

# **Environmental Stewardship**

**ENVIRONMENTAL STEWARDSHIP**

**Performance Goal: Reduction in pollution and other adverse environmental effects of transportation and transportation facilities.**

This funding request contributes to the DOT Environmental Stewardship strategic objective and reduce pollution and other adverse environmental effects of transportation and transportation facilities performance outcome goal.

Percentage of DOT facilities categorized as No Further Remedial Action Planned (NFRAP) under the Superfund Amendments and Reauthorization Act (SARA).						
<b>Target:</b>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
	92	93	93	93	93	93
<b>Actual:</b>	93	92	92	93		

This request would allow DOT to maintain progress in minimizing negative environmental impacts from its transportation projects.

**ENVIRONMENTAL STEWARDSHIP**

**Performance Goal: Reduction in pollution and other adverse environmental effects of transportation and transportation facilities.**

This funding request contributes to the DOT Environmental Stewardship strategic objective and the reduce pollution and other adverse environmental effects of transportation and transportation facilities performance outcome goal.

This request would allow DOT to reduce mobile source emissions by encouraging the use of less polluting transportation; designing and implementing infrastructure that reduces congestion and emissions; researching and modeling the emissions impacts of investment choices; and, supporting the development of fuel- and emission-efficient vehicles.

The resources requested to achieve this goal are:

**OFFICE OF THE SECRETARY  
Appropriations, Obligation Limitations, & Exempt Obligations  
(\$000)**

<b>PERFORMANCE GOALS/MEASURES by PROGRAM ACTIVITIES</b>	<b>FY 2007 <u>ACTUAL</u></b>	<b>FY 2008 <u>ENACTED</u></b>	<b>FY 2009 <u>REQUEST</u></b>
4. Environmental Stewardship			
A. Reduce mobile emissions			
a. Salaries and Expenses (S-3)	0	964	952
b. Transportation Planning, Research & Development	<u>0</u>	<u>3,097</u>	<u>1,931</u>
Subtotal	\$0	\$4,061	\$2,883

**ENVIRONMENTAL STEWARDSHIP**

**Performance Goal: Reduction in pollution and other adverse environmental effects of transportation and transportation facilities.**

FY 2009 BUDGET REQUEST

SALARIES AND EXPENSES

(In thousands of dollars)

OFFICE OF THE UNDER SECRETARY FOR POLICY

	FY 2007 <u>Actual</u>	FY 2008 <u>Enacted</u>	FY 2009 <u>Request</u>
Office of the Under Secretary for Policy	<u>0</u>	<u>964</u>	<u>952</u>
<b>Total</b>	<b>\$0</b>	<b>\$964</b>	<b>\$952</b>

**PERFORMANCE ISSUE:**

Provide expert policy advice on transportation related impacts on the natural and human environment on activities related to air quality, water quality, ecosystem management, noise, emissions, sustainability, and quality of life.

**FY 2009 PERFORMANCE BUDGET REQUEST:**

Funding is requested to primarily fund staff to formulate and evaluate policy to meet the Environmental Stewardship strategic objectives and performance goals and fund associated operating expenses.

FY 2009 BUDGET REQUEST

TRANSPORTATION PLANNING RESEARCH AND DEVELOPMENT

(In thousands of dollars)

	FY 2007 <u>Actual</u>	FY 2008 <u>Enacted</u>	FY 2009 <u>Request</u>
Office of the Under Secretary for Policy	0	3,097	1,931
<b>Total</b>	<b>\$0</b>	<b>\$3,097</b>	<b>\$1,931</b>

**PERFORMANCE ISSUE:**

Provide expert policy advice on transportation related impacts on the natural and human environment on activities related to air quality, water quality, ecosystem management, noise, emissions, sustainability, and quality of life.

**FY 2009 PERFORMANCE BUDGET REQUEST:**

Funding is requested for the following proposed research and development projects and to fund staff to formulate and evaluate policy to meet the Environmental Stewardship strategic objectives and performance goals and fund associated operating expenses.

*Policy Issues and Environmental Implications of New Energy and Emissions Reductions Technologies and Fund Contribution to DOT Climate Change Center* .....\$200,000

The proposed study would address the policy issues and environmental implications of new energy and emissions reduction technologies. It would include an examination of incentives for availability of alternative fuels infrastructure. The study would address policy issues connected with hydrogen infrastructure and codes and standards for hydrogen -powered vehicles and related to a transportation fleet powered by hydrogen and other clean vehicle technologies. This funding would also include the Policy office contribution to the DOT Climate Change Center, which Policy co-chairs with the Research and Innovative Technology Administration (RITA). This intermodal center provides a focal point for DOT's climate change research and technical expertise on transportation and climate change. It supports the Presidents' Climate Change Research Initiative (CCRI), bringing a transportation decision-making focus to the CCRI products. The Center's research on the Impacts of Climate Change on Transportation is one of the 21 high profile synthesis and assessment projects at CCRI. Through strategic research, policy analysis, partnerships and outreach, the Center promotes comprehensive multimodal approaches to reduce green house gas (GHG) emissions and prepare for the

effects of climate change on the transportation system, while advancing DOT’s core goals of safety, mobility, environmental stewardship, and security. This program supports the Reduction in Pollution and Other Adverse Environmental Effects From Transportation and Transportation Facilities performance goal and the President’s second term priority for the Hydrogen Research Initiative.

***Examine Policy Instruments That Can Be Used to Help Manage Environmental Impacts of Transportation* .....\$100,000**

This study would continue work to examine policy instruments that can be used to help manage environmental impacts of transportation. The study would evaluate policy tools to help communities use their transportation plans, resources and programs to improve safety and mobility, reduce congestion and support economic growth, in an environmentally friendly way, preserving ecosystems, promoting intermodal connections, and other transportation solutions that support environmentally sensitive economic growth. The study would analyze low-cost congestion solutions. Solutions evaluated would include transportation system management, minor infrastructure improvements, nonmotorized transportation, congestion pricing, intelligent transportation system solutions, high occupancy toll lanes and other innovative solutions. Analysis would consider costs, relative effectiveness of the solutions in reducing congestion, and effects on the environment and safety. The study will include examination of the effects of pricing and other techniques for peak load spreading on the environment and safety. This project supports the Reduction in Pollution and Other Adverse Environmental Effects From Transportation and Transportation Facilities performance goal.

***Impact of More Stringent Ozone National Ambient Air Quality Standard on Transportation and Mitigation of Air Quality Impacts* .....\$50,000**

In response to anticipated EPA promulgation of a revised ozone NAAQS, the study will investigate the effects on transportation of a new standard and policy issues related to implementation. The study would evaluate challenges facing transportation agencies as implementation policies for the new standard are put in place. The study would examine differences in ozone precursor emissions among different modes of transportation. The study would explore mitigation to address local air quality impacts of ports, airports, freight terminals and examine appropriate transportation control measures for consideration in transportation planning for passenger and freight infrastructure. This project supports the Reduction in Pollution and Other Adverse Environmental Effects From Transportation and Transportation Facilities performance goal.

***Alternative Fuels Infrastructure* ..... \$150,000**

The President’s “Twenty in Ten” proposal envisages a major expansion in alternative and renewable fuels production, to 35 billion gallons of ethanol by 2017. DOT will undertake a long-term study of the multi-modal freight infrastructure necessary to support high levels of alternative transportation fuels usage, identifying long-run bottlenecks and opportunities for mode shifting and intermodal facilities. This project supports the Reduction in Pollution and Other Adverse Environmental Effects From Transportation and Transportation Facilities performance goal in the freight sector and the President’s Twenty in Ten initiative.

***Ethanol Freight Flows*.....\$150,000**

Distribution of current ethanol production (~5 billion gallons per year) may be stressing inter-regional rail capacity. This project will use existing freight tools to monitor the evolution of current ethanol flows through the transportation system and identify bottlenecks and places where flows are concentrated. This information will be useful in identifying prospects for dedicated ethanol pipelines, intermodal facilities, and barge/marine transport potential; and for identifying and prospectively mitigating the transportation and congestion impacts of increased ethanol flows. It supports DOT's congestion reduction and the Reduction in Pollution and Other Adverse Environmental Effects From Transportation and Transportation Facilities performance goal.

***Fuel/Emissions Costs of Congestion and Benefits of Congestion Reduction*...\$100,000**

Building on work undertaken by the Environmental Protection Agency and DOT's Volpe Center, this project will develop fuel consumption and emissions coefficients for various measures of congestion used for studying congestion mitigation projects. These coefficients will have multiple uses, including the derivation of more accurate national-scale estimates of the costs of congestion and the benefits of congestion reduction projects, as well as enabling policy-makers to make more accurate assessments of the energy and environmental benefits of particular projects. This effort supports the Reduction in Pollution and Other Adverse Environmental Effects From Transportation and Transportation Facilities performance goal.

***Incentive Prizes for Transportation R&D*.....\$400,000**

Incentive Prizes, such as the Defense Advanced Research Projects Agency's Grand Challenge for unmanned cross-country vehicles; and the private X-Prize for manned spaceflight, have been successful mechanisms to leverage large amounts of private capital and ingenuity for the solution of important technological problems. There is general agreement that important advances in achieving DOT's strategic goals, including congestion reduction; safety; and environmental stewardship hinge on developing improved technology and applying state-of-the-art technology creatively to solve transportation problems. OSTP does not envision issuing its own incentive prizes at this point, but making grants to other government agencies and private bodies that are conducting incentive prize programs to develop technologies that are of particular importance to the DOT Strategic Plan goals; and to fund the detail of DOT experts for the development and supervision of incentive prize programs. Examples of incentive prize programs that would be of particular interest to DOT might include: Vehicle/roadway integration; Better batteries for transportation vehicles; High efficiency; low mileage light duty vehicles.

***Administrative Costs* .....\$781,000**

# **Security, Preparedness and Emergency Response**



**SECURITY, PREPAREDNESS AND EMERGENCY RESPONSE**

**Performance Goal: Expert transportation sector intelligence.**

This funding request contributes to the DOT Security, Preparedness and Response strategic objective and to the expert transportation sector intelligence performance outcome goal.

Multi-modal performance measures for Intelligence, Preparedness and Response.						
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Target:</b>	N/A	N/A	N/A	TBD	TBD	TBD
<b>Actual:</b>	N/A	N/A	N/A	TBD	TBD	

The multi-modal performance measures can be found in Section 3, page Sec. 3-22.

Transportation Capability Assessment for Readiness Index score (A = 90-100; B = 80-89; C = 70-79)						
<b>Target:</b>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
	82	71	72	74	N/A	N/A
<b>Actual:</b>	67	65	72	70		

The TCAR measure was part of the DOT 2003-2008 Strategic Plan. Consistent with the current strategic plan DOT has discontinued reporting this information.

This request would allow DOT to increase the overall resistance of the national transportation system and ensure the national transportation system meets homeland and national security requirements.

The resources requested to achieve this goal are:

**OFFICE OF THE SECRETARY**  
**Appropriations, Obligation Limitations, & Exempt Obligations**  
 (\$000)

<b>PERFORMANCE GOALS/MEASURES by PROGRAM ACTIVITIES</b>	<b>FY 2007 <u>ACTUAL</u></b>	<b>FY 2008 <u>ENACTED</u></b>	<b>FY 2009 <u>REQUEST</u></b>
5. Security, Preparedness & Response			
A. Intelligence, Preparedness and Response			
a. Salaries and Expenses (S-60) *	5,130	7,874	9,169
b. Transportation Planning, Research & Development	102	175	300
c. Salaries and Expenses (S-80)	<u>3,684</u>	<u>4,385</u>	<u>4,753</u>
Subtotal	<b>\$8,916</b>	<b>\$12,434</b>	<b>\$14,222</b>

\* The Offices of Intelligence and Security and Emergency Transportation (OET) are shown as the Office of Intelligence, Security and Emergency Response.

**SECURITY, PREPAREDNESS AND EMERGENCY RESPONSE**  
**Performance Goal: Expert transportation sector intelligence.**

FY 2009 BUDGET REQUEST

SALARIES AND EXPENSES

(In thousands of dollars)

OFFICE OF INTELLIGENCE, SECURITY, AND EMERGENCY RESPONSE

	FY 2007	FY 2008	FY 2009
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>
Office of Intelligence, Security and Emergency Response	0	7,874	9,169
Office of Intelligence and Security	2,027	0	0
Office of Emergency Response	<u>3,103</u>	<u>0</u>	<u>0</u>
<b>Total</b>	<b>\$5,130</b>	<b>\$7,874</b>	<b>\$9,169</b>

**PERFORMANCE ISSUE:**

**Traditional and Continuing Role of the Office:** Since the events of 9/11 and hurricane Katrina, the Office of Intelligence, Security, and Emergency Response has had its role expanded through additional intelligence requirements, an increase in preparedness responsibilities, and more robust operational demands.

The Office of Intelligence, Security, and Emergency Response is the Department's primary point of contact with the Homeland Security Council (HSC), National Security Council (NSC), and the Department of Homeland Security (DHS) for all aspects of intelligence, preparedness, and operations. The office routinely interacts with various other agencies within DHS, such as the Transportation Security Administration, Federal Emergency Management Administration, and others, as well as the Department of Defense, Health and Human Services, etc. The office represents the Department on numerous Policy Coordination Councils, intelligence groups, working groups and other inter-agency forums.

The Office of Intelligence, Security, and Emergency Response is comprised of six primary areas of responsibility: Intelligence, Security Policy, Preparedness, Training and Exercises, National Security, and Operations. The performance requirements for each of the six areas are outlined below.

**Intelligence:**

The Intelligence Division was created on June 14, 1990, in response to the President's Commission on Aviation Security and Terrorism. The initial responsibilities of the

Intelligence Division were in response to the Commission's direction. Those responsibilities have significantly increased based on numerous subsequent Presidential Directives and Executive Orders. These include the Intelligence Reform and Prevention of Terrorism Act (IRPTA), Public Law 108-458; the Implementation Plan for the Information Sharing Environment; the President's National Strategy for Combating Terrorism; the National Intelligence Strategy; the Homeland Security Act of 2002; and several classified National Security Presidential Directives/ Homeland Security Presidential Directives (NSPD/HSPD).

The Intelligence Division provides all-source, finished intelligence analysis to the Secretary of Transportation and other Department principals. This mission is accomplished through analysis, reporting, and close coordination with organizations in the Intelligence Community. The Intelligence Division provides finished intelligence analysis on current key developments and longer range regional/worldwide trends in international terrorism; along with global and international issues concerning aviation, trade, transportation markets, trade agreements and a range of other international cooperation and facilitation issues, particularly as they affect U.S. security and international efforts.

There have been significant workload increases as a result of the IRPTA, which established a new paradigm for sharing information. For example, Section 1016 of IRPTA directed that the President establish an Information Sharing Environment (ISE) for the sharing of terrorism information among all appropriate Federal, State, local, tribal entities, and the private sector through the use of policy guidelines and technologies. As a result of IRPTA, the Program Manager of the ISE (PM/ISE) created the Information Sharing Council of which the Associate Director for Intelligence is a member.

Similar workload impacts were caused by NSPD-47/HSPD-16, "Aviation Security Policy," which established U.S. policy, guidelines, and implementation actions; and directed the development of the National Strategy for Aviation Security (NSAS), that provides the overarching framework for a comprehensive and integrated national approach to security of the Aviation Transportation System.

In order to respond to the scope of the work that it is directed to do, the Intelligence Division's work can be summarized in four general areas as follows:

Intelligence Advisor to the Secretary and Other Department Principals. Provides

1. transportation-related intelligence to the Secretary, Deputy Secretary, the Assistant Secretary for Aviation and International Affairs, and Operating Administration senior officials. This intelligence includes analysis of all-source reporting on terrorist threats to transportation and the U.S. Homeland, as well as regional/worldwide trends in international terrorism; and, global and international issues concerning aviation, trade, transportation markets, trade agreements, and a range of other international developments. Ensures the Secretary and senior staff is kept informed of significant intelligence and security issues affecting the

traveling public, transportation industry, and national security. *This is responsive to the Security, Preparedness, and Response and the Global Connectivity Strategic Goals.*

2. Communicator of Threat Warnings and Situational Awareness to Operating Administrations. Analyzes threats to domestic and foreign transportation infrastructure and assets and ensures key officials and security coordinators within the Operating Administrations are apprised of specific threats and trends in terrorist tactics and capabilities. Assesses intelligence related to international economic and diplomatic developments related to the transportation industry and provides that information to relevant Operating Administrations. *This is responsive to the Security, Preparedness, and Response and the Global Connectivity Strategic Goals.*
3. Liaison with Intelligence and Law Enforcement Communities. Serves as the Department's primary liaison with the Intelligence and Law Enforcement Communities to ensure the intelligence requirements of the Department and the Operating Administrations are incorporated into Intelligence Community collection and reporting missions. DOT intelligence analysts also coordinate on various draft intelligence analysis and warning products prepared by the Office of the Director of National Intelligence (ODNI), the National Counterterrorism Center, the Central Intelligence Agency, the Federal Bureau of Investigation, and the Department of Homeland Security. In addition, this office Intel provides support to intelligence and law enforcement agencies that require information and/or analysis from modal experts. *This is responsive to the Security, Preparedness, and Response and the Global Connectivity Strategic Goals.*
4. Intelligence Transportation Policy Advisor. Advises DOT executives on policy issues related to intelligence, information sharing, and national security strategies coordinated in the National and Homeland Security Councils and coordinates modal input on specific national-level security plans. *This is responsive to the Security, Preparedness, and Response and the Global Connectivity Strategic Goals.*

Requirements for all Federal Departments and agencies involved in these activities have significantly increased in the wake of recent Presidential policy initiatives and reduced Information Technology support from the Intelligence Community. The demands on the Intelligence Division in the Office of Intelligence, Security, and Emergency Response have increased significantly, particularly due to the changes in requirements from the Intelligence Community and the rapid growth in DOT's Intelligence Policy obligations over the past two years. There has been an exponential increase in demand for DOT to provide intelligence analysis of threats to transportation infrastructure, both within the Department and within the Intelligence Community. In addition, the Intelligence Division has become a key player in Intelligence Policy issues supporting the President's agenda, to include representing the Department at work groups such as the Information

Sharing Council and the Customer Service Synchronization Board (CSSB)<sup>1</sup>; and helping to develop policy such as the National Implementation Plan for the Global War on Terror, the National Strategy for Aviation Security (NSAS), the Intelligence Community Exercise Forum, and the Strategic Homeland Infrastructure Risk Assessment (SHIRA). DOT's participation in these important efforts requires considerable effort and often results in the need to surge resources to meet inflexible deadlines.

**Security Policy:**

The Security Policy Staff works with the various DOT Operating Administrations and Offices within OST to develop transportation security policy recommendations for Departmental leadership. These recommendations are in direct support of various Homeland Security Presidential Directives, National Security Presidential Directives, Executive Orders, National Strategies and Congressional mandates.

Beginning in October 2001, both the Legislative and the Executive Branches of Government developed Legislation and policy in response to the terrorist attack of 9/11. The White House issued 16 Homeland Security Presidential Directives (HSPDs) that formalized the security roles and responsibilities of the various Departments within the Executive Branch. In addition Congress has enacted several laws to respond to the growing threat to the United States, including the Aviation and Transportation Security Act and Intelligence Reform and Terrorism Act of 2004.

These Directives and laws require the Department of Transportation to participate in developing and implementing policy on security matters such as critical infrastructure protection, hazardous materials transportation, MANPADS, bio-terrorism, etc. To support the Secretary and Deputy Secretary, the Security Policy staff produces and coordinates in-depth studies, develops reports, and conducts analysis. They also coordinate the Department's participation in transportation-related policy working groups with senior-level officials to offer technical expertise, prepare analytical reports and offer recommendations on how to implement recommended security measures effectively.

The President issued HSPD-1, "Organization and Operation of the Homeland Security Council" on October 1, 2001. It established the Homeland Security Council which includes the Homeland Security Council Deputies Committee and the Homeland Security Council Policy Coordination Committees. It requires the Deputy Secretary of Transportation to participate in the Homeland Security Council Deputies Committee, which is a senior sub-Cabinet interagency forum for consideration of policy issues affecting homeland security. HSPD-1 also requires the Department to participate in Homeland Security Council Policy Coordination Committees. These Coordinating Committees provide policy analysis for consideration by the more senior committees of the HSC system and ensure timely responses to decisions made by the President. They also coordinate the development and implementation of homeland security policies by multiple departments and agencies throughout the Federal government, and coordinate those policies with State and local government.

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<sup>1</sup> The Office of the Director of National Intelligence's support of non-Title 50 agencies.

The President issued HSPD-7, “Critical Infrastructure Identification, Prioritization and Protection” on December 17, 2003. This HSPD charges the Secretary of Transportation to provide the Department of Homeland Security with support in identification of critical infrastructure, vulnerability assessments, analysis, and implementation of protective programs, and establishment of measures of effectiveness for continuous improvement. This requirement applies across all modes of transportation and necessitates intermodal coordination. The Department must also ensure the security of the National Airspace System and its own internal critical infrastructure.

The President issued NSPD-17/HSPD-4, “Strategy to Combat Weapons of Mass Destruction”, in December 2002. It identifies three Pillars of the national strategy to combat Weapons of Mass Destruction (WMD) within include counter proliferation to combat WMD use, strengthening nonproliferation, and consequence management in response to WMD use. The Department is a vital partner with Department of Homeland Security in any consequence management response to a WMD attack, since transportation of goods, responders and victims after an event is critical. All modes therefore have a role to play in support of this Directive.

Although the enactment of the Aviation and Transportation Security Act (ATSA) in November 2001, gave the Transportation Security Administration (TSA) primary responsibility for transportation security, it left many critical security-related functions affecting the operations, efficiency, safety, and mobility of the transportation system, within the Operating Administrations of the Department. Further, Section 4001 of the Intelligence Reform and Terrorism Act of 2004, specifically required that the Secretary of Homeland Security work jointly with the Secretary of Transportation in developing, revising, and updating a National Strategy for Transportation Security and transportation modal security plans.

In addition to its stated role in developing security policy, the Department frequently receives requests for technical support and other assistance from the Department of Homeland Security and other organizations regarding all modes of transportation (i.e. rail, trucking, transit, highways, pipeline, maritime and aviation). Many of these requests require extensive data analysis, recommendations on measures to protect against specific threats, reports on how proposed security measures will affect the functioning of the transportation system, and assistance in working with transportation stakeholders and international partners.

### **Preparedness**

The preparedness staff has three primary security and response functions: national security programs, regional emergency response programs (Emergency Support Function-1), and international civil emergency transportation planning programs. These functions are mandated by statute, Executive Order, and Homeland Security Presidential Directives and further promulgated in the National Response Plan.

Section 301 of Subchapter I, Chapter 3 of Title 49 of the United States Code requires the Secretary of Transportation to exercise leadership in transportation matters, including

those affecting national defense and those matters involving national or regional emergencies. Part 1 of Title 49, Code of Federal Regulations, as amended, delegates authority for emergency preparedness and response functions to the Office of Intelligence, Security, and Emergency Response.

Executive Order 12656 as amended by Executive Order 13474, “Assignment of Emergency Preparedness Responsibilities,” issued on November 18, 1988 requires the Secretary of Transportation to promulgate and manage overall national policies, programs, procedures, and systems to meet essential civil and military transportation needs in national security emergencies and to include emergency plans and programs, and an appropriate state of readiness as an integral part of the Department’s activities. Specific requirements that the Executive Order assigns to the Department of Transportation are:

- Develop plans to promulgate and manage overall national policies, programs, procedures, and systems to meet essential civil and military transportation needs in national security emergencies;
- Be prepared to provide direction to all modes of civil transportation in national security emergencies;
- Coordinate with the Secretary of State and the Director of the Federal Emergency Management Agency, represent the United States in transportation-related international (including NATO allies) civil emergency preparedness planning and related activities;
- Coordinate with State and local highway agencies in the management of all Federal, State, city, local, and other highways, roads, streets, bridges, tunnels, and publicly owned highway maintenance equipment to assure efficient and safe use of road space during national security emergencies;
- Develop plans and procedures in consultation with appropriate agency officials for maritime and port safety, law enforcement, and security over, upon, and under the high seas and waters subject to the jurisdiction of the United States to assure operational readiness for national security emergency functions;
- Develop plans for the emergency operation of U.S. ports and facilities, use of shipping resources (U.S. and others), provision of government war risks insurance, and emergency construction of merchant ships for military and civil use; develop plans for emergency management and control of the National Airspace System, including provision of war risk insurance and for transfer of the Federal Aviation Administration, in the event of war, to the Department of Defense; and
- Additional responsibilities were assigned as a result of Homeland Security Presidential Directive (HSPD) 5, “Management of Domestic Incidents” which was issued on February 28, 2003. Among other things, this HSPD required the Secretary of the Department of Homeland Security to develop a National Response Plan (NRP) to integrate Federal Government domestic prevention, preparedness, response, and recovery plans into one all-discipline, all-hazards plan. The NRP assigns the Department of Transportation responsibility for Federal and civil transportation support, transportation safety,

restoration/recovery of the transportation infrastructure, movement restrictions, and damage and impact assessments.

These responsibilities are carried out with three interrelated programs.

- *Regional Emergency Transportation Program:* Manages the Regional Emergency Transportation Program, which consists of Regional Emergency Transportation Coordinators (RETCOs), Regional Emergency Transportation Representatives (RETREPs), and response teams. These response teams, which are based in ten regions across the country, provide surge staffing during emergencies that deploy to key Regional, state and local field offices during emergencies to provide critical emergency transportation services. The office also coordinates training and exercises, including certifications for the National Incident Management System and National Response Plan.
- *Emergency Support Function-1.* This program fulfills the Department's commitment under the National Response Plan. When a natural disaster, accident, or terrorist event occurs, DOT is the coordinating and primary agency for Emergency Support Function-1 Transportation (ESF-1). In support of the Department of Homeland Security (DHS), ESF-1 assists Federal agencies, State, local, and tribal governmental entities; and voluntary organizations requiring transportation for an actual or potential Incident of National Significance. The Department of Transportation's responsibilities include: prevention/mitigation, preparedness, response, recovery, infrastructure restoration, safety, and security of the Nation and its transportation system. ESF #1 is designed to provide transportation support to assist in domestic incident management, including: processing and coordinating requests for Federal and civil transportation support as directed under the NRP; reporting damage to transportation infrastructure as a result of the incident; coordinating alternate transportation services; coordinating the restoration and recovery of the transportation infrastructure; performing activities conducted under the direct authority of DOT elements such as air, maritime, surface, rail, and pipelines; and coordinating and supporting prevention/preparedness/mitigation among transportation infrastructure stakeholders at the State and local levels. DOT also provides economic analysis at the local, regional, or national levels and provides recovery assistance, helping coordinate restoration of the transportation system to affected areas.
- *International Civil Emergency Transportation Planning Program:* Manage the international civil emergency transportation planning programs in which the United States and the Department are represented in international forums developing civil transportation response plans in the interest of national security. Activities include coordinating with Transport Canada in planning for mutual support in cross border operations during security incidents and other disasters, and representing the United States in NATO planning and training to use civilian aviation resources during military operations and disasters. The international program representatives work in coordination with other Federal entities on



planning and policy development concerning international civil transportation emergency response and recovery initiatives.

### **Training and Exercises**

The Training and Exercise Program is responsible for coordinating the Department's participation in National, regional, and local emergency preparedness/response exercises as required by Executive Order 12656, as amended, Homeland Security Presidential Directives 5, 7, and 8, and Presidential Decision Directive (PDD) 67, "Enduring Constitutional Government and Continuity of Government Operations."

The requirement for Federal Agencies to conduct training and exercises as part of emergency preparedness is directed by Executive Order 12656, "Assignment of Emergency Preparedness Responsibilities," issued on November 18, 1988. This Executive Order required the head of each Federal Agency to develop and conduct training and education programs that incorporate emergency preparedness and civil defense information necessary to ensure an effective national response.

National Security Presidential Directive (NSPD 51)/Homeland Security Presidential Directive (HSPD-20), "National Continuity Policy, issued on May 9, 2007, relates to enduring constitutional government, continuity of operations (COOP), planning, and continuity of government (COG) operations. It includes additional testing and exercise requirements to ensure survival of a constitutional form of government and the continuity of essential Federal functions. It also requires annual training and exercises of the Department Continuity of Operations (COOP) plans and personnel.

Homeland Security Presidential Directive (HSPD) 5, "Management of Domestic Incidents" was issued on February 2003. This HSPD established the National Incident Management System (NIMS), a single, comprehensive approach to domestic incident management; and a National Response Plan (NRP). In addition, it imposed training and exercise requirements. In order for the government to effectively utilize NIMS, HSPD 5 established minimum training standards and a certification process based on required training. Further, in order for the NRP to be implemented, HSPD 5 requires rigorous requirements for continuous improvement for testing and conducting exercises.

This was followed in December 2003 by HSPD 8, "National Preparedness. The President directed in HSPD-8, that it is the policy of the United States Government (USG) "to strengthen the preparedness of the United States to prevent and respond to threatened or actual domestic terrorist attacks, major disasters, and other emergencies by requiring a national domestic all-hazards preparedness goal, establishing mechanisms for improved delivery of Federal preparedness assistance to State and local governments, and outlining actions to strengthen preparedness capabilities of Federal, State, and local entities." HSPD 8 required the Secretary of Homeland Security to establish and maintain a comprehensive training program to meet the national preparedness goal. In order to further these goals, the Department of Homeland Security, under the leadership of the Secretary of Homeland Security, developed the National Exercise Program (NEP). The NEP serves the principal mechanism for (1) examining the preparation of the government

and its officers and other officials, and (2) adopting policy changes that might improve such preparation. In April 2007, the National Exercise Implementation Program was established as the principle mechanism to evaluate the preparedness of the government as required by HSPD 8.

The National Exercise Program (NEP) mandates that all Federal Departments budget for support to White House directed, government-wide, strategy and policy related exercises which require the participation of the agency heads or their deputies. Additionally the NEP requires Departments to support strategy and policy exercises through simulation or staff participation as well as maintaining a corrective action program to generate input for and track corrective action issues and report on the effectiveness and accomplishments of training programs. In Fiscal Year 2009, the Department of Transportation will support or participate in four interagency Principal Level Tabletop exercises (TTX), one interagency Command Post Exercise (CPX), and one National Level Field Exercise (FTX), and one interagency Continuity Exercise under the new National Exercise Program Directive.

HSPD 7, “Critical Infrastructure Identification, Prioritization and Protection” was issued in December of 2003, and charges the Secretary of Transportation to collaborate with the Secretary of Homeland Security on all matters relating to transportation security and transportation infrastructure protection. This requires the Department of Transportation to plan and coordinate training and exercises to protect the National Transportation and Air Space Systems. During Fiscal Year 2009, the Training and Exercise program will coordinate at least two senior level tabletop exercises with the Department of Transportation, the Transportation Security Administration (TSA) and the Department of Homeland Security to enhance critical infrastructure protection.

In addition to mandated exercises, during Fiscal Year 2009, the Training and Exercise program will provide direct assistance to the Department’s regional emergency transportation coordinators in all ten regions.

In addition, the Training and Exercise Program will coordinate Departmental participation in exercises designed to ensure security for the Presidential Inauguration, which is considered a National Special Security Event (NSSE) under PDD 62, which created a more systematic approach to fighting the terrorist threat.

### **National Security Programs**

The purpose of our national security programs is to ensure survival of a constitutional form of government and the continuity of essential DOT functions in events ranging from facility damage due to a broken water main, to an attack on the Nation. Under these programs, this Office develops and maintains the Office of the Secretary of Transportation Continuity of Operations plan; sustains alternate secure facilities for use by the OST and the DOT Emergency Response Team in the event of building evacuation, attack on the HQ, or DHS/FEMA directed heightened continuity readiness posture; and ensures a high state of readiness through periodic inter- and intra-agency exercises and testing. Additionally, the office develops and updates departmental devolution plans and procedures, and plans for DOT support to the continuity of government.

Although these programs date back to the civil defense era of the 1950's, and were updated via national security directives issued in 1982, 1990, 1992, and 1998; on May 9, 2007, President Bush issued a new policy that is far more demanding, via National Security Presidential Directive (NSPD 51)/Homeland Security Presidential Directive (HSPD-20), "National Continuity Policy". This Directive:

1. Elevates DOT to level of a Category I department, which places additional requirements for the robustness of our continuity capabilities.
2. Establishes the risk-based policy that "Emphasis will be placed upon geographic dispersion of leadership, staff, and infrastructure in order to increase survivability and maintain uninterrupted Government Functions." This requires DOT to establish multiple options for continuity, including robust telework capability and continuity sites in dispersed locations.
3. Requires departmental performance measures and an annual OMB assessment to ensure the prioritization of budget resources for continuity programs. While in the past OST has provided general guidance to and coordination with the Operating Administrations, we must now measure and assess their performance and budget allocations for submission to OMB.

The National Continuity Implementation Plan, developed under the NSPD/HSPD, includes prioritized goals and objectives, a concept of operations, performance metrics by which to measure continuity readiness, procedures for continuity and incident management activities, and clear direction to executive department and agency continuity coordinators.

In addition, The Secretary of Transportation is required to:

1. Appoint a senior accountable official, at the Assistant Secretary level, as the Continuity Coordinator for the department or agency;
2. Identify and submit to the National Continuity Coordinator the list of Primary Mission Essential Functions for the department or agency and develop continuity plans in support of the National Essential Functions and the continuation of essential functions under all conditions;
3. Plan, program, and budget for continuity capabilities consistent with this directive;
4. Plan, conduct, and support annual tests and training, in consultation with the Secretary of Homeland Security, in order to evaluate program readiness and ensure adequacy and viability of continuity plans and communications systems; and
5. Support other continuity requirements, as assigned by category, in accordance with the nature and characteristics of its national security roles and responsibilities.

Additionally, guidance was provided in NCS- 310 that establishes new communications requirements that must be met for each COOP site. Implementation of this directive is

shared among the OST offices for CIO, Management, and Intelligence, Security and Emergency Response.

**Operations:**

Executive Order 12656, “Assignment of Emergency Preparedness Responsibilities,” issued on November 18, 1988, requires agencies to design preparedness measures to permit a rapid and effective transition from routine to emergency operations. This includes development of a system of emergency actions that define alternatives, processes, and issues to be considered during various stages of national security emergencies and identification of actions that could be taken in the early stages of a national security emergency or a pending emergency to mitigate the impact or reduce significantly the lead times associated with full emergency action implementation.

The Crisis Management Center is an around-the-clock operations center that ensures that the Department of Transportation can meet these requires. The primary functions of the Crisis Management Center are to:

*Monitor the Transportation System:* Monitor the status of the transportation system at all times, including transportation related events and incidents overseas that have the potential to impact the domestic transportation system. Provide real-time reports to DOT leadership and Operating Administrations to ensure prompt notification of and response to significant disruptions, incidents, or threats that may affect the transportation system.

*Communications Support.* Support the Secretary and Department by providing secure video teleconferencing and around-the-clock communications for other Departments, agencies and key stakeholders to reach senior leadership. Provide access to incident information to the Department, both for unclassified and classified information.

*Support Disaster Response Activities:* The Crisis Management Center (CMC) houses and supports the Department’s Emergency Response Team during emergencies, both natural and man-made. During these surge operations, the CMC provides all required capabilities, communications, administrative support, etc. to conduct 24X7 emergency operations.

The Crisis Management Center also fulfills some of the requirements of Homeland Security Presidential Directive (HSPD) 5, “Management of Domestic Incidents,” issued on February 2003. Among other requirements, this HSPD requires that Federal agencies participate in and use domestic incident reporting systems and protocols established by the Secretary of the Department of Homeland Security.

**ANTICIPATED FY 2008 ACCOMPLISHMENTS:**

**Intelligence:**

The intelligence accomplishments are in response to one or more of the following goal and/or directives: Security, Preparedness, and Response Strategic Goal, the

President's National Intelligence Strategy, the Aviation and Transportation Security Act, IRPTA, and various NSPDs/HSPDs.

- Provide transportation-related intelligence to the Secretary, Deputy Secretary, key OST Offices, and Operating Administrations.
- Analyze threats to domestic and foreign transportation infrastructure and assets and ensure key officials and emergency coordinators within the Operating Administrations are apprised of specific threats and trends in terrorist tactics and capabilities.
- Assess intelligence related to the transportation industry and international economic and diplomatic and provide that information to the Secretary, Deputy Secretary, key OST Offices, and Operating Administrations.
- Coordinate on draft intelligence analysis and warning products prepared by the National Counterterrorism Center, the Central Intelligence Agency, the Federal Bureau of Investigations, and the Department of Homeland Security.
- Represent the Department and its interests at the Information Sharing Council, the National Implementation Plan for the Global War on Terror, the Customer Service Synchronization Board (CSSB), and National Strategy for Aviation Security (NSAS) workgroups, the Intelligence Community Exercise Forum, the Strategic Homeland Infrastructure Risk Assessment (SHIRA), and other forums regarding intelligence-related issues at the national level.

#### Security Policy:

The security policy accomplishments are in response to one or more of the following goal and/or directives: Security, Preparedness, and Response Strategic Goal.; the President's National Intelligence Strategy; the Homeland Security Act of 2002, as amended by Public Law 109-295, IRPTA, and various NSPDs/HSPDs.

- Represent the Department and its interests at forums setting transportation security policy at Federal, State, Local, Tribal and international arenas.
- Analyze security policy related to the transportation infrastructure and assets and make policy recommendations to key Departmental officials.

#### Preparedness:

The preparedness accomplishments are in response to one or more of the following goal and/or directives: Security, Preparedness, and Response Strategic Goal, various HSPDs, the National Response Plan, and the National Incident Management System.

- Sustain or improve our preparedness through training and exercises.
- Pursue appropriate certifications of our personnel.
- Improve how we carry out the primary components of our roles.
- Update our procedures and other core documents.
- Conduct after action reviews and create corrective action plans.
- Replace cadre losses and build cadre if possible.
- Review and upgrade the Office's automation.
- Enhance our partners' awareness of our plans and capabilities.
- Assist our partners through application of our technical expertise.
- Participate in evolution of national policy and practice in transportation elements of emergency management.

- Represent the United States in NATO civil emergency planning and support negotiations to resolve NATO War Risk Insurance and other civil aviation acquisition and deployment matters.
- Represent the Department at international civil emergency preparedness, response and recovery meetings and training exercises.
- Represent the United States in eight to ten NATO planning and training events for use civilian aviation resources during military operations and disasters.

Training and Exercises:

The training and exercises accomplishments are in response to one or more of the following goal and/or directives: Security, Preparedness, and Response Strategic Goal, various HSPDs, the National Exercise Program, the National Response Plan, and the National Incident Management System.

- Conduct annual DOT interagency Continuity of Operations Exercise.
- Participate in National Level Counterterrorism Exercise (TOPOFF 4).
- Participate in four Principal (Cabinet) Level Tabletop Exercises.
- Participate in Natural Hazard National Level Exercise.
- Participate in two National Special Security Event (N.SSE) Command Post Exercises (Inauguration Support/Prep).
- Conduct National Response Plan (NRP) rollout training for DOT.
- Conduct National Incident Management System (NIMS) rollout training for DOT.
- Conduct Hurricane Season Preparation Training.
- Support Regional ESF 1 Training Programs.
- Support DOT Regional Training and Exercise Programs.
- Provide Tabletop Exercise Support for the Annual RETCO Conference.

National Security Programs:

The national security accomplishments are in response to one or more of the following goal and/or directives: Security, Preparedness, and Response Strategic Goal and various NSPDs/HSPDs.

- Maintain operational Continuity of Operations sites and continue improvements to facility configuration and communications/IT capabilities.
- Manage and coordinate staffing for the Continuity of Government program and ensure expertise is increased through a formal training program.
- Develop phased, prioritized, implementation plan for new Presidential policy.

Operations:

The national security accomplishments are in response to one or more of the following goal and/or directives: Security, Preparedness, and Response Strategic Goal, Homeland Security Presidential Directive 3 (Homeland Security Advisory System), Homeland security Presidential Directive 20 (National Continuity Policy), and the National Preparedness Goal.

- Provide effective 24X7 monitoring of the transportation system to ensure key DOT staff have the necessary information on transportation related incidents.
- Implement Homeland Security Presidential Directive 5 on Management of Domestic Incidents by reporting on domestic incidents.

- Provide ongoing secure and other vital communications links for the Secretary and other Senior Officials.
- Provide immediate impact analysis of emergency incidents and initiate the appropriate response.
- Maintain a tightly coupled relationship with Federal, State, and Local emergency operations centers to make certain that maximum situational awareness and information sharing is achieved.
- Conduct a pilot to assess the operational benefits and mission compatibility of operating the Secretary's security detail within the Office of Intelligence, Security, and Emergency Response.

**FY 2009 PERFORMANCE BUDGET REQUEST:**

The Office of Intelligence, Security, and Emergency Response was established in Fiscal Year 2005 by merging the Secretary's Office of Intelligence and Security with the Research and Special Program Administration's Office of Emergency Transportation.

This budget request reflects a combination of these accounts in the budgetary request (to reflect the Congressional action on the Fiscal Year FY 2008 budget). The office is requesting \$9,169 million and 37 FTE in FY 2009 to accomplish mission requirements. Included in the request are pay raise and inflation related increases as well as a program increase of \$665 thousand:

- \$77.5K for an additional half-year funded FTE (GS-15) to meet the new and significant Intelligence Policy workload mandated by various Presidential Directives, Executive Orders, etc.
- \$67.5K for an additional half-year funded FTE (GS-14) to be the Classified System Administrator, which is a requirement for the office to be able to receive relevant transportation-related intelligence and provide it to the Secretary, Deputy Secretary, Assistant Secretary for Aviation and International Affairs, and Operating Administrations; interface with the Intelligence Community; take part in information sharing; provide intelligence support to the Department for exercise participation, etc.
- \$220K to conduct a feasibility study on dispersed continuity sites options as required by the National Continuity Policy
- \$300K First phase implementation of dispersed alternate site program as required by the National Continuity Policy

- FY 2009 BUDGET REQUEST

TRANSPORTATION PLANNING, RESEARCH AND DEVELOPMENT

(In thousands of dollars)

	FY 2007 <u>Actual</u>	FY 2008 <u>Enacted</u>	FY 2009 <u>Request</u>
Office of the Under Secretary for Policy	<u>102</u>	<u>175</u>	<u>300</u>
<b>Total</b>	<b>\$102</b>	<b>\$175</b>	<b>\$300</b>

**PERFORMANCE ISSUE:**

To balance transportation security requirements with the safety, mobility, and economic needs of the Nation and be prepared to respond to emergencies that affect the viability of the transportation sector.

**FY 2009 PERFORMANCE BUDGET REQUEST:**

To fund the following proposed research and development project in support of the Expert transportation sector intelligence goal.

**Impacts of Pandemic Influenza on the Transportation Industry.....\$150,000**

The potential for Pandemic Influenza to cause widespread fatalities in the United States has led to a government-wide effort to understand its impacts and prepare for a possible outbreak. No careful analysis has been done of the potential economic, safety, and security-related impacts of pandemic influenza on the U.S. transportation industry, or on the shippers and travelers that the transportation industry serves. We need a clearer understanding of these potential impacts before we can plan appropriate measures to mitigate those impacts and to help the transportation industries recover from those impacts after the pandemic has ended. This is an assigned task under the National Pandemic Influenza Implementation Plan. This program supports the Secretarial priority of Emergency Preparedness and Disaster Response.

**Administrative Costs.....\$150,000**



## OFFICE OF THE CHIEF INFORMATION OFFICER

(In thousands of dollars)

	FY 2007 <u>Actual</u>	FY 2008 <u>Enacted</u>	FY 2009 <u>Request</u>
Office of the Chief Information Officer (S-80)	\$3,684	\$4,385	\$4,753

**PERFORMANCE ISSUE:**

The Department of Transportation Chief Information Officer (DOT CIO) is the principal information technology (IT) and cyber security advisor to the Secretary. In this strategic departmental role, the CIO provides leadership on all matters associated with the Department's \$2.7 billion IT portfolio. This includes security, investment management and improvements in the delivery of services to the American taxpayer through electronic government initiatives.

It should be noted that the DOT CIO also delivers IT services to DOT customers through the operation of an IT infrastructure that includes e-mail services, a backbone network and help desk support. Operating administrations contract with the CIO for services and reimburse the CIO for the cost of those services through Working Capital Fund (WCF). The WCF budget (including the CIO component) is provided as a separate part of the Department's budget submission.

**FY 2009 PERFORMANCE BUDGET REQUEST:**

The Information Assurance (IA) and Privacy Management Office is requesting \$4.75 million for IAPMO initiatives in FY 2009. In FY 2007 and 2008, DOT and other agencies saw the initiation of several necessary programs, including the Federal Information Security Managers Act (FISMA) of 2002, and the protection of privacy information. A past lack of funding, federal staff and support personnel for existing initiatives, and the need to redirect funds to these new and unfunded requirements, has resulted in degradation of the Department's IA program. This has been seen in the specific and reoccurring findings of the Office of the Inspector General (OIG) and Government Accountability Office (GAO). The past few years the IA program has also fallen short in meeting recent OMB Privacy and Information Assurance. However, it can be seen more dramatically in the drop from an "A-" FISMA grade to a "C-" in 2006, even with a raise in 2007 to a "B" it will be hard to sustain continuous improvements in the area of system and information security. This funding request will be used to improve FISMA, Privacy and records management compliance and comply with Presidential

directives. The attached narrative justification for the FY 2009 IAPMO budget provides the minimum resources to achieve these goals. To more clearly illustrate this, the budget has been designed to specifically match these mandates on a one-to-one basis. Approval of this budget, as requested, will result in full compliance with FISMA and Privacy mandates.

In FY 2009, the Office of the Chief Information Officer (OCIO) will establish a significant change in strategic direction for the IAPMO by tying its performance objectives directly to FISMA Privacy and other Federal information protection mandates, in support of the DOT Strategic Plan (2006-2011). This effort will require improved program management and oversight functions necessary to implement information security requirements across the thirteen diverse DOT organizations (ten DOT Operating Administrations and three additional organizational units), all of which have their own information technology and information security budgets needed to remediate vulnerabilities, complete certification and accreditation activities, etc., for the systems they own. As described in FISMA itself, the purposes of FISMA are to:

- (1) Provide a comprehensive framework for ensuring the effectiveness of information security controls over information resources that support Federal operations and assets;
- (2) Recognize the highly networked nature of the current Federal computing environment and provide effective government wide management and oversight of the related information security risks, including coordination of information security efforts throughout the civilian, national security, and law enforcement communities;
- (3) Provide for development and maintenance of minimum controls required to protect Federal information and information systems;
- (4) Provide a mechanism for improved oversight of Federal agency information security programs;
- (5) Acknowledge that commercially developed information security products offer advanced, dynamic, robust, and effective information security solutions, reflecting market solutions for the protection of critical information infrastructures important to the national defense and economic security of the nation that are designed, built, and operated by the private sector; and,
- (6) Recognize that the selection of specific technical hardware and software information security solutions should be left to individual agencies from among commercially developed products.

In addition to these overall goals, there are other Government-wide mandates that the Department must meet. In order to directly support and implement these mandates, the IAPMO has re-organized its efforts into five distinct IA Program Initiatives, two Privacy initiatives, each designed to support specific elements of FISMA and information protection statutes. These seven Information Assurance (IA) Program, Privacy, and Records Management Initiatives totaling \$4.753 million are named below and described in detail in the following pages:

- Policies, Standards, Directives and Requirements \$.542 million
- Certification and Accreditation (C&A) \$.914 million
- Cyber Security Management Center (CSMC) \$1.183 million
- Verification and Validation (V&V) \$.840 million
- Education, Training and Awareness (ETA) \$.464 million
- Privacy Program \$.711 million
- Records Management Program \$.099 million

Though these seven IA, Privacy, and Records Management Program Initiatives each require their own budget, goals and dedicated staff, they are being designed to be both interactive and interdependent with each other. In this way, the IAPMO office will avoid implementing individual stovepipe solutions and ensure a cohesive IA management program that is flexible enough to respond to unexpected challenges and new mandates.

This program also, as outlined in detail in the IA Program Initiative descriptions that follow, fully supports the DOT Strategic Plan's (2006-2011) Organizational Excellence goal:

*"Advance the Department's ability to manage for results and achieve the goals of the President's Management Agenda"*

and the DOT Strategic Plan's (2006-2011) Security, Preparedness and Response goal:

*"Balance transportation security requirements with the safety, mobility and economic needs of the Nation and be prepared to respond to emergencies that affect the viability of the transportation sector"*

Within each of these DOT Strategic Plan goals are a series of strategies outlined that further define the desired outcomes. Some of the strategies that the DOT IA, Privacy, and Records Management Program office initiatives support include:

- Security Strategies

2. Work with the Operating Administrations to develop a security policy framework that will ensure preparedness, mitigate the consequences of transportation sector emergencies, and support the Department's mission.

- Cyber Security Strategies

10. Make information technology (IT) a strategic enabler for the Department to provide critical capabilities for secure, efficient storage and transfer of information.
11. Evolve and mature the DOT Information Assurance Program to comply fully with the Federal Information Security Management Act.
12. Begin a phased integration of logical access controls into DOT processes through DOT Common Identity Standards in support of Homeland Security Presidential Directive (HSPD)-12.
13. Integrate effective IT security programs with critical business functions and

systems to protect the confidentiality, integrity and availability of mission critical information.

- Preparedness Strategies

14. Work with the Office of the Secretary and Operating Administrations to:
  - a. Develop multi-modal metrics to measure progress against each of the three new outcomes under this strategic goal by October 1, 2008.
  - b. Establish and maintain emergency operations staffing, special teams and capabilities to respond effectively to incidents and fulfill our commitments under Homeland and National Security Presidential Directives and the National Response Plan.
  - c. Provide complete, consolidated and accurate information about the impacts of incidents on the transportation system, for distribution to stakeholders and other government agencies. (Supports all outcomes)
  - d. Assure continuity of operations, support continuity of government, and maintain emergency operations surge staffing and response capabilities to respond effectively to incidents and fulfill our commitments under Homeland and National Security Presidential Directives and the National Response Plan.
18. Provide security training for transportation professionals, continuously updating the training to reflect advances in the state-of-the-art and state-of-the-practice and to meet changing training needs.

- Response Strategies

19. Develop and maintain plans, procedures, training and exercises that prepare the Department to respond to incidents whether security related or natural disasters.

- Leadership Strategies

7. Develop and execute plans to improve the protection of DOT people, facilities, information, and equipment from intentional harm and to perform the essential functions of the Department even when key facilities are temporarily unavailable or unusable due to natural disasters or intentional harm.

- Information Technology Strategies

19. Mature, institutionalize and operationalize Enterprise Architecture Processes throughout the Department to improve operational efficiency, information sharing and utilization of information resources.
20. Implement E-government initiatives and lines of business such as Business Gateway, Grants.gov, Geospatial One-Stop, E-Rulemaking, and the financial management line of business to enable faster, simpler and more efficient ways for citizens, States, local governments, industry and other stakeholders to transact business with DOT.
21. Undertake a rigorous analysis of the contribution of IT to each strategic goal to identify opportunities to support mission performance and demonstrate how IT contributes to program productivity.

- Privacy of Personally Identifiable Information (PII) Strategies
  - 22. Review technical, administrative and physical security safeguards for systems that contain PII, and develop remediation plans to mitigate risks determined during annual safeguards review.
  - 23. Work closely with other agencies to share ideas and resources for managing and protecting PII, increase user awareness of responsibilities for protecting the Department's PII data assets, and incorporate government best practices.
  - 24. Institutionalize strong data protection practices throughout the Department by providing business owners and those responsible for privacy and security with the tools and knowledge necessary to protect PII.

The Administration has directed DOT and DHS to work together to design a world-class transportation security system that will prevent terrorists from ever again using our 21st Century technologies as weapons against us. The seven DOT IAPMO, Privacy, and Records Management program initiatives are designed to fully support these goals and the desired outcomes.

**Project 1: DOT IAPMO Policies, Standards, Directives and Requirements - \$.542M**

The OCIO is requesting funding to support the Policies, Standards, Directives and Requirements Program in FY 2009. FISMA Sec. 3544 (a) (1) (B) (i) states that Federal agencies are responsible for information security standards promulgated under section 11331 of title 40; and information security standards and guidelines for national security systems issued in accordance with law and as directed by the President. FISMA Sec. 3544 (a) (3) mandates that the CIO be charged with developing and maintaining information security policies, procedures, and control techniques to address all applicable requirements, including those issued under section 3543 of this title, and section 11331 of title 40. FISMA Sec. 3544 (b) (2) mandates that the agency information security program include policies and procedures that are based on the risk assessments required by FISMA (addressed in IA Program Initiative 2) and, that cost-effectively reduce information security risks to an acceptable level. Continued support for development and maintenance of these policies and standards is required to ensure that information security is addressed throughout the life cycle of each information system and to ensure compliance with the other FISMA requirements.

The requested funding is essential to continuing the work of developing the standards and policies which will form the foundation for the information security program in general, and specifically support the remaining IA Program Initiatives, each of which supports a vital aspect of FISMA. The DOT's drop in grade from an "A-" in 2005 to a "C-" in 2006 and its rise to a "B" in 2007 is due to limited funding available for support of initiatives such as policies and standards. Though the introduction of the Security Baseline Configuration Standards (SBCS) was a good initiative in 2007, the limited funding to sustain that effort has resulted in direct findings by the OIG and the GAO in 2006. With new requirements mandated in 2008, it is essential that funding is allocated for the continuing development of standards to support new architectures and new requirements.

The IAPMO is committed to reviewing and updating the configuration standards annually to address the findings of the OIG and GAO.

Policies, standards, directives and requirements are the keystone to successful implementation of the information security program outlined by FISMA. In order for the certification and accreditation (C&A) program to be successful, standards for security controls must be developed for administrators and application developers to build to. According to FISMA, security management decisions must be “risk-appropriate.” In order for risk-appropriate decisions to be made, a thorough understanding of the risk environment must be obtained. C&A efforts of the past two years have resulted in an in-depth image of risk. Though some policy and standards development has occurred during this time, the IAPMO has now been tasked to develop comprehensive security standards that reflect the existing environment, based on the data gathered from these initial risk assessments accomplished throughout the Department. The new standards depend on the information and risk classifications set forth in the Federal Information Processing Standard (FIPS) 199 and FIPS 200 to determine the level of controls from National Institute of Standards and Technology (NIST) Special Publication 800-53 to implement for each departmental system. It is imperative that practical, risk-based controls standards be completed so that systems can be built to these standards initially, not retrofitted after a risk assessment discovers critical insecurities. The funds devoted to this effort will pay for themselves many times over in reduced risk mitigation efforts. This program also supports the C&A IA Program Initiative by establishing a baseline to which administrators can configure their systems. Therefore, the C&A process can become more of a validation of standards compliance. Without appropriate standards, the C&A process becomes a case-by-case, system-by-system budget expansion process, as each system assessed is discovered to have vulnerabilities that must be individually addressed.

In addition to specific FISMA requirements, the IAPMO Policies, Standards, Directives and Requirements Program is designed to implement the requirements of several important pieces of regulatory guidance, including:

- e-Authentication Programs
- Development and implementation of policies in support of new requirements such as NIST, Homeland Security Presidential Directives, and Federal Regulatory changes.

The requirements for additional resources supporting this effort have increased with the implementation of HSPD-12 requirements. NIST has published a number of new standards in support of HSPD-12, which have a direct impact in its implementation for logical access. The result of these new standards is that all Departmental identity management systems require replacement with HSPD-12 compliant systems that enforce the new technical standards and create cohesiveness in identification and authentication across all Departmental Information Systems and other Federal physical facilities and information system access controls. In FY 2008 and 2009, IAPMO in conjunction with other offices within DOT will develop policies and standards necessary for DOT to address enhanced logical access control requirements, develop an information technology

architecture that will support enhanced logical access control, and established test concepts and pilot test initiatives to identify and select technologies that will support enhanced logical access control requirements.

**Project 2: Certification and Accreditation (C&A) - \$.914M**

The OCIO is requesting funding to support the Certification and Accreditation (C&A) Program Initiative in FY 2009. FISMA Section 3544 mandates that each agency develop, document, and implement an agency wide information security program, to provide information security for the information and information systems that support the operations and assets of the agency. It continues to require periodic assessments of the risk and magnitude of the harm that could result from the unauthorized access, use, disclosure, disruption, modification, or destruction of information and information systems that support the operations and assets of the agency. In addition, paragraph (b) (8) of that section of FISMA requires the development of plans and procedures to ensure continuity of operations for information systems that support the operations and assets of the agency. OMB Circular A-130, Appendix III, *Security of Federal Automated Information Resources*, required specific actions by agencies.

The IAPMO is tasked with tracking and providing oversight for the entire C&A effort across all DOT organizations. Staff and automation must be available to oversee and assist all DOT organizations in completing and maintaining their individual C&A programs. The IAPMO must have the resources to collect, analyze and reduce all planned risk mitigation activities to ensure progress is being made. The program will conduct risk assessments, security testing, provide in-depth oversight and ensure that all Operating Administration IA programs are making consistent progress in mitigation of identified weaknesses; not simply documenting them.

The IAPMO provides management and oversight for the Department's C&A program, which currently includes certification of 430 sensitive systems. Over the past two years, the C&A processes have resulted in over 7,000 Plans of Action and Milestones (POA&M) items to validate, track and update. For the DOT C&A program to be effective across the Department, the voluminous amount of data received from the thirteen DOT organizations must be analyzed for quality of content and practicality of remediation.

In FY 2007 and FY 2008, IAPMO implemented an IA informational portal application known as the Enterprise Security Portal (ESP) to facilitate the compilation and tracking of this vast amount of POA&M data. The FY 2009 budget request covers maintenance of the application is to also support this portal plus the needed resources for the implementation of the ISSLOB FISMA reporting tool. Finally, in addition to oversight and management of the DOT-wide C&A program, the Office of the Secretary is the owner and operator of over 90 PII sensitive systems for which C&A must be accomplished and for which mitigation actions must be managed. The IAPMO is directly responsible for C&A and follow-up actions for these systems.

It is essential that the IAPMO continue to centrally manage the IA Program Initiatives of the diverse DOT Operating Administrations and other DOT organizations. Time and effort are required to ensure the Department's C&A program remains cohesive and continues to improve in effectiveness.

**Project 3: Transportation Cyber Incident Response Center (TCIRC) - \$1.183M**

The OCIO is requesting funding to operate the Transportation Cyber Incident Response Center (TCIRC) and its migration to the DOT Cyber Security Management Center (CSMC), which will seek to be an ISSLOB Shared Service Provider (SSP) Program in FY 2009. FISMA Section 3544 (7) requires agencies to implement procedures for detecting, reporting, and responding to security incidents, consistent with standards and guidelines issued pursuant to section 3546(b), including:

- Mitigating risks associated with such incidents before substantial damage is done;
- Notifying and consulting with the Federal information security incident center referred to in section 3546; and
- Notifying and consulting with law enforcement and OIG, the United States Computer Emergency Readiness Team (US CERT) and any other agency or office in accordance with law and other Federal requirements.

In order to meet the requirements of FISMA , the Department of Homeland Security and the FY08 OMB reporting mandates for lost PII information and information systems described above, as well as other requirements mentioned elsewhere in other IA Program Initiatives, DOT has established the TCIRC. Responsibilities of the DOT TCIRC that directly support this program include, but are not limited to:

- Serve as the Department's Center of Excellence for Situational Awareness and Incident Response.
- Continual research into, and investigation of, potential security issues relevant to DOT's evolving information systems.
- Serve as the focal point for the DOT for receiving, tracking, monitoring, and reporting of computer security incidents for all DOT Operating Administrations.
- Provide a centralized capability for reporting of cyber-related security incidents against DOT's information technology infrastructure.
- Operate, maintain, and monitor the DOT intrusion detection (IDS) and intrusion prevention systems (IPS).
- Collect, review, and analyze logs and other relevant forensic data for suspected intrusions and other suspicious activity.
- Respond to all types of intrusions detected by the IDS/IPS or reported to the TCIRC.
- Coordinate activities and responses to cyber-related security incidents with appropriate OA ISSOs.
- Provide technical security assistance, guidance, and recommendations to ISSOs and their designated representatives.



- Communicate relevant computer security information such as security alerts, advisories and bulletins, software vulnerability data and reports, vendor patch notifications, virus alerts and other relevant security information.
- Provide an electronic clearinghouse for Information Assurance tools, anti-virus software, recommended or best practice security guidelines.
- Serve as liaison to internal DOT organizations in accordance with normal protocol procedures.
- Serve as the primary reporting authority to external organizations such as the US-CERT, the Office of Management and Budget (OMB), and the OIG.
- Serve as the primary reporting authority to law enforcement and criminal investigative groups in the reporting of cyber-related attacks against DOT's infrastructure (OIG) within the provisions of a legal warrant and Title 8 authority.
- Participate along with OA ISSOs in relevant Federal computer security groups such as the National Cyber Response Coordination Group (NCRCG) and Government Forum of Incident Response and Security Teams (GFIRST).
- Conduct computer forensics, and incident response support functions.
- Support the development of Departmental IA policies and system configuration baselines and ensure adherence to FISMA guidelines.

In addition, funding will be needed to implement secure, classified communications within the TCIRC with an interface to the Department of Defense (DoD) Secret Internet Protocol Router Network (SIPRNET) to facilitate sharing incident and response data with DoD and DHS.

The TCIRC will directly support the new ISSLOB SSP. The ISSLOB SSP will afford an enterprise-wide situational awareness and incident response solution that is efficient, both in program management and by eliminating redundancies, provides efficiencies of government, and meets the requirements of the President's National Strategy to Secure Cyberspace. It is DOT's intention to establish an ISSLOB SSP in FY09 and consolidate its two key incident response organizations; 1) the DOT Transportation Cyber Incident Response Center (TCIRC) and 2) the FAA Cyber Security Incident Response Center (CSIRC). Combining these two organizations is necessary to efficiently use resources in support of the new CSMC responsibilities.

This will enable the DOT to maintain autonomy in the protection of its critical infrastructure components, establish the DOT as a leader in Situational Awareness and Incident Response, and help provide the necessary resources and funding to meet the future demands of Cyber Security at the DOT. The program objective is to reduce the significant vulnerabilities inherent in our Nation's critical information infrastructure by providing a single focused cyber technology center that is the nerve center of situational awareness.

The TCIRC/CSMC continues to grow to fill its vital role as a hub in the communication of threat and incident information, as well as its operational role in supporting incident investigations. The challenges faced by the TCIRC/CSMC in accomplishing its mission are made vastly more complex by the DOT organizational structure and the need to

coordinate and lead the different DOT organizations, each of which have unique internal procedures for coordination.

A complete overhaul of the DOT technical security configuration standards is underway. The IAPMO has already developed Security Baseline Configuration Standards (SBCS) for Windows 2000, Windows 2003, Linux, Solaris, Cisco routers, Wireless and PDAs, Oracle and a Web-based Application Security Standard. As an interim solution to fill the remaining gaps, DOT has adopted the Center for Internet Security (CIS) Best Practices Benchmarks, as well as the acquisition of commercial technologies that will be integrated into the DOT Network Operation Centers, and will be establishing guidance to the DOT IT community on the applicability of the CIS Benchmark controls in order to cross reference the CIS Benchmarks to the NIST SP 800-53 controls that have been determined to be applicable for DOT. Each new SBCS, or adopted CIS Benchmark, will also be accompanied by a security test and evaluation procedure and by a customized scoring tool to measure compliance with the DOT standard.

The TCIRC/CSMC centrally administers the Department's primary antivirus solution and manages the Department's patch management processes. Though these processes are comprehensive, and though there is a verification and validation (V&V) process, no manual patch management process can be fully effective for an organization as large as the DOT. A gap will always exist for some systems that are missed, until the V&V process identifies the system and corrects the missing patch. Therefore, the TCIRC has initiated actions to implement an automated patch management system. This system is primarily software based, but will require revision of the policies and procedures that implement the solution.

The planned effort of the TCIRC program will result in great strides toward reducing the vulnerabilities that exist in the gap between publicized vulnerability and the actual implementation of the measures to mitigate the associated risks (usually a patch or configuration change). The budget request includes funds for the FY 2009 software, as well as labor for implementation at the OCIO level.

**Project 4: FISMA Statutory Compliance, Conformance, Verification and Validation (V&V) - \$.840M**

The OCIO is requesting \$.840 million for supporting the Verification and Validation (V&V) Program Initiative in FY 2009. FISMA Section 3544 (b) (5) states that periodic testing and evaluation of the effectiveness of information security policies, procedures, and practices, be performed with a frequency depending on risk, but no less than annually. This FY 2009 request, includes the OMB mandated implementation of the Information Systems Security Line of Business (ISS LOB) FISMA reporting and tracking automated tools.

Since the DOT OCIO must oversee a risk management program which spans the diverse DOT organizations, it is necessary to implement an effective V&V program to ensure all Operating Administrations implement adequate controls, and to assist the

Administrations in ensuring that their existing programs are effectively minimizing vulnerabilities. To accomplish this, the IAPMO has initiated several specific controls which will compliment each other and compliment the programs of the Operating Administrations. These combine the adaptation of new technologies, as well as the implementation of procedural controls in the form of a new configuration control board.

The V&V program will improve statutory compliance, conformance, verification and validation (V&V) activities:

- Enable the Department to increase compliance reviews from 120 systems per year to 200 systems per year;
- Support (via analysis and recommendations) the DOT's Configuration Control Board (CCB), which will be responsible for review and approval/disapproval of deviations from Departmental security configuration standards;
- Expand the use of a vulnerability scanning tool. In 2007 and 2008, the IAPMO implemented periodic system-level vulnerability scans using a centralized vulnerability scanning tool with a hierarchical access and reporting structure. In FY 2009, the IAPMO will move the program from a voluntary self-scanning program to a true Department-wide V&V function. The IAPMO will use the scanning program to strengthen the patch management program by identifying missed patches and correcting the processes that led to each case of missed patches. In addition, the tool will also identify misconfigured systems which permit information leakage or expose vulnerabilities to the network;
- Implement new technologies for full security configuration V&V. The IAPMO seeks to better understand each server's status of compliance with DOT Security Baseline Configuration Standards (SBCS) and where possible, the Benchmark Scoring Tools from the Center for Internet Security (CIS). In FY09, the IAPMO will develop, implement and operate a best of breed tool set which will measure compliance to Departmental configuration policies and standards. The tools must be updated as necessary and they must be run;
- Conduct penetration testing and vulnerability scanning: The IAPMO will sponsor more manual testing to identify and correct weaknesses in the various Operating Administration security programs. These include telephone "war-dialing" to identify and eliminate insecure modems. In addition, IAMPO will conduct periodic testing for insecure wireless access points and reviews of the Department's risk profile as seen from the Internet, to identify not only system vulnerabilities, but also architecture and firewall configuration weaknesses that might be exploited from the Internet if not identified and corrected by the IAPMO; and,
- Manage the Enterprise Security Portal (ESP) which includes the OMB ISS LOB FISMA reporting and track tool. The ESP provides the mechanism whereby the Operating Administrations can upload and update POA&M status. The management of this portal is funded by the V&V program. Without the portal, the vast amounts of dissimilar data from these programs could not be correlated into meaningful management information. The ESP also provides access to the standards and guides necessary for individual Operating Administrations to administer their risk

management programs, as well providing the reports necessary for DOT management to comply with the national risk management program.

The DOT IA program cannot function effectively without the V&V program initiative to provide the resources for the IAPMO to provide oversight and feedback/recommendations to the DOT Operating Administrations, each operating their own IA program. The V&V program is essential to the success of the overall IA program.

**Project 5: Education, Training and Awareness (ETA) - \$.464M**

The OCIO is requesting funding for the Education, Training & Awareness (ETA) Program Initiative in FY 2009. FISMA Section 3544 (b) (4) requires security awareness training to inform personnel, including contractors and other users of information systems, that support the operations and assets of the agency, of information security risks associated with their activities; and their responsibilities in complying with agency policies and procedures designed to reduce these risks.

The program will monitor and manage the DOT *Information Assurance Security Awareness and Training Program*, which provides guidance to all DOT organizations for building an effective information technology (IT) security program and supports requirements specified in FISMA (cited above) and the Office of Management and Budget (OMB) Circular A-130, Appendix III. A strong IT security program cannot be put in place without significant attention given to the training department's users on security policy, procedures, and techniques, as well as the various management, operational, and technical controls necessary and available to secure IT resources.

The IAPMO's ETA program will provide oversight and V&V activities for the diverse DOT organizations. Since each Operating Administration and other DOT organization generally manage their own ETA program, the IAPMO must ensure that these ETA programs are effective and accomplish the Department's ETA goals. In part, this will be accomplished through a V&V of the 15 different security education, training and awareness programs.

In FY 2009, IAPMO will:

- Sponsor the annual DOT Security Awareness Month activity. Security Awareness Month is typically 20 days of scheduled presentations, demonstrations, vendor exhibits and more. This effort requires funding to support manpower for pre-coordination, facility and equipment fees and awareness token attendee gifts to create reminders around the office long after the presentations have concluded. In addition to Security Awareness Week, the IAPMO makes posters and flyers available to the Operating Administrations or distributes the materials directly. The IAPMO tracks current information security issues and sends information to the Operating Administrations to provide source material for continuing security awareness efforts;

- Ensure that IAPMO staff obtains and maintains proficiency and certifications in important areas. These include professional certifications such as the Certified Information Systems Security Professional (CISSP); and,
- Plan and implement the integration of the OMB ISS LOB general and specialized Information Assurance training and awareness program, with DoD as the DOT SSP. Education and training are absolutely essential to the long-term health of any successful risk management program, but all of these efforts require budgetary resources.

**Project 6: DOT Privacy Program - \$.711M**

The CIO also serves as the Senior Agency Official for Privacy. The OCIO is requesting funding to support the DOT Privacy Program. Without this support, the existing DOT Privacy Program will be unable to sustain a strong level of privacy oversight and compliance throughout the Department.

The major goal of the DOT Privacy Program is the protection of Personally Identifiable Information (PII). Established in 2003 with funding from Congress, the program works with the OA's to promote strong employee and contractor awareness of and compliance with the Privacy Act of 1974, E-Government Act of 2002 (Section 208), FISMA privacy requirements, related OMB Guidance, and internal policies and procedures. In addition, Section 522 of the 2005 Consolidated Appropriations Act for Transportation and Treasury (Public-Law 108-447, Division H), sets forth additional privacy requirements for DOT. The law requires the designation of a chief privacy officer – a role currently filled by the Departmental Privacy Officer within OCIO – and nine (9) privacy policies and procedures to protect public and employee data. The law also requires the annual reporting of DOT's privacy activities to Congress.

In FY 2007, the IAPMO assumed responsibility for the management of the DOT Privacy Program in anticipation of the ending of the targeted Congressional funding. The integration of the IA and Privacy Programs helps to ensure that privacy issues are considered at the outset of any departmental initiative or IT system involving the use of PII from both a technical and legal approach. In FY 2008, the IAPMO will continue management of the DOT Privacy Program using existing IAPMO S&E funds.

The requested support is required to ensure that the Privacy Program helps DOT maintain operational effectiveness by focusing on the following core activities in FY2009:

- Maintaining “green” for privacy on the E-Gov Scorecard by tracking the number of PII systems operated by DOT OA's and ensuring that 90% of all applicable IT systems have Privacy Act System of Record Notices (SORNs) and/or an E-Government Privacy Impact Assessments (PIAs);
- Meeting the Section 522 requirement to prepare an annual report to Congress on the Department's privacy activities;
- Responding to any identified weaknesses as a result of the privacy program audit performed by the DOT Office of the Inspector General in FY2008, as required by Section 522;

- Participating in the inter-agency Information Sharing Environment Privacy Guidelines Committee, in order to ensure that the new privacy guidelines are integrated into existing DOT privacy policies and procedures;
- Implementing annual privacy awareness training for all employees and contractors, as required by the Privacy Act of 1974, E-Government Act and Section 522;
- Creating, maintaining and updating Departmental privacy policies and procedures, as required by the Privacy Act of 1974, E-Government Act of 2002, Section 522, new OMB privacy directives, and internal PII policies; and
- Providing day-to-day guidance to OA's on all Departmental policies and procedures.

The maintenance of an effective DOT Privacy Program is critical to overall success the Department's Information Assurance activities and for ensuring that technologies developed and used by the Department sustain and do not erode privacy protections, and demonstrates the Department's commitment to maintaining public and employee trust and accountability.

#### **Project 7: DOT Records Management Program - \$.099 M**

The OCIO is requesting FY 2009 funding to support the DOT Records Management Program. Without this support, the Department will be unable to follow-through with bringing DOT into full compliance with the Federal Records Act (44 U.S.C. 3101) and the Government Paperwork Elimination Act (GPEA, Pub. L. 105-277).

The major goal of the DOT Records Management Program is to ensure that the government information contained in the Department's information systems is created, collected, processed, transmitted, disseminated, used, stored, and disposed of in accordance with the NARA-approved records disposition schedule. Electronic records may be destroyed only in accordance with a records disposition schedule approved by the Archivist of the United States.

In FY 2008, the IAPMO assumed responsibility for the management and oversight of the DOT Records Management Program. The integration of the IA, Privacy, and Records Management Programs will help to ensure that records retention issues are considered at the outset of any departmental initiative or IT system. The requested Contractor Full Time Equivalent (CFTE) support is required to ensure that the Records Management Program helps DOT meet its responsibilities as directed by Section 207(e) of the E-Government Act of 2002 by focusing on the following core activities in FY2009: (1) compiling, maintaining, and providing to NARA a complete listing of all record creating and keeping IT Information Systems; (2) coordinate the scheduling of all information contained within those systems (3) creating and updating policies and procedures to reflect new NARA and Departmental policies impacting ; (4) developing and implementing an annual records management education and awareness program.

This funding is directly connected to ensuring that the Department preserves records containing adequate and proper documentation of this organization, functions, policies,

decisions, procedures, and essential transactions of the DOT and designed to furnish the information necessary to protect the legal and financial rights of the Government and of persons directly affected by the DOT's activities.

# **Organizational Excellence**



**ORGANIZATIONAL EXCELLENCE**  
**Fulfill the President's Management Agenda**

This funding request contributes to the DOT Organizational Excellence strategic objective and promotes the President's Management Agenda goals of strategic management of human capital, competitive sourcing, financial performance, budget and performance integration, and E-government performance. This request will allow DOT to achieve its planned milestones for implementing the President's Management Agenda.

Fulfill the President's Management Agenda.						
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Target:</b>	N/A	100	100	100	92	100
<b>Actual:</b>	N/A	84	64	72		

**OFFICE OF THE SECRETARY**

**Appropriations, Obligation Limitations, & Exempt Obligations**  
**(\$000)**

<b><u>PERFORMANCE GOALS/MEASURES by</u></b> <b><u>PROGRAM ACTIVITIES</u></b>	<b><u>FY 2007</u></b> <b><u>ACTUAL</u></b>	<b><u>FY 2008</u></b> <b><u>ENACTED</u></b>	<b><u>FY 2009</u></b> <b><u>REQUEST</u></b>
6. Organizational Excellence			
A. Achieve PMA goals			
a. Salaries & Expenses (S-1)	2,197	2,310	2,400
b. Salaries & Expenses (S-2)	697	730	759
c. Salaries & Expenses (S-10)	1,441	1,516	1,595
d. Salaries & Expenses (S-3)	2,111	1,091	2,666
e. Salaries & Expenses (S-20)	105	0	0
f. Salaries & Expenses (S-80)	8,117	7,502	8,132
g. Salaries & Expenses (A)	1,908	1,986	2,040
h. Salaries & Expenses (I)	2,291	2,383	2,447
i. Salaries & Expenses (C)	11,664	14,415	13,153
j. Salaries & Expenses (B)	8,465	9,417	10,708
k. Salaries & Expenses (M)	21,880	23,750	27,292
l. Transportation Planning, Research & Development	9,900	0	0
m. Office of Civil Rights	8,527	9,141	9,384
n. New Headquarters Building	49,500	0	0
o. Financial Mangement Capital	0	0	6,000
Subtotal	<b>\$128,802</b>	<b>\$74,241</b>	<b>\$86,576</b>

**ORGANIZATIONAL EXCELLENCE**  
**Fulfill the President's Management Agenda**

FY 2009 BUDGET REQUEST

SALARIES AND EXPENSES

IMMEDIATE OFFICE OF THE SECRETARY AND THE DEPUTY SECRETARY  
AND EXECUTIVE SECRETARIAT

(In thousands of dollars)

	FY 2007 <u>Actual</u>	FY 2008 <u>Enacted.</u>	FY 2009 <u>Request</u>
Immediate Office of the Secretary, Deputy Secretary, and Executive Secretariat	\$4,335	\$4,556	\$4,754

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Office of the Secretary (S-1)	2,197	2,310	2,400
Office of the Deputy Secretary (S-2)	697	730	759
Office of the Executive Secretariat (S-10)	1,441	1,516	1,595

**PERFORMANCE ISSUE:**

The Immediate Office of the Secretary and the Deputy Secretary provide leadership and have the primary responsibility to provide overall planning, direction, and control of the Department's agenda. The Deputy Secretary has the primary responsibility of assisting the Secretary in the overall planning and direction of the Department. The Executive Secretariat assists the Secretary and Deputy Secretary in carrying out their management functions and responsibilities by controlling and coordinating internal and external written materials.

**FY 2009 PERFORMANCE BUDGET REQUEST:**

The FY 2009 request reflects a consolidated budget activity for the Office of the Secretary, the Office of the Deputy Secretary and the Executive Secretariat. This will provide greater flexibility in the day-to-day management of the Offices. The combined Offices of the Secretary, Deputy Secretary and Executive Secretariat are requesting \$4.754 million and 37 FTE in FY 2009 to continue the mission outlined above.

## OFFICE OF THE UNDER SECRETARY FOR TRANSPORTATION POLICY

(In thousands of dollars)

	FY 2007 <u>Actual</u>	FY 2008 <u>Enacted</u>	FY 2009 <u>Request</u>
Under Secretary for Policy	\$2,111	\$1,091	\$2,666

**PERFORMANCE ISSUE:**

Provide expert policy advice to the Secretary of Transportation on transportation safety issues as well as formulate and provide overall DOT positioning, radio-navigation, and spectrum policy and planning guidance to ensure that U.S. radio-navigation systems meet the Department's Safety strategic goal.

**FY 2009 PERFORMANCE BUDGET REQUEST:**

Funding is requested to primarily fund staff to formulate and evaluate policy to enhance transportation-related safety issues and associated operating expenses.

BOARD OF CONTRACT APPEALS

(In thousands of dollars)

	FY 2007 <u>Actual</u>	FY 2008 <u>Enacted</u>	FY 2009 <u>Request</u>
Board of Contract Appeals (S-20)	\$105	\$0	\$0

**FY 2009 PERFORMANCE BUDGET REQUEST:**

This program was transferred in its entirety to GSA in FY 2007.

## OFFICE OF THE CHIEF INFORMATION OFFICER

(In thousands of dollars)

	FY 2007 <u>Actual</u>	FY 2008 <u>Enacted</u>	FY 2009 <u>Request</u>
Office of the Chief Information Officer (S-80)	\$8,117	\$7,502	\$8,132

**PERFORMANCE ISSUE:**

The Department of Transportation Chief Information Officer (DOT CIO) is the principal information technology (IT) and cyber security advisor to the Secretary. In this strategic departmental role, the CIO provides leadership on all matters associated with the Department's \$2.7 billion IT portfolio. This includes security, investment management and improvements in the delivery of services to the American taxpayer through electronic government initiatives.

It should be noted that the DOT CIO also delivers IT services to DOT customers through the operation of an IT infrastructure that includes e-mail services, a backbone network and help desk support. Operating administrations contract with the CIO for services and reimburse the CIO for the cost of those services through Working Capital Fund (WCF). The WCF budget (including the CIO component) is provided as a separate part of the Department's budget submission.

**FY 2009 PERFORMANCE BUDGET REQUEST:**

The Office of the Chief Information Officer (OCIO) is requesting \$8.132 million and 16 FTE in FY 2009. In FY 2009, the Office of the CIO funding request will maintain overall management of the department's \$2.7 billion IT portfolio. Funding will be applied to specific projects that increase organizational excellence through:

- robust and disciplined IT investment processes that include an enterprise architecture and capital planning as a foundation;
- a strategic management program to meet regulatory and statutory IT requirements;
- a consolidated, secure infrastructure; and
- faster, simpler, more efficient and less costly ways for citizens, state and local governments, industry and other stakeholders to transact business with DOT.

The IT Portfolio Management projects, as outlined in detail in the descriptions that follow, fully supports the DOT Strategic Plan's (2006-2011) Organizational Excellence goal:

*"Advance the Department's ability to manage for results and achieve the goals of the President's Management Agenda"*

Within this DOT Strategic Plan goal are a series of strategies outlined that further define the desired outcomes. Some of the strategies that IT Portfolio Management supports include:

- Leadership Strategies
  - 7. Develop and execute plans to improve the protection of DOT people, facilities, information, and equipment from intentional harm and to perform the essential functions of the Department even when key facilities are temporarily unavailable or unusable due to natural disasters or intentional harm.
  
- Information Technology Strategies
  - 19. Mature, institutionalize and operationalize Enterprise Architecture Processes throughout the Department to improve operational efficiency, information sharing and utilization of information resources.
  - 20. Implement E-government initiatives and lines of business such as Business Gateway, Grants.gov, Geospatial One-Stop, E-Rulemaking, and the financial management line of business to enable faster, simpler and more efficient ways for citizens, States, local governments, industry and other stakeholders to transact business with DOT.
  - 21. Undertake a rigorous analysis of the contribution of IT to each strategic goal to identify opportunities to support mission performance and demonstrate how IT contributes to program productivity.
  
- Privacy of Personally Identifiable Information (PII) Strategies
  - 22. Review technical, administrative and physical security safeguards for systems that contain PII, and develop remediation plans to mitigate risks determined during annual safeguards review.
  - 23. Work closely with other agencies to share ideas and resources for managing and protecting PII, increase user awareness of responsibilities for protecting the Department's PII data assets, and incorporate government best practices.
  - 24. Institutionalize strong data protection practices throughout the Department by providing business owners and those responsible for privacy and security with the tools and knowledge necessary to protect PII.

Outlined below are the projects that the OCIO plans to accomplish within the requested funding level.

### **FY 2009 IT Portfolio Management**

#### **Project 1: Enterprise Architecture Implementation Brief Description - \$1.673 M**

The Department of Transportation (DOT) Enterprise Architecture (EA) Program drives agency wide decision making through facilitating the analysis of DOT's current,

transitional, and target states from an integrated strategic, business, and technology perspective. DOT's EA processes enable optimal information technology (IT) investment management and improved performance through identifying and targeting specific areas for eliminating redundancy, providing opportunities for information sharing, and supporting evolving business needs. Through the use and maintenance of EA practices and artifacts, DOT stakeholders understand the relationships between core business processes, the information and data required for supporting those processes, and the technology used to perform them.

DOT's EA Program provides the basis for common solution development across multiple mission-specific initiatives within the Department. As a key role within the DOT governance process supporting Investment Review Board (IRB) decision making, the DOT EA function provides program analysis, guidance to the business areas via reviewing and providing feedback on EA impacts to DOT's IT Portfolio, and support and advisory services to management functions of proposed solutions. From streamlining management and business processes to participating in the determination of technical solution feasibility, EA practices produce the knowledge/infrastructure base, standards and practices necessary to improve services, reduce total cost of ownership and address information sharing requirements, thereby improving program results.

The DOT EA Program manages a wide array of business, information/data, application and technology information to perform the overarching objectives of the DOT EA that improve program efficiency and effectiveness:

- Provide an effective information resource for optimizing Departmental decision-making;
- Leverage existing technologies and common processes to promote reuse for achieving reduced cost of ownership and improving effectiveness of services provided;
- Provide capital planning alignment and support, as well as integration with Strategic Planning, IT Security and Operations, Budget and other DOT functions to enable well-informed decisions for the Department; and
- Facilitate business program and EA compliance with Office of Management and Budget (OMB), the President's Management Agenda, E-government Initiatives and Federal Lines of Business, Government Accountability Office, and internal cross-cutting initiatives.

In FY 2008, the DOT EA Program will facilitate the direction of the Department's mission through enhanced integration with DOT capital planning and budget functions, utilizing a segment architecture approach managed via the DOT Transition Strategy. DOT will initiate steps to identify and measure the performance and value of efficiencies/savings to the business areas through the use of EA processes.

Through expanding and formalizing EA processes and guidance, the DOT EA Program will refine its governance structure to support selecting, controlling and evaluating proposed IT investments.

The DOT EA Program will expand the use of its Departmental EA Repository, allowing DOT stakeholders to achieve service-oriented business objectives and performance goals that are directly traceable to DOT's Strategic Plan. We established a DOT methodology for business transformation (MBT) and provided training in support of associated EA activities. DOT EA Program utilized the MBT to facilitate solution development, primarily for the transformation of Grants Management, Enterprise Information Management, and Intermodal Hazardous Materials Management.

The requested FY 2009 funding would allow the DOT EA Program to identify and support the business line implementation of new solutions, increasing instances of identified opportunities for collaboration, reuse, and leveraging solutions across the Department, thereby realizing savings, improving productivity and facilitating information sharing through business process analysis and streamlining. Planned activities, outlined according to areas of expected performance outcomes, include:

- **EA Program Management** – Enabling the DOT OCIO to meet internal and external demands in support of the business areas in evolving departmental initiatives;
- **EA Governance and Guidance** – Expanding EA alignment processes and procedures to solidify participation in DOT governance bodies that support evaluating and selecting proposed IT investments prior to their submission to the Departmental IRB;
- **EA Tool Implementation** - Expanding the knowledge base of the DOT EA Repository tool through data collection and management of information DOT wide, thus enabling an increased breadth and improved quality of information for decision-making. Additional funding is necessary to maintain experts in the implementation, usage, and maintenance of the EA tool;
- **Communication/Outreach/Training** – Supporting DOT business areas through guidance and training of EA completion, use and results activities to elevate explicit value of efficiencies and savings; establishing a formal EA/Business Modernization Training Program for all DOT audiences; and coordinating the DOT Data Architecture Group (DAG) to address and resolve data-related issues across the department;
- **Facilitation of Transformation** – Facilitating solution development by providing improved service to DOT business lines in managing and using government resources; assisting and guiding in the development of DOT's business segment architectures; and coordinating the ongoing update and implementation of the DOT Transition Plan. Additional funding is required to obtain additional resources in maturing DOT's data architecture;
- **Enterprise Integration** – Integrating DOT EA activities with the DOT Program Managers to improve the quality of agency project management. Funding is required to hire business process experts to establish and maintain the functional integration and improve agency value to the business areas; integrating the EA process with CPIC to validate that IT investments are appropriately prioritized and aligned with Departmental goals and objectives.



Requested funding will ensure that the following negative impacts can be avoided:

- Higher total cost of ownership throughout the business lines, and the absence of cost savings through opportunities for leveraging that exist in other program areas; limited staffing could not support oversight.
- Limited ability to manage and maintain an effective, robust EA tool containing current, value-added information that supports DOT IT investment processes (such as Capital Planning and Budget) and other DOT processes (e.g., Information Assurance and IT Workforce); the level of risk will be considerably high and the accuracy and integrity of the information provided will be severely compromised in using the DOT tool, thereby preventing the DOT EA Program from providing valuable, relevant, timely information to DOT internal and external stakeholders and decision makers for optimizing the use of Departmental IT resources.
- Minimal progress in ability to meet the increasing level of standards set forth by OMB to demonstrate and maintain completion, use and results of DOT's EA Program, a core component of the President's Management Agenda item for Expanded E-Government.
- Significant reduction in communication across DOT programs areas primarily initiated and sustained through EA practices. DOT stakeholders would have considerably less information available from which to base IT investment decisions, thus increasing the likelihood of continued stove-piped solutions that do not garner the benefits of a service-oriented environment emphasizing common processes, reuse and the ability to reassign resources to core missions.
- EA alignment measures would not meet the DOT Office of Inspector General recommendations to "...perform more substantive and proactive reviews of IT investments...to provide the Investment Review Board (IRB) with adequate information needed to make informed decisions regarding whether or not to approve, modify, or terminate IT investment projects."

### **Project 2: Departmental IT Investment and Capital Planning - \$2.062M**

The Department's IT capital planning and investment control (CPIC) process establishes management controls to ensure that the Office of the Secretary and the Operating Administrations make sound IT investments supportive of strategic goals, mission/business requirements, and the DOT IT Modernization Strategy. The DOT OICO CPIC Team manages the CPIC governance process and structure. Central to the governance structure are two Department-level boards: the Investment Review Board (IRB) and the Program Review Board (PRB). Both boards are chaired by the Deputy Secretary.

The OCIO CPIC team is responsible for the strategic planning, operational analysis, and oversight of the Department's IT investments. They are also responsible for assisting two Department-level review boards, which make final decisions on the DOT IT Portfolio. The DOT Portfolio is currently valued at \$2.7 billion; and is comprised of 46 major and 350+ non-major IT initiatives. The CPIC team monitors these initiatives to ensure they meet cost, schedule, and performance goals; or that they have a corrective action plan in

place to remediate any variances. The DOT OCIO CPIC team also establishes IT purchasing and funding guidance in conjunction with the DOT budget formulation and execution process.

In FY 2009, the capital planning and investment control program will continue to oversee the management of DOT's IT investments. Specific tasks the CPIC program will accomplish in FY 2009 include:

- Ensuring that all DOT IT investments demonstrate appropriate planning, execution, and management of major IT investments, using EVM or operational analysis.
- Ensuring that portfolio performance is within 10% of cost, schedule, and performance goal. Investments that require corrective action plans will be monitored and reviewed until variances are remediated.
- Integrating the IT Modernization Strategy with planning, budgetary and management processes throughout the Department, including the FAA, and eliminating redundant investments so that funding can be prioritized to support mission programs.
- Ensuring acceptable business cases for all major IT initiatives.
- Reviewing investments that are designated as High Risk; and providing additional scrutiny and reporting on their progress as appropriate.
- Operating a DOT-wide repository to provide DOT and Operating Administration executives and staffs with on-line access to all of the IT initiatives within the Department's IT Portfolio. This data enables Operating Administrations to query information about existing technology that can support business requirements, and allows executive visibility into the management of DOT's IT investments for better decision-making.
- Improving management of DOT's \$2.7 billion IT Portfolio by maturing DOT's IT capital planning and investment control processes. This includes improving processes used by both Department-level governance boards.

**Project 3: E-Government Initiatives Program Management Office (EGIPMO) - \$213M**

The E-Government Initiatives Program Management Office (EGIPMO) provides leadership to the DOT Operating Administrations for the migration to e-Government and Lines of Business (LOB) initiatives as required by the President's Management Agenda. In FY 2008, the EGIPMO continued to support the President's Management Agenda by implementing government-wide initiatives.

In FY 2008, DOT will implement DOD's Security Awareness training course for all government and contractor staff using the DOT's Electronic Learning Management System to record and track this training requirement. Also, the Department will migrate from its Enterprise Security Program to the Department of Justice's Cyber Security Assessment and Management (CSAM) FISMA tool to track security certifications and accreditations, plans of action and milestones, and to do A-123 and FISCAM reporting. Also, the EGIPMO provided oversight for the shutdown of its legacy docket management system after migration to EPA's Federal Docket Management System in late FY 2007.

In addition, the EGIPMO coordinated all data calls related to e-Government and LOB initiatives including the collection of estimated and actual costs of DOT legacy systems that are or have been migrated to one of these initiatives.

The requested FY 2009 funding will allow EGIPMO to continue to support e-Gov and LOB initiatives and implement OMB and OPM requirements applicable to these initiatives.

In FY 2009, the EGIPMO activities will include the following tasks:

- Continue to support, monitor, track and report on cross-cutting government-wide initiatives.
- Continue to provide oversight and guidance in the coordination and execution of DOT migrating to a common solution across government for lines of business identified by OMB (financial, grants, human resource management, geospatial, federal health architecture, information security, budget formulation and execution, and IT infrastructure).

**Project 4: Information Technology Operations Support - \$3.200M**

In addition to its role in management of the departmental IT investment portfolio, DOT CIO provides IT services to OST employees and the Department as a whole. These services include supporting employee desktop computers, desktop computers located off-site required for emergency operations, remote access services used for telecommuting and emergency operations, supplies in support of IT systems, and applications support for select OST offices. Department-wide IT services includes those related to the headquarters IT infrastructure such as Internet access, and electronic mail services. The CIO pays for the services provided to OST employees and the Department and those costs are included in this funding request.

**Project 5: Enterprise Projects Program Management Office - \$.984 M**

The Enterprise Projects Program Management Office (EPPMO) provides leadership to the DOT Operating Administrations, improving the quality of IT project management at DOT through the development of a project management life cycle framework and methodology and establishing standards and guidelines based on project management best practices. The EPPMO provides leadership for DOT IT Project Managers, improving service delivery, eliminating redundant systems and fostering the effective use of IT technologies to enhance business performance. The EPPMO maintains artifacts and IT project performance data for tracking, analyzing and reporting on DOT IT projects in support of portfolio decisions and for satisfying OMB IT investment management requirements. The EPPMO IT project performance tracking, analysis and reporting function provides the DOT Investment Review Board with information necessary for making informed decisions about programs and projects, such as whether and when to shut down IT projects. EPPMO analytical functions, such as Earned Value Management (EVM) data analysis, enable DOT to identify programs and projects at risk, to develop

Plans of Action and Milestones, and to monitor corrective actions. The EPPMO provides the foundation necessary to support improved project management through training and continuing education opportunities for IT project managers.

In FY 2007, the EPPMO established a standard DOT project management methodology, including procedures, guidelines, best practices, templates, measures and metrics as well as a project management training program for IT project managers. The EPPMO established a software development lifecycle (SDLC) methodology with templates by project phase and purchased software tools to store project artifacts, share IT project lessons learned across DOT, track project status, risks and issues, and track project manager qualifications against OPM and DOT requirements for IT project manager competencies.

In FY 2008, the EPPMO will test the project management and SDLC methodologies and procedures developed in FY 2007, document lessons learned, implement process improvements, and then expand the methodology as a standard operational methodology across DOT. The EPPMO will implement Quality Assurance activities to review and assess progress on developmental projects, identify issues and risks and determine the overall health of IT projects including any impacts to cost, scope, schedule and performance. The purpose of this QA component is to ensure that IT projects are well planned and aligned with DOT strategic goals and that they are adequately funded and fully executed. In addition, the EPPMO plans to continue providing project-specific EVM assistance to IT project managers to help them with integrating EVM into their projects and more accurately track cost, schedule and performance. Also, in FY 2008, the EPPMO will conduct detailed evaluations of selected programs and projects and make recommendations that support DOT Investment Review Board efforts to make sound IT investment decisions.

Specific FY 2008 program evaluation tasks include:

- Develop a performance evaluation program to determine which IT programs and projects should or should not be allowed to continue to be funded and supported by the Department.
- Develop a program evaluation methodology, processes, procedures, metrics and measures.

The requested FY 2009 funding would allow EPPMO to continue to support the modernization blueprint strategy by improving and standardizing project management processes across DOT, supporting cross-cutting initiatives as well as OA-specific projects under the aegis of the EPPMO. The EPPMO will continue to support OMB lines of business initiatives, consolidated system projects, and implement OMB and OPM requirements for improving project management across the Federal Government.

The FY 2009 EPPMO activities will include the following tasks:

- Continue to support, monitor, track and report on cross-cutting government-wide and DOT-wide projects and monitor progress on OA-specific projects.
- Continue to provide oversight and guidance in the coordination and execution of DOT migrating to a common solution across government for lines of business identified by OMB (financial, grants, human resource management, geospatial, case management, security, budget formulation and execution, and IT infrastructure).
- Provide oversight in an advisory role to DOT's Operating Administrations to ensure that IT project managers are trained and qualified to lead DOT IT projects.
- Evaluate programs and projects, developing performance evaluation documentation and recommendations to the IRB for decision making on IT investments.
- Provide development and tracking support for Plan of Action and Milestones for programs and projects that are approved to continue to operate.
- Oversee programs and projects approved for shutdown by the IRB to ensure that they are shutdown in the required timeframe.

Without the requested funding for fully implementing the EPPMO at DOT and conducting program evaluations for the new and ongoing FY 2009 initiatives, DOT will not be able to continue responding effectively to DOT IG audit results highlighting the need for more informed IT investment decision-making. DOT will also be unable to meet fully the evolving requirements from OMB and OPM for improved project management and the IT project management requirements set forth under the Clinger-Cohen Act of 1996 and the E-Government Act of 2002.

Without the funding requested for FY 2009, OCIO cannot:

- Continue the efforts initiated in prior years to provide essential DOT-wide leadership in IT project management.
- Expand efforts begun in FY 2007 and continued in FY 2008 to standardize IT project management and SDLC methodologies across DOT.
- Satisfy OMB, OPM, DOT IG and GAO audits, requirements, policies and guidance for improving the quality of IT project management, ensuring adequate qualifications for IT project managers, and effectively supporting the DOT IRB.

**OFFICE OF PUBLIC AFFAIRS**

(In thousands of dollars)

	FY 2007 <u>Actual</u>	FY 2008 <u>Enacted</u>	FY 2009 <u>Request</u>
Office of Public Affairs (A)	\$1,908	\$1,986	\$2,040

**PERFORMANCE ISSUE:**

The Director of Public Affairs is the principal advisor to the Secretary and other senior Department officials and news media on public affairs questions. The office issues news releases, articles, facts sheets, briefing materials, publications and audiovisual materials. It also provides information to the Secretary on opinions and reactions of the public and news media on programs and transportation issues. It arranges news conferences and provides speeches, talking points and byline articles for the Secretary and other senior Department officials, and arranges the Secretary's scheduling.

**FY 2009 PERFORMANCE BUDGET REQUEST:**

The Office of Public Affairs is requesting \$2.040 million and 19 FTE in FY 2009 to continue the mission outlined above. The FY 2009 request for this area represents a small funding increase over its FY 2008 requested level to fund the FY 2009 estimated civilian pay increase and inflation.

## OFFICE OF THE ASSISTANT SECRETARY FOR GOVERNMENTAL AFFAIRS

(In thousands of dollars)

	FY 2007 <u>Actual</u>	FY 2008 <u>Enacted.</u>	FY 2009 <u>Request</u>
Office of the Assistant Secretary for Governmental Affairs (I)	\$2,291	\$2,383	\$2,447

**PERFORMANCE ISSUE:**

The Assistant Secretary for Governmental Affairs is the principal advisor to the Secretary on all Congressional and Intergovernmental activities and on all of the Department legislative initiatives and other relationships with Members of Congress. Other responsibilities include promoting effective communication with other federal agencies and regional Department officials, and state and local governments and national organizations for development of Departmental programs; and ensuring that consumer preferences, awareness, and needs are brought into the decision-making process.

**FY 2009 PERFORMANCE BUDGET REQUEST:**

The Office of the Assistant Secretary for Governmental Affairs is requesting \$2.447 million and 24 FTE in FY 2009 to continue the mission outlined above. The FY 2009 request for this area represents a small funding increase over its FY 2008 requested level to fund the FY 2009 estimated civilian pay increase and a slight increase in travel.

## OFFICE OF GENERAL COUNSEL

(In thousands of dollars)

	FY 2007 <u>Actual</u>	FY 2008 <u>Enacted</u>	FY 2009 <u>Request</u>
Office of the General Counsel (C)	\$11,664	\$14,415	\$13,152

**PERFORMANCE ISSUE:**

The General Counsel is the Chief Legal Officer of the Department, providing legal advice to the Secretary and secretarial officers and supervisory support of legal advice given the Operating Administrations. Under the Organizational Excellence Strategic Objective, the Office of General Counsel supports and facilitates Department program goals cross-cutting all other Strategic Objectives, advancing the Department's ability to manage for results and innovation.

The Office provides a broad array of legal services to assist the Department in achieving its strategic goals and implementing the President's Management Agenda. By supporting these goals through the development, presentation, and defense of well-reasoned and legally-supportable policies and programs, the Office directly contributes to the Department's agency-wide goal of Organizational Excellence.

Office of the Assistant General Counsel for Environmental, Civil Rights and General Law

The Office supports program goals by providing legal services encompassing fiscal law and financial management, civil rights and personnel law, ethics law, procurement law, emergency planning, environmental law, information and privacy law, security issues, innovative financing (including Federal loans and loan guarantees), and bankruptcy law. The Office also supports program goals in defining DOT's legal authorities in structuring information technology investment decisions and other critical procurements, in promoting competition at airports to enhance consumer choices, in supporting Essential Air Service and Small Community Airport Development programs, in resolving issues involving aviation economic matters, and administering domestic aviation programs.

Office of the Assistant General Counsel for International Law

The Office provides legal support and facilitation of the Department's international program goals, including transportation negotiations with foreign countries, Global Position Satellite matters, international economic aviation licensing and regulatory matters, war risk insurance issues, implementation and negotiation of the International Mobile Equipment Financing Convention's sector-specific protocols, international aviation sanctions, and interdiction of contraband. The Office will handle over 300



international work items and approximately 15 rounds of international negotiations. At international transportation negotiations, the Office provides legal support as a member of the U.S. Delegation, legal advisor and chief drafter of all documents, often providing an innovative legal solution to support the negotiation's closure.

Office of the Assistant General Counsel for Litigation

The Office defends the Department's programs when they are challenged in judicial proceedings that are integral to Departmental excellence in achieving innovative results. In any given year, DOT and its Operating Administrations are parties in over 100 new cases challenging the Department's decisions, regulations, and policies. The Office provides support for all such cases. Cases of particular importance to the Secretary, cases involving cross-modal issues, and all Supreme Court cases are handled directly by the Office. The Office further supports and facilitates Department program goals by supervising the preparation of all regulatory filings in proceedings in which the Department may have an interest before various independent regulatory agencies. Approximately 15 to 20 such filings are prepared in any given year.

Office of the Assistant General Counsel for Legislation

The Office provides support to ensure that the non-appropriations legislative materials of the Department submitted to Congress adhere to Administration policy by maintaining effective liaison with the Office of Management and Budget (OMB) and other Departments. The Office's legislative support work often spans several years on one project. While the various elements of legislative proposals are often prepared by other offices in the Department, the Office is responsible for supporting their program goals by assembling a coherent proposal, ensuring it meets budgetary and other requirements within the Department, obtaining clearance by OMB and other affected agencies, and preparing the transmittal package for the Secretary. The Office provides comparable support for preparation of testimony, views letters, and draft Executive Orders.

Office of the Assistant General Counsel for Regulation and Enforcement

The Office provides legal support to achieve the Department's program goals by applying statutes, executive orders and Presidential directives so as to achieve organizational excellence in rulemaking and enforcement. The Office supports program offices to ensure that rules meet substantive, procedural and Administration policy requirements. The Office's management support also includes the review of all significant DOT rulemaking documents as well as non-significant OST rulemakings. In a typical year, the Department is engaged in 100-125 significant rulemaking projects.

Office of the Assistant General Counsel for Aviation Enforcement and Proceedings

The Office supports program offices in meeting their goals with legal guidance in aviation consumer protection. The Office supports the Department's domestic air carrier economic licensing program goals through legal review of all applicable Department decisions. The Office anticipates handling between 200 and 300 such items during FY 2009. (See Reduced Congestion and Global Connectivity Goals for further descriptions.)

Center for Alternate Dispute Resolution

The Office provides innovative approaches to problem-solving that reduce the cost of conflict and provide more durable outcomes through its Center for Alternative Dispute Resolution (CADR). CADR supports the use of ADR by the Department in all areas including formal and informal adjudication, issuance of regulations, enforcement and compliance, issuing and revoking licenses and permits, contract and grant awards, environmental planning, and litigation brought by or against the Department. CADR supports program offices in the design and implementation of specific ADR approaches that meet an organization's particular need. CADR facilitates early and direct interaction among parties by providing mediation and facilitation services to help parties resolve disputes efficiently and effectively and helps identify ADR providers outside the Department. Finally, CADR offers informational and skills based training on dispute resolution and conflict management.

**ANTICIPATED FY 2008 ACCOMPLISHMENTS:**

- Continue to provide legal support and facilitate the Department's international program goals, including transportation negotiations with foreign countries by handling over 300 international work items and approximately 15 rounds of international negotiations.
- Continue to defend the Department in judicial challenges to the Department's transportation decisions, regulations, and policies and to present the Department's views in proceedings before independent regulatory agencies.
- Undertake the preparation and clearance of multi-year surface transportation authorizations for six Operating Administrations.
- Continue to oversee the rulemaking and enforcement process by engaging in 100-125 significant rulemaking projects.
- Continue to provide legal guidance in aviation and consumer protection as well as domestic air carrier economic licensing program goals, an anticipated caseload of 200 to 300 items.
- Continue to provide innovative problem-solving approaches through the Center for Alternate Dispute Resolution.
- Conclusion of international registry for the Rail Protocol to the International Mobile Equipment Financing Convention.
- Continue to provide legal advice regarding major transportation investment decisions.
- Continue to ensure that Passenger Facility charges collected by air carriers are properly transmitted to airport authorities, and, where the carriers are in bankruptcy, that such charges are properly held in trust and accounted for.

**FY 2009 PERFORMANCE BUDGET REQUEST:**

The Office of the General Counsel is requesting \$13.152 million in FY 2009 to support organizational excellence throughout DOT.

OFFICE OF THE ASSISTANT SECRETARY FOR BUDGET AND PROGRAMS/  
CHIEF FINANCIAL OFFICER

(In thousands of dollars)

	FY 2007 <u>Actual</u>	FY 2008 <u>Enacted</u>	FY 2009 <u>Request</u>
Office of the Assistant Secretary for Budget and Programs (B)	\$8,465	\$9,417	\$10,708

**PERFORMANCE ISSUE:**

The Assistant Secretary for Budget and Programs/Chief Financial Officer is the principal staff advisor to the Secretary on the development, review, and presentation of the Department's budget resource requirements, and on the evaluation and oversight of the Department's programs. The funding level requested will ensure this office continues advancing the President's Management Agenda budget and performance integration and financial performance goals. This will be achieved through the effective preparation and presentation of sound and adequate budget estimates for the Department, consistent application of the Department's budget execution action with the action of the Congress and the Office of Management and Budget, evaluation of program proposals for consistency with the Secretary's stated objectives, advise to the Secretary on program and legislative changes necessary to improve program effectiveness, and coordination of strategic planning activities within DOT. The Assistant Secretary for Budget and Programs is also the Chief Financial Officer for the Department of Transportation. This function is responsible for accounting and financial activities of DOT with primary emphasis on ensuring that DOT receives an unqualified audit opinion on the CFO Financial Statement Audit and that the Department's financial performance goals are achieved.

**FY 2009 PERFORMANCE BUDGET REQUEST:**

The Office of the Assistant Secretary for Budget and Programs/CFO is requesting \$10.708 million and 54 FTE in FY 2009 which includes base adjustments for pay raise and inflation. In addition, an increase is requested to cover additional costs for contracts in support of financial management and budget initiatives.

## OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

(In thousands of dollars)

	FY 2007 <u>Actual</u>	FY 2008 <u>Enacted</u>	FY 2009 <u>Request</u>
Office of the Assistant Secretary for Administration (M)	\$21,880	\$23,750	\$27,292

**PERFORMANCE ISSUE:**

The Office of the Assistant Secretary for Administration administers funds for the Working Capital Fund, receives appropriation for Salaries and Expenses for non-WCF functions, and administers Reimbursable Programs. Information and descriptions of the total funds the Office of the Assistant Secretary for Administration administers are located in Section 5, “Additional Justification for OASA/OCIO Program Resources”.

The Assistant Secretary for Administration serves as the principal advisor to the Secretary and Deputy Secretary on department-wide administrative matters. Responsibilities include leadership of such major programs as competitive sourcing, acquisition reform, emergency preparedness, and human capital, and oversight of a transit benefits program with Government-wide scope.

The Assistant Secretary is the Department’s Chief Human Capital Officer (CHCO), with statutory responsibility for developing and reviewing policies and programs to ensure that high-quality, diverse talent is both continuously available and properly deployed to support DOT objectives. This role has been further expanded and defined through a number of other specific laws, rules, and administration policies which mandate a wide range of initiatives, investments, and reports. Reforms mandated by the Service Acquisition Reform Act (P.L. 108-16) have also significantly enlarged the responsibilities of the Assistant Secretary, who is the Deputy Chief Acquisition Officer.

The funding level requested will enable the Assistant Secretary to acquire, support, and maintain necessary investments in the technology and human talent that are critical to human resource and procurement accomplishment of required activities and support for department priorities. The major programs include:

**Human Capital Management**

Funds are requested for critical initiatives supporting Secretarial goals in telework, performance, and leadership, as well as Government-wide requirements dealing with those and other major programs such as competency management, workforce planning,

employment, pay and leave, succession management, labor and employee relations, workers compensation, diversity, and employee training. In addition, funds will support necessary training, record-keeping, and travel in connection with the newly established self-accountability program, and support required employee survey administration. Each of these programs, in addition to meeting extensive compliance and reporting requirements of law and/or administration policy, serves a vital role in ensuring that DOT finds, acquires, develops, engages, evaluates, and retains the right talent at the right time in support of critical department initiatives and goals.

The Departmental Office of Human Resource Management now also plays a key role in the Department's response to emergencies such as national disasters and possible pandemics. This funding level is necessary so that staff will be able to accomplish the following: track employee locations; identify impacted employees; develop and implement systems to track leave usage; and respond to congressional inquiries.

### **Acquisition and Grants Risk Management and Oversight**

The Office of the Senior Procurement Executive (OSPE) executes the responsibilities of the Chief Acquisition Officer (CAO) and oversees the DOT acquisition system that expends \$5 billion in contracts and \$50 billion in grants funds annually through the Office of the Secretary and the Operating Administrations. Funds devoted to the operations of this program are \$450,000.

Congress is demanding greater accountability and transparency in acquisition which resulted in legislation such as the Federal Funding Accountability and Transparency Act of 2006. The goal of this statute is to give the public greater insight into how procurement and grants funds are being spent. Several other pieces of legislation are pending which will have a significant impact on the CAO's responsibilities including additional reporting and oversight. In addition, after a decade of reforms which encouraged the acquisition community to be creative, both the Government Accountability Office and the DOT Office of the Inspector General are more focused on acquisition oversight than ever before. This is evident in the GAO's issuance of the GAO Framework for Assessing the Acquisition Function in Federal Agencies, the IG's focus on the need to improve acquisition and contracting in their *Top Ten Management Challenges* and the many on-going audit engagements in the Department that focus on acquisition and grants management (e.g., oversight of cost type contracts, use of award fee contracts, use of DCAA audit services). While these mandates have made due diligence by agency CAO's an imperative, we are unable to address them, with the current staffing level. Therefore, this office is requesting contractor support to:

- Develop enhanced capabilities to collect, review and analyze procurement and grants data;
- Implement OMB initiatives on performance based acquisition, enhanced competition, and improved internal controls through evaluation of agency acquisition functions using the GAO framework,

- Improve departmental acquisition processes and performance outcomes on DOT's major acquisition programs. M60 will review acquisition strategy and earned value management reports in support of DOT's capital planning process, including review of OMB Exhibit 300's for major investments, as part of DOT's Acquisition Oversight Program;
- Strengthen audit oversight and tracking to ensure audits (pre award, cost incurred and close-out) are being obtained when needed, that a departmental audit plan is negotiated with the OA's annually, and that responses to audit findings are prepared in a timely manner.
- Work with the OA's to establish enterprise-wide contracts based on current spend. Contractor support will perform spend analysis and work with commodity councils to ensure the success of the DOT Strategic Sourcing Program.

The Office of the Senior Procurement Executive provides expert advice and direction to Operating Administrations to ensure that the over \$50 billion in taxpayer dollars spent annually through DOT's acquisition and grants business processes achieve the performance outcomes required to accomplish DOT's mission. OSPE is responsible for ensuring a balanced approach to managing DOT's business processes which emphasizes performance, integrity and public policy requirements.

#### **OST Payments to Departmental Office of Human Resource Systems Services**

The requested funding of \$192,000 will provide support for the OST share of Electronic Learning Management Systems (eLMS), Federal Personnel and Payroll Systems (FPPS), and the Enterprise Human Resources Integration electronic Official Personnel Folder (EHRI/eOPF). The funds requested for eLMS will provide OST system support for the delivery of on-line learning, learner registration, learner training completion, the delivery and recording of assessments, and the reporting of eHRI data to OPM which is in accordance with the President's Management Agenda initiatives. FPPS is an integrated HR and payroll system which provides system support, general payroll office support and payroll processing. FPPS will provide OST the necessary means for submitting requests for personnel actions and processing of personnel actions; the FPPS suite of services also includes the Datamart for management reporting of HR and payroll data and support for interfaces to numerous external systems. EHRI/eOPF will allow for secure access to official employee Human Resources (HR) records for employees and HR staff.

#### **OST Payments to the Working Capital Fund**

These are payments for centralized administrative and support services for all OST offices. Technical and administrative services include building security, personnel operations, facilities management, parking management, printing and graphics, mail operation and dockets management operations, building security, utilities and building maintenance, voice, cable and wireless communications, Disability Resource Center, substance abuse awareness and testing, and procurement and acquisition services. This consolidation of services allows OST to achieve economies of scale and critical safety and health operation for OST employees.

Increase is a result of increased Information Technology and Personnel Operations Services provided to OST and are primarily the financial responsibility of the Office of the Assistant Secretary for Administration.

### **Rental Payments to GSA**

Consolidated payments for GSA rental expenses for all OST offices will total \$10.899 million in FY 2009, an increase of \$880 thousand over FY 2008. In addition to the rented space OST will pay for and occupy at the Southeast Federal Center new headquarters building, funding will also be required for rental payments in; College Park, GA; Des Plaines, IL; and El Segundo, CA.

Executive Order (EO) 13148, Greening the Government through Leadership in Environmental Management Section 301 of EO 13148 requires Federal agencies to budget for environmental management systems (EMS). An EMS is a process or framework used by an Agency to manage its environmental affairs and issues, most notably those areas where the entity interacts with or affects the environment. EMS implementation reflects accepted quality management principles based on the “Plan, DO, Check, Act,” model using a standard process to identify goals, implement them, determine progress, and make continual improvements. In December 2002, Secretary Mineta signed the DOT Environmental Policy, which states that DOT facilities will strive to diminish their effects on the environment through EMS implementation. Furthermore, OMB Circular Number A-11, Part 2, issued in June 2002, included specific directions on EMS.

Following the recommendations in A-11, Section 31.2, Operating Administrations should include funds to conduct initial EMS self-assessments at all appropriate facilities, develop EMS performance measures, write policy, and implement each EMS. There will be one-time start up costs for EMS implementation. Additionally, there will be annual operating costs associated with running an EMS, but they should not be significantly greater than the day-to-day costs of running an environmental program.

### **Executive Order (EO) 13123, Greening the Government through Efficient Energy Management**

EO 13123, Section 301 requires Agencies to specifically request funding necessary to meet the goals of the EO. The goals include increased use of renewable energy sources and reduced use of petroleum and water.

Operating Administrations should include funds for overhead associated with Energy Savings Performance Contracts (ESPC) or utility service contracts, direct spending on efficiency, direct spending on training, energy star building design, green power purchases, onsite generation and renewable energy.

### **Executive Order (EO) 13149, Greening the Government through Federal Fleet and Transportation Efficiency**

The purpose of this Order is to ensure the Federal government exercises leadership in the reduction of petroleum consumption through the use of alternative fuel vehicles (AFV), alternative fuels, and through improvements in fleet fuel efficiency. Section 201 of EO

13149 requires the Departmental fleet to reduce its petroleum consumption by 20 percent by the end of FY 2005.

Section 202 of EO 13149 requires Federal agencies to acquire AFVs as outlined in the Energy Policy Act of 1992 (EPACT), which mandates 75 percent of your Administration's covered vehicle acquisitions since FY 1999 and subsequent years should be AFVs. The order requires the acquisition of fuel efficient vehicles, such as hybrid electric vehicles.

Section 304 of EPACT authorizes agencies to establish alternative refueling infrastructure when public refueling is unavailable. In order to meet the requirements of the EO and EPACT, Operating Administrations should include funds for the higher acquisition cost of AFVs and hybrid electric vehicles, employee training, and for refueling infrastructure when the EPACT Section 304 authority is exercised. Furthermore, each Administration is required to report its annual performance in funding these requirements in OMB Section 33.9 (b), Exhibit 55.4, "Estimates for Alternative Fuel Vehicles Expenditures," during the initial budget submission.

#### **Energy Policy Act of 2005 ("EPACT")**

EPAct contains several major provisions affecting Federal energy management policies and programs. Section 102 of the bill establishes new energy management goals including annual energy reduction of two percent from FY 2006 to FY 2015. This provision changes the reporting baseline from 1985 to 2003. It also requires DOE to report annually to the President and Congress on agencies progress and compliance. Section 103 establishes an energy use measurement and accounting goal for electric metering in Federal buildings by 2012. Section 104 requires Energy Star and FEMP-recommended product procurement including premium efficient products (electric motors, air conditioning and refrigeration equipment) procurement. Section 105 reauthorizes Energy Savings Performance Contracts. Section 109 establishes a Federal performance standard for buildings to be designed to 30 percent below ASHRAE standard or International Energy Code if lifecycle cost effective, and application of sustainable design principles. Agencies must identify new buildings in their budget request and identify those that meet or exceed the standard. Section 111 provides for the enhancement of energy efficiency technologies in public and administrative buildings. Section 203 establishes renewable electricity consumption goals for the Federal government of not less than three percent in FY 2007-2009, five percent in FY 2010-2012, and 7.5 percent in FY 2013 and thereafter. It also establishes requirements for double credit renewables under specific circumstances. Section 204 establishes a photovoltaic energy commercialization program in Federal buildings and goal to install 20,000 solar energy systems in Federal buildings by 2010. Operating Administrations should include funds to achieve the goals and requirements for EPAct.

#### **Executive Order 13101, Greening the Government Through Waste Prevention, Recycling and Federal Acquisition**

Requires each executive agency to have a program to promote cost-effective waste prevention and recycling of reusable material. To that end, the Department signed a



Memorandum of Understanding (MOU) on November 15, 2004 to participate in the Federal Electronics Challenge (FEC). The goal of the FEC is to better manage electronic equipment in all life cycle phases (acquisition, use and disposal) to limit the adverse affects these products can have on the environment. Funds are required to implement the FEC and achieve its goals.

**The President’s Management Council (PMC) Environmental Compliance Improvement Initiative**

Established to ensure Federal agency compliance with all environmental laws and regulations. The initiative contains recommendations which must be implemented at the administration level, agency level, operating administration level and facility level. Some of these recommendations include tracking and auditing of environmental data and training employees on proper procedures. Operating Administrations should include funding for implementing the PMC Environmental Compliance Improvement Initiative recommendations.

**Homeland Security Presidential Directive 12 (HSPD-12), Policy for a Common Identification Standard for Federal Employees and Contractors.**

Provides for a required, Government-wide standard for secure and reliable forms of identification for Federal Government employees and contractor employees, requires agencies to have programs in place to ensure that identification they issue meets the standard, and requires agencies, to the maximum extent practicable, to use identification meeting the standard for physical access to Federally-controlled facilities and logical access to Federally-controlled information systems. By October 27, 2008, agencies have to fully implement HSPD-12, including the requirement to issue to all employees and contractor employees’ identification cards that include biometrics and that will be interoperable among all agencies. These cards will also be ones that agencies can rapidly authenticate electronically. Prior to October 2008, agencies have to meet major deadlines for phased-in implementation. After October 2008, enrollment and card issuance in DOT will be a recurring process under the HSPD-12 program. The Office of Security and the Office of the Chief Information Officer are jointly overseeing DOT implementation of HSPD-12.

**ANTICIPATED FY 2008 ACCOMPLISHMENTS:**

- **Integrated e-Government Concepts**-continue to use e-Government as a tool to leverage DOT’s buying power and achieve DOT’s goals. Implementing innovative strategies and technologies such as strategic sourcing, spend analysis, and performance based acquisition, will enable the Department to use existing funding more effectively with greater potential benefit to the Department’s programs serving the taxpayer.
- **Human Capital Management** – under the President’s Management Agenda, DOT continues to make great strides in developing human capital policies and programs that are aligned with the Office of Management and Budget’s Standards for Success and with the Office of Personnel Management’s Human Capital Scorecard. Our

focus will include improving hiring times for all employees through use of electronic systems and efficient use of human resources, creating a performance culture where DOT's operating administrations have performance appraisal and awards systems which are linked to agency mission, goals and outcomes, training OA's on their use to answer sophisticated questions about the workforce or specific demographics within it, and to forecast future trends and needs that improve the linkage between the corporate recruitment program and workforce planning

- **Acquisitions and Grants Best Business Solutions** – continue to provide expert advice and direction to ensure that taxpayer dollars spent annually through DOT's acquisition and grants programs achieve the performance outcomes required to accomplish DOT's mission while emphasizing performance, integrity and public policy requirements. Improve organizational and economic efficiencies by competing commercial functions between public and private entities.
- **Policy leadership and advice** – continue to provide policy leadership to the Office of the Secretary and departmental elements on laws, regulations, government wide policies, and executive direction related to achieve efficiencies in resource utilization and ensure full compliance with legal and regulatory requirements.
- **Environmental management systems (EMS)** will be implemented at all appropriate DOT facilities. Policies will be written, environmental management programs will be documented and audited, and results reported.
- **Leadership** will be exercised in the in the reduction of petroleum consumption through the use of alternative fuel vehicles (AFV), alternative fuels, and through improvements of fleet efficiency.

#### **FY 2008 PERFORMANCE BUDGET REQUEST:**

The Office of the Assistant Secretary for Administration is requesting \$27.292 million and 65 FTE in FY 2009. In total, approximately \$8.199 million will fund salaries and benefits for 65 direct FTE, and \$18 million will fund consolidated Office of the Secretary rent and general administrative overhead. This can be further broken down into the major Department-wide administrative programs listed in the Performance Issue section below. These initiatives are critical to meet the strategic goals of the Department and to provide effective and efficient support to the Secretary and Operating Administrations.

**ORGANIZATIONAL EXCELLENCE**  
**Fulfill the President's Management Agenda**

FY 2009 BUDGET REQUEST

TRANSPORTATION PLANNING, RESEARCH AND DEVELOPMENT

(In thousands of dollars)

	FY 2007 <u>Actual</u>	FY 2008 <u>Enacted</u>	FY 2009 <u>Request</u>
Office of the Under Secretary for Policy	<u>9,900</u>	<u>0</u>	<u>0</u>
<b>Total</b>	<b>\$9,900</b>	<b>\$0</b>	<b>\$0</b>

**ORGANIZATIONAL EXCELLENCE**  
**Fulfill the President's Management Agenda**

FY 2009 BUDGET REQUEST

OFFICE OF CIVIL RIGHTS

(In thousands of dollars)

	FY 2007 <u>Actual</u>	FY 2008 <u>Enacted</u>	FY 2009 <u>Request</u>
Office of Civil Rights	<u>8,527</u>	<u>9,141</u>	<u>9,384</u>
<b>Total</b>	<b>\$8,527</b>	<b>\$9,141</b>	<b>\$9,384</b>

**PERFORMANCE ISSUE:**

DOCR is responsible for advising the Secretary and the Department's senior managers on equality issues in transportation, enforcing laws and regulations that prohibit discrimination in employment and Federally operated and assisted transportation programs, and access to all transportation providers. Through its efforts, DOCR strives to: 1) promote and foster a positive civil rights climate within DOT; (2) provide direction and support services to prevent and reduce EEO and program complaints; 3) process EEO and program complaints in an objective, cost effective and timely manner; and 4) provide effective education and outreach programs to ensure equal and timely access to DOT programs and services for all customers and stakeholders--employees and the American public.

**ANTICIPATED FY 2008 ACCOMPLISHMENTS:**

- DOCR will continue to focus on prevention, early intervention, and effective resolution of internal and external conflicts and complaints, while reducing the need for formal complaint processing.
- DOCR will continue to interface with internal and external stakeholders involved in Emergency Transportation planning, training, coordination and response involving Special Needs Populations, including persons with disabilities, transit dependent persons at or below poverty levels, and other individuals with limited mobility.
- DOCR plans to reallocate existing resources to develop and staff civil rights education functions that will provide personnel supporting its EEO programs with Departmental standards that are designed to resolve disputes prior to the formal complaint stage, reduce complaint processing times, and

establish/maintain-quality and accurate EEO information. DOCR will utilize its education program to standardize all EEO-related training throughout the Department and ensure that statutory training requirements are met.

- DOCR will continue meeting on a tri-annual basis with the Department's leaders to discuss each organization's progress and compliance with civil rights laws and the department's policies. These meetings will continue to serve as regular and timely forums for DOT's leadership to share initiatives, strategies and successful programs and actions for diversifying its internal personnel recruitment and employee leadership practices. The meetings will also encourage DOT's leaders to support civil rights initiatives while providing program oversight to customers seeking external transportation services.
- DOCR will implement its civil rights information repository, which will increase its customer's ability to request and receive various types of decision supporting civil rights information. The implementation of this repository will begin the final stage of the organization's goal to establish timely, quality and accurate automated civil rights services.
- DOCR will process approximately 162 external complaints of discrimination and propose to close at least 126 cases. Currently there are 440 open complaints with a mean age of 1,497 days and a median age of 738 days. It is likely the number of discrimination complaints and DBE appeals will remain at comparable levels in FY 2008. FY 2008 funds will be used to process complaints of discrimination and DBE appeals using Title VI evaluation information obtained from the target gaps in complaint investigations and enforcement. DOCR will also work with the Department's modal administrations to encourage and train staff in how to use and generate comprehensive reports in the Departmental external civil rights case management system.
- DOCR will continue to work with the Department's Offices of Civil Rights on EJ matters, monitoring activities and providing technical assistance, as requested. In addition, DOCR will continue to hold quarterly meetings with the Department's Offices of Civil Rights in which EJ complaints are discussed. By resolving EJ complaints expeditiously, DOCR is able to enhance public confidence in the system.

#### **FY 2009 PERFORMANCE BUDGET REQUEST:**

In this performance goal, the Departmental Office of Civil Rights is requesting \$9,384 million and 64 FTE to continue the mission outlined above. The FY 2009 request represents a small increase above FY 2008 to fund the FY 2009 civilian pay raise and inflation. FY 2009 activities and programs will include the following:

- **\$355 thousand for Equal Employment Opportunity Contractual Services.** These essential services will enable DOOCR to utilize contract civil rights experts to assist the organization with reducing EEO complaint processing times by maintaining an EEO complaint processing steady state consistent with the timeline established in 29 C.F.R. section 1614. An organizational emphasis is placed on the EEO processing stages that support the issuance of timely reports of investigations and final agency decisions (FAD).
- **\$375 thousand for IT Infrastructure, applications and databases.** These products and services will enhance the organization’s ability to provide timely and quality civil rights services and products to its partners and customers. Inter/intra agency agreements and contracts are established to support infrastructure requirements that provide the organization’s regional personnel with secure automated business environments. The applications and databases provide DOT’s civil rights community with an enterprise solution for collecting and disseminating information for its civil rights programs consistent with annual reporting requirements supporting the Civil Rights Act (1964) e.g. EEOC Form 462, DOJ 12250 and No FEAR.
- **\$100 thousand for Alternative Dispute Resolution (ADR) services.** ADR services will be provided for internal and external customers seeking to prevent or resolve conflicts. ADR services currently provide customers with additional methods for addressing personal and professional differences that hinder the organization’s ability to provide and oversee its transportation related mission and programs. The ADR services are an integral factor in reducing formal internal and external complaints filed against the Department.
- **\$195 thousand for civil rights, volunteer and emergency transportation related education, compliance and oversight services.** Civil rights and emergency preparedness awareness and education services will be provided to employees and key stakeholders responsible for administering DOT’s civil rights programs, employees providing oversight for federally funded transportation and emergency preparedness related programs and to public entities seeking federally funded transportation funds or services. Federal law requires training for EEO personnel responsible for issuing reports of investigations. The organization is also responsible for implementing a No FEAR training program for all employees. To expand the awareness for civil rights granted to the general public DOOCR provides training, oversight and guidance on environmental justice, emergency preparedness for Special Needs Populations, disadvantage business enterprise appeals and grant recipient policy interpretation for its customers and partners.
- **\$850 thousand for business operation services.** The organization must pay for services provided through the working capital fund. The working capital fund enables DOOCR to purchase shared goods and services (fee-for-service components and administrative support), i.e., building security, copy centers, Departmental initiatives, the Disability Resource Center, DOT’s work life/wellness initiatives, and other proportional charges that are expended for common services.

- **\$15 thousand for Section 504 studies.** Funding for Section 504 studies will be conducted to support civil rights compliance and oversight. Consistent with law and DOT's strategic goals, funds are needed to ensure that all DOT programs, services, and activities are accessible to people with disabilities and impose no illegal obstacles preventing their full participation. Funds will also be used to prepare and disseminate ONEDOT training and technical assistance materials that are designed to assist the Department's Operating Administrations (OA's) and other components in understanding and carrying out their Section 504 obligations.
- **\$27 thousand for civil rights program evaluations.** The Federal Code of Regulations, Title 49, Volume 1, §1.70 delegates to DOCR the responsibility for assessing, evaluating, and measuring the effectiveness of DOT's civil rights programs, which are decentralized throughout DOT's operating administrations and regional offices. In addition, the President's Management agenda further identifies the need to devise aggressive strategies for improving the management of the Federal government.
- **\$158 thousand for Reimbursable Service Agreements and contracts.** DOCR uses reimbursable agreements and contracts to support the organization's regional offices. DOCR provides facilities and services, consistent with those supporting employees in its headquarters location, to regional employees located in Cambridge, MA; Atlanta, GA; Chicago, IL; and Dallas, TX. These financial agreements provide services for telecommunication, IT support, and administrative support, including mail service, physical and cyber security and employee transit benefits.

**ORGANIZATIONAL EXCELLENCE**  
**Fulfill the President's Management Agenda**

**FY 2009 BUDGET REQUEST**

**NEW HEADQUARTERS BUILDING**

(In thousands of dollars)

	<u>FY 2007</u> <u>Actual</u>	<u>FY 2008</u> <u>Enacted</u>	<u>FY 2009</u> <u>Request</u>
Design\Build Process	49,500	0	0
<b>Total</b>	<b>\$49,500</b>	<b>\$0</b>	<b>\$0</b>

**FY 2009 PERFORMANCE BUDGET REQUEST:**

No funding is requested in FY 2009.



**ORGANIZATIONAL EXCELLENCE**  
**Fulfill the President’s Management Agenda**

FY 2009 BUDGET REQUEST

FINANCIAL MANAGEMENT CAPITAL

(In thousands of dollars)

	FY 2007 <u>Actual</u>	FY 2008 <u>Enacted</u>	FY 2009 <u>Request</u>
Financial Management Capital	0	0	6,000
<b>Total</b>	<b>0</b>	<b>0</b>	<b>6,000</b>

**PERFORMANCE ISSUE:**

For FY 2009, DOT is requesting \$6 million to begin a multi-year project to upgrade our financial systems and business processes to support the President’s Management Agenda (PMA) goal for Improved Financial Management. This effort includes:

1. Implementing new government-wide accounting standards developed by the Financial Management Line of Business (FM LoB). This requires DOT to re-engineer our business process and modify our financial systems. These standards will allow better DOT-wide comparisons of data, will reduce DOT operational accounting costs through standardization, and will streamline the preparation of government-wide financial reports.
2. Developing a better way to relate program costs (inputs) to DOT strategic goals and program performance metrics (outcomes). This requires new analytical, business intelligence and reporting tools, as well as changes in the data structure (accounting classification) in Delphi and in various DOT “feeder systems” that electronically interface source data into Delphi.
3. Upgrading to the new version of the Oracle e-Business Suite (Oracle Financials) software. Using commercial off the shelf software requires keeping current with new versions of the software in order to retain support from the vendor. The new version, which will be tested and certified by the Financial Systems Integration Office (FSIO, which is run by GSA on behalf of OMB), has been so restructured and re-architected that migrating to it requires re-implementing Delphi, including converting existing data to the new data structure. This upgrade will provide several significant system

enhancements that all Federal customers have been seeking for several years, as well as 2,000+ other software enhancements.

4. Implementing new mandates from the Treasury Department as they consolidate and streamline their own financial systems. This will improve government-wide financial reporting and streamline reconciliation of inter-agency agreements and will require major changes to Delphi and our feeder systems so that we can continue to interface required data to Treasury electronically.
5. Improving DOT's Earned Value Management (EVM) capability to meet increasing EVM requirements for all major mission projects and programs throughout DOT.

#### **FY 2009 PERFORMANCE BUDGET REQUEST:**

In FY 2009, DOT CFO is requesting at total of \$6 million to begin a 4-year project to upgrade DOT's financial systems and processes. Details follow:

#### **\$4 Million for Improving Financial Management**

**Improved Financial Reporting Strategy/Data Warehouse.** To get to "GREEN" on the President's Management Agenda (PMA) Scorecard for Financial Management, DOT must use financial information to drive results and expand routine data use. DOT must determine which set of analytical and reporting tools and systems will facilitate common reporting and integration of performance and cost data and then implement that solution for Delphi, our core financial system, plus make related changes to all its feeder systems. Benefits:

- Provides tools and data to enable DOT managers to make informed financial and program decisions
- Facilitates linking financial, performance and program information
- Provides managerial cost accounting data

**Financial Management Business Standardization.** Will require business process re-engineering to implement the various Government-wide standardized processes. The initial set of standard business processes includes budget/funds management, accounts payable, accounts receivable, and reporting. The second wave of processes will include standards for other core and non-core financial management functions (e.g. cost management, fixed assets), which will require changes to interfaces to and from numerous feeder systems. Benefits:

- Allows DOT-wide comparisons of data
- May eventually reduce DOT's accounting operations costs by implementing one set of processes and procedures throughout DOT

### **\$1 Million for Improving EVM**

**Earned Value Management (EVM)**. To get to GREEN on the PMA Scorecard for EVM, DOT must modify Delphi and/or implement third-party tools and/or systems to better meet evolving EVM requirements. The EVM solution must support all major mission projects and programs throughout DOT, not just IT projects and programs. This will be a joint effort with the CIO's Office; therefore, we anticipate that the CFO and CIO Offices will share costs equally. Benefits:

- Provides managers the tools needed to effectively and efficiently manage their programs
- Shows how well a program is meeting its goals and projections.
- Ensures effective use of taxpayers resources

### **\$1 Million for Implementing Treasury Mandates**

**Financial Information Reporting Standardization (FIRST)**. Treasury's FIRST initiative will consolidate and streamline the multiple stovepipe systems that have evolved over many years. This will require major changes to DOT core and feeder financial systems. Roll-out by Treasury is scheduled for Third Quarter FY 2011, and extensive planning, preliminary design, development, testing and implementation are required for the multiple changes to DOT core and feeder financial systems.

Benefits/goals include:

- Improved government-wide financial reporting.
- Consistent reporting across government.
- Substantial reduction in inter-agency eliminations.

**Government-wide Accounting (GWA)**. Treasury's broad GWA initiative will require significant changes to business and accounting processes and systems. It also includes implementing the new Business Event Transaction Code (BETC), which will require numerous business process and financial system changes.

**Vendor Portal & Electronic Invoicing Capability**. Includes planning, designing, developing, testing and implementing Treasury's Internet Payment Platform (IPP) and related systems to provide these capabilities. This project will require close planning, coordination and integration with multiple core and feeder financial systems and procurement systems. Benefits:

- Eliminates repetitive data entry
- Substantially reduces paper
- Greatly improves the speed and accuracy of making vendor payments