementation of an end-to-end travel service based on the final GSA e-travel/OMB e-gov initiative. This includes a web-based system that provides a complete integration of travel management from creating and approving travel authorizations to processing of travel vouchers and reimbursements to the travelers, along with a self-booking web engine for an end-to-end travel service.</p>  |
|   |  | <p><b><i>Financial Performance Measures for OMB:</i></b></p> <p>The OFM financial management scorecard tracks criteria established by the Office of Management and Budget. The criteria include OMB performance indicators, internal budgetary controls, Delphi, audit issues, financial reporting, erroneous payments, and cost accounting. The OMB financial performance indicators include:</p> <ul style="list-style-type: none"> <li>• <i>Reconciled/Unreconciled Cash Balances.</i> This is the absolute value of the cash account balances, both reconciled and unreconciled.</li> <li>• <i>Suspense Account.</i> This is the balance in the suspense accounts. It further breaks the balance down by less than and more than 60 days.</li> <li>• <i>Delinquent Accounts Receivable (AR) from the Public.</i> This shows the balances of delinquent AR from the public from 6 months to a year, from one to two years and finally those greater than two years old.</li> <li>• <i>Electronic Payments.</i> This indicator provides a status of all vendor electronic and check payments showing the percentage that are electronic.</li> <li>• <i>Non-Credit Card Invoices Paid on Time.</i> This shows all noncredit card invoices paid</li> </ul> |

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|   |            |              | <p>on time by dollar and percentage.</p> <ul style="list-style-type: none"> <li>• <i>Interest Penalties Paid.</i> This indicator is the total dollar of the invoices paid, total interest paid and penalties as a percentage of total invoices.</li> <li>• <i>Travel Card Delinquencies.</i> This indicators shows the amount of travel card balances at the end of the month and the percentage over 60 days.</li> <li>• <i>Status of Centrally Billed Accounts.</i> This indicator is the amount of the centrally billed account balances at the end of the month and the percentage over 60 days.</li> <li>• <i>Managerial Cost Accounting.</i> The Operating Administrations are developing procedures and reporting mechanisms to provide managers with timely cost accounting data that can be used to improve daily decisions.</li> </ul>  |
| <p><b>E-Government:</b> Better justify and track costs and performance of information technology projects, as well as participate in government-wide initiatives that automates and simplifies how the public deals with the government and reduce redundancies and increase efficiencies across government-wide.</p> | <p>Red</p> | <p>Green</p> | <p><b>Capital Planning:</b> Participation in capital planning process expanded across departments. Over 1000 participates attended CPIC training sessions held to improve the quality of the business case analysis. DOT Departmental Investment Review Board (IRB) reviewed and approved the FY05 portfolio in support of the budget and Department mission and goals. IRB established systematic quarterly review process to monitor major projects against business case baseline. Implemented an integrated CPIC and EA policy and governance structure to ensure alignment between the two areas.</p> <p><b>IT Security:</b> IN FY 2003, DOT has increased the percentage of certified/accredited systems by 25% over FY2002. DOT has certified/Accredited over 60% of DOT mission critical systems and implemented plans to address remaining C&amp;A weaknesses. DOT continues to conduct weekly vulnerability scanning of all public facing and e-Government web servers. Plans are in place to expand the vulnerability scanning to internal servers as well. To date, DOT has increased over 100 percent of systems scanned, decreased vulnerabilities by over 90 percent.</p> <p><b>Enterprise Architecture:</b> Released DOT Modernization Blueprint including "As-Is" and "To-Be" architecture for the DOT common IT</p> |

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|  |               |              | <p>infrastructure. The EA Framework and Reference Models are aligned with the OMB FEA PMO Framework. DOT Operating Administrations have completed EAs for their unique business/mission areas.</p> <p><b>Government-wide Initiatives:</b> DOT is an active partner in 15 of the 25 PMA e-Government initiatives, spanning the 4 e-Government categories. DOT successfully implemented several of the initiatives including: migrated to Go Learn and shut down Transportation Virtual University; posted grant announcements on Grants.gov; included National Scenic Byways Program information on Recreation.gov; negotiated enterprise licenses through SmartBuy; and successfully migrated to FPDS-NG through the Integrated Acquisition Environment initiative.</p> |
| <p><b>Budget/Performance Integration:</b> Better integrate budget and performance functions by integrating respective staff work; developing plans and budget with outcome goals, output targets and resources requested in the context of past results; charging full budgetary costs of programs; and documenting program effectiveness.</p> | <p>Yellow</p> | <p>Green</p> | <p><b>DOT Performance Plan and Reports:</b></p> <p>The U.S. Department of Transportation (DOT) strongly supports the President's Management Agenda that encourages agencies to closely integrate budget and performance information. Doing so will improve both program management and investment decision-making processes, and ultimately create a results-oriented Government.</p> <p>For example, in FY 2003, DOT built on its successful implementation of the Government Performance and Results Act (GPRA). DOT plans to significantly realign and improve the FY 2003 <i>Performance Plan</i> to focus more closely on the ties between program outputs, performance outcomes, and individual and organizational accountability for performance.</p>            |

The next section of the Report describes the DOT strategic goals, program highlights, and financial highlights for each Operating Administration that help DOT meet its Departmental objectives.

**DOT Strategic Goals**

Transportation is an integrated network consisting of publicly and privately owned and operated equipment, infrastructure and logistics systems. Increasingly the equipment - cars, trucks, buses, trains, ships, airplanes, launch vehicles and pipelines - uses information technology to ensure that the person or good being moved arrives at the right place at the right time. Similarly the infrastructure (i.e., highways, port facilities, airports, space launch and reentry sites, railway and transit stations) is connected by communication and information networks. Improvements in logistics systems sparked by information

technology (e.g., navigation equipment, air traffic control systems, and tracking systems) increase not only the efficiency but also the safety of transportation. The Nation's economic growth and prosperity are dependent upon the synergies of our transportation and information networks.

## **Safety**

President Bush has challenged this Department to develop creative ways to reduce the number of fatalities on the Nation's highways. Secretary Mineta has accepted this challenge and, as a safety advocate, has established a goal to reduce the highway fatality rate to not more than 1.0 per 100 million vehicle miles traveled by 2008 from 1.7 per 100 million vehicle miles traveled in 1996.

## **Mobility**

Congestion is clearly a growing threat to our economic well-being. Indeed, the U.S. Chamber of Commerce has said it is one of the biggest problems facing our economy today. Transportation congestion and bottlenecks damage air quality, slow commerce, increase energy consumption and threaten our quality of life causing Americans to waste significant time and money. Traffic congestion now costs motorists in our Nation's top urban areas about \$68 billion a year in wasted time and fuel. These costs do not include the added expense incurred by businesses and their customers when goods and materials are not delivered in a timely fashion. Without public transit, the congestion cost would be \$19 billion higher.

## **Global Connectivity**

Increasing globalization of the American economy will put pressure on the capacity of our ports and borders. By the year 2020, U.S. foreign trade in goods is expected to grow by more than half its current tonnage. Major congestion that now occurs in and around marine ports and terminals at specific points and times will increase. On the leading edge of international cooperation is commercial aviation which has grown 70-fold since the first jet airliner flew five decades ago, growth unmatched by any other mode of transportation over that period. Recent statistics show that over 1.6 billion passengers travel by air for business and recreation each year. This figure is expected to grow to 2.3 billion passengers annually by the end of the decade.

## **Environmental Stewardship**

Energy consumption is tied to greenhouse gas production, an emerging concern for the transportation sector, which produces 26.8 percent of the greenhouse gases emitted in this Nation. Transportation emissions of nearly all air pollutants are at their lowest levels in 30 years, and the use of public transportation contributes to the reduction in mobile source air emissions. Executive Order 13274, "Environmental Stewardship and Transportation Infrastructure Project Reviews," signed by President Bush to speed up decision making on vital airport, highway, transit and intermodal transportation projects, while safeguarding the environment. An executive-level Federal task force, chaired by Secretary Mineta, will expedite priority projects and improve procedures that apply to all projects.

## **Security**

President Bush has directed DOT and the Department of Homeland Security (DHS) to work together to design a world-class transportation security system that will prevent terrorists from ever again using transportation as a weapon against us. DOT recognizes that our transportation system must remain a vital link for mobilizing our armed forces for military contingencies and for supporting civilian

emergency response. We will work to keep Americans who use our transportation system as safe and secure as possible. DOT's Maritime Administration is responsible for maintaining the Nation's Ready Reserve Fleet of vessels that can be called into action in time of war.

### **Organizational Excellence**

Secretary Mineta understands that we cannot achieve our strategic objectives without a culture of continuous improvement. We support the President's Management Agenda (PMA) and are implementing it fully throughout the Department. Three principles guided the President's vision for government reform: government should be citizen centered, results oriented and market based, promoting innovation through competition. The PMA contains five mutually reinforcing goals that the DOT Team is integrating into its corporate culture in striving for continuous management improvement:

- Strategic Management of Human Capital;
- Budget and Performance Integration;
- Competitive Sourcing;
- Expanded E-Government; and
- Improved Financial Management.

To make DOT the most desirable place to work in the Federal government and the internationally recognized focal point for transportation core competencies, we must face a number of challenges in the years ahead. Most critically, we must attract the best and the brightest people to our workforce and inspire a new generation of innovators and pioneers in transportation careers. Secretary Mineta's vision calls for DOT to become the employer of choice not only within the transportation industry but also within the Federal government.

### **Federal Highway Administration (FHWA)**

FHWA provides grants to States to help plan, build, maintain, and manage the Nation's highway system and bridges. It also performs research and development of highway and trucking related issues; manages the Intelligent Transportation System (ITS) program; and operates the direct Federal highway construction program for Federal Lands.

Americans have built a vast and highly productive network of transportation assets based on the strengths of individual modes - air, marine, highway, transit and rail. Now, our challenge is to become architects of the future, blending these separate constituencies into a single, fully coordinated system - one that connects and integrates the individual modes in a manner that is at once safe, economically efficient, equitable, and environmentally sound. The American people require the safest and the most efficient transportation system we can provide. The quality of our lives, the shape of our communities, and the productivity of our economy depend on our success in meeting this goal.





## Financial Highlights

*Highway Trust Fund:* FHWA programs are primarily "user funded" programs, supported by the Federal gasoline/diesel tax and taxes on other motor vehicle-related products (e.g., tires, trucks, trailers), and truck use taxes. The tax collections are deposited into the HTF and dedicated to financing Highway and Transit programs. About 14 percent of the HTF revenue was dedicated to Federal transit programs in FY 2002 and 2003. FHWA obligations from the HTF totaled \$31.8 billion at the end of FY 2003. The cash balance in the HTF at the end of FY 2003 was about \$18 billion at the end of FY 2003.

*Federal Aid and State Grants:* Federal-aid funding accounts for the majority of FHWA's budget authority. It provides for construction and preservation of the approximately 46,700 mile Dwight D. Eisenhower National System of Interstate and Defense Highways, generally financed on a 90 percent Federal to 10 percent State basis. It also provides for improvements on approximately 900,000 miles of other Federal-aid arterial and collector routes, with financing generally on an 80 percent Federal to 20 percent State basis.



## Program Highlights

*Intelligent Transportation Systems (ITS):*

FHWA is promoting the use of electronic information and communications technology to help mitigate delays caused by congestion. These systems will assist metropolitan areas in managing traffic. As of the end of FY 2003, 57 metropolitan areas were determined to have medium to high levels of ITS deployment. In addition, 85 projects in the ITS Integration Program (ITIP) were approved in FY 2003.

## Federal Aviation Administration (FAA)

The Federal Aviation Administration (FAA) is charged with promoting the safety and efficiency of our national airspace system. The FAA establishes and enforces regulations and oversees inspections that maintain the integrity and reliability of that system, which has fueled our economy and helped ensure our Nation's prosperity for more than 50 years.

### **Financial Highlights**

With a workforce of almost 50,000 professionals and an annual budget of approximately \$13.5 billion, the FAA operates and maintains the complex air traffic control system and the facilities and equipment that support it. More than 17,000 controllers manage more than half of the world's air traffic, helping to ensure ever-increasing levels of safety. The agency also conducts research to improve aviation safety and efficiency and provides grants to improve 3,400 public-use airports in the United States.

### **Program Highlights**

FAA Administrator Marion C. Blakey, who marked her first anniversary in office on September 15, 2003, led the agency to a number of significant milestones during FY 2003. Last year was one of continued improvement in aviation safety, with a rate of only 0.024 fatal commercial aviation accidents per 100,000 departures. This achievement represents a continued reduction in the commercial fatal accident rate, which keeps FAA on track to meet our ambitious goal of reducing these types of accidents by 80% from the 1994-1996 baseline. A number of FAA initiatives also contributed to a significant decrease in serious runway incursions-any occurrence at an airport involving an aircraft, vehicle, person, or object on the ground that creates a collision hazard-which were down more than 14% from last year.

During FY 2003, the FAA:

- Enabled airlines to meet the April 9, 2003, deadline for installing reinforced (hardened) cockpit doors in more than 10,000 aircraft serving the United States, making air travel safer for passengers and crews. This achievement was the result of extraordinary cooperation among the FAA, its industry partners, and the international aviation community.
- Commissioned the Wide Area Augmentation System (WAAS) in July 2003. WAAS is a global position system (GPS)-based navigation and landing system that provides precision landing capability. WAAS is a critical component of the seamless satellite navigation system for civil aviation. This system provides the accuracy, availability, and integrity of GPS, thereby improving safety and capacity.
- Began testing an on-board fuel-inerting system designed to prevent fuel tank explosions, such as the one that downed TWA Flight 800 in 1996. The system is based on fuel-inerting technology devised by an FAA employee, which uses an inert gas to displace oxygen in the fuel tank and thus reduce the risk of sparks that could ignite the fuel.
- Worked closely with TSA to provide \$447 million in Airport Improvement Program (AIP) grants for projects to enhance security at our Nation's airports. Much of the AIP security funding approved in FY 2003 went toward terminal modifications and retrofitting baggage conveyor systems to support in-line explosive detection systems that screen baggage.
- Released FAA's *Flight Plan 2004-2008*: a visionary strategic plan that engaged industry and stakeholders in setting the future course of the FAA. The *Flight Plan* is closely aligned with *DOT's Strategic Plan*. It includes four goals: increasing safety, building greater capacity, demonstrating international leadership and having organizational excellence.

The FAA also worked with airports around the country to boost system capacity by analyzing chokepoints, commissioning new runways, and taking advantage of precise satellite navigation

technologies to increase efficiency.



The FAA continued to focus on aviation as a global system and worked closely with international organizations to seek global solutions to safety, routing, procedural, equipment, and environmental issues. In addition, the FAA established a Joint Planning Office with the Department of Defense, the Department of Homeland Security, National Aeronautics and Space Administration, and the Department of Commerce to create a long-term strategic vision for our air transportation system.

### **Federal Motor Carrier and Safety Administration (FMCSA)**

FMCSA's mission is to save lives and reduce injuries by preventing truck and bus crashes. The agency works in close partnership with other federal and state agencies and private organizations in carrying out programs in support of the agency's strategic objectives of Commercial Motor Vehicle Safety, Hazardous Materials Safety, and Commercial Motor Vehicle Productivity. These objectives align with and contribute to the accomplishment of DOT's strategic objectives.

### **Financial Highlights**

FMCSA developed a plan to implement managerial cost accounting within the agency, including a method to measure cost by performance. The plan enables FMCSA to construct an information management and analytical tool that will identify the cost of business processes and the drivers of those costs, providing FMCSA management with refined information to make more informed resource allocation decisions.

FMCSA stabilized and streamlined FMCSA's procurement activities by assuming full responsibility for acquisitions management functions. A special emphasis was placed on bringing appropriate oversight and management to the agency's purchase card program.

### **Program Highlights**

FMCSA safety programs have made important progress, contributing to a 9 percent reduction in truck-related fatalities 1997-2002, reversing what had previously been a six-year (1992-1997) increasing trend. The large truck fatality rate was reduced to 2.28 in 2002, a reduction of 7% from 2001, and achieving the agency's performance target for 2002. Preliminary projections indicate a continued downward trend in 2003.



*Commercial Motor Vehicle Safety:* To advance CMV safety, FMCSA focuses its efforts on advancing motor carrier safety standards; enforcing safety regulations; border operations; physical qualifications; carrier and driver identification and information systems; commercial motor vehicle safety information and analysis; and technological solutions. In 2003, FMCSA extended its compliance and enforcement program to include safety audits of new entrant motor carriers. Data indicate that new entrant motor carriers have significantly lower levels of safety compliance and performance. Also in 2003, FMCSA successfully addressed all aspects of the GAO large truck safety management challenge and made several improvements in the Commercial Drivers License (CDL) and border safety programs in response to OIG management challenges.

*Hazardous Materials Safety:* To reduce the number and severity of hazardous materials incidents on our highways, FMCSA employs a coordinated strategy involving: conducting enforcement operations to increase compliance with hazardous materials regulations; improving hazardous materials safety information and technology, and promoting secure operations and best security practices. In 2003, FMCSA enhanced its successful motor carrier Security Sensitivity Visit (SSV) program, which educated hazardous materials carriers on proper security procedures. The enhanced program, now called the Security Contact Review (SCR) program, provides a more focused review of each carrier's security measures, including physical verification that adequate security measures are in place.

*Commercial Motor Vehicle Productivity:* In the effort to improve the integrity of household goods movement, FMCSA programs include: enforcement operations to increase compliance with commercial regulations; monitor consumer complaints; and expanding consumer access to household goods education and information.

## **National Highway Traffic Safety Administration (NHTSA)**

The mission of NHTSA is to save lives, prevent injuries, and reduce traffic-related healthcare and other economic costs. NHTSA pursues this mission by developing, promoting, and implementing effective educational, engineering, and enforcement programs toward ending preventable highway-related fatalities and injuries.

### **Financial Highlights**

NHTSA works to reduce costs associated with highway-related fatalities and injuries associated economic costs, estimated at more than \$230 billion annually. Moreover, program cost effectiveness is a foremost consideration in all NHTSA activities. A 1994 NHTSA analysis of the Department's traffic safety programs showed that society receives a return of about nine dollars for each dollar spent on vehicle and highway safety. Programs administered by NHTSA are funded from both the Highway Trust Fund and the General Fund. NHTSA's programs are designed specifically to intensify Agency efforts in behavioral and vehicular safety initiatives.

## Program Highlights

The traffic safety programs administered by NHTSA encompass a range of program strategies to reduce crashes and their consequences. The Transportation Recall Enhancement, Accountability and Documentation (TREAD) Act strongly impacts on NHTSA's approach to preventing safety problems before they occur. The Act, released in June 2003 requires the Agency to develop rulemaking actions to update the tire safety standards; develop dynamic rollover tests; and improve the safety of child restraints. A new child restraint law was passed in FY 2003, Anton's Law, requiring the agency to:

- issue a final rule by June 2005 establishing performance requirements for the restraint of children weighing more than 50 pounds;
- initiate rulemaking to adopt a 10-year-old dummy;
- issue a final rule by December 2004 to amend FMVSS 208 to require lap and shoulder belts for rear seating positions; and
- initiate an evaluation of integrated or built-in child restraints and booster seats by June 2003.



*Occupant Protection Programs:* The Programs encourage the public to wear safety belts. Safety belt use in 2003 increased to 79 percent-an all-time high. The agency had set 2004's safety belt use target for 79 percent. The program emphasizes enforcement and education and utilizes public/private partnerships to increase the use of safety belts and child safety seats. NHTSA develops training programs for child passenger safety instructors and technicians, as well as promotes correct safety belt and child safety seat use to enhance the effectiveness of air bags and eliminate air bag-related injuries. Over the past several years, the agency has been converting approximately 8.5 percent of the non-safety belt users, to more regular users.

*Priority Plan For Vehicle Safety Rulemaking:* In July 2003, NHTSA published its plan for vehicle safety rulemaking priorities, NHTSA Vehicle Safety Rulemaking Priorities and Supporting Research: 2003-2006.

*New Car Assessment Program (NCAP)* conducts crash tests to evaluate the comparative crashworthiness of passenger vehicles and to motivate vehicle manufacturers to provide higher levels of occupant protection by using market forces. NHTSA conducts frontal and side impact tests at 35 mph and 38.5 mph, respectively, to provide information to consumers for their purchasing decisions.

*Vehicle Safety Compliance:* This ensures that motor vehicles and motor vehicle equipment sold in the U.S. provide the safety benefits intended by Federal safety regulations. The compliance program conducts the testing, inspection, and investigation necessary to ensure compliance with the performance requirements of the Federal Motor Vehicle Safety Standards. Since the inception of the National Traffic and Motor Vehicle Safety Act in September 1966 through July 2003, 3,706 investigations for possible noncompliance were initiated. Of these, 3,669 have been completed or closed. In addition, from

September 1966 through July 2003, civil penalties collected for Safety Act violations totaled \$6.9 million.

*The Crash Avoidance Research Program:* This focuses on passenger and commercial vehicle research including visibility, directional control and braking, and rollover stability. The program also includes use of advanced technologies under the Intelligent Vehicle Initiative (IVI) of the Department's Intelligent Transportation Systems (ITS) program.

*The Section 402 Program:* This Program is a performance-based formula program that provides the States with the opportunity to set their own highway safety goals and develop program strategies to meet them. State programs are focused on national priorities including alcohol/drug-impaired driving prevention; occupant protection; police traffic services; emergency medical service/trauma care; traffic records; pedestrian/bicycle safety; motorcycle safety; and roadway safety. States can use funds to form Safe Communities partnerships to address highway safety problems. The program is a major contributor to meeting the Department goal of 1.0 fatality per 100 million vehicle miles traveled by 2008. It also focuses on improving child occupant protection laws.

*The Section 405 Occupant Protection Incentive Grant Program.* This awards grants to States to implement and enforce safety belt and child safety seat usage. This program funds State occupant protection programs, including improved safety belt and child safety seat laws, increased enforcement, and air bag and child safety seat use education programs.

*The Section 410 Alcohol-Impaired Driving Countermeasures Incentive Grant Program:* This encourages States to adopt and implement effective programs to reduce traffic safety problems occurring as a result of drivers operating motor vehicles while under the influence of alcohol.

NHTSA's current authorizing legislation for behavioral safety, the Transportation Equity Act for the 21st Century (TEA-21), expires on September 30, 2003. The Department of Transportation has proposed a new reauthorization package to Congress requesting significant changes in NHTSA's grant programs and for much needed research into the cause of motor vehicle crashes. DOT's new reauthorization package also proposes to designate NHTSA as the lead agency for Emergency Medical Services (EMS).

### **Federal Transit Administration (FTA)**

FTA provides leadership, technical assistance and financial resources for safe, technologically advanced public transportation that enhances all citizens' mobility and accessibility. Financial Highlights

The Federal Transit Administration (FTA) was implemented on the Delphi departmental accounting system in FY 2003. The conversion made FTA SGL compliant and provided the capability to produce financial statements directly from the accounting system utilizing Delphi's Financial Statements Generator (FSG) capability. In conjunction with the conversion to Delphi, FTA has accredited their feeder system for grant obligations (TEAM - Transportation Electronic Award and Management system) and grant payments (ECHO - Electronic Clearing House Operations system).

The TEAM system currently operates in a web-based environment with user access for approximately 600 grantees and 300 FTA headquarters and regional staff. The ECHO system will convert the external users (grantees) from a bulletin-board front end to a web-based platform for submitting payment requests by the end of FY 2003. The core processing software for ECHO will be upgraded to the existing Oracle platform maintained in-house during FY 2004. The PRISM procurement system is

currently in a web-based environment and FTA plans an upgrade in FY 2004 so that obligations can interface directly into the Delphi departmental accounting system.

## **Program Highlights**

FTA has several major assistance programs. Funds are provided through legislative formulas or discretionary authority. The Metropolitan Planning Program (49 U.S.C. 5303) provides funds to support the cooperative, continuous and comprehensive planning program for making transportation investment decisions in metropolitan areas. The State Planning and Research Program (49 U.S.C. 5313(b)) provides financial assistance to States for Statewide planning and other technical assistance activities, planning support for non-urbanized areas, research, development and demonstration projects, fellowships for training in the public transportation field, university research, and human resource development.

*The Urbanized Areas Formula Program (49 U.S.C. 5307)* makes Federal resources available to urbanized areas and Governors for capital and operating assistance in urbanized areas and for transportation related planning. All preventive maintenance and some American with Disabilities Act complementary paratransit service costs are considered capital cost under this program.

*The Non-urbanized Area Formula Program (U.S.C. 5311)* provides formula funding to states to support public transportation in areas of less than 50,000 population. Funding may be used for capital, operating, State administration, and project administration expenses.

*The Rural Transit Assistance Program (49 U.S.C. 5311(b)(2))* provides a source of funding to assist in the design and implementation of training and technical assistance projects and other support services tailored to meet the needs of transit operators in non-urbanized areas.

*The Elderly and Persons with Disabilities program (49U.S.C. 5310)* provides formula funding to States to assist private nonprofit groups in meeting the transportation needs of the elderly and persons with disabilities when the transportation service provided is unavailable, insufficient or inappropriate to meet these needs.

*The Capital Investment Program (49 U.S.C. 5309)* provides capital assistance for three primary activities: new and replacement buses and facilities, modernization of existing rail systems, and the construction of new fixed guide way systems or the extensions to existing fixed guide way systems.

*The Job Access and Reverse Commute Program - JARC, (TEA-21, Section 3037)* provides grants to develop transportation services designed to transport welfare recipients and low income individuals to and from jobs and to develop transportation services for residents of urban centers and rural and suburban areas to suburban employment opportunities.

*The Over-the-Road Bus Accessibility Program (TEA-21, Section 3038)* provides funding for the incremental capital and training cost associated with meeting the requirements of the DOT over-the-road bus accessibility rule.



Public transit provides access to school, work and community services for more than 80 million Americans that do not drive. Through the programs described, FTA provides funding to over 800 public transit operators in 465 urbanized areas, almost 1,300 transit systems serving rural areas, and 4,000 agencies that provide transit service to elderly individuals and disabled persons. The Federal transit investment, used to purchase buses and railcars, refurbish existing infrastructure or construct new infrastructure, supports 158,639 total transit vehicles, 10,686 miles of rail track, 2,857 rail stations, and 1,269 maintenance facilities nationwide.

By providing basic mobility to millions of American workers, by contributing to the revitalization of urban neighborhoods, and by saving America approximately \$15 billion a year in costs associated with traffic congestion, transit is a wise investment with multiple benefits to society.

In FY 2003, FTA obligated \$8.04 billion in funds appropriated to FTA and in FHWA funds transferred to FTA for use on transit projects.



### **Federal Railroad Administration (FRA)**

FRA was created in 1966, to promote and enforce safety throughout the U.S. railroad system, rehabilitate the Northeast Corridor rail passenger services, consolidate Federal support for rail transportation, and conduct research and development for rail transportation.

### **Financial Highlights**

To support its mission, FRA has employed a workforce of 775 federal employees located in eight regional offices and its Headquarters Office located in Washington DC. During FY 2003, over 83% of the work force performed duties in the Safety office and the Office of Research & Development. Funding for the agency's FY 2003 operations totaled over \$1.2 billion.

### **Program Highlights**



During FY 2003 the U.S. Department of Transportation Secretary, Norman Y. Mineta, submitted to the Congress the Bush Administration's proposal for fundamental reform of the nation's intercity passenger rail system, the first comprehensive proposal in thirty years. The *Passenger Rail Investment Reform Act of 2003* provides states and localities greater flexibility to plan and invest in rail service operations.

*FRA's Railroad Safety Programs:* They protect railroad employees and the public by ensuring the safe operation of passenger and freight trains and promoting safety at highway-rail grade crossings. FRA's Field Safety Program employs over 400 federal inspectors to conduct site-specific safety inspections of trains, railroad tracks, and grade crossings.

*Employee Fatalities and Injuries:* FY 2002 saw the lowest number of railroad worker fatalities on record. In FY 2003 employee fatality were 10 percent less than FY 2002. Furthermore, employee injuries decline by more than 16 percent in 2002 and also reached a record low number. This positive trend is continuing as employee injuries are down an additional 14.9 percent for 2003 (the first five months of the year) and fatalities are down by 30 percent (for the first seven months of the year).

*Highway-Rail Crossing Safety:* FRA has invested considerable resources by providing funding for rail-related projects and fostering joint efforts with the railroad industry, States, Operation Lifesaver, Inc., and other Federal agencies. During FY 2003 FRA provided over \$4.6 million for grade crossing projects.



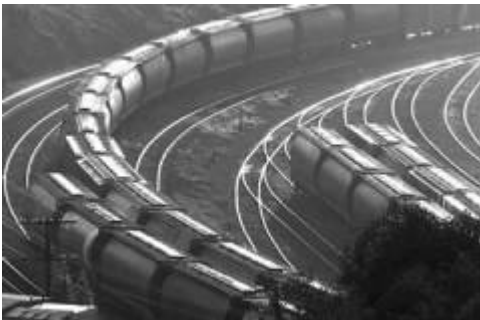
*Grade Crossing Hazard Elimination Program:* During FY 2003 over \$5.4 million in grants was awarded to ten states to enhance the safety of public and private highway-grade crossings along federally designated high-speed rail corridors. Since 1993, funding under this program has resulted in improvements to nearly 300 highway-rail crossings, the closure of 116 highway grade crossings, and aided in the design and construction of five grade separation projects.

*Record Improvement in Highway-Rail Crossing Safety:* A very significant 16 percent decline in highway rail grade crossing deaths occurred in 2002. This positive trend has continued into 2003 as fatalities, due to crossing accidents is down more than 7 percent. Crossing collisions declined more than 5.5 percent in 2002 and are down an additional 6.4 percent for 2003.

During FY 2003 funding for FRA's research and development programs included: \$29.1 million for research and development projects addressing a full range of operational and infrastructure issues; \$30.2 million to the Next Generation High-Speed Rail initiatives.



*Amtrak:* The Omnibus Appropriations Act for FY 2003 provided \$1.043 billion in funds to Amtrak. The law authorizes the Secretary of Transportation to disburse Amtrak's appropriated funds in quarterly grants.



*Railroad Rehabilitation and Improvement Financing (RRIF):* The RRIF Program is incorporated in Section 7203 of the Transportation Equity Act for the 21st Century (TEA-21). It authorizes the Federal Railroad Administration to provide direct loans or loan guarantees for the acquisition, development, improvement or rehabilitation of existing or new intermodal or rail equipment facilities.

### **Research and Special Programs Administration (RSPA)**

The mission of RSPA is to make America's transportation systems more integrated, effective, and secure by conducting and fostering crosscutting research and special programs to enhance the quality of life, safety, the environment, and the well-being of all Americans. RSPA's mission can be broken down into three major programs: transportation safety, research and technology, and emergency preparedness.

RSPA's safety mandate is to protect the Nation from the risks inherent in the transportation of hazardous materials by all modes, including pipelines.

### **Financial Highlights**

RSPA contracts with the Treasury's Agency Services Division to aid in the development and implementation of their managerial cost accounting system.

The Volpe National Transportation Systems Center implemented the new DOT DELPHI financial system in May 2003. Volpe was the first organization within DOT to fully use a comprehensive multiyear, projects-based cost accounting system, commitment accounting, accrual (3-way) matching, and to implement a labor distribution interface from a non-CUPS source.

### **Program Highlights**

*Hazardous Materials (HAZMAT) Safety Program:* This regulates hazardous materials transportation. In addition, RSPA coordinates its activities with international authorities through the United Nations Committee of Experts on the Transport of Dangerous Goods, especially with Canada and Mexico through the North American Free Trade Agreement. Regulated hazardous materials include bulk shipments, such as gasoline, anhydrous ammonia, and liquid nitrogen, as well as non-bulk shipments, such as dynamite, radiopharmaceuticals, and a wide variety of hazardous chemicals used in industrial processes and consumer products.

*Pipeline Safety Program:* During FY 2003, the Office of Pipeline Safety (OPS) continued to implement the Integrity Management Program for hazardous liquid pipelines and finalize an integrity management regulation for gas transmission pipelines. This program requires operators to test pipelines located in high-consequence areas, to fully integrate test results with all risks to the pipeline, implement and measure the effectiveness of specific risk control measures, and perform timely repairs. Federal and state regulators review the adequacy of each operator's liquid integrity management plan and what, if any, appropriate methods used to reduce or eliminate risks that pipelines pose to the community.

OPS initiated enforcement of its new operator qualification regulations during FY 2003. This performance regulation requires operators to develop a program to qualify and periodically re-qualify workers who perform safety related functions. OPS developed inspection protocols and began audits of operator compliance during FY 2003.



OPS' focus on reducing excavation-related damage to pipelines continued in FY 2003. Excavation damage is the single greatest cause of pipeline failures. It affects all utilities that share underground space (pipelines, telecommunications, electricity, water, sewer, and cable). OPS' State partners help oversee pipelines and assist us in preventing excavation-related damage to pipelines and other underground utilities. For FY 2003, \$19 million was allocated among 47 states, the District of Columbia and Puerto Rico. RSPA also awarded six Damage Prevention Grants totaling approximately \$1.5 million.

#### *Transportation Safety Institute (TSI):*

With an estimated total budget of \$11,200,000 in FY 2003, TSI developed 6 new courses, started development of 3 additional new courses, and provided approximately 868,330 training hours to 38,097 students (an average of 22 3/4 hours per student with an overall cost of \$12.90 per student hour).

*John A. Volpe National Transportation Systems Center (Volpe Center):* This Center carries out transportation-related research, development, testing, evaluation, and analysis. In FY 2003, the Volpe Center obligated \$222 million on about 350 projects. This year's accomplishments reflect the increased National interest in transportation security.

*Transportation Infrastructure Assurance Research and Development Program:*

In FY 2003, RSPA, in cooperation with the Office of the Secretary and the DOT modal administrations, continued assessments of several high-priority cross-modal transportation infrastructure assurance issues. Such assessments focused on: (1) the vulnerabilities and risks of transportation and interdependencies with other critical infrastructures; (2) transportation and logistics requirements responding to bio-chemical, nuclear and explosive weapons of mass destruction (WMD) attacks; (3) back-up systems for the Global Positioning System (GPS); and (4) security assurance for hazardous material transport.

*University Transportation Centers Program:*

The UTC Program in FY 2003 consisted of 26 grants, 10 at institutions that won a 1999 open competition, 10 at institutions that won a 2002 limited competition required by the Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21), and 6 at institutions designated in TEA-21. The Program's authorization was \$32.5 million; the effect of the obligation limitation on the Highway Trust Fund and an agency-wide rescission reduced the amount authorized by \$2.9 million.

*Emergency Transportation:* RSPA's Office of Emergency Transportation (OET) continually monitors our nation's vast transportation network to quickly spot natural disasters (e.g., hurricanes), human caused crises (e.g., labor disputes) and National security crises (e.g., terrorist acts) and coordinates the departmental response to all major disasters.

Accomplishments in fiscal year 2003 include enhancing the Secretary's Crisis Management Center, installing video teleconferencing capabilities, and conducting training to ensure appropriate procedures are carried out in the event of a disaster or emergency.

**Maritime Administration (MARAD)**

The U.S. Department of Transportation's Maritime Administration (MARAD) maintains the Ready Reserve Force (RRF), which is a fleet of 68 militarily useful ships. This fleet, located throughout the country, is maintained in a reserve status in the event that the Department of Defense needs these ships to support the rapid, massive movement of military supplies and troops for a military exercise or large-scale conflict. When they are activated, they come under the operational control of the Military Sealift Command (MSC).

**Financial Highlights**

*Electronic Invoicing System:* MARAD hires ship managers (i.e., shipping companies) for running and maintaining MARAD's Ready Reserve Force vessels for supporting MARAD's programs and missions. Financial activities between ship managers and MARAD are one of MARAD's major financial operations. Currently, one of MARAD's three reserve fleets is using this electronic invoicing system. This system enables the ship managers to electronically submit their standard invoices to MARAD's Headquarters, regions, and field offices for approval and payments. This system would not only reduce administrative burden and speed up payment process, it would also enable MARAD's ship operation group to collect individual cost information electronically regarding purchases, repairs, and fuels by vessel, thus providing a cost history of each vessel on a timely basis. FAA is interested in adopting cross-servicing of the Electronic Invoicing System.

*Interface of Port Security Grant Acquisition System and the Accounting System:*

MARAD has a grant acquisition program as a result of a reimbursable agreement with Department of Homeland Security, Transportation Security Administration for providing competitive grants to political subdivisions, states, local and critical National seaports to finance the cost of enhancing facility and operational security. MARAD's Office of Acquisition has developed a grant system in response to the need for controlling grants and established an interface capability between MARAD's grant acquisition system and accounting system. This interface of two systems will not only reduce administrative burden and speed up grant obligation and payment process, it will also provide a check and balance control between two offices on grant management.

### **Program Highlights**

*Operation Enduring Freedom and Operation Iraqi Freedom:* During FY 2003, The U.S. Department of Transportation's Maritime Administration (MARAD) activated 36 ships of the Ready Reserve Force to support Operation Enduring Freedom and Operation Iraqi Freedom. Those 36, added to the four on long-term assignment to the Department of Defense, brought to 40 the number of RRF ships participating in the conflict.



### **Saint Lawrence Seaway Development Corporation (SLSDC)**

The U.S. Saint Lawrence Seaway Development Corporation (SLSDC), a wholly owned government corporation and an operating administration of the U.S. Department of Transportation (DOT), is responsible for the operations and maintenance of the U.S. portion of the St. Lawrence Seaway between Montreal and Lake Erie. This responsibility includes maintaining and operating the two U.S. Seaway locks located in Massena, N.Y., and vessel traffic control in areas of the St. Lawrence River and Lake Ontario. In addition, the SLSDC performs trade development functions designed to enhance Great Lakes St. Lawrence Seaway System utilization.

### **Financial Highlights**

Maritime commerce on the Great Lakes Seaway System annually generates more than 150,000 U.S. jobs, \$4.3 billion in personal income, \$3.4 billion in transportation-related business revenue, and \$1.3 billion in Federal, State, and local taxes. The SLSDC coordinates its activities with its Canadian counterpart, The St. Lawrence Seaway Management Corporation (SLSMC), particularly with respect to environmental programs, operating dates, and trade development programs. The unique binational nature of the Seaway System requires 24-hour, year-round coordination between the two Seaway entities.

### **Program Highlights**

On May 1, 2003, Secretary Mineta and Canadian Minister of Transport David M. Collenette signed a Memorandum of Cooperation (MOC) that promises to have an enduring impact on both nations' marine transportation systems and serves as a keystone document for future binational cooperation, its first project being the Great Lakes St. Lawrence Seaway System Navigation Study. Conducted by the U.S. Army Corps of Engineers, in consultation with DOT and the SLSDC, the Navigation Study will look at improvements to the commercial navigation infrastructure of the Great Lakes St. Lawrence Seaway System. Possible improvements include new Seaway locks, deepening of connecting channels, and improvements to ports, dams, harbors, and other related features.

In early FY 2003, SLSDC successfully rolled out of the Automatic Identification System (AIS) in Montreal. AIS combines the Global Positioning System (GPS) satellite technology with advanced digital GPS and new communication technologies via universal very high frequency (VHF) radio frequency. The AIS/GPS project represents a major step forward in marine navigation technology. In fact, the Seaway is currently the world leader in developing shore-side applications for AIS/GPS.

### **Office of Inspector General (OIG)**

The Inspector General Act of 1978, as amended (Inspector General Act, P.L. 95-452), established the OIG as an independent and objective organization within DOT. The Inspector General (IG) is committed to fulfilling its statutory mission and assisting Members of Congress, the Secretary, and senior department officials in achieving a safer, simpler, and smarter transportation system that furthers our vital National interests and enhances the quality of life of the American people.

### **Financial Highlights**

Between October 1, 2002 through March 31,

2003, the OIG delivered 5 Congressional testimonies and issued 39 audit reports with more than \$396 million in financial recommendations. The OIG's investigative work resulted in more than \$4.8 million in fines, civil judgments and recoveries, and 336 convictions.

OIG's audits could lead to cost savings through improved management. In FY 2003-2004, OIG plans to focus on four major cost drivers facing the Department: (1) acquisitions; (2) infrastructure investments; (3) sound business practices; and (4) intercity passenger rail.

### **Program Highlights**

As prescribed by the Inspector General Act, the OIG:

- maintains independent and objective organizations to conduct and supervise audits and investigations relating to the programs and operations of DOT;
- recommends policies for activities to promote economy, efficiency, and effectiveness in administration of departmental programs;
- takes appropriate actions to prevent and detect fraud, waste, and abuse in the Department's programs and operations;
- keeps the Congress and Secretary fully informed about problems and deficiencies and the necessity for and progress of corrective action;
- receives and, as appropriate, investigates complaints from any person or entity, including Congress;
- reports violations of law to the U.S. Attorney General;

- notifies Congress and Secretary of serious or flagrant problems in DOT or its programs;
- reviews existing and proposed legislation and regulations;
- protects the identity of whistleblowers; and
- prepares and submit semiannual reports to the Congress and Secretary.

OIG also has significant responsibilities under the Chief Financial Officers Act, the Government Performance and Results Act (GPRA), the Government Information Security Reform Act, and the Government Management Reform Act. OIG fulfills these responsibilities by overseeing required audits of DOT's financial statements, assessing the adequacy of internal control systems, and identifying opportunities to achieve financial benefits. OIG assists the Operating Administrations in determining that the performance measures established in accordance with GPRA are appropriate and supported by reliable data. In addition, the House and Senate Committees direct OIG to respond to emerging issues of Congressional concern.

### **Office of the Secretary (OST)**

In FY 2003, OST coordinated the efforts for the Operating Administrations to be operating on a financial management system called Delphi, with Federal Aviation Administration having converted in October 2003. In addition, the Transportation Security Administration continues to use Delphi and Federal Aviation Administration accounting staff after their move to the Department of Homeland Security.

### **Financial Highlights**

OST's focal points are: continuing to upgrade the financial management systems, achieving clean audit opinions on the consolidated financial statement, and improving DOT's financial management performance. OST continues to improve financial management processes by: linking costs and other performance data to programs in order to measure the effectiveness and efficiency of our service delivery; promoting the use of electronic business practices (e.g., electronic checks and Delphi's Invoice Imaging and Workflow system to increase the efficiency of payments and provide instant access to financial documents; and improving our travel administration through the use of on-line, web-based travel authorization and vouchering services.)

Several of DOT's Operating Administrations (OAs) have started using the Project Accounting module of Delphi, and OST is helping the remaining OAs implement cost accounting by July 2004.

### **Program Highlights**

An effort that started in FY 2003, in April 2004, DOT's payroll and HR will both be migrating to Department of Interior's (DOI) Federal Personnel and Payroll System (FPPS). The DOT Integrated Personnel and Payroll System (IPPS) will be re-hosted and new interfaces will be developed to FPPS and Delphi. This migration will also improve DOT's labor distribution system and support managerial cost accounting. Most of the OAs will be converted to DOI's payroll system in spring 2004, and FAA will convert to DOI's system by fall 2004. TSA's and civilian Coast Guard payroll will remain on DOT's payroll system until FY 2005.

In FY 2003, DOT began the implementation of an end-to-end travel service based on the final GSA e-travel/OMB e-gov initiative decision. This includes a web-based system that provides a complete integration of travel management from creating and approving travel authorizations to processing of travel vouchers and reimbursements to the travelers, along with a self-booking web engine for an end-to-

end travel service.

In FY 2003, DOT awarded a new travel contract and began consolidating the delivery of its travel services under a single nationwide provider. This is an evolutionary process, taking place over a 12-18 month timeframe. Once complete, this consolidation will enable DOT employees across the country to utilize all our electronic travel systems. The result will be an improvement in the delivery of a standardized level of service and an exponential increase in the savings currently being achieved in headquarters.

### **Surface Transportation Board (STB)**

The STB was established on January 1, 1996, by the Interstate Commerce Commission Termination Act of 1995 (ICCTA). The ICCTA eliminated the Interstate Commerce Commission (ICC) and transferred certain functions formerly performed by the ICC to the STB. The STB is a three-member, bipartisan, decisionally-independent adjudicatory body with jurisdiction over certain surface transportation economic regulatory matters.

### **Financial Highlights**

The STB's funding included an appropriation of \$19.450 million, of which \$1.0 million was provided from the collection of user fees which are credited to the appropriation as offsetting collections on a dollar-for-dollar basis. The STB annually updates and revises its user fee schedule of 122 different fee-related activities.

### **Program Highlights**

The mission of STB is to promote substantive and procedural regulatory reform in the economic regulation of surface transportation, and to provide a forum for dispute resolution and facilitation of appropriate business transactions.



In performing its mission, the STB continues to streamline case processing and applicable regulations, to expedite the processing of all cases before the STB, to ensure that appropriate market-based activities in the public interest are facilitated, and to develop new opportunities for various sectors of the transportation community to work together to find creative solutions to persistent industry and/or regulatory problems.

During FY 2003, STB issued approximately 929 decisions and court-related work, involving adjudications and rulemakings, resolving or otherwise acting upon matters such as rail carrier consolidations, abandonments, and line constructions and sales; review of rail labor arbitral decisions;



and rail rates and service. Some of these actions also related to intercity bus mergers and pooling matters, motor collective ratemaking, and non-rail rate matters, such as water carrier cases. In performance of its goals, the STB has issued several rulemakings streamlining regulations and the regulatory process.

With respect to the rail rate-complaint process, the STB instituted a proceeding to amend its regulations to further expedite the resolution of large rate cases involving challenges to railroad rates. While the STB resolved a number of cases where the movement of coal and other commodities were unreasonably high, there remain 13 rate cases under review at various stages of adjudication. The STB is reviewing the processing of rail rate challenges from small shippers that are not suitable for handling under its constrained market pricing procedures.

The STB continued to handle a number of cases specific to rail restructuring, including a number of consolidations involving smaller railroads. The STB issued approximately 450 rail line abandonment decisions and 60 rail line construction decisions during FY 2003. The STB issued its environmental impact statement and decision approving a rail line construction to serve the petrochemical industries near Houston, Texas to provide shippers with an alternative rail service.

Regarding other rail matters, the STB continues its private-sector resolution through its Rail Consumer Assistance Program to assist rail customers and others with issues involving railroads and to act as a catalyst to assist parties in settling their differences.

With respect to non-rail activity, the STB has issued decisions in a number of intercity bus merger cases, as well as actions related to motor carrier rate bureaus. There are a number of water carrier cases involving rates in the non-contiguous domestic water trade before the STB.

### **Bureau of Transportation Statistics (BTS)**

BTS' mission is to lead in developing transportation data and information to advance their effective use in both public and private transportation decision-making.

### **Financial Highlights**

BTS successfully transitioned to Invoice Imaging (accounting/procurement system), TEServ (travel request and approval system), and PRISM (procurement system), automating each of these financial management processes to web-based systems. These improvements significantly contributed to the agency's pursuit of paperwork reduction goals.

BTS has significantly updated business procedures involving the Purchase Card program by moving to electronic routing and electronic signatures for approval of purchases. While improving efficiency in this business process, BTS was able to retain the same levels of control and review, thereby improving efficiency without losing effectiveness or accountability.

### **Program Highlights**

*Transportation Economics Statistics:* BTS developed a series of measures relating transportation to global economic competitiveness. These measures support DOT's new Global Connectivity strategic goal area and enable measurement of the Department's progress toward Global Connectivity goals.

*Freight Statistics:* BTS released the *International Trade and Freight Transportation Trends* report. The

report examines recent trends in U.S. trade patterns with key trade partners, reviews changes in modal shares, commodity mix, and transportation services. It also discusses the emerging transportation security challenges resulting from increased international trade flows. BTS also completed its once-every-five-year data collection for the Commodity Flow Survey, with results and analysis to be provided in FY 2004.

*Air Transportation Statistics:* BTS began collecting new delay-cause data from airlines, and is developing an airfare price index.

*Geospatial Information:* BTS enhanced DOT's ability to prepare for National security threats by providing crucial information and analysis quickly to the Crisis Management Center and the Office of the Secretary of Transportation. BTS developed new cartographic tools to speed mapping and support security-related exercises.

*Statistical Methods and Standards:* BTS developed confidentiality guidelines pursuant to BTS statutory language and the recently enacted Confidential Information Protection and Statistical Efficiency Act of 2002. This will help protect the confidentiality of the agency's many data suppliers.



*Information Technology and Data Dissemination:* *TranStats*, BTS' network-based portal to key transportation-related databases, won two major awards in e-Government innovation: the "Excellence.Gov Award" from the Industry Advisory Council and the "iForce Partner Excellence Award" from Sun Microsystems and Sybase. *TranStats* will channel more and more data and data products through a single venue, reducing the time necessary for customers to locate the data they need. Also, several data manipulation tools are included in the *TranStats* to enable greater customization of data and information.