HIGHLIGHTS

Overview of Highlights

FY 2002 was an important year in DOT's transition to managing for results under the Government Performance and Results Act (GPRA) of 1993. DOT's Operating Administrations (OAs) identified goals to reach planned results, resources needed to accomplish the goals, and measures to gauge progress towards achieving them.

DOT's *Performance and Accountability Report* links programs to strategic performance areas, such that major program activities are traceable to a performance outcome and goal.

In addition to providing leadership to improve the Nation's transportation system, a key focus of DOT's time and resources in FY 2002 was the successful establishment of the Transportation Security Administration (TSA) following the events of September 11, 2001.

The DOT met all legislative requirements of the Aviation and Transportation Security Act (P.L. 107-71) including deploying Federal personnel by November 19, 2002 and having all checked passenger bags screened by December 31, 2002. The U.S. Coast Guard provided security in the Nation's ports and waterways. DOT continues to provide leadership to meet the criteria in the Presidential Management Agenda while helping to enhance safety and security for the Nation. The five highlighted areas in the Presidential Management Agenda are as follows.

Presidential Management Agenda Highlights

Strategic Management of Human Capital

DOT developed a Human Capital Plan that will strategically guide our human capital planning efforts through FY 2005.

The Department is implementing policies to recruit, develop, and retain the diverse talent needed now and in the future to perform our mission and achieve DOT's strategic goals.

DOT worked on succession plans to maintain required levels of experience, competencies, and institutional knowledge in the Department's civilian, military, and contract workforce to prepare for an impending wave of retirements.

Competitive Sourcing

DOT's 2001 FAIR Act inventory identified over 12,000 FTE performing commercial activities available for competition. In 2002, DOT planned that 20 percent of all service contract dollars be performance-based.

Improved Financial Performance

For FY 2001 and FY 2002, DOT received an unqualified opinion on all of the financial statements required by OMB.

To streamline and modernize financial services, DOT is automating electronic transmission of data and information for internal processes (i.e., employee travel, internet payments, salary payments, procurement), and external processes (i.e., payments to grantees and vendors, etc.).

DOT is utilizing more web-enabled technology to improve the Department's financial systems.

As a part of implementing its new financial management system, Delphi, DOT is adopting a document imaging system that integrates scanned images of financial documents with accounting records.

Expanded Electronic Government

The Docket Management System (DMS) is an example of DOT's e-government initiative. The DMS is an electronic, image-based database designed to store and display, via the Internet, all DOT docketed information (a docket is an official public record) for easy research and retrieval. DMS also allows businesses and citizens to submit comments to DOT's dockets electronically.

DOT provides on-line information about proposed and final regulations, information on adjudicatory actions, and public comments on proposed rules. The Dockets Office reviews all documents to make sure they meet filing requirements, registers the document into the DMS, scans and electronically saves hard copy documents received, and performs quality assurance. It saves the government over $1.3 million annually in space and personnel costs alone.

Another example of DOT's e-government initiative is the "Do-It-Yourself" (DIY) website. It provides customers the option of doing business with DOT 24 hours a day through the Internet. Virtually every function requiring payment from the public will be available on the Internet, from paying fees to applying for registrations and licenses. In FY 2002, DIY processed 38,719 payment transactions, totaling $78.5 million. This was a significant increase from FY 2001, where 18,846 transactions that totaled $ 6.1 million were collected using DIY.

DOT's Intranet Website is a third example of an e-government initiative. A Department-wide *DOTnet* website provides employees with the ability to post documents on the web, add latest information to bulletin boards, manage a central calendar for events, and provide frequently used links.

Integrating Performance and Budget

Managerial cost accounting provides opportunities for agencies to make business process improvements by linking agency outputs to strategic performance objectives. It helps integrate performance and budget, justify budget requests and have accountability in its financial management system. Managerial cost accounting can monitor an agency's cost patterns, identify drivers of those costs, manage indirect costs, track labor, as well as forecast critical costs for the agency.

At the Federal Aviation Administration (FAA), detailed cost accounting system (CAS) requirements were developed and implemented for the Air Traffic Services (ATS) line of business to assign the full cost of providing en route and oceanic services for FY 1998 and FY 1999. At the beginning of FY 2000, CAS was implemented for Flight Services, and enhancements to the capabilities provided for En Route and Oceanic Services were implemented. In 2001, FAA also enhanced the system to provide costing of Terminal Services.

US Department of Transportation
President's Management Agenda Scorecard

KEY TO FY 2002 STATUS:

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

- ● Indicates that the agency has met all of OMB's core criteria for the initiative.
- ▲ Indicates achievement of some but not all of OMB's core criteria for the initiative and that the agency has no "red" conditions.
- ◉ Indicates that at least one of the conditions identified by OMB for that initiative is in need of correction.

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

__INITIATIVE__	_FY 2002 STATUS_	_PROGRESS_	_HOW DOT IS MEETING PMA CHALLENGES_
Human Capital: Develop a DOT-wide human capital workforce strategy to address future workforce gaps, eliminate skill gaps in critical occupations, develop performance-based incentives for the workforce, remove unneeded management layers, and develop the right mix of skills in the workforce that reflect the new emphasis on E-Government and Competitive Sourcing.	◉	●	**_Human Capital Plan:_** In FY 2002, DOT developed a _Human Capital Plan_ that will strategically guide our human capital planning efforts through FY 2005. This Plan is fully aligned with the President's Management Agenda and the Standards for Success developed by the Office of Management and Budget, Office of Personnel Management, and the General Accounting Office that are strategic alignment, workforce planning and deployment, leadership and knowledge management, performance culture, talent, and accountability. DOT's Human Capital Plan includes specific HR initiatives that will help the Department recruit, develop, and retain the diverse talent needed now and in the future to perform our mission and achieve our strategic goals. It encompasses strategies from the _Departmental Strategic Plan_ and the _Human Resources Strategic Plan_. During FY 2002, DOT continued implementing workforce planning throughout the operating administrations and will continue into FY 2003, as outlined in DOT's Human Capital Plan. As the OAs work through the workforce planning process in FY 2003 for mission critical occupations, they will gear their efforts toward creating a citizen-centered organization, using e-government and competitive sourcing, as appropriate solutions to our human capital challenges.

INITIATIVE	FY 2002 STATUS	PROGRESS	HOW DOT IS MEETING PMA CHALLENGES
Competitive Sourcing: Each department must submit a Strategic Competition Plan and compete "commercial reimbursable support services" on a recurring basis.	◉	●	**Strategic Competition Plan:** DOT has submitted a comprehensive *Strategic Competition Plan*. DOT is moving ahead on competitive sourcing by identifying over 12,000 positions as performing commercial functions and committing to conduct reviews on 25 percent of its commercial positions by September 30, 2003. Most of these studies have begun and are all moving ahead smartly.
Improved Financial Management: Develop financial management systems capable of producing more timely and accurate information, maintain a record of unqualified opinions on our financial statements, continue to improve accounting control over property, and develop full cost accounting capability.	◉	●	**Delphi:** In June 2002, DOT converted FTA and NHTSA from our outdated legacy accounting system to Delphi, a new Web-enabled financial system based on Oracle Financials. Delphi uses the Standard General Ledger and has a consistent Accounting Classification Structure for all DOT Operating Administrations (OA), has extensive standard, custom-developed, and ad-hoc reporting capabilities, and is significantly improving the quality and timeliness of DOT's financial statements and reports. DOT organizations are using Delphi, except for FHWA, FAA, MARAD, and FMCSA that will complete their conversions to Delphi in 2003. **Unqualified Audit Opinion:** After extensive hard work, DOT has received an unqualified audit opinion from the Inspector General on our financial statements for FY 2002. DOT is continuing to work to improve financial management further to ensure that we maintain a clean opinion in the future. **Assets Accounting and Property Management System:** As part of the overall plans to improve property management, DOT has launched a project to improve asset accounting practices. To accomplish this, TSA has been through an audit to work with the issues concerning property management. The Coast Guard successfully completed implementation of a commercial-off-the-shelf (COTS) asset accounting and property management system, Oracle Financials – Fixed Assets Module.

INITIATIVE	FY 2002 STATUS	PROGRESS	HOW DOT IS MEETING PMA CHALLENGES
E-Government: Better justify and track costs and performance of information technology projects, as well as participate in government-wide initiatives that automate how the public deals with the government, such as the FirstGov.gov initiative, electronic grants, standardization of data, and customer relationship management.	⦿	●	**Electronic Grants:** DOT has formalized its grants management policy, which provides guidance to grant program officials on implementing the various OMB grants management circulars and DOT-issued common rules for electronic grants.
			Capital Planning: DOT implemented an IT Capital Planning policy and is now fully integrating this process with the budget cycle. DOT held its initial Departmental Investment Review Board, and identified areas to consolidate redundant IT projects. Additionally, DOT submitted over 80 business cases as compared to just over 20 for the FY2003 budget. DOT will continue process improvements through a year-long project manager and capital planning curriculum.
			IT Security: DOT has decreased GISRA weaknesses by over 40 percent, and has a plan of action to continue this progress in FY 2003. DOT increased the number of systems certified/accredited, and implemented a program to conduct weekly vulnerability scanning of all public facing and eGovernment web servers. To date, DOT has increased over 100 percent of systems scanned, decreased vulnerabilities by over 90 percent, and over $1.2M by using an enterprise-wide software license. DOT has implemented a Department-wide 24X7 Transportation Cyber Incident Response Center, in conjunction with other Federal Agencies, to leverage the economies of scale.
			Enterprise Architecture: DOT has completed the "As Is" architecture for crosscutting business processes and will define the "To Be" architecture for the DOT common IT infrastructure by the end of March. DOT Operating Administrations plan to complete EAs for their unique business areas by the end of FY2003.
			Government-wide Initiatives: DOT is an active partner in many of the government wide initiatives, including e-payroll, e-travel, e-learning, and rulemaking. In addition to the government wide initiatives, we have implemented DOT initiatives to expand services and information available to the public through such initiatives and TranStats and the St. Lawrence Seaway binational website partnership with the Canadian government.

INITIATIVE	FY 2002 STATUS	PROGRESS	HOW DOT IS MEETING PMA CHALLENGES
Budget/Performance Integration: Better integrate budget and performance functions by integrating respective staff work; developing plans and budget with outcome goals, output targets and resources requested in the context of past results; charging full budgetary costs of programs; and documenting program effectiveness.	▲ (yellow)	● (green)	**DOT Performance Plan and Reports.** DOT's *Performance Plans and Reports* have consistently garnered a high standing from George Mason University's Mercatus Center, and the General Accounting Office. The *DOT FY 2003 Performance Plan/FY 2001 Performance Report* gained Mercatus' top rating last year. DOT's Strategic Plans likewise have consistently been rated as the best in government. **Cost Accounting System (CAS):** In 2001, FAA enhanced the CAS to provide for costing of Terminal Services, thus completing the implementation of all four Air Traffic Services. The CAS has also been used to produce the agency's Statement of Net Cost since 1998. In 2002, FAA added six organizations to CAS, now capturing 76 percent of agency costs by product or service. To improve the accuracy of labor costs in the CAS, a sub-set of agency employees began tracking their time by project and activity in the Labor and Distribution Reporting (LDR) system. This will be expanded in the coming year. Since 1999, FAA had used the CAS to produce their annual Statement of Net Cost. In 2003, all FAA line of business employees will begin tracking their annual Statement of Net Cost. In 2003, all FAA line of business employees will begin tracking their time in LDR and the existing CAS and LDR systems will be converted to be compliant with the new Delphi system. FAA will complete its CAS implementation in the remaining lines of business in FY 2004. The Bureau of Transportation Statistics (BTS) developed a method to monitor activities by tracking non-labor spending to the project level using new accounting codes, a first step toward BTS' cost accounting. **Tracking Operations and Labor Costs:** The Volpe National Transportation Systems Center, part of RSPA, tracks key fiscal trends, such as obligations, labor, and acquisitions on a regular basis. Volpe prints a pocket size summary brochure that is used in management meetings to review the financial status of the agency. Volpe's staff members are able to assess their operation costs, and compare their labor and overhead costs from the past to the current fiscal year.

The next section of the Report describes the activity or financial highlights for each operating administration that help DOT meet its departmental objectives.

Federal Highway Administration (FHWA)

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

Highway Trust Fund

A majority of FHWA programs and projects are authorized by the Transportation Equity Act for the 21st Century (TEA-21) and receive funds from the Highway Trust Fund (HTF).

FHWA programs are primarily "user funded" programs, supported by the Federal gasoline/diesel tax and taxes on other motor vehicle-related products (e.g., tires, trucks, trailers), and truck use taxes. The tax collections are deposited into the HTF and dedicated to financing Highway and Transit programs. About 14 percent of the HTF revenue was dedicated to Federal transit programs in FY 2001 and FY 2002. FHWA obligations for the HTF totaled $39.7 billion at the end of FY 2002. The cash balance in the HTF at the end of FY 2002 was about $22 billion.

Transportation Infrastructure Finance And Innovation Act

FHWA has innovative financing initiatives such as the Transportation Infrastructure Finance and Innovation Act (TIFIA) to support financial investments in transportation. Since the creation of TIFIA, DOT has selected 11 projects to benefit from TIFIA at a budgetary cost of $202 million to the Federal Government and provided $37 billion in credit assistance supporting transportation investments.

Federal Aid and State Grants

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

Federal Aviation Administration (FAA)

The FAA is charged with providing a safe, secure, and efficient aviation system that contributes to national security. FAA establishes and enforces regulations and conducts oversight inspections of the civil aviation industry. The Agency operates and maintains the complex air traffic control system and the facilities and equipment that support it. Air traffic controllers supervise more than half of the world's air traffic each day – 5,000 aircraft at any given moment and close to 7 million commercial, military, and general aviation aircraft each year. The 51,000-person, $14 billion administration also conducts research to improve safety and efficiency, and assists in the development of a nationwide system of more than 5,000 public use airports in the United States. The FAA also regulates and licenses U.S. commercial space transportation activities.

Cost Accounting System (CAS)

FAA is continuing with the development and implementation of a cost accounting system, and is developing an Interim Fixed Asset System (IFAS). FAA's cost accounting system captures investments, operating and overhead costs, revenues, and other financial measurement and reporting aspects of operations. The CAS is also used to determine the cost of Air Traffic Services and supports the calculation of overflight user fees. IFAS will receive data electronically from various property systems, further enhancing the integration of DOT's financial systems. IFAS will compute the depreciation for FAA's

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owned assets that meet the Department's capitalization criteria. Finally, as the Operating Administrations of the Department continue to migrate to Delphi, they will have enhanced cost accounting capabilities based on the best practices of the private sector.

Federal Transit Administration (FTA)

Public transit provides access to school, work, and community services and activities for millions of Americans. Over 95 billion trips were taken on public transit in FY 2001. FTA provides financial assistance to develop new transit systems, and to improve, maintain, and operate existing systems. Funds are provided through legislative formulas or discretionary authority. In 2002, FTA provided funding to over 600 public transit operators in 417 urbanized areas, 1,300 transit systems serving rural areas, and 4,000 agencies that provide transit service to elderly and disabled individuals. These systems operate 154,244 total transit vehicles, 10,572 miles of rail track, 2,825 rail stations, and 1,269 maintenance facilities nationwide.

New Starts

TEA-21 authorized $6.1 billion n guaranteed funding for the New Starts program through FY 2003. An additional, $3.4 billion in "contingent" or "bridge" authority was authorized, increasing the total to $9.5 billion.

Projects eligible for FTA New Starts funding include an extension of an existing or new fixed guideway system which utilizes and occupies a separate right-of-way, or rail line, for the exclusive use of mass transportation and other high occupancy vehicles, or uses a fixed catenary system and a right of way usable by other forms of transportation. This includes, but is not limited to, rapid rail, light rail, commuter rail, automated guideway transit, people movers, and exclusive facilities for buses (such as bus rapid transit) and other high occupancy vehicles.

United States Coast Guard
(USCG)

The United States Coast Guard is a military, multi-missioned maritime service and one of the Nation's five Armed Services. Its mission is to protect the public, the environment, and U.S. economic interests in the Nation's ports and waterways, along the Nation's coastline, on international waters, and in any maritime region as required to support national security. The Coast Guard established a new level of maritime security operations around our Nation and beyond its borders while enhancing DOT's capabilities in maritime safety, mobility, and environmental protection.

Assets Accounting and Property Management System

The Coast Guard successfully completed implementation of a commercial off-the-shelf (COTS) asset accounting and property management system, Oracle Financials – Fixed Assets Module.

Property custodians now have more detailed information available on the location, value, status, and condition of the property under their control. Procedures have been established for performing ongoing physical inventories of capital assets for validation with system records.

By closely working with program managers and utilizing application extensions, the Coast Guard was able to implement its Oracle Fixed Assets Module in less than one year and replace several non-integrated asset systems with it.

Transportation Security Administration (TSA)

Created in FY 2002, TSA protects the Nation's transportation systems to ensure freedom of movement for people and commerce. TSA provides aviation security and coordinates security policy for the Nation's railway, highway, pipeline, and waterway systems. TSA is supported by a combination of general funds and user fees.

Financial Statements Module

As a part of implementing the Delphi system, TSA is adopting a document imaging system that integrates scanned images of financial documents with financial records in Delphi and makes the document images easily and quickly accessible over the Web. The TSA Financial Statements Module (FSM) automates the preparation of an Adjusted Trial Balance Report with an accompanying Audit Transaction Report. The FSM provides an efficient means of preparing financial statements that ensures the accuracy and integrity of data. The FSM currently consolidates data from Delphi, and prepares the Consolidated Financial Statements.

Federal Railroad Administration (FRA)

FRA was created in 1966, to promote and enforce safety throughout the U.S. railroad system, rehabilitate the Northeast Corridor rail passenger services, consolidate Federal support for rail transportation, and support research and development. FRA also educates the public on dangers associated with railroading and encourages cooperative efforts to advance safety throughout America's rail system. A rail system that in FY 2002 included over 659 different railroads, ranging from major freight railroads and Amtrak's Northeast Corridor to historic railroads of one mile to two miles in length.

Railroad Rehabilitation and Improvement Financing (RRIF)

RRIF loans help maintain and improve railroads. FRA provides direct loans or loan guarantees for the acquisition, development, improvement or rehabilitation of existing or new intermodal or rail equipment facilities. Eligible borrowers include railroads, State and local governments and government sponsored authorities. A $2.07 million 25-year direct loan was awarded to the Mount Hood Railroad, a short line railroad based in northwest Oregon. Mount Hood Railroad operates a 22-mile line extending from the City of Hood River on the Columbia River to Parkdale, Oregon. The Mount Hood Railroad provides both freight and scenic passenger services. The Oregon Department of Transportation supported Mt. Hood's RRIF application by paying the credit rule premium. As a result of the loan, a greater partnership now exists between DOT, the FRA, and the Oregon Department of Transportation that benefits the State's short line industry and the rail customers.

National Highway Traffic Safety Administration (NHTSA)

NHTSA traffic safety programs encompass a range of strategies to reduce the number of crashes and their consequences. These programs include highway safety research, demonstrations of new technologies and

techniques, and outreach efforts, particularly focusing on multi-cultural education programs and high-risk groups.

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Incentive Grants Against Drunk Driving

At the National Highway Transportation Safety Administration (NHTSA), program cost effectiveness is a foremost consideration in all of the activities. NHTSA's programs are designed specifically to intensify efforts in behavioral and vehicular safety initiatives.

The Transportation Equity Act for the 21st Century (TEA-21) authorized $500 million, over a six-year period, for incentive grants to encourage States to increase safety belt use rates. In 2001, safety belt use saved over 12,000 lives. However, about 25 percent of Americans still do not use safety belts when driving or riding in motor vehicles. For each percentage point increase in safety belt use, 2.8 million more people buckle up, saving approximately 265 additional lives and preventing over 6,400 additional injuries each year. Eighteen states, the District of Columbia, and Puerto Rico now have primary safety belt laws. In June 2002, the average safety belt use rate in States with primary enforcement laws was 11 percentage points higher than in States without primary enforcement laws. (Safety belt use was 80 percent in primary law States versus 69 percent in States without primary enforcement.)

TEA-21 also authorized $219.5 million, over a six-year period for NHTSA, to continue the Section 410 alcohol-impaired driving countermeasures incentive grant program. To qualify for this grant, States must either demonstrate that they have in place certain laws or programs, such as administrative license revocation laws and graduated licensing programs, or meet certain performance criteria based on their alcohol-related fatality rates. States use Section 410 grant funds to implement and enforce alcohol-impaired driving countermeasures.

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Federal Motor Carrier Safety Administration (FMCSA)

The Federal Motor Carrier Safety Administration's (FMCSA) primary mission is to prevent commercial motor vehicle-related fatalities and injuries. FMCSA activities contribute to ensuring safety in motor carrier operations through strong enforcement of safety regulations, targeting high-risk carriers and commercial motor vehicle drivers; improving safety information systems and commercial motor vehicle technologies; strengthening commercial motor vehicle equipment and operating standards; and increasing safety awareness.

FMCSA and State authorities completed 10,271 compliance reviews in 2002. In addition, 30,893 motor carriers were reached through security sensitivity visits. FMCSA initiated 3,791 enforcement actions in 2002 for claims totaling more than $21 million (an average of $5,554 per claim), issued 182 out-of-service orders, and 677 orders to cease operations.

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Border Program Funds

FMCSA obligated $62.5 million in grant and operations funding to ensure safety and security activities in conjunction with opening the U.S.-Mexico border to Mexican commercial vehicles. This included deploying additional inspectors along the U.S.-Mexico border and additional safety investigators to evaluate Mexican carriers' safety.

HAZMAT Funds

In response to the events of 9/11, FMCSA obligated $19.5 million to complete over 30,890 security sensitivity visits aimed at educating carriers on appropriate HAZMAT security processes and procedures.

Commercial Drivers License Funds

In FY 2002, FMCSA obligated $8 million for research, training, and implementation of commercial drivers license (CDL) fraud detection and prevention techniques.

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Maritime Administration
(MARAD)

MARAD is the Federal Government's link to the U.S. and international maritime industry. MARAD provides education and training of merchant mariner officers at the U.S. Merchant Marine Academy and six State Maritime Schools; manages the Ready Reserve Force within the national Defense Reserve Fleet (NDRF); supports the shipbuilding and repair industry; disposes of obsolete vessels In the NDRF; undertakes emergency planning and coordination; promotes port and intermodal development; and administers maritime war risk insurance.

MARAD's Strategic Goals
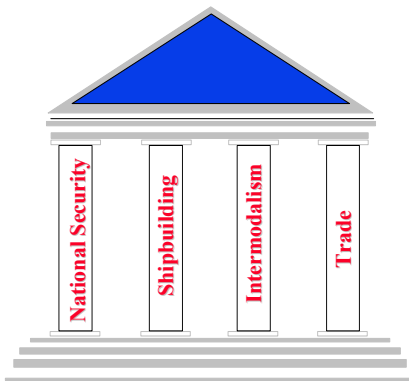
Im...

In February 2002, MARAD, in partnership with TSA and USCG, implemented the first all electronic grants system to award competitive Port Security Grants (P.L. 107-117) with $92.3 million in emergency funding. A total of 850 project applications for Port Security Grants were submitted on-line in response to the announcement, resulting in a total award of 78 Port Security Grants in a record time of 4 months. Electronic grant administration is ongoing.

Fair and Reasonable Guideline Rates

A total of 239 fair and reasonable guideline rate determinations were made during the fiscal year, covering 3.2 million metric tons of food aid cargoes.

Office of the Secretary
(OST)

The Office of the Secretary (OST) provides policy development and central supervisory and coordinated functions necessary for overall planning and direction of the Department. OST's budget supports salaries and expenses, planning, research and development, and supports the Office of Civil Rights and the Minority Business Resource Center.

Electronic Grants

DOT has formalized the grants management policy, which provides guidance to grant program officials on implementing the various OMB grants management circulars and DOT-issued common rules. Program-

specific regulations, guidance, and award conditions make reference to the various departmental grant-related rules. Most grant programs require the standard OMB grant application and reporting form, or have requirements that are substantially reduced from the standards.

The Department continues to play a major role in the development of government-wide standards and requirements. Departmental staff members were instrumental in establishing the Inter-Agency Electronic Grants Committee (IAEGC), leading the Government-wide Grants Network, and providing key leadership positions in the Federal Grants Streamlining Program that implements Public Law 106-107, the Federal Financial Assistance Management Improvement Act of 1999. The Department was a major participant in the development of grant financial system standards by the Joint Financial Management Improvement Program (JFMIP).

DOT Building Security

Immediately following the events of September 11, 2001, OST organized to provide priority services and around-the-clock duty personnel in support of exceptional departmental requirements, particularly in support of the Office of the Secretary, the FAA, and later the Transportation Security Administration. This effort included the installation of additional emergency telecom and local area network capacity for more than 1,000 users at the GSA and Nassif Buildings. A state-of-the-art Voice Over Internet Protocol network was also established to serve more than 1,000 users in five different building locations.

Research and Special Programs Administration (RSPA)

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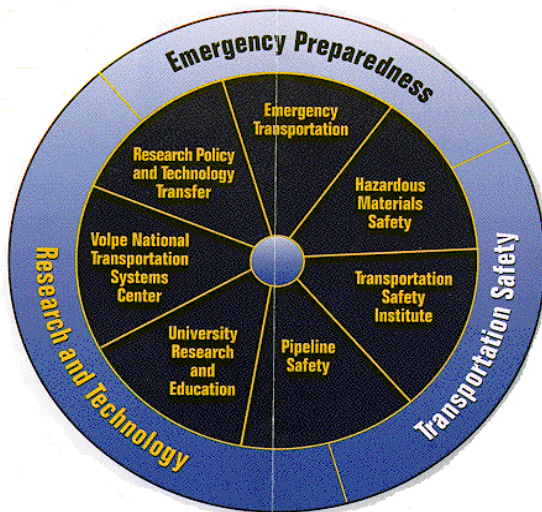
Tracking Operations and Labor Costs

The Volpe National Transportation Systems Center, part of RSPA, is an innovative, fee-for-service organization for transportation and logistics expertise, providing customers with policy support and strategic planning and analysis. Volpe tracks key fiscal trends, such as obligations, labor, and acquisitions on a regular basis. Volpe prints a pocket size summary brochure that is used in management meetings to review the financial status of the agency. Volpe's staff members are able to assess their operation costs, and compare their labor and overhead costs from the past to the current fiscal year. Volpe is also able to track their labor and operations costs by the various OAs, and other Departments (e.g., DOD, DOE, EPA) to whom they provide services.

Office Of Inspector General
(OIG)

The Inspector General Act of 1978, as amended (Inspector General Act, P.L. 95-452), established the OIG as an independent and objective organization within DOT with responsibility for (1) conducting and supervising objective audits and investigations of DOT's programs and operations, (2) promoting economy, effectiveness, and efficiency within DOT, and (3) preventing and detecting, fraud, waste, and abuse in the Department's programs. The OIG is charged with keeping the Secretary of Transportation and the Congress fully informed about problems in departmental programs and operations and making recommendations for improvements. OIG also has significant responsibilities under the Chief Financial Officers Act, the Government Management Reform Act, and the Government Information Security Reform Act (GISRA), as well as the Government Performance and Results Act (GPRA). OIG will fulfill these responsibilities by overseeing required audits of DOT's financial statements, assessing the adequacy of internal control systems, and identifying opportunities to achieve financial benefits and improve program performance.

OIG Audits

The Department of Transportation is required to prepare audited financial statements. In FY 2001 and FY 2002, DOT received an unqualified opinion on its financial statements, indicating that DOT's resources are properly accounted for, its financial condition fairly reported, and that steps have been taken to ensure that DOT can sustain those results in the future.

The DOT OIG also conducts performance audits of DOT programs. These performance audits examine performance and management of DOT programs with the intent to improve program operations, decision-making, and public accountability.

The OIG plan for selecting grantees for quality control reviews assures each grantee for which DOT has audit cognizance will receive at least one quality control review within a 5-year period. Other grantees selected for review were determined based on both risk and the dollar value of transportation expenditures and major program dollars.

Bureau of Transportation Statistics (BTS)

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

> *Government Transportation Financial Statistics Report*
>
> BTS updated and provided quality control to numerous DOT publications, particularly to data and information in the *Government Transportation Financial Statistics Report*.
>
> *Cost Accounting*
>
> BTS developed a method to monitor activities by tracking non-labor spending to the project level using new accounting codes, one of the initial steps toward cost accounting in this Operating Administration. In September 2002, BTS also implemented a Labor Distribution Reporting (LDR) system. BTS formed a working group within DOT to guide the project and is planning to collaborate with the Federal Aviation Administration and their LDR system.

Surface Transportation Board
(STB)

The STB was established on January 1, 1996, by the Interstate Commerce Commission Termination Act of 1995 (ICCTA). The ICCTA eliminated the Interstate Commerce Commission (ICC) and transferred certain functions formerly performed by the ICC to the STB. The STB is a three-member, bipartisan body with jurisdiction over certain regulatory matters. The mission of the STB is to promote substantive and procedural regulatory reform in the economic regulation of surface transportation, and to provide a forum for dispute resolution and facilitation of appropriate business transactions.

> The STB's funding included an appropriation of $18.448 million, of which $0.95 million was provided from the collection of user fees that are credited to the appropriation as offsetting collections on a dollar-for-dollar basis. The STB annually updates and revises its user fee schedule of 114 different fee-related activities.

Saint Lawrence Seaway Development Corporation (SLSDC)

The U.S. Saint Lawrence Seaway Development Corporation (SLSDC), a wholly owned government corporation and an operating administration of the U.S. Department of Transportation (DOT), is responsible for the operations and maintenance of the U.S. portion of the St. Lawrence Seaway between Montreal and Lake Erie. This responsibility includes maintaining and operating the two U.S. Seaway locks located in Massena, N.Y., and vessel traffic control in areas of the St. Lawrence River and Lake Ontario. In addition, the SLSDC performs trade development functions designed to enhance Great Lakes St. Lawrence Seaway System utilization. Maritime commerce on the Great Lakes Seaway System annually generates more than 150,000 U.S. jobs, $4.3 billion in personal income, $3.4 billion in transportation-related business revenue, and $1.3 billion in Federal, State, and local taxes. The SLSDC coordinates its activities with its Canadian counterpart, The St. Lawrence Seaway Management Corporation (SLSMC),

particularly with respect to environmental programs, operating dates, and trade development programs. The unique binational nature of the Seaway System requires 24-hour, year-round coordination between the two Seaway entities.

The SLSDC has joined with its Canadian counterpart, the St. Lawrence Seaway Management Corporation, as well as the U.S. and Canadian Coast Guards, to institute a joint boarding program for the foreign vessels that use the Seaway. In FY 2002, the SLSDC continued this program by inspecting 100 percent of all ocean vessels in Montreal. This improved inspection regime has saved vessels, on average, four hours per transit and ensured that any safety or environmental issues are addressed prior to entering U.S. waters. As a result, delays were reduced and ocean carriers using the Seaway saved more than $500,000 in operating costs during FY 2002.