



## MESSAGE FROM THE SECRETARY



The top priorities of the Department of Transportation (DOT) are to keep the traveling public safe, to increase mobility, and to ensure that our transportation system supports the Nation's economic growth and development. To ensure we achieve our goals, DOT managers keep a watchful eye on performance metrics and closely monitor our progress.

I'm proud to report that for the last five years, DOT has earned an unqualified audit opinion on our financial statements. This shows that we provide strong stewardship and accountability for the resources entrusted to us by the Nation. To improve our operations, we continue to consolidate and streamline programs and to improve service delivery and project management. To support these efforts, this year the Congress realigned programs and established two new organizations within the Department: the Pipeline and Hazardous Materials Safety Administration and the Research and Innovative Technology Administration.

## TRANSPORTATION SAFETY

Safety remains our most important strategic goal, and the Nation's roads are the safest in history. However, highway crashes cause 95 percent of all transportation-related fatalities and 99 percent of transportation injuries and are the leading cause of death for people ages 4 through 33. Alcohol is the biggest contributing factor to fatal crashes, claiming 16,694 lives in 2004 alone (39 percent of all crash related fatalities). Our projected highway fatality rate is the lowest in 30 years, but is still higher than our target. An upsurge in the number of trucks on the road and the number of miles traveled caused a slight increase in truck-related fatalities. The Department is realizing that we may have achieved as much as possible with our current safety strategies. To continue to make our roads safer, we will need to explore new strategies and technologies and best practices.

In May 2005, I unveiled a new National Rail Safety Action Plan that will analyze data to identify potential high risk accident causes so we can focus oversight and inspection resources on them.

## SURFACE TRANSPORTATION RE-AUTHORIZATION

On August 10, 2005, the President signed into law the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), which authorizes transportation programs for highways, highway safety, hazardous materials transportation, transit, and motor carriers for 2005 through 2009. With \$286.4 billion in funding for highways, highway safety, and public transportation, SAFETEA-LU represents the largest surface transportation investment in our Nation's history. SAFETEA-LU also refines the programmatic framework for the investments needed to maintain and grow our vital transportation infrastructure. SAFETEA-LU promotes more efficient and effective surface transportation programs by focusing funding on transportation issues of National significance, while giving State and local transportation decision makers more flexibility for solving transportation problems in their communities.

We are also preparing for the reauthorization of our aviation programs and the Aviation Trust Fund that supports them. As always, we are requesting public input and involving our stakeholders in preparing for aviation reauthorization.



## **NEXT GENERATION AIR TRANSPORTATION SYSTEM**

Our Nation's air transportation system serves as a critical engine of economic growth and facilitates the safe and efficient movement of people and goods across the globe. We must be prepared to accommodate this growing demand in the years ahead. The Next Generation Air Transportation System will take advantage of the latest technologies while incorporating the many security improvements that have been introduced in the recent years. It will also establish an effective security system without limiting mobility or civil liberties; reduce the impact of weather on air travel by using enhanced weather forecasts; minimize the impact of aircraft noise and emissions; and harmonize global air operations standards, policies and procedures.

As air travel levels have increased and are set to surpass pre-September 11, 2001 levels, airport capacity is becoming a pressing issue. The Federal Aviation Administration is implementing an Operational Evolution Plan to keep pace with airport demand over the next decade. This Plan focuses on infrastructure, primarily runways, as well as new technology and enhanced processes. The Plan is based on the Nation's changing population distribution, particularly in the South and Southwest, to ensure that capacity needs are addressed before they become aviation choke points.

The Department continues to negotiate "open skies" agreements—bilateral agreements that let passenger demand and market conditions, not government regulation, determine landing and departure schedules. New agreements with Ethiopia, India, Maldives, Paraguay, Thailand and Uruguay have created access to better quality, lower priced air service for almost 3 billion people.

## **SECURITY**

The relationship between transportation security and maintaining transportation's contributions to our Nation's economic vitality is a critical challenge facing several Departments. Working with the Department of Homeland Security, we are continuing to enhance the security of the Nation's transit systems and the St. Lawrence Seaway infrastructure, and we are working to harmonize safety and security regulations for the rail industry. We are working with the States to enhance the security of highway connections to strategic ports and critical elements on the highway system, such as tunnels and bridges, and are working with the Military Transportation Command to ensure adequate planning for the strategic movement of military cargos on the highways. The Federal Motor Carrier Safety Administration is working with the Departments of Justice and Homeland Security and the American Association of Motor Vehicle Administrators to update security checks for hazardous materials endorsements on commercial driver licenses.

## **PRESIDENT'S MANAGEMENT AGENDA**

The Department maintained four *green* status ratings on the President's Management Agenda scorecard in FY 2005. For the competitive sourcing goal, DOT completed seven competitions, including a large, complex competition for FAA's automated flight service stations. To date DOT has completed 20 competitions for 2,900 positions with anticipated savings of \$2 billion. For the human capital goal, we linked our performance management system to our strategic goals and enhanced our accountability system and training for managers. Under the E-Government goal, we migrated DOT employees to a new payroll and personnel system and service provider. For the budget-performance integration goal, we



incorporated marginal cost of performance data for each operating administration into our FY 2007 budget request and presented our marginal cost of performance methodology at a government-wide summit as a model to other Federal agencies.

I'm also proud that in February 2005, DOT was named a Center of Excellence to provide our financial system and services to other Federal agencies. DOT now cross-services the National Endowment for the Arts and recently signed up two new customers: the Commodity Futures Trading Commission and the Institute for Museum and Library Services.

### **HURRICANE RELIEF STEWARDSHIP**

Under the National Response Plan, DOT is the lead agency for providing transportation in disaster areas. Following Hurricane Katrina, we immediately sent personnel and direct support to the affected region. DOT coordinated the largest civilian airlift operation in U.S. history to move evacuees to safe locations and coordinated the formation of an emergency bus fleet rivaling the size of the Greyhound fleet in a matter of days. In addition, we moved 14,000 truckloads of water, ice, meals ready-to-eat, and generators. I took the initiative to activate our Ready Reserve Force vessels to support command and control centers. DOT is a critical part of the on-going effort to repair the infrastructure at airports, roadways, ports and pipelines.

### **PROGRAM AND FINANCIAL PERFORMANCE**

Our FY 2005 *Performance and Accountability Report* contains performance and financial data that are substantially complete and reliable. The *Performance Data Completeness and Reliability* section in the report contains a detailed assessment of the inadequacies in DOT's performance data, and explains how we will remedy those deficiencies. The Department continues to work to ensure we have no material noncompliance with laws or regulations. However, DOT has a qualified statement of assurance with exceptions noted under the Federal Managers' Financial Integrity Act (FMFIA). Three material weaknesses are for Section 2 and one material weakness is for Section 4. We will continue to make improvements throughout FY 2006.

### **CONCLUSION**

Our accomplishments underscore the Department's commitment to continue improving the management of all our resources and programs. While reporting on our accomplishments over the last year, this report also provides a blueprint for our future performance objectives in safety, mobility, global connectivity, environmental stewardship and security. I look forward to continuing to work with the President, the Administration, and the Congress to achieve a safer, simpler and smarter transportation system for our Nation.

November 15, 2005