

POLICY, PERFORMANCE, AND PROGRAM OUTLOOK

We will continue to focus on getting results from federal spending. A federal program's measure of success is not its size, but the value it delivers.

President George W. Bush
February 3, 2003

The U.S. Department of Transportation (DOT) continues to be a leader among Federal agencies in supporting the President's Management Agenda and instituting the use of performance-based budgeting in its internal processes. The fiscal year (FY) 2005 budget request builds on DOT's successful implementation of the Government Performance and Results Act of 1993 by strengthening the linkages between budgetary resources and programmatic and performance outcomes that benefit the Nation. The resources requested in the President's FY 2005 budget will enable DOT to achieve a transportation system that is safe, efficient, and secure. At the Departmental level, performance goals and measures focus on core transportation missions, and reflect the Secretary's transportation priorities of safety, mobility, global connectivity, environmental stewardship, security, and organizational excellence.

The budget documents for DOT's individual operating administrations reflect the successful steps to integrate budget and performance. DOT has improved the linkages between the Department's performance goals and the budget requests for the operating administrations, focusing on the ties among program outputs, performance outcomes, and individual and organizational accountability for performance. For example, in the Federal Motor Carrier Safety Administration's (FMCSA) FY 2005 budget request, resources are tracked from the agency's two operating accounts to 21 performance segments that link to the agency's five strategic objectives: Commercial Motor Vehicle Safety, Hazardous Materials Safety, Hazardous Materials Security, Commercial Motor Vehicle Productivity, and Organizational Excellence. As another example, the Federal Transit Administration's budget request consolidates transit accounts, consistent with the President's goal of creating a customer-focused, outcome-based Federal Government. Program consolidation will give States and localities more flexibility to meet the mobility needs in their communities without the constraints and administrative burdens that the current budget structure imposes. FTA's programs would be restructured into three major areas: Urbanized Area Formula Grants, including formula grants and formula fixed guideway modernization funding; Major Capital Investments, including the New Starts and non-fixed guideway corridor improvement programs, such as Bus Rapid Transit; and State-administered programs, including the Rural, Elderly and Disabled, Job Access and Reverse Commute, and New Freedom Initiative programs.



Program Assessment Rating Tool (PART)

The FY 2005 budget formulation process has been expanded to incorporate fully the use of the Office of Management and Budget's Program Assessment Rating Tool (PART). The PART is designed to gauge whether a program's design and purpose are clear and defensible; weigh whether the agency sets valid annual and long-term goals for programs; rate agency management of programs, including financial oversight and program improvement efforts; and focus on results. The PART process is meant to complement traditional management techniques and to be used to stimulate a constructive dialogue between program managers, and budget and policy officials.

During the FY 2004 budget formulation process, four DOT programs were evaluated using the PART instrument: the Federal Aviation Administration's (FAA's) Grants-in-Aid for Airports program; Federal Motor Carrier Safety Grants; Federal Highway Infrastructure Investments; and National Highway Traffic Safety Grants. In formulating the FY 2005 budget, six additional DOT programs were evaluated: FAA Air Traffic Services; FAA Research, Engineering and Development; the Federal Lands Highways program; the rail safety portion of the Federal Railroad Administration's Safety and Operations; the Federal Transit Administration's New Starts program; and the Research and Special Programs Administration's Hazardous Materials Emergency Preparedness Grants. The PART process assisted in identifying programs that were "effective," "moderately effective," "adequate," and "ineffective." The information gathered through the FY 2004 and FY 2005 PART processes was provided to senior officials and was instrumental in making decisions regarding programmatic funding requests.











Programmatic and Organizational Restructuring

The focus and operations of the Department of Transportation have been significantly affected by the transfer of the Transportation Security Administration and U.S. Coast Guard to the Department of Homeland Security in March 2003. For the past year, Secretary Mineta has been taking stock of the Department and the services that DOT provides. The Secretary recognizes a need for certain organizational changes to help the Department generate greater operational efficiency and increase the effectiveness of our budgetary, human capital, and managerial resources.

The Department is currently considering a budget-neutral restructuring proposal to create a more focused research organization within DOT, emphasizing and promoting innovative technology. In addition, the Department is conducting a systematic review of its maritime assets, resulting in a more coherent Departmental maritime policy. As part of this review, we are looking at how the Maritime Administration and the Saint Lawrence Seaway Development Corporation can upgrade our international maritime role and strengthen our role in improving maritime infrastructure, focusing on our ports and waterway systems.



PRESIDENT'S MANAGEMENT AGENDA

Initiative	Status 12/31/03	Progress 12/31/03
Human Capital - DOT's human capital initiative continues on track to achieve its "green" status. DOT has completed workforce planning for all mission-critical occupations and is implementing human capital initiatives to ensure that DOT attracts, acquires, and retains quality talent to perform its mission.	 Yellow	 Green
Competitive Sourcing - DOT is progressing in its competitive sourcing initiative and has moved to a "yellow" score in status for the first time. The Department completed its first two full competitions, for the Federal Railroad Administration and Maritime Administration, in August 2003.	 Yellow	 Green
Improved Financial Management - DOT is the first cabinet-level agency to complete the conversion of all of its agencies to a new integrated financial system that runs on a single copy of commercial off-the-shelf software. This state-of-the-art financial system enables DOT to respond to the President's call to improve government financial performance by streamlining our accounting practices.	 Red	 Green
E-Government - DOT is on track to achieve its "green" status despite facing significant e-gov challenges. DOT has created a draft Modernization Blueprint that focuses on information technology investments and plans to address "at risk" programs in the Department.	 Yellow	 Green
Budget/Performance Integration - DOT is a leader in the government on Budget and Performance Integration, and is on track to achieve its "green" status. DOT's FY 2005 budget incorporates PART findings and is structured to show full costs by strategic goal.	 Yellow	 Green

Green=Satisfactory
 Yellow=Good Progress
 Red=Unsatisfactory



PERFORMANCE PROGRESS REPORT

SAFETY	ACHIEVED IN 2002	ACHIEVED IN 2003 1/	...2005 TARGET
• Highway fatalities/100 million vehicle-miles traveled (VMT)	1.50	<i>1.47</i>	1.38
• Fatalities involving large trucks per 100 million truck VMT	2.28	<i>2.19</i>	1.96
• U.S. commercial fatal aviation accidents/100,000 departures (Last 3 years' average)	0.026	<i>0.024</i>	0.023
• Rail-related accidents and incidents per million train-miles 2/	19.57	<i>17.84</i>	17.14
• Number of incidents for natural gas and hazardous liquid pipelines	323	<i>338</i>	295
• Serious hazardous materials incidents in transportation	457	<i>490</i>	503
MOBILITY			
• Percentage of travel on the NHS meeting pavement performance standards for acceptable ride	90.6	<i>90.8</i>	93.5
• Percent of total annual urban-area travel occurring in congested conditions	30.4	<i>30.8</i>	32.8
• Percent of flights arriving on time	82.2	<i>82.3</i>	82.2
• Percent of key transit rail stations ADA compliant	77	82	97
• Percent of bus fleets ADA compliant	90	<i>93</i>	95
GLOBAL CONNECTIVITY			
• Potential air transportation consumers (billions) in international markets traveling between the U.S. and countries with open skies and open transborder aviation agreements	1.46	<i>1.48</i>	1.53
• Percent of days in shipping season that the U.S. sectors of the St. Lawrence Seaway are available, including the two U.S. locks in Massena, NY	99.1	<i>98.9</i>	99.0
ENVIRONMENTAL STEWARDSHIP			
• Acres of wetlands replaced for every acre affected by Federal-aid highway projects	2.7	2.7	1.5
• Tons of hazardous liquid materials spilled per million ton-miles shipped by pipeline	.0202	.0141	0.0118
SECURITY			
• Percentage of DOD-required shipping capacity complete with crews available within mobilization timelines	94	96	94

1/ Italicized numbers represent preliminary estimates or projections from trends.

2/ This performance measure was revised in FY 2004 to include all rail accidents and incidents. The previous measure only included a subset of this performance.

