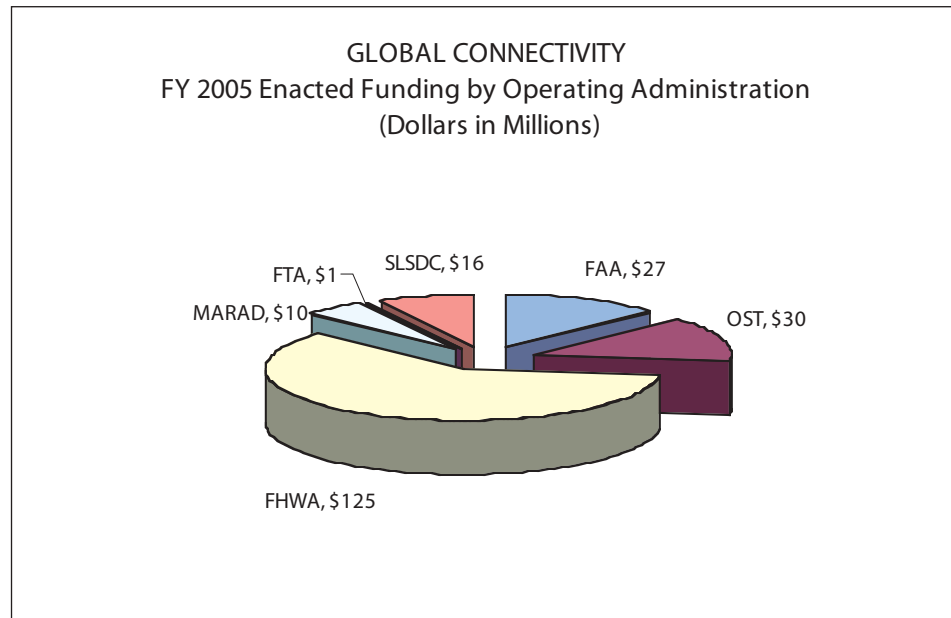




## GLOBAL CONNECTIVITY STRATEGIC OBJECTIVE

FACILITATE A MORE EFFICIENT DOMESTIC AND GLOBAL TRANSPORTATION SYSTEM THAT ENABLES ECONOMIC GROWTH AND DEVELOPMENT



### STRATEGIC OUTCOMES

- Reduced barriers to trade in transportation goods and services
- More efficient movement of cargo throughout the supply chain
- Enhanced international competitiveness of the U.S. transport providers and manufacturers
- Harmonized and standardized regulatory and facilitation requirements
- The most competitive, cost effective and efficient environment for passenger travel
- Expanded opportunities for all businesses, especially small, women-owned and disadvantaged businesses

### PERFORMANCE MEASURES

- Percent share of the total dollar value of DOT direct contracts that are awarded to women-owned businesses.
- Percent share of the total dollar value of DOT direct contracts that are awarded to small disadvantaged businesses.
- Percent of days in shipping season that the U.S. portion of the St. Lawrence Seaway is available.
- Number of new or expanded bilateral and multilateral agreements completed (new measure in FY 2004).
- Number of potential air transportation consumers (in billions) in international markets traveling between the U. S. and countries with open skies and open transborder aviation agreements (revised measure).
- Number of international negotiations conducted annually to remove market distorting barriers to trade in air transportation (new measure in FY 2005).



## SMALL DISADVANTAGED AND WOMEN-OWNED BUSINESS CONTRACTS

The women-owned business goal continues to be a challenge for the Department given that we have no prescribed Federal Acquisition Regulation (FAR) set-aside authority which would allow us to achieve the procurement target. In addition, DOT's ability to achieve the women-owned business goals, without a prescribed set-aside, has also been affected by a new preference category (Small Disabled Veteran-Owned Small Business), which established a set-aside and sole source mechanism with a prescribed statutory goal of 3% of total Government procurement.

The Office of Small and Disadvantaged Business Utilization (OSDBU) is working closely with the Department's Senior Procurement Executive in order to develop a set of new acquisition directives and comment mechanisms, which will help determine how best to allocate the contract opportunities among the various preference categories. The Department is reviewing its internal policies as a component of a more proactive approach to attain the goals set out by legislation. Part of the review also includes an assessment of each operating administration's subcontracting program with more emphasis on subcontracting as a means of increasing opportunities for small businesses; especially in the women-owned business preference group.

**2005 Results.** Preliminary data indicates that DOT met the targets for women-owned businesses (WOB) and small disadvantaged businesses (SDB). In FY 2004, the preliminary data estimated that the target for SDB would be met. However, once the final data was analyzed, the target was not achieved. This is shown by the revised FY 2004 actual value displayed above.

In order to reach the WOB goal, the OSDBU and Minority Resource Center have developed small business training for the Department's contracting officers and developed policy directives on small business contracting. These efforts have increased the participation by the OAs in developing a proactive solution to meeting and exceeding the current performance.

**FY 2006 Performance Forecast.** DOT expects to meet the WOB target and the SDB target in FY 2006.

<b>Performance Measure</b>				
Percent share of the total dollar value of DOT direct contracts that are awarded to women-owned businesses.				
	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Target	5.1	5.1	5.1	5.1
Actual	3.8	4.2	3.0 (r)	6.4 *
(r) Revised; * Preliminary estimate				

<b>Performance Measure</b>				
Percent share of the total dollar value of DOT direct contracts that are awarded to small disadvantaged businesses.				
	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Target	14.5	14.5	14.5	14.5
Actual	16.2	15.8	12.3 (r)	15.1 *
(r) Revised; * Preliminary estimate				



## MARITIME NAVIGATION

More than 2 billion tons of freight worth \$1 trillion moves annually through U.S. ports and waterways. The St. Lawrence Seaway is the international shipping gateway to the Great Lakes, offering access and competitive costs with other routes and modes to the interior of the country. Commercial trade 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.

**2005 Results.** For FY 2005, DOT's Saint Lawrence Seaway Development Corporation (SLSDC) met the performance target. An analysis of system non-availability during FY 2005 indicates that the most common causes were weather and vessel accidents/incidents.

Weather-related delays caused 10 hours, 11 minutes of the total 19 hours, 15 minutes of delays (or 53%). These weather delays usually occur at the beginning and end of each navigation season, and are caused by poor visibility, high winds, ice, blizzards, and dense fog. Vessel incidents in FY 2005 accounted for 1 hour, 29 minutes of delays (or 8 percent). Vessel incidents involve ship operations, and are usually caused by human error on the part of a vessel's crew. Incidents also include vessel breakdowns that are caused by mechanical problems with a vessel.

While none of these factors is directly under the control of the SLSDC, the agency is taking steps to address them. For example, since 1997, 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 2005, the SLSDC continued this program by inspecting 100% of all ocean vessels in Montreal. This improved inspection regime has saved vessels, on average, four hours per transit and ensured that any safety, security, 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 2005.

Performance Measure				
Percent of days in the shipping season that the U.S. portion of the St. Lawrence Seaway system is available.				
	2002	2003	2004	2005
Target	99.0	99.0	99.0	99.0
Actual	98.7	98.9	99.1	99.7



© Department of Transportation

In addition, the U.S. and Canadian Seaway agencies began enforcing mandatory Automatic Identification System (AIS) use on commercial vessels entering the waterway beginning in 2003. AIS technology uses data from ship-to-ship, ship-to-shore, and shore-to-ship, thereby enabling a constant two-way communication between mariners and the three Seaway vessel traffic control centers. Originally developed primarily for safety reasons, AIS has become increasingly of interest to maritime security officials in the post 9/11 environment as it offers them the ability to track with precision any vessel carrying the transponder.

Of the remaining factors that cause system non-availability, the Corporation has the most control over the proper functioning of its lock equipment. During FY 2005, there were 7 hours,



35 minutes of delays, or 39%, related to two lock equipment malfunctioning incidents, which represented 1/10 of 1% of the navigation time during the fiscal year. These were the first delays due to lock equipment malfunctions since the 2003 navigation season.

The SLSDC performs an aggressive infrastructure winter maintenance program each year focusing on inspections, preventative maintenance, concrete rehabilitation and repairs to lock equipment and parts. This program has been instrumental in the SLSDC’s long-term success in providing a safe, efficient, and reliable commercial waterway.

**FY 2006 Performance Forecast.** DOT expects to meet the FY 2006 target.

## HARMONIZING INTERNATIONAL AVIATION STANDARDS

A Bilateral Aviation Safety Agreement (BASA) promotes aviation safety and environmental quality, enhances cooperation and increases efficiency in matters related to civil aviation. The agreements are based on recognition of comparability of the U.S. and foreign systems for approval and surveillance of aviation industry. Through these means, FAA increases aviation safety globally by building a network of competent civil aviation authorities and concluding agreements with additional countries and/or regional authorities.

Improved global understanding of U.S. safety regulations, processes, and procedures leads to better international regulatory oversight. The BASAs allow the FAA to focus on U.S. safety priorities by relying upon capabilities and technical expertise of other civil aviation authorities, in particular areas of aviation safety and minimizing duplication of efforts.

**2005 Results.** DOT met the FY 2005 goal to conclude two new bilateral agreements recognizing safety certification and approval systems with two key countries or regional authorities. FAA concluded a BASA with Australia and one with China. Several other agreements are in the negotiation stage, most significantly negotiations with the European Community. These bilateral agreements promote a safer aviation environment for U.S. travelers.

Performance Measure				
Number of Bilateral and Multilateral agreements completed.				
	2002	2003	2004	2005
Target	N/A	N/A	2	2
Actual	N/A	N/A	3	2

**FY 2006 Performance Forecast.** DOT expects to achieve the target in FY 2006.





## OPEN SKIES AVIATION AGREEMENTS

Since the 1940s, international air transportation has been subject to restrictive bilateral agreements that limit price and service options and artificially suppress aviation growth. DOT’s policy is to negotiate bilateral agreements to open international air travel to market forces, thereby removing limitations on the freedom of U.S. and foreign airlines to increase service, lower fares, and promote economic growth. These “open skies” agreements have made it possible for the airline industry to provide the opportunity for better quality, lower priced, more competitive air service in thousands of international city-pairs to an increasing portion of the world’s population.

**2005 Results.** DOT exceeded the performance target by negotiating new open skies agreements with the following six countries during FY 2005: Ethiopia, India, Maldives, Paraguay, Thailand and Uruguay. These new agreements increased the number of bilateral open skies agreements to 69 thus providing unrestricted air transportation opportunities and economic benefits to countries with a total population of 2.97 billion people.

Performance Measure				
Number of potential air transportation consumers (in billions) in international markets traveling between the U.S. and countries with open skies and open transborder aviation agreements.				
	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Target	N/A	N/A	1.51	1.53
Actual	N/A	1.48	1.72	2.97

**Note.** This measure replaces *Number of passengers (in millions) in international markets with open skies aviation agreements* and more accurately gauges the potential impact of liberalized agreements on the air transportation market.

**FY 2006 Performance Forecast.** DOT expects to achieve the FY 2006 target.

## INTERNATIONAL NEGOTIATIONS

DOT’s policy is to negotiate liberalized bilateral aviation agreements to open international air travel to market forces resulting in increased services, lower fares, and economic growth. These negotiations require DOT to arrange, conduct and fully participate in a number of formal international meetings with the goal of achieving less restrictive agreements and ultimately “open skies” agreements with foreign countries or associations of foreign countries (such as the European Union).

**2005 Results.** DOT exceeded the performance target by conducting 25 rounds of negotiations, some of which resulted in new open skies agreements with the following six countries during FY 2005: Ethiopia, India, Maldives, Paraguay, Thailand and Uruguay. Through FY 2005, DOT has negotiated bilateral open skies agreements with 69 countries. There are also liberalized (but not open skies) agreements with 19 countries.

Performance Measure				
Number of international negotiations conducted annually to remove market-distorting barriers to trade in air transportation.				
	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Target	N/A	N/A	N/A	10
Actual	N/A	N/A	N/A	25

**FY 2006 Performance Forecast.** DOT anticipates completing the target number of planned negotiations.



## MEASURES UNDER DEVELOPMENT— FREIGHT TRAVEL

Significant volumes of freight move through key corridors and border crossings of our transportation network. As a result, keeping our corridors and land border crossings as free flowing as possible, is vital to our Nation's economy. With the assistance of industry partners, the FHWA has collected data and refined two performance measures for travel time reliability on freight significant corridors and at land border crossings. The FHWA measured average travel rates in five interstate highway corridors to calculate a preliminary Travel Time Index (TTI) and Buffer Time Index (BTI). The TTI, which ranged from 1.08 on I-65 (from Mobile, AL to Chicago) to 1.24 on I-5 (along the west coast States from the Mexican border to the Canadian border), is a measure of reliability expressed as the ratio of the observed average travel time to free flow travel time estimated at 60 miles per hour. The BTI, which ranged from 4.48 on I-45 (from Galveston, TX to Dallas) to 24.85 on I-10 (from Los Angeles to Jacksonville, FL), represents how much extra buffer time must be allowed to account for variations in the system.

FHWA expects to have a full year of data in FY 2006 to establish baselines for this measure. The FHWA also initiated a project using Geographical Positioning Systems in commercial trucks to collect border crossing and delay times at high volume U.S.-Canada land border crossings. A full year of data will be available in 2006; a baseline for the measure will also be established.



© AP/World Wide Photos/Chris Carlson