



PERFORMANCE REPORT

Our 2003 Results: A Reader's Guide

For each strategic and organizational goal, we present performance goals and measures in DOT's *FY 2003 Performance Plan*, along with our results in meeting them. For each performance goal we provide:

- a description of the challenge we face – the reason for action;
- the measure or measures we are using to judge success, and the FY 2003 targets for each;
- a discussion of other agencies who share in our efforts, or whose outcome goals we contribute to;
- the external factors that may present special challenges in achieving our goal;
- special management challenges (when related to the goal); and
- a performance outlook for FY 2004.

To present information meaningfully, we have relied on these general rules about data and data interpretation in preparing this report:

The Relationship between DOT's Activities and Observed Results: The relationship between resources and results can be complex, and a mix of current and prior-year resources and activity almost always influences any performance result. For example, direct service program results such as FAA air traffic control operations are influenced both by external forces and prior-year acquisition activities. Other results, such as highway congestion or transit ridership, are predominately influenced by prior-year funding.

Summary Performance Report: To help interpret single-year results and historical trends, we have provided a tabular summary of long-term performance at the beginning of each strategic goal section.

Data Completeness

An exhaustive assessment of the completeness and reliability of our performance data and detailed information on the source, scope and limitations for the performance data in this report are provided in Exhibit I at the end of this report. We also provide information to resolve the inadequacies that exist in our performance data.

Preliminary vs. Final Results: Reporting FY 2003 results by January 2004 has been challenging where we rely on third-party reporting. Often we have only preliminary or estimated results based on partial-year data and must wait for final data to properly verify and validate our results. In some cases where data is provided solely as an annual value and is not available in time for this report, we rely on historical trend information and program expertise to generate a projected result. We have been careful to point out where we have assessed our performance on a preliminary or projected basis. Preliminary estimates or projected results will be adjusted after final compilation or verification and validation. In

all cases where results have changed from last year's report, we indicate that by placing an "(r)" with the number, indicating a revision.

Single-Year Results vs. Historical Trends: Federal and State programs rarely aim to influence simple things. We tackle complex national problems such as safety, pollution, and congestion. Sometimes we see progress overwhelmed by external factors, such as economic growth (or recession), market shifts, or extreme weather, and sometimes we get a "helping hand" from those same factors. Always there is natural fluctuation year to year.

DOT sets annual performance targets for the outcomes it aims to influence. Targets set a mark so we can judge our progress. They also force us to think hard about what we can – and can't – do to get results. In this report, we focus on single-year results for FY 2003. There is no simple formula that ties the results in one year to the success or failure of programs. DOT's *FY 2003 Performance and Accountability Report* invites the reader to "look over our shoulder" as we improve transportation and make Americans' quality of life better.

Integrating FY 2003 Resource Expenditure Accounting With Achievement of Our Goals

A fundamental strength of DOT programs is that our activities affect multiple goal areas. By design, a dollar spent on transportation infrastructure can not only advance mobility, but safety, homeland and national security, economic growth, and the mitigation of harmful environmental impacts. In footnotes to DOT's financial statement, we show clearer linkages between expenditures and performance.

DOT Contributions to Common Governmental Outcomes

DOT's performance is aligned with its legislative mandates, but in some cases there are no "clear lines" separating DOT from other agencies. For instance, in DOT's National Security Strategic goal, we make very important contributions in accordance with our mandates and appropriations, but we do so alongside the Departments of Defense, Homeland Security, State, Justice, Commerce, and Energy. Similarly, other agencies make significant contributions to the Nation's transportation system.

Management Challenges

The DOT Inspector General and the General Accounting Office publish reports describing a number of problems and challenges facing the Department. We take these issues seriously, and have folded our approach to meeting these challenges into our general efforts to achieve good performance outcomes. Where there is a DOT performance goal associated with a management challenge, we discuss the challenge as a part of our performance against that goal, and made it stand out visually by use of a text box. We also indicate where a Management Challenge relates to more than one performance goal.