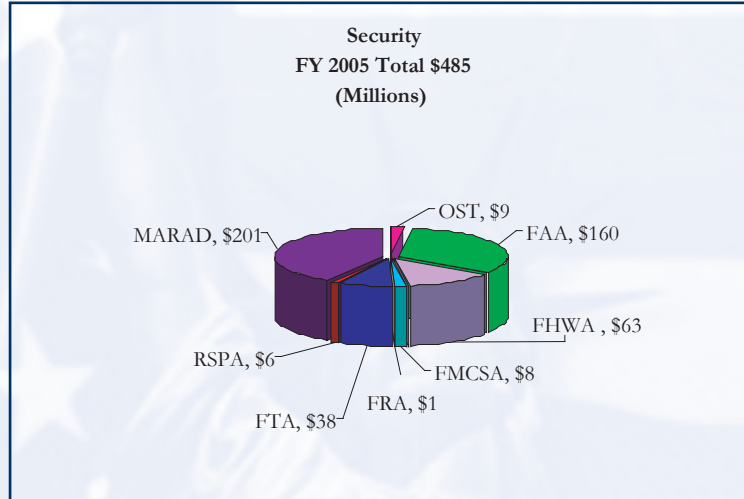


cial sealift capacity to support the rapid deployment of U.S. military forces. MARAD's recent contribution to Operation Enduring Freedom and Operation Iraqi Freedom underscores the critical importance of readiness to meet national security needs. The U.S. Merchant Marine Academy and six State Maritime Schools provide the skilled U.S. merchant marine officers essential to the success of its security activities.

DOT's Security Performance Budget is distributed as follows:



President's Management Agenda - Organizational Excellence

With approximately 60,000 employees and hundreds of programs, DOT faces significant challenges regarding customer satisfaction, employee effectiveness, and organizational performance and productivity. The FY 2005 budget requests an overall \$839.2 million, including \$17 million in the Office of the Secretary, to strengthen the management of the Department's large information technology investment portfolio and to improve the American public's access to information and services through electronic government. Also included is \$160 million to finance the 2005 costs for the new Department headquarters building that will consolidate headquarters operating functions into efficient, leased office space.

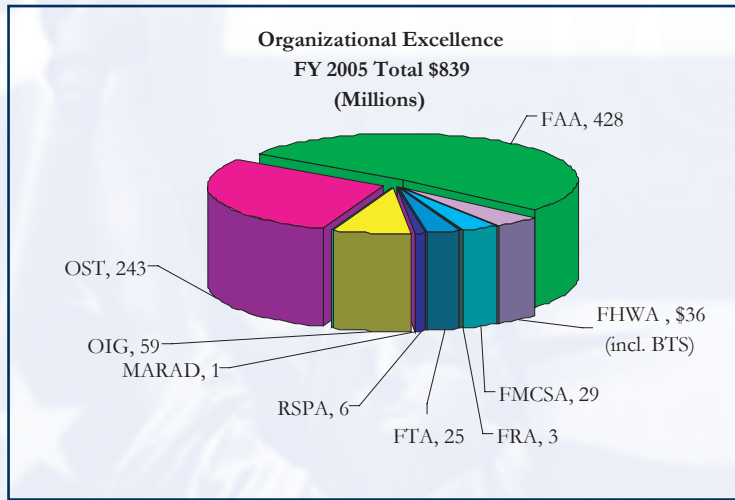
Organizational Excellence

Overall, the Secretary is improving Departmental management by ensuring that:

- All elements of the Human Capital, Competitive Sourcing, Improved Financial Management, Electronic Government, Budget and Performance Integration, and Research and Development Investment Criteria segments of the President's Management Agenda are accomplished.
- Major DOT systems acquisitions consistently meet at least 80 percent of cost and schedule goals established in acquisition project baselines.
- At least 95 percent of major federally funded infrastructure projects meet schedule milestones established in project or contract agreements, or miss them by less than 10 percent.
- At least 95 percent of major federally funded infrastructure projects meet cost estimates established in project or contract agreements, or miss them by less than 10 percent.

- At least 80 percent of transit grants are obligated within 60 days after submission of a completed application.

The DOT Organizational Excellence Performance Budget is distributed as follows:



Conclusion

DOT's goal is to provide the resources necessary to support our Nation's transportation system. The funding requested in the President's FY 2005 budget will help improve transportation safety, enhance homeland and national security, maintain and expand our transportation infrastructure and increase its capacity, reduce environmental degradation, and improve the quality of life for all citizens. The following pages provide highlights of the budget request by DOT operating administration.